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Editorial

My recent trip to Australia brought home more vividly than ever the lengths to which the powers-that-be have gone in order to eradicate from public consciousness every last vestige of knowledge about Social Credit thought, principles and history. For this reason we reprint – again – Clifford Hugh Douglas' 1934 Sydney Speech, together with the official reaction which followed. As Editor of *The Economist*, Baron Geoffrey Crowther printed and reprinted his authorised put-down over the two subsequent decades.

In his Sydney Speech Douglas by no means overstates his case. He had spoken in Tokyo in 1929, after which his books were translated into Japanese, although his financial methods were being used to implement policies running counter to Social Credit philosophy, where goods are to be locally produced for local consumption as far as possible. Thousands of groups comprising people from all walks of life were indeed meeting throughout the British Isles. Social Credit was also studied in weekly groups in Norway, France and Switzerland, throughout Australia, New Zealand, Canada

and the United States. In the following year Aberhart's Social Credit Government was elected to power, and proceeded to step clean outside the political party system. A detailed account of this period of Social Credit history is available in *Understanding the Financial System: Social Credit Rediscovered* (the book is available at www.dougllassocialcredit.com). As this account clearly demonstrates, the power of an informed electorate to gain control over the political economy came close to removing the power of the powers-that-be to conduct business-as-usual in their own interests and on their own terms. For that reason, no aspiring politician or academic openly dare pursue an interest in Social Credit thought.

Nevertheless, the organisational framework set up during the 1930s following Douglas' world tours was so substantial that it survives to the present day, albeit in fragmented form. Through that framework, I was invited to speak at a gathering of the Australian League of Rights in Adelaide during the 65th year of their existence. It was exhilarating to find farmers and their customers on the other side of the world determinedly battling against bureaucracy, red tape and financial humbug to secure good food,

good health and a sane society. In the decades to come, new groups will no doubt emerge. Although they must find new ways of working together, it is to be hoped that they can also build on the legacy of past experience in the Social Credit movement. As the authorities continue so determinedly to discredit Social Credit thought, we can take it that they must have good reasons – from their perspective – for doing so. Clearly, it is seen as dangerous to the *status quo*.

Notice:

News has just reached us of the death of Victor John Bridger of Australia who worked tirelessly to promote Social Credit for many, many years. An appreciation of his life and work will appear in the next issue of *The Social Crediter*. We extend our sincere sympathy to his wife Beryl and to his family, friends and associates world-wide.

Major Douglas in Sydney 1934

The Sydney Stadium was the scene of a unique and memorable meeting on the night of 25 January, when Major C. H. Douglas addressed a great concourse of 12,000 enthusiastic citizens and probably a million more through the Broadcast over the length and breadth of Australia.

Major Douglas proved himself to be a most effective platform speaker with a complete mastery of his subject, lucid, convincing and dignified. Added to his knowledge and his gift of speech he has a delightful resonant voice and great charm of manner.

He was graciously and effectively introduced by Mr. S. F. Allen, State President of the D.S.C.A. of N.S.W., and when he appeared on the platform accompanied by Mrs. Douglas (bearing a huge basket of flowers, the gift of the Association), he received a tremendous ovation from the audience.

In speaking to the hundreds of thousands of Australians that I can see, and that I cannot see, I come to speak to you as one of a great and growing band of brothers, a band growing with terrible rapidity. (Applause) I do not omit from that band our sisters because we recognize that when our sisters want something they generally get it and, therefore, we do not make the mistake of underrating their importance.

Now, in any matter which has to do with great policies, and we must realize that we are dealing in this matter with perhaps the greatest matter of policy which has affected the world in, at any rate, the past 500 years, there are two aspects

to the matter which are important. First of all, you have to be sure that what you propose to do is right and sound, but that is not all, because in these matters you must realize that right and might have to be brought into line. Because of the importance of this, I want to devote a short time in telling you something about the band to which I belong and to convey, as I think Dr. Streeter said, the good wishes of these other helpers all over the world.

As I said at lunch today, this is not an Australian question; it is not even a British question – it is a world question. The financial system is essentially the same all over the world. We imagine that we live under national conditions, national laws, national customs, and matters of that sort. That may be true in regard to most things, but it is not true in regard for those things without which we cannot live at all – I mean bed, board and clothes. These are governed substantially by the same system over the world, and it is that system, that international system of finance, which we are here tonight to challenge. (Hear, hear)

Now, let me take you very rapidly over some of the ground covered by those who are fighting the old ideas. As you would imagine, many are poor, some are not so poor; we do not worry about that. We do not make the elementary mistake of assuming that all rich men are knaves, or even that all poor men are wise. I am myself rather of the opinion that there is a little more intelligence and a great deal more courage amongst the poor than there is amongst the rich – (Cheers) – that is partly because there are certainly more poor.

(Laughter) You cannot generalize in these matters. I once knew a very intelligent banker – it was some time ago and he is now dead. (Laughter)

But let me take you to some of those groups of Social Crediters all over the world, as I am privileged to move about amongst them. In London, we realise that as things are at the present time these changes must be brought about constitutionally. Now, bringing changes about constitutionally means getting the big battalions on your side, and we have in Great Britain famous regular staff officers; we have permeated most of the great services of the Crown; we have on our Council in London officials of the greatest Federation of employers in the British Empire; we have on the same Council, helping us – and one of the most valued members of our council – a man who five years ago did not know where his next meal was coming from, but he is now Editor of a very successful little Social Credit paper. I can say this - that there is no section of British society which is not represented, from the House of Lords to the poorhouse in the Social Credit movement in Great Britain. (Applause)

We have an army at the moment, when I last heard it numbered 6000 men in uniform – the Green Shirts, and I'm very proud to say that every one of those Green Shirts carries a little piece of Douglas tartan on his shoulder. The Green Shirts are not the Social Credit Movement; they only deal with one particular section of the population, and that is the section which is commonly called the Unemployed – we might more correctly term them the Unempayed. Every one of these 6000 probably has at least 20 adherents who are not in uniform, and the number is growing daily.

Just before I left for Australia I attended a meeting at the House of Commons. I have attended a good many meetings of the House of Commons. I always judge the progress which has been made in these circles by the sort of meal they give me at the House of Commons. When I went there previously I got a cup of cold tea and a stale scone; the last time they gave me a very good five- course dinner, and a very good whiskey and soda. So you see we are getting on

even in these sorts of places. (Laughter)

I could take you to interesting groups in the North; there is one in every great city of Great Britain, sometimes three or four. In the North of Scotland, where landowners, professors of the universities, and many others are members, a very important man is a tailor, and he is the life of that particular group.

But let us go across to Paris. In that city there are two main groups, because the French are becoming very vitally interested in this matter. One of them is headed by a famous Belgian engineer; the others consisted of French army officers, Russian refugees, French journalists and at least one Mayor of a suburb of Paris. There are also some who had formerly belonged to the Communist Party.

There is a group in Norway; there is a group in Switzerland; there are dozens of groups in Ireland. Before I left I spoke in the largest hall in Ireland, the Ulster Hall in Belfast and I am very proud to say that there was hardly room for one more person in that building.

You are making enormous progress in Australia, and I believe even more progress if possible, in New Zealand, but even your progress is hardly parallel with the progress that is being made in Western Canada.

There are groups on the Western Coast of the United States; there are groups in New York, very powerful groups, and there are groups in Washington, and one of these groups is doing what it can to influence the American situation along the lines we should like to see.

There is a very completely instructed population, or section of the population, in Japan; I know it because they pirated my books. There is very little doubt that the tremendous advance in Japanese export trade which amounted to an increase of 53% in one year – such an increase as has never been known in the history of industry – is an example of working the Douglas Scheme upside down, subsidising exports for sale much below the cost and making up the difference to the manufacturer out of the national credit. We know for a fact that the same thing is happening

in China. My books have been translated into both Chinese and Japanese.

I should at this juncture like particularly to say that I am speaking to Queensland because we have had such a marvellous address from your president.

