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Once there was a Bingo card, now we have

THE CULTURE OF CHANCE

A European lottery syndicate begins its canvassing letter: "Today you have a chance to play the great lotteries of Europe and claim your share of 100 million pounds in prize money."

The national schemes offered are French, Spanish and German. It was this kind of advance that made Britain join the great gamble: rather keep people's little flutters in-house than have the spare change disappear abroad. For good measure, the argument went, we will give away a lot to good causes. And so what organisers claim as 'almost the entire country' is 'united' in a little harmless fun. Certainly the money tossed into the kitty amounts to nigh on £2 per head per week.

A city of London economist reportedly claims the lottery has slowed the pace of economic growth. Billions of pounds have been taken out of the real economy and spending has fallen in other areas. For instance, spending on leisure pursuits has fallen 7.7 per cent. Meanwhile, up to £3 billion sits in the bank, awaiting use by good causes and by winners. £1 billion is still to be disbursed to the good causes.

On television, tabloid agony aunt Marje Proops, who sat on the panel backing a lottery, said:

"May the Lord forgive us for recommending a national lottery. In our innocence and our misplaced hope for human nature, or misplaced recognition, or lack of recognition of what would actually happen if we had a national lottery, we were both very naive and very very foolish indeed. And if I had my time over again on that Royal Commission, my answer to that question would be 'no, no thanks'."

Almost 30 years ago, Rev Gordon E. Moody, as General Secretary of the Churches' Council on Gambling, published a pamphlet registering opposition to the very thought. Supported by a world overview and statistics, he has concentrated on the moral and social issues raised:

"A national lottery is a form of voluntary taxation. What is under discussion is not whether gambling is right or wrong, but what are a nation's proper objectives and priorities, and how it should finance them. The use of lotteries, even to achieve the best ends, tends to lead away from rationality and justice, which are essential to the proper organisation of a nation's economy..."

"The use of lotteries tends to a false categorisation of projects. The provision of hospitals, facilities for medical and scientific research, adequate sports facilities, come to be regarded either as subjects for

charity, or as optional extras only to be achieved by the miracle of the lottery. This is not the case. These are subjects of community responsibility, and have their own order of priority, which should be rationally determined. No one would suggest financing National Defence in such a way. ...

"The argument can perhaps be summarised as follows: Important public work should be rationally and seriously financed and undertaken, and important individual needs rationally and seriously attended to. It cannot be the mark of a mature and responsible society that it should lean unnecessarily on gathering and distributing wealth by chance."

In a letter to the Press, Dr Gordon Gaskell of Pencaitland, East Lothian, observed:

"In spite of attempted persuasion to the contrary, there is no general public identification with the altruism which the lottery purports to encourage. By distorting the perception of the value of money which is associated with fair trading, it provokes and encourages anti-social trends. Far from being a 'harmless flutter', it is an insidious poison in society, undermining respect for effort and the person.

"Distribution of the means of exchange has become a lottery. No longer is the means of exchange seen to be related to the outlay of constructive energy and compassion for those unable to mobilise energy - the handicapped and the sick. Those two factors, fundamental to the stability of a worthwhile society, are diminished."

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Whose Interest is it Anyway?

Alan Armstrong commends a book from Canada that shakes complacency, by William F. Hixson.

A Matter of Interest: Re-examining Money, Debt and Real Economic Growth
(New York: Praeger Publishers 1991)

An earlier reviewer thought *A Matter of Interest* "could be one of the seminal books of our time". It would surely be difficult for any objective reader to disagree. It is a book that "diverges sharply from most other books on economic performance" and fully justifies his advice that those "seeking a conventional version of economic theory should look elsewhere".

The critical difference between the basis of Hixson's analysis of the US economy (which in its essence can equally be applied to all industrial economies) and orthodox economics, is the emphasis and clarity he brings to the role of money creation and its destructive impact on economic performance and society.

At the centre of his argument is his acknowledgement that some 95% of the money supply is created "out of nothing" by private commercial banks and that, critically, it is then lent into circulation only as **interest bearing debt**.

