

The Social Crediter

FOR POLITICAL AND ECONOMIC REALISM

To Challenge Perceived Wisdom

John Wright's Maiden Speech to Parliament

"I want to pay tribute in this House to the people and members of Parliament of the New Zealand Social Credit Party and to its successor, the New Zealand Democratic Party. I am proud to be their leader"

Mr Speaker

I come to this House, not from the hushed cloisters of academia, or the brash self-importance of the financial market. I come from the dust of the farm, from the noise of the repair shop, from the vibrant and crude 2 a.m. streets of the cities, places where thousands of New Zealanders play out their daily lives.

I come with the help and support of my wife Bev, my family and the team who fought the campaign with me. I owe them my thanks.

I come here to represent those people, people I have lived and worked with, to represent them to the best of my ability, so that my voice in this House may be their voice. Why should I seek to speak on their behalf? Rather ask, why not?

I am a New Zealander, my parents and grandparents worked to build this country in their proud and humble way. Now they are buried here, forever part of New Zealand, as I too shall be one day.

My children and grandchildren inherit our dreams, and will claim their birthright in due course.

So I speak with the moral authority of my forebears, on behalf of my successors.

I speak also with the mana of my political whanau, the people of the monetary reform movement.

They are a group of loyal and dedicated New Zealanders who share a philosophy - the philosophy of association - the belief that we achieve better things working freely together. They have for over 40 years held faithful to the vision that the economy and financial systems of this country can be made to work for all New Zealanders.

That vision is yet to be fulfilled, but our party has had successes along the political road. We were pioneers in the anti-nuclear debate, when to be anti-nuclear meant you were a fringe radical. We were arguing for sensible, sustainable environmental policy, when politicians were only interested in growth at any cost.

For years, against all odds, we fought to bring proportional representation into the public arena. We finally achieved, through campaigns and petitions, the setting up of the Royal Commission that led to MMP.

These policies have now become part of New Zealand's mainstream culture, and I want to pay tribute in this House to the people and members of Parliament of the New Zealand Social Credit Party and to its successor, the New Zealand Democratic Party. I am proud to be their leader.

These people have had the vision and strength to overcome ignorance, prejudice and ridicule to have a positive effect on the direction of this country. We had the foresight and vision to work co-operatively with other parties to form the Alliance, so that there is a truly alternative voice in this House.

The task that remains to fulfil the vision, and the one I am happy to pick up, is to make the economic systems of this country work for all its people.

In order to achieve that I, and my Alliance colleagues, will continue to challenge current perceived wisdom, that dogma depending on the mindless repetition of baseless assumptions that now passes for economic debate in this country.

Current policy benefits some New Zealanders, while the greatest proportion of us are reduced to running frantically on a runaway treadmill getting nowhere.

Indeed, the distribution of resources in our country is now such that just 100,000 people - one person in thirty-five controls over one-third of our wealth - and over two-thirds of our people share one tenth of the economic cake.

Some financial gurus have become so keen to justify the results of this ideology that they spend much of their time denying New Zealand's history.

Let us not forget our achievements. Less than forty years ago, we did enjoy the second highest standard of living in the world. Sixty years ago, we led the world out of the Great Depression of the 1930s.

The first Labour Government of Fraser and Savage sensibly used Reserve Bank credit at low interest to

finance our recovery. In contrast, today, private banks inflate our money supply by 15% per year, at a cost of ten or twenty per cent interest.

We should emulate the success of our own past, not the failures of others.

Some have said that our standard of living was unsustainable. History will show that current policies are unsustainable.

I have a deep sadness when I see our country's leaders ignore and deride past achievements and the social and economic success that was achieved in a spirit of co-operation rather than through the unbridled competition that is deemed necessary today.

Our present overseas indebtedness did not start in the 1950s and 1960s - as current economic commentators would like us to believe. It really began in late 1970s, the 1980s, and the 1990s - coincidentally the more we have "freed up" our economy, the greater our total indebtedness has become.

The more we have followed economic orthodoxy by allowing unemployment to be used as an economic tool to fight inflation, the more divided and bitter we have become as a society, and the more we have been praised by the international financial community.

The management of a company has responsibility to put its shareholders interests above all else, wherever they live. That does not always build a better society.

This House has the responsibility to put the interests of all New Zealanders, their well-being, and their security above everything else.