If anyone supposes for a moment that an idea, a movement and a programme which have spread practically within 14 years over the whole of the civilized and a great deal of the uncivilized world, is going to be stopped by making me miss the boat for New Zealand, I can assure those people that, in the words of the American "they have another think coming." (Laughter and cheers)

It is not sufficient that an idea should be right, it must be dynamic, and I've mentioned these little matters to show you that this idea is dynamic and has force behind it. What is it that makes the appeal in these ideas that we are discussing tonight? Of course, in an economic sense, as we believe from the bottom of our hearts, they are correct, they are sound, but that is not enough. They do, we believe, render it possible to solve this paradox of poverty amidst plenty, but even that is not enough. There are ways by which this paradox could be solved otherwise. There are methods that are being employed in Russia and elsewhere in attempts to solve this problem along quite other lines, but the reason that these ideas do make to those who understand them, an instant appeal and an urgent desire to get to the truth of the matter is that they offer an escape from something that I have called Utopianism.

We all know that at the present time the world is becoming bound up with one law and one regulation after another. We are brought up in what is sometimes called vocational training, as if the object of life was to earn a living. We are told that we must do this, that we must go there, that we must not do that, and there is at the bottom of your mind the feeling that it is not only not right but that it is not necessary. (Cheers) we may see the urgent necessity for subordinating our special wills and our special ideas of life to some specific urgent necessities such as perhaps arose in 1914. What humanity does not like and will not believe for any length of time is that necessity should be

made permanent.

Now, the Social Credit idea is exactly the reverse of that regimentation to which I have referred. It says first of all that because of the genius of inventors, because of the work of engineers, organizers, agriculturalists and others, great chemists and so forth, we have now ready an age of abundance and fundamentally economic security and it will not, in my opinion, for very long tolerate that terms should be made for that abundance or that economic security. (Applause)

You will remember it was said about certain forward people that they took too much upon themselves. Now, I think that in dictating to all of us the way in which we shall get these good things which either we ourselves or our immediate ancestors have provided for us, any self-appointed body of persons, whether they be called financiers or otherwise, are taking much too much upon themselves. It is from this world of bargaining, this world of rule and regulation, which exists not because of the necessities of the case, but because of the necessities of the system, it is from this that Social Credit offers an escape (Hear, hear!)

It does not say, there is one perfect world and we will impose it upon you others, making it a Utopia, but it does say that we are in possession of all the necessary materials to enable you to make a perfect world for yourselves. We do not know what sort of a world you would like to make, but we will help you make it, and that is what we call the escape from Utopia. It is the thing that the human mind, and particularly the Anglo-Saxon mind, has always been determined to achieve right through history, and sometimes we call it freedom, and we are determined, all of us, to achieve freedom. (Loud applause)

There are, of course, a number of technical considerations in the achievement of any system of distributing goods and services. An examination of the exact details and proposals of that kind is always, in my opinion, better conducted by perusing the writings or discussing it with others who are equally interested, but the principles which are necessary to achieve this economic freedom are really very simple indeed,

and do not let anybody tell you that they are complicated.

The first of these principles is that your accounting system – and you must have an accounting system in this economic world in which we live because it is a complex system dependent to some extent on what we call the division of labour and process, you must have an accounting system in order to keep these processes regulated – but the first thing that an accounting system should do is to REFLECT FACTS. (Hear, hear!)

Now how can it be said that the accounting system of the world reflects facts when you see such a simple little thing as this – and this is only one of thousands of instances. Take a bale of wool and put it in storage and do nothing whatever to it. One day this wool may be worth, let us say, £1 (I don't know the exact price, but let this serve for illustration.) and in one or two weeks exactly the same bale of wool is said to be represented by £3 or £4. How can you possibly have a system which represents facts when the figures can change at any moment without any of the facts changing? That is one of the elementary aspects of the matter, but I simply use it to emphasise that you can not begin to grapple with this problem until you are quite reasonably sure that you have some sort of relation which you understand between the facts and the figures. If you had a genuine relation between the facts and the figures at the present time, you could not possibly have poverty amidst plenty. (Applause)

It is only a very short time since over the wireless in Great Britain we were assured that we were a poor, poor country, and that the only thing to do was to economise. Suddenly, with no change whatever in the physical facts, they seemingly discovered that that would not work, and within two or three months of its being broadcast that we should economise we were told that the only thing to save us was to spend. (Laughter)

Now, having got some sort of relationship that you understand between the facts and the figures, then you have as a question of policy to deal with both facts and the figures. This is where genuine politics – I do not mean the sort of stuff

that is called politics, but genuine politics – may reasonably come in. You may take for instance, a country like Australia, and you may say, well, a very wealthy country potentially, and we should like to develop it very much along Western European lines, and in order to do that it would require that the whole of the population shall be employed. There is no difficulty about that whatever. I WOULD GUARANTEE, WITH A FREE HAND TO PUT EVERY MAN AND WOMAN WHO WANTED TO WORK IN AUSTRALIA, INTO WORK WITHIN THREE MONTHS. (Applause)

But it is not necessary. You might quite reasonably say—“There is plenty of time for posterity. There is no reason why we should do the whole of posterity's work; posterity never did anything for us. Let us enjoy a certain amount of this glorious sunshine and this wonderful land in which we live.” That could be achieved; there is no difficulty whatever in providing, with a very much shorter working week, or, alternately, with a comparatively large leisure population, a very high standard of living for everyone.

These are matters of policy, genuine matters of policy, which you might reasonably be supposed to be allowed to settle for yourselves, but when anyone says that it is impossible that this country can be in a state of full employment, or alternatively, that it is impossible that those who are not employed shall be reasonably maintained, then I say that he simply does not know what he is talking about. (Hear, hear) You cannot possibly have at one and the same time at large unemployed population, which is the same thing as assuming a large potential production, together with large unused spaces of land and a large mass of unused machinery, you cannot have these things at one and the same time, and have poverty without there being some reason which prevents these people from becoming rich. (Applause)

There is one aspect of the matter which I think is probably more important in Australia very largely because of your trend of thought, as I understand it, and that is the question of the form of administration that you give to your various industries and to your finance. It is one of the

most unfortunate mistakes which has affected the general move in the world for better conditions for everybody, that it has generally confused what we call administration with policy. People think, when they see a man giving orders, that that is the man who is formulating the policy which is being followed in that particular case. This is a very probably not the case. When you see a foreman stevedore down in the docks unloading a ship with the aid of a large number of men to whom he is giving picturesque orders, that man has no control whatever over policy. He has a certain amount of control over administration. He is administering a certain mass of men in accordance with a policy which is imposed upon him.

Now there is one danger which I see at the present time, apart from the intervention of a worldwide catastrophe, and that is, in regard to this question of change in the financial structure of the world. We know quite well that governments are supposed to be supreme over the people governed. On paper, at any rate, the Government of Australia is the supreme authority in Australia, I presume. But I refer to a country I know better, Great Britain. On paper the supreme authority in Great Britain is the House of Commons; but it is extremely doubtful if this is so at all. It is much more likely that the supreme authority is the Bank of England. But the point I want to make is this, that there is a sort of paper condition of these governments of ours which does make them a power, though they may not be the supreme power, they are the second power in the state. What I am so much afraid of is that, by undue haste in combining these two powers through the nationalisation of the financial system and its combination with the government system, you might make only one supreme power which you cannot handle and you cannot control. That is a very real danger, and I would like to impress it on you. I do not think that it might not eventually be necessary to make banking a state service, but what I'm convinced of is that, before you do that, **YOU MUST BE ABSOLUTELY CERTAIN THAT YOU HAVE THE POLICY OF THE BANKING SYSTEM CHANGED.** (Loud

applause)

Now, what is that policy? It is concerned with the facts, and the outstanding facts so far as Western Europe and the United States of America are concerned, are first of all this tremendous potential abundance, and, secondly, that this abundance is obtained by a decreasing amount of what we call employment. One of my colleagues in Great Britain, working along quite separate lines, and using somewhat different data, arrived at the same conclusion that I did, and that was the result which was confirmed by the more responsible side of what is called the Technocracy Movement in the United States which is also studying the matter, and the three groups came to the same conclusion, which amounted to this: It was obvious so far as Great Britain was concerned, that by 1942, if there was no tremendous jump forward in invention or innovation, if matters actually took the normal course, it would be possible to supply all the goods and services that Great Britain could possibly use for very much higher standard of living than anything we have conceived up to the present, with an unemployed population of over 8,000,000 in Great Britain.

