

INTRODUCTORY SOCIAL CREDIT TRAINING COURSE - LECTURE 1  
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What is Social Credit? Most people, including many who call themselves Social Crediters, would answer this question by saying that Social Credit is a monetary reform scheme. No greater dis-service has been done to Social Credit than the persistent reference to it as merely a Scheme for financial reform.

C.H. Douglas has made it clear time and time again that Social Credit is far more than a monetary reform scheme. Speaking at Westminster in 1936 he said:

"As I conceive it, Social Credit covers and comprehends a great deal more than the money problem. Important as it is, primarily because it is a question of priority, Social Credit involves a conception, I feel a true conception... of the relationships between individuals and their association in countries and nations, between individuals and their association in groups."

In 1937 Douglas said: "In my opinion, it is a very superficial definition of Social Credit that it is merely a scheme of monetary reform...."

Douglas's first book was "*Economic Democracy*", published just after the first World War. W.L. Bardsley, writing in the English "*Social Crediter*" of December 23, 1939, made the following comment:-

"Most of '*Economic Democracy*' had been written before the end of 1917, amid the distractions of war, and its length is barely 25,000 words, yet close study shows that no aspect of the vast subject was untouched, either fully, or in principle, or by stated exclusion. To read it after 20 years is to be amazed at its author's complete vision of all that others have comprehended, step by step in the interval."

There are twelve chapters in "*Economic Democracy*", but only three of these are actually devoted to a criticism of Finance. While Douglas made it clear that the subject of money took priority at that time, he also made it clear that there were matters of greater fundamental importance. Even in 1932, when the Great Depression was creating tremendous interest in the subject of Finance, Douglas wrote to the Editor of the Melbourne Social Credit journal, "The New Economics", as follows:

"There is too great a tendency to assume that the question of credit is the only subject on which we hold views of practical importance. So far from that being the case, the principle of organisation which are discussed in the earlier part of "*Economic Democracy*" are vital to an effective understanding of the credit problem."

Douglas was not concerned with monetary reform as an end in itself. He was concerned with the position of the individual in relationship to the monetary system. Social Credit is primarily concerned with the relationship of the individual to all systems and organisations. Douglas wrote in the early part of "*Economic Democracy*":

"Systems were made for men, and not men for systems, and the interest of man, which is self-development, is above all systems, whether theological, political or economic... Accepting this statement as a basis of constructive effort, it seems clear that all forms, whither of government, industry or society must exist contingently to the furtherance of the principles contained in it. If a State system can be shown to be inimical to them - it must go; if social customs hamper their continuous expansion - they must be modified; if unbridled industrialism checks their growth, the industrialism must be reined in. That is to say, we must build up from the individual, not down from the State."

The above statement clearly indicates Douglas's philosophy, which can easily be recognised as Christian. For example, the Christian philosophy emphasises the preciousness of the individual. We all know that statement that the Sabbath was made for man and not man for the Sabbath. Now all philosophies give rise to certain policies. It is essential that we be very clear about this, as it is the basis for a correct conception of Social Credit. During an address in 1937, entitled "*The Policy of a Philosophy*", Douglas gave a definition of Social Credit as follows:-

"Social Credit is the Policy of a Philosophy". What does this mean? It simply means that every action we take towards a certain policy is the result of a philosophy. There are two kinds of basic philosophies in the world, and because these philosophies are diametrically opposed to each other, they give rise to conflicting policies. The first philosophy is one which conceives of all power and authority arising from a point EXTERNAL to the individual. The second philosophy conceives of all power and authority arising from WITHIN the individual. The first philosophy automatically gives rise to policies which necessitate a certain type of organisation in order to impose certain conditions upon the individual. This philosophy results in the individual being subordinated to the State, the System, or some other abstraction. It can be termed a false philosophy, because it gives rise to policies which conflict with the natural desires of the individual. This false philosophy is helped by many people who may even be opposed to one another. For example there is the alleged conflict between Communism and Fascism. We must learn to look beyond labels to the reality behind the labels. The second philosophy, which conceives of reality as an environment in which the individual can make the greatest progress towards self-development, gives rise to a social structure in which there is the greatest possible decentralisation of all policies, including financial policies. Jesus of Nazareth stated the Christian - the realistic philosophy, when he said: "The Kingdom of God is within you."

When we clearly understand the difference between the two basic philosophies we have mentioned, we can see how dangerous it is to label all money reformers as Social Crediters. Social Credit advocates the changing of the present financial rules in order that the individual may have greater freedom, and greater security.

Hitler's policy, which, let us emphasise, was the direct result of his philosophy, resulted in a financial policy which made it easier for the individual German to be used for purposes over which he had no control. The present financial system is being modified before our very eyes, but merely that the individual may be far more effectively controlled. We must learn to look at every policy, financial or otherwise, from the one point: How does this policy affect the individual? What is the philosophy behind it?

Having seen that Social Credit is a policy of a philosophy, we can now realise that the financial proposals of Social Credit are only a part of the whole. It is interesting to note that the first Social Credit legislation introduced into the Albertan Parliament did not even mention monetary reform in giving an official definition to Social Credit. This legislation referred to Social Credit as "the power resulting from a belief inherent within society that its individual members can gain the objectives they desire".

Mr. G.F. Powell, technical adviser to the Albertan Social Credit Government, wrote the very significant comment on the initial failures of the Aberhart Government:

"It was so evident to any experienced observer in the Social Credit crusade that it was due (the failure), in the main, to the same old cause - an unbalanced concentration upon the money technique for the realisation of the results of Social Credit, to the almost entire exclusion of its philosophy".