The small business people, the farmers, the wage workers, the old, our children and our sick: their well-being and success is the business of this House, and we would do well to remember it. If this House does not take responsibility for New Zealanders, why should anyone else?

We do not need to seek the praise of international financiers, nor do we need to give them aid. They can look after themselves - and they do it very well.

It is New Zealanders who need the care and attention of this House.

If our citizens feel their leaders don't care - if they believe they have been sold out and feel powerless in their own land, as many now do, then we can look forward to increasing bitterness and division. If we want to set up a breeding ground for crime, gangs, poverty and despair, then we are well on the way.

It on the other hand we want a happy, inclusive and successful nation, we need to do more than look at computer printouts and chant the mindless mantra of the 1990s "all indicators are pointing in the right direction".

I remind the members of this House that the indicators were all pointing in the right direction on the bridge of the Titanic.

Faith in his indicators, refusal to look at facts, and cutting costs by refusing to empower a lookout by issuing binoculars brought disaster to the captain of the Titanic - the same weaknesses will give us the same result.

We simply cannot console ourselves that things are better for a few people. We are developing an elite, living barricaded lives in enclaves of ostentatious materialism, remote from their fellow citizens. That is no substitute for

quality community life.

If we want a happy, inclusive and successful nation, we must offer all our people the chance to participate in and belong to our society, with everyone able to have an adequate income and a rising standard of social well-being.

As we approach the millennium it is time to question not only our perceived progress or lack of it, but to question even the yardstick and measurements we use to judge ourselves. GDP, CPI, and debt/asset ratios are no more than sets of figures, often flawed and amended, that measure quite narrow aspects of the economy. They have almost no relationship to the human condition or feeling.

What logic is there in the fact that aircraft accidents and car crashes add millions of dollars to Gross Domestic Product and are counted as gains? The cost of the vehicles, the emergency services, medical and hospital care, rehabilitation and, sadly all too often, the cost of funerals are counted as economic progress, yet the unpaid work of parents successfully and responsibly raising a child counts for not one extra dollar of Gross Domestic Product.

What logic is there in assigning a positive benefit to an oil spillage in Wellington harbour, which is how Gross Domestic Product works?

How relevant is a Consumer Price Index that tells people struggling to live their lives and raise their children that international air travel is five times more important than the trains and buses that they catch to work and to school?

The sets of figures currently used, GDP, CPI, and debt/asset ratios have no soul: they cannot tell good from bad or right from wrong. That is something we must decide in this House.

And what does it tell us about ourselves when the trends of spreadsheets and the stock market figures are more important to us than human life itself?

I suggest it tells us that we are dangerously close to losing our basic humanity, to depersonalising our fellow citizens.

That ability to dehumanise our fellows is the precursor to justifying the horrors of the Holocaust or ethnic cleansing.

The role of this House, and its elected Members is, I suggest Mr Speaker, to ensure that our systems are made for people, not people for systems.

We must guard against the imposition of inhuman and inhumane systems and practices on the people of this country.

As the year 2000 approaches, it is fitting to review our past, assess our present, and set our course for the future.

That course should be set with hope, with resolve, and the certainty that we are working to a better society. That bright future must include all of this nation's people. If we deliberately leave one New Zealander in untreated illness, ignorance, poverty or degradation, we will have failed all New Zealanders.

We should accept the benefits of information technology and join the global village. But we must not let our enthusiasm, or worse still, our greed, blind us to the challenges and problems that are inherent in such a move.

The market can, and will, deal with a good many problems. The issues it cannot deal with are those where

the market itself is the problem.

The Business Roundtable pushes the line that little or no government, few or no taxes, and wide open markets produce Nirvana. The best example I know of such a country is Somalia. There are no queues forming to emigrate to that particular low tax, low government Utopia, even among the Business Roundtable admirers of its policies.

The resolution of the issues of poverty, environmental degradation and personal security in the face of the rapid changes brought about by the globalisation of markets, is the greatest challenge facing democracy.

Let us be quite certain that democracy does not have the option of whether or not to moderate the worse effects of the market. Failure to act and to provide a balance to

the unfettered power of global corporations will make democracy irrelevant and despised.

We cannot afford for that to happen: if democracy fails, anarchy and dictatorship await us.

With a new voting system and a new Parliament we must ensure that we set clear rules. Those rules must protect our economic well-being, our environmental future, and our social cohesion. There must be a recognition of spiritual and cultural values beyond a mere expression in dollars. And we must ensure that every New Zealander has the opportunity to take a full part in society.

