

**PROSPERITY
NEWSLETTER
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**For the Promulgation
and Establishment of the
Douglas Social Credit
Proposals.**



**Major C. H. Douglas on his
yacht (on the Solent, 1920's)**

**12,000 people hear
Douglas!**

The Sydney Stadium was the scene of a unique and memorable meeting on the night of 25th January, when Major C. H. Douglas addressed a great concourse of twelve thousand enthusiastic citizens and probably a million more through the Broadcast over the length and breadth of Australia.

Major Douglas proved himself to be a most effective platform speaker with a complete mastery of his subject, lucid, convincing and dignified. Added to his knowledge and his gift of speech he has a

delightful resonant voice and great charm of manner.

He was graciously and effectively introduced by Mr. S. F. Allen, State President of the D. S. C. A. of N. S. W., and when he appeared on the platform, accompanied by Mrs. Douglas (bearing a huge basket of flowers, the gift of the Association), he received a tremendous ovation from the audience.

MAJOR DOUGLAS'S SPEECH

In speaking to the hundreds of thousands of Australians that I can see, and that I cannot see,

I come to speak to you as one of a great and growing band of brothers, a band growing with terrible rapidity. (Applause). I do not omit from that band our sisters because we recognise that when our sisters want something they generally get it and, therefore, we do not make the mistake of underrating their importance.

Now, in any matter which has to do with great policies, and we must realise that we are dealing in this matter with perhaps the greatest matter of policy which has affected the world in, at any rate, the past 500

years, there are two aspects to the matter which are important. First of all, you have to be sure that what you propose to do is right and sound, but that is not all, because in these matters you must realise that right and might have to be brought into line. Because of the importance of this, I want to devote a short time in telling you something about the band to which I belong and to convey, as I think Dr. Streeter said, the good wishes of these other helpers all over the world.

As I said at lunch today, this is not an Australian

question; it is not even a British question—it is a world question. The financial system is essentially the same all over the world. We imagine that we live under national conditions, national laws, national customs, and matters of that sort. That may be true in regard to most things, but it is not true in regard to those things without which we cannot live at all—I mean bed, board and clothes. These are governed substantially by the same system all over the world, and it is that system, that international system of finance, which we are here tonight to challenge. (Hear, hear!)

Now, let me take you very rapidly over some of the ground covered by those who are fighting the old ideas. As you would imagine, many are poor, some are not so poor; we do not worry about that. We do not make the elementary mistake of assuming that all rich men are knaves, or even that all poor men are wise. I am myself rather of the opinion that there is a little more intelligence and a great deal more courage amongst the poor than there is amongst the rich (Cheers)—that is partly because there are certainly more poor. (Laughter) You cannot generalise in these

matters. I once knew a very intelligent banker—it was some time ago and he is now dead. (Laughter)

But let me take you to some of those groups of Social Crediters all over the world, as I am privileged to move about amongst them. In London, we realise that as things are at the present time these changes must be brought about constitutionally. Now, bringing changes about constitutionally means getting the big battalions on your side, and we have in Great Britain famous regular staff officers; we have permeated most of the

great services of the Crown; we have on our Council in London officials of the greatest Federation of employers in the British Empire; we have on the same Council, helping us — and one of the most valued members of our Council — a man who five years ago did not know where his next meal was coming from, but he is now Editor of a very successful little Social Credit paper. I can say this that there is no section of British society which is not represented, from the House of Lords to the poorhouse, in the Social Credit movement in Great Britain.
(Applause)

We have an army at the moment, when I last heard it numbered 6,000 men in uniform — the Green Shirts, and I am very proud to say that every one of those Green Shirts carries a little piece of Douglas tartan on his shoulder. The Green Shirts are not the Social Credit Movement; they only deal with one particular section of the population, and that is the section which is commonly called the Unemployed — we might more correctly term them the Unempayed. Every one of those 6,000 probably has at least 20 adherents who are not in uniform, and the number is growing daily.

