

# The SOCIAL CREDITER

THE JOURNAL OF THE SOCIAL CREDIT SECRETARIAT

For Economic Democracy

Quarterly Volume 85 No. 4 Winter 2009

## *In this issue:*

Excerpt from <b>The Grip of Death</b>	<b>Michael Rowbotham</b>	<b>75</b>
<b>Timeline Quiz</b>		<b>79</b>
Excerpt from <b>Asses in Clover</b>	<b>Eimar O'Duffy</b>	<b>79</b>
Extract from <b>A Heretical View of Economic Growth...</b>	<b>Frances Hutchinson</b>	<b>82</b>
Excerpt from <b>Understanding Finance through Asses in Clover</b>	<b>A Commentary</b>	<b>87</b>
Excerpt from <b>Faith, Power and Action</b>	<b>L. D. Byrne</b>	<b>89</b>
<b>The Beginnings of Social Credit in Alberta</b>		<b>91</b>
<b>Thomas Berry - Obituary</b>		<b>94</b>
<b>Answer to Timeline Quiz Extract 1</b>		<b>95</b>

## *Editorial*

When asked to explain Social Credit 'in a nutshell', I no longer take the question at face value. Social Credit is far more than a system of monetary reform. It is not a 'system' at all. There are no easy answers to the burning issues of the day: poverty amidst plenty, debt, financial insecurity, terrorism, wars, the erosion of civil liberties, the curtailment of genuine debate based on freedom of information, or concerns at educational, medical and care provisions. Social Credit provides thoroughly accurate methods of analysing exactly how finance flows through the economy. The analysis can be used for many different policies. If what is required is to get people back to work, under the corporate business-as-usual scenario, Social Credit analysis can be used for just that purpose. If, however, in the twenty-first century, alternatives are sought to the misuse of new technologies and the earth's resources which flow from the materialism of the industrial revolution, Social Credit can be studied for ways out of the mess. The financial analysis alone can be used to continue twentieth century policies. If that is what people want, so be it. If not, Social Credit literature provides a wealth

of alternative thought about viable alternative policies.

"BUT – what exactly is Social Credit?" comes the refrain. "You have not explained at all." My attempts to tempt the apparent inquirer to study one of my published papers, or Michael Rowbotham's *The Grip of Death: A Study of Modern Money, debt slavery and destructive economics*, invariably meets the reaction: "Oh, well .. I haven't the time. And anyway, I'm already reading Karl Mark/The Bible/The Koran/Rudolf Steiner/John Ruskin, and so on, and that's all I need to know. After all, I'm not an economist, not an academic, and I'm far too busy going to work to earn the money to spend on my house, my car, my clothes, and everything else I need to get my children to school and me to work, so that I can earn the money to ..."

I now realize that the people questioning me are not serious. They are clinging in desperation to what little security they can carve out for themselves in an increasingly uncertain world. These questions have come to me from all manner of people, of all ages and engaged in all manner of work: teachers of all age groups, doctors, nurses, social workers, academics,

shopkeepers, computer experts, salesmen, politicians, members of religious orders, priests, musicians, artists, actors, authors, scientists and engineers. Under the questioning is a dim realization that there must be a better way of doing things (see Raymond Briggs' *UG*). Most people asking these questions do give of their time and money to support charities working to end poverty, disease and war. Many meet regularly with like-minded people in political groupings or religious institutions. The real policy decisions are left, however, to the professional politicians and the corporate bodies who advise them. It has been said that the problems of the world result from the fact that the people who really know how things should be are too busy cutting hair and driving taxis to play their role in the political process. Many a true word is said in jest. It is ordinary people who will bring about change, or not, as the case may be.

Social Credit developed a vast following of supporters, and an accompanying literature, during the 1920s, and 1930s. This was no academic movement of benevolent do-gooders seeking to build a worker-state whilst supporting Communism in Russia. In the immediate aftermath of the First World War, ordinary people in all walks of life had lived through the trauma of 'civilized' warfare, which had cost the lives of so many of their companions. People of all classes and all religious persuasions, including working people, church leaders, landed gentry, the unemployed, trade unionists, thinkers and writers, farmers, miners, mill workers and women as home-workers throughout the social strata, took it upon themselves to study, learn and envision practical alternatives to an economic system which could only result in poverty, waste and war. See [www.Douglassocialcredit.com](http://www.Douglassocialcredit.com) for examples of the literature circulating throughout the world-wide Social Credit movement of the inter-war years. After the Second World War, Communism and Capitalism re-asserted themselves. Ordinary people sank back into trying to make ordered lives for themselves, the study of Social Credit in the universities was

suppressed and Television droned a mindless materialism into the homes of the man in the street.

By the twenty-first century ordinary people in all walks of life find themselves having to relate to each other through massive anonymous institutions. A network of clinics, hospitals and offices supervise birth, death and sickness. The child is propelled through an educational system moderated by centralised authorities. Employment is offered by massive chain stores, restaurant chains, banks, building societies, benefit offices, prisons and the military. Attempts to communicate as a customer/citizen with the providers of services invariably ends in frustration, a frustration shared on a daily basis by the professionals within those institutions. In and amongst this mess the young mother seeks to make sense of her role. (See *Asses in Clover*, first published in 1933, pages 128-135, for an early prediction of the likely outcome of the 'Disneyfication' of women.) Reared to regard herself as little more than a sexual ornament, she all-too-often finds herself locked into relationships with men who have few role models beyond media football stars and the Rambo-type heroes of TV fiction. The results are thoroughly predictable. For at least two decades, and with increasing frequency, children as young as five years old have been excluded from school for disruptive behaviour. Their frustration at having their emotional needs met by little more than a TV screen render them beyond control. Each and every professional could take us by the hand and show us the results of policies which have ensured that the rich resources of this country are being sacrificed on the altar of mindless self-interest. What's in it for ME? -is the sole rule of thumb as we all go about our daily business.

Just over a week ago (as I write) it was said to me that there is nobody left out there prepared to study, think and act for change, in order to build community in co-operation with others. I am inclined to agree. Yet that sneaking, weasel wisp of hope prompts me to ask – is there anybody there?

## Excerpt from **The Grip of Death**

Michael Rowbotham

### Chapter 14, pp233 - 236

In the opening page of his pamphlet *Dictatorship by Taxation*, Douglas quoted a recent statement by Lord Stamp [one-time Director of the Bank of England]:

While a few years ago no one would have believed it possible that a scale of taxation such as that at present existing could be imposed upon the British public without revolution, I have every hope that with skilful education and propaganda this scale can be very considerably raised.

Douglas then pilloried Lord Stamp and his policy very thoroughly, emphasising that in the context of the government's failure to provide currency, 'taxation is legalised robbery, is unnecessary, wasteful and tyrannical'. Within weeks Lord Stamp had made his startling statement regarding banking, the acquisition of property and the implications of slavery.... 'If you want to become slaves and pay the costs of your own slavery, let the banks create money'. This was the effect Douglas had on many who could see that not only did he have an important analysis of the banking system, but that analysis revealed political considerations of the greatest importance.

It was in the context of this strongly political and philosophical approach that Douglas presented his later proposals. He repeatedly stressed that any recommendations he made were only intended as suggestions; the essential consideration was that the financial system needed to be changed. He thus preferred to outline the principles involved in reform, and by and large steered clear of specifying cut-and-dried solutions. For example, in *Social Credit*, he discussed his proposals for a national dividend in little more than a paragraph. Whilst wages would remain as they currently were, there should also be

...a dividend which collectively will purchase the whole of its products in excess of those required for the maintenance of the 'producing' population....Under such conditions, every individual would be possessed of purchasing power which would be the reflection

of his position as a 'tenant for life' of the benefits of the cultural heritage handed down from generation to generation.

Social Credit became a major political movement around the world. A social credit government was elected in the province of Alberta, Canada, but every attempt which that administration made to implement a system of finance based on Douglas's ideas was overruled by the central Canadian government. The Second World War completely baulked the momentum of the growing social credit movement and afterwards the government promised a 'land fit for heroes'. New centralised programmes for the rebuilding of our towns and cities were undertaken, injecting huge loans and providing plenty of jobs. The massive failures of the financial system until shortly before the war were forgotten in the post-war boom and the general desire to 'get into the future' as soon as possible. The issue of economic democracy was simply bulldozed aside in the reconstruction of the postwar 'New Jerusalem'.

