

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



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## THE MONOPOLISTIC IDEA – Part I By Major C. H. Douglas

*A speech delivered at the Melbourne Town Hall, Australia on January 22nd, 1934.*

The title which may be applied to this address of mine tonight is "The Monopolistic Idea". First of all, I wish to point out to you that the idea of world monopoly is not a new one, far from it, although it has taken many forms. Practically all the world's historical empires, beginning with the Roman Empire, although there were others before that, were attempts at world power. That was the first type of an attempt at world monopoly, the military idea. We had an attempt in that direction so late as in 1914. It was the hardly concealed objective of the German Empire to form a military world state which would be supreme. We know that failed.

Another attempt along administrative lines undoubtedly was launched immediately after that in the original idea of the League of Nations, which undoubtedly contemplated the formation of something of the nature of a superior state which should lay down the law for everyone else. That never got very far, because I think its objective was early realised, and imperceptibly it merged into something else, which is undoubtedly a matter for our closest concern today, namely, the financial world state, the financial hegemony of the world by a selected group of central banks, crowned by the Bank of International Settlements. That is simply the translation of the same idea into different methods, one after the other.

You can see that it is a constantly recurring idea, and it recurs in different forms. I think it is extremely important to recognise it, because you can then recognise what is the connected meaning of a lot of disconnected things which are going on all over the world at the same time. The form of the attempt at a comprehensive centralised monopoly in Great Britain and the British Empire is something which is called rationalisation, and it is being carried on under the direction - at any rate, the ostensible direction - of the Bank of England. Rationalisation is claimed to be the super-session of small and so-called inefficient undertakings by large trusts, and this is being achieved by a number of methods and in a number of ways.

One interesting example of how the mechanism works, came into my experience as an engineer and company director. It is a very interesting instance of how these things come about. We found that in competing for a certain class of work we were always amongst a few high tenderers, and those high tenderers with us we knew to be practically the only solvent firms in that particular business, at any rate in that particular district. But we found that firms which were notoriously inefficient and notoriously insolvent, owing enormously large sums of money to banks, were quoting prices for particular types of work which were sometimes half the prices we could quote. Of course, no explanation was given, but there were only two possible explanations of this.

One was that these inefficient firms, being completely in the hands of financial undertakings with their shareholders having no hope of ever obtaining any money or anything else, instructed their estimating staffs and operating staffs to quote any price which would get the work, because they knew that would merely have the result of increasing their overdraft with the bank, and that the bank could not shut them down, because they had no value as a scrapped concern, whereas they had a value as a going concern. The result of that state of affairs was peculiar, and it was that all the work went to the most energetic firm, or a considerable amount of it did, and the result of that, in parts of England, has been to put all except a certain selected number of firms out of business.

Those firms are amalgamated, and they form the nucleus of a class. What happens to the unfortunate people not in that class does not matter from the point of view to those in the class. That is one form that this centralised monopoly takes with rationalisation in a country. The excuse which is given for that policy is, "*Oh, yes, it may seem that a good deal of hardship is being inflicted at the moment, but we cannot help that; ultimately industry will be much more efficient.*"

Now, there are two comments which may be made upon that. The first is that industry already is so efficient that it does not require to be worked at more than a small proportion of its possible output to supply all the goods which people can absorb at the present time, so that, quite obviously, efficiency is not a pressing matter. The second comment which may be made is that it is by no means proved that large undertakings are very much more efficient than small ones. In many instances exactly the reverse is the case. This rationalisation into a series of trusts, all controlled at their apex by banking concerns, is the form which the monopolistic idea is taking, I think we may say, in the British Empire. One would think at first sight that nothing could be more remote from that than Russia.

During the past two or three years I have devoted a good deal of attention to Russia. Various attaché s from the Russian Embassy in London have been to see me, and I have talked to the American consulting engineers who have done and directed most of the actual work and so forth in Russia. Therefore, I think I have reasonably clear and sound ideas as to what is happening in Russia. The position there is alleged to be a **dictatorship of the proletariat**. What is the case, without a shadow of doubt, is that Russia is an example of a **dictatorship over the proletariat**.

There is no doubt that Russia is a very highly centralised organisation, over which the individual Russian has no control of any kind whatever. He does what he is told; he works as long as he is told; and he eats what he is given. I think in fairness I ought to say that almost all people who have been to Russia unite in agreeing as to the extraordinary enthusiastic spirit which is present in the average Russian worker. Whether he really sees something outside this particular place to which he is going or whether he is hypnotised by an idea - and the Russian is a highly emotional, easily hypnotisable individual - I do not presume to say.