The total employable population in that country at the present time is somewhere between 12,000,000 and 13,000,000, so that the normal progress of actual production would force us to contemplate a state of affairs within 10 years' time that only one third of what we would now call our employable population would be employed. The wages system as we know it is progressively and increasingly incapable of dealing with the form of society in which two thirds are unemployed. We know exactly how to deal with that situation, and that is by the method of NATIONAL DIVIDENDS. (Cheers.)

I want you to realise that, owing to the fact that we are brought up under the hypnotism of money, these very simple things are sometimes very difficult to realise. There is really no such thing as economic insecurity at the present time. There is no reason why any single person in Australia should give one moment's thought as to where their next meal is coming from. To say that it

is necessary to have a succession of “booms” and “slumps” is an admission of complete administrative incompetence.

I’m always very anxious at all times to make this matter as impersonal as possible. I do not honestly believe that every banker is a rogue; I think that many of them are very sincere indeed, and, of course, I realise the immense power that their position has placed in their hands. Where I do think that they begin to be seriously blameworthy and liable to public reprobation is that when these matters are presented **THEY WILL NOT CONSIDER THEM**. I do not myself mind in the least if better ways are found of doing things than the ways that we propose. There may be; nothing is perfect. What I do object to is for people to say: No, we will persist in the old ways which have produced these catastrophes.

It is a very strange thing that those who consent to be the upholders of the financial system are not particularly perturbed by the accusation that they have made mistakes. They have made mistakes even in their own system to an extent which would have been certain to secure the dismissal of any functionary in any other profession than that of banking. I think that if the designers and constructors of the Bridge [London] had failed in their work five times, and the Bridge had fallen down about five times, and was not up yet, you would be likely to say that it was about time that new designers and new contractors should be given the work; yet this financial system which is alleged to be the only financial system breaks down on every occasion that any strain is put upon it. Somebody has defined a bank as being an organization which lends you an umbrella when it is fine and asks for it back when it rains (Laughter), and, of course, when it rains you get wet. But, as I was saying, the accusation of having made continual mistakes and having continual catastrophes does not perturb the orthodox banker or economist at all.

What does perturb them is to say that the system is a bad one and must be changed. That is why it is very important to point out that a cohort of angels from heaven could not make the system work satisfactorily. We have been saying that for

the last 14 years, and, in my opinion, most of the reasonable arguments which could be brought against the things that we have stated have been said and are practically silenced. There is no argument which is brought forward now in Great Britain with which we as an organization have not dealt and have not answered, but it is necessary to realise that you can go on along these lines practically for ever so long as you do not move any further. You’ve got to bring pressure to bear. (Hear, hear)

In Great Britain we have devoted during the last few years much more attention to this question of bringing pressure to bear than we have to the technique of Social Credit. We are quite satisfied that we have a technical basis for what we want to do, and we are now concerned with getting it done, and in general we have pursued this course. We have contacted an increasing number of men in responsible positions. It is a very cheap thing, and one quite out of drawing with the gravity of this Movement, to suppose that all men in responsible positions are incompetent and are fools. They are not. What I am perfectly convinced is that these men will never move unless pressure is brought to bear on them. You must first of all get the people to understand what it is that you are trying to do, and what you want, and then you must say in no uncertain terms that you intend to have that thing done, and I am absolutely confident that you will get it done. (Cheers.)

I notice that when I talk now to those people in responsible positions, they do not ask me very much about the technical aspects of social credit; they say, “How many followers have you got?” (Laughter) That is the thing that interests them. If you get a sufficient number of people and set your course properly, I do not believe that there is anything that can withstand you. But both of these things are necessary, and, in a rapid passage through Sydney, I give you some practical advice as you go.

Don’t waste too much time in lambasting the man who is carrying on the situation. Go to him and say, “Look here, we don’t like your system, it isn’t necessary, and we would like you to change

it. You are close to the machinery, you are in charge of it, you are familiar with it and it won't answer any special purpose in putting you out. What we are determined to do is to have this thing done. Now if you do it, everybody will be happy, but if you won't do it, we will put you out." (Applause.)

Following that I must say that I am not very much impressed with the idea of forming a special Social Credit Parliamentary Party. I have always opposed the idea in Great Britain, and I think my position has been justified. Get hold of the existing people whether they are politicians or whoever they may be in position, and apply your pressure to them and make their lives a misery to them until they do what you want. (Hear, hear)

Before concluding, I am forced by my conscience to end upon a graver note. I THINK IT WILL BE A MIRACLE IF WE GET THROUGH THE COMING YEAR WITHOUT THE BEGINNINGS OF ANOTHER GREAT WAR.

What the outcome of this may be I do not know. If it is possible by that miracle to avert that comparatively imminent catastrophe, it can only be done by getting complete control of the financial system within that time. I say that not to frighten you. I do not believe that the Anglo-Saxon ever really is urged along any course by fright. I am simply telling you as a reason for knowing that it is vitally necessary that you don't waste too much time about discussing the fine technical details of a new economic system. That can be adjusted by your experts. Keep hold of the situation, say that you are going to have certain radical changes made in this financial system along lines which are perfectly simple and which will permanently avoid the necessity of undue competition for foreign markets. That is the tinder

against the flint at the present time, and there is only one possible way of dealing with that – by increasing your internal purchasing power so that you do not have to press for export markets because you can consume your own production. (Applause)

Finally, it is very frequently asked of me whether it is possible for a real financial system to be instituted in one country at a time. There are two answers to this. The technical answer is: "Yes, certainly there is, there is no difficulty at all." But what you might call the worldly wise answer is: "Yes, certainly, but such a country would immediately have all the pressure of international finance brought against it." That is a true objection, but it has this important qualification, and that qualification was one of the reasons why I sketched the growth of these ideas in the different countries of the world. I do not believe that if you instituted Social Credit in Australia, and financial pressure were brought upon you from London, as it would be, I do not think that it would be tolerated by Canada.

There is all over the world a growing appreciation of the situation, which spreads even amongst bankers themselves. There is no doubt at all about it that all the lower strata of banking – and I think it is not an exaggeration to say, certainly in Great Britain, 80 per cent. of bank officers – absolutely agree with me. For that reason I would ask you to take heart and at the same time realize that by making a change in the present financial system you are not running anything like the risks that you are running by allowing things to drift. So get on with it and get busy. (Loud and continued applause)

From *The New Era*, 1934.

The Discrediting of Social Credit

Frances Hutchinson

To this very day, attacks upon the political economy of Social Credit, as set out by Clifford Hugh Douglas, continue to appear in learned journals. According to these 21st century academics, Douglas was talking arrant nonsense.

But, although he only had a few deluded followers, those few were so dangerously fascist that they had to be suppressed as a matter of duty before they contaminated the whole of decent society.

Detractors during the 1920s, 1930s and 1940s had a far more difficult task. They were facing a popular movement calling for truly democratic government backed by press freedom and a National Dividend. The success of Douglas' world tour in January and February 1934 (at which he delivered his Sydney Speech) could not be ignored. Hence Geoffrey Crowther, who was to become Editor of *The Economist* four years later, published a series of four articles in the *News Chronicle*, a national daily. Subsequently, the articles formed an appendix to his authoritative work, *An Outline of Money* (1940).

In 1934 the twenty-seven year old rising star at *The Economist* had this to say about the popular world-wide Social Credit movement:

"Why it should have a particular appeal to the general public I do not know. Social Credit deals with the extremely difficult and technical subject of monetary theory, which one would not expect to have a wide popular appeal. Moreover, the writings of its adherents are marked by obscurity rather than clarity, by ambiguity rather than by precision. The magnitude of its claims would be, one would think, a deterrent to many people; one is naturally suspicious of a theory which promises 'the abolition of poverty, the reduction of the likelihood of war to zero, rapidly diminishing crime, the beginning of economic freedom for the individual, and the introduction of the leisure State'—and all by means of simple bookkeeping.

"I think it is this natural suspicion which explains how little one hears of the Social Credit movement in the Press. The Social Creditors believe that they suffer from a corrupt conspiracy of silence, but it is far more likely that they suffer from nothing more than the incredulous caution with which the working journalist treats all vendors of gold bricks or discoverers of El Dorado.

Whatever the cause for the popularity of Social Credit, there can be no doubt about its present extent or about the fervour of its adherents. Nothing but good can come of the fullest possible discussion of a theory which has such an evident popular appeal."