Since then, Douglas's ideas have been largely neglected; either ignored or proclaimed outdated in the modern welfare state. However the Social Credit Secretariat continues to publish Douglas's work and produces a regular magazine commenting on political and economic events. But the mass media are not interested, and if you mention C. H. Douglas or social credit to anyone under the age of seventy [in 1998], they will probably say, 'Who...What?' But Douglas was a massive political influence in his day, and a major figure on the world stage. He not only had a worldwide following, but gave evidence at countless official enquiries in Great Britain, Japan, Canada, New Zealand and Australia. As the most articulate and persistent critic of the economic and financial system this century [20<sup>th</sup>], his omission from modern textbooks on the history of economics is astounding and worrying. For it inevitably reminds one of his comment; 'The whole strength of finance.....lies in the unconsciousness of the average individual as to

its nature'. That unconsciousness has steadily grown since Douglas's death in 1952.

Douglas's appeal transcended all barriers of class. He had followers who were ordinary working people and supporters amongst the business and wealthy sectors of society. This was because it was perceived that his ideas cut right through the timeworn adage that 'the poor are poor because the rich are rich' and showed that modern poverty was due to the financial system. Douglas pointed out that in a modern industrial society, there was potentially enough for everyone and that included a share of the leisure bound up in unemployment and progress. Douglas bridged the divide of jealousy between rich and poor created by scarcity-money, and he bridged the divide of conflict between the businessman and his employees. All could perceive that they had a common interest in the balanced functioning of the economy, a common, day-to-day, practical interest which was far stronger than the superficial difference of class. In this sense Douglas was far more shrewd than either Marx or Lenin, for he saw that the issue of class was an abstract diversion from an essentially practical matter.

A full understanding of the role of monetary processes is actually missing from both capitalist and socialist theory, and the essential falsehood of both is revealed by Douglas's analysis. Both capitalism and socialism are built on the assumption that there is nothing wrong with the financial system; Douglas showed that that not only was there something radically wrong with it, but that it was the very cause of the split between 'workers and bosses' which is behind the socialist/capitalist dispute. The key flaw in both socialism and capitalism is the exploitable status of a wage-dependent population, and the consequent power of either capitalist or socialist 'élites' to exercise control, either through private industry or government agencies. The alternative to both is represented by the basic income, and the decentralisation and balance of financial power that this entails.

Lacking the 'extra information' offered

by Douglas's analysis, which reveals the misdirection of industry and the hopeless inadequacy of the distribution of goods, both capitalism and socialism are in fact different responses to a misunderstood problem. Left wing and right wing dogma are both misperceptions of an economic conflict that appears to divide people, but which need not. By concentrating on the common interests of people within the economy and ensuring these complement each other, social credit attempted to combine the good intentions of socialism and the productivity of capitalism to allow people to work together to their mutual benefit. In terms of political and economic theory, social credit has been described as 'the suppressed alternative' to both capitalism and socialism.

Frances Hutchinson [and Brian Burkitt] have recently [1997] re-evaluated Douglas's ideas and assessed their relevance today. Their studies show that, although from the public perception Douglas arrived almost like a bolt from the blue, he was in fact part of a tradition of social criticism which culminated in the Guild Socialist movement at the turn of the century. His financial ideas were new, but his philosophy was embedded in that of earlier and contemporary reformists. Hutchinson [and Burkitt] present the political economy of social credit for what it truly was, and is; at once the most radical, the most constructive and the most coherent blend of economic and social analysis this [20<sup>th</sup>] century.

C. H. Douglas was a visionary. He perceived amidst the turmoil of economic progress, instability and acute personal hardship, that there was contained also the opportunity for widespread material prosperity and social content. Today, all the warnings and prophecies issued by Douglas and his followers nearly eighty years ago have come back as if to haunt us, but in new, terrifying modern forms—mass waste, pollution, overwork, unemployment, alienation, and the most atrocious Third World deprivation and destabilisation. Douglas's analysis and his proposals are of even greater relevance today than they were in the desperate days of 'poverty amidst plenty'.

**Chapter 15, pp237 – 240**

The May Report came out in the summer of 1931. It showed that the nation was in debt and was likely to get further in debt. Indeed it suggested that in the following year (1932) there would be a deficit of as much as £120 million. *The Times* stated; ‘The May Committee have proved beyond doubt the fact that the nation is living beyond its means...terrible dangers can only be averted by cutting down public expenditure’.

Factories were working half time or not at all and unemployment was rife. But still the government chose to follow the advice of the May Committee for a restrictive policy, with higher interest rates, cuts in government wages and cuts in dole payments to the unemployed. The result was that whilst America surged out of the depression on the back of a generous government deficit, Britain remained in depression virtually up to the outbreak of the Second World War. In the words of Walter Morton; ‘The government rejected the Keynesian view as contained in the Macmillan Report for that of the more orthodox Sir George May’.

It is important to understand the theoretical justification offered by economists of the day for the budget deficits of The New Deal and Britain’s later deficit, for these were to become the financial orthodoxy of the next forty years. By now it was apparent to all, and generally accepted, that there was an acute lack of purchasing power. But there was still a determined refusal by most economists to accept that this had anything to do with the financial system and industrial debt. Keynes, in his *General Theory of Employment, Interest and Money*, had but one explanation to offer for the cause of the depression, and one policy as a remedy. The cause of the shortage of purchasing power was, according to Keynes, a matter of ‘lost savings’. By this Keynes meant savings that were ‘lost’ to the financial system by being saved, and not used either for spending, or reinvestment. The remedy Keynes proposed was that the government should step in and compensate for these lost savings, restoring the circulation of money in the economy. This could be achieved by

organising new public works programmes, which the government would fund through its deficit.

This was the perfect remedy for economists and the government. It provided a rationale for the budget deficits they were already being forced to run, and encouraged them to take a more active role in solving the depression, by providing public works schemes. It meant that governments did not feel they had to wait for industry to borrow, invest, build, and find markets for goods before the depression could end. Governments could step right in and boost the level of purchasing power in the economy by wages distributed through public works programmes, and what was more, no goods had to be sold. No-one has to buy a municipal park or new hospital, or a road. There would be no unsold goods to worry about. Keynes’s remedy also helped economists and governments out of a major theoretical corner. Keynes acknowledged a lack of purchasing power, but by the convenient concept of ‘lost savings’, economists could still claim that prices and purchasing power were equal and matched in principle. People had been saving and industry had hoarded profits, and these ‘lost savings’ accounted for the lack of sales. Thus economists and the government did not have to acknowledge a deeper reason for that lack of purchasing power.

Douglas and others pointed out that there did not appear to be surplus savings in domestic bank accounts, either private or commercial. In fact savings were at an all time low. Economists replied by suggesting that perhaps some of the lost savings were either literally lost, or were being hoarded as cash. This, therefore, was the original justification offered by conventional economics for running a deliberate budget deficit and building up a large peace-time national debt. The £380 billion pounds which is outstanding on our government’s national debt, and on which we must pay £30 billion in 1998, has its origins, according to the conventional economics of the time, in surplus bank accounts which didn’t exist, cash that had been lost, teapots with money in them and grannies with socks full of bank notes.

Of course, Keynes's theory of savings was more substantial than this, and made sense; at least it made sense until you look to the real world for evidence to support it. Keynes argued that with economic advance and rising incomes, people tended to spend less of their income, and save more; they had more disposable income, and chose often not to dispose of it. Not only did they save it, they did not invest it; thus goods were not being bought and the savings were lost to the economy. It all sounds so convincing, until one reflects that this theory was put forward at a time when incomes were at their lowest for years, and many people didn't have any income to dispose, or not dispose of! Also, industrial debt was widespread, and to suggest that industry was responsible for a drain on purchasing power by hoarding money and refusing to invest was to defy the most obvious evidence to the contrary.

What *was* known was that large, in fact very large quantities of money did exist; but of course, this was in the possession of banks and financial houses, not the general public and industry, and to obtain this money involved borrowing. The assumption that money in the business accounts of banks is 'lost savings', and thereby available to the economy as a whole, is to miss an essential point; bank money is only *available* as a debt, and it was from the effects of debt that the economy was already suffering.

That Keynes was confused and made a fundamental error of analysis is obvious, and this is only emphasised by the fact that Keynes himself was an advocate of monetary reform. When Ireland adopted a protectionist agricultural policy in the inter war years, Keynes delivered a lecture at University College Dublin in 1933;

The minds of this generation are still so beclouded by bogus calculations that they distrust conclusions which should be obvious....we have to remain poor because it does not "pay" to be rich. We have to live in hovels, not because we cannot build palaces but because we cannot "afford" them....the same rule of self-destructive financial calculation governs every walk of life.

