

# The SOCIAL CREDITER

For Economic Democracy

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## Editorial

### HOW COULD IT HAPPEN?

Brought up in a devout Jewish family, Edith Stein (1891-1942) was received into the Catholic Church in 1922. When Hitler came to power in 1933 she entered a Carmelite convent in Cologne. Along with other 'non-Aryan' members of religious communities, this philosopher and woman of deep prayer was arrested by SS Officers in full view of protesting crowds, who nevertheless feared to intervene. She was imprisoned and murdered in Auschwitz. Reading British and German eye-witness accounts of the rise of Hitler in the 1930s, one is duty-bound to ask 'how could it happen?' Edith Stein died alongside millions of innocent victims of the state terrorism that has characterised 20<sup>th</sup> century 'progress' and 'civilization'. As if World War I was not revolting enough, it was followed by World War II, the Holocaust, the carpet bombing of civilian areas of Dresden and hundreds of other German cities, Hiroshima, Nagasaki, the displacement and deportation of peoples across Eastern Europe and so on. The proliferation of nuclear weapons, production of armaments for dictators across the world, star wars, terrorism and the bombing of civilians continues apace. 90 per cent of casualties in 'modern' warfare are civilians – children and their families. As Fr. Gerard Hughes observes, the

enemy is not another country, but our own greed, self-importance and self-interest:

As Christians we must not say, 'I believe in God,' unless we can also say, 'and I renounce every form of self-defence which threatens the lives of our generation and of all future generations'. God is the God of life who loves all that he has created, not the savage destroyer and exterminator'. (Gerard W. Hughes *The God of Surprises*, p157).

Even for non-Christians, the coherence of the arguments against the use of weapons of mass destruction must ring truer than the *fait accompli* insisted on by our political leaders that war is 'inevitable'.

In this issue we uncover the Christian anti-war roots of the Social Credit movement. During the 1930s social crediters were outspoken in their condemnation of an economic system designed to proliferate economic and military warfare. We are reprinting L.D. Byrne's introduction to Social Credit which refers to the spread of Social Credit across the world in the 1930s and 1940s. The extent of influence of the Social Credit movement can be gauged from the tenor of the 1936 extract from the Official Report on Alberta. The extract from Eimar O'Duffy's aptly-named *Asses in Clover* reads as if it was written yesterday in respect of the current international situation. Further extracts from this social credit fantasy satire can be read on the website (see back page of TSC).

It is time to stop rushing around in ever diminishing circles in order to think. Are we condoning, however passively, all-out war on the environment and our common humanity? In *Stupid White Men*, No. 1 best seller in the USA and UK, journalist Michael Moore reminds us of George Orwell's *1984*, where The Leader needed permanent war. By keeping the people in perpetual fear of the 'enemy', he persuaded them to relinquish their civil liberties, handing power into his hands: Big Brother held power through fear.

It worked in the book, and it is working today. The only thing that will stop it is if we completely and without equivocation reject the lies we're being told. Now is not the time to give up. **We should never forget that there are more of us than there are of them. We have always held the power and we always will.** It's just a matter of being fearless and deciding to use it. (p 260. Emphasis added).

We can blame nobody but **ourselves**.

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*Extract from*  
**OFFICIAL REPORT**  
**ALBERTA**

7 November 1936

John Hargrave, founder and leader of the Social Credit Party of Great Britain and Northern Ireland, which has carried the message of the tragic absurdity of poverty amidst plenty and the demand for the National Dividend throughout the British Isles, decided to go to Alberta to see for himself how the Aberhart Government was attempting to introduce the principles of Social Credit.

He went in a purely private capacity, under the auspices of no-one but himself, and without introductions.

18 December 1936

Premier Aberhart telephoned to Hargrave asking him to meet some of the members of the Cabinet at 5pm at the Legislative Buildings.

At this meeting the Premier introduced Hargrave to the Attorney General, the Minister of Public Works, the Minister of Health and of Trade and Industry and the Minister without Portfolio, and then asked if Hargrave would care to say a few words to this informal Cabinet meeting.

Hargrave addressed the meeting for ten minutes or so along the following lines:

Alberta is the key to the world situation.

What happens in Alberta can affect the destinies of Europe and the rest of the world. If Social Credit is able to show even a modicum of success in Alberta, not only will the other three Western Provinces - Manitoba, Saskatchewan and British Columbia - "go" Social Credit, and then the whole of Canada, but New Zealand and Australia, already ripe, are certain to follow. The Irish Free State, now striving for economic self-sufficiency, would swing into line. The other parts of the British Isles - England, Scotland, Wales and Northern Ireland - could not resist the "pull" exerted by a Social Credit Federal Union of Canada, reinforced as it is bound to be, by a Social Credit Commonwealth of Australia and a Social Credit New Zealand. Nothing could stop this politico-social-economic landslide, which would result, finally, in a Social Credit World Order in which poverty and war had been eliminated for ever.

The United States of America, at this moment struggling towards economic freedom through a maze of New Dealism, would look across the boundary-line of Montana and begin to move towards Social Credit.

At the first sign of success in Alberta, the eyes of all the people of war-doomed Europe would turn away from the developing Right-Left conflict - they would look up and see, not a theoretical argument printed in a book, but the actuality of 780,000 Albertans using their own real wealth and living debt-free. And they would say to themselves, over there in Europe, "If the Albertans can live in peace and prosperity, why should we live in poverty and the fear of war - why should we starve amidst plenty - why should we slaughter each other? Let us beat our tanks into tractors and follow Alberta's lead."

What happens here in Alberta, therefore, can actually slow down or stop the headlong Gadarene rush towards the Next Great War that may at any moment overtake Europe and let loose such a hell upon earth as has not been seen since the beginning of the world.

