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CRISIS IN LEADERSHIP

One of the most striking features of the current political scene is the rapidity with which political leaders lose the confidence of their electorates. Fifteen months after election, John Major is at the lowest point for a Prime Minister ever recorded by the polls. Within six months, President Clinton's popularity has similarly slumped.

It is a healthy sign that post-election euphoria is so short-lived and that public opinion comes to be expressed, however inadequately and ineffectively.

In Italy and Japan, strong public reaction to decades of corruption in politics and business has sparked off a wave of suicides of men formerly prominent in public life.

Yet another public humbling, no less salutary, is that of the most zealous advocates of European monetary union, Delors, Mitterand and Kohl, though their humiliation has been at the hands of the foreign exchange dealers rather than of electorates.

FAILURES IN ECONOMICS

From a multiplicity of causes contributing to such falls from grace, we can perhaps identify two main factors. The first is the manifest failure of governments in the developed world to cope with the economic problems which beset them. Of these, it is "unemployment", so-called, which remains "intractable" despite all conceivable attempts at re-training and "job-creation". Except for Japan, the level of unemployment in the G7 nations remains stubbornly at 10 to 12 per cent of the workforce.

An indication of the relative powerlessness of governments to make inroads into this "problem" was given when John Major returned home from the recent G7 meeting in Tokyo. Facing a jobless total of some three million in Britain, he hailed the "successful" outcome of the summit in stimulating economic growth and confidently estimated it might well result in the creation of 250,000 or even 350,000 jobs *over the next five years*. President Clinton made a proportionate estimate for better job prospects in the USA. Not a lot of joy for the workless in that.

Possibly the most significant feature in the handling of "unemployment" by politicians and the media generally is the total lack of correlation they make between it and the related "problem" of over-production and over-capacity. The two are invariably treated as separate issues whereas in truth they are the opposite sides of the same coin. The EC, for example, enforces cutbacks in the supply of meat, fish, cereals and fruit because markets would otherwise be swamped with unsaleable surpluses.

Farmers are subsidised to produce less output with less labour because there is already sufficient to meet normal demands. Sustained by social security schemes, few if any in Europe actually go hungry, and even if consumption by the poorest were raised to the average level, it would make only a marginal difference to the total volume of consumption.

In other words, thanks to the application of science and technology, productivity per unit of labour has been so increased that a sufficiency for all can be provided by a decreasing fraction of the workforce. Short of stupendous natural disasters, it is difficult to imagine any reversal of this process, as far as the developed economies are concerned.

What is true of food production is true also of manufacturing generally, and even of most goods once regarded as luxuries but now accepted as normal for a modern standard of living. More and better and cheaper goods and services are being produced by fewer and fewer people. So the root problem in western economies is NOT that so persistently portrayed by politicians and the media of "creating jobs", but of **DISTRIBUTING THE SUFFICIENCY** already available *without* full employment. That is the real problem to which Social Credit economic proposals are addressed. And it is because it cannot be solved within the parameters of orthodox finance that politicians and media alike resolutely refuse to recognise it. Their minds are so conditioned to the principles and practices of orthodox finance that they are unable to visualise the problem as anything other than a trade-off between unemployment and inflation. Low inflation with high unemployment, or lower unemployment with higher inflation. Such is the bankruptcy of orthodoxy.

C R E D O

In a world of PLENTY, there is no need for POVERTY and DEBT. We have the technology to feed, house and clothe all people on EARTH without destroying our environment. Whatever is physically possible and socially desirable can be made financially possible. This is EVERYONE'S CONCERN and it is URGENT.

CRISIS IN LEADERSHIP (Contd.)

FAILURES IN POLITICS

The second reason for the public's disenchantment with their leaders is the feeling that they are often treated with contempt. Nowhere was this more evident than in the handling of the Maastricht issue in Britain. Not only were voters denied a voice at the general election, since all three parties supported the Treaty and it was therefore not a live issue, but unlike the voters in Denmark and France, they were denied both a clear summary of its main intentions and effects and an opportunity to pass judgement in a referendum on what was clearly a major constitutional issue. Moreover, the pressure of the party whips on the Euro-sceptics on both sides of the House to toe the party line robbed Parliament of any pretence of being a truly representative assembly. Such behaviour demeans Parliament itself and reduces MPs to lobby fodder. As Professor Hughes of Leicester University has put it, "the House of Commons no longer behaves like the deliberative body that it was in the 19th century. The House today is a collection of two sets of whipped dogs who follow their masters." A spell as a party whip is of course almost obligatory to qualify for higher office.

