

THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

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MAKE MONEY MATCH MICRO-CHIP MILLENIUM

The True Objective of Industry is to provide Goods and Services. Jobs are Incidental.

“It is quite certain that the need for labour must become less and less with the growth of inventions and the increase of industrial efficiency. . . . Even today the labour of less than 10% of the population will readily suffice to maintain the entire inhabitants of this country in a high state of comfort.

“Suppose discoveries and inventions during the next half-century result in the displacement of all manual labour by machinery — must the bulk of the world’s inhabitants then perish? . . . The demand for labour is declining, and must continue to decline as productive efficiency increases. At present the statesman’s only escape from the dilemma is war and destruction! Are the fruits of human intelligence — inventions and discoveries — merely weapons for human destruction? Are our efficiency experts raising a Frankenstein that will some day destroy us? The answer is ‘Yes, unless the same intelligence is allowed to be employed in improving our methods of wealth distribution’.”

—Arthur Kitson, *Unemployment — the Cause and a Remedy*, 1921.

“At present the efficiency of productive machinery has far out-stripped our monetary technique, and it is the task of economists and financial authorities to adapt the monetary system to our existing industrial and social needs.”

—Rt. Hon. Reginald McKenna, in a Broadcast National Lecture on “Monetary Policy”, 28th November 1930.

“The financial system is unreal because it is a man-made system bearing only an artificial relation to the real things of life, food, clothing, shelter, work, leisure, happiness and security.

“We have allowed money to rule life, so that in every situation that arises the question must be asked: ‘Where is the money to come from?’

“Our task is to reverse this order, so that life rules money, and the money system becomes our servant, not our master.

“We should say, in effect, ‘Here is fertile country, abundant mines, clever and skilful workmen; let our experts see to it that their money system is a help, not a hindrance, to the distribution of this peacetime abundance’.”

—Peta, *Our Money*, 1945.

“We shall have to fundamentally question why we work, how we take our leisure, and whether work itself is a positive activity. What is so special about work, especially if it will no longer be necessary, that we can make such a fetish of it? The Haitians have a very wise and perceptive old proverb: ‘If work were a good thing the rich would have found a way of keeping it all to themselves’. We do not believe that work *per se* is necessary to human survival or self-esteem. It is, of course, not only capitalist societies that encourage the work ethic. The communist societies all have work as a prime objective and treat it as the most precious of commodities to

the extent of sacrificing possible increases in the standard of living to guarantee its maintenance. If national policy puts you out of work, national economic policy must pay you.”

—Clive Jenkins and Barrie Sherman (Trade Union Leaders), *The Collapse of Work*, 1979.

In quoting the above, Eric de Maré comments, “So far Excellent. Yet on how the nation is to pay the unemployed the answer the authors give is inadequate.”

—Eric de Maré, *A Matter of Life or Debt*, chapter 8.

“Unselfish aspirations, good intentions, beautiful phrases — none of these by themselves will affect the issue by so much as one hair’s breadth. If the public of this or any other country is really desirous of once and for ever freeing itself of the economic machine, and using the immense heritage which science and industry have placed at its disposal, it has to throw up and place in positions of executive authority men who are technicians in so broad a sense that they understand that the very essence of perfect technology is to devise mechanism to meet the requirements, the policy of those who appointed them.”

—C. H. Douglas, *Credit Power and Democracy*, 1920, pp. 85-86.

“Is it not as plain as the proverbial pikestaff that as the introduction of computerised automatic processes gathers momentum the steady increase in unemployment will be inevitable and there is not a hope in Sheol of any decrease?”

—Didacus Pierce, O.F.M., E.7, *Daily Telegraph*, 4th February 1986.

The letter which follows could well be addressed by you to your M.P.

Dear Sir,

In sending you this copy of *The Social Crediter*, March-April, 1986, I venture to make the following observations which are those also of close associates of 40 years’ standing:

The world’s “problem” is one of abundance and not of scarcity. Surpluses, so called, in agriculture and in industry are being dealt with by the expedients of quotas, closures and the like. In other words, by reductions in production.

The only scarce factor is money (the distribution mechanism), and even with mounting hire purchase and other consumer debt, as well as ever-increasing National Debt, present levels of production cannot be dealt with except by every country seeking a favourable balance of trade (i.e. by exporting more than they import).

It is urgently required to direct attention to the financial system, to demand action to bring it into line with a declining work/labour necessity and capable of dealing with an evolving technological “workless” society. What alternative is there?

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COMPATIBLES?