All I can say is that there is undoubtedly great enthusiasm amongst the average Russian for the state of affairs which is existing.

Now, one thing is very clear about Russia. I am not in business as a prophet, but I will venture on a prophecy about Russia. It is a country which is being rapidly brought up, or an attempt is being made to rapidly bring it up to the industrial level of Western Europe. It was a great deal behind that, and an endeavour is being made to bring it up, by the method of gigantic centrally administered industries, on a scale which the world has never seen anywhere else. A great many things have been achieved in Russia in the past ten years or so, but they have all been in the form which might be called building factories. The results have all been achieved by obtaining good engineers, chiefly from America, though to some extent from Britain and Germany, to put up enormous plants.

Those plants are, in many ways, bigger than any which exist even in the United States of America, where the management of the very big concerns is beginning to be a very great problem, as we can all learn by reading our newspapers.

There they have the advantage of a skilled population and probably the highest class of administrators that you could get anywhere; yet they do not find it a particularly easy task.

But in Russia there is a very much larger set of industries, with a population which is completely untrained, and with no class of traditional administrators, business managers, engineers, organisers, and so forth; so I believe we shall see in Russia a most colossal breakdown as a result of an attempt to run industries on a scale which is completely outside the capacity of the country. However, that may be, what has to be remembered about Russia is that her problem is one of production and not of consumption, and when you hear stories about there being no unemployment in Russia, and other suggestions that the problems with which we have to wrestle have been solved, you must remember that they are not within 25 years of the stage which we have already reached. In my opinion, they will have great difficulty, by the methods which they are pursuing, in reaching our stage of production.

Our problem, as my Chairman so lucidly said, is the problem of piles of production on one side, with consumers on the other, unable to get at the production which is waiting for them.

Russia's problem is one of producing, and not of distributing. There is another form of centralised monopoly, though it is very different from the rationalised form. The third form in the world at the present time is Fascism in Italy, where it has reached its highest point so far. Fascism is really a mixture of the old so-called capitalism with what was called Guild Socialism, and there is no doubt at all that it has restricted both the freedom of the manufacturer and the freedom of the worker.

Very useful things have been achieved in Italy during the past 10 or 12 years. Those of us - and I am one of them - who do not like the form that society is taking in Italy - and, in fact, actually dislike it - I think must admit that a great deal of most admirable work has been done under the Fascist regime in Italy. What we can see quite plainly is that, having done such good work, it is in the position of having to find more and more and more work; otherwise the system breaks down of its own weight.

These systems always require some kind of a war - either an economic war or a war against disease, if you like - to keep them going, and Italy, having brought her affairs up to a fairly high standard of efficiency, is undoubtedly in a difficulty to find what she is going to do next. It is very often thought that the issue in the

world or, at any rate, in the industrial and economic world, at the present time, is that between something called capitalism, and, let us say, socialism.

The first thing about which to be clear in your minds is that there is an actual revolution from anything that could be recognised as the old form of capitalism going on under your notice. The sort of thing that would have been recognised as capitalism even 25 years ago is practically dead. It has been superseded by other things under different names, but all, in my opinion, actuated by the desire to establish effective monopolies.

**The great monopoly which gives the power to monopolise other things is what we call the monopoly of credit.**

I want to give you a very short idea as to what is actually meant by that, as to how it came about, and as to what may be the outcome of the existing position in regard to it. In the first place, what is it?

Credit, of course, comes from the Latin word *credo* (I believe), and one of the best definitions which exists of "credit" is contained in the words of St. Paul:

*"Credit or faith is the substance of things hoped for, the evidence of things not seen."*

Money is a credit instrument. Just compare that with the definition I have given.

There is a curious faculty in the human makeup - the makeup of the cosmos if you like - which enables it to project forward its ideas, and then to fill those ideas with solid fact. When your great Sydney bridge was built, first someone conceived an idea that there should be a bridge across the harbour. Then someone had an idea as to what sort of bridge it might be. They put the bridge on paper, they altered it a little; they calculated it, and so forth, and eventually the idea became a bridge. Behind that conception was the belief that it could be done. No one would have gone forward from that idea, but for the perception of the truth that this curious system of ours, which we call the financial system, is the embodiment, or, if you like to put it that way, the debasement, of that peculiar faith - the faith that things will be done. For instance, when I come to you and offer you a £1 note you will have faith in that £1 note; you have faith that something will be given to you in exchange for it if you want that something. That is why you accept the £1 note, and that is why this question of money is wrapped up with something which at first sight does not seem to have anything to do with it at all; and that something is this thing credit. What is credit, and why is credit so important in the modern world?

