

SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

Vol. 73 No. 6

NOV - DEC 1994

Technology Brings in Age of Fear

FAREWELL TO JOBS FOR LIFE

Some aspects of economic realism long familiar to students of Social Credit are at last being brought home to a wider audience. One example is the BBC "Panorama" Programme "Age of Fear" broadcast on 10 October. This featured an investigation by Peter Jay into unemployment on both sides of the Atlantic. It highlighted the virtual demise of the "job for life" mentality.

Demonstrating how the growing insecurity of job tenure affects all classes of workers, Jay interviewed among others a former naval diver, a sales manager, and a managing director. All of these well-skilled people had suffered redundancy and unemployment with consequential strains on family finances, aspirations and relationships.

The poignancy of their situations was encapsulated in the phrase used by one other interviewee, "You are what your job is" – with all its dire implications for loss of income, self-respect and social status when the job is lost. This diminution of human beings to the status merely of industrial functionaries, *and its almost universal acceptance*, is perhaps the most damning condemnation possible of the ethos of the modern industrial system – industry, on the one hand the beneficent provider of goods and services to enrich human living but, on the other, the malevolent taskmaster granting access to them only on terms and terminating entitlement to them at will. "A one-way street to destitution".

Identifying three major causes of growing job insecurity, Jay cited technological change, the freeing of international trade, and growing competition from low-wage economies. Technological change alone, in largely replacing human labour by intelligent machines, has cost hundreds of thousands of jobs in UK agriculture, manufacturing and service industries. Detailed evidence of this is to be found in Booklet Two – *Economic Crisis* – in our new series *Sustainable Prosperity*.

Lowering of international trade barriers, combined with the information revolution, enables capital to be exported to cheap labour economies, creating more jobs there at low wages at the cost of better paid ones at home. Thus it becomes more profitable, for example, for British Airways to run its international flight-booking service – including UK domestic legs – not from London but from Delhi, regardless of where customer demand originates. Cheap and instant communications provide the means to do so.

Profits arising from such operations can be repatriated and count as part of gross national product (GNP), (though not of gross domestic product). But the "equalisation" of trading conditions resulting from freer trade agreements means that for workers in relatively high-wage economies, such equalisation is downward rather than upward.

Debunking "the myth pedalled by politicians" that re-training in new skills was the answer, Jay in a separate interview (*The*

Times, 7 October) said "But you can't make a 50-year-old pipe-fitter into a computer programmer. It can't be done. It didn't happen to the Luddites and it won't happen this time".

Asked then what happens to the men in suits, Jay said "What actually happens is that in the end they die. They are unemployed, and poor, and they die. And a new generation of people become the beneficiaries of a new and successful economy". A reply reminiscent of Keynes when challenged about the eventual outcome of his debt-financed industrial recovery proposals – "In the end, of course, we are all dead."

The doom and gloom inherent in such conclusions is reflected in current media comment. In a recent issue of *The Times*, Graham Searjeant, Economics Correspondent, said "Conservatives do not want job queues, poverty, pressure on public services or urban decay for some sinister hidden purpose... They have tried – oh how they have tried – to make the economy so much stronger that it would generate "real" jobs for all. To help the process, they have made sweeping reforms to the labour market. But they have failed. Only disappointment and realism have led the Cabinet to opt for a strategy of making the economy work as best it may *within long-term constraints of continuing mass unemployment and permanent mass poverty*".

Two years into "recovery" from the recession but with UK unemployment still topping 2½ million, no wonder Tory activists, looking towards the next election with low poll ratings, are worried by the absent "feel good" factor. But Labour, given its commitment to "full employment", can feel little confidence either. Searjeant reminds us "that there were 1.6 million registered unemployed at the height of the 1980s economic success that eventually fell foul of inflation. Why should it be different under Labour?" he asks.

These counsels of despair only serve to emphasise the utter bankruptcy of orthodox economics in the face of rapidly changing circumstances. As the pace of change continues to accelerate, there are two essential points we need to proclaim loud and clear.

1. The first is blindingly obvious but is studiously ignored by pundits obsessed with the problem of "jobs" rather than with the problem of incomes. It is that despite large-scale unemployment, the goods and services that constitute the real wealth of the nation continue to be produced in abundance, though now more and more by mechanical rather than human hands. The UK economy, for example, is presently growing at over 3% per annum. The shops and supermarkets and car showrooms are full to overflowing. There is absolutely no shortage of goods and services, only shortage of effective consumer demand to buy

(continued on page 3)

The moral economy operates most efficiently when calling for reciprocity between equals, as exchange rates are then simpler to measure, and the assertion of individual rights, which threaten cohesion, is not called for.