Not in Geneva - not in the League of Nations council chamber - but here, in the Legislative Buildings in Edmonton, Alberta, is the key to world peace. Alberta has a great task and responsibility. You, gentlemen - Mr Premier and Ministers of the first Social Credit Government in the world - can not only lead the Province of Alberta, but all the nations of the earth, away from misery, death, and destruction, towards that positive peace and prosperity that common sense tells us is mankind's only sane objective and Social Credit reveals as possible to achieve.

**Psalm 1936**

*The politician is my shepherd; I am in want. He maketh me to lie down in relief camps. He leadeth me beside the still factories. He disturbeth my soul. He leadeth me in the path of destruction for his party's sake. His policies frighten me. He prepareth a reduction in my salary in the presence*

*of mine enemies. He anointeth my income with taxes; my expense runneth over. Surely unemployment and poverty shall dog me all the days of my life; and I shall dwell in a mortgaged home for ever.*

(The Fig Tree Journal 1936).

*Countries should repent citizens' evil deeds almost less than 'the appalling silence of the good'*  
(Martin Luther King)

*Extract from ASSES IN CLOVER**Eimar O'Duffy**Chapter XX*

## How Assinaria went to War

Meanwhile Cuanduine and Mr Robinson, sitting in the Stranger's Gallery of the Parliament House, heard the Prime Minister move a vote of credit for a thousand million pounds for the war against Faraway. The cause of the war was this. Faraway was at one time a backward undeveloped country, without banks or buses or picture houses, or any others of the essentials of civilisation. A few years ago it had been provided with these appurtenencies by the enterprise of Assinine capitalists who thought that if it were properly developed it would provide them with a market for the goods which their own people were unable to buy. All these investments were now imperilled by a civil war which had broken out in Faraway between the Thingumajigs and the Thingumabobs, as the local factions were called; for as these were now well furnished with civilised weapons, there was danger that the railways and factories might be damaged. It was feared also that the receipts of the picture houses might be affected. An expeditionary force had accordingly been despatched, and had already established itself on the soil of Faraway.

'In taking this step' said the Prime Minister, 'we have acted in defence both of our honour and our safety and of our legitimate interests. The lack of central authority in Faraway made it impossible for us to negotiate, and the chaotic conditions which jeopardised our investments compelled us to intervene for the restoration of law and order, not merely in our own interests, but in the interests of the Faraway people themselves.' Cheers. 'Critics of the Government have said that this action is a violation of the Treaty for the

Renunciation of War; but let me tell them that it is nothing of the sort. By that treaty we promised "to renounce war as an instrument of national policy." Let our critics note the exact wording of this document on which they rely in their nefarious purpose of defaming their own country in the eyes of the world. In the first place, this action of ours is not war at all. We have never declared war on the Farawavian nation. We have merely despatched what might be called a force of armed guardians of the peace to protect our legitimate interests. It is true that these guardians of the peace have bombarded several towns and routed several Farawavian armies, but that was because their purely pacific intentions were met by violent resistance.

'In the second place, this war (if it is a war) is not being used as an instrument of national policy. Our national policy is one of peace, and such a policy could not possibly be served by recourse to war. Finally, I do not think that anyone can contend that it was the intention of the signatories of the treaty, in outlawing war, to outlaw any use whatsoever of armed force to settle political questions. Such an interpretation would have made agreement among the nations that signed it impossible, and would have rendered nugatory any progress in the direction of true peace. I repeat, therefore, that neither the spirit nor the letter of the treaty has been infringed in the remotest degree by this action of ours.'

At this point a Socialist member interrupted, and pointed out that by the second clause of the treaty the nations had agreed 'that the settlement of all disputes, of whatever nature or whatever origin, which may

arise among them, shall never be sought except by pacific means.' 'That' replied the Prime Minister 'is exactly what we have done. We have sought the solution of this difficulty by pacific means, and the responsibility for violence rests on the Farawavians.' Cheers.

The vote of credit was carried almost unanimously, and the great Assinarian nation girt itself for war. From that moment there was employment for everybody. Mac ui Rudai got a job in a munition factory, and forthwith bought himself a new suit of clothes, and ate all day like a cow. Mr Robinson was sent by his paper to the front, but before he went he used his good offices to secure a post for Cuanduine in the Propaganda Department. 'It's not altogether a job suited to a demigod' he said apologetically, 'but it'll keep the wolf from the door anyway.'

'I am much obliged to you' said Cuanduine, 'though I have here a weapon' - putting his hand on the Cruaidin Cailidheann - that an army of wolves could not withstand.'

'I meant hunger' said Mr Robinson, who was not naturally a poet, but used imagery because he had never learnt how to talk. He then went on to explain the duties that would be required of Cuanduine in his new post: how he would have to write up the justice of the Assinarian cause and the wickedness of their adversaries, and tell the world what an entirely base and worthless people the Farawavians were, and how their soldiers were contemptible cowards, so that one Assinarian was a match for ten of them.

'If that is so' said Cuanduine, 'the

Assinarians will have no great honour in overcoming them.'

'Don't you worry about metaphysical questions like that' said Mr Robinson. 'All you've got to do is to write the stuff and draw your pay.'

