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

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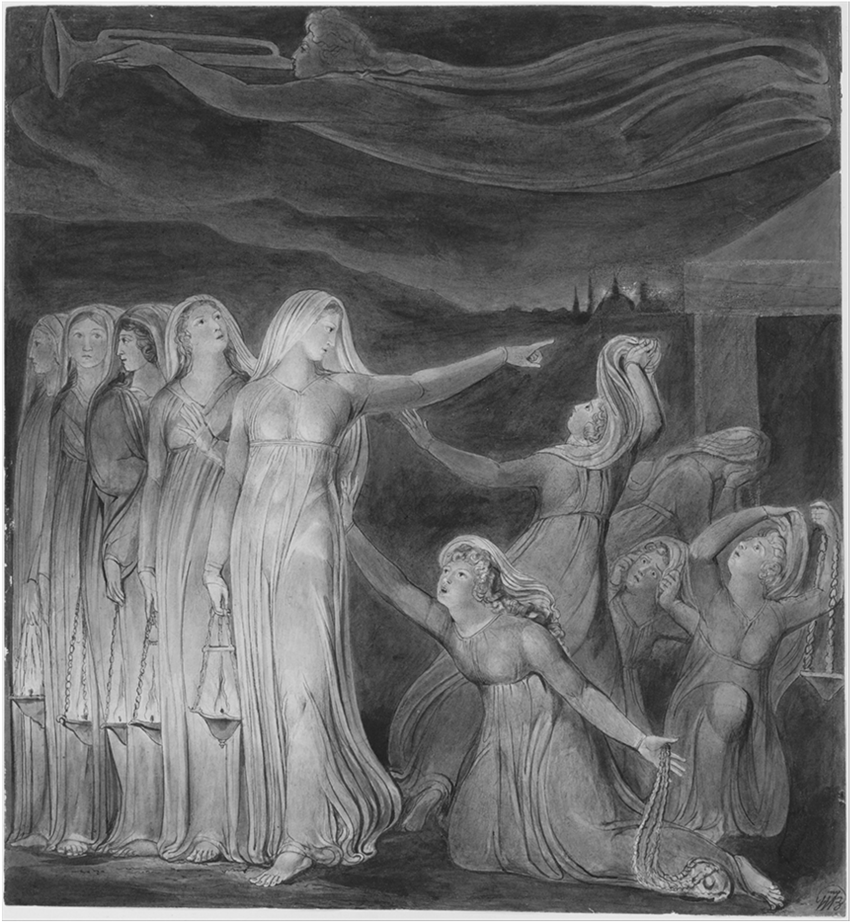
REGENERATION FROM THE GRASS-ROOTS By Eric D. Butler

When Senator Barry Goldwater was contesting the American Presidency in 1964, one of his critics of the press sneeringly suggested to the Senator that he sounded as if he had one foot back in the 19th century. To which Senator Goldwater replied by saying that he was prepared to go right back to the 1st century if necessary to rediscover and re-establish those basic principles upon which Western Christian Civilisation had been erected.

There are eternal truths, and Easter is a time to reflect upon them in order that the resurrection of a dying Civilisation may be effected. Christ triumphed over death. His triumph demonstrated many truths, not the least of which is that the spirit of life can achieve miracles - providing there is sufficient faith in Truth and the necessary dedication to make it a reality.



The Ten Bridesmaids - William Blake

One of the features of a disintegrating Civilisation is a frenzied searching for change of all kinds. Change for the sake of change has become almost a new religion. But in fact it is a manifestation of a restlessness resulting from a sense of rootlessness. It is a search for a satisfaction, which never comes while man is cut off from the living sap of the eternal Truths. Regeneration requires that man go back to the source of life. This requires a conscious effort. Men still possess free will. They can make choices. But false choices do not alter reality - truth.

Men are free to ignore reality. They may turn their sex lives into a replica of the farmyard. They may take a "trip" into the world of nothingness. They may insulate themselves from the earth which feeds them, living in the concrete jungles called cities. They may shut out sun and moon with their blankets of smog. But beyond the smog and the grey of the concrete is the reality which man cannot abolish. Men cannot repeal *(even-ed)* the multiplication table without producing chaos. They cannot offer stones and pretend they are bread. The wages of sin - the defiance of truth - is always death. New life only comes with atonement — re-establishing a correct relationship with Truth.

