

## **Social Credit and Catholicism**

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### **Introduction**

by Eric Butler

In 1936 a little booklet bearing the above title was issued from the College Dominican, Ottawa, Canada. The author was Georges-Henri Levesque, O.P., Graduate of the School of Social and Political Sciences, Lille, France, and Professor of Economics, Laval and Montreal Universities, Dominican House of Studies, Ottawa.

Since 1936 Social Credit has made rapid progress in the French-Canadian Province of Quebec. The journal of the Quebec social crediters, "Vers Domain," has the largest circulation of any political and economic journal in Canada.

The Quebec Social Credit organisation, The Union of Electors, created a sensation when, at a Federal by-election late in 1946, it was responsible for the election of a Social Credit Member in a traditional Liberal Party electorate.

Social Credit ideas continue to expand rapidly in Quebec. In view of the world-wide interest in this rapid progress of Social Credit ideas amongst the French speaking Catholic population of Quebec, the reprinting in Australia of the booklet, "Social Credit and Catholicism," should prove of interest to all Australians, Catholic and non-Catholic. It will explain why Catholic French-Canadians have enthusiastically accepted Social Credit.

It is unfortunate that many people persist in regarding Social Credit merely as a particular brand of monetary reform. Nothing could be further from the truth. As pointed out in "Social Credit and Catholicism," Major Douglas has always insisted that Social Credit is more than a money reform scheme, that it is a policy of a philosophy. Social Credit is based upon the Christian philosophy, which emphasises the importance of the individual and the subservience of the institution to the needs of the individual.

The war against civilization, irrespective of whether it is carried on under the label of Socialism, Communism, or planning of the various brands, is hostile to the basic Christian philosophy.

It is not without significance that Social Credit ideas have made most progress amongst two Canadian communities in which the predominant philosophy is Christian. The Canadian Province of Alberta, which elected a Social Credit Government in 1935 and has kept it ever since is unlike Catholic Quebec; predominately Protestant.

Mr. Aberhart, the first Social Credit Premier in Alberta, said time and time again that Social Credit ideas appealed to him because they were in harmony with Christian philosophy.

Mr. Aberhart was often called by his enemies the "praying Premier."

Speaking at a Social Credit Convention in Regina, Saskatchewan, early in 1946, Professor F. E. Gregoire, the great French-Canadian philosopher and scholar, said.: "The

rapid expansion of the Social Credit philosophy in the Province of Quebec, within the last few years, may come as a surprise to many.

How can a Catholic province, too often publicised as a priest-ridden province, turn an open ear to a doctrine emanating from a Scot engineer ?

How can people who crowd their church every Sunday, where they are reminded of the transient aspect of their pilgrimage on earth, be so intent on improving the general economic condition of their province and country ?

How can people brought up in the respect of established authority be so enthused to look for a functioning democracy in which the citizens themselves would dictate the policy ? Such questions denote a misunderstanding, either of Catholic philosophy, or of Social Credit philosophy, or perhaps of both. The people of Quebec are surely a religions-minded population. They surely place upon eternal life an infinitely higher value than upon temporal life.

But, they know very well, as was clearly expressed by Pope Pius XI, that the controllers of money and credit have rendered life 'hard, horrible and cruel,' and that such economic conditions

"make it difficult for an increasing number of men to operate the capital work of their eternal salvation."

"The people of Quebec, with St. Thomas Aquinas, assert that a minimum of earthly goods, enough to lead a decent life, is quite appropriate to help in the practice of virtue."

The people of Quebec are surely brought up in the respect of authority. But they also know how to make distinctions, and how to define the mandates outside of which alleged authority is nothing but usurpation.

We set no limit to the Pope's authority in spiritual matters, because we see in him the Vicar of Christ Himself, responsible only to Christ. But not so with the heads of civil Governments; they are only the vicars of the multitude - as does again remark Thomas of Aquinas, "As such. they are mandated by the people only to serve the people - nothing else. . . ."

The Social Credit philosophy in no way contradicts our Christian philosophy. Every Social Creditor whether Catholic or Protestant, senses the parenthood between the Christian and Social Credit concepts of what should be the relations of man with man, and of men with the State.

"Our Heavenly Father bestows His gratuities lavishly on every human being, making no discrimination between the deserving and the non-deserving. And so does Social Credit. The Social Credit dividend will go to all and each, exactly as does God's rain and sunshine."

In "Social Credit and Catholicism" the author makes it very clear that he is not concerned with the financial technique of Social Credit, but with its philosophy. He is particularly concerned with the question of whether Social Credit is tainted in any way with Communism or Socialism.

It is interesting to note that, in 1939, Social Credit had made so much progress in Quebec that the Quebec Hierarchy of Bishops appointed nine theologians to examine the Social Credit and give an opinion as to whether it was tainted with the Socialism and Communism condemned by the Catholic Church.

After considerable deliberation, the theologians found that Social Credit was not tainted with Socialism or Communism and was worthy of close attention. Two of the theologians were members of the Jesuit Order.

In recent years Social Credit Movements throughout the world have been emphasizing the fact that centralised control of society through the financial system is being rapidly supplemented by control of the physical necessities of life. In other words, the Socialist and Communist Movements are being used to establish complete tyranny.

We have what is termed the Financier-Socialist plot against civilization.

It is appropriate to quote here one of the greatest of Catholic writers, Mr. Hilaire Belloc, who writes in the Catholic Truth Society Tract, "The Church and Socialism":

*" . . . A society in which one Socialist experiment after another takes place in the scheme of laws will not end as the ideal collectivist society which these just, sincere and ardent men I am here opposing propose.*

*It is far more likely to end as a State in which a very small class of free owners shall control a very large servile class into which the mass of the citizens shall have sunk. This is the peril which I believe to lie before society, and especially before the non-Catholic societies of Northern and industrial Europe, with their subservience to Jewish finance and their inheritance of an anti-Catholic philosophy. . . .*

*It is a peril, inconceivable to either party in the great modern quarrel, but it is close at hand. The only alternative I can see to that peril is, even in the temporal and economic sphere, the action and effect of the Catholic Church upon its citizenship."*

In his first book, "Economic Democracy," published just after the first World War, Major Douglas devoted a large amount of space to the subject of organisation in society; stressing the fact that the rights and liberties of the individual can only be preserved in decentralised political and economic organisations.