Mr Speaker, I intend to use my time in this House to ensure that this country is run for the benefit of all who live here.

19-2-97

REVIEW

New Unhappy Lords

EUROPE'S FULL CIRCLE by Rodney Atkinson
(Compuprint Publishing 1996)
ISBN 0 9525110 9 2 (paperback, £7.95)
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Hitler's spirit is alive and well and roaming the corridors of German power (without the Jewish aspect of course). That could be the pat summation of contents entitled *Corporate Elites and the New Fascism*, quoting G.K. Chesterton's *The Secret People* with regard to the new unhappy Lords "without anger and honour who dare not carry their swords - They fight by shuffling papers . . . And the load of their loveless pity is worse than the ancient wrongs."

Chesterton goes on: "We hear men speaking for us of new laws strong and sweet - Yet is there no man speaketh as we speak in the street . . . But do not quite forget - For we are the people of England and we have not spoken yet."

Atkinson is an expert on Germany (he taught for six years at the University of Mainz) and is a proud and uncompromising, even triumphalist Englishman (800 years of *British* constitution?).

A prolific communicator in books, pamphlets, the Fleet Street heavies and memos to Ministers, he has a background in merchant banking, property and conference organising. He knows what he is talking about and so he must be heeded. The only question is: uncritically?

The first point arising is - do we agree on a definition of fascism?

Atkinson's introduction declares:

"The principal element of fascist systems is not a loud mouthed dictator but a system of corporate and collective power. Corporations, institutions and collectives, backed by the absolute power of the State (and collectives of States) claim they know better than individuals, families, communities and nations, and the free and spontaneous processes which link them. But the more these absolute powers fail, the more they organise. The more they organise, the more power they accrue. The more the

people fight their power to control, the more authoritarian their response.

"The destruction of the sovereignty of nations on the altar of a Nazi concept of a 'European Community' is merely the latest step in a process which has destroyed the freedom and responsibility of the individual and the associations to which he freely gives allegiance."

"There are many groups, some ideological, others pragmatic, which have a vested interest in the destruction of the nation states of Europe - as a prelude to an even more hideous project of 'world government'. European fascism, most effectively distilled into the Nazi plans for a European supranational power of the early 1940s, is alive today (at least in its social, economic and 'geopolitical' forms) in the institutions of the European Union."

Atkinson explains:

"One of the main questions posed in this book is 'Have Germany's intentions since 1945 been fundamentally different from those they pursued in the wars since 1870? Or has the same basic strategy been pursued by other means?'"

He would have no book if he didn't know the answer to that. But he goes further. The Germans are not entirely to blame:

". . . many of those who worked in the Allied governance of Germany came from those prominent banks which had financed the Nazi government and corporate machine throughout the 1930s and even up to 1941."

He notes: "Although the terms of the Treaty of Versailles were onerous, there were many ways in which Germany - and in particular German industry - benefited from post war conditions."

As the British Control Commission's director of economic affairs, Sir Percy Mills, said of some who had run the Nazi industrial machine: "What's wrong with them? They were not Nazis, they are businessmen."

And today in the UK, we find a Conservative party likewise relying upon corporate backing more than the voter and in recent times making law to suit their investors - Sunday trading, gambling and European Union.

Atkinson, sore in his old Tory heart, sees New Labour threats as further proof of his thesis.

He says: "1990s Labour and 1920s Nazism recognised the power of capitalist markets and, far from destroying them, they would take advantage of them in order to enhance the power of the central state. This they (rightly)

saw as a more efficient way of manipulating economic affairs for political ends.”

Fascism, then, is “a set of ideas which the major ‘democratic’ parties share in varying degrees and indeed whose social and economic structures they themselves, often unwittingly, put in place. The enormous strains which they thereby put on free economic and political systems as well as on the individual then lead to the collapse of the parliamentary state. Their successors, adopting the structures already in place, then take the process on to the political and military stages of fascism, or, as in the modern European Union, supranational collectivist structures become so powerful that the conquests of war are achieved through the ‘peaceful’ signing of treaties and the imposition of directives and regulation.”