Let me give you an illustration. Suppose I go to the railway station, and want to travel from here to Sydney; the first thing I have to do in order to make the journey is to get a ticket. When I get that ticket I do so in a state of faith that without a ticket I shall be unable to travel

to Sydney. I take the ticket as a sort of definite concrete evidence that the means of travel to Sydney by rail exist; and it is quite obvious that if I begin to associate the idea of travel to Sydney by rail as being indissolubly or inseparably connected up with the idea of getting a ticket, the ticket will very soon begin to appear to me to be the most important part of the railway. I do not have to know how the locomotive works; I do not have to know how the tracks are laid; I do not have to know how the signals are run, or anything of the sort. But I know that if I have a ticket I can travel on the railways to Sydney. So I have the idea of the ticket and nothing else. Now there is no difference whatever between that railway ticket and a £1 note, except that the railway ticket is what we call an effective demand for a railway journey, or a faith demand, and the £1 note is a faith demand for anything that can be bought for £1; and so hypnotised have we become by this system that we have begun to believe that the £1 note and the ticket are more important than the railway journey or the thing that we purchase.

Now let us see what an enormous power is involved in this power to issue or not issue a ticket. Imagine for a moment the extraordinary state of mind which takes place, and let us suppose that there is a legitimate reason for it, when large numbers of the population are told that they must starve or cannot have necessary things because unfortunately there are not enough tickets; or they are told, *"It is an unfortunate thing that you cannot make this journey, because unfortunately there are not enough tickets."*

Now if you are on a railway journey, you know that it is part of the business or functions of the railway - of the traffic department of the railways - to deal with the tickets, to make provision for the issue of the tickets. But let us consider the position in the world at large in regard to this more generalised thing that we call money. All of you probably have a hazy sort of idea that when you grow an acre of wheat you grow or create the money wherewith to buy that wheat. Of course, you are always being told that you are wealth-producers, but you do not find that the theory has worked out too well in practice after you have grown that acre of wheat. You may be wealth-producers, but you begin to realise that £1 notes do not really grow at the roots of the wheat in the field.

**The fact must be realised that the wealth of the world is really produced by production; the tickets which are the effective demand for that wealth are produced by the financial system; and the two things are not necessarily connected at all.**

You can grow wheat until your barns are filled to bursting point, and you can manufacture motor cars until your roads are black with them; and yet you will not increase by one penny so far as those processes are concerned, the amount of purchasing power in the world.

I want to point out to you how it comes about that the ticket system has become separated from the production system or the transportation system. Just imagine what you would say, what you would think, if you were called upon to build a railway, if you had to provide all the work and all the material, and then somebody set out in the principal towns to establish a ticket office from which to issue the tickets for that railway as a monopoly. Yet that is the sort of thing that is happening in the world at the present time. I want to show you what has taken place, how that state of affairs has come about because I think it is explanatory of the present position. If we go back to the beginnings of the money system, the recorded beginnings that are well authenticated, we find that wealth was represented by cattle. The owner of the cattle, of course, very often bartered some of his cattle for grain in order to feed the rest of his cattle. The man who grew or sold the grain was an itinerant vendor who moved about, and he got into the habit of taking

from the owner of the cattle a round disc of leather, and sometimes that disc bore the imprint of a rude image of a cow's head, and sometimes it did not. We have a reminder of that fact in the words that we use at the present time. We talk about a money transaction as being a pecuniary transaction, and the word "pecuniary" comes from the Latin "pecu," which means cattle.

Now when this state of affairs was in existence there was also one very extraordinary fact - the owner of the cattle, the owner of the wealth, and the owner of the money, the owner of the leather discs, comprised really one and the same person. So there you had the production system and the money system concentrated under the one control, in the one set of hands. Obviously a system like that could not be expected to work for very long. Some bright gentleman no doubt got the idea of punching out a few additional bits of leather, and that was really the first form of inflation.

*(to be continued next month)*

## **THE SOCIAL CREDIT VIEW OF HISTORY “... history is one long struggle for power”<sup>1</sup>** **Part I By John Burton**

In many of his books, articles, and addresses, especially those written in the course of his later years, Douglas expended a considerable amount of time and energy in analyzing specific historical events as they occurred, and in interpreting their meaning and significance from the point of view of Social Credit policy.<sup>2</sup> While his observations retain their value both as alternative and indeed more accurate portrayals of past happenings, and while they also provide enduring lessons for the Social Crediter in the on-going struggle to arrive at a true conception of current events, it is not with these particular, empirical judgements that this present article is chiefly concerned. Instead, by maintaining our focus on the substantive and the essential, we will seek to elucidate the general theoretical framework on the basis of which Douglas' earnest and insightful remarks were made. There is a distinct 'Social Credit approach' to history which follows rather logically from the Social Credit teachings on philosophical, economic, and political matters. It's high time (and indeed incredibly timely given what is now transpiring in the world!) that the nature of this approach be given a close-up and thorough examination.