Translated, the latter two sentences reveal the reasoning behind the writing of the articles in the *News Chronicle*: Douglas had become too big a name to be ignored by the powers that be. Hence it was necessary to cut the movement down to size. Crowther continues:

"Major Douglas, as an engineer, is rather apt to assume that the engineers have solved the problem of poverty, and that only the economists and the politicians stand in the way. In point of fact, the technical problem of producing goods is as small a part of the whole economic problem as engine-driving is of running a railway."

Here, as throughout his four articles, Crowther never spells out exactly how Douglas has got it wrong. We are only told that "one is naturally suspicious of a theory which promises 'the abolition of poverty, the reduction of the likelihood of war to zero, rapidly diminishing crime, the beginning of economic freedom for the individual, and the introduction of the leisure State'—and **all by means of simple bookkeeping.**" That is the key to the whole question of finance: simple bookkeeping and plain common sense. It was essential to smash this popular movement and to eradicate all memory of it from the academic world. As my researches prove, that exercise was conducted with perfect precision. Very few activists of the present day have ever heard of Clifford Hugh Douglas and the Social Credit movement.

The Davos Class

Susan George

...I find one of the hardest points to get across to audiences ...is that there really are a lot of determined, powerful, well-mannered but truly dangerous people out there; together they have class interests, they profit mightily from the status quo, they know-each other, they stick together - and they don't want anything fundamentally changed. But let me make clear I'm not

impugning anybody's individual morality.....I am simply saying that, *as a class*, they can be counted on to behave in certain ways if only because they serve a single sort of system.

In his major work, [*The Wealth of Nations*, Adam Smith] wrote: "All for ourselves and nothing for other people" seems in every age of the world to have been the vile maxim of the masters of

mankind.” [H]e goes on to explain how the great proprietors of his day preferred to have a pair of diamond shoe-buckles, or ‘something as frivolous and useless’, rather than provide the ‘...the price of the maintenance of a thousand men for a year’....

The masters of mankind are still with us, and for my purposes here I will call them the Davos class because, like the people who meet ... in the Swiss mountain resort, they are nomadic, powerful and interchangeable. Some have economic power and almost always a considerable personal fortune. Others have administrative and political power, mostly exercised on behalf of those with economic power, who reward them in their own way.

You can find the Davos class in every country - it is not a conspiracy and its modus operandi can be readily observed and identified. Why bother with conspiracies when the study of power and interests will do the job? The Davos class is always extremely small relative to the society and its members naturally have money - sometimes inherited, sometimes self-made - but more importantly they have their own social institutions - clubs, top schools for their kids, neighbourhoods, corporate and charity boards, holiday destinations, membership organizations, exclusive fashionable social events, and so on - all of which help to buttress social cohesion and collective power. They run our major institutions, including the media, know exactly what they want and are much more united and better organized than we are.

My argument in this book is that they run the prison we're in. They still want ‘all for themselves and nothing for other people’. But since Adam Smith’s day the ‘other people’, through their own struggles, have learned how to read, write and think critically; they are better informed, they have little by little captured a measure of power for themselves and they are thus far more experienced politically than in the eighteenth century. They must therefore be kept under more strategic and more intelligent supervision.

The Davos class, despite its members’ nice

manners and well-tailored clothes, is predatory. These people cannot be expected to act logically because they are not thinking about longer-term interests, usually not even their own, but about eating, right now. They are also well versed in prison management and they hire the best-trained and most clever guards to keep us where we are.

Routes of Escape

..... I believe that ‘we’ - the decent, honest, ‘ordinary’ people I meet all the time - have the numbers (and thus also the votes) on our side. We have imagination, ideas and rational proposals as well as most of the skills and the scholarship - meaning we know what needs to be done and how to do it. We belong to a huge variety of formal and informal organizations struggling for change in this or that institution, this or that domain. Collectively, we even have money. What we do not have is the unity or the organization of the adversary, and all too often we lack consciousness of our potential power. Leadership is a problem as well. Our political parties are often....financially dependent on the dominant class and either translate the latter’s wishes directly into law or, if they are in opposition, go along passively with most of their decisions.

To function efficiently, the dominant class requires the state and its machinery, which they shape in so far as they can to meet their own needs. This they did with stunning success from the mid-1970s onwards in order to eliminate any regulations which could hinder the quest to get ‘all for themselves’. They wheedled, nattered and pressured and, when that didn’t work, paid the politicians to make the necessary arrangements.....

I devoted a book to explaining how in the United States the dominant class used media, management, marketing and money to manufacture and spread the new common sense, aiming at the topmost institutions where ideas are forged and then trickle down to the rest of society. President Obama is certainly a welcome replacement for George W. Bush, but I think it would be mistaken to assume that he can - or even that he wants to - erase at a stroke thirty

years of neoliberal transformation. In 2008 he also received over \$4 million in campaign contributions from the upper echelon employees of the now bailed-out banks.

Prison Principles and Practice

Because Davos Man necessarily follows capitalist rules, he maintains the economy in a chronic state of overproduction and does not need most of the world's workforce. Democracy gets in his way, and if dragging us all back into the miseries of the nineteenth century is what it takes, and if he is free to do so, that is what he will do. If he destroys society and the earth in the process, that's tough. Better luck next time, perhaps on some other planet; he won't be around as an individual.

..... the present stage of global capitalism dates approximately from the early to mid-1970s and is generally called 'neoliberalism'; it is based on freedom for financial innovation, no matter where it may lead, and on privatization, deregulation, unlimited growth, the free, supposedly self-regulating market and free trade. It gave birth to the casino economy, which has failed and is thoroughly discredited...

Most people ask for no further proof; they can see that the system works neither for them, nor for their families and friends, nor for their country. Many also recognize that it's bad for the immense majority of the earth's people and for the earth itself. The ideological and political scaffolding holding it up has collapsed, along with the financial structure, smashing millions of lives, forcing the global establishment to adopt unprecedented remedies at enormous cost to citizens, with no guarantees that their hastily contrived schemes will suffice.

It's time to update Lenin's 'The capitalists will sell us the rope with which we will hang them.' Today it's worse than that - the capitalists now sell each other the rope with which to hang themselves and drag the rest of us down with them. That's how they provoked the present catastrophe - selling each other ropes, which they called by fancy names and acronyms, but which turned out to be dangerously risky financial products. Governments rushed in to save them

from an ignominious end before they could expire.

..... Already, not much more than a year after Black September 2008, the bankers are inventing hitherto unheard-of financial products and peddling them worldwide. The most macabre I have read about is based on their purchase of the life insurance policies, at a substantial discount, of old and seriously ill people, which they package as they did subprime mortgages and sell as financial products. Their remuneration and bonuses have once more become obscene. Their system is designed to surpass itself continually..... until it crashes. As it will crash again.

At the G-20 meeting in April 2009, political leaders pretentiously claimed to have invented a new world order. It was nothing of the kind but rather a grab-bag of stopgap measures designed to keep the old world order ticking over a bit longer, using institutions such as the International Monetary Fund (IMF) - which helped to create the crisis to begin with - to which they handed over hundreds of billions. In September 2009, they gave a repeat performance.

This leadership has also made its priorities crystal clear. They have now legitimized themselves as the world's government, leaving out 172 countries that don't count.

Such governments and their communicators are experts in packaging, concerned with making the status quo look brand new. Since they normally govern on behalf of the Davos class they take the line of least resistance, and so far this has always meant enlisting the rest of us to pay and shut up. Refusal to obey should be our first line of defence. Nothing will change fundamentally without popular action because nothing ever does.

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How the Other Half Dies, Hijacking America We the Peoples of Europe, Another World is Possible if...and Faith and Credit.

From the
CHURCH TIMES

by *Bishop Peter Selby*, (April 20 2011)

Since 2008 there's been widespread debate, not least in the churches, about the power and nature of money, the roots of the international crisis and the need for substantial reform of the banking and finance sectors. Rather less has been learned than many of us would have liked, but the issue remains high on the political agenda and needs to be high on the agenda of people of faith too.

It is as ever in the detail that the devil — or in this case the rule of Mammon — resides. That is, it is often in events that rank as small in the media's estimate, that the reality of our dominance by the power of money is revealed. As I write this a group from the South London parishes of St John with St Andrew Waterloo, St Peter Walworth. and St Anne and All Saints South Lambeth are scheduled to ask Church House on the Tuesday in Holy Week as a call to repentance to the Church Commissioners for the decision to sell the Octavia Hill estates to the highest bidder, rather than as the social housing Octavia Hill had envisaged. It may not get huge coverage, but that says nothing about its importance: the wounds of that decision have now been reopened ten years later by the estates' being sold on finally to a private landlord, with every vestige of the social housing vision predictably gone.