In the Postscript to "*The Elements of Social Credit*", by Dr. Tudor Jones, Deputy Chairman of the English Social Credit Secretariat, the following appears: "Douglas has never tired of stressing the indissoluble connection between any and every policy and philosophy, which, plain or obscure, occult hidden, is its philosophy. Doubtless what led to the previous presentation of Social Credit as a Policy before any extensive treatment of its Philosophy (which is, nevertheless implicit in all that Douglas has written) was the belief, justifiable until 1918, that the traditional philosophy of at least the Christian nations (peoples) was still essentially whole, buried and misrepresented, perhaps, but not destroyed."

In recent years Douglas has dealt extensively with the importance of resisting all attacks upon the Christian Faith. Writing in "*The Situation and the Outlook*", he states:

"It is necessary, in my opinion, to bear in mind that a policy must derive from a philosophy; and for this ...I feel would not be honest to omit the expression of an opinion that has been crystallising, so far as I am concerned, for some years. The more conventional form in which the idea to which I refer is phrased is that we are engaged in a battle for Christianity, and that is true.

It is easy to understand how, in the absence of any dominant philosophy, there can be no genuine stability in society. Writing in the English "*Social Crediter*" of March 16, 1946, Dr. Geoffrey Dobbs makes a very profound observation when he says: "...no satisfactory political system is workable unless those concerned with it hold broadly the same views, religious or philosophical views, in practice this was when Christianity was the dominant religion. This is the only safeguard to the social credit (the faith of people that in association they will get what they want) of a system without which any political system will disintegrate."

Developing further the statement that Social Credit is a Policy of a Philosophy, Douglas dealt with the term Philosophy: "It is something based on what you profoundly believe - what at any rate, I profoundly believe, and hope you will - to be a portion of reality. It is probably a very small portion, but we have glimpsed a portion of reality and that conception of reality is a philosophy, and the action that we take based upon that conception is a policy, and that policy is Social Credit... in many cases, it is no use arguing with many people about the techniques of Social Credit, because they don't agree with your philosophy...." (*The Policy of a Philosophy*", 1937)

The Social Crediter's conception of a Reality is that the individual was not born into this world to be a serf to external authority, but was born to be free. We can therefore say that Social Credit is based upon a philosophy of individual freedom, the belief that, while as Douglas says, the end of man may be unknown, he will develop most rapidly towards that end as he is removed from all external authority. Without going into details here, it can be pointed out that man's physical environment has, in the past, been an obstacle to his self-development.

The physical environment was one of scarcity and the necessity to work hard to survive. There was no leisure for self-development. But today increasing leisure could easily be available to all.

We can now see that all our policies must be bound back to Reality.  
If our policies are not bound firmly to Reality, we can expect nothing but increasing disintegration of our civilization.

In concluding this week's study, the following quotation from L.D. Byrne's "*Nature of Social Credit*" will provide us with further evidence of how the policy of Social Credit is firmly rooted in a philosophy of Realism:

"It (Social Credit) is the credo or belief inherent in society that its individual members in association can get what they want ... what makes the individuals within the group enter into willing associations with each other is the belief that their efforts are being directed to secure the objective they desire."

Social Credit is concerned with the voluntary association of individuals to achieve the objectives they desire. If the individual is not obtaining from any association the objectives he desires, he must be free to leave the association. He must be free to contract out. Under totalitarianism the individual is not free to contract out from undesirable associations. The philosophy which conceives of all power as external to the individual results in compulsion of the individual.

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### QUESTIONS ON LECTURE 1

NOTE: The student should attempt to answer all questions as fully as he possibly can.

Answers should be forwarded within seven days of receiving the question paper.

1. Comment upon Douglas's views on the correct relationship between the individual and organisation.
2. What do you understand by the statement that Social Credit is the policy of a philosophy?
3. Government control of financial policy has gradually been strengthened in recent years. Do you think that this is a move towards Social Credit?
4. Do you think that Social Credit could have been developed in India?

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### ANSWERS TO QUESTIONS ON LECTURE 1

Individuals use the social credit whenever they partake in the fruits of association. Technically this is termed the "increment" of association and is that which is over and above the arithmetic addition of the results of the efforts of individuals taken separately.

- (1) For example the results of modern technology.
- (2) The total energy capable of doing work and which is made available by association is now immensely greater than the total of the world's "manpower".
- (3) The "dividend of the machine", (e.g.) the benefits of the telephone system.
- (4) The cultural heritage of individual groups, nations, and the world.

1. Douglas stresses that all power originates from within the individual. The power (or increment) of association is the associated powers of the individuals comprising the association and must not be used to subordinate the individuals concerned - or other individuals. "Systems (associations) were made for men, and not men for systems..." says Douglas.

It follows from the above that systems (associations) will not be efficient or stable if the individual is subordinated to the group. Therefore these groups will tend to break up. \_

2. Social Credit is the policy of a philosophy because it is a fact that every policy stems from a philosophy. It is also inherent in Social Credit that to be socially creditable a philosophy must be followed by a policy, which incarnates or realizes (makes real) it. It is not just a set of sterile principles whose realization has been stunted or thwarted. Strictly speaking Social Credit being Dynamic is the actual act of the incarnation of a philosophy.

3. Government control of financial policy is not a move toward Social Credit.

4. Social Credit could not have been developed in India because no religion or philosophy in India fosters the correct relation between the individual and the group. Also there is no dominant philosophy there.

Finally the total inability of the oriental mind to conceive that the just price is anything other than the "haggle in the market" is a fatally inhibiting blindness,