It is Hixson's contention that virtually all textbook authors fail to deal effectively with the importance of this arrangement for the creation of money, debt and interest. A basic thesis of his own book is that in fact, the result of current arrangements mean that "*the economy runs on debt and will not run otherwise*". In consequence "long-term economic growth tends to be imperilled by increasingly intolerable over-indebtedness".

These propositions are illustrated in a number of his tables derived principally from the National Income and Products Accounts of the Bureau of Economic Analysis and from the Flow of Funds Accounts of the Federal Reserve System.

Table 16-4 shows clearly for example that for each period of between two to four years from 1966 to 1985, as total debt grew, output grew; and as total debt fell so too did output.

And in table 16-1 he notes that from 1947 through to 1987 total debt (i.e. the sum of private debt, federal debt and the debts of state and local units of government) rose from \$bn 866.3 to \$bn 8031.2, a multiple of 22.66x.

But of great significance is the fact that between 1947 and 1987 total debt grew by a multiple of 3.14 in the first twenty year period, but by a multiple of 7.22 in the second twenty years.

Hixson's explanation for this growth in total debt is that, whereas growth in economic output between one period and another requires a corresponding growth in money supply (i.e. debt under current arrangements) to maintain economic growth in real terms over time at a *more or less steady rate*, actually requires accelerating increases in total debt.

Table 16-3 notes for example, that whereas to achieve a growth in output of 2.13x between 1947 and 1967 required an increase in total debt of 3.14x, to

achieve a much lower growth multiple of just 1.69x for output between 1967 to 1987 required a growth multiple in total debt of 7.22x.

As Hixson notes, it should be obvious "that the growth rate of debt cannot keep doubling every couple of decades, as it must just to hold the growth rate of Q (output) more or less steady".

The result is recurring crises of over-indebtedness and associated recurring recessions and depressions of ever greater severity. **In the long run the arrangement, by which economic activity is driven by a money supply made available only in the form of a bank created debt, is simply unsustainable.**

Hixson argues that nothing short of a fundamental restructuring of the financial system which underpins modern economies will help us avoid total collapse of the current financial / economic complex.

He proposes such a "Restructuring of the Money Supply and the Banking System" along the lines of the 100% Reserve Plan which was developed and promoted by Professors Henry Simon and Irving Fisher in the 1930s.

The essential elements of their proposals involve the reorganisation of current commercial banking. It would be replaced with either three new types of financial institutions, or by banks with completely separate departments. *None would have any power to create money. That power would revert to the state and would be fully protected from manipulation by governments for party political advantage.*

The new institutions or banking departments would be:

- a. Current account banks which must hold 100% reserves in cash (i.e. "government created" legal tender) for all monies deposited with them. These banks would have no earning assets and would therefore charge higher fees than they currently do for their banking services.
- b. Mortgage-loan institutions that would serve farmers, home-owners and unincorporated businesses. They would hold only time deposits and would insist on a substantial term before withdrawals might be made. The result would be that these savings deposits, on which interest would accrue would be so illiquid that they would not be considered part of the money supply.
- c. Investment trusts which would be required by law to keep most of their assets in equity shares rather than in debt paper. They would be required "to give preference to the buying of new-issue equities and to making business loans primarily of a job creating nature".

A Matter of Interest is written in language that is clear and accessible; its arguments are rigorously deployed and powerfully supported by official statistics that are also presented in a large number of clear and easily understood graphs and tables. Its resulting proposals for change are practical and compelling.

A Matter of Interest, available from Greenwood Publishers, P.O. Box 5007, Westport, CT 06881. ISBN: 0-275-93895-6

When the Weasel is a Word

David Mills says George Orwell got it right

George Orwell, who died in 1949, was an "ethical socialist", a man who expected people to act rightly and speak truthfully and was dismayed when they didn't, which meant that he was dismayed most of the time.

He wrote in an ideological age like our own. When the average intellectual in England and America praised the Soviet Union as a new paradise - some knew how bad it was and the rest should have found out before speaking - he denounced it for enslaving and murdering its people. This did not win him many friends among the intellectuals, but he was right and they were contemptibly wrong.

Because he tried to write truthfully about politics when many people did not want to, he has much to tell us about speaking the truth about God's will when many people want to replace it with something less taxing.