Social Crediters have never tired of pointing out that the smaller the political and economic unit, the more chance the individual has of developing his own sovereignty.

Mere money reform as such, without any insistence upon a society in which the individual can control monetary and other policies, can lead to even worse serfdom than we have now.

We must either build a society based upon genuine Christian principles, or succumb to the policy of the very Devil himself, the subordination of the individual to collectivism in all its various forms.

Catholic Social doctrine is very clear on this matter.

Pope Pius XI stated:

*"It is 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 by smaller and lower bodies. That is a fundamental principle of social philosophy, unshaken and unchangeable and it retains its full truth today. Of its very nature the true aim of all social activity should be to help individual members of the social body, but never to destroy or absorb them."*

The greatest tragedy of the critical times in which we live, is the manner in which so many professed Christians of all denominations have uncritically helped further the anti-Christian policy of collectivism and centralisation. But in Quebec we see Social Credit, genuinely opposed to all collectivism and centralisation, making tremendous progress among a people possessing what Major Douglas has termed a social structure that "is probably the most genuine Catholic culture under the British flag."

Although the importance of the Social Credit administration in Alberta can not be over-emphasised, the rapid development of Social Credit in Quebec is one of the most significant developments of recent times. The type of organisation being built up in Quebec by the Social Crediters must prove of such great interest to all Christians who desire to build a functioning political and economic democracy, that a description of it is included as an appendix to this booklet.

Social Crediters may not agree with every point made in "Social Credit and Catholicism," but, considering when it was written, it is an excellent little introduction to Social Credit and should stimulate Catholics and non-Catholics to investigate the subject further.

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### **Social Credit and Catholicism** **by George-Henri Levesque, O.P.**

#### **DIFFERENT ATTITUDES**

Whenever a new social doctrine comes to light, or a new movement is on foot, four classes of people little worthy of serious consideration are generally to be met; namely, the selfish whose drift and interests securely bind them to the former state of things or who see in the intended reform nothing but a means of furthering their own personal success;

the shallow-brained who form an opinion without the consideration and the conscientiousness required for a thorough knowledge of a question;

the enthusiastic and the snobs who blindly and hastily embrace every innovation and incautiously accept whatever they believe has any chance of becoming established;

finally; the pusillanimous, the timorous and the faint-hearted for whom any change, innovation, or risk is an object of utmost apprehension and who cling to the present moments and things as if they were eternal.

Yet is not life by nature an evolution, a movement towards progress, a bound in the future unknown? Catholics, let us never assume such an attitude, especially when we act as Catholics. We therefore have but one duty; to examine without prejudice and without any foregone conclusions, without exaggerated fear, but also without rash enthusiasm, with great disinterestedness and conscientious objectivity; in a word, to examine every new idea honestly in the light of the fundamental principles of Christianity.

It is what we propose to do, within the limits of our modest resources, in regard to the theories of Social Credit.

## **A FEW PRECISIONS**

For more than two years, on several occasions we have expressed privately and even in our course of lectures the opinion that Catholics can rightfully adhere to Social Credit. We have often been asked to make our opinion known to the public at large. So, if we comply with those requests today, it is for the sole purpose of rendering a service. First of all, let us determine the exact subject on which we shall pass judgment. By Social Credit we mean the essential principles of the system so-called and elaborated by Major Douglas and his principal collaborators, and not the particular applications or interpretations that are made here and there.

It should also be well understood that the present study aims to judge Social Credit according to the Catholic Social doctrine only, and not from the strictly economic standpoint. We limit ourself to the role of a theologian, leaving to economists the task of judging Social Credit from their own point of view.

Finally, it should be stressed, that we do not pretend by our judgment to pledge the Catholic hierarchy in the least. We express merely a personal opinion.

## **JUDGMENT**

This being understood, let us say immediately that we do not find in the essential ideas of Social Credit any serious defect capable of preventing a Catholic from giving his support to this new economic system. On the contrary, it contains many principles that are very dear to Christian sociology. The principal fear that has been expressed in our hearing as regards Social Credit, is that the system stands among the forms of Socialism condemned by the Church.

Now we do not see in the least how Social Credit can be taxed with any of the faults for which Socialism is condemned in the Encyclicals. Social Credit is not materialistic, is far from favouring class warfare, is not opposed to private ownership, does not restrict human liberty unduly, and apparently does not exaggerate the part to be played by the State.

## **(I)**

### **SPIRITUALITY OF SOCIAL CREDIT**

Perhaps some may say that Social Credit is only concerned with reforms in the economic and material domains.

It is true; it is even chiefly a question of monetary reform. That does not mean however, that Social Credit denies the urgent necessity for other reforms, nor does it reject the existence and primacy of spiritual values.

If the new system pretended to set forth a complete program of social reform or a new form of civilization as desired by the C.C.F. (Canadian Socialist Party) the tenacity it displays in applying itself almost exclusively to economic problems would rightly deserve the accusation of materialism. But nothing can stop it from confining its efforts to the redressing of the economic sphere provided it respects the claims of spiritual values.

## **IN A SPIRITUAL FRAMEWORK**

Now, that is exactly what Social Credit does. Indeed a spiritual orientation is given in no uncertain way by Douglas to his new system. Having declared that every economic system should be made subservient to a philosophy of life, he rejects the opinion of those for whom the economic system is an end in itself, as if it were the whole of human life. He then sides with those who consider the economic activity of man a particular functional activity carrying with it the obligation of respecting and favouring other human activities, especially those of an intellectual and moral nature.

"No discussion of the financial system can serve any useful purpose which does not recognize:

(a) that a works system must have a definite objective;

(b) that when that objective has been decided upon it is a technical matter to fit methods of human psychology and physical facts, so that that objective will be most easily obtained.

In regard to (a) the policy of the world economic system amounts to a philosophy of life.... The economic system is simply a functional activity of men and women in the world . . . . Economic organisation is most efficient when it most easily and rapidly supplies economic wants without encroaching on other functional activities (Warning Democracy, pp. 37-43).

You may also read this other statement which can be found in Miss E. S. Holter's little book, *The A.B.C. of Social Credit*, a work that Major Douglas himself considers as a straightforward, honest, and simple outline of Social Credit:

Social Credit is not solely an economic solution to the present crisis, it has a profounder philosophical basis, rooted in human nature itself. Its vital aim is not merely to establish economic security without destroying individual initiative. It is interested in economic security for the very purpose of establishing individual freedom in order that man may develop according to his own initiative and capacity.