Keynes commented on one of Roosevelt's election speeches, in which he referred to the need for monetary reform, as

In substance a challenge to us to decide whether we propose to tread the old unfortunate ways or to explore new paths; paths new to statesmen and to bankers, but not new to thought. For they lead to the managed currency of the future, *the examination of which has been the prime topic of post-war economics.* [Author's italics]

Keynes honestly thought that his analysis of 'lost savings' was correct, and that his proposals amounted to a true remedy for the financial problems of the depression. He simply did not realise the extent to which a deliberate budget deficit is not a reform; it is a continuation of the policy of debt which created the problem in the first place, a confirmation of the power of banks to create money, and a concession to government of the power to exert overall control over the economy. This results today in the 'reality' of not having enough money to keep hospitals open, but having enough money to attract a multinational corporation to equip Britain to fight in the global export battle, and the power of European governments to bring their economies into alignment for monetary union at the cost of a crippling recession. What Keynes unwittingly provided was a theoretical framework for the exercise of government power and banking profit, dressed up in the guise of support for the economy.

There is one point about Keynes's budget deficit policy that it is essential to appreciate; it was meant to support the economy fully. Commenting on the rebuilding of Dublin, Keynes stated that he would fund that reconstruction 'to the highest standards, convinced that what I could create, I could afford'. In other words the capacity and need of the economy should be the determining factor in government funding, not lack of money. The criterion was, what could be *physically* created, could, and should, be *financially* afforded. The government's deficit was to be attuned to the reality of what the situation demanded. It was certainly not a deficit to be cut and constrained at every available opportunity, in clear defiance of what we can achieve, in the way we do today. This was the opposite of Keynes's intention.

## Timeline Quiz

“The time has come,” the Walrus said,  
 “To talk of many things:  
 Of shoes - and ships - and sealing-wax -  
 Of cabbages - and kings -  
 And why the sea is boiling hot -  
 And whether pigs have wings.”

The time has come for readers of *The Social Crediter*, together with browsers on the Douglassocialcredit website, to become a little more interactive. To this end, we have selected a series of quotations from works written by famous authors over the last two centuries. The test is first, to place the author and the time of writing, at least to within a decade. And second, the question is, to speculate as to what might be the relevance to the present day?

For example, the ‘Walrus’ verse quoted above was written by Lewis Carroll and first published in 1872. The book was *Through the Looking Glass and What Alice Found There*. The

relevance for today? One of many thoughts is that the poem was appropriately parodied by Eimar O’Duffy in *Asses in Clover* (See pages 260 – 262) “The Banker and Economist”).

The following is the first of a series of Timeline Quiz Extracts which you, as readers, are asked to identify and comment upon. **The answers, and some thoughts leading into discussion, are to be found on page 95.**

Timeline Quiz Extract 1:

“The workers ought to understand that with all the miseries it imposes on them, the present system simultaneously engenders the material conditions and the social forms necessary for an economical reconstruction of society. Instead of the conservative motto, ‘a fair day’s wage for a fair day’s work!’ they ought to inscribe on their banner the revolutionary watchword, ‘Abolition of the wages system!’”

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### Excerpt from *Asses in Clover* Eimar O’Duffy

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*CHAPTER XXI How Mac ui Rudai made good; how he married a modern girl; and how he went to the bad.*

MAC UI RUIDAI showed himself cleverer than you would expect in his job at the munitions factory. It was said of him by his superiors that he could beat anyone at a routine task; he had a remarkable flair for thinking of new weapons; and if he was incapable of working them out, that was of no consequence, as they had plenty of scientists well able to do so. His brightest idea was for a bomb filled with a gas that drove people mad, which, being dropped on the towns of the enemy, set them all slaughtering one another, and this brought the war suddenly to an end; for which reason Mac ui Rudai is to be counted among the great humanitarians and benefactors of mankind, as having made a really practical contribution to the difficult and almost insoluble

problem of how to limit or reduce the admitted horrors of war.

By suchlike inventions he made a good deal of money, and, had he been wiser, he might have lived happily ever after. But alas! his appetites had grown with his income, and he no longer desired the little house and the bean a’ tighé that were once the goal of his ambition. It is to be feared that the pictures were partly responsible for his downfall; for, having seen several hundred filmstars in their cami-knickers, he could not help feeling that it would be more enjoyable to possess a girl so prettily undressed than to tie himself to a bean a’ tighé who—now he came to think of it—would be wearing good stout bloomers with double gusset and reinforced seat. At first he tried to banish these desires, which he believed to be the temptations of the Devil; but they were really prompted by the impletion of his seminal vesicles

under the recurrent stimulus of innumerable undressing scenes, and they soon became so overwhelming that at last, becoming acquainted with a slim, slinky, silk-legged modern girl, he told her his passions and begged her to be his. I will tell you this love-story from the woman's point of view as love and romance are pre-eminently woman's business.

Kathrynne was a typical modern girl, delightfully frank and unsentimental, a good sport, and thoroughly boyish. Indeed, if she had not worn petticoats and silk stockings, painted her lips, powdered her cheeks, shaved her armpits, permed her hair, giggled a great deal, thought and talked chiefly about clothes, practised coquetry on men, and performed her toilette in restaurants and public places, she would have been as like a boy as one pea to another. Originally she was rather plain, for Nature does not seem to understand that beauty and romance are a woman's birthright. However, after treatment by a beauty specialist she managed, by means of creams, paints, powders, and massage, and by wearing a face-improver at night, to look much the same as other girls. She had three faces: a pinky-white face for day wear, a slightly bronzed face for sports wear, and a sex-appeal face for evening wear, or when she wanted to get something out of somebody. She was seventeen, and lived with her parents, who were too old-fashioned to realise that freedom to do what she likes is a woman's birthright. Chafing under the restraints they put on her, she listened favourably to Mac ui Rudai's advances, thinking that marriage would mean a better time and more fun.

Disillusionment came only too soon. When the first rapture had died down—that is to say, on the Tuesday after the wedding—she realised that she did not love her husband. What she had taken for love was only physical attraction. She was in love with love rather than with the man. Moreover, manlike, he did not understand her. He did not seem to know that romance and happiness are a woman's birthright. The insensible fellow did not appreciate how much a woman's happiness depends on little things—on frequent compliments and caresses, on little

attentions and services, on never neglecting to notice a new hat or frock, on subtle adaptations to her varying moods, on unflinching patience with her little contrarinesses, on the instantaneous gratification of her lightest whim, on the complete self-effacement of her husband, and so on—mere trifles, it might seem to the crude male mind, yet on them it depends whether a marriage shall ripen into an enduring passion (say, for six months or so), or end prematurely in bitter disillusion and misery.

Mac ui Rudai was either too blind or too selfish to realise this; and perhaps circumstances were against him. He was working all day, and Kathrynne was dancing all night, so that they saw little of each other, and from the first, almost unconsciously, they drifted apart. Vaguely Kathrynne sensed that something was amiss. No matter how much she danced, nor how many cocktails she drank, she could not rid herself of an undefined sensation of dissatisfaction. She felt that she was being cheated by Fate, which apparently is unaware that having everything her own way is a woman's birthright.

Then one day a friend in whom she confided suggested that things would be better if they had a baby. 'Babies bring love and happiness into the most unsatisfactory homes' she said.

So they had a baby; but after the first few days' excitement disillusion came again. There was a certain monotony about the little creature. The same demands recurred day after day, and gave little scope for originality in satisfying them. Soon Kathrynne sensed the old boredom creeping into her heart once more.

To her friend she said: 'A girl doesn't need motherhood until she has tasted every other experience that life has to offer. Maternity should not be thrust upon her till she is capable of getting the most out of it.'

A few days later Kathrynne went to a cocktail party and then on to a dance, and forgot all about the baby. When she got back she found that it had fallen off the window-sill on which she had left it, and broken its neck.

‘Perhaps it was better so’ she said recognising, with courage characteristic of the modern girl, that it is no use crying over spilt milk. A woman of any other generation would have sat down helplessly and cried.

After that Kathrynne and her husband drifted further apart than ever. There was a chasm between them that could never be bridged. Both felt somehow that there was something wrong with their marriage, but what it was they could not guess. The man, blind and selfish as all men are, laid the blame on Kathrynne. She, with the unerring instinct and candour that are the unique gifts of woman, would have told him that it was his, only that they were never together long enough to allow her the opportunity. The gap between them widened day by day. His masculine insensibility and self-sufficiency, his callous indifference to her need for the joy and laughter that are a woman’s birthright, irritated, exasperated, almost maddened her. The faster she spent his money, the further they drifted apart. ‘Can he not *see*?’ she asked herself desperately.

At last a comforter made his appearance. At a night-club she met a handsome young man called Peregrine with the sort of crinkly hair that she adored. He charmed her by his unselfish attentions. He fetched cocktails for her, he never failed to notice when she was wearing a new frock, his compliments were too divine. Joy entered once more into poor Kathrynne’s life. Half unconsciously she allowed him to take her into his arms. He kissed her mouth, her neck, her eyes. He understood her. Perfectly.

‘You do not love your husband’ he whispered.

‘He does not understand me’ Kathrynne replied.