The decline of language

Orwell began "Politics and the English Language" by arguing that "the decline of a language must ultimately have political and economic causes." Being a Christian, I would say the causes are more deeply spiritual than economic, because people who reject God's truth must come up with ways of pretending to speak the truth when they are not, and this means cloudiness and vagueness and verbal sleight of hand.

A small example is "the inclusive love of God", a cliché used whenever some traditional boundary or restriction is thought too restraining. The phrase is true and not true at the same time, or rather it is half true in a way that one must be alert and think carefully to separate the truth from the error.

It implies in a hazy way that God loves you no matter what you do and therefore it doesn't much matter what you do and don't do, as long as you are happy with yourself. It is thus not only vague but deceptive, in that without thinking you can move from accepting the truth to accepting the error, especially if you are tempted to accept the error.

"An effect can become a cause, reinforcing the original cause and producing the same effect in an intensified form, and so indefinitely," Orwell continued. "A man may take to drink because he feels himself to be a failure, and then fail all the more completely because he drinks." This applies to the English language. Our language "becomes ugly and inaccurate because our thoughts are foolish, but the slovenliness of our language makes it easier for us to have foolish thoughts."

A foolish thought

Again, take "the inclusive love of God." It is inaccurate, it is untruthful, it is therefore ugly, because our thoughts about God's will are foolish.

Were we better readers of our Bibles we would easily distinguish between God's love and His instructions for how to live, and we would know that His instructions, no matter how difficult, express His love for us. But being already foolish, the phrase's inaccuracy makes it much easier for us to foolishly

misread God's will, in this case to choose immorality, thinking the inclusive and loving God is bound to approve.

But, "the process is reversible," Orwell wrote. English "is full of bad habits which spread by imitation and which can be avoided if one is willing to take the necessary trouble. If one gets rid of these habits one can think more clearly, and to think clearly is a necessary first step towards political regeneration; so that the fight against bad English is not frivolous and is not the exclusive concern of professional writers."

Bad English

In bad English, Orwell found, the images are always stale and the language always imprecise. "This mixture of vagueness and sheer incompetence is the most marked characteristic of modern English prose, and especially of any kind of political writing.

As soon as certain topics are raised, the concrete melts into the abstract and no one seems able to think of turns of speech that are not hackneyed: prose consists less and less of *words* chosen for the sake of their meaning, and more of *phrases* tacked together like the sections of a pre-fabricated henhouse."

With practice, such as years of parish ministry provide, one accumulates a large set of such phrases and the ability to tack them together at a moments notice. As I listen to some priests speak, I always imagine them flipping through a mental file card system, pulling out all the cards with the appropriate clichés, putting them in a plausible order, and reading them off.

Such speeches may indeed be moving and compelling, and the ability to make them may win one advancement in the Church. But when they replace thinking, which means really meeting the realities of which you are speaking, to speak in such phrases will lead yourself and others to sin. When, for example, the inclusive love of God is taken to be the permissive love of God.

And so the battle against bad English is not frivolous and is not the exclusive concern of professional writers, but also of professional Christians, which means me and you.

Mr Mills is the director of publishing at Trinity Episcopal School for Ministry, and editor of the Episcopal Synod's theological journal, The Evangelical Catholic.

Abridged from MANDATE: November/December 1995, published by The Prayer Book Society of the Episcopal Church USA.

RECOMMENDED READING

Douglas, C. H.	The Development of World Dominion. Economic Democracy. Monopoly of Credit. The Policy of a Philosophy. Social Credit.
Eringer, R.	Global Manipulators.
Maré, Eric de	Matter of Life or Debt.
Monahan, Bryan W.	The Moving Storm. The Survival of Britain. Why I am a Social Creditor.

As Dr Gaskell puts it:

“Money has no intrinsic value: it serves as a means of exchange; one person’s efforts or deserts are paid for by another so that they in turn have the resource to trade on. Seen in this way, money serves the common good by fair trading which benefits both the individual and the community.”

Importunate calls for contributions to charities and sponsored events in aid of people in distress are getting out of hand. This is going from trend to norm as the Welfare State struggles to avoid complete collapse. We are faced with nothing other than voluntary taxation, imposed.

All such appeals for money presuppose that:

1. The inhabitants of the world have more money in their pockets than they require for immediate needs.
2. The goods and services in excess of those already provided by the State are readily available somewhere in the world and could be given to those in need without any delay, if only surplus cash reached Charity X.

