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Tomorrow's observed society

STEVE MILLER explores the coming fusion of authoritarianism and technology in Britain

The paradox of British politics in the past 15 years has been that a Conservative government supposedly committed to the extension of individual freedom and the limitation of state control should have presided over a staggering increase in centralised power.

The Conservative policy prescription for the decline of the family is an authoritarian one. The Child Support Agency was set up to pursue absent fathers not paying maintenance. The result has been outrageous invasion of individual privacy resulting, in some cases, in the pursued committing suicide.

Former Prime Minister Margaret Thatcher wished to limit the spending of local authorities. The Poll Tax was devised to render the burden of local taxation punitive and to spread the burden as widely as possible. That the operation of a Poll Tax required the mass registration of the citizenry and the central tracking of their movements was of no concern to 'libertarian' Conservative politicians.

Under Conservative control, the state is now more intrusive than ever before as the government uses technology to widen the scope of its surveillance and record-keeping. Roadside cameras to catch speeding motorists and closed circuit TV cameras in city streets are now accepted by citizens who have been conditioned by arguments that speed by itself is a major cause of road accidents and that the only way to deal with rowdyism and car theft is by the frightening control measure of a constant watch over guilty and innocent alike.

The British government now wishes to take this fusion of authoritarianism and technology further. A remarkable providence led to the discovery of secret Home Office papers in a surplus Ministry filing cabinet. These papers revealed Home Secretary Michael Howard's wholehearted enthusiasm for a national identity card using 'smart-card' technology. This would record all personal details on the card in machine-readable form. A green paper on

this policy will be put before Parliament by summer.

The conditioning of the British people to persuade them to back this proposal has already begun. We are told that this single card holding all personal details will help prevent cheque and credit card fraud, social security fiddles and the upsurge in illegal immigration caused by the lifting of national frontiers within the European Union. Of course, Social Crediters have their own views on all three of these topics. The logic is circular and vicious: the ID card, the surrender of individual privacy and the concentration of centralised power are essential to shore up the creaking social, political and economic system whose policy and ultimate aim is the surrender of the individual to the state.

Advocates of spy cameras and identity cards always argue that the innocent have nothing to fear. In fact, they have plenty to fear. Centralised surveillance and computer databases on this scale represent a significant shift of power to the state. This shift, once effected, may well be impossible to reverse. This can only be acceptable to those whose trust in the integrity of the authorities is total. The evidence for such integrity is negligible. In recent years, the British government has dragged its feet in the court appeals of the wrongly convicted (the Guildford Four *et al*); has passed laws selectively penalising harmless alternative lifestyles ('ravers' and travellers); has been prepared to send innocent men to jail to save political face (arms for Iraq); and has collaborated in the elaborate accusations against the Libyan state that it was responsible for the Lockerbie bomb whilst in possession of evidence which points to guilt elsewhere. This shameful record exposes the ruthless immoralism of politicians who are addicted to the trappings of power and who will stop at nothing to maintain their charade of being in control of events. To these same politicians we will be requested to entrust our every personal detail.

Apart from being objectionable in principle, the central database of personal

information that is an integral part of the national ID card proposals offers a terrible temptation to a state which wishes to silence political opposition. Behind-the-scenes blackmail already occurs, but how much easier it is to effect if individual campaigners for freedom can be branded, their actions logged and made recallable on computer terminals by any petty official. This identification of opponents has already begun: the authorities routinely video the faces of those campaigning against road construction schemes.

For Social Crediters seeking a practical political task, it is to be found in the campaign which must be fought against a national identity card in Britain. To fight crime, it is not necessary to treat the populace as criminals. It is that message which Social Crediters must ensure is communicated in every possible forum. If this battle is won, then we will have struck a blow against the forces of centralisation. If it is lost, then in tomorrow's observed society we may find opposition more difficult—and dangerous.

The above article was written in early February. Since then, the European Commission president has proposed a European ID card as the solution to worries about the EU's open frontiers policy.

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Economists vow to fight

ALAN ARMSTRONG reports from Toronto, the venue for the Turning Point conference of COMER

During the last few days of January, I attended an extraordinary economic conference in Toronto.

We discussed the distressing impact of a world economy in depression. We noted the real prospect of its impending 'meltdown' on a scale that will make the Great Depression seem like a 'blip' in the economic cycle. And we went on to identify clearly the root causes and what change must precede any satisfactory solution.

Every significant economy around the world continues to suffer economic distress, made manifest in obvious poverty amidst plenty, high levels of unemployment, increasing homelessness, rising public and private debt, diminishing social cohesion and concern for the deteriorating environment.

