

the "populists" v. the "greenbackers"

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From: Bill Ryan (*william_b_ryan_at_hotmail.com*)

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Thank you for this, Joe. It is a valuable contribution to my understanding of Douglas and his thought. This particular quotation might be considered in conjunction with the quotations regarding "usury" contributed earlier by Wally Klinck, which I've appended below. Incidentally, do we have an update on Wally's condition? Social Credit historically is very much in continuation of the 19th Century American "Populist" movement—that influenced thought in the English-speaking world. The Populists were in theoretical conflict with the "Greenbackers," though both movements "fused" in backing the presidential candidacy of William Jennings Bryan's first campaign in 1896 against the Republicans.

The Populists were for checks and balances. They advocated the regulation of "natural monopolies" like utilities and banking. Government is itself a natural monopoly that should be checked. They opposed in general the centralization of power in government or any organization. They strongly opposed the Greenbacker program of having government "print" and "spend" money into circulation in lieu of taxation. The necessity to tax is a check on government the Greenbackers would have eliminated. *>From the Populist perspective, governments should tax rather than borrow from banks or print their own money for spending, except in times of emergency like war where the national survival is at stake. Hence, the Populists typically advocated "balanced" government budgets, as we later saw in the Social Credit administrations in Alberta and British Columbia. Governments were to be permitted to spend only what they could tax with the consent of the governed. One remaining legacy of the Populist era is that not paying taxes is not a crime anywhere in the United States. (But tax fraud is of course a crime.)* The government as creditor has civil rather than

criminal remedies to enforce collection, as has any creditor.

In respect to banks specifically, they were to be regulated and de-centralized. The Populist movement started in Texas. Until recently, banks in Texas were required to be locally owned. Branch banking was not allowed. Banks were not permitted to have even drive in windows that were not attached to the main building through a common roof. A drive in window not connected by a roof was considered an illegal branch.

In contrast to the Greenbackers, the Populist monetary program was "free coinage." The money monopoly of banking would be broken by the free coinage of silver, which was (and is) plentiful in comparison to gold. Anyone with silver or could get it (much remains in the ground waiting to be mined throughout the West) would have the right to take it to the government mint and have it "coined" into legal tender money at the legal rate, so many dollars per troy ounce. Coining could be in actual coins or silver certificates redeemable in silver on deposit at the Treasury. The Treasury would take a small percentage of the silver in credit to the government as its "seigniorage" in payment for the service rendered. Being legal tender, the banks would be required to accept the legal tender money in payment of debt, thus breaking their monopoly. The mining companies would become a check on the banks, in the matrix of checks and balances against concentrated power.

Free coinage in my estimation would have worked and precluded the Great Depression (1930-39) that engulfed the industrialized world.

The Greenbacker program would have ushered in an era of pure fascism on the North American continent, whatever its good intentions.

Bill

-----original message-----

Subject: [socialcredit] Re: (Social Credit) Relevance (and Douglas's Later Works)

Date: Friday, October 22, 2004 07:56:32 (-0700)

From: Joe Thomson

Hello Bill, and All,

There is a passage, number 159, in C H Douglas's post-WW II book "The Development of World Dominion", (found on page 128 in my copy), in which Douglas states:-

"We should be prepared to agree that in technical ability, and, in the narrow sense, moral integrity, the upper administrative personnel of the Bank 'of

England' is equal, if not superior, to that of any institution of its kind in the world. At least since 1920, its structure has been modelled on the German–Jew cartel controlling Banks, each industry having one or more Directors who have only to make a case to get all the finance they need. Other mechanisms, such as Nuffield Trusts, etc., mould science, art, and thought.

"This being so, it is difficult to assess the activities of various monetary reformers, and their schools of thought, which agitate for 'the restoration of money issue to the Government (or 'the people') to spend money into circulation to keep prices constant.

"We are not concerned at the moment with the technical falsity of the objective; what we should like to get at is the nature of the idea they have in mind. If corruption, in the ordinary sense, is ruled out (as it is), what do they think they can 'do' to the Bank 'of England'? Do they seriously think Parliamentary mechanisms can control it?