For those of us who were around at the time of the decision the memory of that lost vote remains searing; by a long way more searing, though, is the damage done to the credibility of the Church of England (residents can hardly be expected to know the niceties that distinguish Church Commissioners, General Synod. diocese and parish, the Assets Committee -- and their local Vicar). The perversity of the argument used at the time, that this was necessary 'to support the mission of the Church', is finally clear, if it

was ever in doubt now that the estates are all to be privately owned, part of the 'market' that raises prices to the point where local people can no longer afford them: communities, PCCs, the diocese of Southwark, archdeacons, area bishops, the Bishop of Southwark and the Archbishop of Canterbury could all see the damage this sale to the highest bidder would do, precisely to 'the mission of the Church'. Only devotees of the power of money to cover all disasters could imagine that realising a few extra millions into the coffers of the Church Commissioners could make up for that damage. We all now know that selling the estates to the highest bidder with no protection for the social housing vision would inflict a wound on the Church's mission which will pass into the folklore of the parishes where the estates are located.

This story reveals precisely where we have got to in our attitude to money. Octavia Hill, and the Church Commissioners of her day, were not at all unaware of their duty to realise a return on their assets. The difference between them and those who took the decision to sell the estates to the highest bidder is that Octavia Hill and her contemporaries had a theology of 'enough': for her it was 'enough' if the Commissioners realised 5% on their assets, and her vision was of providing housing for local people within that discipline. The 'highest bidder' mantra is exactly the opposite: enough is never enough; if you can get more you must. And that is precisely the attitude — the money religion — that brought the world financial system to the edge of collapse, and which remains unchallenged in too many circles today.

What stands in the way of serious reform of the financial system, a reform which, as the

Christian Council for Monetary justice (www.ccmj.org) constantly reminds us requires that the production of money should not be in the hands of the banks who profit from it, is the fact that those with power have no theology of enough. They will never have enough and by their commitment to constant growth will promote more and more crises, from financial collapse to resource depletion to climate change. And enough, as Bishop John Taylor said all those years ago, is enough.

The building in which the decision to sell the estates was taken was itself sold on to the House of Lords, and so church members will no longer pass the memorial plaque to Octavia Hill. But the story of her vision, and of what has happened to it in our time, had better be remembered for all it has to teach us about what happens when the power of money overreaches itself, a danger from which the Church is as we can see not immune. Only if that is learned and taken to heart will this sad story bear fruit in a better outcome.

On the morning of the day when the Assets

Committee of the Church Commissioners would meet for what sensed would be the final, and disastrous, decision effectively to sell the estates into the private market, I was allowed to join, and be supported by, local parishioners at a eucharist at St Anne's, South Lambeth The way things have turned out, during this week I shall remember that event as, in a sense, Octavia Hill's last supper.

Peter Selby [Former Bishop of Gloucester]

Who is the Enemy?

We are the enemy, hubristic humanity,
living as though we could control nature.

Until we stop buying and selling
people, land and credit,
we are doomed to inappropriate exponential
growth
and the entrenched habit
of exploitation of people and planet
that together widen the rich poor gap and
degrade the planet's life support systems.

A Spiritual Conspiracy

“Be the change you want to see in the world.
It comes from the intelligence of the heart.”
On the surface of the world right now there is
War and violence and things seem dark.
But calmly and quietly, at the same time,
Something else is happening underground.
An inner revolution is taking place
And certain individuals are being called to a higher light.
It is a silent revolution.
From the inside out. From the ground up.
This is a Global operation.
A Spiritual Conspiracy.
There are sleeper cells in every nation on the planet.
You won't see us on the TV.
You won't read about us in the newspaper.
You won't hear about us on the radio.
We don't seek any glory.
We don't wear any uniform.
We come in all shapes and sizes, colors and styles.
Most of us work anonymously.
We are quietly working behind the scenes

In every country and culture of the world
Cities big and small, mountains and valleys,
In farms and villages, tribes and remote islands.
You could pass by one of us on the street
And not even notice.
We go undercover.
We remain behind the scenes.
It is of no concern to us who takes the final credit
But simply that the work gets done.
Occasionally we spot each other in the street.
We give a quiet nod and continue on our way.
During the day many of us pretend we have normal jobs
But behind the false storefront at night
Is where the real work takes place.
Some call us the Conscious Army.
We are slowly creating a new world
with the power of our minds and hearts.
We follow, with passion and joy
Our orders come from the Central Spiritual Intelligence.
We are dropping soft, secret love bombs when no one is looking
Poems ~ Hugs ~ Music ~ Photography ~ Movies ~ Kind words ~
Smiles ~ Meditation and prayer ~ Dance ~ Social activism ~ Websites
Blogs ~ Random acts of kindness...
We each express ourselves in our own unique ways
With our own unique gifts and talents.
Be the change you want to see in the world.
That is the motto that fills our hearts.
We know it is the only way real transformation takes place.
We know that quietly and humbly we have the
Power of all the oceans combined.
Our work is slow and meticulous
Like the formation of mountains.
It is not even visible at first glance.
And yet with it entire tectonic plates
Shall be moved in the centuries to come.
Love is the new religion of the 21st century.
You don't have to be a highly educated person
Or have any exceptional knowledge to understand it.
It comes from the intelligence of the heart
Embedded in the timeless evolutionary pulse of all human beings.
Be the change you want to see in the world.
Nobody else can do it for you.
We are now recruiting.
Perhaps you will join us
Or already have.
All are welcome.
The door is open.

Anon

Information from:
Connie Fogal
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Vancouver British Columbia V5N 4R9
Canada

Don't Worry about the Rich

Eimar O'Duffy (first published 1932)

Once again, therefore, we come back to the point that poverty to-day can be abolished quite easily. The cars could have been available before, and the food could be available still, if there were money enough to buy them. The problem is not one of relieving scarcity, but of distributing abundance.

If Sir Josiah Stamp's figures can be thus disposed of, the Socialists are equally at fault in denouncing the extravagance of the rich as the cause of the poverty of the poor. There is plenty in spite of that extravagance; and as the rich can have no part in the kingdom of heaven, it seems unfair to complain of them for making the most of the kingdom of earth. For my own part, so long as I can have my little home in the suburbs, my books, my friends, an occasional trip to the Continent, and the comfort of tobacco, I do not grudge the millionaire his palaces and steam yachts. He can have them without robbing me. It is only when he uses his wealth to obtain political power over me that I have any quarrel with him. But that is not economics.

Particularly wide of the mark are attacks on the *idle* rich, because for them, just as for the idle poor, there is no work to do. They 'consume without producing' because we can produce enough for all without their assistance. Certainly they consume more than their share, but not of anything that matters, for nobody in his right mind would want most of the things they consume

—I mean such things as *foie gras*, five-shilling cigars, night clubs, and lackeys. It is claimed that they divert to the manufacture of luxuries labour and capital that would be better employed in making necessities for less fortunate people. But they don't; for it is in the trades that supply the needs of ordinary people that unemployment is worst. The whims of the rich merely occupy labour and capital which, under present economic arrangements, would be doing nothing.

No. There is no need for the economist to worry about the idle rich. That is a moralist's job. A

much more real peril is the industrious rich—the men who get hold of and manipulate industry to gratify their own love of power or desire for money, and subordinate to these ends its proper function of producing goods. And even from them the danger is not mainly economic. It is generally agreed, for instance, that the buying up of the Press by a handful of millionaires is a thoroughly bad thing. In their hands the papers have tended more and more to sensation-mongering and stunt-promotion, to flattering and corrupting the minds of the ignorant, to vulgarity, prurience, quackery, and mere silliness, while truth and freedom of opinion are in infinitely greater danger of suppression than under the most despotic of governments. But these are not economic evils, and it is not the business of an economic machine to find a remedy for them. What I am concerned to show now is that the rich are not the cause of poverty, and that social reformers waste too much good ammunition on them. The human mind likes drama, and to represent the economic situation as such, with hero and villain and disputed fortune all complete, makes things simple and thrilling to the average voter. But the rich are no more villains than the poor are heroes, and the fact is that both are being helplessly whirled along by a machine which they don't know how to work.