Cuanduine was well contented to do this, remembering that the children of this world are wiser in their generation than the children of light. So he hired himself out to the Propaganda Department, and wrote whatever he was commanded. And now Cuanduine had reason to be thankful for the gift of unscrupulousness that had been bestowed on him in the Fourth Heaven. For he had to tell the world that the Farawavians were the most abominable race that ever was spawned, unclean, uncivilised, cruel, treacherous, haughty, overbearing, mean, cringing, slavish, irreligious, blasphemous, superstitious, given to adulteries, fornications, and unnameable vices; that the rich among them oppressed the poor, and the poor, without reason or excuse, detested the rich; that the nation in its policy was rapacious and tyrannical, hating freedom, and aspiring to world domination; and that the Assinarians were fighting purely and unselfishly for truth, justice, freedom, and religion, and for the real benefit of the Farawavian people themselves; but that nevertheless the rights and interests of Assinaria, nay, her very existence, were at stake. He told also that the ferocious Farawavian soldiery used weapons that grievously hurt the gentle Assinarian warriors, who for their part, always wrapped their bullets in cotton wool; that the Farawavian troops always ran away, or surrendered in multitudes, the moment an Assinarian soldier looked crossly at them; and that the Assinarian troops fought with a gallantry unparalleled in the world's history, enduring the most horrible slaughter, and winning victory after victory against the most obstinate

resistance and the most overwhelming odds.

In writing all this Cuanduine enjoyed himself immensely; but he enjoyed still more the faces of the public as they swallowed it all down to feed the stomach of their righteousness and wamble in the guts of their hatred. It moved him to exquisite laughter to watch their goggling eyes and gaping mouths as they poisoned their souls with the stuff they paid him to write and would have hanged him for refusing to believe if it had been written by someone else. In a very ecstasy of mendacity he poured out more and more of it into their insatiable maws until even his supporters remonstrated that if he laid it on so thick he would spoil the effect. They need have had no such fear, however, for the credulity of the Assinarians was so inexhaustible that when presently he fabricated a story that the ordinary drink of the Farawavians was the blood of Assinarian babies served up in the skulls of their fathers, they believed him more firmly than ever.

The happiest of his inventions was his announcement that this was a War to End War, and that when it was over all poverty and injustice would disappear from the earth; for by this bait all the Socialist leaders and advanced thinkers, who had formerly held discreetly aloof, were now induced to give it their support; not however by fighting in it, but by writing about it; and these writings gave Cuanduine the most rapturous amusement. For his services he was very well paid, and, as he did not eat so much as a mortal man, he was able to put some money by, so that when the war was ended by the conquest of Faraway, he was no longer a slave to necessity.

Asses in Clover was first published in 1933. A number of chapters are currently available on our website: [www.dougllassocialcredit.com](http://www.dougllassocialcredit.com).

## Very Sound Song

Geoffrey Dobbs

Man was made for labour,  
 Man was made for work,  
 You must keep him at it  
 Or he's sure to shirk;  
 He yells for bread and butter,  
 He bawls for house and clothes,  
 But what he's really wanting is  
 A grindstone for his nose.  
 No cash to squander  
 And no time for sin,  
 That's the way to keep him straight  
 And do the Devil in.  
 The Devil he's a sly bird,  
 He sends the rain and sun  
 To make the crops grow thick and fast,  
 And stop work being done.  
 The Devil made the coal and  
 The Devil made the oil,  
 And all that damned machinery  
 To rob us of our toil.  
 The Devil made those scientists  
 To give us Plenty; but-  
 God made the Government  
 To fight against the Glut.  
 God sends the hailstorms and  
 God sends the drought  
 To make us all work harder  
 And keep the Devil out.  
 God sends the pestilence and  
 God sends the blight.  
 And God sends the Bankers  
 To keep our money tight.  
 We're nearly round the corner,  
 Prosperity's in sight,  
 So do your bit to help us win  
 The economic fight.  
 And if we do our duty  
 And answer to the call,  
 P'raps God'll send another War,  
 And there'll be work for all.

*'We have never declared war on the Farawavian nation. We have merely despatched what might be called a force of armed guardians of the peace to protect our legitimate interests. It is true that these guardians of the peace have bombarded several towns and routed several Farawavian armies, but that was because their purely pacific intentions were met by violent resistance'.*

## Book reviews

### *The Money Changers*

David Boyle

Earthscan Books, London, 2002.  
274 pp; hardback £17.95

This is a delightful book. Sub-titled, **Currency reform from Aristotle to e-cash**, it is a cleverly-chosen selection of 74 original contributors to the monetary reform dialogue. All the usual suspects are there; Keynes, Douglas, Hayek, Proudhon, Fisher, Robertson, Soddy, to name only a few, but there are surprises too. Psychologist B.F. Skinner, best known for his theory of behaviourism, makes an appearance as author of a novel, *Walden Two*. Also here is Frank Baum, author of the *Wizard of Oz*. The latter title surprised me, for although I knew vaguely that it had something to do with money, that was all, but in some four short pages of commentary and text, the scales fell from my eyes. *Oz* is of course the familiar symbol for ounces, the measure of gold, so the yellow brick road then explains itself. The Tin Man, needing a heart, represents industry, the Scarecrow (if I only had a brain) stands surely for agriculture, the cowardly lion perhaps signifies the toiling masses who do not know their own strength. Finally, the Wizard himself is exposed as a master of mind control, i.e. the gold standard, who makes people believe that there is no alternative. Frank Baum became involved in Populist Party politics in economically distressed Chicago of the 1890s, out of which came Coxe's Army of unemployed workers, a march on the White House demanding the issue of 500 million greenbacks, recalling President Lincoln's policy. Lincoln himself is cited in chapter and verse. So the book shows itself to be almost a catechism of brief but accurate citations from monetary reform literature. The Worgl story is

