

"All that is necessary  
for the triumph of  
evil is that good  
men do nothing . . ."  
— EDMUND BURKE.



# THE NEW TIMES

## SURVEY

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## Distributive Self-Liquidating Balance

By M. Oliver Heydorn

A Summary of the Social Credit Monetary Reform, 4 November, 2014

*When I was visiting Australia, I was challenged to put the Social Credit case down on an A4 sheet of paper. Although I disagree profoundly with Walter Russell's\* 'New-Agey' worldview and spirituality, I think that he was on to something when he claimed that the very essence of the created universe consists in 'rhythmic balanced interchange'. In a similar vein, I think that the type of changes envisaged by a Social Credit monetary reform (in clear contradistinction to all other monetary reform proposals), may be duly encapsulated in terms of 'distributive self-liquidating balance'. Let us examine each of these elements in turn and in reverse order.*

### 1. Balance – the present financial system is inherently unbalanced; Social Credit wants to make it balanced

The existing financial system does not effect an inherent or automatic balance between the rate of flow of consumer prices and the rate of flow of consumer purchasing power. Instead, because of a variety of factors (profit-making, savings, the re-investment of savings, deflationary banking policies, taxation, and the A+B factor) the rate of flow of incomes that are made available via productive processes to liquidate corresponding prices is significantly inferior to the rate of flow of consumer prices in the typical industrialized country and is steadily diminishing as machines replace human labour in production. The present system relies on a variety of palliatives in order to restore some kind of equilibrium between consumer prices and incomes, but none of these function either automatically or without engendering serious problems of their own of one type or another. By contrast, Social Credit maintains that the financial system should automatically provide for equilibrium by issuing a sufficient volume of additional purchasing power so that consumer prices and incomes can be brought into balance and kept in balance. This would contribute greatly to economic stability.

### 2. Self-liquidating – the present financial system is increasingly non-self-liquidating; Social Credit wants to

### make it self-liquidating

The main remedy employed by the existing system is to fill the gap between consumer prices and incomes by relying on governments, businesses, and/or consumers to borrow into existence the money necessary to increase the flow of consumer purchasing power. Future incomes are (directly or indirectly) mortgaged to gradually pay back the compensatory debt-money. This is inflationary as eroded incomes will lead to demands for cost of living increases, which then lead to wage-price spiralling. Furthermore, since this palliative can only provide additional liquidity if new compensatory debts are being contracted at a faster rate than old compensatory debts are being paid off, relying on loans to fill the gap results in the steady build-up of an unrepayable mountain of societal debt and this renders the financial system as a whole insolvent and increasingly so. Recurring financial crises which threaten the collapse of the entire economy are the inevitable trade-off. By contrast, Social Credit, by insisting that the automatic flow of additional purchasing power be issued free of debt, allows for that proportion of prices which cannot be met by the regular flow of consumer incomes to be cancelled out of existence once and for all, instead of having them transferred via debt as costs against the future. The Social

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Credit equilibrium is not only an automatic equilibrium, therefore, but a real equilibrium where debits and credits dynamically equate. The result? No inflation, no build-up of unrepayable debt, and no recurring financial crises.

**3. Distributive – the present financial system relies on compensatory measures that are not maximally distributive; Social Credit wants to replace them with compensatory measures that are maximally distributive**

Because of the unnecessarily strong and indeed irrational bond between employment and income under the current economic system (I say irrational because industrial production can deliver all the goods and services that we can profitably use without calling on the full capacity of the labour force), most individuals can only gain access to the purchasing power afforded by the existing system's compensatory flow of debt-money by exchanging their labour in the service of someone else's aims and on the latter's terms. Balancing the circular flow under the status quo therefore requires the transfer of income, privilege, and control over policy from the common individual to an economic oligarchy. In a phrase, it requires 'the undue centralization of economic power'. By contrast, Social Credit insists that the compensatory flow of debt-free purchasing power which it proposes as an alternative must be distributed directly (through the National Dividend) or indirectly (through the National Discount) to each individual citizen, independently as to whether he be formally employed or not. This will result in the maximum decentralization of economic power that is simultaneously compatible with a functioning economy. It will also help to eliminate economic waste or sabotage in its various forms by making it financially feasible and desirable for the economy to run as efficiently as possible where human time-energy units are concerned. Full employment as a fixed objective, together with the tremendous misdirection of economic resources with which it is closely allied, can both be jettisoned. The social and environmental benefits of such an innovation in economic life cannot be understated. The core of the Social Credit demand vis-à-vis the financial system and hence vis-à-vis the political authorities can therefore be summarized as a three-fold demand: the type of monetary reform that we need is the type that will ensure that the financial system will be

- a) inherently balanced,
- b) self-liquidating, and
- c) maximally distributive.

Nothing else will do, since nothing else will deliver a financial system that will operate in the full service of the common man and not, in some measure, against him.

Source: ><http://www.socred.org/blogs/view/a-summary-of-the-social-credit-monetary-reform><

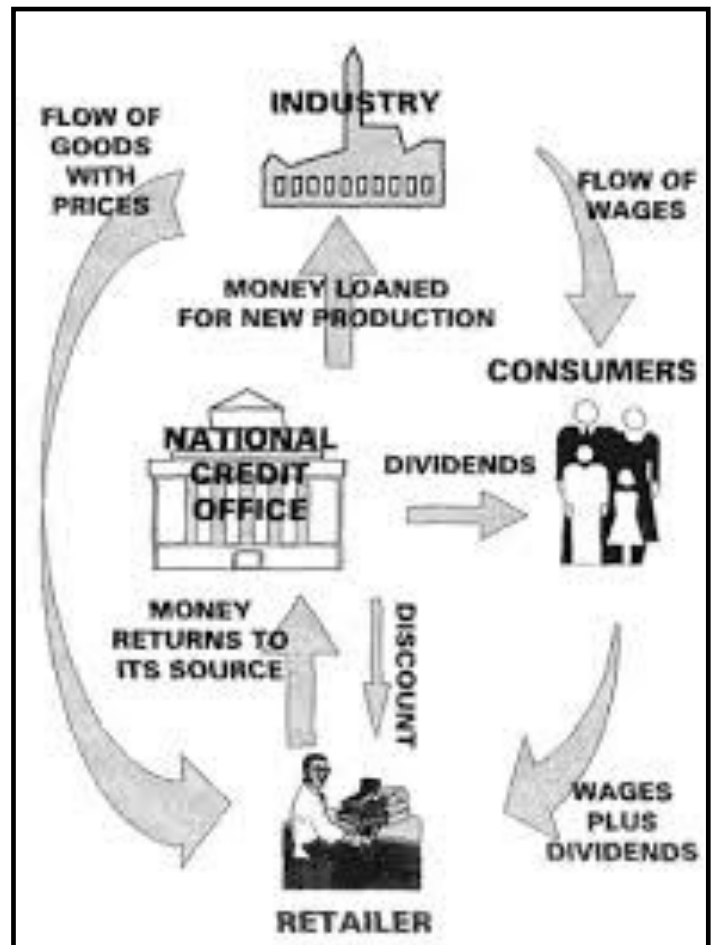
\* **Who was Walter Russell?** According to 'blog.karbalion': "Walter Russell (1871-1963) a colleague of Einstein and Tesla, developed a new concept of natural law and the Universe that explained the true nature of light, gravity, magnetism, radiation, astrophysics and molecular physics.