Just before I left for Australia I attended a meeting at the House of Commons. I have attended a good many meetings at the House of Commons. I always judge the progress which has been made in these circles by the sort of meal they give me at the House of Commons.

When I went there previously I got a cup of cold tea and a stale scone; the last time they gave me a very good five-course dinner, and a very good whisky and soda. So you see we are getting on even in these sort of places. (Laughter)

I could take you to interesting groups in the

North; there is one in every great city of Great Britain, sometimes three or four. In the north of Scotland, where land-owners, professors of the Universities and many others are members, the very important man is a tailor, and he is the life of that particular group.

But let us go across to Paris. In that city there are two main groups, because the French are becoming very vitally interested in this matter. One of them is headed by a famous Belgian engineer; the other consisted of French army officers, Russian refugees, French journalists and at least

one Mayor of a suburb of Paris. There are also some who had formerly belonged to the Communist Party.

There is a group in Norway; there is a group in Switzerland; there are dozens of groups in Ireland. Before I left I spoke in the largest hall in Ireland, the Ulster Hall in Belfast, and I am very proud to say there was hardly room for one more person in that building.

You are making enormous progress in Australia, and I believe even more progress, if possible, in New Zealand, but even your

progress is hardly parallel with the progress that is being made in Western Canada.

There are groups on the Western Coast of the United States; there are groups in New York, very powerful groups, and there are groups in Washington, and one of these groups is doing what it can to influence the American situation along the lines we should like to see.

There is a very completely instructed population, or section of the population, in Japan; I know it because they pirated my books. There is very little doubt that

the tremendous advance in Japanese export trade which amounted to an increase of 53 per cent. in one year—such an increase as has never been known in the history of industry—is an example of working the Douglas Scheme upside down, subsidising exports for sale much below the cost and making up the difference to the manufacturer out of the national credit. We know for a fact that the same thing is happening in China. My books have been translated into both Chinese and Japanese.

I should at this juncture like particularly to say that I am speaking to

Queensland because we have had such a marvellous address from your President.

If anyone supposes for a moment that an idea, a movement and a programme which have spread practically within 14 years over the whole of the civilised and a great deal of the uncivilised world, is going to be stopped by making me miss the boat for New Zealand, then I can assure those people that, in the words of the American ‘they have another think coming.’
(Laughter and cheers)

It is not sufficient that an idea should be right, it

must be dynamic, and I have mentioned these little matters to show you that this idea is dynamic and has force behind it. What is it that makes the appeal in these ideas that we are discussing tonight? Of course, in an economic sense, as we believe from the bottom of our hearts, they are correct, they are sound, but that is not enough. They do, we believe, render it possible to solve this paradox of poverty amidst plenty, but even that is not enough. There are ways by which this paradox could be solved otherwise. There are methods that are being employed in Russia and elsewhere in attempts to

solve this problem along quite other lines, but the reason that these ideas do make to those who understand them, an instant appeal and an urgent desire to get to the truth of the matter is that they offer an escape from something that I have called Utopianism.

We all know that at the present time the world is becoming bound up with one law and one regulation after another. We are brought up in what is sometimes called vocational training, as if the object of life was to earn a living. We are told that we must do this, that we must go there, that we must not do that, and

there is at the bottom of your mind the feeling that it is not only not right but that it is not necessary. (Cheers) We may see the urgent necessity for subordinating our special wills and our special ideas of life to some specific urgent necessity such as perhaps arose in 1914. What humanity does not like and will not believe for any length of time is that necessity should be made permanent.

Now, the Social Credit idea is exactly the reverse of that regimentation to which I have referred. It says first of all that because of the genius of

inventors, because of the work of engineers, organisers, agriculturalists and others, great chemists and so forth, we have now ready an age of abundance and fundamental economic security and it will not, in my opinion, for very long tolerate that terms should be made for that abundance or that economic security. (Applause)

You will remember it was said about certain forward people that they took too much upon themselves. Now, I think that in dictating to all of us the way in which we shall get these good

things which either we ourselves or our immediate ancestors have provided for us, any self-appointed body of persons, whether they be called financiers or otherwise, are taking much too much upon themselves. It is from this world of bargaining, this world of rule and regulation, which exists not because of the necessities of the case, but because of the necessities of the system, it is from this that social credit offers an escape. (Hear, hear!)