The possibilities implicit in our age of plenty go much further than the problem of distribution or any other economic consideration. The struggle for physical maintenance becomes incidental. Man is at last freed to devote himself to those intellectual, emotional and creative pursuits which alone can make life something more than mere vegetation. The expression of individuality is essential to the happiness of man (p. 83).

## **HUMAN ECONOMICS**

But Douglas is not content with placing his economics in a spiritual framework and directing his system from the outside, so to speak, toward spiritual good. The spiritual end is made to govern the very interior of his economic system. Social Credit is wholly centred on the very Christian principle that the proper goal of economic activity is to satisfy the needs of man and not to accumulate wealth for wealth 's sake.

The real object of production and distribution, Mr. Douglas repeats, is consumption and not profit. "

*The business of an economic system is to deliver the right goods to the right users*, he says in one of his prefaces.

All his reforms proceed from the thesis maintaining the primacy of the consumer, purport to place economy at the service of man and of all men,

*"The essential nature of a satisfactory modern co-operative state may be broadly expressed as consisting of a functionally aristocratic hierarchy of producers accredited by, and serving, a democracy of consumers"* (Credit-Power and Democracy, p. 90).

Numerous passages of Major Douglas' works emphasize the fact that economies should be focused on man and all his wants, and it is impressive to note how much they resemble a very important but very little known page of the encyclical *Quadragesimo Anno*:

*"For then only will the economic and social organism be soundly established and attain its end, when it secures for all and each those goods which the wealth and resources of nature, technical achievement, and the social organisation of economic affairs can give. These goods should be sufficient to supply all needs and an honest livelihood, and to uplift men to that higher level of prosperity and culture which, provided it be used with prudence, is not only no hindrance but is of singular help to virtue."*

## (II)

### **PEACEFUL CHARACTER OF SOCIAL CREDIT IN FAVOUR OF NATIONAL PEACE**

The only revolution advocated by Social Credit is the monetary revolution. No social upheaval is called for, no class warfare is desired, and to no class is relegated the right to dominate others, not even to the class of financiers and bankers who are sharply rebuked for having become the masters and dictators of the country, whereas they should have remained its servants.

The Social Credit system believes, as does Catholic Sociology, that there are social inequalities that are inevitable and admits the need and legitimacy of the differentiation of groups and professions. But it also desires all to respect one another and to work in harmony for the common . . .welfare. . . . AND INTERNATIONAL PEACE.

The Social Credit partisans extend their policy of collaboration and peace as far as the international domain. There again, however, they clearly see that peace is impossible as long as the present monetary system is maintained, the trust of credit is allowed to continue, and the world is left to the domination of those international and anonymous financial monopolies that are attentive only to their own interests and find so much profit in the wars and miseries of nations.

*"It seems difficult to doubt that the efforts of those in control of financial policy are primarily, if not entirely, concerned with making the world safe for bankers, rather than making the world safe... . The world cannot be made safe without removing the banker, painlessly or otherwise, from the commanding position which he now occupies. The alternative is in fact clear, and nothing effective can be done to protect civilization from its major risks (war) which is not an attack upon the power of finance"* (Monopoly of Credit, p. 83).

## (III)

### **SOCIAL CREDIT AND PRIVATE OWNERSHIP**

## **CATHOLICISM V. SOCIALISM**

As regards private ownership, Catholicism and true Socialism assume attitudes radically opposed to each other: Socialism advocates the socialization of goods as a general rule, while private ownership is conceded as an exception; while the Church, on the contrary, lays down private ownership as a general rule, although certain socializations are allowed as exceptions.

### **THE CATHOLIC DOCTRINAL POSITION**

Those who wish to know the reason of the Church's doctrinal position on that point, must seek it in the principle of the common good; such being the element, as everybody knows, that constitutes the fundamental principle on which Catholic sociology is wholly based and whence it derives its social import of the highest quality.

Indeed, if the Church prefers the regime of private ownership as a general rule, it is above all because she thinks that, due to man's customary ways and methods, this regime is more suited than any other to assure the greatest efforts, application, initiative, and liberty to all persons and to favour social order, common prosperity, and peace, all these being essential factors of the common good.

It can sometimes happen, however, owing to certain historical circumstances and to special economic-social conditions, that by the application of the general rule to such or such a property, the interests of the common good, far from being promoted, are jeopardized; the socialization of that property is therefore rendered justifiable and even necessary, if no other corrective can be applied.

As the common good sets the general rule, so also does it authorize the exception.

The Pope so speaks when he says: *"For it is rightly contended that certain forms of property must be reserved to the State, since they carry with them an opportunity of economic domination too great to be left to private individuals without injury to the community at large"* (Quadragesimo Anno).

Let it be observed, however, that in each case it must be proven that socialization presents itself as the only means of promoting and protecting the common good. To try to limit the number of possible exceptions would be rather venturesome, because that number naturally must vary, according to the needs and social conditions of different times.

At the present moment, it seems that the number of possible exceptions is destined to increase as the Pope himself points out: *"Owing to the change in social conditions, much that was formerly done by smaller associations can nowadays be accomplished only by powerful corporations."*

Later on, perhaps, those exceptions must be made gradually to diminish in number. History is filled with alternations and recurrences of that sort.

### **AND SOCIAL CREDIT ?**

Now, which is the attitude assumed by Social Credit in regard to private ownership ? Does Social Credit agree with the Catholic principles we have just expounded, or rather does it not draw its inspiration from the socialistic doctrine?

We answer unhesitatingly that not only are the theories of Social Credit concerning

private ownership in agreement with Catholic sociology, but they are also directly opposed to the principles of Socialism.

### **ON PRINCIPLE**

Throughout all their works, Douglas and his official interpreters repeatedly show themselves as favoring private ownership and personal initiative, and launch rather violent attacks upon the socialistic stand, going so far sometimes as to make them appear ridiculous, not without a touch of humour;

*"I do not, myself, believe in the democratic control of industry (by socialization) any more than I should believe in the democratic control of a cricket team, while actually playing, and I believe that the idea that the average individual demands a share in the administrative control of industry is a pure myth"* (Warning Democracy, p. 39).