An associate of Nikola Tesla and Thomas Edison, Russell was conferred with a Doctorate from the American Academy of Science in 1941.

Russellian science can explain the physics of atmospheric ionization, magnetic water purification, and the water based fuel cell commonly called the Joe Cell. Walter felt Einstein had made grave errors in interpreting gravitation not as a force of Nature but as a property of space-time. Nikola Tesla wrote to Walter Russell in 1927 after receiving and reviewing a copy of his first major treatise on Universal Cosmology, "The Universal One," urging him to bury this work in a sepulchre for a thousand years, for it would take humanity that long to develop sufficient awareness to even begin to comprehend Russell's theories and philosophies of the Universe."

Source:

<http://blog.karbalion.com/2012/05/24/walter-russell/>



**SOCIAL CREDIT FLOW CHART**

**The National Dividend**

The National Dividend would be a sum of money given to each individual citizen on a regular basis, whether he be employed or not. It is ethically justified by the fact that the primary factor in modern production is what Douglas called the cultural heritage: all of those inventions, discoveries, patterns of organization, etc. which were developed by past scientists, engineers, etc. are primarily responsible for the enormous productivity of the industrial economy, belong as a legacy to each member of society and so it is entirely

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appropriate for each member to benefit from their employment. It is pragmatically justified by the fact that with the increasing tendency of technology to replace human labour in the productive process it is simply not possible for everyone to be employed. A policy of full employment makes absolutely no sense when machines are doing more and more of the work. In the limit we can conceive of a society where all production is carried out by computers, robots, androids etc. and at the stage it would be sheer lunacy to insist that every human being must work if he is to have access to goods and services; there would be no meaningful work for anybody to do at that point. A recent article in the St. Louis Dispatch has claimed that within 20 years 50% of the jobs in the United States could be automated on account of artificial intelligence. >[http://www.stltoday.com/business/local/artificial-intelligence-could-automate-half-of-u-s-jobs-in/article\\_6c95eae3-f56d-5c58-b168-6f1f7208309d.html](http://www.stltoday.com/business/local/artificial-intelligence-could-automate-half-of-u-s-jobs-in/article_6c95eae3-f56d-5c58-b168-6f1f7208309d.html)<

**The National Discount**

The second method, the National Discount, would involve reducing prices in keeping with the consumption/production ratio. Because of the way in which real capital is financed, the financial prices associated with production exceed the prices of all of the raw materials that were consumed in the process of production. One of the key Social Credit axioms is that the true cost of production is consumption, so we should not charge the public more than what was actually consumed in the process of production. The compensated price would therefore reduce the retail prices that would be charged to consumers while simultaneously providing sufficient debt-free money to producers so that they can cover the rest of their financial costs.

The idea is that retail prices would be discounted by a certain percentage and the difference would be made up to the seller. So, if the average c/p ratio in a given period were 70%, then there would be a 30% discount on all consumer items. A car priced at \$10,000 for example would sell for

\$7,000 and \$3,000 dollars would be granted to the seller so that he could cover all of his costs.

The dividend and the compensated price would require the establishment of a National Credit Office which would be an independent entity, an organ of the state that is free of political interference and that would simply create and issue sufficient debt-free money in accordance with the relevant economic statistics.

**Misconceptions to Avoid**

There are two common misunderstandings with regard to Douglas’ remedial proposals that I would like address: Firstly, Social Credit is not a form of socialism. The dividend, for example, is not financed by redistributive taxation. There is also no question, in a Social Credit economy, of nationalizing the means of production or of a centrally planned economy. The difference between capitalism and Social Credit is that, under Social Credit, each individual is regarded as an owner in the productive capital and receives a dividend on the operation of that capital ... so under Social Credit we would all be capitalists.

The other misunderstanding is the claim that Social Credit is utopian; it’s pie in the sky, and I think it is important to understand that Social Credit does not aim at a mathematically perfect society but rather at a healthy society. And a healthy society requires a healthy financial system, one that is balanced rather than unbalanced. Why should health or well-being be objectionable? One of the key Social Credit axioms is that ‘what is physically possible should be financially possible’. If we can live much better under a financial system that accurately reflected reality, why should we not introduce such a system?

Notice that the SC measures, by making the financial system self-liquidating, promises to eliminate, by getting to the root of the problem, all of the symptoms of economic dysfunction that I had previously mentioned. We can reasonably expect poverty, servility, the business cycle, inflation, heavy taxation, increasing debt, etc., to go by the wayside, once prices and consumer purchasing power are properly brought into balance. ■

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**Christmas Recess and Suggested Christmas Gifts**

**Heritage Book Services will be closed from 15th December 2014 until 5th January 2015 inclusive of both days.**

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The books by Dr Oliver Heydorn featured on page 12, would make wonderful and lasting Christmas gifts for family and friends. Order from Heritage Book Services in time for Christmas deliveries. More books below...