### **What is History?**

Like many other concepts embodying vast areas of human experience and reflection, the term 'history' can be used paronymously *-(from a word in another language)*. In its most general and fundamental sense, history refers to the sequence of events which characterize the existence of temporal entities, as well as the causes and consequences of this sequence. These beings may either be human or non-human and if human, the temporal passage may refer to the life story of an isolated human individual or else to the story of a group of humans, of

human beings in association, of a community. The history of individuals and groups in stable, agriculturally-based societies is what we know as the history of civilization.

Apart from this metaphysical understanding of history, there is also that datum which most people think of when they conceive of history, i.e., the oral or written *presentation* or the *relating* of the sequence of events, their causes and consequences by some person, or group. This is the main derivative meaning which might be attached to the term 'history'. While it might seem to some to be a splitting of hairs, there is a definite difference between what really happened (i.e., history in its metaphysical sense) and what is only said to have occurred (i.e., the practice of recording history). Naturally, the latter only possesses the value of truth if it accurately reflects the former, but this correspondence is not always apparent.

Just as it is possible to distinguish different types or categories of history on the metaphysical level depending on the nature of the subjects in question (such as natural history vs. human history, etc.), so too is it possible to identify different ways in which history can be represented by human beings. In this regard, Douglas made a distinction between written history, which he described as being two-dimensional, and memory which is four-dimensional. Within the category of memory-history, Douglas made a further distinction between the memory-history that is uniquely possessed by the individual and which goes by the name of experience and that which is a communal heritage passed down from generation to generation and which may be described as a general 'feeling for policy'. It is this collective 'feeling for policy' that forms the basis of a culture.

All three types of history have their specific advantages and disadvantages which must be properly understood if individuals are to become aware of their corresponding limitations:

“Writing differs from memory in being two-dimensional instead of four-dimensional. It is only possible to write about one thing at a time. Genuine history, that is to say, the flow of events, is just as unwritable as a spring morning. You can pick out certain facts about it, which you think are important, but there are infinitely more contemporaneous happenings than you can possibly mention. In other words, written history is five per cent fact, and ninety-five per cent historian, even at its best. What value it possesses, and that may be considerable, depends primarily on the historian, and secondarily, on the equipment of the reader – on his ability to see the related facts in their true perspective.

“But there is a type of history which is four-dimensional. Everyone has a certain amount of it, and where it relates to something of the nature of a profession, this memory-history, over the period of a lifetime, has a practical value out of all proportion to anything available in print. It forms the basis of effective ability. We call it experience.

“There is, however, a memory-history of still greater importance, and that is hereditary. Many of the country villages of England and Scotland were full of it. The first essential to its growth is stability.

“One cannot fail to notice the curious contradiction involved in the passionate study of racehorse pedigree which was so popular in the distant days of uneasy peace, and the carefully fostered contempt for ‘family’ in the human race, which is contemporaneous with Socialism. The subject is complex, and is obscured by the confusion introduced by the rapid growth of a pseudo-aristocracy which possesses no discernible characteristics other than rapacity. I merely wish to refer to it in connection with this most important fact of family-traditional-history, which may take the form of ‘feeling for the land’, water-divining, boat-building, or anything else which has been carried on in the same place by the same families over a considerable period. For the purpose of a ‘feeling for policy’, which is really a subconscious memory of trial and error, the same consideration is equally true if we are to accept the theory of a continuous policy. I do not believe there is any substitute for it, although it requires checks and balances.