The distinctive feature of Christianity was that it elevated the individual over the collective. The group existed to serve the individual; The Sabbath was made for man, not man to serve the Sabbath. All associations existed primarily to enable the individual to grow, not to build bureaucratic monsters. And because Christianity particularly in England was associated with the development of representative Government, it stressed that the structure of government must partake of truth. Excessive centralisation was declared by Christian constitutional authorities to be unconstitutional.

In 1931, Pope Pius XI spoke on the subject of the truth, which governs human associations. He said:

> *"... just as it is wrong to withdraw from the individual and commit to a group what private enterprise and industry can accomplish, so too is it an injustice, a grave evil and a disturbance of right order, for a larger and higher organisation to arrogate to itself functions which can be performed efficiently in smaller and lower societies. This is a fundamental principle of social philosophy, unshaken and unchangeable. Of its very nature the true aim of all social activity should be to help members of the social body, but never to destroy or absorb them."*

Since the enunciation of the "fundamental principle" by Pope Pius in his Encyclical, *Quadragesimo Anno*, the Roman Catholic Communion has regrettably joined in the stampede of the gadarene swine down the slope of growing collectivism. Comparatively few voices are to be heard these days denouncing the "grave evil" of taking power from the individual and vesting it in ever-bigger organisations over which in the nature of reality he can exercise not one iota of influence. Christian pulpits of all denominations are today occupied in many cases by advocates of the AntiChrist. Not even the "pop masses" and other manifestations of the sick "with-it" philosophy can fill the ever-increasing empty pews. Man gropes in a spiritual darkness, which has shut out the light of truth and life.

Never before in man's history was it more important that the few continue to hold high and steadfast the torch of truth, to guide mankind through the perilous days ahead. Unlike "instant coffee", there are no instant solutions to man's basic problems. Australians are at present being subjected to the view that they can experience instant greatness based upon what the shallow commentators term a "new nationalism".

Australia could grow to a real greatness given time and development, which is rooted in a deep respect for truth. It is the same with genuine culture, which can neither be taught nor imposed. A culture is the product of long, continuous and patient growth. What is called European culture was the result of that type of growth.

European culture was given its distinctive character by the influence of Christianity. It reached its highest level in the period preceding the first of the great disasters, which have shaken this century - the First World War. Austria of the Austro-Hungarian Empire was one of the glittering jewels of that period.

But this organic structure, like the British Empire, was broken up in the name of progress. Two World Wars not only saw the flower of Western European manhood decimated in what was in essence a type of Civil War; and a wanton destruction of much of the art of all forms produced by Western European Civilisation; they also resulted in a return to barbarism and the introduction of alien concepts. A synthetic and anti-Christian unity is imposed upon Western Europe with the Common Market. But in spite of all this and much more, there still remains the possibility of propagating a culture from that life which still remains of a parent culture.

It was the great C.H. Douglas who observed that he was much more concerned about the possible eradication of British culture than he was about the destruction of the British Empire. British culture was a distinctive manifestation of Western European and Christian culture. It is what remains of this culture, which Australians concerned about regeneration must concern themselves about. If much of a tree is dead, it is from the still living parts only that growth can occur and from nowhere else. It is futile to try propagating dead branches. There is plenty of "dead wood" in Australia.

There is a heavy stench of death in the air. But for those who have grasped the message of Christianity, the miracle of resurrection is always present and possible.

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IF THE 'GREAT RESET' REALLY IS SO GOOD FOR US, LET'S HOLD A REFERENDUM ON IT, so it can have a democratic mandate (or not) By: Neil Clark *Reprinted from RT*

The World Economic Forum's 'Great Reset' and associated Fourth Industrial Revolution would, if implemented, mean far deeper changes to our everyday lives than Brexit, yet is being pushed through without any proper debate.

Compare and contrast. On the issue of whether Britain should leave the EU we've had:

- A national referendum.
- Four years of debates in Parliament on how/when/under what conditions we should leave.

In fact, for the period May 2016 until March 2020, it seemed MPs were talking about nothing else.