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\$21.82 plus postage
- For You The War Is Over by J. Chambers  
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# The Wholeness of Social Credit Politics

A paper by Dr. M. Oliver Heydorn presented at the National Seminar of the Australian League of Rights, held in Clarendon, South Australia 3<sup>rd</sup> October 2014

In the preceding presentation I was discussing what I take to be the core idea behind the economics of Social Credit, the unifying thread in terms of which, all of the other aspects can be arranged. When it comes to Douglas' political ideas, I think a similar approach may prove to be equally helpful.

If there is a key word for understanding the political theory of Social Credit, I think that word would be 'sanctions' ... To sanction means to impose a penalty, and, within the context of a political association, those individuals and groups who are in a position to impose penalties, sufficiently weighty penalties, are in a position to determine which policies, which objectives, will be pursued by governments and which will not be pursued. Sanctions are the means that allow people to exercise control over public policy.

The fundamental problem with Western-style democracy is that most of the sanctions – both official and unofficial – that exist in the political system are not in the hands of the right people, and those that are in the hands of the right people are very often ineffective for the task at hand.

Of course, in making this type of assessment I am presupposing that the political system exists for the sake of some definite purpose, what is that purpose? Well, if the purpose of economic association is to deliver the goods and services that people desire, as, when, and where desired, then the purpose of political association – at least its immediate purpose, if not its ultimate purpose - is to ensure that the will of each and every individual will prevail over his own affairs ... and to achieve this end to the extent that it is physically or objectively possible and with the least amount of trouble to everyone.

## **As Douglas put it in his book Brief for the Prosecution:**

"It is a legitimate corollary of the highest conception of the human individual that to the greatest extent possible, the will of individuals shall prevail over their own affairs." What does this mean? It means that coercive institutions, in other words, the mechanism of government, is only justified if it serves to maximize the effective sovereignty or freedom of each individual, not in any absolute sense, not at the expense of others, but over his own affairs. On this view, which I think is the correct view, everything that government does should aim at increasing the real, concrete power of individuals, of each and of every individual, to manage and direct his own life. Public policies and activities which serve this end are good; public policies and activities which take away or otherwise weaken the concrete power of all or some individuals to dispose over their own affairs are bad.

## **As Douglas explained in The Tragedy of Human Effort:**

"The proper function of Parliament [or more broadly, of government in general] ... is to force all activities of a public nature to be carried on so that the individuals who compose the public may derive the maximum benefit from

them." This is what is meant by a free society, and by that I mean a free society in the Christian rather than the libertarian sense, a society that, by recognizing and respecting natural law – what Douglas called the Canon – seeks to maximize the individual's scope for the exercise of responsible freedom.

Now, if we accept this aim as the correct objective for governmental action, then effective sanctions to ensure that the objective is consistently pursued and achieved must be possessed by each and every individual. That follows quite logically.

Unfortunately, the societies in which we live do not adequately embody this Christian ideal of the free society and, as time goes on, we seem to be retreating further and further from it. The inevitable consequence of this is economic, political, social, and cultural dysfunction. This is the price we have to pay for not living in alignment with the objective nature of things. For, while we are free to disobey the laws that govern the universe, we are not free to avoid the natural consequences of having disobeyed the laws of the universe.

At the present time, there is not a single western democracy – so-called – which maximizes the effective sovereignty of the individual citizens. Most people lack, in some significant measure, the concrete power that is necessary in order to direct their own lives in keeping with the natural law. We lack economic and political security, we lack – to a greater or lesser extent - the freedom to exercise responsible free speech and responsible action, we lack easy and independent access to the resources we need to survive and flourish, and we lack the leisure time which, on a physical basis, modern economies could easily provide. In fact, whatever protestations to the contrary, western democracies no longer even aim at establishing or preserving free societies; they are directed, at least in practice if not in principle, at a diametrically opposed objective: the centralization of power in fewer and fewer hands. This is seen, perhaps most clearly, in the progressive ceding of national sovereignty in order to form continental political blocks like the European Union.

So what we end up with is a situation in which democratic governments – so-called – thwart the general will of the people by not maximizing the effective sovereignty of the individual members of society and, to make matters worse, they quite often deliver results which are the exact opposite of what the people want. How many times do western governments get away with imposing policies or programmes that are opposed, even strongly opposed, by the majority of citizens? It is important to realize that this is a rather curious state of affairs. How is it that democratic governments fail to fulfil the wishes of the people when they are supposed to be government for people by the people, etc?

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### **'Ballot-Box' Democracy Woefully Inadequate**

Well, it goes back to the key factor that I mentioned earlier. The effective political sanctions, the real political sanctions, i.e., those that determine policy and that make the civil servants implement that policy, are not held by the right people.

The common citizen in conventional democracies do have sanctions, it is true, but these sanctions, which form a part of what we might call "ballot-box democracy" are, as we all know, woefully ineffective. Ballot-box democracy does not deliver effective control of the government, within the due limits of natural law, to the citizenry.

From a Social Credit perspective, 'ballot-box democracy' fails because it is ill-designed. It does not allow each individual to say 'yes' or 'no' to one policy-objective at a time. It does not allow him to opt out of policy decisions with which he disagrees. Instead, ballot-box democracy puts forward just about every possible obstruction or stumbling block to ensure that the individual will not have effective control over his government.

To begin with, the typical voting system only allows the citizens to have some sort of say once every couple of years. It does not provide a mechanism by means of which individuals could continuously exercise pressure on the government so that the results which they intend can be actualized. This means, in effect, that the government in such a system quite easily becomes a temporary dictatorship. How many times has a government in so-called democratic countries managed to impose policies which are opposed by the majority of the population because they were safely in-between elections? Since nature abhors a vacuum, the absence of a suitable mechanism that would allow the citizens to sanction governments at any and all moments, leaves the government officials subject to those more hidden forces which are in a position to exert continuous pressure through monetary or other means.

A second problem with ballot-box 'democracy' is that it does not recognize its due limits. For example, it forces political minorities to acquiesce to the decision of the majority, or, in many cases, to the decision of the largest minority. Apart from certain provisions that may form a part of a Bill of Rights or Constitution that are supposed to protect individual rights, there is no mechanism in place by means of which minorities can contract out of majority decisions. A closely related difficulty is that there is no reliable mechanism by means of which the majority can be prevented from supporting government decisions to infringe on the prescriptions of natural law, i.e., the objective principles which must be respected if a political system is to function in the best possible way in fulfilling its true purpose.