Peregrine kissed her again.

‘We have absolutely nothing in common’ moaned Kathrynne. ‘I never loved him *really*. It was a silly girlish infatuation on my part. Physical pash, you know. He swept me off my feet and all that.

Peregrine kissed her ear.

‘He doesn’t want his wife as a companion but a

chattel.’ said Kathrynne. ‘Once he asked me to sew a button on his coat.’

‘The brute!’ cried Peregrine with a shudder, and kissed her nose.

‘How well you understand me—dear’ breathed Kathrynne.

Peregrine kissed her whole face.

Presently, when they were calmer, he said:

‘Understanding and sympathy, happiness and romance, these and anything else she fancies, are a woman’s birthright.’

Kathrynne began to feel happy again.

Disillusionment vanished. All men, she realised, were not like her husband.

‘Take me away with you’ she cried, abandoning all thought of self in the rapture of reawakened love. Women are like that. However modern they may pretend to be, they are thoroughly romantic and sentimental at heart.

Peregrine, however, did not rise to the occasion. A complete cynic, he had been merely playing with her, as he had played with many another trusting woman. ‘What about a spot of cocktail?’ he said, and vanished out of her life.

Kathrynne now saw him in his true colours, and realised that she had never loved him. What she had taken for love was merely physical attraction, a temporary passion, a passing infatuation. Turning her back on the gay party, she went home to her husband.

‘Let us begin all over again’ she said. ‘Romance and happiness and a few other things are a woman’s birthright. Give me those, and I am ready to forget the past.’

Her husband looked at her with a strange look in his eyes.

‘We ought to share each other’s interests, dear’ said Kathrynne. Laying her soft cheek against his. ‘You must give up all that horrid work of yours, and come with me to dances and night clubs. Let our life be one long cocktail party together.’

At last her husband understood her.

'Don't you know I've gone bust?' he said. Kathrynne caught her breath on a sob. She could see that the chasm between them was unbridgeable. This man would never understand her. Gathering her expensive cloak about her with

a gesture of scorn, she went out of his life forever.

*Asses in Clover* is available from the Secretariat, £11 inc p&p. (See back page or our website: [www.dougllassocialcredit.com](http://www.dougllassocialcredit.com) where the reader can also find a commentary on the book.)

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An Extract from: **A Heretical View of Economic Growth and Income Distribution**

*Frances Hutchinson*

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*On my return to academic study in the early 1990s I came across the intriguing term 'feminist economics'. What did it mean? How could economics be feminist? I was advised to answer the 'call for papers' for the forthcoming world-wide 'Out of the Margin Conference' on Feminist Economics, to be held in Amsterdam. If I wrote an abstract for a paper, and it was accepted, I could be funded to attend in order to present the paper on behalf of Bradford University. Whilst there, I could listen to the keynote speakers and the presentation of other papers in specialist workshops. In that way, I would quickly learn all about feminist economics.*

*In order to write an abstract it is necessary to demonstrate familiarity with the key themes and authors to be presented in the paper. The paper I presented, "An Heretical View of Economic Growth and Income Distribution" was subsequently edited with the help of Susan Feiner, and appeared in the Routledge book *Out of the Margin: Feminist Perspectives on Economics* (1995).*

*Although I had thoroughly enjoyed the Conference, both as a stimulating experience intellectually and as a social event, I was rather surprised that my paper was considered suitable for inclusion in this prestigious key text book on 'feminist economics'. It was apparent that the majority of contributors to the Conference were women intent on carving out a salaried career*

*for themselves in economics within 'malestream' academia. Inevitably, women talked about their homes and families. Without exception, those who were mothers had left children and houses in the care of low-paid women workers (My own children had left home). The academic women were all clothed and fed, as we all are today, by the mass markets which draw resources from the poverty-stricken lands of the third world. In this scenario, serious questioning of the exploitative nature of world-wide corporatism failed to emerge. This is not to criticize those who were doing their level best to break the male dominance over economic affairs. It is merely to highlight the enormity of the task they had undertaken without the insights provided by Social Credit literature. The one question when my paper was delivered in Amsterdam was, "Is that the Major Douglas who was anti-Semitic?" Over the following decade, my efforts to at least debate the pros and cons of Douglas' writings within academia were constantly thwarted as salaried academics were warned that they were putting their professional reputations at stake if their name was to be associated with Social Credit'.*

*In the course of my studies I presented many conference papers and co-authored many papers for publication in refereed journals. Details of these can be found at [www.Dougllassocialcredit.com](http://www.Dougllassocialcredit.com). In order to be acceptable in the academic world, a paper must carry detailed references to published authorities in the fields covered.*

*The published paper carried references to over sixty texts which had been consulted during the writing of the paper. The system of referencing is demonstrated in the following extract:*

**Social Credit and Women in the Historical Context**

Frances Hutchinson

Before economic actors can choose and act, they must be fed, clothed, rested and healthy. The material preconditions for the existence of the economic agent are assumed and therefore discounted as relevant influences upon choice by economic orthodoxy. Like artists and engineers- indeed, as artists and engineers-women perform services which are essential to the continuation of society but which the formal economy does not directly recognize or reward. Douglas’ heretical National Dividend proposals sought to create an equal base from which all citizens could communicate their wishes to the market place. These proposals were highly significant for women.

The Social Credit Movement offered “every woman a birthright income- i.e. the National Dividend on the productive capacity of the community to ensure economic independence and freedom.” The arguments offered in support of such liberating policies echo the demands of many contemporary feminists. Like many advocates for women today, the Social Credit movement believed that women ought not to be:

- 1 Tied to the home when she wishes to lead her own life;
- 2 Treated as a drudge, or as an inferior – i.e. the chattel status;
- 3 Driven to marry for the sake of economic security;
- 4 Bound to some man who ill-treats her, or is in some other way unsuitable as a person to live with;
- 5 Driven to wage-work slavery in competition with men in order to keep alive;

(Hargrave 1945: 52)

In another prescient policy position Social Credit offered women equal pay for equal work:

- 1 Because a Social Credit Government will naturally stand for fair play for all citizens without distinction;
- 2 Because employers will no longer need ‘cheap labor’; and
- 3 Because each individual woman will be able to say – ‘If I do this job as well as a man could do it, I shall want the same pay as a man.’ And if the employer says, ‘No,’ she will be able to say: Very well, I refuse the job. After all I can live on my National Dividend.’ This places every woman in a very powerful position. (It will apply equally, of course, to badly-paid male workers.)

(Hargrave: 1945: 53)

The Social Credit Movement articulated a clear and unequivocal commitment to economic security for women to be achieved through the establishment of equal treatment of women and men in waged employment. The difference between this position and the positions of all other economists in this period is quite stark.

Throughout the inter-war years Social Credit aroused powerful negative reactions in practically all established centers of male socio/economic power – among mainstream economists, socialists, communists, trade unionists, bankers and politicians of all parties. Dobb (1922) considered “the quack remedy of Douglasism” in the *Communist Review*, and the *New Statesman* took two long pages to explain the Fabian view that “the whole ‘scheme’ is moonshine, a preposterous fraud.” Ramsey (1922) labelled Douglas “always obscure and often absurd” but deemed it appropriate to use the then novel tool of integral calculus to support his argument. The prestigious *Economic Journal* declaimed that “the Credit Power doctrinaires, like the Marxists, remain self-satisfied: the only matters that worry them are the obtuseness of the public, the contrariness of economists, and the ‘psychology’ of the bankers” (Biddulph 1932).

Marxists were angered by this and by Keynes' listing of Douglas alongside Marx in *The General Theory*. According to Keynes, Douglas was "a private perhaps, but not a major in the brave army of heretics" (Keynes 1936: 371). Hawtrey (1937) titled his chapter on Douglas "The Financial Misfit." Orage neatly summarizes Labour opposition to Social Credit in the 1920s. The Webbs were, he said, "touched to their puritanic quick... [They would never] countenance a proposal to give every citizen a birthright income of an annual share of the communal production. [This would] make future social reforms unnecessary; and where would the Fabians be then, poor things?" In turn, G.B. Shaw "with his workhouse scheme of a universal dividend in return for a universal industrial service," was "silently contemptuous of Douglas" (Orage 1926: 404).

Had the Douglas/New Age texts lacked substance, not only the widespread support<sup>1</sup> but more particularly the frequency, length and vehemence of attacks would suggest an epidemic of irrationality. Evidence indicates the texts were closely perused by leading proponents of orthodoxy. Before launching into his "overkill" dismissal of Douglas, Ramsey cited "Mr W. A. Orton, late of Christ's College" who "regards the Douglas-Orage analysis the most searching critique of the existing order which has appeared" (Ramsey 1922). Hawtrey took Keynes to task for failing to acknowledge his debt to Douglas in his analysis of company sinking funds as a potential source of deflation, and claimed his own theory of depreciation as originating from Douglas (King 1988: 151). Meade has suggested Douglas led Keynes to his theory of demand management<sup>2</sup>, and his own work on consumer credits (Meade 1936) "Agathotopia" ("a good place to live in") (Meade 1989) is strongly reminiscent of the Douglas/New Age texts.

