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

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IN THIS ISSUE

CH Douglas on Tyranny: Its Nature, Origin and Remedies

M OLIVER HEYDORN *

ABSTRACT

Major CH Douglas was the founder of the original Social Credit movement. Social Credit theory has much to contribute to a deep and accurate understanding of the vexing financial, economic, cultural, environmental, and political problems with which we are confronted. In both his philosophical and technical writings, Douglas identified the single greatest threat to the well-being of society in the modern world: the tyranny of plutocratic oligarchy. He analysed its nature and origins and then proceeded to outline the correct orienting principles and the appropriate mechanisms by means of which this threat could be effectively neutralised. The final aim of the Douglas Social Credit movement was to restore society to a state of optimal and harmonious functioning.

[A]s far as it is possible to sum the matter up, the general problem seems to be involved in a decision as to whether the individual should be sacrificed to the group or whether the fruits of group activity should be always at the disposal of the individual. – CH Douglas (1924) [1]

* Dr. M. Oliver Heydorn graduated *summa cum laude* from the International Academy of Philosophy at the Pontifical University of Santiago, Chile. He is the founder and director of the Clifford Hugh Douglas Institute for the Study and Promotion of Social Credit (socred.org).

1 CH Douglas, *Social Credit* (Gordon Press, rev ed, 1973) 27-8. Douglas was convinced that it is only by taking the second path, ie, by elevating the individual above the group, that we can lay the foundation for a satisfactory and sustainable future. The first path described, where the individual is to be sacrificed to the group, is the path of tyranny.

I. INTRODUCTION

CH Douglas (1879-1952) was a British engineer and the founder of an international campaign that was inspired by his many articles, books, and speeches. This campaign became known as 'The Social Credit Movement'. Throughout the inter-war years, 'Social Credit' was a household phrase in many parts of the British Empire. There were even Social Credit governments that had held power for many decades in the Canadian provinces of Alberta and British Columbia and 30 Social Credit MP's in the federal Canadian parliament as a direct result of the 1962 election. While Douglas, his ideas, and his movement, are chiefly associated with economics and the urgent need for a particularly radical type of monetary reform, he was also a profound and original thinker in his approach to key philosophical, political, and historical questions. The overall thrust of his thought was chiefly concerned with the functionality of the financial, economic, and political systems, and of the social order in general, and with what he saw as the due requirements for that functionality: the decentralisation of power to the lowest degrees feasible and the protection and promotion of true human liberty.

Before we proceed any further, two clarifications are in order. The first is that in spite of the presence of the word 'social' in 'Social Credit', Douglas' economic vision was not only not socialist, but was actually anti-socialist. He was against Big Government, high taxation, excessive regulation, a command economy, and so forth. The idea that 'Social Credit' must be some form of 'socialism' is a common misconception that has plagued the Social Credit movement for many decades. The second clarification has to do with the fact that — for some inexplicable reason — the Chinese Communist Party has decided, in much more recent times, to name their totalitarian surveillance, reward and punishment programme 'social credit'. Needless to say, Douglas Social Credit has nothing at all in common with the CCP's social control system. If anything, it would rightly be described as something which stands in complete opposition to the Chinese system. Douglas Social Credit is as *anti-totalitarian* as it is *anti-socialist*:

> The set of ideas which became the movement known as Social Credit began with an examination of the problem of the relationship of the individual to the group, and the financial proposals which emerged were consciously, and in all their developments, designed to free the individual from group domination. [2]

2 CH Douglas, *The Development of World Dominion* (Tidal Publications, 1969) 1

II. THE BASICS OF DOUGLAS' SOCIAL PHILOSOPHY

One of CH Douglas' central insights in the field of social philosophy (an insight that was by no means unique to him) was that whenever humans associate together in groups there is some advantage or benefit that comes into existence 'on the back' of the association as a supervenient quality. Indeed, it is precisely for the sake of obtaining this advantage – which he termed 'the increment of association' – that people associate with others in the first place. This increment takes the form of a particular kind of power, in this case, a social power. Accordingly, Douglas also referred to it as an association's 'social credit', ie, the association's capacity to achieve various ends and, derivatively, the well-grounded belief in the same. The 'increment of association' as it applies to society in general, or to societies of a certain kind, is thus the most basic of meanings that might be ascribed to the term 'social credit' within the context of Douglas' body of thought. Far from referring to a system of centralised surveillance and control, the original 'social credit' describes a concrete phenomenon: *the power of human beings, working in association, to achieve intended results.*