As anyone familiar with Industry will know, engineers, chemists and indeed most of those in middle and higher management spend their day in promoting *either* greater production with the same organisational workforce *or* the same production with a lower workforce. Improving efficiency it is called. At the same time Government professes policies to increase the workforce at a rate to nullify job reductions achieved by technological improvement in process and design and (with others) tell us that work is necessary for an individual as, without it, all self-respect is lost. There is also, it is said, the pride in achievement which work supplies. Work at all costs must therefore be provided for every individual even at the risk of surpluses of unwanted goods or of goods that cannot be bought because of inadequate purchasing power. Industry, on the other hand, finds it difficult to enhance pride of achievement for the majority of the workforce because of its increasing use of automation and mechanical process. For many, the moment of greatest satisfaction in the working week is the receipt of the pay packet. Are the objectives then of Industry and Government compatible?

We may consider two aspects of this question: first the objective of all production or industrial activity (and where the Industrial Arts are leading us) and then we may see the individual's place in the activity.

C. H. Douglas in "Economic Democracy" disposed of the first consideration thus:

"Now if there is any sanity left in the world at all, it should be obvious that the real demand is the proper objective of production, and that it must be met from the bottom upwards, that is to say, there must be first a production of necessaries sufficient to meet universal requirements; and, secondly, an economic system must be devised to ensure their practically automatic and universal distribution; this having been achieved it may be followed to whatever extent may prove desirable by the manufacture of articles having a more limited range of usefulness. All financial questions are quite beside the point; if finance cannot meet this simple proposition then finance fails, and will be replaced."

Whatever proportion of the available workforce is now required to provide each and every one of us with a

reasonable standard of physical welfare, the industrial arts and progress therein will ensure that it *is* only a proportion, and a diminishing proportion of the available workforce. *Distribution* therefore and not manufacture is the economic problem. This is now recognised in schemes for earlier retirement, national basic income for all and other proposals which concentrate attention on distribution, regarding production problems as already solved. That the industrial system does *not* exist to provide jobs and is not able to provide jobs for all is self-evident to all but those who regard the individual as requiring control from the centre and the industrial system as a convenient one for exercising that control. To exercise that control, overt slavery is perhaps the only alternative to job slavery in this world of plenty.

Why should access to goods and services be dependent on a job, i.e. on wage or salary? It is said that if the increasing number of the jobless are to be provided with a reasonable standard of physical welfare and to be encouraged in this situation will they not lose self respect, drink themselves into an early grave or otherwise degenerate? There is a widespread belief that "the other fellow" would probably do so, but not oneself — *we*, so released, would find a useful pursuit, a language, painting, music or a do-good activity. "The other fellow" has the same right as we to claim having been made in the likeness of God, creative to a degree if liberated from unnecessary work to keep body alive. The danger to the Money Power of this claim is probably the reason for the oft-repeated condemnation contained in the words "something for nothing".

In an article entitled "Before long, a salary without any effort" in the *Courier de Genève* (Switzerland) of 22nd May 1985, the writer said, "We shall have to get used to it: we will receive money without giving anything in exchange, and we shall have to find other things to do than earning our daily bread. Such will be the rule in the new society when robots and computers are able to perform all the activities of human labour. . . . We must prepare our society now for this inescapable evolution. It is essential to change our way of thinking. . . . We shall no longer have to work to earn an income. . . ." Quoted from *Vers Demain* (and *Michael*), Nov.-Dec. 1985, as is also:

"Arthur Cordell, scientific adviser to the Science Council of Canada and classed as an economist, writes of unemployment and jobs in his book *The Great Turnover*. He says: 'The link between work and income which had a meaning in an era of material scarcity is now leading to social inequality and risks finally undermining the very foundations of the economy. . . . It is the income and not the job which will be the key question of the eighties.'" (end of quotation)

"There is no money available" is just as meaningless and dangerous as "this should be done to create jobs".

THE SHAPE OF "TIMES" TO COME

The clashes between pickets and police around Rupert Murdoch's "Fortress Wapping" are but the latest, but probably not the last, dramatic manifestations of the convulsions induced in the newspaper industry by rapid technological changes. Some 5,000 print union jobs have abruptly disappeared and been replaced by about 500

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WHAT IS PHYSICALLY POSSIBLE IS FINANCIALLY POSSIBLE

Realists must act on the following:

“It will readily be seen how this situation in which, not production, but money is chronically insufficient, must transfer control to the institutions which have acquired the monopoly of money-making. In order that the industrial system may not grind to a standstill, an increasing issue of money, chiefly for capital production, is necessary to bridge the gap between purchasing power and price — a gap which is the only possible explanation of an anomaly between a half-idle production system and a half-starving population. But as this fresh money is claimed by the banking system, and has to be repaid, the situation is cumulatively worsened.