By the early 1930s Social Credit Groups had sprung up throughout the UK. A review of advertisements in *The New Age* and *Social Credit* in 1934 and 1935 reveals that groups

existed in Birmingham, Cardiff, Belfast, Manchester, London, Aberdeen, Oxford, Dublin and Glasgow. Even small towns like Keighley possessed their own Social Credit presses. Popular interest and support was so extensive that Gaitskell and Durbin established their reputations as socialist economists and became household names by touring the UK refuting the heresy (Durbin 1985)<sup>3</sup>. Despite the active opposition of virtually all powerful interests, however, Social Credit flourished. Douglas was invited to tour Canada, the United States, Australia, New Zealand and South Africa, giving rise to Social Credit movements in each country, to the establishments of political parties and to the formation of a social credit government in Alberta in 1935 (Macpherson 1953; Irving 1959; Finlay 1972; Finkel 1989). Edith Douglas, an engineer in her own right, accompanied her husband and took an active role in meetings of established women's groups (Douglas 1937: 57; Irving 1959: 80). In the 1935 UK general election Social Credit candidates stood in Birmingham, Bradford and Leeds, achieving an average 9 per cent of the vote (*The New Age* (1935) 21 Nov 1935).

Evidence of women's enthusiasm for and active participation in the Social Credit Movement in the UK emerges from readers' letters to its major publications, *The New Age* and *Social Credit*, and from tantalizingly obscure advertisements for meetings: "Women actively interested in social problems and the abolition of poverty should read the Women's Section of Prosperity," says a notice in the 11 October 1934 issue of *The New Age*. Women's sections were formed in Central London, Shoreditch, Battersea, Deptford, Stockton-on-Tees and Rochdale, with nuclei of members in Coventry, Sheffield, Leeds, Edmonton and Preston and Blackburn (*Social Credit* and *The New Age* 1934-35).

Specific indications of women's practical involvement are presented in the Canadian *Calgary Herald* (1934). Promotion of Social credit in Alberta was centred on Aberhart's Bible Institute. The "conversion" to Social

Credit of a number of women “leaders” caused “invitations for lectures on the new economics to pour into the Institute from women’s groups in every corner of the city (Edmonton)” (Irving 1959:68). “On January 17 a mass meeting of 700 women in the Institute voted unanimously to wire a resolution to the United Farm Women of Alberta, then in convention in Edmonton, to give its support to an investigation by the Alberta government of the Douglas System” (quoted by Irving from the *Calgary Herald*).

The principal speaker on this occasion, Mrs W E Callbeck, “claimed that since manual labor is being replaced by mechanization, work can no longer be the medium by which purchasing power may be distributed” (Irving 1959: 69). At the same meeting “Mrs W W Rogers outlined her work as women’s organizer, and Aberhart (the charismatic leader of the movement in Canada) spoke briefly.” Irving notes an announcement “typical of scores of others” inviting “women who are interested in economics” to a discussion of “the Douglas System of social credit.” “Members of the economics groups of the University Women’s Club, the Business and Professional Women’s Club, and the women school teachers of this city are especially invited to attend.” A series of classes was organized by Rogers, while women speakers promoted Social Credit at evening meetings in outlying towns and villages (Irving 1959: 70, 244-8).

By the outbreak of World War II, however, Social Credit had failed to secure a foothold in the enduring structures of the socio/political economy. The “informal financial-political club,” representing forces which have “the same world view, aspire to similar goals and take concerted steps to attain them” (George 1988: 2) operated against the implementation of Social Credit legislation in Alberta (Douglas 1937). The enthusiasm and dedication of able campaigners was spent. The Social Credit Movement which had which had proved a substantial threat to class-socialism (Durbin 1985) and to the career prospects of (male)

Labor politicians later faced the not entirely unfounded accusation of being a movement of the far right<sup>4</sup>.

Women who studied the economics of the Social Credit Movement and campaigned for it in the inter-war years had accurately assessed its potential for improving the socio-economic status of women. Helen Corke rejected competition and “the economic philosophies of the Age of Scarcity” in which the weakest (predominantly women) were pushed to the wall in the rush for economic growth measurable in financial terms (Corke 1934). Although not a self-identified feminist, she offered a history of the evolution of the financial machinery which showed its connection to the continued economic subordination of women. Corke advocated a National Dividend for all “payable periodically and in equal shares to every citizen without respect to age, sex or other source of income, as his or her inalienable right,” as well as increased leisure (Corke 1934). This was in close accord with Storm Jameson’s eloquent plea for income security and for the conversion of economic activity from dictator to a tool in the formulation of social policy (Jameson 1935). If only for its innovative framing of these issues Social Credit remains a productive subject for contemporary feminist economic analysis.

Extract from Frances Hutchinson “A Heretical View of Economic Growth and Income Distribution”, first published in *Edith Kuyper and Jolande Sap* (eds) *Out of the Margin: Feminist Perspectives on Economics*, London and New York: Routledge 1995

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<sup>1</sup> Apart from the Canadian phenomenon, documentation of popular support for Social Credit is sparse. Evidence is emerging of dynamic movements in Australia and New Zealand (Pullen and Smith 1991) and the US (Generoso 1981).

<sup>2</sup> In conversation with the author.

<sup>3</sup> Between them, Gaitskell and Durbin wrote extensively in refutation of Social Credit, including Gaitskell (1933) and Durbin (1933a, 1933b).

<sup>4</sup> Although Douglas was an outspoken opponent of fascism, Social Credit’s opposition to usury was attractive to anti-semitic elements (Finlay 1972: 176-9). Further, Ezra Pound was a well-known proponent of Social Credit and his wartime association with Italian fascism colored perceptions of the movement.

## What are the Political Realities of Banking?

Roger C. Elletson

The political power inherent in the ability to create money cannot be overemphasized. Bankers sell debt; they are dealers in debts. What is debt? It is a legal concept – an *idea* – defining an obligation to pay a certain sum of *legal tender* within a prescribed period of time at a prescribed rate of interest. Under the precepts of parasitic monetary law, the rights of creditors, or debts, are paramount and transcend the rights of assets, society, culture or civilization. It is of pivotal importance, therefore, for all students of money to understand the concepts and power of usury, debt and a debt-money system. The power of debt and usury ultimately enables the bankers to control and allocate the real wealth and labor of nations as collateral for their loans, manufactured out of nothing but book entries.

Extract from Roger C. Elletson (1998), *Money: A Medium of Power*, Grand Teon University Press, Wyoming.

Excerpt from

## Understanding Finance through *Asses in Clover*

A Commentary

### Introduction

At the Autumn 2009 conferences of the main political parties in the U.K., heated words were, as ever, exchanged on the subject of the economy. No politically acceptable solutions were apparently at hand to solve the problems of personal, business and government debt, accompanied by business failures and mounting unemployment. It was said that: "The country has run out of money. We have to make some hard choices." And "There is no popular way to bring public expenditure under control." Proposals to bring in later retirement for women and men, raising the age for both to 66 years, were hailed as ways for the government to 'save' money. In the meantime, young people are being made 'redundant' because their employers can no longer afford to employ them. Whichever party was making the statements matters not at all. The failure of logic and common sense is apparently endemic.

Very similar nonsensical issues were being discussed when the Irish poet and novelist Eimar O'Duffy (1893-1935) published *Asses in Clover* during the 'credit crunch' of the 1930s. The book provides a humorous fictional representation of the relationship between, corporate heads, bankers, politicians, the press, the academics, the military and the man in the street, in their attempts to come to an accommodation with the economy-as-we-know-it. Despite the passage of time, the characters of *Asses in Clover* find themselves in circumstances which are to all intents and purposes identical with those of the present day. As a fictional easy-read, the novel may leave much to be desired. However, as an alternative to starting with the works of Adam Smith, Marx, Keynes, Douglas or even a standard textbook on economics, *Asses in Clover* provides an excellent introduction to the 'dismal science' in the twentieth century.

### Capitalism, Marxism and Social Credit

All day, every day, from the moment of birth until the last breath is drawn, every individual living in Europe today makes use of money to maintain their existence.

Nevertheless, the vast majority would be hard pressed to explain how their right to a money income gives them the right to consume the necessities of life produced by others. The need to find an employer who will provide a wage or salary is impressed upon children as they progress through the educational systems of the 'developed' world. But why should working for money be the sole, or even the primary, means of obtaining an income?