“. . . This fusion of right and left, of socialism and capitalism, of unions and capital, of the state and the party, not to mention the power of the executive over Parliament and of the party over the MP - all this is the epitome of fascism . . . ”

“. . . British voters see the worst aspects of both Conservative and Labour administrations. Both are engaged in the corporatist and covert corruptions which marginalise and exploit individuals, families and small businesses. Both parties are a threat to all free associations which lack the power to lobby, manipulate and feed off the power of the state. Indeed so corrupt has our parliament become that it is itself beholden to a foreign power which can ban our trade with the rest of the world, run our agriculture and fishing industries, outvote us in most policy areas and occasionally repatriate some of our own money if we do as we are told.”

The pacemaker is undoubtedly that pariah of Europe, Germany - now our role model. As Atkinson points out, just one of the post-war developments was the European Coal and Steel Community, based entirely on Nazi Albert Speer’s Franco-German industrial model. But why not, one might ask - it did what it was meant to do, whether we like it or not! The Devil always had good tunes.

And it is in this sphere that Atkinson has something less obvious to say: he identifies the German spirit as driven by self-styled “fate”. Hitler’s belief in the divine right of one kaiser is matched today by Helmut Kohl’s mystic reliance on the divine right of one Chancellor.

Rodney Atkinson, a practising Christian and churchman, clearly knows false religion when he sees it: “The dangerous notion that individuals and states are driven by ‘fate’ is reflected in today’s Europe in the frequent use of the words ‘irrevocable’ and ‘irreversible’ in the Maastricht Treaty. Those obsessed by ‘fate’ are the first to be obsessed by methods of political and economic control - to ensure that their idea of ‘fate’ actually comes about.”

The practicality of prompting fate was found in the Nazis’ leading economic theorist Walther Funk who advised:

“State economic control and inter-state agreements in Europe will control the acquisition of raw materials, the regulation of production, sales and the use of labour.”

Funk rejected “a world economy of the old style which is dependent on an overt or disguised Anglo-American

world dominance. It is precisely because we want to prevent that that we are constructing a European economic block.”

Atkinson offers current evidence, in attitudes and utterances of European bigwigs, to the effect that the European Union is designed to defeat the Anglo-Saxon trading systems of Britain and America. This is a novel consideration since the accepted wisdom is that EU (including Britain) had to be created to counter American alliance with the Pacific rim. Could it be that, in the latter days, the UK’s exit from the European pact will be to accept a better offer from an American/Pacific link-up? No wonder EU wants to eliminate the Anglo-Saxon way of doing things as surely as Hitler wanted to eliminate the Jewish question. So does Kohl see Anglo-Saxonry as a traditional semitic problem? The mind boggles.

The hand of ‘fate’ is being dealt out now and someone will hold the joker - it must be Kohl, by fair means or foul.

As unemployment rages through EU, the Anglo-Saxon economies of USA, Britain and South East Asia successfully pursue ‘job creation’. Atkinson sees this as the superiority of the Anglo-Saxon approach. He makes no mention of the Celtic part in the make-up of Britain, America and South East Asia - but surely the Scots were prime explorers and traders and colonists not least in the Americas and Asia. Does Atkinson really believe that the Scots did only the donkeywork of the English mastermind? Has there been no Celtic input to domestic or foreign affairs since the collapse of the Darien Scheme?

In any case, are not the Anglo-Saxons hybrids of a strain crossing the continent of Europe?

It would appear that Atkinson’s patriotic hackles are raised by the passionate denial of nationalism prevalent in high places from the Thirties.

The bête noire, of course, is Arnold Toynbee with his notorious boast:

“. . . we are engaged in a deliberate and sustained and concentrated effort to impose limitations upon the sovereignty and the independence of the fifty or sixty local sovereign independent States which at present . . . divide the political allegiance of mankind.”

It may be hyperbole but it still chills down the years:

“It is just because we are really attacking the principle of local sovereignty that we keep on protesting our loyalty to it so loudly. The harder we press our attack upon the idol, the more pains we take to keep its priests and devotees in a fool’s paradise - lapped in a false sense of security which will inhibit them from taking up arms in their idols’ defence.”

Toynbee’s most quoted passage is:

“. . . we are at present working discreetly but with all our might to wrest this mysterious political force called sovereignty out of the clutches of the local nation states of the world. And all the time we are denying with our lips what we are doing with our hands.”

Atkinson, however, repeats more. Toynbee said the nations “will no doubt survive as administrative conveniences but sovereignty will depart from them . . . it will cease in fact if not in name to be a local affair.”