While the question of War Debts is in essence only a special, if important, case of the generalised statement, it does in fact lend itself to a conclusive demonstration of the defective accounting system we call Finance. Any realist will appreciate that a war is paid for (physically) as it is fought. The material, the guns, shells, aeroplanes, are the result of work done and matter converted, and when used they are destroyed. Clearly an accounting system which implies (a) that an asset exists corresponding to the securities held in the form of War Bonds, and (b) that there is any physical process going on corresponding to ‘taxing the country to pay for the War’, must obviously be fallacious. If the taxes were applied to making exactly the same amount of material destroyed in the War, then the public would have both the war material and the taxes in the form of saved wages.”

“... The smoothness of the transition from the issue of

— *The Monopoly of Credit* (Third Edition, 1951), chapter IV, by C. H. Douglas.

the gold sovereign to that of the paper £” (within two days of the outbreak of war in 1914) “surprised even the bankers who were most concerned. It may be remarked in passing that one of the major tragedies of the War, not less fruitful in human distress and as far reaching as the War itself, took place when the representatives of the Government (*) acceded to the demands of the bankers that the treasury note should be issued only through the banks and should be handed over in return for advances of bank credit. . . .

“During the years 1914-1918, however, this control was not much felt. ‘Inter arma silent leges’. The banks and other financial institutions were during that period put in their proper place as agents for the execution of the expressed policy of the country at large, and no question of money was allowed to enter into the desirability of physical action. It need hardly be said, nor is it, I think, astonishing, that the conduct of this financial policy was not free from glaring technical mistakes. It did, however, serve to demonstrate beyond peradventure that the idea that a physical policy cannot be carried out unless there is, as the phrase goes, sufficient money with which to do it is, as it has always been, an illusion fostered for interested purposes.

“On the onslaught of peace, however, the financial authorities realised that it was imperative from their point of view, to regain control of the situation. . . .”

— *The Monopoly of Credit* (Third Edition, 1951), chapter VI, by C. H. Douglas.

(*) “He did everything we asked of him.” — Sir Edward Holden of Mr Lloyd George.

The Shape of “Times” to Come (Continued from page 2)

journalists and electricians operating computer-assisted typesetting and printing equipment.

With some trepidation, the older newspapers await the launch of one or more new national dailies, complete with colour, cheaply produced and modestly priced. The print unions long rearguard action to “protect jobs” in face of the “threat” of new production techniques appears to have finally collapsed and the doom of the old-fashioned “hot metal” process seems inevitable with more job losses to follow at other plants.

Nationally and internationally, the story is similar. Record production levels are achieved with fewer employees. Shops and supermarkets are stocked to capacity with an ever-increasing choice of goods from exotic foods to Scandinavian furniture. One can have one’s choice of foreign or home-produced cars. All that is needed is the purchasing-power. Yet at home, some four million people are officially “not gainfully employed” and throughout Europe and the American continent, the “unemployment” totals defy all attempts by governments of Left or Right to reduce them.

Still abundance reigns. What deficiencies there are, and they are very real in the social infrastructure of houses, schools, hospitals and roads, derive not from any shortage of the physical means to supply them, but only from *the lack of the political will to provide the essential funding.*

Of course other factors besides obsolescent industrial practices contribute to the “unemployment” problems of the advanced economies. One is the loss of traditional markets to competition from the newly-industrialised countries with cheaper labour, fewer restrictions on its use, and lower overheads. Coal mining, steel-making and shipbuilding in the U.K. have all suffered in this way. The once-proud British motor cycle industry has totally disappeared and car-making only survives with transfusions of foreign capital and management.

Other factors blamed by the professional commentators include the oil price rises of the 70’s, the world-wide “recession” attributed thereto, disruption of international exchange rates, high interest rates, and the American budget deficit. But yet behind the smoke-screen, the basic fact remains: we do, or can, produce enough for all essential needs, and many amenities besides. How much more could be added to the general pool of plenty if the “unemployed” were released from their bondage of idleness and despair.

It is quite evident that “employment” has broken down as the main means of distributing its products. Why, when there is, or can be, enough for all should access to it be denied to some? Such access as the “unemployed” have is only at the expense of those in work, so “Poverty amid Plenty” remains the hallmark of this inefficient system.