Machinery the Cause of Unemployment

It is evident that Sir Josiah Stamp regards unemployment as a sign of poverty, and the whole body of orthodox economists holds the same view. In doing so they convict themselves not only of incapacity to understand their science, but of inability to reason. As I said in the *Spacious Adventures of the Man in the Street* (published in 1928), unemployment and poverty cannot exist together. They are mutually exclusive. If a portion of the community is unemployed, it can only mean that everybody's wants are satisfied. If any portion is in want, it means that there is so much work to be done as will satisfy it. That is an inescapable dilemma, and I defy any orthodox economist to get out of it. The reason why the

two conditions do actually exist together is, of course, that we do not pay our unemployed in spite of our riches.

It is abundance, then, that is the cause of unemployment, and, through unemployment, of poverty. Every mechanical device invented by man, every scheme of industrial reorganisation for the economising of time and labour, throws men out of work while increasing the general resources of the community. The very bounty of nature has the same effect, a bumper crop of wheat or fruit in any part of the world being regarded as a calamity by all who live by the toil of cultivation. Unemployment began, in fact, the very first time a man used a sharp flint for a tool instead of his naked hand. But of course it was not then a 'problem.' The problem at that time was the other way round: that is to say, not to find oneself *work*, but to get oneself a sufficiency of goods without having to spend one's whole life working for them. Unemployment only became a problem when the displacement of human labour by machinery began to deprive large numbers of men of their only recognised means of livelihood. The Luddites, who, in 1811, took to smashing the machines which had thrown thousands of wool workers out of employment, were not quite so 'unenlightened' as hard-headed economists called them. They were taking the obvious way out of their misfortunes, and the only way visible to minds accustomed to the traditional modes of economic thinking. As we shall see presently, the remedy they sought was the exact same in essence as that proposed by the eminently respectable school of economists called Protectionists.

Are We, then, to Abolish Machinery?

Of course not. You might as well suggest that we ought to limit the fertility of nature, which is equally a source of unemployment. Those who, like Mr. Chesterton and his Distributist League, propose to regenerate society by returning to hand labour and small farming are simply asking us to throw away all the advantages over circumstance which human ingenuity has won, and forego all the abundance which it has created and can go on creating. They want us, in effect, to work

harder to produce *less* result. Mr. Chesterton will be horrified to hear it, but the reason why he proposes such a remedy is that his reasoning is vitiated by the exact same fallacy as inspires that of his capitalist opponents. Because work is necessary to produce wealth, he imagines that work is wealth, and, that wealth is to be measured by the amount of work expended in producing it.

Of course he would not actually *say* this. He does not even know that he thinks it. Neither does he act on it in his personal affairs. He does not, for instance, write his books on papyrus with a quill pen and sepia: he uses paper and a fountain-pen, or at least a steel pen and manufactured ink. If he wanted to hang up a picture in his home, he would not try to drive the nail with a pebble from the garden: he would use a hammer. Yet, when he comes to think of society as a whole, he urges it to do the exact opposite, and so do his opponents. A cabinet minister would not try to 'make work' for himself in his own home: but his contribution to the solution of his country's economic difficulties is to try to 'create employment' for the poor.

The Philosophy of Sisypism

To this habit of mind Frederic Bastiat, a French economist who wrote in the eighteen-forties, gave the name of Sisypism. Sisyphus, in Greek mythology, was condemned, in punishment for his sins, to spend eternity in rolling up a hill a huge stone, which rolled down again as soon as it reached the top. His sterile labours furnish an excellent symbol for the policy of 'making work' instead of distributing the product. 'Industry' says Bastiat 'is an effort followed by a result.' The result is wealth, or prosperity; and the greater the result in proportion to the effort, the better off we must be. That, at least, is everybody's personal experience. If we can get five pounds in return for a week's labour, we count ourselves richer than if we have to work a fortnight for it. A housewife uses a vacuum cleaner because it does its job better and with less effort than a broom.

Common sense therefore tells us that the way to prosperity is to increase the proportion which result bears to effort: to get the maximum result

from the minimum of effort.

The Sisyphist will not have it so. Instead of concentrating on the result, he concentrates on the effort. Instead of aiming at the production of goods, he aims at the promotion of work. He sets the means above the end. In homely language, he puts the cart before the horse, and so gets the minimum of result from the maximum of effort. Mr. Chesterton's attitude to machinery illustrates this perfectly. He objects to mass production not merely because it gives us *standardised* goods, but because it gives us *plenty* of goods. He thinks that to reduce that plenty will make us wealthier because it will make us work harder. Sisyphism is the basis of nearly all the thinking done on economics, whether by experts, politicians, industrialists, or the man in the street. A fine example of it is given by Bastiat, who quotes a French Minister of Commerce of his day as opposing the cultivation of beet on the grounds that it required little land, little labour, and little capital to produce a large quantity of sugar.

A better example still was the action taken by the British Government in Ireland during the famine of 1847. Owing to the failure of the potato crop, the peasantry were starving. Obviously what they needed was food: but the Government in its wisdom decided that what they needed was work. It also decided that 'the normal course of trade' must not be disturbed by giving them useful work.

The unfortunate victims of the famine were accordingly employed in building towers and pulling them down again, digging trenches and filling them up again, and destroying roads and reconstructing them again. It all reads like madness now, but it was done at the solemn dictation of the economists of the day. Our present economists will look equally foolish to the next generation.

Mr. Lloyd George furnished us with a modern example of Sisyphism when he told a Labour deputation in 1921 that France had been saved from unemployment by having had her territory devastated by the war. His common sense compelled him to add that she was mortgaging

her present and future in order to repair the damage, and that it must not be thought that she was suffering nothing because the work of reconstruction gave temporary employment. But the mere fact that he found it necessary to make these remarks shows how thoroughly men's minds are imbued with Sisyphism.

When Mr. De Valera said that Ireland had been well served by the civil war of 1922 because the repairing of the damage done would give employment to the workers, he was talking the pure language of Sisyphism.

Some time ago the wife of an American millionaire, living apart from her husband, went to law to demand that her maintenance allowance should be increased to £84,000 a year; which sum, her lawyer explained, was barely enough for her necessities, leaving nothing over for luxuries. The Daily Express, commenting on the case in a leading article, asked: 'Is such a woman an asset to society, or an economic misfit? Does spending on this prodigious scale set such a pernicious example that all the good it does in promoting employment and circulating wealth is undone?'! These questions are the product of Sisyphism.

The acme of Sisyphist absurdity was reached when, after the Great War, the Allies found that they could not accept reparations from Germany without ruining themselves. Coal, for instance, was dear in England; so dear that many people had to do without it. Yet the reception of German coal for nothing was regarded as a calamity. One would think that Sisyphism should have perished in the realisation of that fatuity; but it takes a lot to kill a bad thing.

This extract is taken from the third edition (1935) of *Life and Money*, pp 36-47

To be continued...

*For articles by C. H. Douglas visit
Social Credit Secretariat website:*

www.doulassocialcredit.com

A civilization of men financially free

Louis Even

Douglas, the founder of the Social Credit School, was one day asked exactly what he expected the propagation of his doctrine to achieve. The great man answered as follows: "I will tell you in a broad way what we are aiming at. We are striving to bring to birth a new civilization, something which extends far beyond the bounds of a change in the financial system. We are hoping, by various means, chiefly financial, to enable the human community to step out of one type of civilization into another, and the first requirement, as we see it, is that of absolute economic security."

A liberation

What will this new civilization be like? How will men in their conduct, in their relationships with one another, be better off than they are today? What will be the special marks of this new civilization in which, according to Douglas, men will be able to build through Social Credit?

No one can give exact and definite answers to such questions. Social Credit has never pretended to blueprint a particular way of life for anyone. It would emancipate man, but it has no wish to dictate to him.

Or, as another Social Credit writer put it, Social Credit is not a panacea, but rather a liberation. A panacea is a universal cure for all diseases, physical or moral. Obviously panaceas have no reality; they are wishful thinking. And Social Credit is certainly not a panacea.