Thus states sociologist Geoff Dench in his probing examination of the gender gap, *The Frog, The Prince & The Problem of Men*. He sees the power behind the throne as female and the alleged sovereign as really a servant. As the more aggressive, men "are well suited to carrying the stress and hostility attached to a leading role." Dench is careful to make a distinction between being in front, or up front, and being in power. This power, wielded by females, is subtly collective: ". Women don't like inequality and are often very uncomfortable when required to exercise authority over others, or when they are visibly more successful than them." Dench cites various other researchers but he could well have gone back to Biblical times – think of Naomi's placing of Ruth by the bed of Boaz; the constancy of the backing group of women disciples of Jesus when the men failed; and perhaps above all, the part played by Joseph in regard to the Virgin Mary who had so much to ponder in her heart alone. He did the pragmatic thing, she the visionary – and it is the visionary that guides our life today.

Accepting Dench's basic position that there is no such thing as possible equality of the sexes, he – and we – can proceed to recognise equality of spirit. This has nothing to do with equality of opportunity, of pay or of status – all of which are impossible dreams and belong to the realm of class and civic circumstance "on the ground" ... shared by man and dog, too. Neither is there shared expression of spirit – rather, equality gets no further than shared humanity, shared breath.

As Dench puts it:

"... women, the primary carers, have much more direct experience of the moral community than do men, whose own position is mediated by a few key relationships to women. Men's experience of community is as sons and lovers, so to speak... Not only are women closer to the heart of the caring community, but the web of mutual obligations and services which make it up are predominantly between women, and are concerned with activities largely confined to women. So the community does itself have a distinctly female character."

Here we must be considering a society of some refinement. It could be argued that there was precious little female character about Nazi Germany or any other dictatorship, especially in Africa.

Indeed, the brute force of fascism has been the personalisation of a male trait – mystic union with the abstract; the strength of numbers therein worshipping a facile concept, a shibboleth. This is never far from our own inadequate national existence. As we flounder in secrecy, bombast and deception at highest government level, Dench's ode to commonsense takes some effort to sing:

"Whatever slogans political leaders may dress themselves up in, they ultimately derive most of their own influence by calling on particularistic values in daily use by the community – that is reciprocity, loyalty, personal respect and commitment... As the backbone of the community and experts in mutual care and support, women are the chief authors of relevant practical opinion, and experienced auditors of the moral economy."

This was touched upon in Liverpool in 1936 when C.H. Douglas gave an address at the Central Hall. He said:

"Nations are, at bottom, merely associations for the good of those composing them... The general principles which govern association for the common good are as capable of exact statement as the principles of bridge building, and departure from them is just as disastrous.

"The modern theory that the state is everything and the individual nothing, is a departure from those principles, and is

MUTUAL A

a revamping of the theory of the later Roman Empire, which theory, together with the financial methods by which it was maintained, led to Rome's downfall, not by the conquest of stronger empires but by its own internal dissensions. It is a theory that exalts the mechanism of government into an end rather than a means, and leads to the assumption that individuals exist for the purpose of allowing officials to exercise power over them. Once it is conceded that sovereignty resides anywhere but in the collection of individuals we call the public, the way of dictatorship is certain."

This collection of individuals pre-supposes sexes at ease and in concert with each other. But that is not so easy to achieve. Dench says:

"...much of the apparent deterioration in relations between men and women, as in matters of domestic violence and rape, especially rape within marriage, arises from the fact that conjugal behaviour has been lifted out from the private domain, where most of it was invisible, and placed firmly at the centre of public attention and regulation.

"Women have succeeded in mobilising state institutions to carry out or even take over some of the management of men which was previously pursued, discreetly, within the home; and the feminised state, as it blossoms, is revealing itself as a continuation of the moral economy by other means...

"The merger of public and private, which perhaps is reaching its fullest expression to date in the phenomenon of political correctness, is I believe rooted in sixties popular Marxism, which created perfect conditions for the germination of statist feminism... it is not a coincidence that feminism emerged at the precise moment when a libertarian brand of Marxism was enjoying its apogee of appeal and spread most rapidly among those rootless intellectuals, Doris Lessings's people, who had made the revolutionary movement their metaphorical family."

Thus, an emphasis upon the 'moral authority' of the central power gave feminists the chance to reject their 'time-honoured' place in the kitchen and be justified in eschewing it. At one blow, male chauvinism and capitalism were on the canvas. In Marxism, capitalism was always male; and female oppression was always through their menfolk's slave labour. Now, the state stood in for the old patriarchy – it could not only pay the male at the coal-face, as it were, it could pay the female at the sink. It was all a day's work, after all. With that, the decline of the family had come.

Dench comments:

"...it would not be overstating the case too much to suggest that it is the need of feminists for socialism which has kept the Left going for the last decade or longer. For as a theory of how society works it (Socialism) is surely discredited now. Economic systems which give so little prominence to individual incentives and responsibilities are not competitive. They are surviving in the world through political pressure and force, in the form of military strength at international level, and internally by dint of political correctness, which treats attempts to unravel the social accounting of welfare as tantamount to the rape of defenceless women."