It does not say, there is one perfect world and we will impose it upon you others, making it a

Utopia, but it does say that we are in possession of all the necessary materials to enable you to make a perfect world for yourselves. We do not know what sort of a world you would like to make, but we will help you to make it, and that is what we call the escape from Utopia. It is the thing that the human mind, and particularly the Anglo-Saxon mind, has always been determined to achieve right through History, and sometimes we call it Freedom, and we are determined, all of us, to achieve Freedom. (Loud applause)

There are, of course, a

number of technical considerations in the achievement of any system of distributing goods and services. An examination of the exact details of proposals of that kind is always, in my opinion, better conducted by perusing the writings or discussing it with others who are equally interested, but the principles which are necessary to achieve this economic freedom are really very simple indeed, and do not let anybody tell you that they are complicated.

The first of these principles is that your accounting system—and

you must have an accounting system in this economic world in which we live because it is a complex system dependent to some extent on what we call the division of labour and process, you must have an accounting system in order to keep these processes regulated—but the first thing that an accounting system should do is to REFLECT FACTS. (Hear, hear!)

Now, how can it be said that the accounting system of the world reflects facts when you see such a simple little thing as this—and this is only one of thousands of

instances. Take a bale of wool and put it in storage and do nothing whatever to it. One day this wool may be worth, let us say, £1 (I don't know the exact price, but let this serve for illustration) and in one or two weeks exactly the same bale of wool is said to be represented by £3 or £4. How can you possibly have a system which represents facts when the figures can change at any moment without any of the facts changing? That is one of the elementary aspects of the matter, but I simply use it to emphasise that you cannot begin to grapple with this problem until you are

quite reasonably sure that you have some sort of relation which you understand between the facts and the figures. If you had a genuine relation between the facts and the figures at the present time, you could not possibly have poverty amidst plenty. (Applause)

It is only a very short time since over the wireless in Great Britain we were assured that we were a poor, poor country, and that the only thing to do was to economise. Suddenly, with no change whatever in the physical facts, they seemingly discovered that that would not

work, and within two or three months of its being broadcast that we should economise we were told that the only thing to save us was to spend.

(Laughter)

Now, having got some sort of relationship that you understand between the facts and the figures, then you have as a question of policy to deal with both facts and the figures. This is where genuine politics—I do not mean the sort of stuff that is called politics, but genuine politics—may reasonably come in. You may take, for instance, a country like Australia [or Scotland], and you may say, well, a very wealthy

country potentially, and we should like to develop it very much along Western European lines, and in order to do that it would require that the whole of the population shall be employed. There is no difficulty about that whatever. I WOULD GUARANTEE WITH A FREE HAND TO PUT EVERY MAN AND WOMAN WHO WANTED TO WORK IN AUSTRALIA, INTO WORK WITHIN THREE MONTHS. (Applause)

But it is not necessary. You might quite reasonably say 'There is plenty of time for posterity. There is no

reason why we should do the whole of posterity's work; posterity never did anything for us. Let us enjoy a certain amount of this glorious sunshine and this wonderful land in which we live'. That could be achieved; there is no difficulty whatever in providing, with a very much shorter working week, or, alternately, with a comparatively large leisure population, a very high standard of living for everyone.

These are matters of policy, genuine matters of policy, which you might reasonably be supposed to be allowed to settle for yourselves,

but when anyone says that it is impossible that this country can be in a state of full employment, or, alternatively, that it is impossible that those who are not employed shall be reasonably maintained, then I say that he simply does not know what he is talking about. (Hear, hear!)