Thirdly, ballot-box 'democracy' assumes that it is right for the public, as well as for their elected representatives, to be concerned with purely technical methods, i.e., how a government should do something. This tends to take the

focus of the electorate and of their representatives off of what the government should be doing. As a result, political discussion and debate often centre on questions of administration as opposed to questions of fundamental policy. The different parties are then given the task of proposing different technical methods by means of which policy can be realized. The problem with this is that the majority of the electorate and indeed the majority of the party members themselves are in no position whatsoever to offer a professional judgement as to the efficacy and overall appropriateness of technical methods. As Douglas put it quite succinctly: "It is not democracy of any conceivable kind to hold an election upon any subject requiring technical information and education."

### **Questions of Policy Ignored**

Fourthly, the inner logic of the political party system itself acts as a barrier to authentic democracy. For example, Members of Parliament, who are supposed to be the representatives of the individuals in their constituency, have a very strong tendency, under the party system, to become slaves of their party and to its leadership instead of duly functioning as the servants of the people who elected them. Achieving, maintaining, and consolidating power for the party require that the members of the party follow the instructions of the party even when such obedience is at odds with the wishes of the electorate or the prescriptions of natural law. This pressure, in combination with the focus on technical matters, often means that members of parliament end up acting as delegates working on behalf of other interests rather than as simple representatives of the people. To further complicate matters, all too often the various parties simply offer different ways or methods of implementing the same policies. It is possible to allow talk of purely technical methods to so dominate the political discourse that questions of policy are completely ignored. This can make it easier for a particular policy or set of policies to be subtly imposed. But, as Douglas once objected: "It is not democracy of any conceivable kind to hold an election at regular or irregular intervals for the purpose of deciding by ballot whether you will be shot or boiled in oil." The overall effect of the party system is to divide the population into warring camps and, no matter who wins the election, the people often find that the same basic policy, which is not put into question by anyone, will be adopted by the government.

For all of these reasons, and a number of others that I have not mentioned, ballot-box democracy does not constitute a real or effective democracy. However, nature, as I've said, does not tolerate a vacuum and if the common individual does not hold the effective political sanctions, then who does? From a Social Credit perspective, the overriding sanction in the existing social order is the power of money. Those individuals and groups who, directly or indirectly, benefit the most from the existing monopoly of credit are the ones who are in a position to impose policies that are congenially to their own narrow interests at the expense of the common good. And I should add that this explanation

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for our present discontents does not require any elaborate conspiracy theory or any conspiracy theory at all. Now, I am not saying that there aren't conspiracies, both large and small, but the point here is that an appeal to conspiracy is not even needed. The broad outlines of what is going on is really quite simple, in a society where money is in an artificially short supply and where the power to create it is the monopoly of the banking system, money becomes the centre of an elaborate system of bribery, a system of rewards and punishments. People go along to get along. In the case of the political system, if the power of money is concentrated in your hands, a ballot-box democracy can be a very useful instrument for imposing your own policies on a political association. Money, as a system of bribery, allows in some subtle and some not so subtle ways for the political environment in a conventional western democracy to be manipulated in one's favour.

### **Directly or Indirectly Dependent on Finance**

To begin with, consider that all of the means of social communication, the press, the educational institutions, the entertainment media are dependent directly or indirectly on finance for their continued operation. As a direct result, the conventional media cannot serve the politically independent role which an authentic democracy would require them to play. Political parties are likewise dependent on finance: it is difficult to run a credible campaign if you don't have access to large sums of money. If you don't tow the line, if you don't serve the interests of the financial powers, you may find that you end up having less support from them and therefore less and less money with which to function.

The most blatant manifestation of financial interference would be the case where a government is denied access to funds because it is pursuing a policy which is at odds with financial objectives. In his book, *The Big idea*, Douglas recounts a very interesting anecdote in connection with this particular point:

"Some years ago, [he writes] certain financial proposals I had made were put before a British Cabinet Minister of the inner ring, by an influential intermediary. The reply received, of which I have an extract, was: "Whether Major Douglas's proposal is sound in theory, I do not know. It is a matter of little consequence. I can assure you that no British Government would remain in Office for three weeks, if it attempted to put it into practice".

Apart from theory, the concrete power of finance to thwart independently-minded governmental action was demonstrated most clearly in the case of William Aberhart's Social Credit government which had been elected in the Canadian province of Alberta and which, under Aberhart's leadership, had held power from 1935-1943. Every attempt on the part of that government to introduce some aspect of the Social Credit reforms (even those which did not obviously fall afoul of the line demarcating federal from provincial jurisdiction as laid out in the BNA act) was prevented by the Lieutenant-Governor of the province, and/

or by the Federal Government in Ottawa, and/or by the privy Council, and/or by the Supreme Court of Canada, and/or by the Imperial Government in London.

### **The Primary Object is to Sell Delusion**

The moneyed interests are also in a position to either neutralize the common individual (through the provision of bread and circuses) or to influence public opinion. If you control the means of communication, you can control access to information, and if you can control access to information you can control how people perceive the world. If you control how people perceive the world you can get them, some of them at any rate, to support policies that will serve your interests even if such policies are actually harmful to the common people who are blindly supporting them. It is just a question of marketing and brainwashing. Under the hegemony of the credit monopoly, it follows quite naturally, that, as Douglas said, "... the primary object of politics, industry, trade, advertising, and journalism, is to sell delusion; ..."

So by pulling society from above and pushing it from below, the direction of policy in a typical western democracy tends to stem not from the citizenry, but from the moneyed interests who dominate the society, whether we are talking about the banks or large transnational and multinational corporations, etc. Their general policy, as can be easily predicted, is to centralize or concentrate more and more power – whether economic, political, or cultural, in their own hands. Monopoly of power is the name of the game, and so I think that everything that happens in the political arena, it does not matter what the particular issue is, can be viewed in terms of how it serves that particular objective. So what is the solution? To speak in general terms, there needs to be a change in the overriding policy of political associations. In contrast to the 'Monopoly of Power', political power, i.e., the coercive power of the state, should only be used to decentralize effective sovereignty to the individual to the greatest possible extent (rather than to centralize it in the hands of an oligarchic elite).