Dench forecasts the demise of the current welfare state, collapsing under the weight of its own contradictions. Having liberated women into the work-force and placing males on the dole thereby, the state has taken over the family pay packet and now, by regulation and oversight, determines who in each household gets what. Benefits individually apportioned cost more than a family wage earned and distributed by the male bread-winner. The state colludes in the war against the family.

INSURANCE

Such a situation does not have to be, of course. The Social Credit solution of a national dividend payable to all as a birthright cuts across the division of who works where, or indeed at all. In the Social Credit scheme of things, the sex of the 'breadwinner' is immaterial and the family unit is rewarded for being such. The unit need not necessarily be kith and kin, it can be groups of soul-mates – that is the sovereignty of the individual, with the state as facilitator rather than provider. The state in this dispensation does not attach strings or test means – it is the enabler of association, not the progenitor nor even the arbiter. What makes you think I should be a judge over you? The earthly Jesus asked an early supplicant for state control (Luke 12, verses 13 and 14).

The inability of the state to play mother and father and feudal baron rolled into one financial entity is well charted by Dench:

"Most of the really essential and demanding social functions are carried out in the moral economy, which as well as being larger is more reliable, and has no eight-hour working days, or strikes, or holiday entitlements, or sickness benefits. The hardest work is caring for other people; and looking after small children for example is infinitely more wearing than a 'real' job, as well as carrying very great responsibility. All efforts to cost such work in terms of prevailing market wage rates inevitably lead to absurdities."

Seeking to make family life cost-effective is a ruse of the state – it makes parents agents of the community, not simply parents. In this they must be laid open to public scrutiny. This undermines the concept of family. Dench notes:

"Networks of family relationships are steeped in the spirit of mutuality whereby, in the last analysis, every individual involved is expected to give as well as take. What makes family the heart of the moral community is that this is not something which can be entered into voluntarily, but which happens by virtue of one's very existence, and which can never really be broken, only disregarded at peril of not being able to call on support when needed."

As people grow from childhood the moral debt of care to previous generations is more fully realised and paid, usually in part to the next generation as well. This is what Social Crediters know as the increments of association.

Dench says:

"This cascade of delayed moral credits gives family relationships their eternal, and in a sense often timeless quality, which pulls past and future generations into a moral unity, a corporate spiritual entity, which in all cultures is a powerful focus of religious feeling and fundamental social cohesion."

"Within a state" he goes on "the idea of reciprocity is highly abstracted, and also becomes mediated by bureaucracy, so that sentiments of obligation towards other citizens may be extremely attenuated. Original 'insurance principle' protocols about everyone putting resources into a common pot from which each can draw in situations of need slide all too easily into a qualitatively contrary notion of the state as a sovereign body dispensing benefits to its members, who are passive recipients rather than participants in an exchange."

"Family relations are a far more compelling vehicle for reciprocity, Debts and obligations between individuals in face-to-face contact are much harder to walk away from, as all sorts of emotional sanctions and restrictions can be brought into play. Loyalty to the state cannot compete with this."

Whilst Geoff Dench has offered an insightful and forthright appraisal of gender conflict, he has not been able to set it in a totally human context. That has not been his brief. He touches

upon pay and conditions, big business and the psychological place of a male priesthood but there is something lacking. That, of course, is remedy for the economic woes that govern and exacerbate gender conflict. He has hit upon a major flaw in management but has not identified the fundamental error in the world's accounting system. When his searching mind and delightful turn of phrase are informed by Social Credit, we can look forward to one of the great commentaries on this wretched age by a realist whose compassion tempers his exasperation.

Iain McGregor

The Frog, the Prince, and the Problem of Men – by Geoff Dench, published by Neanderthal Books, 18 Victoria Park Square, London E2 9PF, price £12.95 ISBN 0 9523529 0 7

FAREWELL TO JOBS FOR LIFE

(Contd. from page 1)

them. Hence the proliferation of all forms of consumer credit. In short, "unemployment" is not the problem. The problem is how to distribute incomes, *other than through jobs.*

2. It is increasingly evident that the impact of science and technology on wealth production has permanently undermined the concept of full employment as a means of distributing incomes. Science is steadily breaking down the historic link between work and income.

The inescapable conclusion is that incomes from employment have to be supplemented by incomes not derived from employment, that is to say, an unearned basic income for all over and above any earnings, the cost of which does not appear in the costs of production. Social Credit alone can offer the prospect of hope rather than despair, of progressive economic security rather than enduring poverty, and of the liberation of humanity from the shackles of industry it has itself created.