Now, the fundamental idea behind the increment of association (or the 'social credit') is that the whole is greater than the sum of its parts; ie, there are certain objectives which people can achieve more easily or better when they work together in co-operation as opposed to when they are working on their own. Four average men, for example, by associating with each other can move a 200 kg table more easily than what one stronger-than-average man would be able to manage. There are, in addition, other objectives that cannot be reached at all on one's own, but only in association with others. Reproduction would be, perhaps, the simplest exemplification of this latter category. In both cases, the *plus ultra*, the profit, that accrues to association is unearned; ie, it is inherent to the nature of association itself and is not something for which any one person or group can take exclusive or proprietary credit.

Reality is so constructed by its Designer that when we bring two or more elements into a positive association with each other we can gain something 'more' as a superabundant gift of the association. [3] By bringing a lever and a fulcrum into association, for example, it takes less force to lift a weight. There is a mechanical advantage that comes into being on the basis of the association. By bringing people into various forms of social association, we likewise gain some benefit in terms of the ease, quality, efficiency, or the possibility/probability, etc, of achieving some collectively-valued end.

There is, however, an important caveat: not all human associations are automatically of equal worth. Merely bringing people together is not a sufficient condition for the unearned increment, the 'social credit', to supervene, in its maximal expression, on the association, nor does it ensure that that power will be deployed in the most satisfactory manner, nor does it guarantee that the fruits derived from the application of the unearned increment will be equitably distributed. We can therefore distinguish between high-quality or healthy associations and low-quality or unhealthy associations. The difference between them depends on how effectively and efficiently the true purpose of the association, ie, the particular increment the association is aiming for, is maximised or rather optimised, and how fairly that unearned increment is then distributed amongst the individual members of an association.

When it comes to the question of distributing the fruits or benefits of an association (ie, the increments), different patterns of distribution can emerge and some of them will prove to be less satisfactory than others. The same is true of what might be termed the decrements of association, since associating also imposes a cost on the individuals who participate in the association:

> It appears to be a fundamental instinct of conscious life, well developed even in the animal kingdom, that certain advantages can be gained by the association of individuals into a group, which cannot be attained in other ways. It is equally true that in a primitive state of existence the advantages of the group carry with them definite disadvantages to the individual. It is true that many hands make light work, but it is not less true that he travels the fastest who travels alone. The developments of modern industrial society, founded upon the division of labour and co-ordinated by the financial system, have at one and the same time increased this unearned increment of association, and still further subordinated the individual to the group. [4]

What we are actually talking about when we speak about 'fairness' or 'justice' in a realistic sense is the pattern of distribution of benefits and burdens within the context of association that will maximise the general satisfaction with the operation of the association, while assuring that at least a basic minimal degree of satisfaction can be guaranteed to those occupying the lowest rung amongst the membership. [5] This requires ensuring that everyone's interests are taken into account as part and parcel of the association's due functionality:

> [A] nation or other corporate body exists to further the interests of individuals; or, to put it in a more technical form, there is an increment of association derived from the co-operation of individuals, which should be distributed amongst the individuals, if the object of their co-operation is to be achieved successfully. [6]

Because individuals associate into groups for the sake of maximising or optimising their individual benefit, as well as that of others (because helping others to flourish should ricochet in various ways so as to further enhance one's own well-being), and for the sake of simultaneously minimising the decrements of association, 'fairness', or the successful distribution of the unearned increment of association in favour of each individual to the greatest extent feasible, is a prime mark of functionality.

Healthy associations are those which fulfill well, ie, in ways that are effective, efficient and fair, the true purposes for which the associations were established in the first place. Put simply, they work well; they are highly functional. A healthy economy, for example, is one which fulfills its purpose well by delivering the goods and services that individuals need to survive and flourish, with the least amount of labour and resource consumption. In a healthy association, the aggregate benefit is maximised, while burdens are minimised and the general pattern of distribution might be described as equitable (not necessarily equal). This equitable distribution is both a condition for and a constitutive component of an association that is successful in fulfilling its purpose. That groups exist only to serve the concrete individuals who compose them and to serve them well is the *leitmotiv* of the healthy association according to Douglas' social philosophy: 'institutions exist only legitimately to serve individuals, ...' [7]

Unhealthy associations, by contrast, are those which significantly fail, to one extent or another, to fulfill their true purposes in ways that are effective, efficient, and fair. They don't maximise or optimise the unearned increment of association, ie, the objective for which the association was first established, and they don't embody a pattern of distribution of those benefits and burdens which might rightly qualify as 'fair' or 'equitable'.