No one can say that Brexit, if it indeed finally happens at the end of this year, hasn't been properly discussed, or that it hasn't had democratic endorsement. The 'Leave' side won the referendum vote and then in 2019 the Tory government was re-elected on the promise of 'Get Brexit Done'. Traditional 'Red Wall' Labour seats went Tory for the first time in 2019 largely because of Brexit.

Contrast this with the Great Reset/Fourth Industrial Revolution. The UK government, like many others in the West, is clearly trying to implement the Klaus Schwab/WEF programme, under the guise of fighting a virus, but unlike Brexit, not only is there no public vote, there is not even a debate.

How can this be right? The Great Reset/4IR (and the closely linked UN 2030 Agenda) represents not only the most radical changes ever proposed in our lifetimes, but the most radical changes to everyday life IN HISTORY.

The Great Reset/4IR is actually about redefining what it means to be human.

For centuries, it has been accepted that man is a social animal. That meeting up with other people is good for us. That we have certain freedoms which are inalienable. But the Great Reset/4IR threatens all of this.

Klaus Schwab says "What the fourth industrial revolution will lead to is a fusion of our physical, digital and biological identity."

Wow. A fusion of our physical, digital and biological identity. That's Transhumanism. Cyborgs. I Robot. That represents a slightly bigger change to our lives than anything argued about in the Brexit negotiations.

So will the abolition of private property, except for a privileged few. The WEF predicts that by 2030, "You'll own nothing. And you'll be happy."

Is this what the public really wants? Ditto a 'cashless society'? Humans have been using cash banknotes and coins for millennia, now we're told they have to go. The civil liberties repercussions of a cashless society are truly terrifying as they mean anyone can be 'cut off' from the system for non-compliance. Eliminate cash, and you eliminate freedom.

The future is 'CLEAR' and it's Dystopian: Virus hype ushers in a Covid 19-84 nightmare of restricted access

Then there are the draconian changes to our lives on the grounds of 'sustainability'. The Conservatives had pledged to ban the sale of diesel and petrol cars from 2040. But this week, Prime Minister Boris Johnson, again without any public debate, brought the date forward to 2030. Again, where's the democracy here?

The Great Reset/4IR means that the golden age of travel for ordinary people will be at an end. The WEF has been promoting digital health passes raising the very real prospect that only those who have had Covid-19 vaccines or negative test results would be able to leave their country, or indeed attend a sporting or cultural event.

Combine that with the collapse of the airline industry, the mass closure of all but the most expensive hotels, the end of cheaper petrol-fuelled cars and the advent of 'smart' motorways where access can easily be restricted, and most people will be stuck in their homes. But not, of course, Davos Man. Davos Man doesn't use Easy Jet. Davos Man uses Private Jet. He'll still be flying to Switzerland to elite conferences where fellow billionaires discuss further how they can use hi-tech methods to restrict the travel of everyone else, to 'save the planet'.

What life would be like in Britain under the Great Reset was laid out for us in Boris Johnson's 'socially distanced' speech to the Tory Party Conference in October.

It was an oration which could easily have been written by Klaus Schwab. "From internet shopping to working from home, it looks as though Covid has massively accelerated changes in the world of work… as old jobs are lost and as new jobs are created… The Covid crisis is a catalyst for change," Johnson enthused.

Previous generations were told that the world was their oyster, but under the Great Reset, horizons are much narrower. "Instead of being dragged on big commutes to the city," people can "start a business in their home town… and bring up their children in the neighbourhoods where they grew up themselves," Johnson went on. But of course, the elites will still be moving around, it's just the plebs who will be grounded.

The premise of the Great Reset is that there is absolutely no going back to the lives we enjoyed prior to March 2020. "The people assume we are just going back to the good old world which we had and everything will be normal again in how we are used to normal in the old fashioned. This is, let's say, fiction, it will not happen, the cut which we have now is much too strong in order not to leave traces," says Schwab.

Now of course, some people might like the idea of working permanently from home (that's if they're lucky enough to have a job), ordering everything they need online (to arrive by drone), having to have a continually updated digitalised health pass to go anywhere, owning nothing and having their biological, physical and digital identities 'fused', but shouldn't they be consulted about it first?