Yet for well over a decade governments everywhere have been persuaded that only after elimination of their budget deficits can these other problems be tackled. Their approach to resolving this deficit 'problem' is virtually identical. It comprises a combination of rising interest rates, swingeing cuts in public services and/or increased taxation, and then reliance on 'free markets' to deliver recovery.

Now, there is of course widespread international objection to this approach which clearly does not work, but probably nowhere has it been so well co-ordinated and effectively targeted as in Canada—thanks to COMER.

Founded in 1986 by a number of eminent figures in the fields of economics, accountancy, mathematics and private business, COMER held its first conference that year and launched its 'Economic Reform' newsletter in 1988.

These founder members were deeply concerned about the worsening economic crisis and the failure of the economic establishment to advance policies that were even remotely likely to answer the problem.

They set out therefore to convince politicians and thoughtful members of the professions to which they belonged, that the current approach was fatally flawed and must end in a crisis of no less magni-

tude than that of the 1930s.

By 1994, though still bitterly opposed by the financial and political establishments, they were nevertheless being taken very seriously and were gathering increasing support from other groups and individuals.

The time was right to broaden the base of their campaign and the 1995 Turning Point Conference was designed specifically with that in mind.

The Turning Point Conference: opening session

The conference began with a two hour session on the Friday evening to introduce speakers, facilitators and reporters. It was concluded by a showing of a powerful new video produced by the Ontario Secondary School Teachers Federation (*I have a copy and readers interested in viewing this should contact the offices of The Social Crediter*).

The video reviewed the range and severity of government cuts to education, health and other public services. It noted that justification for these cuts, which were being urged by politicians, corporate big business, financiers and the media, was the need to 'bring the deficit under control'.

The implication was always that Canadians were 'living beyond their means' and that it was this profligacy that was responsible for the social problems that plagued Canadian society.

However, it also noted that there had been ten years of the same monetarist agenda being followed by governments of different political hue and still the problems multiplied.

It demonstrated that failure to resolve the problems in fact reflected an unwillingness to tackle the real causes.

Analysis of the deficit demonstrated that:

- 50% was accounted for by massive tax breaks for wealthy corporations (a recent TV programme had noted that a girl working as a teller for the Royal Canadian Bank had paid more tax than the bank!)
- 44% was accounted for by high interest payments to holders of the national debt

while the Bank of Canada was deliberately following a high interest rate policy ostensibly to 'squeeze inflation out of the system'

- Only 6% was accounted for by government spending on public services.

Saturday am—the problem

The first plenary session began with three 15-minute contributions on the theme, 'The Problem', and the unworkability of presently touted 'solutions'.

First to address the 200 or so participants from a wide range of organisations was John Hotson (professor of Economics and COMER executive director). He spoke on the nature and causes of inflation, the money supply and its creation.

He emphasised how the Bank of Canada in its early years, operating strictly on the basis of its constitution, had been a powerful force for good whereas its policies today, aligned with those of other central banks and co-ordinated by the Bank of International Settlements in Basel, Switzerland were in fact destructive of the public good.

Radical reform of the arrangements for the creation of the country's money supply, designed to restore the constitutional role of the Bank of Canada (which is wholly owned by the Federal Government) in this process, were therefore a *sine qua non* of effective economic management.

William Krehm (mathematician, one-time Latin America correspondent for Time magazine and board chairman of COMER) dealt in more detail with what is meant by inflation.

It is far from being simply an indication that the 'economy is overheating', according to Krehm. A rising price index may instead reflect the impact on prices of rising interest rates, imposition of VAT or other taxes, the cost of anti-pollution measures etc, while the economy is operating at well below its full employment potential.

Policies of restraint designed to contain inflation then simply make the situation worse rather than better.

Tim Canova (US attorney, visiting

prospect of 'meltdown'

R. a highly influential group which aims to lead a public battle in Canada over debt-free money

scholar in international finance, Stockholm University 1988/89, currently Hostra University, New York State, USA) and Lynn Turgeon (professor Emeritus economics, Hostra University) jointly dealt with international financial institutions—the IMF, World Bank and the Bank of International Settlements—and their central role in co-ordinating the development, on a global basis, of monetary policy, free market economics, trade blocs and associated free international movement of capital.

Saturday pm—workshops —some solutions

Both workshops dealt with the 'ABC' of money and monetary reform including the critical role of the commercial banks in the creation of the nation's money supply.

It was established that the commercial banks created money 'out of nothing' and introduced it to the economy only as interest-bearing debt. Commercial banks in this way currently create some 95% of the nation's money supply.

On this basis the economy can only grow when the money supply grows and the money supply can only grow (at a rate ultimately dictated by banks) when debt grows.