Very seldom are we asked to give actual goods, and then it is usually to enable Charity X to sell them in return for money in the charity shop in the High Street. Charity X, often on token rent and sometimes excused rates, is then able to send money to the object of its attention - not goods.

Charity X also pays salaries to professional advisers and organisers, a cut above the volunteers at the counter. Nowadays, the Charity Commissioners allow professional collectors to be paid a commission of 17½ per cent, estimating this as equivalent to the benefits obtainable from Social Security. In short, it is workfare, freely embraced.

Since money is the ultimate objective of these forms of charitable work, we targeted donors should examine the origin of money and how it is created.

Here we find that money in itself comprises nothing but figures written into ledgers, kept by all financial institutions.

As the Encyclopaedia Britannica 13th edition puts it: “Banks create the means of payment out of nothing”.

The Rt. Hon Reginald McKenna stated in 1924:

“The amount of money in existence varies only with the action of the banks in increasing or diminishing deposits. We know how this is effected. Every bank loan creates a deposit, and every repayment of a bank loan destroys one.”

Moneylenders and their associates persuade us to borrow money in almost unlimited quantities, simply if we can show them we may be able to repay over a period of months or years, together with the accumulated interest. Thus we are kept completely in their debt, despite the fact that the money to be repaid was literally created out of nothing to enable us to ‘borrow’ it in the first place.

If we are in a borrowing society, whatever financial gifts we make are merely passing on the fruits of debt ... we are not alleviating nor cancelling out debt itself. Debt is simply continued as our culture.

Debt is not eliminated by sharing money, only by sharing life itself. Debts by government are commonly thought to be relieved by taxation but this merely feeds a giant maw. In practice, taxation releases neither

government nor persons from debt. Debt is too ingrained in our system to be erased by so-called re-distribution of wealth. All such measures fail.

Taxation is utterly un-necessary in countries such as ours where we are alleged to be suffering from an excess of consumable goods, goods the consumer is unable to buy because of lack of money. Taxation in a country or region suffering from over-production is quite unjustifiable and is therefore being imposed upon us as a means of controlling our lives as consumers.

There is no need whatever for financial charity - voluntary taxation or compulsory taxation. The money to replace those major items of our current financial chaos can quite easily be produced, and would be produced, if sufficient political pressure were exercised.

Efforts at economic revival or even stability must face this test in the end:

‘Whatever is only almost true is quite false, and among the most dangerous of errors, because, being so near the truth, it is the more likely to lead astray.

‘Precise knowledge is the only true knowledge and he who does not teach exactly, does not teach at all.’

-- H.W. Beecher

That, nationally, we are failing this test is evident in Government nurture of a society based on chance, the very antithesis of trust in God. Winning the lottery or getting a boost from a scratch-card is hardly the hand of God, since millions are left more impoverished than ever. That a Government seeks to augment its social obligations by such means and encourages charities to beg brazenly is sheer moral bankruptcy, spelt out not only materially but spiritually.

Swindler’s List

I must tell you the tale of a friend of mine. Last week two banker’s orders were paid from her banking account and a few hours passed before an overdraft of £41 was automatically covered. For a few hours, therefore, the bank lost interest amounting to 1p. Yet the bank, which was at no risk, charged my friend £50.

The Fraud is small but the principle is big. Very few people know that the whole human race is being deprived of its purchasing power by a swindle of gigantic size. This lies in the power of the banks, which create no real wealth of any sort, to create money out of nothing up to 10 times and more the value of the money people have deposited with them. Hence, the world’s astronomical, interest bearing, unredeemable and needless indebtedness. For example, the ever-rising Federal Debt of the USA now demands over half the nation’s incomes in taxes to pay the bankers’ interest charges on their phoney book-entries. By what year, then will the entire nation be cheated out of any incomes whatsoever? Back either to primitive barter or to looting? Our national debt is not far behind. It seems that we are still paying interest on the cost of the Battle of Waterloo.

In 1875 Lord Acton, Chief Justice of England, declared ‘The issue which has swept down the centuries, and which will have to be fought sooner or later, is the people versus the banks’.

Eric de Maré