And what about those of us who actually miss the 'old-fashioned' normal of mixing freely with people, of paying in cash, of driving petrol-fuelled cars wherever we want to go, and being in crowded pubs? Most of us care about the environment, but are suspicious that, like Covid-19, 'sustainable development' has become a Trojan Horse to introduce regressive changes to our lives that most definitely are not to our benefit.

A referendum on the Great Reset/Fourth Industrial Revolution is urgently needed so that the 'Build Back Better' brigade can put their case directly to the electorate. If what they are proposing really is so great, then what on earth are they frightened of? ***

KITSON, DOUGLAS AND THE EAST ASIAN SOLUTION

By: Arindam Basu *(reprinted from socred.org)*

I.) Introduction: Arthur Kitson and the Cross of Gold

"These bankers conceived a policy unrivalled in brilliancy, which made them masters of all commerce, industry, and trade. They engrossed the gold of the world, and then, by legislation, made it the sole measure of values. What Samuel Loyd and his followers did to England, in 1847, became possible for his successors to do to all the gold standard nations, after 1873. When the mints had been closed to silver, the currency being inelastic, the value of money could be manipulated like that of any article limited in quantity, and thus the human race became the subjects of the new aristocracy, which represented the stored energy of mankind."

- Brooks Adams, The Law of Civilization and Decay, chapter eleven.

"Any money that is tied to a commodity is, therefore, bad money, in the sense of not being reliable in performing the money functions when it is needed."

- Arthur Kitson, The Money Problem, chapter nine.

Centuries of minting coins from precious metals gave rise to an extremely harmful superstition: the notion that the volume of money should be determined by the quantity of the mineral used for coinage. As with many other grave errors, there were those with a vested interest in maintaining the notion among the general public and elevating it to the status of a dogma. Perhaps the ultimate expression of this dogma was the gold standard.

The gold standard system was well described by two Australian academics as follows:

"For a country to be wholly committed to a full gold standard five basic requirements had to be met. First, the unit of account had to be tied to a certain weight of gold; second, gold coins had to circulate domestically and any bank notes in circulation had to be convertible into gold on demand; third, other coins in use had to be subordinate to gold; fourth, no legal restrictions were to be imposed on the melting down of gold coin into bullion; and finally, there had to be no impediment to the export of gold coin and bullion."

(A. G. Kenwood & A. L. Lougheed, The Growth of the International Economy, 1820-1990, page 104).

The main rival to the gold standard (prior to the twentieth century) was bimetallism - which involved the use of both silver and gold as the basis for money. The question of which system to adopt was not simply an arcane financial matter, but one with great bearing on the economy, and therefore, of serious public importance. Since gold is much rarer than silver, a gold standard tended to give an economy a deflationary bias - and thus favoured those who had an interest in money being expensive relative to goods, notably financiers. It was also easier to hoard gold and thereby to manipulate economies by taking and releasing it into circulation. Silver, in contrast, tended to generate an abundance of money and hence, it was opposed by banking interests as Gorham Munson noted:

"But why were the banking interests against silver? Primarily because silver worked against their deflationary policy. Silver was being discovered in several of the Western states and would very soon be mined on a much greater scale, thus "threatening" a considerable enlargement of the metallic base for the issuance of money. Silver menaced the monopoly which the owners of gold were starting to establish. Therefore, silver must go."

- G. Munson, Aladdin's Lamp, page 128

Thus, the contest between bimetallism and the gold standard was ultimately a manifestation of the struggle between the people and the banks. This struggle had an international dimension as well: Britain - which hosted the influential City of London - was the pioneer of the gold standard, (proceeding towards it for over a century before adoption of a full gold standard in 1821), whilst France managed bimetallism by ensuring (thanks to its abundance of both silver and gold reserves) that the ratio of silver to gold required by the system was maintained. Most of the rest of the world also followed bimetallism or a silver standard in the first several decades of the 19th century:

"By 1870, therefore, the gold standard was far from being internationally adopted. Britain alone operated on a legal gold standard. Bimetallism existed legally in the United States and the Latin Monetary Union, and Germany, Holland, Scandinavia, Latin America and the Orient adhered to the silver standard.'"

- A. G. Kenwood & A. L. Lougheed, op cit, page 106.