The result is the growing indebtedness of national governments, local government, business and consumers, and eventually, debt-induced economic crises.

Only restoration to the Bank of Canada of its constitutionally given role, to create and control at least a very substantial part of the nation's money supply, could provide the basis for relief from the current crisis, according to the speakers.

Anyone who insists that central bank-created money is inevitably inflationary must be able to show why that should be so when it would be created by exactly the same means as private bank creation of credit, but would be introduced to the economy debt-free or at very low interest rates.

For example, between 1934, when the Bank of Canada was established, and 1945, the Bank created 80% of all transactions money (notes, coins and demand

deposits). This arrangement was essentially preserved after World War II and was associated with high levels of employment and low inflation until the late 1970s and the introduction of tight monetary policy.

Sunday am—organising for change

This session involved discussion of networking and movement building as the basis for programs of action.

The first group of speakers introducing these topics were: Ann Emmet (educator); Ken Bohnsack (USA Sovereignty Loan Movement); and Larry French (OSSTF).

Ann Emmet dealt with making change happen in the face of powerful, well-funded vested interests operating on a global basis with their agenda of 'downsizing', deregulation, privatisation, and strict limits to the role of governments. She noted that problems arising for society from this agenda were further exacerbated by the dramatic impact of accelerating technological development.

Ken Bohnsack recounted the campaign being waged in the USA by the Sovereignty Movement whose concern is to ensure that the Federal Reserve is required to make available low cost loan funds to the individual States for voter-approved public works.

He noted that the campaign had identified and tackled two main problems—

- a) to make the issue clear and simple enough to be understood easily by the public and by congressmen; and
- b) to address professional opponents such as economists.

Excellent progress was reported to have been made on all fronts. Thirteen professional economists were now 'on side' and, very importantly, the Community Bankers' Association (an association of small bankers) were now supportive.

He predicted that a Sovereignty Bill would be passed by Congress before 1 June 1995.

Larry French dealt with the 'symbiotic' relationship between COMER and OSSTF. He was certain that they were

now winning the 'war of words' with the 'there is no alternative' school.

To finally triumph it was necessary to show that the real issue was not 'the deficit' or tax or interest rates but the underlying agenda involving a massive transfer of wealth from the poor to the rich.

This transfer is reflected in a continuing fall in the share of national income accruing to labour and to business profits in contrast to the continuously rising share accruing to international finance and others whose income derives from receipt of interest.

To illustrate how well this was understood he quoted from a recent televised meeting of The Fraser Institute where it was clearly accepted that the 'cost of the proposed restructuring of the economy was the impoverishment of the middle class'.

Further speakers on these topics of networking and movement building included Ann Isla (Women for a Just and Healthy Planet); William Molson (Bankwatch); Bob Verdun (owner of the Elmira Independent newspaper) and Armine Yalnizyan (Social Planning Council).

Ann Isla is a Peruvian economist and spoke of the debt crisis in Latin America as an example of unsustainable development. She noted that 'the debt burden had brought Latin American countries into submission, perpetuating a process of capital flight, impoverishment and environmental destruction'. The only way for the Andean countries (Bolivia, Peru, and Colombia) to survive, she claimed, is by growing coca (the source of the addictive drug, cocaine) as a cash crop. She outlined a campaign for action including 'opposition to debt conversion measures that exchange debt for nature, genetic material, industrial or nuclear waste sites' etc and urged participant action.

William Molson outlined a campaign that he headed to ensure that banks pursue a more responsible approach to small business. There was increasing evidence of banks in Canada and the USA
continued overleaf, column 2

A new ideology

by ERIC DE MARÉ

LIKE GOD, Marx seems to have died. The deities of finance-capitalism, however, are alive and burping in their lethal machinations and their hideous environment. No new ideology appears in sight to save the sickening situation, while the pundits continue to eject their ink-fish obfuscations to confuse the obvious issues. For these a word is needed. May I propose 'Ecobabble'? May I also propose an ideology for the future that can be expressed without Ecobabble? It is not new for its ideas were born back in December 1918 in an article in the English Review. So far it has found little support but circumstances are forcing its reappraisal. It can be summarised thus:

1. As technology advances, ever less human labour is needed to produce full wealth. Full employment is therefore a foolish, indeed an impossible, aim.

2. As a result of the obsolescent work ethic of the puritans on which the money power relies for its retention of authority, a growing Gap occurs between the public's buying power and the prices of goods and services for sale. Hence poverty amidst plenty and most of our other discontents as well, including wars. The existence of the Gap can be readily established and its precise extent discovered with the help of modern computers.