Throughout the twentieth century, economists within the universities justified capitalism. They argued that capitalists, by saving up their wealth instead of spending it on leisure and luxury, were able to accumulate sufficient real wealth to build factories and buy machinery so that they could offer employment to the workers. It followed that by working in the factories provided by the capitalists, individuals could obtain an income with which to buy the products which the capitalist economy churned out. (See *Asses in Clover* pages 244-272 for the arguments used by capitalist economists.)

Marxist economists, on the other hand, argue that labour is the source of all wealth. Capitalists saved up nothing as they built up their accumulated wealth with which to create factories and machines. Throughout the industrial revolution capitalists had paid out in wages only a part of what was really due to the workers. Marxists therefore look to the elimination of private property. All land and all places of work should belong to the State.

According to Social Credit economics, the source of all wealth is the divinely ordered natural world and the 'common cultural inheritance' of humanity. In this view, no *individuals*, whether as workers or as capitalists, can be said to make a

significant contribution as individuals to the pool of wealth available for consumption. Without the 'common cultural inheritance' of tools, science, technology, invention, skills and accumulated knowledge of the processes whereby natural materials can be transformed into material artefacts for use by members of society, the *individual worker* would be reduced to chipping stones into flints.

During the twentieth century, when things went wrong with the money system, there were three different reactions. Corporate capitalists, and the vast army of their waged and salaried employees, sought to put the money system back to business-as-usual, via Keynesianism and so on. At the same time the Marxists supported dictatorship in Communist countries, whilst also encouraging the workers under capitalism to get as much out of the system as they could. Rampant individualism of capitalist and Marxist employees gave rise to the all-pervading philosophy of the late twentieth century which held that *my* wage, or *my* salary, enables *me* to claim *my* share of the common wealth, and the devil take the hindmost. By the end of the twentieth century, corporate capitalism was rapidly becoming indistinguishable from the Communist worker states, as transnational corporations stood above the legal and political systems of nation states.

The Social Credit analysis of the institutions of finance and their role in the post industrial economy offers a viable alternative to Capitalism and Marxism. According to the vast literature on Social Credit which circulated across the world in the 1920s and 1930s, the institutions of finance are ill-suited to the reality of a modern industrialised world economy. If, in order to obtain an income, individuals have to go to work for an employer, turning out saleable goods and services, waste, war and poverty amidst plenty are the logical outcomes. A logical alternative to wage/salaried slavery is the payment of a National Dividend or 'Guaranteed Basic Income', to every citizen by right of their share in the common cultural inheritance. "But where is the money to come from?" howl the professional economists in unison, from within their salaried

ivory towers. Even the Marxist economists disregard Marx's radical observation: "Instead of the conservative motto, 'a fair day's wage for a fair day's work!' they ought to inscribe on their banner the revolutionary watchword, 'Abolition of the wages system!'" Social Crediters followed Marx in analysing the financial system under capitalism.

### Money and Value

If you have a sweet and I have a biscuit, we can barter, or exchange, one for one. If money enters in, I can sell you the biscuit for £2, buy the sweet for £1, and end up £1 the richer. Money changes the nature of the exchange of goods and services in ways which have nothing to do with the inherent or 'real' values of commodities available on the market. The question is, where did the money come from? How was it that you had £2 with which to buy the biscuit in the first place? What is the relationship between the real value of sweets and biscuits to you and me, and the money values we place upon them in the money economy?

If you were to grow a potato in your garden, dig it up and roast it on a bonfire, you could enjoy eating the potato without any money changing hands. Alternatively, if you had some money, you could go into a supermarket and buy a ready-to-eat potato in the form of a packet of crisps. The potato in the supermarket has a money value. It has been taken from the ground, processed, packaged, advertised, wholesaled, retailed, accounted and transported throughout the stages of 'production' from soil to point of consumption. Money has changed hands over and over again as the potato passed through the various processes of production over time. The packet of crisps has a price put upon it, whereas the home-roasted potato has no money value. Both of the potatoes have 'real' value, but only the supermarket packet of crisps has a money value.

Social Credit is an exploration of the relationship between 'real' values and money values as they work through society as a whole. The creation of market values, reckoned in price, occurs through the processes of production. There are two types

of production – the production of real value and the production of price. Manufacturers produce goods and services which are in market demand. Merchants manipulate prices to their own advantage by adding money values to the product as it passes along the way. A certain amount of ‘real’ value must be produced in order for the manipulation of prices to take place. However, in a developed economy, the majority of people live by manipulating the prices of the real values created by the natural world and human labour in combination. Any form of ‘work’ in the money economy adds money value to goods and services without necessarily adding ‘real’ value to human society as a whole.

Sensible people like you and I would regard economics as the science of the employment of human abilities to produce the maximum

output of really useful goods and services with the minimum expenditure of human time and labour. But commercial economics of the market economy bears no relationship to this common sense approach. Instead, the object of the exercise is to produce the maximum number of goods and services which can be sold on the market at the minimum cost to the ‘profiteer’, the person or corporation bringing them to market. It is the science of commercial production *for profit*, rather than production for use.

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<sup>1</sup> Karl Marx (1975) *Wages, Price and Profit*. Address delivered in English to the General Council of the First International, June 1865. Cited in Frances Hutchinson, Mary Mellor and Wendy Olsen (2002) *The Politics of Money: Towards Sustainability and Economic Democracy*. Pluto Press.

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## Excerpt from **Faith, Power and Action**

*L.D Byrne*

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*Faith, Power and Action was originally published shortly after the Second World War by the Alberta Social Credit Board, a body established by Statute of the democratically elected Alberta Legislative Assembly “to devise ways and means for the evaluation, conservation, enhancement, advancement and realization of the social credit of the People of the Province.” The Board must not be confused with “The Alberta Social Credit League,” the party political organization of the “Social Credit” government in office at that time.*

*Throughout the time he was Technical Advisor and later also Deputy Minister of Economic Affairs, Mr. Byrne continued to stress that only by the abandonment of party politics in favor of non-party political action could the cause of Social Credit be advanced. That his advice was not heeded, has resulted in widespread misunderstanding of the nature of Social Credit.*

The conflict in the sphere of human affairs is fundamentally a conflict between a spiritual concept of Life and the “materialistic” concept of Life – between the power of faith and the forces generated by fear – between the power of God

and the forces of Mammon – between Christ and Antichrist.

Upon the outcome of the conflict there can be no doubt, for the forces of evil having no Absolute Reality cannot prevail against the power of Faith stemming from a realization of Reality. It is not simply a case of the forces of evil ultimately bringing destruction upon themselves, but in terms of Reality they are defeated now.

Put in another form, the havoc which is being wreaked upon the material world around us by the unleashed forces of evil – of destruction – is merely evidence of the self-annihilation of these forces in the materialistic concept they engender, viewed in terms of space and time.

Once this fact is grasped it becomes plain that it is merely futile to attempt to combat the forces of evil manifesting themselves in an orgy of destruction by means which confer upon them any semblance of Reality. Major Douglas once stated that the only way to deal with Black Magic – the cult of evil – was to treat it as if it did not exist. To do otherwise would confer upon it

Reality and thereby give the forces of evil power over the Mind.

The stark folly of attempting to fight money with money, the party system by organizing a new party, the strangling hypnotism of material gain by appeals for social security measures – and so forth, should be evident. All they can achieve is to strengthen the very forces they seek to combat.

### **Social Credit**

Now what we term Social Credit is a policy which naturally stems from the spiritual, Faith-inspired, God-centered and Christian concept of Life. It is the policy which will bring the apparent Reality of the “here and now” in the physical world into harmony with the Absolute Reality of the limitless and eternal domain of the Universal Mind – of the Kingdom of Heaven. The key to the Kingdom is Faith, and the essential of Social Credit is Faith. Faith is power; it stems from the One Source of All Power and its potential is limitless. In human affairs Faith must find expression in action – and the power of faith can achieve anything in the apparent Reality of the physical world. It can literally remove mountains – inspire and bring light to Human Minds – and prevail against all the forces of the Devil and the Hell of man’s creation.

A person cannot be a Social Crediter in any true sense unless he is pursuing a policy which stems from the spiritual, Faith-inspired, God-centered and Christian concept of Life. In other words his Life must be an expression of the Faith which he professes. The sense of frustration, the floundering around, the pathetic attempts to organize political parties and the complete submergence of the Social Credit movement in the social environment is evidence that, as yet, the number of real Social Crediters is small.

Yet it should be apparent that it is not numbers that matter – but quality. It is not the size of the counterforce which can be mobilized against the forces of evil – against the plotters, the planners, the materialists and their fear-dominated human fodder – but the power of Faith which will decide the issue.