Now, there are undoubtedly a number of factors that might be responsible for causing an association to deviate from its due course and to degenerate into an unsuccessful or unhealthy association. Incompetence, lack of social concern (apathy), mismanagement, bad luck, unforeseen circumstances, cultural changes, etc, etc, might all play a part in the downfall of an association. I want to focus, however, on one particular factor that stalks every association, at least in the form of a potential threat. It is the phenomenon known as parasitism.

3 I am obviously employing the term 'association' here in a broader sense than when it is used specifically in relation to human groups or society.

4 CH Douglas, *The Monopoly of Credit* (Bloomfield Books, 4th ed, 1979) 11.

5 This way of understanding fairness or justice may be reminiscent of John Rawls' famous 'theory of justice' that was popularised in his book of the same name.

6 CH Douglas, *Warning Democracy* (Stanley Nott, 3rd ed, 1935) 92.

7 CH Douglas, *The Big Idea* (Veritas Publishing Company, 1983) 69. On Douglas' view, it is for the sake of the individual that all groups, institutions, laws, and regulations, etc, exist. Cf CH Douglas, *Economic Democracy*, (Bloomfield Publishers, 5th ed, 1974) 29-30: '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, whether 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, then industrialism must be reined in. That is to say, we must build up from the individual, not down from the State.'

III. THE NATURE AND ORIGIN OF TYRANNY

If we think of the unearned increment of association as an amorphous whole, the bounty that it represents constitutes a grave temptation to those more unscrupulous and powerful members of an association who are in a position to alter the design and operation of that association in order to suit themselves. Such individuals or groups might wish to capture more than their due share of the unearned increment of association as per the norms of equitable distribution, but this goal can only be achieved at the expense of the common good or the public interest.

In other words, elites can become corrupted and wish ‘to feast’ on the unearned increment of association as much as possible to the neglect of their due responsibilities to the association.

Whenever, or to the extent that, a parasitic class is successful in this anti-social aim, it necessarily gives rise to an unhealthy association which does not fulfill well, ie, in ways that are effective, efficient, and fair, the true purpose for which it was first established. For, in order to achieve their ends of maximising the unearned increment of association while minimising the decrements of association *for themselve*s (and quite apart, therefore, from what the fulfillment of the true purpose of the association objectively requires), the parasitic class must, in one way or another, artificially limit and then misdirect the activities of an association. The artificial limiting gives them leverage over the common members because it is a limitation that can be alleviated but will only be alleviated on the condition and to the extent that some tribute is paid to the elites in exchange. And, in this way, the association becomes, in some significant manner, restricted and crippled because it is serving a different purpose apart from and in defiance of its true purpose. There is, in consequence, a failure to maximise (or optimise) the unearned increment of association where the general welfare is concerned to the extent that this fulfillment is physically or objectively possible, coupled with the imposition of inequitable distributions of benefits and burdens that harm the regular members of an association for the advantage of the parasitic class. If the ‘harvesting’ is taken too far, there is a risk, of course, that it could even kill the host.

Such associations may be described as having an ‘anti-democratic’ rather than ‘democratic’ structure. That is, it is taken for granted in the basic operation of the association that the bulk of individuals exist for the purpose of serving the group and, by extension and in reality, the parasitic interests who dominate the group. When this ‘anti-democratic’, dysfunctional structure is then forcibly imposed by one means or another, we arrive at tyranny. The parasitic class (which hitherto might have operated exclusively by trickery or persuasion) becomes an oligarchy (that operates mainly by force). [8]

In the broadest sense of the term, then, a tyranny would describe any social arrangement which allows an oligarchic elite to self-servingly employ some form of coercive power, whether private or public or both, to establish, maintain, or expand a pattern of distributing the unearned increment of association that will benefit that elite at the expense of the authentic common good. The goal is to seize as much of the unearned increment of association for one’s own group as is possible, ie, insofar as doing so remains compatible with a tolerably functioning association. The use of coercive power to achieve that goal is experienced by those who are not part of the oligarchic elite as abrasive, arbitrary, constraining, burdening, violating, etc, ie, as the imposition of rules, conditions, etc, that are not compatible either with the full functioning of the association or with the common individual’s well-being. In sum, the attempt to seize the unearned increment of association on the part of the elites presupposes an illegitimate and unjustified (non-functional) limitation on the freedom of the general membership of an association, a limitation which they naturally resent. Since the objectives of the elites operating a tyranny and those of the common members of the association are in such a stark conflict, tyrannies are fundamentally unstable and this necessitates all sorts of wiles and stratagems on the part of the oligarchs to maintain the tyranny and to increase its hold over the people if at all possible.