Social Credit does not advocate in the least the nationalization of industries, nor of land, nor of stores, nor even of banks. Its only aim is to remove from these banks the privilege of controlling credit and money *in order to confer that privilege to the State\**; this is the only nationalization required. To those who have not enough leisure to read Major Douglas' numerous works in order to see the truth of our preceding statements we recommend the reading of *The Douglas Manual*, a collection of texts drawn from the works of the author and compiled by Philip Mairet.

In a rather extensive chapter entitled *Illusions of Nationalization*, many quotations will be found where Douglas is clearly opposed to nationalization.

### **A FEW TEXTS**

As examples, we give the two following excerpts :-

*"It is a most astonishing fact that the experiences of hundreds of thousands of men and women in such departments as the post office, where real discontent is probably more general and the material and the psychological justification for it more obvious than in any of the modern industrial establishments, has not been sufficient to impress the public with the futility of mere nationalization"* (Economic Democracy, p. 33).

*"State Socialism is based on the premise that, firstly, the control of policy is resident in administration, and, secondly, that it is possible to "socially" control administration, and, thirdly, that the State should be able to apply economic pressure to the individual; whereas I suggest to you that the control of policy is resident in credit . . . and its financial derivations of which money is one, while administration is a technical and expert matter not susceptible of being socialized, and, lastly, that the only possible method by which the highest civilization can be reached is to make it impossible for either the State or any other body to apply economic pressure to any individual"* (Control and Distribution of Production, p. 32).

We also find in *Credit-Power and Democracy* a page where Douglas thought is more vigorous and precise than usual. In order to inform the reader better, may we be allowed to quote the following passage, rather lengthy but very important:

*"A considerable and articulate body of opinion has committed itself to the belief that the root of trouble lies in the private ownership of the means of production, . . . and that in consequence the remedy is to be found in nationalization. The prescription follows logically from the diagnosis, but unfortunately the diagnosis is defective, or rather superficial. . . . It is the credit, and not the physical property, which has given private ownership so powerful a grip on the community.*

*But since the blessed word nationalization is said to be the only alternative to chaos, let us consider what meaning can be given to it, when we leave the plane of broad generalities so beloved of its advocates, and come down to the region where things are actually done - a region in which generalities lose value and detail reigns supreme.*

*As its exponents would be the first to admit, the Nationalization policy cannot be fairly judged by its first fruits e.g., the Post Office, telephone service, etc. To get to the millennium by this route, it is necessary to nationalise everything tangible either by expropriation or buying out at a valuation. Passing over the appalling problems raised by either course, let us imagine them to be surmounted and the object achieved, and the community to be back in the position existing in the twelfth century i.e., all legal ownership to be vested in a central authority, now, however, to be called the nation, or the people, instead of the king.*

*It is obvious that some human beings must be in the position of administrators of this trust so formed, and there is room for ingenuity and difference of opinion as to the method of selection to be applied to these administrators. But if anyone imagines that any method whatever will prevent these persons, once elected, from achieving supreme control of administration, then no doubt he will be able to explain why Mr. Lenin was not prevented from introducing the most complete form of both military and industrial conscription that the world have ever known." (p. 47 et seq.).*

### **A LAST TESTIMONY**

And here is a last testimony which is drawn from Miss Holter's work already quoted. Among the fallacies of what she terms the old economics, Miss Holter mentions the theories of the nationalization of industry, of the abolition of private ownership, and of the elimination of profits. She then sets forth the principles of Social Credit relatively to each of those theories.

Here is what she writes concerning nationalization:

*"The nationalization of industry does not touch our problem. It is not needed to increase production. And there is every reason to suppose that under a system of national management, production would not be as efficient nor as responsive to the demands of the consumer as it is now under private management. Why make the change?" (p. 79).*

As regards the abolition of private ownership, she plainly states:

*"Adherence to the fetish of communal ownership is simply putting an obstacle in the way of the attainment of the desired objective, i.e., to bring the purchasing power of the community up to productive capacity" (p. 80).*

As for profits, the author finally affirms:

*"The notion that the profit system is responsible for our ills is also anachronistic. . . . As*

*a matter of fact, Social Credit does not seek to diminish profits but to increase their totality in line with the increase in the general communal income" (p. 80).*

### **AN EXCEPTION**

Consequently, Social Credit on principle is opposed to nationalization.

An exception is made, however, for credit and money, as we have already pointed out.

On that question, Social Credit is surely not wrong, always from the Catholic sociological standpoint, for the nationalization of credit and money can rightly be considered as included in the class of legitimate exceptions foreseen above.

The money and credit are the very lifeblood of the economic organic structure. If there is something that can not be left to the control of private persons without danger for the common welfare; it is certainly the monetary medium.

The facts are there, alas! as too plain and tragic a proof.

Besides, in Douglas' opinion, this does not form even an exception. He maintains indeed that giving back to the State the control of credit and of money is nothing else than restoring to the State a privilege that belongs to it by right and of which it has been despoiled by the bankers.

### **BUT AS A MATTER OF FACT?**

May be some will say:

*"Very well, we admit that Social Credit is on principle opposed to nationalization. But is not the exception admitted, exposed to destroy the general rule ? Does not entrusting the State with control of the monetary system furnish it with the means of being, or of becoming master of the whole economic system and result indirectly in universal socialization?"*

The objection may seem very strong to those who have not a thorough knowledge of Social Credit. If it were a question of entrusting the State with the care of financing different enterprises, of controlling credit by itself, directly and according to the methods in actual use by the bankers, the danger would certainly be very great.

But Social Credit wants something entirely different; a scientific control of credit and money is proposed by the new system, a control based on the capacity of production and the needs of consumption at the same time.

Moreover, this control would be held, not directly by the State itself, but by a commission of experts possessing an extensive autonomy like the Magistracy and the Bureau of Statistics.

Finally, the task of that commission would not be to see to the financing of production, but to that of consumption.

*"National Credit Commissioner would mathematically measure the National Credit from the physical facts of production and consumption" (Tutte, Social Credit for Canada, p. 231).*

To summarize, far from being hostile to the principle of private ownership, Social Credit rather presents itself as its advocate. This new system, therefore, deserves to be seriously studied by all those who are in search of important economic reforms that nevertheless respect the rights of private ownership.