“Now, I do not think it is possible that anyone who will take the trouble to consider the evidence, can ignore the purposeful endeavour which has been made over at least three hundred years to break up and destroy this hereditary memory of policy. I should not exclude the Crusades from consideration in this respect, but it is sufficient to begin with the decimation of the country families by duelling in the seventeenth, eighteenth, and early nineteenth centuries.”<sup>3</sup>

## **The General Nature of the History of Civilization: The Pre-eminence of Policy**

One of the first things which needs to be recognized when dealing with history in the metaphysical sense (and hence in its derivative sense of *representation* as well) is that there are a number of strikingly different factors which can be responsible for the things that occur and the order in which these things occur. The sequence of events which characterizes the history of civilization can be reduced, in principle, to three basic causes. Some things happen as a result of the action of blind natural forces. The destruction of Pompeii, for example, was due to a volcanic eruption having geophysical causes. Others occur because of chance or coincidence, such as Newton’s discovery of gravity. Still others are the product of *conscious intention*. Take, for example, the general societal dislocation experienced in Afghanistan and Iraq at the beginning of the 21<sup>st</sup> century. These happenings were the outcome of policy.

One of Douglas’ greatest insights was that once it is recognized that policy can play a significant role in determining the material content of history, it naturally follows, given the overwhelming importance of the phenomenon of *association* in civilization as such, that many of the things which occur in the life of a society and in the lives of the individuals who compose that society do not just happen either by chance or by blind necessity; they are, in fact, a function of the particular policies which the political, economic, and cultural associations operating within that social order have adopted. In contradistinction to the episodic interpretation of history, Douglas realized that: “History is crystallised *Politics*, not disconnected episodes.”<sup>4</sup>

Social policies consistently pursued over long periods of time move societies and individuals in certain directions rather than others and thereby become the governing thread in which individuals and their associations move, live, and have their being. Once one has uncovered what the underlying policies in a particular society happen to be, one is able to see history in the making. This is not to suggest that everything which happens in the course of a civilization’s progression can be explained in terms of policy-decisions (there is always room for unrehearsed events beyond human control), but rather that the overall character of the history of civilization is something which bears the unmistakable imprint of policy. Using the history of the industrial age as an example, Douglas was able to explain this nuanced position well with the help of a metaphor: “The episodic conception of the history of the past hundred years is quite untenable. [However – JB] It would be absurd to suggest that the period does not comprise a large number of unrelated incidents of high importance, in much the same way that the life of a man with one single and over-mastering ambition is bound to

include events which are neither sought nor anticipated.”

5

It is policy, which, more than anything else, gives unity to the story of civilization. The truth of this view provides humanity with good reasons for hoping that the conditions under which we are forced to live can be greatly improved. If much of what happens occurs in the way in which it does because of policy, then, in order to change the negative or less than satisfactory direction in which a civilization is moving, it is sufficient to change one or more of the governing policies. By contrast, if the episodic view of history were true, this would mean that human civilization is necessarily a type of prison which could not fail to subordinate the individuals within it to their environments. On the basis of the episodic or cock-up interpretation of history, one would have to conclude that:

“Terrible things happen, but no-one is essentially to blame for them. On the whole the mathematics of chance and probability rule us, and, if we appear to be losing on black, our only course is to put our money on red.

“On this theory, wars, revolutions, depressions, business amalgamations, rationalisation and nationalisation, taxes and bureaucrats, are natural phenomena as inevitable as the flowers that bloom in the spring. An attitude of reverent agnosticism combined with disciplined acceptance is all we can adopt pending a codification of the ‘trends,’ which clearly require data compiled and card indexed over a long period of time.”<sup>6</sup>

The fact that Douglas is right in claiming that history is, above all else, ‘crystallized policy’ can be demonstrated by pointing out the large number of organizations in existence, i.e., associations, which have pursued a consistent policy over some period of time: “Where it is possible to identify a continuous organisation, it is safe to postulate a continuous policy, and as every policy besides having a philosophy, has an appropriate mechanism, or form of organisation, it is also safe to conclude that similar mechanisms have similar policies and philosophies, ...”<sup>7</sup>

Unfortunately, one of the greatest obstacles on the part of the average contemporary mind in the Western world (especially in the United States) to a full acceptance of Douglas’ conception of history is that many people have been conditioned to believe that while good things may be the result of the pursuit of good policies, bad or evil things never come about because of the pursuit of evil policies; i.e., evil policies are never consciously nor consistently adopted, at least not on a large scale. According to this view, nothing ever happens as a result of conspiracy; bad things are always or almost always mere accidents or else the determinations of inscrutable fate. Any affirmation to the contrary makes one a ‘conspiracy theorist’:

“There are many instances of a policy which has a corporate existence extending through many hundreds

or even thousands of years. Christian Catholicism, Confucianism, Mahomedanism are all such policies, and they have altered the history of the world, all of them mostly for the better, by injecting certain ideals which have been operative over these long periods.