here, LETS gets some useful coverage, Keynes familiar words "let goods be homespun...let finance be primarily national" were spoken at a lecture in Dublin in 1933. Pioneer socialist Robert Owen, often regarded with uncritical admiration, here is described as "an old windbag" and yet "practical". Super-capitalist George Soros, unloved by many reformers, gets the chance to have his say. Incidentally, when Soros announced his "repentance", my unpublished letter to the *Guardian* ran "Joy out of Soros? Has he bought the *Guardian*?" Inevitably, media issues and politics take us to Social Credit, in two passages from C.H. Douglas and another from William Aberhart. One of the attacks on Douglas concerned his alleged anti-semitism caused perhaps by the contrast between Douglas' international popularity and his cool reception when he managed to get anywhere near the corridors of power and the banking fraternity. A Labour party pamphlet of the 1930s, 'Socialism and Social Credit' not cited here, reveals just how easily Douglas was misjudged by thinkers like Hugh Gaitskell. Two concerns remain after enjoying David Boyle's anthology. I'd like to have seen more about Third World debt, and about the dangers of PFI/PPP projects, alluded to but not featured in the book. The other is that not a single major contemporary politician seems to have anything to say on these issues. It's time for the John Ball preachers to reappear.

*Kevin Donnelly is a founder member of the Christian Council for Monetary Justice*

### ***The Euro: The Battle for British Hearts and Minds***

Andy Mullen and Brian Burkitt  
Congress for Democracy (2002) £5  
[www.congressfordemocracy.org.uk](http://www.congressfordemocracy.org.uk)

In theory, 'democracy' means rule by and for the people, while 'economics' derives from the Greek *oikonomia*,

management of resources for the common good. Hence 'economic democracy' would mean the management of the economy according to the will of the people and for the common good. In this case, the demand to abandon the pound in favour of the euro would arise from a popular demand based upon reasoned debate of the issues involved. This has not been the case. The demand to join the euro follows three orchestrated propaganda campaigns in Britain, the 1962-3 quest to secure public support to join the European Union, the 1970-71 preparation of the public for accession, and the 1974-5 campaign for a 'yes' vote in the Referendum to continue EU membership. In this aptly titled work, the authors provide an exposé of New Labour's contempt for democracy and informed debate in their quest to secure British membership of the euro.

The government's policy of 'prepare and persuade' is documented through a thoroughly researched account of the institutional and legislative preparations for entry. Presenting statistics on British opinion as consistently opposed to the loss of the pound and its replacement by the euro, the authors quote government statements that, whatever the state of public opinion, British membership of the euro is 'inevitable'. As a study in political power today, this publication by the Congress for Democracy has far reaching implications. What is not clear, however, is by whom, and for what reason, has the gauntlet been thrown down to initiate the 'battle for British hearts and minds'? The Convention on the Future of Europe is currently drawing up a new written constitutional treaty for the European Union based on an entirely secular value system where the citizen is a mere cog in a wheel.

Bulk purchases of this document are highly recommended as a stimulus to the adoption of an informed debate on the issue of democracy in general and the euro in particular.

Frances Hutchinson, Editor TSC  
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*Inclusive justice requires learning to slay giants - without slaying or slaying people, to alter mindsets without affronting the dignity of those who differ on the fundamental flaws in our economic system.*

## Logs to Burn

Beech-wood fires burn bright and clear,  
If the logs are kept a year:  
Store your Beech for Christmastide,  
With new-cut holly laid beside.  
Chestnut's only good, they say,  
If for years 'tis stored away:  
Birch and Firwood burn too fast,  
Blaze too bright and do not last;  
Flames from Larch will shoot up high,  
Dangerously the sparks will fly.

But Ashwood green and Ashwood brown  
Are fit for a queen with a golden crown.

Oaken logs, if dry and old,  
Keep away the winter's cold;  
Poplar gives a bitter smoke,  
Fills your eyes and makes you choke;  
Elm-wood burns like churchyard mould,  
E'en the very flames are cold.  
Hawthorn bakes the sweetest bread -  
So it is in Ireland said;  
Apple-wood will scent the room,  
Pear-wood smells like flowers in bloom,

But Ash-wood wet and Ash-wood dry  
A king may warm his slippers by.

Anon

Reprinted from The Borders Forest News

## A Short Introduction to Social Credit

L D Byrne

Because of the perversion of Social Credit by so-called Social Credit political parties and its falsification by the news media, bankers and professional economists, it is necessary to emphasise at the outset what Social Credit is not. **It is not a plan, nor is it a scheme. Nor is it some kind of conjuring trick which can be invoked by an act of Parliament to deal with all the nation's ills.**

It should be stated, re-stated and stressed that Social Credit is what Major C H Douglas, its author, described it - namely the policy of a philosophy and a philosophy rooted in Christianity. It is a policy governing every aspect of social life - political, economic, financial and cultural. A Social Credit Society would be a genuine and effective democracy - defining democracy as "government and management of a country's affairs in obedience to the wishes of its people - all its people." Democracy is not majority rule whereby 51% of the people can impose their will on the 49%. A genuine democracy should guarantee its people that, within practical limits, they should be able to obtain the results they want from the management of their affairs.

At present we have a pseudo-democracy in the political sphere and a financial dictatorship in the economic sphere. Our political democracy consists of being given the choice every four or five years, of voting for one of several candidates for election, chosen by and belonging - literally belonging - to their respective political parties and each supporting their party's "platform", a mish-mash of policy and methods in the devising of which less than 1% of the electorate participated. The successful candidate when elected is no longer

under the control of his electors, but must submit to the discipline of the party. With his fellow members of Parliament, he and they continue to respond/submit? to the pressures of big finance, big business, and big labour unions, resulting in the operation of the country's business/affairs? to yield results people do not want - namely pyramiding debt resulting in increasingly oppressive taxation, spiralling inflation, labour unrest leading to strikes crippling to the economy.