The defeat of France in the Franco-Prussian War, and the gold indemnity Paris paid to Berlin, facilitated the shift of Germany to the gold standard, (Russian scholar Andrey Fursov has argued that this was one of the main reasons for the war), which in turn, paved the way for the widespread adoption of the gold standard in Europe, with surprisingly little commotion, given the significance of the change.

It was a very different matter in the United States. Here, the drawbacks of the gold standard were well appreciated by the populace of the Western States - so well that the demonetization of silver had to be carried out with great subtlety (by omitting mention of coinage of silver dollars in the 1873 Coinage Act). The Western States continued to agitate for silver nonetheless, forcing concessions from Washington in 1878 (Bland-Allison Act) and in 1890, with the Sherman Silver Purchase Act. It was the repeal of the latter in 1893 that incited the ultimate battle between gold and silver, banks and people, at the end of the 19th century, with the elevation of William Jennings Bryan to the position of Democratic nominee for the Presidency of the United States in 1896. As Bryan famously declared:

"You come to us and tell us that the great cities are in favour of the gold standard. We reply that the great cities rest upon our broad and fertile prairies.... If they dare to come out into the open field and defend the gold standard as a good thing, we will fight them to the uttermost. Having behind us the producing masses of this nation and the world, the labouring interests and the toilers everywhere, we will answer their demand for a gold standard by saying to them: You shall not press down upon the brow of labour this crown of thorns. You shall not crucify mankind upon a cross of gold!"

- W. J. Bryan quoted in G. Munson, op cit., page 129

Opposition to the 'Cross of Gold' drove Bryan to the threshold of the presidency, but no further, as he lost by 600,000 votes to William McKinley, who rewarded his patrons by signing the Gold Standard Act of 1900. This defeat, as well as the inflow of new supplies of gold from South Africa and Alaska (which mitigated the deflationary tendencies of the gold standard), marked the end of popular monetary reform agitation in the United States. Bryan's movement faded into the history books and public discontent would subsequently flow into channels that would not bring the masses into direct confrontation with the banking interests.

One man stood among the ruins with undiminished resolve to free mankind from the Cross of Gold. Arthur Kitson, an English engineer working in the United States at the time, had taken a position more radical than Bryan's: he opposed metallic money standards altogether. He had nonetheless backed Bryan, judging bimetallism as the less harmful of two superstitions then returned to his homeland to challenge, criticize and condemn the gold standard system in its very centre, going as far as to declare:

"The question of the supply of money may, therefore, be thus summed up. There should be an abundance, in order to meet all the requirements of business, and the supply should be governed by these demands instead of allowing business to adjust itself to a fixed supply. Money, when issued on a scientific basis, obeys but one law. In order to do this, it must be, *per se*, neutral. The substance chosen should be most plentiful, so that it could not possibly be monopolized. Value arises only where scarcity exists—where the supply is limited; hence gold is the worst possible material of all for monetary purposes."

- Arthur Kitson, op cit, chapter thirteen

His views gained traction, as did his insight into the fact that the artificial scarcity of specie due to the gold standard led to bank credit increasingly becoming the most important form of money in the economy - and the serious economic and political consequences that entailed. Perhaps more than any other man, he thus ensured that the flame of monetary reform was not snuffed out at the start of the twentieth century.

Arthur Kitson did not simply attack metallic money: he offered an alternative - unhindered producer credit. It was this idea that one of the men inspired by his works - Major Douglas - would critique - and it was a corrected version of it that would power the East Asian economies to extraordinary success in the latter half of the twentieth century.

II.) The Douglas Critique

One of the main charges against the gold standard was that it enriched financiers and speculators at the expense of the productive members of society - i.e. those who provided goods and non-financial services. Thus, it is not too surprising that the alternative championed by Kitson and some other critics of the gold standard was unhindered provision of financial credit to any supplier who could demonstrate a market for his wares. Major Douglas denoted them as the producer credit control school, and a shortened phrase - the producer credit school, will be employed here.

At first glance, this proposal of the producer credit school seems plausible enough. If demand for a product exists, as well as the capacity to produce it, with buyer and seller in contact with each other, then clearly the real credit exists and all that is left is the provision of the financial credit to the producer so he can set about supplying society's requests. Were time not a factor, this argument would hold.