You cannot possibly have at one and the same time a large unemployed population, which is the same thing as assuming a large potential production, together with large unused spaces of land and a large mass of unused machinery, you cannot have these things at one and the

same time, and have poverty without there being some reason which prevents these people from becoming rich.
(Applause)

There is one aspect of the matter which I think is probably more important in Australia very largely because of your trend of thought, as I understand it, and that is the question of the form of administration that you give to your various industries and to your finance. It is one of the most unfortunate mistakes which has affected the general move in the world for better conditions for everybody, that it has

generally confused what we call administration with policy. People think, when they see a man giving orders, that that is the man who is formulating the policy which is being followed in that particular case. This is very probably not the case. When you see a foreman stevedore down in the docks unloading a ship with the aid of a large number of men to whom he is giving picturesque orders, that man has no control whatever over policy. He is in a certain amount of control of administration. He is administering a certain mass of men in accordance with a policy which is imposed upon

him.

Now, there is one danger which I see at the present time, apart from the intervention of a world-wide catastrophe, and that is, in regard to this question of change in the financial structure of the world. We know quite well that Governments are supposed to be supreme over the people governed. On paper, at any rate, the Government of Australia is the supreme authority in Australia, I presume. But I refer to a country I know better, Great Britain. On paper the supreme authority in Great Britain is the House of Commons; but

it is extremely doubtful if this is so at all. It is much more likely that the supreme authority is the Bank of England. But the point I want to make is this, that there is a sort of paper condition of these governments of ours which does make them a power, though they may not be the supreme power, but they are the second power in the State. What I am so much afraid of is that, by undue haste in combining these two powers through the nationalisation of the financial system and its combination with the government system, you might make only one supreme power which

you cannot handle and you cannot control. That is a very real danger, and I would like to impress it on you. I do not think that it may not eventually be necessary to make banking a State service, but what I am convinced of is that, before you do that, YOU MUST BE ABSOLUTELY CERTAIN THAT YOU HAVE THE POLICY OF THE BANKING SYSTEM CHANGED. (Loud applause)

Now, what is that policy? It is concerned with the facts, and the outstanding facts so far as Western Europe and the United States of America are concerned,

are first of all this tremendous potential abundance, and, secondly, that this abundance is obtained by a decreasing amount of what we call employment. One of my colleagues in Great Britain, working along quite separate lines, and using somewhat different data, arrived at the same conclusion that I did, and that was the result which was confirmed by the more responsible side of what is called the Technocracy Movement in the United States which is also studying the matter, and the three groups came to the same conclusion, which amounted to this: It was

obvious so far as Great Britain was concerned, that by 1942, if there was no tremendous jump forward in invention or innovation, if matters actually took their normal course, it would be possible to supply all the goods and services that Great Britain could possibly use for a very much higher standard of living than anything we have conceived up to the present, with an unemployed population of over 8,000,000 in Great Britain.

The total employable population in that country at the present time is somewhere between 12,000,000 and

13,000,000, so that the normal progress of actual production would force us to contemplate a state of affairs within 10 years' time that only one-third of what we would now call our employable population would be employed. The wages system as we know it is progressively and increasingly incapable of dealing with the form of society in which two-thirds are unemployed. We know exactly how to deal with that situation, and that is by the method of NATIONAL DIVIDENDS. (Cheers)

I want you to realise that, owing to the fact that we are brought up under the

hypnotism of money, these very simple things are sometimes very difficult to realise. There is really no such thing as economic insecurity at the present time. There is no reason why any single person in Australia should give one moment's thought as to where their next meal is coming from. To say that it is necessary to have a succession of 'booms' and 'slumps' is an admission of complete administrative incompetence.

I am always very anxious at all times to make this matter as impersonal as possible. I do not honestly believe that

every banker is a rogue; I think that many of them are very sincere indeed, and, of course, I realise the immense power that their position has placed in their hands. Where I do think that they begin to be seriously blameworthy and liable to public reprobation is that when these matters are presented **THEY WILL NOT CONSIDER THEM.** I do not myself mind in the least if better ways are found of doing things than the ways that we propose. There may be; nothing is perfect. What I do object to is for people to say: No, we will persist in the old ways which have produced these

catastrophes.