In the economic sphere the productive system of Canada and other Western industrialized countries is capable of turning out an abundance of the goods and services which people want. However the means by which they can have access to those goods and services is to purchase them with money, which, in the main, they can obtain only as incomes acquired through "having a job". Thus, instead of the purpose of the economic system being what it should be - namely to provide people with goods and services as, when and where required, it has been perverted to "providing jobs". This notwithstanding the fact that the potential for abundant and increasing production is the result of improving productive methods resulting from automatic and semi-automatic plants and machinery served by computers, the purpose being to eliminate jobs, reduce costs and increase efficiency.

Thus the nation has become one vast labour camp with everybody scrambling to make themselves economically secure. For not only does the financial system serving the economy insist that employment is the only claim to the needed food, clothing, housing and other requirements, while industry is striving to reduce employment, but it operates in such a way that there is a

growing shortage of incomes to buy the goods produced. This results in increasing debt, higher production costs and inflating prices. Wage earners find that any wage increase they obtain by collective bargaining only results in increased prices and higher taxation.

In short, the system is devised to perpetuate wage slavery for the majority and a state of insecurity for the rest.

The Social Credit proposals are directed to correcting the faults in the present system in a manner which will achieve the objective of making the political and economic systems subservient to the wishes of the people as individuals.

This can be achieved in the political sphere by abolishing party politics in favour of a system whereby Members of Parliament and Legislatures will be brought under the effective and continuous control of their constituents, who will originate policy.

In the economic sphere effective economic democracy can be achieved by (a) ensuring to every citizen a guaranteed income over and above earned income, if any; (b) This to be accompanied by a progressive reduction of prices, through a system of subsidies which would compensate for the shortage of purchasing power, i.e. money available to consumers to buy the goods coming on the market, a shortage all too evident by the growing volume of purchases on credit and the continually pyramiding debt structure.

It is not possible to elaborate on these proposals within the limits of this short article. Those who realize that we are in the death-throes of a disintegrating civilization, and have been influenced by the foregoing introductory summary to recognize that a deeper study of Social Credit is

indicated, are directed to the publications listed.

Realizing that what remains of Western civilisation is doomed, Social Crediters world-wide - that is genuine and informed Social Crediters - are striving to ensure that, while there is yet time, the foundations for an emergent civilisation are laid - a Christ-centred civilisation worthy of the dignity of man and his highest ideals.

*L D Byrne OBE, FSCS, was a key collaborator of C H Douglas. This article was taken from his papers. It was found among materials dating from the 1950s, but may be older than that.*

*Thus the nation has become one vast labour camp with everybody scrambling to make themselves economically secure. For not only does the financial system serving the economy insist that employment is the only claim to the needed food, clothing, housing and other requirements, while industry is striving to reduce employment, but it operates in such a way that there is a growing shortage of incomes to buy the goods produced.*

## The Local World

Geoffrey Dobbs (1995)

“The third temptation of Christ: to acquire power over all the kingdoms of the earth (i.e. megapolitics) in return for an act of worship of the Evil One (i.e. that Power which corrupts politics) is a temptation impossible to resist by any person or group which sets out to improve the lot of Mankind in a big way. Indeed, few of those who automatically fall for it are aware that it is a temptation at all. It is taken for granted that if you want to do anything in a big way you must ‘succeed’ in attracting the favour of the Powers that Be, the greatest and most corrupting of which is the Money-Power.”

## Social Credit and Alberta

Wallace M Klinck

As alluded to repeatedly in C.H. Douglas's many works, Social Credit offers a policy derived from Christian philosophy which provides a clear alternative to the impossible duality of the false Left vs Right conflict. **An informed citizenry and a high acceptance of civic responsibility is essential to an effective resistance to, and reversal of, this relentless pressure toward centralized world power—which in the very nature of reality can only lead, as it now so obviously is, to increasing world dictatorship.** A clear recognition of the defective nature of the existing financial price-system and how to rectify it is absolutely essential to any effective corrective action.

Knowledge is power: “The TRUTH will make you free.” Those who wish “get elected” to power by first jumping over the heads of an uninformed electorate, alleging that the public cannot understand and will not support Social Credit ideas are not being realistic and inevitably raise suspicions as to their real motivations for seeking office. Is it for service—or for power? This is the sort of attitude which has generated such an abject contempt for politicians and the political apathy which follows from a general conviction that political party processes are hopelessly corrupt, inevitably leading to the same deteriorating conditions and ineffectual policies regardless of which party is supported at the polls. The object of Social Credit is to maximize positive increments of humans in association: this requires a desire to educate, enlighten and empower individual citizens—not to show disrespect and contempt for our fellow citizens by keeping them in the dark and “dumb down on the farm.”

The comment has been made that

Douglas was opposed to “political” action. Nothing could be further from the truth. What he did advocate was intensive, informed and effective non-party consumer and citizen electoral action to educate, direct and instruct elected representatives in order to obtain through the discovery and application of effective sanctions the results they desire and have reason to believe they can achieve—while not allowing themselves to be divided and controlled by political party power misrepresentations, antics and machinations.

As to what the “Alberta Social Credit Party” had been historically “known” as over some thirty-five or so years, it has been portrayed as an essentially “conservative” party with a “Christian” bias which gave “good government.” That is what the financial powers were quite happy to have it known as. And with an alarmed eye toward the disturbing political developments in the Province the financial powers made sure that the Province was flooded with sufficient investment to keep the population busy, sedated and uncritical in a “prosperity” based upon the export of natural resources and a false materialism based upon the non-Christian so-called “work ethic”, so much worshipped by Fascism and Communism and their materialist financial backers. This, additional to the plunging of the world into a major military conflagration, eliminated any effective challenge from genuine Social Credit which previously had been rapidly expanding within the Western World..