Once the tremendous implications of this are grasped we shall witness a re-orientation of Social Credit action, the impact of which will be so staggering that it will sweep everything before it.

The battle for Social Credit is the battle for Christianity – for Christ’s Kingdom of Heaven on earth. Social credit action is meaningless unless it is a manifestation of Faith – the living and vital Faith which stems from a realization of the Christian message. Nothing can prevail against the power of such Faith expressed in action.

Such faith-inspired action can know no fear. It cannot attribute Reality to the manifestation of forces which have no Reality. Propaganda, police, defense, state, income tax and all the paraphernalia of Black Magic will stand revealed for what they are – a colossal hoax.

### **Key to Action**

Now it should be evident that any attempt to go out and “organize” men and women to support so-called Social Credit candidates, or to unite merely in demanding better homes, more incomes, and other material advantages are foredoomed to failure.

Social Credit action must start with the individual. It must come from an inner spiritual rebirth opening the way for the power of Faith which must find expression in his Life – in action. Under this impelling potentially all-powerful dynamic of Faith the individual will fearlessly tear aside the veil of humbug and make-believe – he will expose the Great Conspiracy – name the arch conspirators – refuse to bend his knee to Mammon – ignore and resist the demands to render unto Caesar the things that are God’s. And in so doing he will bring Light to other Minds – inspiring them and pointing the way to their spiritual re-birth. Thus will grow a Faith-inspired association of individuals, whose power will be manifested in action – action of a nature that will sweep triumphantly onwards to the establishment of the Kingdom.

The nature of the action required in the political sphere has been stressed and re-stressed by

Douglas. Harnessed to the potentially limitless power of Faith we can go forward into the space and time bound future in human affairs with the sure knowledge that nothing can prevail against us.

In conclusion it cannot be stressed too emphatically that, despite the patience and thought it may have required, it is not enough merely to read through this all too inadequate and cursory attempt to bring Social Credit into focus for Social Crediters. An understanding can be gained only by re-reading it several times – pondering its implications – directing the Mind to full realization of these – and relating the

principles involved to the entire field of action.

Bearing in mind the expressive definition: “The devil is God upside down,” the essential nature of the task confronting Social Crediters is to fulfill the accusations leveled at the early Christians and turn the world of human affairs upside down. With an understanding of the matters we have been discussing, the nature of the action required will be evident, and the time is NOW.

Editor’s Note: *For a full history of the Social Credit movement in Alberta see Frances Hutchinson, Understanding Finance: The Silencing of Social Credit, Jon Carpenter (Forthcoming).*

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## **The Beginnings of Social Credit in Alberta**

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As a high school teacher I was called upon by the Department of Education to mark high school examination papers each July and during every successive year met Mr. Aberhart. I was present with him when he was discussing with other members of the marking staff various aspects of the depression and was explaining the conditions he saw in his own school and comparing them with conditions described by other teachers. It was on one of these occasions, when he was asked by a teacher from Edmonton, Mr. Charles Scarborough, whether or not he had ever read any of the writings of Maurice Colborne who was advocating the program out-lined by Major Douglas as the cure for the economic ills which by this time had become world-wide.

He loaned Mr. Aberhart the book to which he referred and the very next day Mr. Aberhart was able to say that he had sat up most of the night thoroughly enjoying what he was reading. This was the beginning of the Social Credit movement in the Province of Alberta.

Mr. Aberhart at this time was undoubtedly the most widely known school teacher in the Province. Crescent Heights High School had been honored time after time as his students received top awards. Besides, his work for years as an evangelist had taken him by radio into almost every home. During his Sunday religious

broadcasts, he began to discuss the world-wide depression and quoted from the Bible time after time to prove that the restriction of goods and the destruction of foodstuffs, while people starved, was not only unChristian but completely wicked.

It was not long before he was able to report to his Sunday audience on the tremendous number of letters pouring in to him from his listeners who wanted more and more information on Social Credit. While the writings of Major Douglas were becoming much more widely known, his books were such that the general rank and file of people asked for pamphlets and booklets to be written which would outline in simplified form what, in effect, were the theories of Major Douglas.

The next step was for Mr. Aberhart to undertake to prepare such information. As soon as a leaflet or a pamphlet was issued, it became the subject of attack by the press, radio commentators and political speakers of the old line parties. Mr. Aberhart endeavored to point out that the only thing lacking to bring the benefits of our productive system to all those who needed food, clothing and shelter was an increased supply of money. He pointed out to the public in fearless fashion the policies followed by banking institutions and though he had become so recently acquainted with this subject, he read everything he could secure about those men of the past

who had criticized the operation of the money system and began to quote at length such people as Abraham Lincoln, Henry Ford, President Jefferson, President Woodrow Wilson and also prominent bankers, such as H. D. Macleod and Vincent C. Vickers, who, though bankers, were very critical of the powers bankers possessed.

Political leaders in different countries, such as Prime Minister Ramsay Macdonald, Disraeli and others were also quoted at length and it was soon obvious to all that Mr. Aberhart's speeches were having a tremendous impact upon the people of the Province. It was not long before the banking fraternity sponsored large ads in daily newspapers and without reference to Mr. Aberhart or the Social Credit movement, clearly indicated that this was the only reason for such advertisement.

Anyone who listened carefully to the arguments of the Social Credit leader on the one hand and read the bankers' advertisements on the other could easily see that those who control the monetary policy of the country were well aware that the monopoly they possessed was being exposed to such an extent that they had better appeal to an uninformed public for support before too many of the public became fully convinced of the rightness of Mr. Aberhart's contentions.

It was not long before people who were capable of speaking in public, organized small groups of individuals wherever possible and took the lead in explaining what they believed to be the Social Credit remedy for our economic ills. As one would naturally expect, it soon became obvious that those who disagreed with Mr. Aberhart did a similar thing and anti-Social Credit meetings were called from time to time to be addressed by speakers who did everything possible to discredit what had now become a Social Credit movement.

Shortly after Mr. Aberhart had commenced talking about Social Credit during his Sunday afternoon programs and it was evident that interest was being shown on the part of the public, he made a plea one Sunday afternoon for people to submit to him names of those whom they considered to be one hundred honest men

who were concerned, as he was, for the welfare of the public and who would be prepared to devote much of their time to bringing before the public eye the same message he himself was attempting to bring: namely, that of showing the public the reasons for poverty in the midst of plenty, together with the proposed Social Credit remedy of monetary reform. Before the end of the week I had received from Mr. Aberhart a letter stating that my name had been submitted to him by one of the listeners from Rocky Mountain House, the late Jack McLean, who was at that time an employee of the Canadian Pacific Railways at Rocky Mountain House. I replied to Mr. Aberhart to the effect that I was vitally interested in what he was attempting to do and told him that I'd be glad to assist him in any way that I could. I was, at that time, the president of our local Social Credit group which had already held three or four meetings at the home of Mr. McLean.

In due course Mr. Aberhart received the names of one hundred individuals and he kept in touch with them regularly to make sure that each and everyone was telling the same story to the public. These one hundred men represented many walks of life: laborers, tradesmen and professional people, banding together for a single purpose—that of convincing the people of Alberta that the depression was completely unnecessary, and that there was a simple solution to bringing about the distribution of the goods we were producing in such great abundance.

Interested people contacted Mr. Aberhart's office every week asking for speakers and pointing out that arrangements had been made to hold meetings in the little rural school or community halls and even homes throughout the length and breadth of the Province. During the broadcasts he would read off the list of requests and having previously checked the geographic location of each place, would speak then to one or another of the one hundred names and ask them to let the people know that they could come and address the proposed meeting. His system worked well, although the requests came in so thick and fast that some of us who by this time were also becoming known to the public, were addressing

meetings every night of the week.

It was not unusual to drive over exceedingly bad roads to find the little rural school jammed to the doors by eight o'clock. Every means of conveyance had been used by the people to get there—a few cars, plenty of Bennett buggies (automobiles without engines, drawn by horses), saddle horses and every sort of horse-drawn vehicles were parked around the school yards. Benches were arranged in appropriate parts of the room where babies and young children slept while the meeting was in progress. In places of affluence, one occasionally found two Coleman gas lamps burning, one placed where it could be advantageously used by the speaker and the other suspended from the ceiling over the audience. On many occasions, however, one found that a single coal oil lamp sitting on the teacher's desk was the only illumination in the entire room. The stove at the back of the school room not only supplied the heat, but also served as a means for keeping the coffee hot, as no meeting was complete without the sandwiches, cake and coffee supplied by the women of the neighborhood. To defray the expenses, if any, of the speaker, a collection was always taken up and a twenty-five cent piece on the plate was usually a large donation. Occasionally one found a dollar bill and it was not unusual for remarks to be made to the effect that there must be at least one plutocrat in the crowd, or perhaps a poor fellow who had inadvertently used his only dollar bill and not the kids' play money or the flour coupon he had intended. Mr. Aberhart used to say jokingly that it was possible to judge ahead of time approximately what the collection would be by counting the number of people in the audience and multiplying by three cents. On more than one occasion I tested his theory and found it was very close to being correct.