We do not have to put up with this perversion of self-government. There are practical constitutional solutions available if only we can exert ourselves to grasp them.

In his recent book "Initiative and Referendum: The People's Law"*, Geoffrey Walker, Professor of Law at the University of Queensland, highlights the increasing use of two political mechanisms to restore control over legislation to the electorate.

The legislation petition mechanism provides that a proportion of registered voters (usually from 3 to 5 per cent) may demand that a binding referendum be held on any new laws passed by the legislature; thus, if not approved in the referendum, the new law is disallowed – a People's Veto in fact.

The legislative initiative provides that a proportion of voters (usually from 5 to 8 per cent) may demand a binding referendum on proposals of their own choosing.

Citing long experience at national level (since 1874) in Switzerland and more recently in some 23 States in USA at local government level, Prof. Walker summarises the benefits as restoring power to the people to approve or overturn new laws; marginalising extremist groups by obliging them to show popular support for any policy proposed, thereby lowering the political temperature; and ensuring government by persuasion, not dictation.

Prof. Walker counters arguments raised against this system by the lessons drawn from long and wide experience. It is just not true that people "always vote NO". In two thirds of cases, the laws were approved. There is no oppression of minority groups and the alleged "tyranny of the majority" is a myth. Voting behaviour is invariably "middle of the road" and extreme measures are not supported. There is no correlation between the scale of advertising and the result. Heavy advertising expenditure rebounds on the advertisers, breeding suspicion of their motives, so "money doesn't matter".

Direct legislation of the kind described is supplementary to parliament, not an alternative to it. It does not detract from the

status of members of parliament, but reinforces it. The achievement of constitutional democracy is an end in itself, and the excesses of the kind of elected dictatorship we tolerate at present demand a new initiative to revitalize the idea of truly democratic government.

By such means only can Social Credit's twin concepts of economic and political democracy be brought together into an organic whole. Certainly the power to achieve results must precede the choice of results desired. Efforts to achieve that first objective should be the primary concern of Social Crediters everywhere.

Donald Neale

* "Initiative and Referendum: The People's Choice" by Geoffrey de Q. Walker. Available from Bloomfield Books, 26 Meadow Lane, Sudbury, Suffolk CO10 6TD and from The Social Credit School of Studies, 3 Beresford Drive, Samford, Queensland 4520.

"FOOD OVERSUPPLY"

By the end of the century up to 20 per cent of British farmland may no longer be needed for food production. The subsidy-driven revolution in agricultural technology means that ten million acres is likely to be surplus to requirements, and a small but growing number of farmers are being paid to be conservers and restorers of the landscape rather than growers of crops and producers of meat.

Bryn Green, professor of countryside management at Wye College, part of the University of London, said food oversupply offered an opportunity to repair past damage, and to shape a rural environment that is more than an accidental by-product of agriculture...

Stuart McFadzean, conservation officer for the National Rivers Authority in Somerset, said "What we are saying to farmers, in effect, is that they should see the production of wildlife and the creation of habitat as new kinds of crops and that society is more likely to be willing to pay for these than for food it does not need".

Such a notion goes against a farming culture formed in the second world war when millions of acres were ploughed up to grow crops. Farming, though providing only 2 per cent of jobs, still uses 76 per cent of the land area. Britain is now nearly 80 per cent self-sufficient in temperate foodstuffs, compared with 30 per cent before the second world war. But this has been achieved at great environmental, as well as financial, cost... Now the government is trying to stop the countryside destruction...

The EC's main response so far to food super-abundance has been the "set-aside" policy. This year nearly 50,000 farmers in Britain alone are expected to receive subsidies worth £800 million in return for not growing crops on 1.5 million acres. Yet set-aside may bring little benefit to the countryside.