“A proposition such as the foregoing would be accepted by any reasonable individual as being neither very startling nor debatable. But say to most of these, ‘Just as there are long-term policies with a corporate embodiment whose objectives and results are for the most part ‘good’ so there are similar policies with corporate embodiment whose objectives and results are more or less evil’, and they will at once suspect you of mental unbalance – a fact which is in itself, properly understood, confirmative of the thesis.”<sup>8</sup>

Once it is admitted that evil social policies exist, one can seriously consider the possibility that:

“... both the economic and political fortunes of mankind may be not so much at the mercy of inexorable natural law, as the outcome of manipulation by small groups of men who know exactly what they are a doing.”<sup>9</sup>

Ample evidence of various types has been provided by various researchers and authors to show that, far from being a mere theoretical possibility, it is actually the case that much of the history of civilization can be explained as the intentional crystallization of evil policies ... policies which have been adopted by groups working for the usurpation of the unearned increment of political, economic, and cultural association. Instead of discarding it as too uncomfortable to contemplate, a swift and widespread acceptance of this thesis on the part of the people’s of the world is the first step by means of which those obstacles that are actually preventing a much more satisfactory civilization from coming into existence can be removed:

“It is a curious fact that the decreasing number of people who pour scorn on ‘World Plot’ explanations of the present state of the world (not of one country only) do not appear to recognise the implications of their opinion. If they were right, the present discontents are inherent; we can do nothing more about them than we can do about the normal equipment of mankind with two legs and two arms. But if the ‘Plot’ theory is correct then we can deal with it, great though the difficulties may be. Either all men are alike, as the Socialists would have us believe; or some are turned to the Light, and some love the Dark. That is the awful interpretation of the Judgement.”<sup>10</sup>

### **The Specific Nature of the History of Civilization: Conflicts Surrounding Questions of Social Policy**

Beyond the general observation that the history of human beings in association (wherever such groups are to be found) is always profoundly marked in its formal structure by the crystallization of policy, it is also possible to see that the de facto history of human civilization on this planet actually derives much of its

material character from the specific types of policies which have been adopted. Had other policy-decisions been made, the nature of the resulting crystallization would have been correspondingly different and civilization would have taken on other forms. According to Douglas, the key principle or cipher for correctly understanding the history of human civilization as far as its material content is concerned is the realization that our history is composed of a series of struggles between different oligarchic groups and between them and the common individual for control over the unearned increment of association:

“Whether we consider the present state of society to arise from inertia and fear, or from a positive craving for power, the recognition of its existence suggests that those who embody it will be found engaged in a struggle for the control of social forces. This, I think, is the case, and in one form or another this struggle is similar to that which has taken place throughout recorded history. The prize may be termed the unearned increment of association.”<sup>11</sup>

The history of civilization is, in the final analysis, the chronicle of an on-going war between two diametrically opposed social policies: the policy of domination which animates despotic associations (and which most often is, in practice, an oligarchic policy), versus the policy of freedom which lies at the foundation of the authentically democratic association. It is the war between oligarchy and free humanity.<sup>12</sup> In the case of the despotic associations, the history of civilization is also the chronicle of an internecine war between ideologically similar if not identical individuals and groups who are competing with each other for the power to administer the policy of illegitimate domination and to enjoy its ill-gotten fruits. The first conflict that was mentioned is the primary war which characterizes the thread of history, while the second, because it is dependent on the outcome of the first, may be regarded as the secondary war governing the flow of events:

“Out of the fog of the kind of history which Henry Ford described as ‘bunk’, and of propaganda designed to encourage the faith which consists in believing what ain’t so, there emerges the outline of a titanic struggle; a tripartite struggle in which, from its very nature, one side, that of the common man, has been, and indeed is, not merely unorganised in its own interests but largely unconscious of them; while another consists of highly intelligent and completely unscrupulous men, carrying on an internecine warfare throughout the ages for ultimate power. The present crisis is quite probably a culminating peak of this long struggle ...”<sup>13</sup>

It would appear that both the primary and secondary wars for the control of the unearned increment of association have a common origin. They have existed and continue to exist primarily because of ignorance and fear, ignorance of the enormous latent potential which the

cosmos holds for a more abundant life for all and fear of scarcity in all of its forms:

“Only a cursory acquaintance with history is requisite to appreciate the fact that the major conflict of human existence is concerned with what we are accustomed to call liberty. Physical existence upon this planet requires the provision either by the individual himself, or by organised society, of bed, board, and clothes, and the maintenance and continuation of existence is the strongest force in human politics. There has never been a period of history in which this individual determination to live and to insure the continuance of human life has not been conditioned, not so much by physical facts, as by human action itself. The cave-man probably found his chief difficulty less in the lack of game, or in his peculiar housing problem arising from a shortage of eligible caves, than in the fact that his neighbour, instead of exploring new territory and finding an additional cave, preferred to take measures to expel him from the sites already developed. Not, I think, so much because he liked fighting, as for lack of ability to conceive of the existence of enough caves. Fundamentally there is little difference discernible in the outlook of man upon the situation to-day.”<sup>14</sup>