The first step towards that end would be to stop centralizing the power of money and to start decentralizing it, so that a certain minimum proportion will be distributed to each individual. That is the objective of the economic reforms of Social Credit. Beyond that, more effective mechanisms and a more effective governmental structure need to be introduced so that individuals can exercise real control over their governments.

An effective democracy would be one which gave individuals the power to direct the activities of government within the limits of natural law. In order to achieve this a Social Credit governmental system would be divided into three distinct parts serving three distinct purposes, after the model of the Trinity. In the first place, there would have to be a governmental body such as a senate or upper house that would be tasked with safeguarding the fundamental rights of the individual, those rights which come from God and are therefore prior to the state, such as the right to life. This chamber would have the right to reject any legislation

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that violated these basic rights as ultra vires. When it comes to government activities, services and programmes, it will be necessary to clearly separate the policy-determining powers of government from the policy-administrating powers of government. The second governmental body would therefore consist in a set of civil service hierarchies whose task would be to oversee and direct government operations and programmes. This is the policy-administrating power. In general, holders of bureaucratic power must be held directly and personally responsible for the use of that power, should be selected on the basis of merit alone, and should act as servants of the citizens. As Douglas expressed the matter: "... the business of bureaucracy is to get us what we want, not to annoy and hinder us by taking from us by taxation and irritating restrictions those facilities which we otherwise should have."

The third governmental body would have to consist in the individual citizens themselves who, either directly or through their representatives would have the power to determine the policy that the civil servants are supposed to implement.

In order to ensure that the citizens are in a position to enforce their preferences with regards to the results that they want, some new mechanisms or variations on old mechanisms would need to be introduced. Clearly the standard 'right to vote' in a ballot-box democracy does not work. The important thing about the mechanisms in question is that they work in practice, that they get the job done. So the suggestions that follow are not a matter of ideology but of practicality.

#### **Some possible mechanisms include:**

##### **1. The right to recall representatives**

Recall would put some pressure on members of parliament in between elections, ensure that they are only dealing with policy-objectives (not technical matters), and that they are representing the wishes of their constituents accurately. If, in the judgement of the majority of his constituency, a certain representative is not functioning satisfactorily, recall would allow them to remove him from office, in other words, to fire him.

##### **2. Citizen initiatives and referenda on matters of policy**

This form of voting would allow the citizens to accept or reject one proposal at a time as a possible objective of government action.

##### **3. The replacement of the secret ballot with an open and recorded vote.**

Another possible adjustment, and one of Douglas' better known proposals, was the replacement of the secret ballot with an open and recorded vote. In an effective democracy, it is fundamental that all political power, including that held by the common citizen, be united with responsibility and not be separated from it.

#### **Douglas went so far as to say that:**

"The degradation of British politics can almost be identified with the introduction of the secret ballot. A man who is ashamed or afraid to let it be known how he votes, is afraid

to take responsibility for the consequence of his voting, and has no right to a vote."

The open ballot would have the advantage of helping immensely with the elimination of vote fraud or manipulation, as every voter could check – if, for example, the vote were conducted electronically and published on the internet – that the vote recorded was the vote he actually cast.

**4. The widest possible latitude for individuals to contract out** of government programmes with which they do not agree. In general, the most formidable sanction which individuals-in-association can possess is the power to contract out or opt out of the group. Having the right to contract-out effectively minimizes the coercive power of the state. It can thus prevent majorities from imposing themselves on minorities or minorities from imposing themselves on majorities.

**Voters' Veto:** The right to contract out or opt out could take the form of what is called a Voter's Veto.

This was described as Douglas as follows:

"It is necessary to provide individuals, as individuals, not collectively, with much more opportunity to judge political matters by results, and to be able to reject, individually and not collectively, policies they do not like, which involves a large measure of power to contract-out."

The bottom line of all of these Social Credit political reforms is that a well-informed electorate must be empowered to effectively demand the specific results that they require by applying sufficient pressure on the government, either directly or through their representatives. This entails the progressive replacement of what we know as party politics by restoring the political initiative over matters of policy to the voters, i.e., by extending the scope of direct democracy and by insisting on the purely representative function of indirect democracy.

This procedure together with bodies such as Voters' Policy Associations would formulate the results required, not the technical methods of achieving them.

Sanction must be possessed with regard to policy, not mechanism or administration. Sanction over representatives. We elect Parliamentary representatives at the present time to pass laws of a highly technical nature, not to ensure that certain results are achieved. Direct vs. indirect democracy. Indirect democracy for general policies/ Direct democracy for specific policies. General policy is common policy.

**General policy** – everyday operations of government (universal, perennial) – indirect democracy, no need to formulate results required.

**Specific policies** – special government activities or programmes (targeted, temporary) – voter policy associations. Honest experts hired by government to say what is feasible – devolved to the local level as much as possible.

Formulate results desired, see that results are achieved. He or she is not, or should not be a representative for vested interests such as political parties.

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A true democracy would reflect the 'will of the majority'. It is not, as claimed by political parties 'rule by majority' which is why they continue to promote what is termed 'ballot-box' democracy, which is in effect a simple numbers game. The parties decide policy and then attempt to gain sufficient support by propaganda and promises to gain a majority in numbers elected so that they can carry out their policies.