Under a Social Credit system, it will still be necessary to maintain production; there will still be difficulties to surmount, diseases to be cured, sorrows to bear, studies to be pursued, evils to be fought, and virtues to be acquired. Overweening ambition will have to be restrained, injustices will have to be righted, and charity practiced.

Why then do we speak of a new civilization? Because the men who will build this new civilization and live in it will be men free from the perpetual anxiety about tomorrow's bread, just as long as mother nature brings forth enough

wheat to supply bread to everyone; and so too for the other material necessities of life.

Today, grain elevators are full to the point of cracking open; farmers lament the ever-increasing surpluses of wheat. Yet for all this, there are many who go hungry. Under a Social Credit system, such a situation would be impossible. The supply of bread would be determined by the supply of wheat, and not by money. There would be money equivalent to the supply of wheat necessary to make bread; that is to say, there would be both wheat to make bread and money with which to buy bread. And the same would be true for all the other goods and services available to meet necessities and wants.

The right of all to material goods

Our present civilization certainly abounds in material and cultural riches. And religion offers its spiritual wealth in abundance. Yet our civilization is a civilization of men in bonds, of men subjected to conditions which more often than not make it difficult or impossible for them to share in these material and cultural treasures. Even the pursuit of the spiritual is hampered because a man absorbed in the battle for material necessities does not live in a climate favourable to the contemplation and acquisition of virtue.

Saint Thomas Aquinas, the great theologian, pointed out the necessity of a certain amount of material goods for the practice of virtue. Which is not to say that the mere possession of wealth in itself renders a man virtuous. He must still work at the practice of virtue. However, the lack of this prerequisite, the want of the necessary material conditions, creates an obstacle, and it is the duty of the economic and social order to remove this obstacle.

The same holds true for culture. Earning a livelihood should not so occupy a man that he has no time for other human activities which are more important. But this invariably happens when a man is hemmed in by anxiety for tomorrow's food.

Absolute economic security

We admit, then, that Douglas is right when he says that, in his mind, the first condition necessary for the foundation of a new and better civilization is “absolute economic security”. “Absolute” — that is, without conditions. In other words, the guarantee of one’s daily bread by the mere fact of one having been born into a world capable of furnishing, quite easily, daily bread to all.

Relatively few people enjoy such absolute security today. Even among those who possess the means of making a living for their families, the majority are never sure that they will have these means tomorrow or in ten or twenty years time. Yet, if our socio-economic system were well ordered, if the acquisition of the goods and products of nature depended only upon the existence in sufficient quantities of such goods, then everyone in Canada, as well as in many other countries, would be able to enjoy absolute economic security.

But when getting hold of goods depends upon financial conditions which are not in accord with the fact of the existence of these goods on the one hand, and of the existence of needs on the other, then absolute economic security is impossible. Security then depends upon fluctuating conditions over which the individual has no control; and any security then degenerates into insecurity. In physical reality, we have a basis for security; but our financial system is the root of insecurity. And since finance is given priority over reality, it follows that insecurity prevails over security.

Hence the statement of Douglas, that the emergence of a new civilization presupposes the application of certain measures, especially in the field of finance. And this is the specific aim of Social Credit’s financial propositions which Douglas himself formulated.

What will result?

— But what effects would this absolute economic security have upon individuals?
 — What effects would it have upon you personally?

Let us suppose that a sum of money, capital, were invested in your name. Let it be that you cannot withdraw the capital thus invested, but that it brings you an annual revenue to the end of your days, sufficient to permit you to live decently and comfortably. This would be for you absolute economic security. Now, in what way would it affect your life?

One thing is sure: you would immediately lose any uncertainty about being able to provide for your needs. Would you continue to work for a salary? You might, if you liked the work and if the extra revenue permitted you to live a larger and fuller life. Perhaps you would choose to leave this occupation in search for another which, though less lucrative, would be more to your taste (for you now no longer live in the shadow of want). Perhaps you might choose to work for yourself, profitably or otherwise, making your own free choice of your occupation.

You yourself would choose what you wanted to do since you are now, financially, a free man. Your neighbour too would enjoy this privilege, were he to benefit from absolute economic security. And so too would all citizens when, according to Social Credit principles, all were endowed with this same absolute economic security.

It also becomes apparent at once that certain inevitable changes would take place spontaneously. Since purchasing power would lie, for the most part, in the pockets of the consumers, it would be they who would dictate to production what to produce. The economy would become an economy of the consumer and, in so doing, would regain its true function and end.

Again, the relations between employer and employee would automatically take on a new aspect. There would no longer be any question of unions of workers and syndicates of employers to fight one another. Men, once assured of their daily bread, would no longer have to submit to the imposition of conditions disagreeable or intolerable. The various

groupings of those engaged in production would almost surely take new forms with the “hired help” assuming the role of true associates in production.

When men are set free by this economic security, the many pompous dictators will no longer have the power to make them kneel and grovel. Which is perhaps why those who aspire to lord over others are so violently opposed to Social Credit.

The fear of abuse

— But will there not be those who will abuse this new liberty?

Would you yourself abuse it? If you had the chance to acquire this liberty, would you prefer to have it withdrawn for fear you might abuse it? But let us admit for argument’s sake that some might misuse it. Is this a good reason for holding on to an economy of slavery, an economy whose theme is anxiety for the future, when economic security is possible for all?

Pope Pius XI noted that a certain degree of ease and culture does not hinder but rather facilitates the exercise of virtue, providing one makes wise use of such material benefits. He knows very well that some will misuse them. But nevertheless, he claims them for each and everyone as conditions of an economic

and social system well and truly constituted. (Encyclical *Quadragesimo Anno*.)

We stated above that, even under a system of absolute economic security, there would still be problems to be resolved. But they will no longer be problems of finance, but only such as relate to the functions of man other than economic. There will be educational, civic, medical, moral, and religious problems — as there are today. But are we afraid of them? Does anyone pretend that the influence of our existing financial system can replace or even aid to any degree the educator, the priest, or help morality and religion?

Why is it that a man should not be able to learn mastery of himself by some other means than that of the continual fear of not having enough to eat? And why should it be necessary for this spirit of fear for tomorrow to be perpetuated through the conniving of the money and credit masters, when our granaries are full to the point of bursting?

The present system is nothing but economic heresy — want in the presence of abundance. Social Credit would substitute for it a true orthodox economy, an economy of security for everyone justified by the evidence of concrete, physical facts.

A system of plenty

Louis Even

Plenty exists, but one smothers it, because one does not want to distribute it to all those for whom it exists. One puts the surpluses, the communal treasury, under lock and key, because one wants only those who have the privilege of contributing to production to be entitled to a small share. To those not contributing to production, nothing.

The Social Credit dividend will distribute the production that is today being lost or suppressed at its source. It will not dry up production; it will stimulate it.

Not welfare

Let us not confuse the dividend with the dole or with welfare. The dividend is not public charity,

but a distribution of income to the members of society, for example, to all the shareholders of Canada Limited.

The funds which are used for welfare are levied on the present or future incomes of the employed members of society. In order to give a little purchasing power to the have-nots, social welfare takes some purchasing power away from others, or mortgages the purchasing power of people who are not yet born.

In a century and a country of plenty!

Moreover, welfare demoralizes, because it punishes work. The recipients who accept work, even at a wage which does not allow one to live decently, lose their benefits. Forms of social

security, like welfare, humiliate the destitute, who are told that they are a burden to others, that they live on the forced contributions from their fellow citizens.

The Social Credit dividend has none of these evil features. It is an income distributed to all, because it belongs to all. It does not create a burden to anyone; it does not deprive anyone. It does not create inflation, because it is conditioned by the actual or imminent presence of products.

No one is wronged. It is the production surplus, immobilized at the moment, that the dividend proposes to distribute. To refuse it is to destroy wealth, to establish the reign of poverty in front of an abundant production capacity, to unjustifiably maintain the consumer in want, families in suffering, the worker in unemployment, industry in chaos, the taxpayer in despair, the governments in servitude.

The dividend and the individual

What effect will the dividend have on the individual? What effect would it have on you if you were to receive, by the mail, an envelope from Ottawa, containing a \$800 cheque with this message: "The nation, enriched by its industry, the labour of its sons and of the machines, is happy to offer to you this dividend, which is also mailed to each of the country's 30 million citizens, to allow the sale of an abundant production, and to avoid unemployment, misery, and the paralysis of industry."