It is just as well to have this passage before us since Toynbee’s power base, the Royal Institute of International Affairs (Chatham House), is very much still with us,

regularly providing pundits for our most authoritative current affairs programme *Newsnight* from the BBC who are proud to tell you they belong to the RIIA. There has been no disowning of Toynbee or his assessments.

Imagination can well find Toynbee telling *Newsnight*:

"... a local state may lose its sovereignty without losing those familiar features which endear it to the local patriot - vernacular language, folk lore, monuments. So long as the local state is not stripped of these harmless trappings it will remain almost as effective an idol as ever."

This portion of a 1931 speech was omitted from the mere "summary" that today's RIIA was prepared to give Rodney Atkinson. But being economical with the paper is neither repudiation nor shame - it is just prudence.

The RIIA also sheltered the aspirations of one Joseph Retinger, whose personal circumstances he writ large - across the map of Europe. In 1946, he gave a lecture at Chatham House.

A man with no roots, no passport to define him, no nation to defend, no home other than a London flat, he preached European unity.

Flush with American CIA funds, he went to the German Prince Bernhard of the Netherlands, through the good offices of the then chairman of Unilever, to form a global elite, a shadow and de facto world government. This body became known as the Bilderberg Group after the Dutch hotel that was the first venue, in 1954. Unilever, the world's cleanser, is involved to this day.

The importance of Bilderberg's secret conclave of politicians, bankers, tycoons and Press magnates plus some peripheral royalty including Prince Charles should not be under-estimated. For example, American ambassador to Bonn George McGhee is on record as saying: "The Treaty of Rome which brought the European Community into being was nurtured at Bilderberg meetings."

Also out of the stable of Polish-born Dr Retinger came the European Movement, again with CIA funds. Fellow-travellers have been the American contribution to what can be called 'the conspiracy' - The Council on Foreign Relations and the Trilateral Commission.

In Sand, Germany, in June 1996, David Rockefeller addressed a re-union of these three elites with largely overlapping membership:

"We are grateful to the *Washington Post*, the *New York Times*, *Time* magazine and other great publications whose directors have attended our re-union and have respected their promises of discretion for almost four decades."

Rockefeller went on: "It would not have been possible to develop our world project if we had been subjected to the full fire of publicity all these years."

He justifies the existence of a New World Order thus:

"The supranational sovereignty of an intellectual elite and of world bankers is surely preferable to the self-determination which has been practised for centuries past."

Atkinson lists the last two years' worth of Bilderberg attendees (apparently Prince Charles is no longer relevant to them). But this is almost an interlude in his onslaught on the Germans, or more correctly, their political leadership. And it is hard to fault him when we have Kohl proclaiming: "The future will belong to the Germans . . . when we build the house of Europe."

Of course, such a perception is nothing new. Lloyd George found Hitler "the greatest living German . . . I only wish we had a man of his supreme quality at the head of affairs in our own country today."

Lloyd George was noting Hitler's stature in relation to Neville Chamberlain. Atkinson sees an uncomfortable likeness to Kohl's patronising, lofty disdain for John Major who hailed "Helmut" as his friend.

On the domestic front, Atkinson prints a roll of honour - those safe pairs of hands in Parliament on both sides who could put European Union in its place if they got the chance; and itemises the main contentions for exit. In this, he provides a lot of ammunition for activists to fire. There is nothing in the book that needn't be there but nonetheless, the author tends to lend too much weight to sundry small-timers, those who are more a blackhead on the face of history than a pimple or a bruise - vaguely preposterous people like the Irish Euro-gab Padraig Flynn, the Liberal Democrat moraliser Paddy Ashdown, and Labour's motor-mouthed, Tony Banks.

Atkinson could have well ignored these extras, barely visible on the European Scene.

Though doom laden about German supremacy, he infers its 'fate' will be sealed somehow by Anglo-Saxon virtues.

Such is faith!

Iain McGregor

Alistair D. McConnachie writes:

This book seeks to show, *inter alia*, "how the European Union is built on the Nazis' 1942 blueprint for a 'European Economic Community'" (the cover).

As proof, the author cites *Die Europäische Wirtschaftsgemeinschaft* published in Berlin in 1942. He made previous reference to it in his *Treason at Maastricht* (Chapter 18).