I shall never forget the first time Mr. Aberhart spoke to me on the air, asking me to address a group of people several miles west of Olds who had not, up to this time, had an opportunity of having a Social Credit speaker in their district. The distance from Rocky Mountain House to the hall in which the meeting was to be held was

about forty miles as the crow flies, but in order to get there I was obliged to drive from Rocky Mountain House east to Red Deer, then south to Olds and then west to the district concerned, which meant that the drive one way was about one hundred and sixty miles. I arrived at the hall at twenty minutes to eight, leaving my car on the road and working my way through a maze of teams and sleighs, in order to get to the hall door. The hall was jammed to capacity; saw horses had been placed around the outside edge, planks placed upon them, in order that young children would have a place to sleep before the meeting was over. On the desk in the front were two coal oil lamps and at the opposite end of the hall was the usual large log-burning stove on which sat cans containing several gallons of coffee.

Following a short introduction by the chairman, I commenced to speak at eight o'clock. I attempted to close my talk at nine-thirty but was urged by the crowd to continue to supply them with further information. Although I felt like a rank amateur, which no doubt I was, it seemed that I possessed a great deal of information the crowd was anxious to obtain. On several occasions I ended my discourse, only to be pressed into continuing the story. By eleven o'clock the ladies served coffee and sandwiches and a lively question period took place during this time. I shook hands with the chairman at twenty minutes to one and started for home. This was my initiation as a speaker for William Aberhart. It was at this meeting that I gained the reputation of being the type of Social Credit speaker who, rather than needing a watch in order to time himself, could be better suited by using a calendar.

I tell this story simply to illustrate the tremendous interest which was being shown in that day by people who had experienced and were still putting up with, the effects of the great depression and who were looking earnestly for some measure of hope to enable them to secure at least the bare necessities of food, clothing and shelter for their families.

Throughout the length and breadth of Alberta, Social Credit groups were being formed and

regular monthly meetings were being held by all of them under what would be considered today the most adverse conditions. By 1934 it was obvious the Social Crediters meant business and would do everything legally possible to bring pressure upon the government to try to secure

their support for a Social Credit program.

Alfred J Hooke

Taken from 30+5 *I know, I was there* (1971) This book is available in full on our website; [www.douglasocialcredit.com](http://www.douglasocialcredit.com)

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## Thomas Berry

*Influential Christian eco-philosopher – as he put it, a ‘geologian’ Thomas Berry wanted to shift the focus of religion towards care of the Earth.*

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Thomas Berry, who has died aged 94, was an influential Christian philosopher who sought to shift the focus of religion from individual salvation to care of the Earth and, indeed, the universe. A Roman Catholic priest who called himself a “geologian” and advised the faithful to “put the Bible on a shelf for 20 years”, he propagated his vision of a new era in which human societies would live in a mutually beneficial relationship with the natural world. His major books, *The Dream of the Earth* (1988), *The Universe Story* (with Brian Swimme, 1992), *The Great Work: Our Way Into the Future* (1999) and *Evening Thoughts: Reflection On the Earth as Sacred Community* (2006), were an inspiration for both the “deep ecology” and the “creation spirituality” movements later led by writers such as Arne Naess and Matthew Fox.

Berry complained that ethical traditions know how to deal with suicide, homicide, and even genocide – but collapse entirely when confronted with biocide, the extinction of the vulnerable life systems of the earth, and geocide, the devastation of the earth itself. He urged that the transformation of humanity’s priorities would require what he called “the great work” in four realms of endeavour: the political and legal order; the economic and industrial world; education; and religion. He advocated concrete changes including population control, criticising the Catholic church for its grievous shortcomings in that field, and respecting and preserving the habitats of all living things as a fundamental principle.

William Nathan Berry was born in Greensboro, North Carolina, where, he recalled, childhood

explorations in woods and fields led to “numinous experiences”. When he was 20, he sought to remove himself from a world he found “crassly commercial” and entered a monastery of the Catholic Passionist order, taking the name Thomas. He was ordained but pursued the life of a scholar, receiving a doctorate from the Catholic University of America with a dissertation on the philosophy of history.

He went to China in 1948 to teach at Fu Jen Catholic University in Beijing, but after the birth of the People’s Republic the following year he returned to the US to study Chinese language and culture. After serving for three years as an army chaplain in Germany, he began teaching at St John’s University and Fordham University, both in New York, where he started the doctoral programme in the history of religions and where some of his students formed a devoted coterie, focused increasingly on religion and ecology.

He was co-founder, in 1970, of the Riverdale Centre of Religious Research in the Bronx, New York, where he worked until the 1990s, organising international conferences on themes such as “Energy: Its Cosmic-Human Dimensions”. Berry’s influence on the spiritual ecology movement was described by Fox, its later exponent, as that of “a kind of new Moses leading all religious people out of the bondage of anthropocentrism to a land of cosmology and ecology. He leads us out of the land of ‘autism’ (his word) into a land of renewed communication with other beings and other species who are in fact very eager to communicate, to reveal themselves to us.”

In extending his concern beyond our planet to the whole universe, which he called “the quintessence of reality”, Berry exceeded the agenda of current ecological thinking. He asserted: “It is false to say that humanity is the most excellent being in the universe. The most excellent being in the universe is the universe itself.” But here he was within the tradition of Teilhard de Chardin and, earlier, of Thomas Aquinas, who wrote: “God wills that humans exist for the sake of the perfection of the universe.” Even earlier, an eco-Christian tradition was alive in Saint Francis of Assisi.

In defiance of his grim observations, Berry was cheerful, funny and, unusually among ecological writers, an optimist, believing that humanity, after centuries of self-centred despoliation,

would eventually take its place in the larger, interdependent “communion of subjects” (ie as opposed to objects) in the cosmos. He called the coming new era of conservation the “ecozoic”, following 65m years of the destructive “cenozoic” era. In his travels he often carried a dog-eared copy of Black Elk Speaks, the wisdom of a Native American whose views had prefigured his own.

Thomas (William Nathan) Berry, eco-philosopher, born 9 November 1914; died 1 June 2009

This obituary was written by Walter Schwarz and first appeared in *The Guardian* 28 August 2009

## Answer to Timeline Quiz Extract 1:

Karl Marx (1975 edition) *Wages, Price and Profit*. Address delivered in English to the General Council of the First International, June 1865. Cited in Frances Hutchinson, Mary Mellor and Wendy Olsen (2002) *The Politics of Money: Towards Sustainability and Economic Democracy*. Pluto Press.

### Discussion Points

The work cited was written by Marx as long ago as 1865. Today, Marx is often cited with approval by politicians and academic economists, yet the work of Clifford Hugh Douglas is dismissed as ‘dated’, no more than an emotive response to the hard times of the 1930s depression years. The extract raises several topics which appear in Social Credit literature, such as what exactly is the wages system? Why should an employer of an employing body (corporation or state) determine what work is to be done?

Wage slavery can only be ended when each and every individual has a secure money income

by right of citizenship. Extra earnings may then increase the income of an individual and their family. But in the first instance policy decisions about home and child care can be made by the adult family members free from the pressure to work for an employer. A century and a half after Marx was writing, Marxist literature can be perused in vain for thoughts about how the wages system might be brought to an end. The collapse of the worker-slave Communist states has failed to trigger enlightened thinking from the Marxist quarters of the academy.

To find out more about the timeline quiz, go to : <http://frangunde.wordpress.com>

### Secretariat

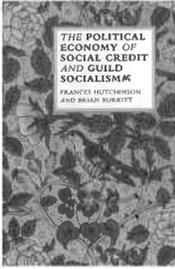
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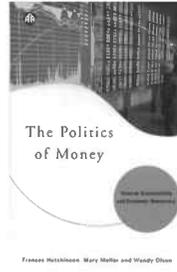
**Wallace Klinck (Canada)** **Roxana Preda**

# 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)



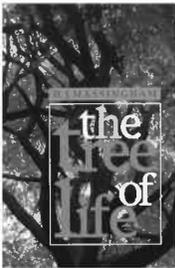
**Frances Hutchinson**  
*What Everybody really wants to know about Money*

(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)

**Frances Hutchinson**

*Social Credit? Some Questions Answered*  
(KRP £5.00)

**Books by C H Douglas**

(available in the Social Credit Library)

*Economic Democracy*

*Social Credit*

*The Monopoly of Credit*

*Warning Democracy*

*Credit Power and Democracy*

*The Control and Distribution of Production*

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