Sound Social Crediters around the world viewed things rather differently. They saw a major political and economic betrayal. While they recognized some of the deficiencies of the Aberhart period they recognized outright sabotage after his death—most especially after the extended sojourn of the wife of an influential personage from Great Britain at the

home of the Premier . The Social Credit study groups were effectively disbanded, beginning an effective separation of the membership from its intellectual and ideological roots—the surest way to destroy a movement.. Douglas’s books were incinerated. The most competent Social Credit advisors were subject to character assassination and firing, the best Social Credit Members of the Legislative Assembly were marginalized and eliminated and more informed members were discredited and purged from the Party.

*Wallace M Klinck is a member of the Social Credit Secretariat and is their representative in Canada*

*A clear recognition of the defective nature of the existing financial price-system and how to rectify it is absolutely essential to any effective corrective action.*

## Book reviews

### *The Politics of Money - Towards Sustainability and Economic Democracy*

*Frances Hutchinson, Mary Mellor and Wendy Olsen  
(Pluto Press 2002, 247pp ISBN 7453 1720 0 pb £16.99)*

The authors retrace the history and theory of capitalised money in order to discover the present state of the economy and how this has come about. They trace the history of economic thought and the evolution of the institutions governing economic activity. Having established this, they look for alternatives to the capitalist political economy which is detrimental to the planet and a large part of its people. The book draws on the works of mainstream and radical thinkers over the past two centuries. It describes several mainstream schools of economic thought taking the theoretical assumptions of neo-classical economics as an example of contemporary thinking. Particularly

helpful to this reader is the history of money and banking, and its influence on the domination of current money/credit economies and their impact at the present time. The development of capitalism, the Marxian critique of the capitalist economy, the manner in which subsistence economies have been undermined by the imposition of money as access to livelihood are dealt with, as is the influence of the enclosures contributing to the necessity of engaging in wage labour.

The book looks to bases for alternatives to money-credit capitalism. Past thinkers, especially Marx and Veblen, are drawn on, guild socialist and social credit economies are explored, as well as latter-day green and feminist economics. An alternative to capitalism’s food production system, harmful to health and to the environment on which it depends, is discussed and some attempts at alternative money systems, such as LETS, micro-film and basic income, are explored and questioned.

The central consideration is the necessity for money to be socially and locally administered, the management of the money creation process being the key factor for providing local production and distribution. Links with contemporary green, social and feminist movements and ideas are discussed. The authors present a range of alternatives theorizing with a view to humanizing the global economy. They do not postulate practical alternatives, leaving that to the reader. I am grateful for this publication in that it helped me to understand the hitherto perplexing theory of economics as taught and practiced at higher levels of education.

Ann Makey This review first appeared in ‘Living Green’ and is reproduced here with the permission of the author.



*Fences And Windows*

Naomi Klein

*(Flamingo £8.99)*

Here she comes again, the Recording Angel of the corporate cosmos. Two years after *No Logo* denounced the international trading regime with such effervescent indignation that it was translated into 23 languages, Naomi Klein resurfaces with a selection of speeches and reports from the front line.

Does she have anything new to tell us? The answer is yes. Klein is a brilliant wordsmith whose eye sweeps across the landscape of globalization, scornfully illuminating examples of injustice, duplicity and false promises. This is one side of the story, maybe, but it is a side that is rarely heard. As she points out in a breathtakingly cool analysis of September 11, 2001, the atrocities were at least partly attributable to "the recklessness of those who know they are invisible."

And Klein is not talking purely figuratively. In her address, shortly after the event, to a Swedish journalists' convention, she pointed out that western broadcasters' tendency to ignore all but the most telegenic Third World crises is, thanks ironically to satellite technology, paraded nightly before disenchanted Third World viewers.

Perhaps because of the nature of the book's material, Klein does seem angrier than last time. She is particularly contemptuous of the argument, advanced most notably by President Bush, that wealth created by open trading borders will trickle down to the economic underclass. Seven years after the North American Free Trade Agreement was established, 75 per cent of Mexicans live in poverty; the comparative figure in 1981 was 49 per cent. The free trade programme adopted by President Mbeki in South Africa has cost, apparently, 500,000 jobs since 1993, and the wages of the poorest 40 per cent have dropped by 21 per cent. Thanks to privatisation, electricity costs in that state have risen

by up to 400 per cent, with the unsurprising consequence that 20,000 Sowetans are disconnected every week.

The parallel concept, that shrinking trade barriers equals burgeoning democracy, infuriates her further. When the democratically elected government of Guatemala tried to implement land reform that conflicted with the profits of the United Fruit Company, it found itself bombed and overthrown on Washington's behalf. Western corporations cosy up to repressive monarchies (Saudi Arabia) and authoritarian communists (China). When governments submit to ordinances of the World Trade Organisation, International Monetary Fund and World Bank outlawing subsidies or privatising public services, is it any surprise, Klein inquires, if electors wonder whose interests their politicians are serving?

Of course, she notes tartly, you can always bend the rules if you are powerful enough. Countries like Russia, Thailand and Argentina "would have appreciated the extreme government intervention - tax cuts, steel subsidies, import tariffs - launched to save the US economy." Globalization suddenly did not appeal to American administrators considering an international criminal court or the Kyoto environmental treaty. Klein invites anti-protectionist Britons to recall that, when it suited the world's first industrial power, it was the most protectionist of all, in one instance deeming any funeral illegal in which the corpse was not wrapped in a 100 per cent British shroud. How do you stop the big boys running amok in the playground? Klein has a cautious faith in something emerging from the disparate forces of opposition that congregate in alternative think tanks, on radical websites and outside the fences that now surround major trade meetings.. In March 2001,

10,000 people attended the inaugural, and now annual, World Social Forum staged in Porto Alegre, Brazil.. This was viewed as a success, despite a slight hitch when the organisers were themselves besieged by some of the more radical delegates.