However, as Major Douglas noted, time is a factor. There is a gap - of months, possibly even years - between the provision of funds to the producer and the release of new output onto the market. In the meantime, such funds find their way into the pockets of consumers (as a payment for work for example) and thus increase demand. This rise in demand precedes the increase in the supply of goods - and thus risks generating an increase in prices, imports or indeed, both. As Douglas put it:

"This new purchasing-power would be effective in the market before the goods, even if these were for ultimate consumption. If the goods were intermediate products they would never become effective as such in the individual consumer's market. Prices under such conditions would be equal to:

Purchasing-power ex-(capital production + ultimate production) ÷ Consumable Goods

and we should enter into the manufacturers' paradise and the consumers' purgatory - an era of constantly soaring prices and continuous depreciation of currency."

- C. H. Douglas, Credit Power and Democracy, chapter thirteen.

Indeed, the increase in demand is particularly difficult to cater to, because the consumer goods firms seeking to address it will find the labour, raw materials and other goods they require to increase output already being purchased by those firms that received producer credit, (unless the two sets of firms completely coincide which

is most unlikely.) Hence, as Douglas noted:
"The financier says: 'Yes, you shall have money for housing as the result of building gunboats for Chile,' thereby implying that there is a chain of causation between gunboats for Chile and houses for Camberwell. Not only is there no such real chain of causation, but the building of gunboats for Chile, or elsewhere, decreases the energy available to build those houses..."
- Major C. H. Douglas, The Control and Distribution of Production, chapter four.

This was not an esoteric issue: many States which sought to stimulate their economies especially developing countries after World War Two, ran precisely into the difficulties Douglas predicted, with investment-driven economic booms brought to a halt by rising inflation and/or surging imports, resulting in a financial crisis and subsequent recession.

Two groups managed to escape this predicament: the oil exporters of the Persian Gulf, and the industrializing East Asian nations. The former, thanks to their large petroleum and natural gas reserves and low populations, were able to avoid both inflationary and balance-of-payments crises by easily being able to purchase sufficient imports to accommodate increases in consumer demand. Their case is special, and has little, if any, scope for wider application: they were simply fortunate enough to escape the dilemma .
The East Asians, on the other hand, solved it.

III.) The East Asian Solution: Forced Saving.

An implicit assumption of the Douglas critique was that consumer spending could not be sufficiently curtailed by government measures to prevent the destabilising inflationary outcome. This assumption reflected the liberal British environment in which both Kitson and Douglas lived and worked - an environment which held the government's role to be regulatory rather than directive, and which frowned upon State interference in the everyday activities of the public. In other words, it strongly preferred a 'nomocratic' (rules-governed) state to a 'telocratic' (purpose-governed) state. This *laissez faire animus* was very much a legacy of the nineteenth century that would be challenged, and ultimately overthrown, in the twentieth.

Thus, it was in a region far removed from the United Kingdom politically, geographically and culturally, that the problem of the producer credit school was solved. In 1931, following their conquest of Manchuria, Japanese officials set about rapidly industrializing the territory. As Eamonn Fingleton narrates:
"In a hell-for-leather dash to build up Manchuria's industrial output in the run-up to World War II, the colony's Japanese military government decided that Western capitalism was too slow and uncertain a tool. Inspired in part by the industrial successes of Joseph Stalin's Soviet Union and Adolf Hitler's Germany, they therefore took direct control of the region's industrial development."
- Eamonn Fingleton, In the Jaws of the Dragon, chapter three.

In the course of their development drive, the Japanese planners instituted a policy of world historical importance: forced saving. In order to avoid diversion of resources from the capital goods to the consumer goods sector, a raft of measures were applied to discourage spending. These included price controls, compulsory savings and protectionist measures (to discourage expenditure on imports):

"In 'Manchuria since 1931', F. C. Jones recounted how the region's military planners systematically boosted capital flows to industry. They instituted a system of compulsory savings in which a large proportion of each worker's income went into a state-run fund. (This anticipated by more than two decades a similar system of compulsory savings established in Singapore. The Singaporean system raised the city state's savings rate from about 7 percent in the early 1960s to nearly 20 percent in the late 1970s.)

"More portentously, Manchuria's military planners also pioneered the concept of suppressed consumption. They started by erecting a high wall of tariffs against imports of consumer goods and went on to institute a comprehensive system of price controls that kept prices of many locally produced consumer goods artificially high. Producers were obligated to plow back the resulting huge profits into building their efficiency via investment in ever more advanced production machinery.