The German book was discovered and publicised by Christopher Story in his *International Currency Review, Occasional Paper No.4*. Rodney Atkinson acknowledges he is working from Story's document (*Treason at Maastricht*, page 125). However, Story printed only a few pages (including the Contents page) in translation. Revealed is a collection of essays by German economists on the theme of a Europe-wide economic structure. It is hardly surprising that economists, German or otherwise, would have such thoughts.

But it is quite an assumption to assert, as Story does, that these essays represent "Herr Hitler's EEC blueprint of 1942" (*Occasional Paper No.4*, page 3) or, as Rodney Atkinson does, that these are "the Nazi plans of 1942" (page 112).

This smacks of an ingenious reach for the convenient 'Nazi smear', courting simplistic approval for one's own prejudices. But, even if it was a plan - even the plan - does this make the EU any worse?

The 'Nazi plan' notion appears to be catching on. *Freedom Today* refers to "the German imperialist master plan . . . completed in 1942 . . ." (December 1996, page 2).

Such reliance on spurious angles plays directly into the hands of those who cry 'xenophobia'. And it is likely to appeal to those who foresee a Fourth Reich, when the German nation has plainly put itself beyond that aspiration.

Also in question must be Atkinson's economic doctrine. At the root of his theory is his construct, the "corporatist, fascist society . . . the combination of corporate capital and (absolute) state power" (p. 38).

In reality, either the demands of the corporations rule the economy, or the state asserts its dominance; either the state is capital's hand-maiden, or it is the master. This does not mean the choice is between "state power" and the "freedom" of the individual; it is between government power and authority over the economic sphere, and the unbridled reign of international capital.

Much of what Atkinson calls "fascist" - i.e. the power of big business/corporatism in our society - is a direct result of unrestrained international capitalist market-economics triumphing over national government *devoid* of state power and authority within the critical sphere of economic responsibility.

Yet if a national government attempted to remedy this by asserting the primacy of politics over economics, surely Atkinson would be inclined to denounce this as state fascism! His interpretation of the 1942 book, in his Chapter 4, suggests as much.

It seems the only way Atkinson can square his belief that the free-market is compatible with the survival of the nation-state is for him to imagine that an alliance between corporate capital and absolute state power is preventing the free-market from working properly.

As long as he imagines this he will fail to consider that we may be witnessing the inevitable working-out of the unlimited free-market. As long as he misunderstands the role of the state, he will miss the resolution.

The anti-nation reality of free-market doctrine was summarised in a letter to the *Times* on January 4, 1997.

Taking free-marketeer John Redwood MP to task for selective concern for the nation's sovereignty, the correspondent, Mr David Selbourne, wrote:

'John Redwood objects to British politicians who, presumably in the name of their Europhilia, "would give this country away". But in what sense is this morally, or civically, more culpable than *selling* off our public and civic institutions - Army housing, the railways, the utilities, the Stationery Office, County Hall and all the rest of it - to the highest bidder, and sometimes not even to the highest bidder, in the name of the "free market"?'

'Each of these sales represents a disposal of public goods, institutions and interests to the "unelected" and all promote, in one form or another, dissolution of the civic order. There is no qualitative difference between the dispersal of a nation's identity among contending market interests of no fixed abode, seeking to buy up parts of the very fabric which holds the body politic together, and the gradual surrender of a nation's sovereignty to extraterritorial bureaucracies and bankers in "Europe".

'If there is some powerful (and truthful) distinction to be made between these two kinds of national solvent, perhaps Mr Redwood will tell us what it is. And if he cannot do so, why should we prefer to see a Japanese property developer installed in the former seat of London's government to a Brussels bureaucrat or Strasbourg judge telling us what are the limits to our rights and powers?'

POINT TAKEN

Orage on Work

In the first three decades of this century, A.R. Orage was, undoubtedly, the brightest star in the journalistic firmament.

When he began editing *The New Age* - a Weekly Review of Politics, Literature and Art in 1907, it was anticipated in Socialist circles that, as an advocate of Guild Socialism, his journal would become the mouthpiece of the Fabian Society. But Orage's penetrating intellect had begun to question the adequacy of Socialist theory. When, in 1917, the Anglo-Scottish political and economic realist, C.H. Douglas, brought his analysis and proposals to Orage's attention, he readily embraced and advanced them, to become recognised as the midwife of the Social Credit movement.

Far from winning converts from erstwhile colleagues, Socialists, especially the Trade Union element, closed ranks against him. Judging by the policies being currently advanced by New Labour, the situation would be unchanged today.