## (IV)

### **INDIVIDUAL LIBERTY AND THE PART OF THE STATE A PROBLEM**

To reconcile authority with human liberty as well as to assign accurately their respective prerogatives have always constituted one of the greatest difficulties of social life. For many the problem is solved by sacrificing one of these elements; either authority as the anarchists; or liberty as the partisans of permanent dictatorship.

#### **THE CATHOLIC SOLUTION**

This way of settling the question is, indeed, far too simple. A solution more complicated but assuredly more exact because in greater conformity with common sense is set forth by the Christian social doctrine. The Church knows very well, on the one hand, that liberty is not only one of the most important privileges of man, but an inalienable right, and she is desirous of having that right not only respected, but also promoted.

On the other hand, she sees that when different men freely associate themselves for a common purpose, they are unable to unite their efforts in harmonious cooperation without the help of a superior principle by which those efforts will be organized and unified, that is to say, without an authority.

The Church, therefore, speaks out for liberty and authority at the same time. She does not demand the sacrifice of either, but tries to conciliate and to bring them in harmonious accord with each other, by basing herself on the principle which the Pope calls that of the suppletive function of the State, a fundamental principle of social philosophy, unshaken and unchangeable.

This means that in the first place, the greatest liberty possible, legitimate liberty, of course, must be left to private enterprises, individual or associated, and that State intervention must be resorted to only when such enterprises prove themselves unable to attain their particular ends, become detrimental to the general interests of all, or when the direct promotion of the common welfare is concerned.

This, in our opinion, is the real teaching set forth by the Encyclical *Quadragesimo Anno*: "*None the less, just as it is wrong to withdraw from the individual and commit to the community at large what private enterprise and industry can accomplish, so, too, it is an injustice, a grave evil, and a disturbance of right for a larger and higher organization to arrogate to itself functions which can be performed efficiently by smaller and lower bodies. . . . Of its very nature the true aim of all social activity but never to destroy or absorb them.*"

#### **ADVANTAGES**

In this way the individual is assured of his liberty and protected against continual and embarrassing interference by the State, and the State in turn is delivered of almost unlimited and overwhelming responsibilities which do not rightly belong to it and which it cannot properly fulfil. Freed therefrom, the State can better carry out its proper function of governing, that is, guiding individual liberty with a view to ensuring the welfare of all, and promoting to the utmost the development of the individuals in its care.

*"The State should leave to these smaller groups (and to the individuals) the settlement of less important business, by which its efforts would be exceedingly dispersed; it will thus carry out with greater freedom, power, and success its own tasks, because it alone can effectively accomplish these, directing, watching, stimulating, and restraining as circumstances suggest or necessity demands."*

### **SOCIALISM ON THE CONTRARY . . .**

Let us summarize in a few words these teachings of, Christian sociology pertaining to the practical reconciling of authority with human liberty. To the individual, first of all, must be left the greatest liberty and initiative possible.

Then, in order to make up for his incapacities, appeal must be made in the first place to the family group, then to a group of greater dimension, professional or others, for everything that is beyond the power of domestic society; and finally, the State will be called upon to undertake the tasks which these larger organizations - themselves are unable to accomplish, especially those directly concerning the common welfare.

Thus each social group must supply the deficiencies of the inferior groups or those of the individual, to coordinate their respective activities while protecting their own initiative and liberty.

The proceedings of the Socialistic School, on contrary, are exactly the reverse. It aims to build society by beginning with the State, entrusting to latter nearly all the power, functions, and wealth of country and paying but a secondary attention to individual's liberty, tastes, personal enterprises, rights.

### **AND SOCIAL CREDIT**

Now consider the social philosophy on which Major Douglas' economic system is based. Compare its ideas with those we have just expounded and you will be position to see that, on this point also, the principles of Social Credit are opposed to Socialism and are rather in line with the Christian doctrine.

### **IN FAVOR OF LIBERTY AND PRIVATE INITIATIVE**

There is perhaps nothing so far removed from Douglas' views as what has been conventionally called the socialistic mentality, that inferior state of mind the trend of which is to pass one's duties to the State and expect everything from it.

On the contrary, in his various works, Douglas manifests in regard to liberty and personal initiative a deference that sometimes even borders on exaggeration, and he consistently defends them against, what he calls the Prussianism of the State.

Numerous excerpts could be quoted to support what we affirm, but we shall be content with selecting only among the most significant:

*"We must build up from individual, not down from the State. . . The ideal at which to aim is that of the greatest possible freedom in voluntary and non-penal association, by which to effectuate, for the benefit of all, the proposals of any member of society. . . . If any condition can be shown to be oppressive to the individual, no appeal to its desirability in the interests of external organisations can be considered in extenuation; and while cooperation is the note of the coming age, our premises require that it must be the cooperation of reasoned assent, not regimentation, in the interests of any system."*

*"Systems were made for man, and not men for systems, and interest of man, which is self-development, is above all systems" (Economic Democracy, passim) .*

#### **AGAINST INDIVIDUALISM AND ANARCHISM**

Douglas, however, is careful to point out that this supremacy which he grants to the human being is not to be mistaken for individualism, much less for anarchism. He wants a *"Society based on the unfettered freedom of the individual to cooperate in a state of affairs in which community of interest and individual interests are merely different aspects of the same thing"* (Ibid. pp. 16 and 148).

#### **GLORIFICATION OF THE HUMAN PERSON**

Finally, to know how Douglas reproves the Socialistic doctrine on the equality which tends to place everybody on the same level and to destroy human personality, we have but to listen to the following glorification of the human person:

*"People clamor for equality . . . whereas the very last thing the average individual really desires is equality. He is convinced, and, in my opinion, properly convinced, that he is quite different to everyone else, and the modern demand to realize one's real personality is far nearer the truth than the clamor for equality of the beginning of the last century. So far from the realization of some machine-made Utopia which would embrace us all, I think what we all as individuals desire is a state of affairs which would enable us to use the benefits conferred upon us by science and education for the furtherance of our own individual ideas and desires, which must be just as different in the nature of things, as our personalities are different, and must become increasingly different as our personalities become further individualized. The Social Credit proposals at any rate start from this point of view, and in one sense they may be considered as a complete inversion of either State Socialism, Fascism, or Sovietism"* (Warning Democracy, p. 23 et seq).