It would also appear that this age-long conflict between the two antithetical policies and between the two antithetical philosophies which underlie them is approaching its culmination in the modern world: “... two philosophies and two policies, those of world dominion and the materialistic Messiah, on the one hand, and individual freedom on the other, are now at death grips.”<sup>15</sup>

That the war is approaching its climax would seem to have a lot to do with the fact that, in our contemporary civilization, the almost exclusive vehicle by means of which the policy of domination and hence of despotic association is presently being imposed on the world is that of finance and finance, improperly regulated, is the most powerful instrument the mind of man has ever conceived for imposing policy on his fellows. At the same time, it must be admitted that finance, improperly regulated, is dysfunctional and cannot sustain the authentic progress of civilization. Indeed, as its recurring crises have shown, finance as we know it cannot even sustain itself without relying on the force of compulsion exercised by the state. It seems, then, that the oligarchic forces will either succeed in using finance to attain the goal of complete subjugation of the common individual, or else finance will have to be suitably reformed so as to serve the interests of the community of sovereign individuals:

“... the real antagonism which is at the root of the upheaval with which we are faced is one which appears under different forms in every aspect of human life. It is the age long struggle between freedom and authority, between external compulsion and internal

initiative, in which all the command of resources, information, religious dogma, educational system, political opportunity and even, apparently, economic necessity, is ranged on the side of authority; and ultimate authority is now exercised through finance. This antagonism does, however, appear at the present time to have reached a stage in which a definite victory for one side or the other is inevitable – it seems perfectly certain that either a pyramidal organisation, having at its apex supreme power, and at its base complete subjection, will crystallize out of the centralising process which is evident in the realms of finance and industry, equally with that of politics, or else a more complete decentralization of initiative than this civilisation has ever known will be substituted for external authority. The issue transcends in importance all others: the development of the human race will be radically different as it is decided one way or another, ...”<sup>16</sup>

In actuality, it must be admitted that the present, almost perfect identity existing between the policy of domination and the policy of finance did not arise out of nowhere, but has been presaged by less intense degrees of union. The financial system has been intertwined to a greater or lesser extent with the policy of domination as the latter’s most powerful tool for several millennia. On the basis of this observation, it would be more precise to describe the history of civilization not merely as ‘the chronicle of an on-going war between two diametrically opposed social policies: the policy of domination and the policy of freedom’, but as consisting, in the main, in a conflict between the Money Power and the common people. From this point of view, the assertion that ‘the love of money is the root of all evil’ takes on a whole new *historical* dimension. (to be continued next month)

#### References

1. C.H. Douglas, *The Brief for the Prosecution* (Liverpool: K.R.P. Publications Ltd., 1945), 62.
2. Consider, for example, Douglas’ lengthy commentaries on current events as presented in *The Brief for the Prosecution*, *The Development of World Dominion*, *The “Land for the (Chosen) People” Racket*, *Programme for the Third World War*, and *“Whose Service is Perfect Freedom”*.
3. C.H. Douglas, *The Big Idea* (Bullsbrook, Australia: Veritas Publishing Company, 1983), 28-29.
4. C.H. Douglas, *The Big Idea* (Bullsbrook, Australia: Veritas Publishing Company, 1983), 3. Cf. C.H. Douglas, *Realistic Constitutionalism* (London: K.R.P. Publications Ltd., 1947), 11: “Close attention to the evidence has convinced me of degeneracy from a marvellous Constitution in the last three hundred years, accompanied by the atrophy of a sense of continuity – the idea that history is disconnected episode, instead of being, as it is, crystallised policy.”
5. C.H. Douglas, *The Brief for the Prosecution* (Liverpool: K.R.P. Publications Ltd., 1945), 62.
6. *Ibid.*, 10.
7. C.H. Douglas, *The Big Idea* (Bullsbrook, Australia: Veritas Publishing Company, 1983), 3.
8. C.H. Douglas, *The Development of World Dominion* (Sydney: Tidal Publications, 1969), 13.
9. C.H. Douglas, *The Brief for the Prosecution* (Liverpool: K.R.P. Publications Ltd., 1945), 10.
10. C.H. Douglas, *The Development of World Dominion* (Sydney: Tidal Publications, 1969), 7.
11. C.H. Douglas, *The Monopoly of Credit*, 4th ed. (Sudbury, England: Bloomfield Books, 1979), 10-11.
12. From the point of view of the oligarchy, “... the common man, with whom we may include all but a tiny fraction of the population of every country at every time, is simply ‘cannon fodder’. His place in the scheme of things is to be forced into functional associations – Armies, ‘Labour’, Civil Services, etc. which can be swung like a club, and, on the whole, with as little comprehension as a club possesses as to

the real objective for which it is swung. ...