To illustrate the point, contrast these two opinions. A New Labour Parliamentary Candidate opined: "Unemployment is a curse. Not only does it blight the lives of those affected and their families, but it also spells higher taxes for us all - to pay the social security bill".

A.R. Orage, examining this question sixty-four years ago, stated:

"So long as the creation of the means of Leisure which we owe to Science is regarded as a symptom of disease and subjected to prescriptions of cure, so long, we may be certain, will all the proposed "remedies" prove to be impractical or useless. There literally is no cure for unemployment that is compatible with the continued existence and development of Applied Science . . .

"By taking it for granted that unemployment must be treated as a disease to be cured, the House of Commons, all unwittingly we hope, played perfectly, as they have so many times before, into the hands of the financial villains of the social peace . . .

"The message of Technocracy was that not only is unemployment (defined as the substitution of natural for human energy) an inevitable concomitant of progress, but its rate of increase is directly proportional to the pace of technological development . . . labour-saving devices have paved the road of human progress; and it is nothing less than black ingratitude to human reason to consider as a social disease what, in fact, is a social triumph."

Our present painful predicament is apparent when one considers that the New Labour man's deeply flawed attitude is shared by purblind individuals who approve of policies hatched in Brussels on behalf of the fifteen sober suited men of the Europäische Währungsinstitut (European Monetary Institute), who presently meet monthly on four heavily guarded floors at 29, Kaiserstrasse, Frankfurt.

Jack Hornsby

POINT TAKEN

Money: Servant or Master

An errant obsession with job creation overlooks the core cause of our economic and social ills - the legalized counterfeiting of the chartered banking system which generates our money supply as interest-bearing debt by creating the means of payment out of nothing to issue loans and purchase securities.

Who owns this credit money created by the banks against the community's real assets, private and public? In demanding repayment to themselves, at interest, and exercising foreclosure in the event of loan default, the banks wrongly assert ownership and control of both the financial and real credit of society.

Investment of savings is not a solution to, but rather a cause of insufficient purchasing power. It creates incremental financial costs according to the number of reinvestments but cancels only one set of costs.

Money created as inflationary production loans is prematurely cancelled by repayment long before physical capital fully depreciates, while allocated charges for financial capital recovery must continue in prices. The widening chasm between financial incomes and costs can be bridged only by further issues of debt.

Taxation removes economic choice; income tax ensures the bankers' usury from their bogus debts. Small government advocacy lacks credibility by failing to attack the corrupt and defective financial system which requires state spending as the only alternative to private bankruptcy. Full employment negates efficiency and denies the leisure which should emanate from it. Capital loans should be written up into a national credit account from which all financial costs could always be fully liquidated by debt-free consumption credits - national dividends for all consumers and compensation to retailers for lowering prices.

The policy of full employment derives from a mean-spirited, faithless moral imperative and is futile as a means of recovering financial costs in an age of technological abundance. Money must always be servant and never master - simply reflecting and never inhibiting production and consumption.

Wallace M Klinck
Sherwood Park
Alberta

POINT TAKEN

Maastricht Re-visited

THE January 1993 *The Social Crediter* briefly summarised the position of the Secretariat on Maastricht. The core issue is clearly the diminution of Westminster's

powers and responsibilities (and hence of the individual MP) for the sake of increasing the powers of government by remote control.

At the heart of this problem is the fundamental issue of the eventual control over the British and the European monetary system. Under the present system, the creation and cancellation of money (credit) bears no direct or necessary relationship to the production and consumption of the real wealth it is supposed to represent. Money comes into existence only as debt owed to the banks licensed to create it. They claim the ownership of it - quite unjustifiably, because its value derives solely from the capacity of society as a whole to generate the real wealth to back it.

The result is that everyone, directly or indirectly, including governments, is hopelessly in debt to the banking system. Servicing the UK National Debt, for example, costs UK taxpayers the equivalent of 8p out of the standard rate of income tax, nearly as much as the budgets for Defence or Education. This burden will increase as the PSBR rises. We are all only too familiar with the depressing effects on the economy - recession, irredeemable debt, high taxation, bankruptcies and unemployment.

The cardinal facts about credit/debt creation are incontestable and are no longer seriously questioned. They are authenticated in the short selection of quotations from orthodox sources in the May/June 1992 number of *The Social Crediter*. The essential truth is that money is thus perverted from being a useful and necessary servant of the economy to being its master. The central bankers who control monetary policy are thus placed in supreme control, even over elected governments. Witness the 'independent' Bundesbank and its differences with the German government.