The problem is stitching together a programme, and a discipline, acceptable to all sections of a movement that embraces causes from fairtrade coffee to anarchists' hunter-gatherer utopias. Klein, clearly losing patience with some of the fringe elements, demands a growth in grassroots democracy and accountability from those who noisily, but increasingly ineffectively, harass economic summiteers. She is in no hurry, though, arguing that short-term flux is better than the ideological straitjacket imposed by "someone's 10-point plan."

Ironically, shortly after this book came out, the 60 academics and economists who make up the US-based International Forum on Globalization have produced, after three years' research, just such a 10-point plan. They claim it presents "an alternative to corporate domination of the world economy more fully, specifically, and thoughtfully than has ever been done before." Whether anyone is listening, remains to be seen. The alternative could be stark. In NAFTA-blessed Mexico, the 'Zapatista' peasant uprising led by the mysterious masked Subcomandante Marcos, has forged an armed state within a state (and generated 45,000 supportive websites). Covert sympathy for Bin Laden in non-Western sectors of the world is driven much more by poverty and helplessness, one would guess, than theology. Klein notes crisply: "On September 11, America woke up in the middle of a war, only to find that the war had been going on for years, but no-one told them."

Erlend Clouston is a freelance journalist who worked for the Guardian newspaper from 1979 to 1997.

Footnote to review of *Fences and Windows*:

*Alternatives to Economic Globalization* is the culmination of a three-year project by the International Forum on Globalization to define alternatives to the current corporate model of globalization. Written by a premier group of eighteen thinkers from around the world, *Alternatives to Economic Globalization*, the official consensus report of the International Forum on Globalization, lays out alternatives to the corporate globalization more fully, specifically, and thoughtfully than has ever been done before.

Please note that **Soil and Soul** (Alistair McIntosh) and most of the books advertised on Page 48 are available at discounted prices from the Secretariat. Contact us for full details.

*The Killing of the Countryside*  
Graham Harvey  
Routledge, 1997

The current moral and financial bankruptcy of the UK farming 'industry' provides a tragic case study for students of Social Credit theory. Despite subsidies with an associated cost to UK tax payers and consumers of £6.5 billion a year in 1996, this most essential sector of society and the economy has provided neither financial security to its producers, nor food which the consumer can have confidence in. This is despite a concerted drive for massive overproduction that has been directly responsible for environmental and social disaster; including the loss of 97% of our meadowland, 89% of our tree sparrows, and over 150,000 miles of hedgerows, and which has deprived hundreds of thousands of land workers and small farmers of their livelihoods. The beloved British countryside of popular imagination, so admired by writers such as Flora Thompson, W. H. Hudson and others, scarcely survives

outside the pages of books.

For those wanting a historical overview of the forces and policies leading to such an impasse, *The Killing of the Countryside* is a valuable resource. Packed with uncomfortable statistics, the book provides a damning indictment of farming policy in the last fifty years. Its closely-reasoned argument charts the policies devised by successive British governments during the post-war period, under the auspices of the European Community's Common Agricultural Policy. The policies, devised in the name of modernisation and a pseudo-scientific and narrowly-defined 'efficiency', were shaped by and mainly benefited the new chemical companies, agri-business and City interests with devastating consequences to the countryside and the rural life.

The book catalogues the losses to our nation in terms of wildlife and diversity of the change from traditional farming practices to the modern farm 'factory' sited in an environmental 'desert'. Written before the recent Foot and Mouth crisis, it covers the earlier food safety crises within the context of modern food retailing and consumption patterns. It also discusses the 'winners', those who benefited from these policies: the agrochemical businesses whose products were paid for via subsidies, and the City-run agri-businesses which dominate production and whose interests also dominate policy-making, even at the expense of the vastly more numerous and impoverished smaller farmers. Via a comparison with traditional and organic methods, Harvey argues that not only have they caused environmental and social devastation, these great costs were unnecessary even to secure food security. More hopefully, the book highlights schemes which offer some small optimism for the future, family farms which have managed to make a

success of using traditional methods and by-passing the big chains are providing local food for local people.

The conclusion of the book is that subsidies are unsustainable financially, socially, and environmentally, and must inevitably be abandoned, allowing prices to be dictated by the free market. He believes that although there will be real short-term pain, pain cannot be avoided by allowing the situation to continue as it is, as we can clearly see if we go into any Estate Agent in a rural area and count the farms up for sale. In the long-run the farming industry will survive argues Harvey, reinvigorated by new people who have entered it due to a reduction in entry costs, and a comfortable living will still be made.

However, despite the strong case he makes against subsidies, Harvey unfortunately does not provide convincing evidence that their abandonment will be any better, especially for the smaller farmers such as those found in the hillier areas of Britain. It is disappointing that besides briefly citing the example of the New Zealand dairy industry, he provides little evidence of how subsidy-free farming would help secure a decent farming future. His argument that small-scale farming was more viable in the subsidy-free 1930s than under the present subsidy system, appears to offer little real hope to small farmers of the present day who, when supports are removed, will be forced to compete not just nationally but globally. All but the most 'efficient' (i.e. large) farms would be unable to do so. Thus ultimately, although Graham Harvey's book offers superb analysis of the causes of the present rural crisis, and a call for a return to farming on a natural and human scale, it fails to provide much real hope for the future.

Rachael Babar researches Islamic banking and monetary reform.