It is a very strange thing that those who consent to be the upholders of the financial system are not particularly perturbed by the accusation that they have made mistakes.

They have made mistakes even in their own system to an extent which would have been certain to secure the dismissal of any functionary in any other profession than that of banking. I think that if the designers and constructors of the Bridge had failed in their work five times, and the Bridge had fallen down about five times, and was not up yet, you would be

likely to say it was about time that new designers and new contractors should be given the work; yet this financial system which is alleged to be the only financial system breaks down on every occasion that any strain is put upon it. Somebody has defined a bank as being an organisation which lends you an umbrella when it is fine and asks for it back when it rains (laughter), and, of course, when it rains you get wet. But, as I was saying, the accusation of having made continual mistakes and having continual catastrophes does not perturb the orthodox banker or economist at

all.

What does perturb them is to say that the system is a bad one and must be changed. That is why it is very important to point out that a cohort of angels from Heaven could not make this system work satisfactorily. We have been saying that for the last 14 years, and, in my opinion, most of the reasonable arguments which could be brought against the things that we have stated have been said and are practically silenced. There is no argument which is brought forward now in Great Britain with which we as an organization

have not dealt and have not answered, but it is necessary to realise that you can go on along these lines practically for ever so long as you do not move any further. You have got to bring pressure to bear. (Hear, hear!)

In Great Britain we have devoted during the last few years much more attention to this question of bringing pressure to bear than we have to the technique of Social Credit. We are quite satisfied that we have a technical basis for what we want to do, and we are now concerned with getting it done, and in general we have pursued

this course. We have contacted an increasing number of men in responsible positions. It is a very cheap thing, and one quite out of drawing with the gravity of this Movement, to suppose that all men in responsible positions are incompetent and are fools. They are not. What I am perfectly convinced of is that these men will never move unless pressure is brought to bear on them. You must first of all get the people to understand what it is that you are trying to do, and what you want, and then you must say in no uncertain terms that you intend to have that thing done, and I am

absolutely confident that you will get it done.
(Cheers)

I notice that when I talk now to those people in responsible positions, they do not ask me very much about the technical aspects of Social Credit; they say, "How many followers have you got?" (Laughter) That is the thing that interests them. If you get a sufficient number of people and set your course properly, I do not believe that there is anything that can withstand you. But both of these things are necessary, and, in a rapid passage through Sydney, I give you some practical advice as you go.

Don't waste too much time in lambasting the man who is carrying on the situation. Go to him and say, "Look here, we don't like your system, it isn't necessary, and we would like you to change it. You are close to the machinery, you are in charge of it, you are familiar with it, and it won't answer any special purpose in putting you out. What we are determined to do is to have this thing done. Now, if you do it, everybody will be happy, but if you won't do it, we will put you out."

(Applause)

Following that, I must say that I am not very

much impressed with the idea of forming a special Social Credit Parliamentary Party. I have always opposed the idea in Great Britain, and I think my position has been justified. Get hold of the existing people whether they are politicians or whoever they may be in position, and apply your pressure to them and make their lives a misery to them until they do what you want. (Hear, hear!)

Before concluding, I am forced by my conscience to end upon a graver note. I THINK IT WILL BE A MIRACLE IF WE GET THROUGH THE COMING YEAR

WITHOUT THE
BEGINNING OF
ANOTHER GREAT
WAR. What the outcome
of this may be I do not
know. If it is possible by
that miracle to avert that
comparatively imminent
catastrophe, it can only
be done by getting
complete control of the
financial system within
that time. I say that not to
frighten you. I do not
believe that the Anglo-
Saxon ever really is
urged along any course
by fright. I am simply
telling you as a reason
for knowing that it is
vitaly necessary that you
don't waste too much
time about discussing the
fine technical details of a
new economic system.