#### **EVEN IN THE ECONOMIC ORDER**

These are, in Douglas' opinion, the general principles which every social reformation, even flint of the economic order, must respect. He is, therefore, concerned with presenting a reform which permits the greatest possible latitude to liberty and private initiative.

*"We have," he asserts, "in the industrial field a double problem to solve: to obtain ineffective distribution of the results and to restore personal initiative. The distribution of economic power back to the individual is a fundamental postulate of any radical improvement. "* (Economic Democracy, pp 58 and 145).

*"There are," he affirms elsewhere, "two great policies in the world today: compulsion and inducement."*

He then takes an uncompromising and definite stand for the latter by condemning, in a most outspoken way, the slavish discipline of the Soviet and Fascist economies. Therefore, instead of wishing to socialize everything, Major Douglas wishes to see the individuals entrusted with the duties of organizing and administrating different enterprises.

The militarization of economic life in any form, he particularly loathes.

He leaves to each and everyone the task of choosing and following his economic vocation

according to his own capacities and tastes. Production and distribution being thus placed under the influence of private initiative, Major Douglas wishes the same course to be followed as regards consumption.

All his efforts, accordingly, will go towards guaranteeing to consumers a convenient purchasing power, the only means for them of retaining their liberty.

These few notes, we hope, will prove sufficiently that Social Credit is far from having socialistic tendencies in exaggerating the part of the State to the detriment of individual freedom. If any criticism is to be directed against the system, it might be rather that of the opposite defect.

(V)

## **GENERAL CONCLUSION**

There are people to whom it suffices that a reform program should include the word social within its title, or adopt a somewhat radical style, or enjoy a certain vogue in the West, in order to accuse it of Socialism.

Let us not be like them. Let us take the time and trouble to see it as it is, and judge it according to its principles.

## **SOCIAL CREDIT IS NOT SOCIALISTIC**

Since Social Credit, in line with our preceding Articles, shows itself to be so respectful of the supremacy of spiritual values, of social peace, of private ownership, and individual liberty, we have, therefore, no serious cause for ranking it amongst those forms of Socialism condemned by the Church.

On the contrary, we have numerous reasons for placing it as directly opposed to Socialism.

If it vigorously reacts against the individualistic capitalism of the trust magnates of money and credit, if it most strongly accentuates the social character of economic life and, particularly, of the monetary system, we see in that nothing properly socialistic. It is the attitude of every movement no matter how slightly penetrated by the social sense; and, thank God, the Catholic Church is herself the first to take that attitude and to demand it of her followers.

We may be magnificently social without being socialistic. Such is the case for the Crediters.

Relevant to this let us in passing denounce the expression "Credit-Socialists" which certain French newspapers use, perhaps purposely, to designate the partisans of the Douglas system. Such a denomination seems to us unjust, insinuating or, at least, ambiguous. The term "Creditiste" is much preferable.

## **PERHAPS IT COMPRISES OTHER ERRORS?**

Thus, we see Social Credit exonerated from the principal reproach that some Catholics think might be attached to it. But perhaps it comprises other errors by which it could be in contradiction to social Christian teaching ?

We do not think so. It is true that, here and there, within the different works of Douglas, dangerous doctrinal inaccuracies are to be met and even real errors, notably the heretical

denial of original sin. But these are rather personal opinions occasionally asserted by Douglas and which present practically no essential connection with the Social Credit system itself.

As to inaccurate texts, it is almost always possible to interpret them in an acceptable manner.

That is why we do not hesitate to repeat the statement made at the beginning of our study: **we do not find in the essential ideas of Social Credit any serious deficiency capable of preventing a Catholic from giving his support to this new economic system.**

### **THE CATHOLIC CLERGY IN ENGLAND**

It seems to us that such is also the opinion of the Catholic clergy of England. Already for some years the Crediters' movement in that country has developed considerably. Yet, the Catholic hierarchy has never thought it good to pass an unfavorable judgment upon it. It has even permitted some priests to support it publicly.

Let us quote, for example, the names of the Reverend Fathers Drinkwater and Seaston.

### **A FINAL PRECISION**

However, let there be no misunderstanding upon the exact meaning of our articles.

We had no intention of proving that the Encyclicals are in favor of Social Credit as some have made us say.

We simply wished to show that Social Credit is not contrary to the Encyclicals. In that, there is an important shading that it would be well to understand and to retain.

### **BEWARE OF CERTAIN JOURNALISTS**

Accordingly, when certain journalists, liberally paid by political parties or by financial institutions, present Social Credit to you as anti-Christian socialism, beware of their theology. It is usually too elementary to furnish you with sure guidance.

And, in the present case, its anathema could not be reasonably justified.

Especially, it is much too interested, when those men attempt to enact the part of the theologian, it is generally much less for the defence of revealed truth than for the safeguard of the petty interests that have been confided to their pen.

To that end, they are capable of exploiting every means, even the sacred forces of religion. Fortunately, it will never be for them a question of undue influence ! . .

Beware of them even when they consider Social Credit from its economic standpoint.

The ruling politicians feel in this new movement a political force that arises and menaces them; the bankers see in it the enraged enemy of their precious monopoly. Therefore, do not be surprised if their publicists, with one accord, undertake to disprove its teachings and throw ridicule upon them; it is by far the easier way and requires less intelligence.

### **A FEW FACTS**

Think, for instance, of the trifling manner with which some amongst them have treated the experience of Aberhart in Alberta, without even having taken the trouble - this - was clearly seen - of studying it conscientiously.

We do not intend, at the present moment to pass judgment on the economic policy of this statesman. We only wish to point out that he has at least, attempted with his whole courage and with his whole sincerity to do something and we claim for him, as for the

rare men of his stamp, enough time and freedom to put a new system upon trial. But no, barely a few months after his accession, loud cries arose that he had failed, whereas he himself had asked a year and a half to lay the foundation for his organization. They would not even allow, him ten months.

And to do what? To accomplish very great and very far-reaching reforms, and that in the midst of the greatest difficulties and in spite of the strongest opposition from his own province and from outside.

Then, why so much insistence in his regard, whilst at least four or five years are granted to the old parties to do so little . . . or, rather, to pile up so much debt?