A fresh presentation of evidence needed to sustain and justify these two fundamental propositions is to be found in "Sustainable Prosperity", a series of three new booklets now available from KRP Publications Ltd. Spread them far and wide.

Donald Neale

RECOMMENDED READING

Douglas, C. H.	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.

* Please send me **The Social Crediter** for a year
(Cheques/Money Orders payable to K.R.P. Publications Ltd.)

NAME:

ADDRESS:

.....

.....

Enclosed: £

"SUSTAINABLE PROSPERITY – CHALLENGE AND CHANGE"

~ A New Promotion by the Secretariat ~

There have been few Social Credit Secretariat publications in the years since C.H. Douglas died, primarily because his findings were still intact in print and were withstanding the test of time. However, in the surge toward the end of the century, language and thought processes have progressively changed and the means of communication have been revolutionized.

So too have the means of economic productivity, constantly enhancing the production of material wealth while simultaneously displacing human labour. Thus unemployment and over-capacity coexist as twin features of the economic paradox. The problems of poverty amidst plenty remain unresolved, are accentuated, and breed social unrest and disruption.

Economic orthodoxy, shackled by adherence to antisocial but unchallenged conventions of monetary practice, has proved incapable of resolving these mounting social and economic problems; while politicians of all persuasions still profess their commitment to the illusion of "full employment".

There are nevertheless encouraging signs of a growing ferment of challenge to orthodoxy. The time is ripe for a re-presentation of the essence of Douglas in contemporary terms, of which the following is a summary.

BOOKLET ONE – A PROGRAMME FOR REFORM

The function of the economic system – wealth production or employment? Technological change increases productivity while decreasing employment.

Employment failing as a social mechanism for distributing incomes. Need for independent income as a birthright to supplement earnings.

Society's cultural heritage of means of wealth production is a major factor in productivity, is communal property, and affords philosophical basis for unearned income as a birthright.

Unearned income also essential to bridge deficit between incomes and prices. The National Dividend and the Just Price as means of social equity and economic prosperity.

The necessary monetary reforms.

Implications for the environment.

References; Appendix; Recommended Reading; Organisations promoting change.

**TO: KRP Publications Ltd., 76 Constitution Street,
Edinburgh EH6 6RP**

"SUSTAINABLE PROSPERITY – CHALLENGE AND CHANGE"

Please send me.....copy(ies) of booklets 1, 2 and 3 at **£2 each**, or **£5** for the set of three, post paid. I enclose £..... (Cheques payable to **KRP Publications Ltd.**). Delivery in November 1994.

FROM _____

Terms for bulk supplies on application to KRP Publications

BOOKLET TWO – ECONOMIC CRISIS

Introduction – poverty amidst plenty.

The cultural inheritance – technological progress saves work.

Technological change – examples and statistics – machine tools; banking and insurance; the information and robotic revolutions.

Income distribution – unemployment and consequent loss of incomes.

Resolution of the problem

– Reform of the money system

– Scientific Price (Details in

– National dividend (Booklet Three

Notes:

Recommended reading; Organisations promoting change.

BOOKLET THREE – MONEY

What is money? – evolution from barter to credit creation.

Bank creation of credit – authorities – money stock – legal tender and bank credit – bank credit over 90% of total stock.

Who controls money supply? – reserve requirements – open market operations – interest rates.

Government control limited – major influence of banking policy.

Impact of debt on national accounts and taxation –

Economic Research Council Report 1981.

The wider implications – impact of debt on the economy; debt unavoidable feature of current system; gap between prices and incomes.

Bridging the gap – Reform of the Money System; Scientific Price; National Dividend.

References; Recommended reading; Organisations promoting change.

THE SOCIAL CREDITER

This journal expresses and supports the policy of the Social Credit Secretariat, founded in 1933 by Clifford Hugh Douglas. The Social Credit Secretariat is non-party and non-class, neither connected with nor supporting any political party.

Subscription rates (one year): U.K. inland £10.00; overseas surface mail £12.00; overseas airmail £15.00; Australia \$14.00; New Zealand \$15.00; New Zealand airmail \$16.00.

Offices – Business: K.R.P. Publications Ltd., 76 Constitution Street, Edinburgh EH6 6RP

– Editorial: 21 Hawkhead Crescent, Edinburgh EH16 6LR.

– In Australasia (Subscriptions, Business and Books):
3 Beresford Drive, Samford, Queensland 4520.

BOOKS and booklets on the subject of Social Credit and allied subjects are available from Bloomfield Books, 26 Meadow Lane, SUDBURY, Suffolk, England, CO10 6TD; and in Australia from The Social Credit School of Studies, 3 Beresford Drive, Samford, Queensland 4520.

ADDITIONAL COPIES of THE SOCIAL CREDITER and back numbers are available from the above addresses.

U.K. enquiries phone 031 657 4740.