That can be adjusted by
your experts. Keep hold
of the situation, say that
you are going to have
certain radical changes
made in this financial
system along lines which
are perfectly simple and
which will permanently
avoid the necessity of
undue competition for
foreign markets. That is
the tinder against the
flint at the present time,
and there is only one
possible way of dealing
with that—by increasing
your internal purchasing
power so that you do not
have to press for export
markets because you can
consume your own
production. (Applause)

Finally, it is very

frequently asked of me whether it is possible for a real financial system to be instituted in one country at a time. There are two answers to this. The technical answer is: "Yes, certainly, there is no difficulty at all," but what you might call the worldly wise answer is: "Yes, certainly, but such a country would immediately have all the pressure of international finance brought against it." That is a true objection, but it has this important qualification, and that qualification was one of the reasons why I sketched the growth of these ideas in the different countries of the world. I do not

believe that if you instituted Social Credit in Australia, and financial pressure were brought upon you from London, as it would be, I do not think that it would be tolerated by Canada.

There is all over the world a growing appreciation of this situation, which spreads even amongst bankers themselves. There is no doubt at all about it that all the lower strata of banking—and I think it is not an exaggeration to say, certainly in Great Britain, 80 per cent. of bank officers—absolutely agree with me. For that reason I would ask you to take heart and at the

same time realise that by making the change in the present financial system you are not running anything like the risks that you are running by allowing things to drift. So get on with it and get busy. (Loud and continued applause)

Reprinted from *The New Era* (Sydney, Australia)

The Critical Moment

“The outstanding fact in regard to the existing situation in the world at the present time, is that it is unstable.... the break-up of the present financial and social system is certain.... A comparatively short

period will probably serve to decide whether we are to master the mighty economic and social machine that we have created, or whether it is to master us; and during that period a small impetus from a body of men who know what to do and how to do it, may make the difference between yet one more retreat into the Dark Ages, or the emergence into the full light of a day of such splendor as we can at present only envisage dimly.

It is this necessity for the recognition of the psychological moment, and the fitting to that

moment of appropriate action, which should be present in the minds of that small minority which is seized of the gravity of the present times. To have a clear understanding of the principles which underlie the problem is essential to those who may hope to play a part in its solution; it is even desirable that skeleton plans should be in existence to meet the situation as it can be seen to exist; but nothing can be more fatal to a successful issue than the premature publication of cut-and-dried arrangements which are likely to be out of date before their adoption can

be secured. As the world is constituted today, effective action is only possible through certain centres of influence; that is to say, short of complete social anarchy as a preliminary to a new world, it is necessary to work through the arrangements which have grown up in the system with which we are all familiar.

It hardly needs emphasis that a constant binding back of proposals for reform, to the moving events of the world, is of the utmost value; in fact, if it be possible to clarify the relation between the analysis of the financial system, the foci of

discontent, and the logical remedy, with sufficient emphasis and over a sufficiently wide area, then the stage will be set for the greatest victory which the human individual has, within history, achieved over the forces which beset him to his fall." (C. H. Douglas, *Social Credit*, 1924.)

"The problem of Social Credit is: How do we bring existing institutions under control? The objective is that they shall be free within their function and powerless outside it." – "More Greatness" by C. H. Douglas, *The Social Crediter*, Vol. 48, No. 22

(January 25, 1969).

"One of the men who profoundly interested me was Major Clifford Hugh Douglas, originator of the Social Credit Scheme.... Douglas's death at his home at Fearnan, Perthshire, on 29th September 1952, removed from our midst one of the greatest Scotsmen of the past hundred years, and, in relation to his own subject, the greatest of all time.... Douglas was disappointed that his own country of Scotland was not the first to give his system a trial. He recognised, of course, that Scotland could not do so until it acquired independence and a Parliament of its own." – Hugh McDiarmid (C. M. Grieve) *The Company I've Kept*, 1966.