Will you pocket the six-hundred dollars and leave your job for a month? Or will you be green with envy or vexation at the thought that each of your neighbours also gets \$800? Or will you call the Canadian Government immoral, because it gets the poor out of misery instead of letting the products go to waste?

Would you not rather thank God for having put you in a well-organized and well-administered country, rich in natural resources? Would you not become all the more attached to your homeland, and strive to contribute to its prosperity? Would you not continue to work more industriously, like the worker who has just received a raise in wages, because you will know that the possibility of a dividend depends on the development of production?

The good effects that the dividend would have upon you would apply to others as well. Too many of those who find the idea of a dividend harmful are hypocritical or proud people who think that, for themselves it would be good, but that others, born and raised in sin, are too licentious to use a dividend wisely.

The dividend and the family

What will the dividend mean for the family — a dividend for your wife and for each of your children, as well as for yourself? Will it sow consternation or discord in your home? Will you not, on the contrary, consider together the idea of improving the conditions of life in your home, like buying a new piece of furniture, a new accessory, new comforts that you have wanted for a long time?

At last you will be able to refurbish a wardrobe that was getting old. You will be able to consider getting a better education for your children, developing the talents of one or the other for such and such an art; bringing electricity into your home, getting a little help and rest for your wife. You will have your pew at church; you will be able to enlarge your donations for charities, because a little more ease at home has not made you less Christian. You will be able to subscribe, you and your family, to magazines that are both educational and recreational, instead of being limited, by an insufficient budget, to the cheap vulgar press.

Much has been said about the family wage. The married man, a father of many children, needs certainly a larger income than the bachelor. But although they may be equal in productive value, the one or the other cannot demand different wages from his employer, for the employer would thus rather hire single men and providers of small families.

The dividend settles this problem, since each individual participates in it equally. The married man, a father of six children — all of whom perhaps being of a tender age — will be able to get the same wages as his bachelor fellow worker, but while the bachelor gets his sole dividend, over and above his wages, eight dividends will enter into the family which has eight mouths to feed. These are family allowances which cost nothing to anyone, which, on the contrary, help everybody, since

they allow production to run at full output.

The dividend and the farmer

The dividend (added to the compensated discount) allows the sale of farm products at prices which leave the farmer a sufficient profit to pay him for his toil. His family, often large, benefits in addition from the dividends obtained by each of its members. In the same way that he is able to sell his farm products, he is also able to buy those of industry. At last he can think about buying the farm implements which he lacks, chemical manure, more head of cattle, etc. If this farmer is a settler, you can imagine how helpful the dividend becomes to him. Those who increase, by such a laborious life, the productive domain of society, are certainly more entitled to the surplus of the producing system.

The dividend and the worker

What effect will the national dividend have on the worker? It will safeguard the worker's

dignity. The worker will no longer be forced to hire himself out for a starvation wage; hunger enslaves the needy worker to the conditions laid down by the exploiter. Besides, by assuring the sale of products, the dividend allows an employer to remunerate his employees better. For the same reason too, the dividend favours the permanence of employment. You must not, in fact, delude yourself about this; if the machine replaces man in a multitude of processes, there remains enough to do in public and private improvements and developments, at least here in Canada, to make use of our employable men's energies. The security against an absolute need brought on by the dividend allows each one to pursue occupations that will fit him best; all the social organism will gain by it. The dividend is the formula to ensure to each member of society, to all and each, the right to the basic necessities of life, when there is possible plenty for all.

Louis Even (1885-1974) founded the social credit movement in Quebec in 1940.

Christian Teaching on Economy

Wallace Klinck

The following text formed part of an email exchange, in which Wallace Klinck declared that he was not impressed by Gandhi's economic thought.

In the first place, he [Gandhi] had no knowledge of how under orthodox finance and cost accountancy the price system is increasingly non- self-liquidating and his concentration on aspects of human behaviour is quite inadequate under these unnatural and stressful conditions which necessarily require increasing dependence upon financial debt and ever-expanding production. Nor did he have an understanding of the actual incarnation of grace in the Christian sense in the very organic function of our economic relationships. His attempts to create "work" for the starving masses backed up by the erroneous idea that one who consumes without working is stealing, is unsound. This would only be true even approximately in a primitive hand-to-hand economy. Quoting the Apostle Paul on this issue is misleading and anachronistic because today the greater

part of actual production is achieved through application of non- human energy and use of the Cultural Heritage resulting from accumulated unearned increments of association (mechanical advantage) from the dawn of human existence.

The notion of work being the only moral justification for consumption is anti-Christian and is the cornerstone policy of both fascism and communism. It incarnates the Judaic concept of "Salvation through Works" in stark contradiction to the Christian concept of "Salvation through Grace." Strange it is, and in my view disingenuous, that upholders of the so-called "work ethic" hardly ever fail to quote Paul while entirely neglecting the words and deeds of Jesus: Works (in and of themselves) are as filthy rags. There a lot of very busy people today who are creating a hell on earth. Toil not, your Heavenly Father knows you have need of these things. If God would clothe and feed the beasts of the field, the fowl of the air and the fish of the sea how much more would he clothe and feed you OF LITTLE FAITH.

During the days of Merry England when Christian thought was more or less the prevailing ethos and crass materialism was not so prevalent I understand the people enjoyed something in the order of 150 holidays per year. The economy exists to provide goods and services and not to create work. The latter policy would be to make an end out of a means which is I understand a sin in terms of Christian thought because of the disfunction and sabotage which such perversion causes. When Jesus multiplied loaves and fishes and distributed them to his flock he did not require that before partaking of these they should go out on a hillside to dig and refill holes in order to “justify” consuming them. His actions were an affirmation of the Abundance of the Kingdom and recognition of the intrinsic right in natural law of any organism to draw sustenance from its abundant environment. What is modern technology all about but an opportunity for the abundant life and a release from the curse of

toil? In such a condition of abundance most people, being economically secure, would no longer exhibit that material acquisitiveness that has its origin in material and psychological insecurity. Leisure would be increasingly sought and we would no longer have as C. H. Douglas observed, “to build a machine gun in order to get the money by which to purchase a cabbage already produced.”

The present system only allows consumption on the condition of further production and is consequently enormously and increasingly wasteful and destructive.

Social Credit as presented by the late C. H. Douglas, is the only truly sound and realistic approach to these matters which I have ever encountered.

Sincerely
Wally Klinck

A Note of Optimism from 1933

“You may very reasonably ask, if the difficulties of the world are in essence book-keeping difficulties, which they are, why it should be so difficult to alter them. I am afraid that there is only one answer to this. Imagine yourselves possessed of the sole legal right to create money. Would you be inclined to listen to arguments which would severely modify this monopoly? Probably not. Financial institutions have such a monopoly, and are fighting to retain it. For this reason the first step to a better state of affairs is a wider public understanding of the existence and nature of this ‘monopoly of credit’, as it is

called. I am so convinced myself that a majority of bankers, particularly in this country, are themselves only operators of a system which they take for granted, and I have little doubt that public opinion could be brought effectively to bear upon the international minority who may, perhaps, be considered as unteachable.”

Clifford Hugh Douglas, From The Listener, Vol. IX., Wednesday, 28 June, 1933 – No. 233 Published by the British Broadcasting Corporation

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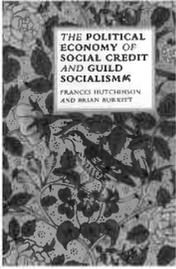
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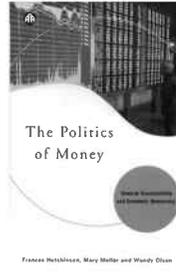
Wallace Klinck (Canada) Richard Haselgrove

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)



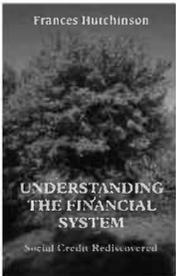
Frances Hutchinson
What Everybody really wants to know about Money

(Jon Carpenter £12.00)



Eimar O'Duffy
Asses in Clover

(Jon Carpenter £11.00)



Frances Hutchinson
Understanding the Financial System: Social Credit Rediscovered

(Jon Carpenter £15.00)

Frances Hutchinson
Social Credit? Some Questions Answered.
KRP £2.00

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

For reviews of all these publications and details of how to purchase them, please see our website: www.douglassocialcredit.com

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