Only Social Credit has an answer to “the unemployment problem”. Douglas has shown conclusively that even with

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so-called full employment, purchasing power is chronically deficient to distribute the product, and that no matter how the total may be re-distributed by way of taxes, national insurance and the dole, the total will always remain progressively deficient to match the collective prices of goods and services available.

Above all, Social Credit recognises the cumulative effect of technological advances as stemming from the cultural

heritage, the corpus of applied science which former generations have bequeathed to the present and the future. Because it endows all with its benefits, actual or potential, this justifies the claim for a National Dividend as of right, independent of earnings. How best to pursue that claim is the most pressing political problem of the times, made all the worse by the hypnosis which the present system induces in all political parties, regardless of their hue.

JUDGMENTS ON THE MONEY POWER

Henry Ford, interviewed by *The Christian Science Monitor*.

“Money has become a business in itself instead of an adjunct to business. Money is not wealth; wealth is what money buys. But that has been turned into producing things to buy dollars with, when what we need is a money system that will produce dollars to buy goods with. Under the present system the tail wags the dog. Money is just part of society’s transportation system for moving goods from man to man; it breaks down so often it is time our financial engineers (who alone are responsible for the system) developed a better one. . . . It is a system that seeks to control labour, wants to control government, finance, food, industry and even the schools. It manifests an avariciousness that would control everything.”

President Woodrow Wilson, 28th President of the United States.

“Some of the biggest men in the United States, in the field of commerce and manufacture, know there is a power so organised, so subtle, so watchful, so interlocked, so complete, so pervasive, that they had better not speak above their breath when they speak in condemnation of it” (from President Wilson’s *This New Freedom*).

“A great industrial nation is controlled by its system of credit. Our system is concentrated in the hands of a few men. We have come to be one of the most completely controlled governments in the world — by the opinion and dross of a small group of dominant men” (quoted in *The Word*, Maynooth, Co. Kildare, January 1986).

Bryan W. Monahan

“Another aspect of the construction of a world monopoly of control is the ‘nationalisation’ of banking. What this means is, of course, the amalgamation of banking and government. It would be too much to ask public opinion to swallow anything which might be called the ‘bankisation’ of government, so that it is essential, if the process is to be got away with, that it should be called by a name which would at the least not antagonise public opinion. But it is a matter of observation that the control of banking policy remains in the same hands, and the combination of banking and political power is rendered independent of the public as regards obtaining money for government purposes — *An Introduction to Social Credit*, 1967.

Lord Bryce

“Democracy has no more persistent or insidious foe than the money power. . . . That enemy is formidable because he works secretly by persuasion or deceit, rather than by force, and so takes men unawares. He is a danger to good government everywhere” — *Modern Democracies*, 1922.

Hilaire Belloc

“The German revival could not have succeeded, of course, had it not been supported by the international money power and particularly by the Bank of England.” Article in *The Weekly Review*, 30th May 1940 — referred to in footnote in *The Mystical Body of Christ and the Reorganization of Society*, by Fr. Denis Fahey, 1945.

His Holiness Pope Pius XI

“The economic and social organism will only be soundly established and attain its end, when it secures for all and each those goods which the wealth and resources of nature, technical achievement and social organisation of economic affairs can give” (in his Encyclical, “Quadragesima Anno”).

Saint Louis, King of France, said:

“The first duty of a king is to issue his own money.” (“Thus, no debts.” — Gérard Mercier, *Michael*, Nov.-Dec. 1985.)

The Word, Maynooth, Co. Kildare, Ireland, January 1986, gives, without a date, this historic letter:

“We, having studied the fundamental causes of the present world unrest, have long been forced to the conclusion that an essential first step towards the return of human happiness and brotherhood with economic security and liberty of life and conscience, such as will permit the Christian ethic to flourish again, is the immediate resumption by the community in each nation of its prerogative over the issue of money, including its modern credit substitutes. This prerogative has been usurped by those still termed in general ‘bankers’, both national and international, who have perfected a technique to enable themselves to create the money they lend by the granting of book-keeping credits, and to destroy it by the withdrawal of the latter at their discretion. In this way a form of national money debt has been invented, in which the lender surrenders nothing at all; and which it is physically an impossibility for the community ever to pay.

Letter sent to all Church leaders in Britain by Bishop Kirk, Bishop Lambert, Lord Stokes, Sir Reginald Rowe, Sir A. Verdon-Roe, Prof. Soddy (Oxford economist and Nobel prize winner), and many others.

FURTHER READING

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