

CAN SOCIAL CREDIT END WARS?

Below are extracts from a BBC broadcast made in 1934 by social credit advocate Clifford Hugh Douglas. Douglas argued that wars are caused largely by the "free market" economic system and that they can be prevented by using the alternative model of social credit. What do you think?

We can get a glimpse of the main causes of war if we consider the problems of statesmen, who are expected to guide the destinies of nations. I suppose most statesmen at the present time would agree that their primary problem is to increase employment, and to induce trade prosperity for their own nationals, and there are few of them who would not add that the shortest way to achieve this would be to capture foreign markets. Once this, the common theory of international trade, is assumed, we have set our feet upon a road whose only end is war. The use of the word 'capture' indicates the desire to take away from some other country, something with which it... does not desire to part. That is endeavouring to impose your will upon an adversary, and is economic war, and economic war has always resulted in military war, and probably always will...

Military war is an intensification of economic war, and differs only in method and not in principle. The armaments industry, for instance, provides employment and high wages to at least the same extent that it provides profits to employers, and I cannot see any difference between the culpability of the employee and that of the employer. I have no interest, direct or indirect, in the armaments industry, but I am fairly familiar with Big Business, and I do not believe that the bribery and corruption, of which we have heard so much in connection with armaments, is any worse in that trade...

So long, then, as we are prepared to agree, firstly, that the removal of industrial unemployment is the primary object of statesmanship, and, secondly, that the capture of foreign markets is the shortest path to the attainment of this objective, we have the primary economic irritant to military war always with us, and, moreover, we have it in an accelerating rate of growth, because production is expanding through the use of power machinery, and undeveloped markets are contracting. Any village which has two grocery shops, each competing for an insufficient, and decreasing, amount of business, while continually enlarging its premises, is a working demonstration of the economic causes of war - is, in fact, itself at war by economic methods...

To know... whether war is inevitable, we have to know whether, firstly, there is enough real wealth available to keep the whole population in comfort *without* the whole of the population being employed, and, secondly, if this is so, what is it that prevents this wealth from being distributed. In regard to the first question, I believe there can be no doubt as to the answer. We are all beginning to be familiar with the phrase 'poverty amidst plenty', and it is generally admitted that the crisis of the past decade has been a crisis of glut and not a crisis of scarcity. Yet during that crisis, poverty has been widely extended, because *unemployment* has been widely extended. So that we have experimental evidence that full employment is not necessary to produce the wealth that we require - it is only necessary to the end that we may

be able to distribute wages - quite a different matter. In regard to the second question, therefore, we know it is lack of money in the hands of individuals to enable them to buy the wealth which is available, and not the lack of available goods, which makes men poor... It is not too much to say that the causes of war and the causes of poverty amidst plenty are the same, and they may be found in the monetary and wage system, and that broadly speaking, the cure for poverty and the beginnings of the cure for war can be found in a simple rectification of the money system. This rectification must, I think, take the form of a National Dividend, either in a simple or more complex form, so that while there is *real wealth* to be distributed, nobody shall lack for want of *money* with which to buy. It has already been shown that money is actually *made* by the banking system, and not by agriculture or industry. The *Encyclopaedia Britannica* states the matter clearly in its article on banking in the words: '*Banks lend money by creating the means of payment out of nothing*'...

The practical effect of a National Dividend would be, firstly, to provide a secure source of income to individuals which, though it might be desirable to augment it by work, when obtainable, would, nevertheless, provide all the necessary purchasing power to maintain self-respect and health. By providing a steady demand upon our producing system, it would go a long way towards stabilising business conditions, and would assure producers of a constant home market for their goods. We already have the beginnings of such a system in our various pension schemes and unemployment insurance, but the defect for the moment of these is that they are put forward in conjunction with schemes of taxation which go a long way towards neutralising their beneficial effect. While this is inevitable under our present monetary system, it is far from being inevitable when the essentially public nature of the monetary system receives the recognition which is its due...



C. H. Douglas, Scots engineer and economist.

Full text of this broadcast can be found at:

http://www.douglassoccredit.com/html/the_causes_of_war.html

For further information about social credit, contact the publishers of this leaflet:

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UNIONS SINK FERRY PROTEST

Cargo services operated by *Irish Ferries* between Wales and Ireland were halted for several weeks as crew on the ferries protested about plans to make them redundant and bring in cheap labour from Eastern Europe. The company planned to register the fleet in Cyprus, enabling it to replace its workforce of over 500 with migrant workers who would be paid less than half the Irish minimum wage and would not be protected by Irish employment law.

The response of the crew on two ships in Holyhead and Pembroke was to barricade themselves into their control rooms for three weeks in protest, halting sailings and leaving cargo on the quayside. At least 100,000 workers took part in a national day of action in Ireland on December 9th in support of the strikers, who were said to be overwhelmed by the public sympathy for their cause.

After weeks of negotiations, the dispute was eventually settled mid-December. Irish Ferries agreed to pay the minimum wage to existing crew members who wished to stay with the company and to any new staff they take on. They will also offer redundancy settlements again to existing staff who missed a previous deadline, but they have insisted that they will go ahead with the registration of the vessels in Cyprus. Although pay and conditions will be underpinned by contracts binding under Irish law to protect the new migrant workers from exploitation, many believe that the unions have sold out quite unnecessarily given the level of support for the strike, and should have held out for a more satisfactory result.

FAR AWAY PLACES

Far away places with strange-sounding names
 Far away over the sea
 Those far away places with strange sounding names
 Are calling, calling me.

Flying to Cairo or maybe Amman,
 Seeing Rammstein on the way;
 Those far away places I've been reading about,
 And it's free thanks to the CIA

Maybe to Poland; I just can't control
 This restless urge to roam;
 Prestwick on the way, and you don't have to pay,
 And they even collect you from home.

Perhaps it's Damascus; I'm dying to ask;
 There'll be bars and bright lights I will see;
 Those far away places with strange sounding names
 Are calling, calling me.

My joy is complete; the baths are ensuite;
 And thanks to the land of the free,
 Those far away places with strange sounding names
 Are calling, calling me.

Les Barker
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