"All this was made easier and more effective by the fact that Manchuria was, of course, blessedly bereft of capitalist vested interests. There were no private fortunes to speak of - at least no Japanese ones - and therefore no disgruntled plutocrats who might use back channels in Tokyo to undermine the Manchurian officials' authority."
- Eamonn Fingleton, ibid, chapter three.

Other measures in the arsenal of forced saving include limitations on housing space and restrictions on lending to consumers.

By the time the Japanese left in 1945, Manchuria was the most industrialized province in China:
"The Manchurian economic experiment soon came to be accepted as a signal success. Certainly, as the historian Marius Jansen has recorded, Manchuria in the late 1930s was noted for its 'orderly ports, sleek trains, and luxurious hotels.' It was an amazing advance compared to just thirty years previously, when the region was still a godforsaken, largely uninhabited wasteland. According to the geographer Norton Ginsburg, land under cultivation increased from 33 million to 44 million acres between 1930 and 1940 alone. The Japanese invested massively in railroads, and their legacy was still evident as recently as 1970 when it was estimated

that Manchuria accounted for 42 percent of all the rail mileage in Communist China.

"Not the least impressive aspect of the region's progress was its electrical infrastructure, which was Asia's most advanced outside Japan... According to Ginsburg, electricity generating capacity in Manchuria by 1944 exceeded that in the whole of China proper by more than 30 percent. All in all, Manchuria was by far the richest part of Greater China by the end of World War II."

- Eamonn Fingleton, ibid, chapter three.

In short, the policy succeeded.

With the collapse of the Japanese Empire in 1945, the bureaucrats who had overseen the Manchurian economic miracle returned to their homeland, and took charge there, exploiting the American occupation regime to dismantle the main threat to their power - the zaibatsus *(a large Japanese business conglomerate).* They then set about applying the policies and lessons they'd learned in Manchuria to their own country, with remarkable results:

"The dedicated effort to promote economic growth brought Japan into the front rank of nations, seemingly coming out of nowhere to surpass Canada, France, Great Britain, and West Germany. By the mid-1970s Japan's GNP was second only to that of the United States among the industrial democracies. Japan had gone a long way toward closing the gap between those two economies as well: the American GNP had been sixteen times the size of the Japanese in 1955; in 1974, it was only three times larger."

- Gary D. Allinson, Japan's Postwar History, page 122.

The success of Japan did not go unnoticed in the nearby nations that had recently been colonized by Tokyo - notably South Korea and Taiwan. Seoul and Taipei soon adopted the key elements of what has subsequently been known as the 'East Asian Development Model' - notably forced saving and State supervision of the flow of credit, as did Singapore. By the early 1970s, the industrial success of these countries inspired another power to adopt the policy of forced saving: the People's Republic of China.

The key problem with Kitson's proposal of unrestrained producer credit was an ensuing surge in consumer spending that would be particularly difficult to absorb without increasing prices and imports, since resources were already being utilized by the recipients of said producer credit. Forced saving rectified this by restraining, if not altogether avoiding, the increase in consumer spending. In effect, it entailed living standards being raised more slowly than increases in income would normally have permitted - a policy that the East Asian countries could easily enforce thanks to their long-standing cultural tradition of making sacrifices for the greater good of society. Furthermore, State supervision meant that the flow of producer credit was also carefully managed with manufacturing and export sectors receiving preference (this helped avoid balance-of-payment crises); this regulation also helped avoid the perils Douglas foresaw.

The solution of this problem led to consistent economic growth at a speed and scale that is historically unprecedented. As one South Korean scholar noted: "Korea, one of the poorest places in the world, was the sorry country I was born into on October 7 1963. Today I am a citizen of one of the wealthier, if not wealthiest, countries in the world. During my lifetime, per capita income in Korea has grown something like 14 times, in purchasing power terms. It took the UK over two centuries (between the late 18th century and today) and the US around one and half centuries (the 1860s to the present day) to achieve the same result. The material progress I have seen in my 40-odd years is as though I had started life as a British pensioner born when George III was on the throne or as an American grandfather born while Abraham Lincoln was president."