3. A triple means of filling the Gap can be applied: (i) The supreme power of creating, issuing and controlling the type of money called credits (debts to us), now monopolised by the private banks, must revert to the democratic state. (ii) Scientific price adjustments must be applied by the issue of new state credits to retailers—debt-free, interest-free, and tax-free—to enable them to sell their goods below cost, so filling the Gap while eliminating inflation for good—a kind of VAT in reverse. (iii) The issue of National Dividends (Basic Incomes if you like) to every citizen as soon as possible over and above any earnings as birthrights representing their fair share of the fruits of that cultural inheritance belonging to us all, to which the microchip and automation are the latest and most remarkable additions. Money, after all, isn't wealth: it's not a commodity but should serve merely as a convenient fiction, a token or ticket system to reflect the realities of production and consumption.

4. So far as we know, the purpose of life lies in self-development, and that can now be achieved only through the monetary emancipation of the individual human being. As Oscar Wilde wrote wisely, 'Work is the refuge of people who have nothing better to do'. The proper aim of applied science is surely to enrich and liberate everyone. So, without Ecobabble, on to Full Enjoyment in a new age of machine-granted leisure. Let Clifford Hugh Douglas (1879-1952) have the last word:

'The only possible method by which the highest civilisation can be reached is to

Towards 'meltdown'

continued from page 3

withdrawing credit lines to small business arbitrarily and without discussion even where prospects for the small business were very good. Banks had an obligation to appraise themselves of the facts and to discuss any problems with their client before withdrawing credit lines. Since being faced with this situation himself he had become aware that the problem was already widespread and growing although the campaign for more responsible banking was now making significant progress.

Bob Verdun from his position as a newspaper publisher recognised that the media contributed greatly to the democratic deficit. It was simply impossible to get any objective discussion of alternative financial policies to those peddled by the current financial and political establishments. He then dealt with proposals designed to overcome this obstacle and floated the idea of a new political party to pursue as a single issue the COMER agenda of monetary and economic reform and to be organised ready for the forthcoming Provincial election due in Spring.

Sunday pm—final session

A large number of initiatives were brought back to the final plenary session and recommended for action by COMER and/or the organisations which had been represented at the Conference.

A decision had been taken to pursue the organisation of the proposed political party and planning would begin soon after the conference.

It was also agreed to pursue the implementation of a Financial Transaction Tax involving a very small tax of around 0.25% on all financial transactions (the purchase and sale of stocks, bonds, currencies, derivatives etc) which would provide some \$35-\$40 billion of government revenue and be accompanied by the elimination of all consumption taxes. If implemented,

make it impossible for either the state or any other body to apply economic pressure to any individual. If we hypocritically claim that the employment system is a moral system and that man must be kept at work rather than choose work, we are sealing the doom of this civilisation.'

This article is reprinted from the Winter 1994 issue of 'Britain & Overseas', published quarterly by the Economic Research Council, London, England.

everyone's cost of living would drop significantly.

The conference was quite clearly a huge success. Campaigning for monetary reform will now be much more broadly based and co-ordinated action will proceed in both Canada and the USA. It will reflect a unanimous acceptance that the key reform must involve, in Canada, restoring to the Bank of Canada the responsibility, enshrined in its constitution, of creating either debt-free or at zero or at very low interest, all or nearly all of the money supply in the Canadian economy.

When this is achieved it will simply be a return to the arrangement mentioned earlier under which the Bank, between its establishment in 1934 and 1945, created 80% of all transactions money (notes, coins and demand deposits) and during World War II financed all government deficits above 25% of GNP at interest rates of between 0.37% and 2% while inflation was prevented through wage, price and credit controls.

Given that the 'monetary experiment' currently followed by the governments of all major economies with precisely the same results has been centrally imposed and co-ordinated by the international financial interests, through the Bank of International Settlements, it is important that any campaign for change should also be international and the COMER initiative is an important start to that process.

The alternative to radical monetary change along these lines is inevitable progress towards the threatened 'meltdown' of the international financial system.

Alan Armstrong, adviser on economics to the Social Credit Secretariat, was for ten years marketing director of the Scottish Tourist Board and for nine years ran a marketing and design agency in Edinburgh. An abbreviated version of the above report from him on the COMER conference appeared in The Herald newspaper (published in Glasgow, Scotland) on 9 February 1995.

RECOMMENDED READING

C H Douglas	The Development of World Dominion Economic Democracy The Monopoly of Credit The Policy of a Philosophy Social Credit
Eric de Maré	A Matter of Life or Debt
Bryan W Monahan	An Introduction to Social Credit Why I am a Social Creditor
Thomas Robertson	Human Ecology
Social Credit Secretariat	Elements of Social Credit