We are reminded of the lines that Rev. Father Drinkwater wrote when Social Crediters took power in Alberta:

*"Can Alberta succeed? Alberta is only one province, not a sovereign state. It cannot, legally, issue money of its own. Every worldly power will be ranged against Mr. Aberhart and his farmers. . . . We may be quite sure that finance will use all its legal advantages and will act vigorously and secretly in order to retain its privileges. If the Alberta experiment should end in failure, it will prove nothing, except that the money-power is stronger than truth and justice"* (A Catholic view of Alberta, in the "Catholic Times").

Another amusing story. A politician gave us delicately to understand, a few days ago, that this question of Social Credit belonged more or less to our sacerdotal duties and that, besides, our articles were inopportune. First of all, we notified him that we had strictly kept to the only theological - moral point of view. And it gave us pleasure that to remind him that three years before when we had published a theological treatise, similar but unfavourable, on the C.C.F., the politicians had been the first to approve us heartily, and to judge that publication as most opportune.

But now, because we do not condemn the adversary they dread, it appears that it would be more opportune to keep silence. . . .

### **WHERE TO SEEK INFORMATION**

No, dear readers, if you desire to be well informed upon the question of Social Credit, you must read something else than party papers and bankers' publicity sheets. Make a study of it first of all in the Crediters' own books. Then, consult on the subject competent, conscientious and independent economists. Finally, if you find that this system is sound from an economic point of view do not fear to support the movement that preaches it. Your faith does not forbid you to do so.

It will even be grateful to you for working to make it as thoroughly Christian as possible.

### **SOMETHING MUST BE DONE AT LAST**

For something must be done to get out of this ridiculous social condition that allows poverty amidst plenty. We must come to the aid of the multitude of our unhappy brethren.

*"Let us all set to work,"* said recently Cardinal Verdier in an inspiring message to the Catholics of France, *"for at this time a grave duty is imposed upon the consciences of all; a duty for all, employers and employees, citizens and ruralists, moralists, pastors and their flock, to help resolutely in the solution of the economic problem that distresses us. Universal suffering puts it in the front rank and bestows upon it a character of*

*sacredness."*

And if you want neither Socialism nor Communism, bring Social Credit in array against them. It will be in your hands a powerful weapon with which to fight these enemies.

### ***Appendix***

After the sensational victory of the Quebec Social Crediters at the Pontiac by-election in 1946, the following article appeared in the Canadian "Social Crediter";

The Pontiac federal by-election may well prove to be the Waterloo of party politics. The spectacular victory of the "Union of Electors" candidate was a nasty shock to the Liberal and Conservative Parties. That is all too plain from immediate reactions in so-called "high political circles."

" But the repercussions of Pontiac are likely to be a great deal more far-reaching than they imagine. For the Quebec Social Crediters, the Pontiac by-election was the first test of the new non-partisan strategy of action upon which they are engaged.

The Social Credit movement in that Province, in adherence to Social Credit principles, discarded party political action, and is concentrating on mobilising the people into a non-party Union of Electors.

This Union of Electors in each constituency endorses a general policy - a definite statement of the **RESULTS** they want in common. As electors, they do not concern themselves with **METHODS**, and as a consequence they find that the differences which kept them divided into opposing Party camps are being swept aside.

Having decided on a general program of **RESULTS**, the electors then come together in conventions to nominate candidates to represent them. These candidates must undertake to obey the wishes of their electors, serve their electors and represent their electors.

Unlike the party politicians, their pledge to their electors precludes them from representing a particular Party or taking their instructions from any Party machine. Until a general election, these candidates stand for election as unofficial representatives of their constituents. When elected to serve in this capacity, it is their duty to bring pressure to bear on the official member in Parliament or in the Provincial Legislature to carry out the wishes of his constituents.

If the sitting member refuses, then the unofficial representative reports back to his constituents' organisation - the Union of Electors in his constituency - and carries out the instructions given to him.

Now the sitting members in Parliament or in the Provincial Legislature are eligible as candidates for election through the Union of Electors - irrespective of their previous Party allegiance - but in order to qualify, they must repudiate Party control and pledge themselves to obey only their constituents through their union - the Union of Electors.

It will be plain that the Union of Electors is thus cutting across Party politics, and, as it unites the people, it will progressively eliminate Party politics. It provides a basis upon which all electors may unite to establish a genuine political democracy as an essential preliminary to the establishment of an economic democracy.

The Pontiac by-election provided the first test for this new strategy. In the election Real Caouette, the Union of Electors' candidate, stood alone against the candidates of four political Parties :- the **Liberal**, **Socialist Party**, the so-called Conservative Party the **C.C.F.Socialist Party** and the **Communist Party**.

These four candidates told the electors what their respective Parties would do for them (or, rather, TO them); they promised to obey the dictates of their respective Party machines.

The Union of Electors' candidate pledged himself to carry out the policy endorsed by his constituents and to obey only the dictates of his constituents. On these terms only would he work with the Social Credit group in the House of Commons.

Despite the novelty of the issue, despite the strength of the Party machines which opposed him and despite the confusion introduced into the campaign to obscure the real issue involved, the electors of Pontiac rejected Party politics in favor of genuine democratic representation, and elected Real Caouette by a substantial majority.

When the people of Canada realise more fully the real significance of the Pontiac by-election, the Union of Electors will grow from strength to strength, and in the meantime Social Crediters everywhere should ponder the result of Pontiac and contrast it with the abortive efforts that have been made from time to time in attempting to reconcile Social Credit principles with the Party problems.

Social Crediters in Quebec have won the gratitude of freedom loving people everywhere. The Pontiac result has been a resounding victory for genuine democracy as opposed to time sham democracy which is leading us towards dictatorship and disaster via Party politics.

Congratulations to Mr. Real Caouette. Congratulations to Professor Gregoire, Mr. Louis Even, Mme. CoteMercier and to all the stalwarts of the movements in Quebec whose devotion to duty has been responsible for this great victory.

### **DESCRIPTION OF THE UNION OF ELECTORS**

The following description of the Quebec Union of Electors is from the Quebec Social Credit journal,

"Vers Demain" :- The Union of Electors is not an end in itself, but simply a means towards the attainment of a goal. The goal is to put politics at the service of the citizen, and by means of politics to correct certain major vices which prevent production from being at the service of the consumer.

Political and economic health, the common good, is therefore the end; the Union of Electors the political means employed to reach it. It would be idle to take the trouble to establish a Union of Electors and then leave it to sleep and grow rusty.