### Changes

1. Clear separation between policy and administration in the governmental system
2. Direct democracy and indirect democracy over matters of policy exclusively
  - Extension of direct over indirect democracy
  - Purification of indirect democracy

### 3. New sanctions to individual in both direct and indirect democracy

Sanctions over policy to individuals – directly when appropriate, and indirectly when appropriate. When Obama was elected for the first time in 2008 I was living in the United States and I was amazed at how many ordinary Americans thought that now everything was going to change for the better, it was as if it was the second coming. They did not realize the simple reality that Obama, like all other politicians is beholden to the people who pay his campaign bills. The largest donors were, of course, corporations and banks. In order to stay in their good graces, he would have to pursue policies that were congenial to them and what is congenial to them is very often not what is in the best interests of the common individual. ■

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## LINUX FOR LETTUCE

Revolutionizing American agribusiness from the ground up, one seed at a time, 4 November, 2014



Photo: Dave Calder

The following is taken from a comprehensive article posted on the Permaculture website. It is too lengthy for this journal but what it reveals is important in the battle for food security and freedom. Jim Myers's, a plant breeder and professor of genetics at Oregon State University story of a broccoli is recounted:

"...In 1966, a breeder named Jim Baggett—Myers's predecessor at Oregon State—set out to breed a broccoli with an "exserted" head, which meant that instead of nestling in the leaves the crown would protrude on a long stalk, making harvest easier. The method he used was basic plant breeding: Mate one broccoli with another, identify the best offspring, and save their seed for the next season. Repeated over decades by Baggett and then Myers, this process produced the broccoli in the field that day. The heads were so nicely exserted, sparrows used them as a perch.

Most classical plant breeders will tell you that their work is inherently collaborative—the more people involved, the better. Baggett (his predecessor) had used versions of another broccoli called Waltham, released by the University of Massachusetts in the 1950s, as part of the foundation for his original exserted-head lines. Hoping to advance its evolution by letting others work on it, he and

Myers shared their germplasm (an industry term for seed) with breeders throughout the United States. One recipient was the broccoli division of Royal Sluis, a Dutch company that had a research farm in Salinas, California. Through the channels of corporate consolidation, that germplasm ended up with the world's largest vegetable-seed company, Seminis, which in 2005 was bought by the world's largest seed company, Monsanto. In 2011, Seminis was granted US Patent 8,030,549—"Broccoli adapted for ease of harvest"—whose basic identifying characteristic was an exserted head. More than a third of the original plant material behind the invention was germplasm that Baggett had shared in 1983.

As Seminis began previewing its Easy Harvest broccoli to the farm press in 2011, the company's lawyers began calling Myers, requesting more samples of broccoli seed. The patent they held covered only a few specific varieties that the company had bred, but now they were applying to patent the trait itself—essentially, any sizeable broccoli with an exserted head. They needed the Oregon State plants for comparison to prove their invention was, in patent language, truly "novel."

Last August, the examiner seemed dubious, writing, "Applicant is in possession of a narrow invention limited to the deposited lines; however, they are claiming any and every broccoli plant having the claimed characteristics." The application was given a "Final Rejection."

And yet, as Myers told me at the picnic table in September, "That's not necessarily final." Just before Thanksgiving, Seminis appealed, beginning a process that may last for years. As one intellectual-property manager who helps write patents for the University of Wisconsin told me, some examiners simply "cave and grant the broader claims as they get worn down by the attorneys' arguments." If Seminis receives the patent, their claim would likely

(Continued on page 9)



encompass the plants growing in Myers's plots at Oregon State, meaning they could sue him for infringement...

Myers is not alone in this predicament. Irwin Goldman, a professor at the University of Wisconsin, had been developing a red carrot for fifteen years when, in 2013, he learned that Seminis had an application pending for "carrots having increased lycopene content"—in other words, very red carrots. Likewise, Frank Morton, a small-scale, independent plant breeder in Oregon, had finally achieved a lettuce that is red all the way to its core, only to find that the Dutch seed company Rijk Zwaan had received a patent on that very trait. Their cases are just some of many...

Myers contends that, when applied to plants, patents are stifling. They discourage sharing, and sharing is the foundation of successful breeding. That's because his work is essentially just assisting natural evolution: He mates one plant with another, which in turn makes new combinations of genes from which better plants are selected. The more plants there are to mix, the more combinations are made, and the more opportunities there are to create better plants. Even some breeders who work for the companies that are doing the patenting still believe in—indeed, long for—the ability to exchange seed.

"It's this collective sharing of material that improves the whole crop over time," Myers told me. "If you're not exchanging germplasm, you're cutting your own throat."

If all of this seems like the concern of a specialized few, consider that plant breeders shape nearly every food we eat, whether a tomato from the backyard or the corn in the syrup in a Coke. Because of intellectual-property restrictions, their work increasingly takes place in genetic isolation and is less dynamic as a result. In the short term, that can mean fewer types of tomatoes to plant in the garden, or fewer choices for farmers and, by extension, consumers. In the long term, it could hinder the very resilience of agriculture itself. Having access to a large genetic pool is critical for breeders who are adapting crops to the challenges of climate change. Every time intellectual-property protections fence off more germplasm, that gene pool shrinks.

What infuriates Myers, though, is that patents such as the one Seminis is seeking don't just impede sharing; they deter others from using their own germplasm. As the examiner noted, Seminis's patent application claims essentially all broccoli with an exerted head of a commercial size. If Myers's plants are too similar to those grown by Seminis, he won't be able to release his own variety for fear of patent infringement. Even if he did, no farmer or seed company would use it lest they be sued for the same violation.

"If they get the patent, they really hold all the cards," Myers said, wasps buzzing around his feet. "Then it comes

down to at some point deciding whether to continue my program or to hang it up. Sell off the germplasm..." His voice trailed off. Then he gave a sad little laugh. The only buyer, of course, would be Seminis.

### **Operating Under the Radar: Open Source Seed Initiative**

Fueled by both frustration and outrage, Myers, Morton, and Goldman helped establish a subtly radical group called the Open Source Seed Initiative (OSSI) in 2012. Operating under the radar, its mission was to re-establish free exchange by creating a reservoir of seed that couldn't be patented—"a national park of germplasm," Goldman called it. By 2013, the group had two dozen members, several of them distinguished plant breeders from public universities across the country.

OSSI's de facto leader is Jack Kloppenburg, a social scientist at the University of Wisconsin who has been involved with issues concerning plant genetic resources since the 1980s. He has published widely about the concept behind OSSI, and his words are now echoed (even copied verbatim) by public plant-breeding advocates in Germany, France, and India. As he explains it, for most of human history, seeds have naturally been part of the commons—those natural resources that are inherently public, like air or sunshine. But with the advent of plant-related intellectual property and the ownership it enables, this particular part of the commons has become a resource to be mined for private gain.