- Ha Joon Chang, Bad Samaritans, Preface.

Similar numbers can be provided for China, Japan, Singapore and Taiwan. Free from the gold standard and with finance placed at the service of the developmental state, hundreds of millions of people were lifted in a few decades from endemic poverty to established prosperity as rustic backwaters were transformed into technological powerhouses. Whilst such success did not come without social and psychological costs - these costs pale in comparison to the price paid in the rest of the developing world that remained mired in economic backwardness.

Perhaps the clearest indicator of this is the stark contrast between the infant mortality rates of China and India. In 2012, according to the World Bank, China's infant mortality rate was 12 out of 1000 live births: India's was 44. In other words, Indian women were over three-and-a-half times likelier to suffer the tragedy of losing their child in the first five years after birth, than their Chinese counterparts. The East Asian Development Model did not merely increase steel output and fill bank accounts...

IV.) Conclusion: Relinquishing the Raft

"Once there was a man on a long journey who came to a river. He said to himself: 'This side of the river is very difficult and dangerous to walk on, and the other side seems easier and safer; but how shall I get across?' So he built a raft out of branches and reeds and safely crossed the river. Then he thought to himself: 'This raft has been very useful to me in crossing the river; I will not abandon it to rot on the bank, but will carry it along with me.' And thus he voluntarily assumed an unnecessary burden. Can this man be called a wise man?"

- Buddhist parable.

Undoubtedly one of the greatest achievements of Arthur Kitson and the producer credit school was discrediting the gold standard - so much so that when it collapsed in the inter-war period, (with Britain leaving it in 1931 and the United States in 1933), no serious subsequent efforts were made to restore it in the aftermath of World War Two, (in stark contrast to the aftermath of World War One). In a curious role reversal, France's Third Republic persisted with the standard, forming a 'Gold Bloc' with its trading partners - while Germany's Third Reich rejected it altogether: the triumph of the latter over the former in 1940 thus marked the death of the international gold standard, just as Berlin's victory over Paris in 1871 marked its birth.

The bankers were not entirely unhappy with this state of affairs, for as Michael Rowbotham notes:

"When Britain and America, and eventually the other economies of the world, left the gold standard, in one sense the world's financial system was fundamentally changed. Banking was no longer rooted in, and theoretically limited by, a bank's or a nation's reserves of gold. Since it is ludicrous to tie general economic activity to the availability of a commodity which has value because of its scarcity, this was, or should have been, a huge step forward. However, all that dropping the gold standard ultimately achieved was to further enshrine the power of banking, and ensure the growth of debt. Prior to the abandonment of the gold standard, although it was a small amount, the annual supply of gold formed a credit input into the money supply. Now this was gone."

- Michael Rowbotham, The Grip of Death, page 240.

Be that as it may, the producer credit school was essentially Statist in orientation, something that is evident in the intellectual development of Arthur Kitson, who went from hostility towards government intervention in the economy in his early work *The Money Question*, to championing bank nationalization in his later work *A Fraudulent Standard*, and ultimately (according to Gorham Munson) sympathizing with National Socialist Germany. This is not altogether surprising, since the twentieth century was the century of the State - one which witnessed the success of producer credit control in countries which embraced the Zeitgeist, culminating in the eclipse of the liberal plutocracies of the United States and United Kingdom by the one-party states of China and Japan in the early decades of this century. As a means of crossing the river to the shores of prosperity, there can be no doubt about the efficacy of the measures that the East Asians developed and applied.

Whether these measures are desirable once a country has industrialized, is an altogether different matter. Whilst the Cross of Gold now belongs in the dustbin of history, mankind continues to bear another burden - the Raft of Toil - which, due to the widespread embrace of the notion of full employment, society keeps dragging along, long after it has crossed the river of industrialization and moved far inland. Relinquishing this raft and thus freeing mankind from unnecessary (and often harmful) work is the task of the consumer credit control school - namely, of Douglas Social Credit.

Seen from this perspective, the producer and consumer credit schools are not so much alternatives as sequential policies suited to different stages of socio-economic development, with the former being suited for developing countries and the latter for developed nations. They also share a common opponent: financier credit control - and its neoliberal ideology that is ever ready to crucify mankind on one pretext or the other, be it austerity, competitiveness or indeed, gold. ***

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