The European Central bank as presently proposed will therefore consolidate the illegitimate power of bankers to determine policy and, being independent, will be wholly unaccountable in practice, though possibly not in theory to a European Parliament powerless to control it. The parallel drawn with the Federal Reserve Board in the USA is relevant. The Fed, despite its name, is not of course an agency of the US government but is a cartel of private banks. US government debt, predominantly to the banks, now exceeds \$3 trillion and is proving an intolerable burden on the US economy.

There is indeed a perfect case for a controlling monetary authority to be independent *provided only* that the monetary system itself were first reformed to ensure it accurately reflected the physical realities of the economy, actual and potential, instead of distorting them as now. Whatever was physically possible and socially desirable would then be financially possible. Creation and cancellation of credit would be directly related to the production and consumption of real wealth as indicated by the GDP. But without such reform, present policies for an independent Bank of England and an independent European Central Bank will merely rivet the shackles of international finance ever more firmly on the peoples and governments of Europe, to their unending misery.

Donald Neale

And still the children die . . .

Despite advanced agricultural technology, starvation still threatens more than 800 million human beings around the world, and 35,000 people - more than half of them children - die from starvation every day.

Last fall, in the shadow of an unfolding refugee crisis in Zaire, central Africa, a "World Food Summit", sponsored by the UN Food and Agriculture Organization (FAO), was convened in Rome from November 13-17.

Delegations from 186 countries, including 82 heads of state (41 presidents, 41 prime ministers), adopted a non-binding "plan of action" calling upon the world to reduce the number of hungry and malnourished persons (now 840 million, 15% of the world's population) by half before the year 2015.

Pope John Paul II was one of the key speakers at the Rome summit opening: "It is God's plan," he said, "that the world's goods be shared among all. This implies that every individual has a basic right to adequate food."

The "plague of hunger" is a subject the Pontifical Council "Cor Unum" (the Vatican's charity and relief organization) has been tackling for some time now. More than a month before the FAO summit, the Council published an 80-page document entitled "*World Hunger, a Challenge for All: Development in Solidarity.*"

Presenting the text at a Vatican press conference on October 24, Cor Unum's President, Archbishop Paul Cordes, said: "The phenomenon of world hunger is not due to a lack of food, but rather to selfish and sinful distribution structures."

At the same press conference, a French economic development expert, Jean-Loup Dherse, explained the economic aspects of the document. "World hunger does not result from a lack of food," he told journalists. "In some countries the granaries are overflowing with surplus stocks. The real problem is a lack of resources to purchase food. To fight against hunger means finding a solution to that paradox."

(Taken from the December, 1996 issue of "Inside the Vatican")

Seven Dials

from 'Human Ecology'

On the basis of having devoted 50 years to close attention to the moving tide of events from both conventional and unconventional angles, I find that the most comprehensive but succinct analysis of the global scene has come from Dr. Thomas Robertson's sociological study entitled: *Human Ecology - The Science of Social Adjustment* (1948).

This author contended that society is shaped by seven social mechanisms, presently geared to 'incorrect' objectives in an inverted order of dominance, as follows:

FINANCE - To create debt or 'negative' money.

INDUSTRY - To provide a basis for the monetisation of real wealth according to the technique of (major) usury.

SANCTIONS - To implement by force the operations of the financial mechanism.

ADMIN - To centralise power in the financial mechanism, using the law to implement its decrees.

POLITICS - To obscure the operation of the financial-industrial mechanism by means of political abstractions and the 'myth of action'.

EDUCATION - To create and foster 'myth' and inculcate obedience to external authority.

RELIGION - do -

By gearing these social mechanisms to their 'correct' objectives and reversing their order of dominance, a society meeting human needs would result, as follows:

RELIGION - To mediate 'reality' at the supra-mental levels.

EDUCATION - To mediate 'reality' through mind, emotions and body.

POLITICS - To determine policy by free discussion between freely elected representatives, having access to the necessary facts.

ADMIN - To administer policy as determined by the mechanisms of politics.

SANCTIONS - To uphold by force the authority of government.

INDUSTRY - To provide with efficiency all the goods and services required.

FINANCE - To monetise the community's wealth to whatever amount and for whatever purpose is desirable and physically possible.

Jack Hornsby

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