When a group is founded in a parish, a country or a province the task is not ended. It remains to make the group function - the means must be used in order to arrive at the end. And if the means proves too weak it has to be strengthened to make it more effective. It grows stronger as it grows in size and as it is used. It is an organism; exercise does it good.

That is why, if we insist on the multiplication and development of local, regional and provincial groups of the Union of Electors, we insist equally on their use on their being

put into operation.

In building the Union of Electors we are setting up a political strength of incomparable power. Few people realise it yet, because it is something new, because nobody has yet seen a whole people united and organised to demand the fulfilment of desires which are in everyone's mind and heart.

The Union of Electors of the Province of Quebec, although the first and largest in the world, is still nearer to its birth than to its maturity. But it is easy to understand that in a town where the great majority of the citizens are always watching the facts of their town's administration and where they openly band together to demand some possible thing in connection with their town, not one municipal council would be able to resist such a demand or it would be condemned to disappearance; it would have to resign to give place to another at the earliest opportunity.

If we extend this state of affairs to a whole province, with the majority of electors thus organised, alive and prompt to express together and clearly their common will, what Parliament, what Government could ignore such a strength with impunity?

And the same would hold good on the Federal scale.

The Member of Parliament knows he is dependent on two forces - that of finance which grants his election expenses, and that of the vote without which he can neither obtain nor keep his seat. When the first strength is sufficient to bring the second in its train, it is the first which chiefly guides him in his decisions. When the second force is independent of the first, the M.P. necessarily becomes more attentive to his electors than to those who provide the election funds.

When both, the money and the votes come from the same men, as in the case of M. Caouette, the M.P. is 100 per cent. his electors' man.

The Pontiac election demonstrated that the same men who vote are able to finance their candidate's campaign. And the expenses are then ten times, twenty times, thirty times less than if the candidate draws on heavily moneyed interests to sway an electorate which can be influenced by stunts dependent on money.

Corruption, direct or indirect, by money, will disappear as a Union of well informed electors checks that corruption.

In spite of the dictatorship of money, in spite of the tyranny of political patronage which can, at its will, heap tables high with good things or lay them bare, we still fortunately have in our officially democratic countries the right to speak, to write, and to associate.

If we lived in Russia, we would have to proceed in the dark, and develop secretly a powerful "maquis," before dreaming of freeing citizens or of breaking tyranny.

Thank God, we are in Canada, where we can proceed openly.

Let us take advantage of our situation.

In spite of lesser obstacles, let us raise a huge Union of Electors, to break the dictatorial network which is enmeshing us more and more, economically and politically quickly before it is too late.

The Union of Electors is called to become a force for the future, time most formidable, potentially, that the democratic world has known. But, because it is a formidable strength, this strength must always be used for good.

It would be a disaster to see it one day serving against Order for the promotion of anarchy.

It would then be merely a travesty of a Union of Electors.

Intrinsically, one cannot see how electors would seek, collectively, things which would be detrimental to them individually. But history teaches us that these travesties do occur, that the spirit of evil can take over institutions which are good in themselves and use them in an entirely opposite direction from that of the ideal which presided at their birth. A classic example is that of the Order of Templars, which became the instrument of Freemasonry and Cabalistic Jewry. There are others.

The Union of Electors, called to become a great force, must never become a blind force. That is why, not only are its members required to instruct themselves even before organising themselves, but the Institute of Political Action also retains the mission of guiding the Union of Electors after it has been established.

The Institute of Political Action is essentially an educating and directing organism. The Institute is not simply a collection of people, it consists of selected men and women who have definite qualifications. To recruit them, the Institute appeals to all those who feel they have conviction and courage. The only condition is that they must be ready to do voluntary work for the movement, according to the directions they receive from the officers responsible.

Once they have entered the group of active people who make up the Institute, these men come in contact with others who are in better training and with the directors. They read the paper more carefully because they have to find in it intellectual stores with which they may engage in discussion with the electors. Thus they form their minds. They also form their hearts, become accustomed to sacrifices, to devotion, to self-denial. They also meet many opportunities of moulding themselves to a precious state of humility which in no way lessens the conquering spirit. As they perfect themselves, if they persevere, they are given responsible functions in the institute in which they develop their personality even more.

It is thus that, little by little, those who have willingly answered the first call and who have had the courage to stand firm, become infected with a spirit which is the spirit of the Institute of Political Action.

Their objectives are pure, and as it is not their own well-being, but order and the common good which they seek, they are markedly equipped to unite and to give political guidance to the electors. It is thanks to the existence of this Institute of Political Action that we may hope to see the great force of a Union of Electors remaining at the service of order.

Certainly the members of the Institute are fallible, as other men; they too are capable of erring and following the wrong track. But they themselves have a guide - the paper, "Vers Demain." And "Vers Demain" is not published secretly; it is not circulated by stealth.

Any moralist or priest may examine it.

If we consider the fighting spirit of "Vers Demain" and the daring line it takes in denouncing politicians of prestige and powerful influence, we may be sure that the slightest deviation, the slightest breach of principles of which it might be guilty, would be sharply reprimanded.

Is this not a sort of safeguard for the doctrinal organ of the Institute of Political Action and of the Union of Electors ?

All this takes away our fears and gives us ardent vigor to set up as quickly as possible the formidable strength of the Union of Electors.

Members of the Institute of Political Action, because you have the light with you, and because you desire what is good, move forward without fear. Set up the Union of Electors everywhere.

But do not abandon it when it is founded. Do not abandon it to die of weakness. And do not abandon it to fall into the hands of wrong-minded men, of revolutionary elements or cunning politicians.

## ENDNOTE

\*Q. From a Social Credit point of view, is this statement erroneous or merely open to interpretation?

A. From the perspective of the 21st century, it is a tricky question. In the 1930s it was less so, because the notion of the "separation of powers" was more familiar at that time. There is a very poor Wikipedia entry on the subject, which includes the statement: "The separation of powers is a doctrine which provides a separate authority, which makes it possible for the authorities to check each others checks and balances (Executive Authority Act 1936)."

In political theory, the separation of powers is the principle that executive, legislative and judicial functions of government should be independent of each other [though all come under the State]. The principle was formulated by Montesquieu, and served as basis for framers of the US Constitution. The Douglas idea was that the banking/financial system should be similarly independently run but accountable to the State, like the judiciary. That is quite different from a State-run banking system which is what nationalisation involves.