The more promising area of the government's own strategy is the spreading patchwork of "environmentally sensitive areas", conservation zones in landscapes of particular natural beauty

(Contd. on page 3)

SECRETARIAT ANNOUNCEMENTS

MRS JANE MARTIN

Mrs Jane Martin has been Secretary of K.R.P. Publications Ltd for some thirty years and over that period has managed its business affairs and distributed *The Social Crediter* with great efficiency and with the appreciation of its subscribers. In changing circumstances, Mrs Martin is now relinquishing that position and Mr Iain McGregor has been appointed in her place.

The Directors of K. R. P. Publications Ltd wish to place on record their deep appreciation of Mrs Martin's services over that long period and to take this opportunity of extending their best wishes to Mr and Mrs Martin in their new business venture.

THE SOCIAL CREDIT LIBRARY

We are pleased to report that this library has now been collected from Sudbury by the National Library of Scotland and transported to Edinburgh where it will remain in the custody of the Keeper of Printed Books.

It is anticipated that the necessary restoration work and cataloguing of the collection will take a year or so to complete before it can be made available for consultation as the Special Social Credit Collection. A further announcement about that will be made in due course.

THE SECRETARIAT LIBRARY

The Secretariat Library has now been established at 76 Constitution Street, Edinburgh EH6 6RP, and is available as a service to subscribers to *The Social Crediter*. Intending borrowers should first send a large stamped addressed envelope for a catalogue of the books and pamphlets and the terms governing their loan to subscribers.

Mr Peter Lambie, the Secretariat Librarian, would be pleased to hear from any readers who may wish to donate books to the Secretariat Library.

where farmers are paid to act as countryside managers. Environment groups argue for a more integrated approach under which all farmers would be encouraged to grow less per acre, so spreading production over a wider area. Support for this view comes from Frank Raymond, who was chief scientist at the agriculture ministry in 1981-2 and now advises on farming less intensively, using chemicals more sparingly.

He said; "There is evidence that you can stay profitable with lower yields per acre if you can offer food that has been produced in ways that are kinder to animals and the environment, but there is still a lack of good research to help farmers. Most farmers still feel they have to go flat out".

In the hills, farming has been supported by subsidies for decades. This year 66,000 upland farmers will receive £130 million in "hill livestock compensatory allowances". There is an environmental case for keeping many hill farmers because sheep-grazing is essential for maintaining certain landscapes, such as the Cumbrian fells. But other areas could be allowed to return to wilderness or be planted with mixed woodland.

Extracted from "Farming and the Countryside" by Michael Hornsby, *The Times*, August 16, 1993.

THE SOCIAL CREDITER

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U.K. enquiries and publicity please phone 031-657 4740.

RECOMMENDED READING

Douglas, C. H.	The Brief for the Prosecution. The Development of World Dominion. Economic Democracy. The Monopoly of Credit. The Policy of a Philosophy. Social Credit.
Maré, Eric de	A Matter of Life or Debt.
Monahan, Bryan W.	Why I am a Social Crediter.
Robertson, Thomas	Human Ecology.
Social Credit Secretariat	Elements of Social Credit.

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Review**HIDDEN MENACE TO WORLD PEACE**

by James Gibb Stuart

240pp softback; Ossian Publishers Ltd., 268 Bath Street, Glasgow G2 4JR.

£10.00 sterling.

Is the world secretly governed by a cabal of power-broking financiers? This question of conspiracy is often discussed by money reformers and social crediters. After all, if there were no conspiracy, wouldn't the Albertans have been allowed to get on with it and still be spending their debt-free money up to the present day? On the other hand, maybe it is the *machinery* of finance itself which is the villain, a machine which, once started, takes on a life of its own and which makes slaves of its minders.