### **Thus the need for a protected commons—open-source seed**

Inspired by open-source software, OSSI's idea is to use "the master's tools" of intellectual property, but in ways the master never intended: to create and enforce an ethic of sharing. Kloppenburg's office plays to caricatures of lefty academics: every flat surface stacked with books and papers, a poster of Karl Marx on the wall. At OSSI meetings, amid a sea of plaid button-downs, he sticks out in his collarless, hemp-looking shirt. But he is fiery and, as one OSSI member says, "persistent as hell." "The reason I'm doing this," he said, leaning forward in his creaking swivel chair, "is that I've spent the last twenty-five years doing the other thing, and what have we got?"

That "other thing" has been exploring nearly every possible avenue to put control of seeds back in the hands of farmers and public-minded plant breeders: orchestrating international treaties, challenging interpretations of patent law, lobbying to amend the laws themselves—in other words, slow change. Indeed, over the course of three decades, it has felt to Kloppenburg like barely any change at all. Now nearing retirement, he wants action. He sees open source as a kind of end run. "The beauty of it," he said, "is that finally we get to create some space that is ours, not theirs."

As Kloppenburg talked about OSSI, he covered territory from the monopolistic tendencies of the American Seed

(Continued on page 10)

Trade Association to Colombian peasant protests to the little-known story of German prisoners of war being used as forced labour in American corn-breeding fields. He pulled a hulking dictionary from the bookshelf and read aloud the precise definitions of “ownership” and “property.” He made it clear that while OSSI’s practical goal was to create a reservoir of shared germplasm, its true mission was to redistribute power.

In this era of ownership, the consolidation of seed companies has meant the consolidation of control over germplasm, the industry’s most essential tool. The plant breeders behind OSSI decry that trend for the constraints it puts on their individual breeding work, but they also see its damage in global terms. As founding member Bill Tracy, a sweet-corn breeder at the University of Wisconsin, articulated in his paper “What is Plant Breeding?”: “Even if we assume that the one or two companies controlling a crop were completely altruistic, it is extremely dangerous to have so few people making decisions that will determine the future of a crop.... The future of our food supply requires genetic diversity, but also demands a diversity of decision makers.” ...

In 1997, as the laws of intellectual property had begun supplanting the ethic of sharing, a mild-mannered bean breeder named Tom Michaels also began thinking about seeds as software—but with radically different results. Michaels was struggling with the brave new world unfolding at his job in the University of Minnesota’s horticultural sciences department. Until recently, germplasm samples had simply been mailed between colleagues with no more than a friendly note, just as the exerted-head broccoli seed had been. But Michaels began to see this tradition of open exchange being curbed by legal documents that restricted research and demanded royalties. He tripped on the new vocabulary, which stipulated conditions about “unmodified derivatives” and “reach-through rights.” “If you’re in plant breeding, you know you can’t do it on your own,” Michaels told me. “But I remember thinking, ‘If this is the direction we’re going, we all become islands.’ So what could we do to assure that we continued to work inter-relatedly?”

## LINUX ethics – free source, public domain

During that time, Michaels’s computer-savvy son was messing around with alternative operating systems for his PC. Through him, Michaels learned about Linux and other software that was free to be used, altered, and shared by anyone. Linux came with a license that turned the concept of licensing on its head: Instead of restricting people from copying the product, it restricted people from restricting it or any of its offshoots. It marked the code indelibly as part of the commons.

### One fateful morning in Minneapolis, Michaels awoke with a Linux-inspired epiphany:

What if we did the same thing with our seeds? Just like hackers, he and his colleagues would make their germplasm “free” by attaching a license that kept it in the public domain. No one could patent or otherwise restrict it or its offspring. Over time, Jack Kloppenburg and others heard about the idea, and together they honed it into the shrewdly elegant concept of open-source seed....

Because they comprise a smaller share of the world agricultural market, only recently have vegetables begun to attract the multinational investment and technological attention that commodities have had for decades. Also, because there are so many types of vegetables, and countless variations within each, they are much harder to blanket with intellectual property. Traded by gardeners around the world, vegetable seed still has a cultural identity—it is not yet simply software. Even within the industry, much of vegetables’ breeding and control of its germplasm remains in the public sector.

Kloppenburg sees vegetables as the realm where open source can take root. “Corn and soybeans don’t turn anybody on,” he told me. “Nobody eats corn and soybeans. But they do eat what our breeders are doing.” When he speaks with consumers about the open-source-seed concept, he asks them, “Do you want the same people who are breeding corn and soybeans to be making decisions about the stuff you buy at the farmers’ market? Or do you want Irwin’s beets and Irwin’s carrots?” ...”

And so OSSI was born. What is OSSI?

You can contact OSSI here... <http://www.opensourceseedinitiative.org/>

Further reading of original article here... ><http://permaculturenews.org/2014/11/04/linux-lettuce/> < ■

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# NAVDANYA – ‘SEED SAVERS’ NETWORK

By Dr. Vandana Shiva

Navdanya means “nine seeds” (symbolizing protection of biological and cultural diversity) and also the “new gift” (for seed as commons, based on the right to save and share seeds. In today’s context of biological and ecological destruction, seed savers are the true givers of seed. This gift or “dana” of Navadhanyas (nine seeds) is the ultimate gift – it is a gift of life, of heritage and continuity.

Conserving seed is conserving biodiversity, conserving knowledge of the seed and its utilization, conserving culture, conserving sustainability.

Navdanya is a network of seed keepers and organic producers spread across 17 states in India.

Navdanya has helped set up 111 community seed banks across the country, trained over 500,000 farmers in seed sovereignty, food sovereignty and sustainable agriculture

over the past two decades, and helped set up the largest direct marketing, fair trade organic network in the country. Navdanya has also set up a learning centre, Bija Vidyapeeth (School of the Seed / Earth University) on its biodiversity conservation and organic farm in Doon Valley, Uttarakhand, North India.

Navdanya is actively involved in the rejuvenation of indigenous knowledge and culture. It has created awareness on the hazards of genetic engineering, defended people's knowledge from biopiracy and food rights in the face of globalisation and climate change.

Navdanya is a women centred movement for the protection of biological and cultural diversity.