Social Credit? Some QuestionsAnswered

Frances Hutchinson

KRP Publications

ISBN 0 9542337

Is Social Credit True?

Almost fifty years ago I had an interview with the late Dr Tudor Jones, Advisory Chairman of the Social Credit Secretariat in direct succession to Douglas. Rather naively I asked him, "If I, without any qualifications in either Maths or Economics, can see that Social Credit is correct, why cannot the politicians see that and jump on it as an election winner?" Dr Tudor Jones' reply was that they had "different objectives", objectives to which Social Credit was inimical. They did not want Social Credit to be true! Douglas himself had come to this conclusion by the 'Thirties and the rest of his life was devoted to a search for sanctions against politicians and the controllers of credit. What was plain was that even the most patient advocacy and erudite argument had failed to move those in power.

Is there then a place for a "penny primer", which expounds and enlarges upon the technical aspects of Social Credit - the "A+B Theorem", the "National Dividend" and the "National Discount"? Mrs Frances Hutchinson, the current Chairwoman of the Secretariat, clearly thinks there is, and in this she is right. One reason why the several sanctions which Douglas devised were ineffective was, quite simply, shortage of manpower, and that applies much more so today. People cannot be persuaded to a course of action if they do not understand the foundation upon which the objectives stand; the facts from which the methods are derived. What Social Credit advocacy and action has lost since the war is its indignation, but indignation is fuelled by facts. This booklet is intended to supply the facts.

If I have a criticism it is that the answer to Question 3 - Where does Social Credit stand in the political spectrum? could have been argued at a deeper level in its refutation of the Left/Right dichotomy. In pre-war days Social Credit was considered to be "of the Left", and in post-war days "of the Right". The confusion arises from a misunderstanding and misuse of the terms. "Right" and "Left" are terms of the Revolution. In the French Revolution the "Left" was not the Republicans and the "Right" the Ancien Régime. The "Right" were the constitutionalist revolutionaries and the "Left" were the Girondin, anarchists who wanted the dismantlement of the State. The "Centrists" were Danton, Robespierre, St Just and the monstrous Carnot, author of the Terror. It was not the "Right" which massacred the Girondin, it was the "Centrists". It was not the "Left" which suppressed the constitutionalists, it was the "Centrists". The extremism of the Centre is the worst of all extremisms. Social Credit is neither of the "Right" nor the "Left". It is the reconciliation of the aspirations of both, not in the extremism of the Centre, but in The Tradition of the Nation. As the Social Credit poet, Alex Anderson has so neatly put it:

*"Avoid and shun the Right Hand  
Snake  
The greater, bearded, clapped-out  
fake;  
Switched off and slowly fading too,  
A piddling animus come true.*

*Pity him, the Left Hand Snake,  
Bemused, confused and half-awake;  
Just fill his idle hours and slow  
With what is safe for him to know".*

As the authoress acknowledges, her book is based upon a famous booklet by John Hargrave, Social Credit Clearly Explained: 101 Questions Answered. The questions and answers have been reduced to eighty-

two, but the content has been widened to include the impact Social Credit would have on the major ecological problems of the 21<sup>st</sup> Century. An impression was created by some pre-war advocacy that Social Credit would be an orgy of consumerism with hedonistic citizens rushing to spend their "National Dividend" on the endless stream of goods pouring from the cornucopia of automated factories. This book sets out to correct this impression. It needs to be stressed that Social Credit would mean less production, not more. The matter can be put in simple terms. Is it more wasteful of materials and energy to build one car which will last twenty years or ten cars in succession each of which will only last two years? The answer is obvious, so why do we have factories the size of airfields churning out an endless stream of inferior cars and the colossal waste of resources which this entails? Why do we not have quality production and things made to last? The answer is: "To distribute purchasing power in the form of wages, salaries and dividends". But the National Dividend would distribute sufficient purchasing power without waste production.

Social Crediters who have thought through all the ramifications of the Douglas theory will not find anything in the book with which they are not familiar, so the eighty-third question is: "Why buy it if it only tells me what I already know"? The eighty-third answer lies in Chesterton's epigram: "I always preach to the converted, because the converted do not know their own religion". One can also pass it on to someone else who will find it a revelation.

Anthony Cooney is the author of numerous social credit publications

**Sustainable Economics**

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*The Social Crediter* is the official journal of the Social Credit Secretariat. It promotes analysis of the current financial and economic system as developed by C.H.Douglas in the 1920s and discussed within the social credit movement throughout the 20th century. At the centre of our concern is the need for radical reform of the international fractional reserve, debt-money system. Only then might other major socio-economic changes, including the introduction of a national dividend, follow and help to ensure that all of the world's people have the potential to enjoy economic sufficiency, while simultaneously living a full and satisfying life in harmony with each other and the natural environment. It is our conviction that whatever is physically possible and socially desirable can be made financially possible.

The purpose of the Secretariat is to promote Douglas's original work and to guard against the misuse of his ideas. Sadly there are individuals and groups in the UK and beyond who seek to promote their own ideas under the guise of social credit

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**Recommended Reading**

**Frances Hutchinson**

*What Everybody really wants to know about Money*

**Alan D Armstrong**

*To Restrain the Red Horse*

**Frances Hutchinson & Brian Burkitt**

*The Political Economy of Social Credit And Guild Socialism*

**Frances Hutchinson, Mary Mellor & Wendy Olsen**

*The Politics of Money: Towards Sustainability & Economic Democracy*

**Books by Major C H Douglas**

- Economic Democracy*
- Social Credit*
- The Monopoly of Credit*
- Warning Democracy*
- Credit Power and Democracy*
- The Control and Distribution of Production*

**Frances Hutchinson**

*Social Credit? Some Questions Answered*

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