Believing in global conspiracy is rather like believing in God – it requires an act of faith. Conspiracies are by their nature secret, and their existence is therefore difficult to prove. There is often plenty of circumstantial evidence to support a conspiracy theory of geopolitics, but seldom is there incontrovertible proof. No matter how much rational argument is presented, the sceptical inquirer must, at the end of the day, make a leap of faith. A person's willingness to accept the existence of a world power conspiracy is more likely to be the product of his or her general outlook on life than the result of dispassionate analysis. Alternatively, to complete the religious analogy, it may be the result of personal experience. Just as doubting Thomases are unlikely to be converted by a second-hand story of personal revelation, so too are they unlikely to be convinced on the conspiracy question unless they themselves are personally confronted by the Money Power.

All of these factors and more make the task of any author trying to present the case for conspiracy an extremely difficult one. In *Hidden menace to World Peace*, Scots author James Gibb Stuart does, for the most part, a creditable job. This book is really a sort of compendium of conspiracy. It's all here: Antony C. Sutton; *Red Symphony*; *Tragedy & Hope*; Bilderberg; *The Protocols*; even flying saucers.

Hidden Menace to World Peace is promoted as an exposé, which leads one to expect that the identity of the 'hidden menace' will be laid bare. What is instead laid bare is a confusion in the book's purpose. Mr Gibb Stuart implies in his introduction and states elsewhere that the hidden menace is manipulation of the media which prevents the full facts in world affairs from becoming known. But the central thrust of this book is not an attack on the media at all, but on financiers operating at global level. The second half of the book is largely devoted to an analysis of financial policy in the USA and UK. This analysis is incisive, in places highly technical, and it is clear this is where Gibb Stuart's expertise lies. The topic of media suppression is, in this context, almost a side issue.

The book's lengthy treatment of former UK prime minister Margaret Thatcher is interesting, in that it reveals the hopes held by some monetary reformers that she would take on the banks and issue government credit to wipe out the national debt. This analysis of Thatcherism was always flawed. The 'Iron Lady' was, first and foremost, a free marketeer. As proof, consider this:

she signed the Single European Act, prepared to ignore the constitutional implications in order to secure a European free trading area. It was Thatcher's abhorrence of market restrictions which led to the explosion in UK bank credit in the late 1980s – an explosion analysed accurately by James Gibb Stuart. The machinery of government intervention which would be necessary to control bank lending and issue government credit would never have been countenanced by Margaret Thatcher.

Hidden menace to World Peace is James Gibb Stuart's best-written book to date, in this respect ranking alongside his booklet, *Scotland and its Money*. Most of the stylistic quirks which marred his earlier titles have, been excised. Two, however, remain. One is his chronic overuse of the exclamation mark. The other is his chronic misuse of the word, 'infer': the confusion with 'imply' is indeed a hidden menace – to the language.

The strength of *Hidden Menace to World Peace* is the width of its subject matter – all the main planks of conspiracy theory are laid down. This width, however, is also the book's weakness.

For those already versed in conspiracy theory, the book offers little that is new. The chapters on Jonathan May (an Englishman prosecuted in the USA for alleged fraud, who makes claims about banks' manipulation of the world oil market) and on UK money reformers' attempts to influence the Thatcher government in the 1980s are probably the only revelations that may surprise the seasoned reader.

On the other hand, if you were to give this book to a sceptical friend to try to convince him or her on the conspiracy question, then the number of allegations made may just be too overpowering. The width of content means each topic is dealt with comparatively briefly. The demanding reader may want more meat on, for example, Wall Street's backing of Communism before being asked to move quickly on to Third World Debt.

In consideration of the above, it may be that the value of *Hidden Menace to World Peace* is not as a primer nor as an in-depth analysis, but as a source book for those who are already sympathetic to the idea of conspiracy, but who want to find out more.

– Contributed

BURDEN OF GOVERNMENT DEBT

The only serious black cloud on the horizon is the worryingly high level of the PSBR. Further action to reduce the PSBR is required in the Budget, but the room for manoeuvre is very limited. The existing public spending plans are already very tough for 1994-5 and beyond, and realistically there is little scope for these to be pared back.

Yet the right wing of the Conservative party seems quite capable of causing difficulties for the government if the Chancellor goes too far on taxes. It must be tempting politically for the prime minister and Chancellor to conclude that it is best to leave well alone in the Budget and hope that the PSBR falls faster than anyone expects, especially as some undershoot is likely in the current year.

From *The Times*, August 23, 1993.