"As things are, we consider that the demand, under various names, for the further centralisation of money–creation is the most dangerous activity extant. And many monetary reformers, who appear to be more concerned to damage private banking than to achieve individual benefit, are doing their half–baked best to assist.

"The one fact which becomes clearer daily is that the value of the Parliamentary system depended almost entirely on the fact that in the days of metal–coinage systems, the central Government, whether it was King or Prime Minister, had to get its finance from individuals."

"The foundation of the Bank 'of England', the Whig shop–window for Amsterdam and Frankfort, struck a mortal blow, as it was intended to do, at the English governmental system. To "nationalise" the Bank, or to transfer its functions to the Treasury, would be merely to put what little remains of the lady inside the tiger."

July 28, 1945. (end of Douglas quote.)

Yet here we have today many "Social Crediters" in various countries, some even organized as political parties, calling for the very thing Douglas was warning above against. Could we get a clear statement just what Douglas envisioned throughout his works when he called for 'de–centralised finance'?

Obviously, despite his reference to it above, he was not advocating a return to a 'metal–coinage'. (I seem to remember I've read somewhere, perhaps on the

old Topica list quite some time ago, someone writing that one prominent Social Crediter possibly connected to the Secretariat seemed to think there was some merit in returning to the 'gold standard' ~ but perhaps I'm mistaken. I can't see Douglas ever advocating that!)

What would be helpful, I think, is to take what Douglas has written above, where he has compressed a great many thoughts into a very short series of paragraphs, (many of which COULD, out of context, be taken the wrong way), and explain just exactly what he means in relation to the Social Credit financial proposals.

Best wishes,

Joe

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Douglas on "Usury"

from: Wally Klinck

129. The rapturous iconoclasm of certain groups of "monetary reformers" to whom "usury", the sparring-partner of the bankers "inflation", is the Scarlet Woman of Babylon, has had the inevitable effect of encouraging the financial authorities to abolish, for practical purposes, the interest paid on undrawn current balances, and deposit accounts. We do not say they would not have done it anyway—the one thoroughly sound feature of the banking system was its dividends to shareholders and its interest payments to depositors which jointly with the insignificant mint issues, provided almost the only fresh unattached purchasing-power. It is obviously lost time to beg of our amateur currency experts to consider whether they really mean what they ask which is the replacement of unattached purchasing power by loans. But they must not complain if we, and others with us, regard them as propagandists for totalitarianism.

The Social Crediter

(Oct. 27, 1945.)

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89. We make no apology for recurring to the dangerous disservice to genuine reform which is offered by many "monetary reformers" who mix up certain ill-understood "moral principles" with attempts at practical design. Amongst the objects of their attack, an easy first is "usury", which they would define, if they troubled to define it, as the taking or giving of interest upon a money loan.

It should be understood without much difficulty that, in a predominantly gold coinage system, if Moses Finkelstein lends one hundred gold sovereigns to John

Brown and demands back one hundred and twenty-five at the end of a year, and continues that process, it is only a question of time before Moses owns all the gold. But if John Brown makes a deposit in his bank, and the bank allows him three per cent interest (no, Clarence, this is not a fairy story) there is no available evidence to show that John Brown will come into possession of the bank. What has happened is that John has shared, to a minute extent, in the profits of the bank, in return for providing a smoke screen for the legend that banks only relend money deposited with them. Now that this legend is exploded, John has been informed that he is no longer wanted, and his share ceases. In fact, he is charged for keeping his account. That is what the usury hunters have achieved.

But, you may say, the banks "have no right" to create money to bribe John with a decimal fraction of it. The only part of this sentence which makes sense is the latter. John and others like him ought to have a larger "interest" on their deposit (really a dividend on the money created). The greatest nonsense, of much, which has been written about the banking system is that which attacks their dividends and interest paid on deposits. These items are the only fresh money, corresponding to the normally increased real wealth, which comes into the hands of John Citizen. The rest disappears into invisible reserves, such as those colossal figures which Mr. Dalton will not disclose, which, by the acquisition of the Bank "of England", have now been made a free gift to Mr. Barney Baruch, et al.
The Social Crediter
(Jan. 12, 1946.)

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