## Monsanto Caused 291,000 Suicides In India

In this video Luke Rudkowski talks to Dr. Vandana Shiva about the current situation in India and how GMO's have affected farmers there. Dr. Shiva is an Indian environmental activist and anti-globalization author to find out more about her check out <http://www.navdanya.org/> <<http://www.navdanya.org/>> (Video duration: 9:52 min.)

<https://www.youtube.com/watch?v=PoXTzhfpDQw> <<https://www.youtube.com/watch?v=PoXTzhfpDQw>> ■

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## Social Credit Humour

— reprinted from ... <http://socialcredit.com.au/2-uncategorised/1-social-credit>

### WHO CREATED CHAOS?

A story is told of three professional men -- a doctor, an engineer, and a financier--debating which of them belonged to the most honourable and ancient profession.

The doctor said: “Mine is easily the oldest. Don’t you remember that in the beginning Eve was made out of a rib from Adam’s side? Well, there’s a surgical operation for you.”

The engineer said: "Yes, but before that happened, don’t you know the whole world was created out of chaos in six days? Now, there’s an engineering feat for you.”

“Ah! But who created chaos ?” said the financier.



### Corporate Boat Race

An American automobile company and a Japanese auto company decided to have a competitive boat race on the Detroit River. Both teams practiced hard and long to reach their peak performance.

On the big day, they were as ready as they could be.

The Japanese team won by a mile.

Afterwards, the American team became discouraged by the loss and their morale sagged. Corporate management decided that the reason for the crushing defeat had to be found. A Continuous Measurable Improvement Team of "Executives" was set up to investigate the problem and to recommend appropriate corrective action.

Their conclusion: The problem was that the Japanese team had 8 people rowing and 1 person steering, whereas the American team had 1 person rowing and 8 people steering.

The American Corporate Steering Committee immediately hired a consulting firm to do a study on the management structure. After some time and billions of dollars, the consulting firm concluded that "too many people were steering and not enough rowing." To prevent losing to the Japanese again next year, the management structure was changed to "4 Steering Managers, 3 Area Steering Managers, and 1 Staff Steering Manager" and a new performance system for the person rowing the boat to give more incentive to work harder and become a six sigma performer. "We must give him empowerment and enrichment." That ought to do it.

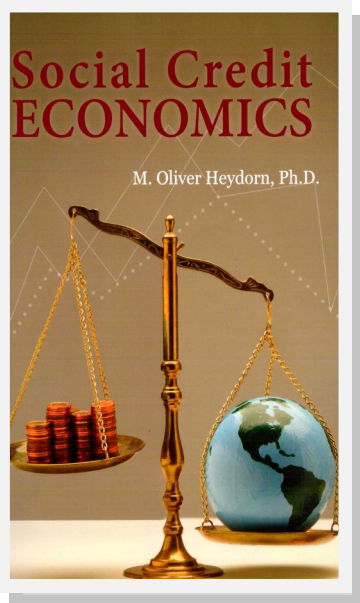
The next year the Japanese team won by two miles.

The American Corporation laid off the rower for poor performance, sold all of the paddles, cancelled all capital investments for new equipment, halted development of a new canoe, awarded high performance awards to the consulting firm, and distributed the money saved as bonuses to the senior executives.

# Oliver Heydorn's new book is a beauty!

## Excerpt: The Mixed Economy serves as a front – to Privatise profit and Socialise loss

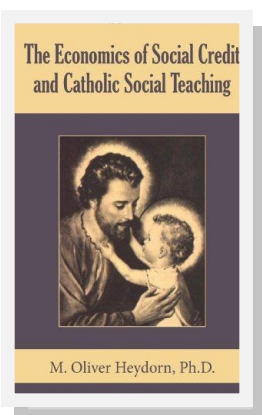
“It is in relation to the apparent failures of free enterprise under the Monopoly of Credit that socialism arose in the first place. Paradoxically, socialism is permitted and indeed encouraged by the credit monopolists up to a certain point because it allows for the transfer of credit and property in even greater amounts to the financial system, under the guise of ‘helping the poor’. Capitalism ‘tempered’ by socialism would therefore seem, in practice, to be the best combination available with which the interests of the financial overlords can be most effectively advanced. It is no accident that whatever their stated ideological preferences, all countries in the world are tending more and more to embody in appearances some highly developed form of the ‘Mixed Economy’.



The ‘Mixed Economy’ serves as a front system which enables the financiers to privatize profit and socialise loss; it offers the best of all possible worlds and reveals that under the Monopoly of Credit capitalism and socialism are only superficially antagonistic. They are merely two methods of embodying the same policy: the centralisation of economic benefits. Should the credit monopoly ever achieve a complete centralization of

economic wealth and power by means of these devices, the form which the economy must then take is clear...”

- M. Oliver Heydorn Ph.D. in “Social Credit Economics” 2<sup>nd</sup> edition 2014. **\$35.00 Posted**



In "The Economics of Social Credit and Catholic Social Teaching", Dr. Oliver Heydorn argues that it is high time that all Catholics take seriously and examine closely the economic ideas of Major Clifford Hugh Douglas (1879-1952). By surveying the key principles contained within the Church's social doctrine in conjunction with Douglas' Social Credit proposals and their underlying philosophy, the author demonstrates that (in stark contrast to the dead-ends of Austrian economics and the 'Christian socialism' of

'liberation theology' et al. and the half-way houses of classical distributism and economic personalism) it is Social Credit which most fully merits the support of Catholics as the best alternative to the economic status quo.

**\$14.00 POSTED**

**Both books are highly recommended!**

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- To promote service to the Christian revelation of God, loyalty to the Australian Constitutional Monarchy, and maximum co-operation between subjects of the Crown Commonwealth of Nations.
- To defend the free Society and its institutions — private property, consumer control of production through genuine competitive enterprise, and limited decentralised government.
- To promote financial policies, which will reduce taxation, eliminate debt, and make possible material security for all with greater leisure time for cultural activities.
- To oppose all forms of monopoly, either described as public or private.
- To encourage all electors always to record a responsible vote in all elections.
- To support all policies genuinely concerned with conserving and protecting natural resources, including the soil and environment reflecting natural (God's) laws, against policies of rape and waste.
- To oppose all policies eroding national sovereignty, and to promote a closer relationship between the peoples of the Crown Commonwealth and those of the United States of America, who share a common heritage.

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