Now it may be reiterated, that this forced functionalising process, which alone makes the common man the collective tool of the Enemy arises out of the necessity for bed, board and clothes in security. Man wants much more than that. But afterwards, and the things he wants afterwards are most dangerous to the Enemy. So that the obvious policy is to keep him busy with bed, board and clothes in perpetuity.” C.H. Douglas, *“Whose Service is Perfect Freedom”* (Bullsbrook, Western Australia: 1983), 75-76.

13. C.H. Douglas, *“Whose Service is Perfect Freedom”* (Bullsbrook, Western Australia: 1983), 75. At the end of this same paragraph, Douglas goes on to make the following interesting comment: “The present crisis is quite probably a culminating peak of this long struggle and we may see the emergence of a third party which perhaps has been overlooked.” It would appear that Douglas is referring to the birth of a group of independent individuals of good will, i.e., Social Crediters, who, by uniting in association, can acquire sufficient power to alter the course of history and thereby introduce a new element into the dynamic. Nothing is more urgent than the conversion of the masses into sovereign, rational individuals who are keen on forwarding the common good. Cf. C.H. Douglas, *Programme for the Third World War* (Liverpool: K.R.P. Publications Ltd., 1943), 43: “I believe that we shall be taking the most generally accurate view of history for at least the past two thousand years if we view it as a conscious attempt on the one side, and an unconscious reaction on the other side, to and from the separation of the individual and his natural powers, and to vest them in organisations controlled by power maniacs. If you prefer to say that it is a struggle to separate man from God, to replace the immanence of God (i.e., power over events) by the Omnipotent Jehovah (i.e., subservience to *events*), I shall not quarrel with your choice of words ...”

14. C.H. Douglas, *The Monopoly of Credit*, 4th ed. (Sudbury, England: Bloomfield Books, 1979), 88-89.

15. C.H. Douglas, *The Big Idea* (Bullsbrook, Australia: Veritas Publishing Company, 1983), 5. Douglas’ formulation of the fundamental social conflict is reminiscent of Saint Augustine’s teaching on the opposition existing between the city of God and the city of man.

16. C.H. Douglas, *Economic Democracy*, 5th ed. (Sudbury, England: Bloomfield Books, 1974), 86-87. Geoffrey Dobbs added the following important caveat in a footnote to this particular passage in the 5th ed. of *Economic Democracy*: “Douglas later developed much further his thinking about authority and religion, using ‘authority’ in a sense contrasted with that used here, where it is related to power and external compulsion. ...” Cf. also C.H. Douglas, *Dictatorship by Taxation* (Vancouver: The Institute of Economic Democracy, 1978), 13: “In conclusion, perhaps you will allow me to express my opinion that in this matter it is now a fight to the finish. Within the next few years you will either become subjects of a servile State, exceeding in powers anything known in history, quite possibly well-fed and secure – just as many slaves were well-fed and secure in the days of chattel slavery and resented their freedom – or you will, but only by means of the greatest struggle in history, have achieved all these things, together with freedom – freedom of speech, freedom of action, immense leisure, immense opportunity.”

For those who believe in the divine origin of the Christian scriptures it would appear that the final victory of humanity over the oligarchic financial system was foretold two thousand years ago. Towards the end of the Apocalypse we find this curious passage:

“And after these things, I saw another angel come down from heaven, having great power, and the earth was enlightened with his glory.

And he cried out with a strong voice, saying Babylon the great is fallen, is fallen; and is become the habitation of devils, and the hold of every unclean spirit, and the hold of every unclean and hateful bird:

Because all nations have drunk of the wine of the wrath of her fornication; and the kings of the earth have committed fornication with her; and the merchants of the earth have been made rich by the power of her delicacies.

And I heard another voice from heaven, saying: Go out from her, my people; that you be not partaker of her sins, and that you receive not of her plagues.

For her sins have reached unto heaven, and the Lord hath remembered her iniquities.” Apocalypse 18:1-6

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