The possibility and indeed the reality of tyranny in human association means that we are always faced with an inevitable choice as members of an association, or of society in general. We have to decide whether we will work and fight for the association to embody a policy of freedom for all of its members (only limited by the functional necessities of the association) alongside a maximisation of its due benefits for each individual, or whether we will acquiesce to a policy of domination, of tyranny, which will unduly limit our freedoms and deprive us to some significant extent of our due share in the unearned increment of association:

> There are only two Great Policies in the world to-day – Domination and Freedom. Any policy which aims at the establishment of a complete sovereignty, whether it be of a Kaiser, a League, a State, a Trust, or a Trade Union, is a policy of Domination, irrespective of the fine words with which it may be accompanied; and any policy which makes it easier for the individual to benefit by association, without being constrained beyond the inherent necessities of the function involved in the association, is a policy of Freedom. [9]

This talk of a 'complete sovereignty' and a 'policy of domination' bring us to the subject of monopoly and monopolistic control. As far as the use of coercive power is concerned, the pursuit and eventual establishment of monopolies is a key tool in the arsenal of the oligarchic interests, so much so that the policy of domination just referenced may also be called 'the policy of monopoly'. Whenever a monopoly exists, can be established, or else captured on behalf of oligarchic interests, this provides a tremendous amount of leverage with which the participation of individuals can be effectively enjoined and more or less one-sided conditions imposed for the benefit of the oligarchy. Monopoly as a policy is something that is thus pursued in every area of significance in order to maximise the harvest that can be attained via the oligarchic usurpation of the unearned increment of association.

However, since there are, even with the benefits that can be afforded by monopolistic control, definite limits as to how much a parasitic class can take for itself from the pool of unearned increments without risking the demise of 'the goose that lays the golden egg' (in this case, the host association), there is also an inherent tendency on the part of that same class to seek ways of extending the jurisdiction of their monopoly power so as to encompass more and more people as well as resources. By this means, even greater benefits can be secured for the oligarchy. Thus we observe in history that city-states coalesce into kingdoms, kingdoms into countries, and countries into empires. Some of this coalescing might be organic, but on a Douglasite reading of history a lot of it would be the result of deliberate policy with an anti-social, ie, tyrannical, motive in view. The logical endpoint of this deliberate movement towards centralisation would be the establishment of a world super-state, a one-world order with a one-world government. This would be the monopoly of monopolies, the mother of all monopolies, a comprehensive centralised monopoly on a global scale.

As Douglas remarks in 'The Monopolistic Idea' (a speech that he gave in Melbourne, Australia, during his 1934 world tour), the idea of 'world-monopoly' is not new. It is something that has served as the overarching objective for many groups of people throughout history: 'Practically all the world's historical empires, beginning with the Roman Empire, although there were others before that, were attempts at world power.' [10] Douglas goes on to point out that these attempts were primarily military in nature; ie, the typical means that were employed in an attempt to achieve world power involved the use of the armed forces of the state to physically impose an oligarchic policy on other states and peoples.

What *is* new in the last few centuries, however, (though the role of the Money Power as a determining force in world history goes back several millennia) is the increasing use of financial mechanisms and financial power, ie, the financial software on which we run our economies and the strategic deployment of the various advantages that are derived from its operation, to serve as the method *par excellence* for enthroning a plutocratic oligarchy at the top of the social pyramid and for extending their hegemony throughout the world. In Douglas' view, the tyrannical threat of our time might be identified as 'the financial world state, the financial hegemony of the world by a selected group of central banks, crowned by the Bank of International Settlements.' [11] What is often termed 'the New World Order' is, above all, a financial world order. It is the attempt to transform the existing monopoly of credit, which is the prerogative of the banking system, into a monopoly on all things that money can buy or otherwise influence. The power to create and issue money and to profit enormously thereby becomes political by necessity because it enables the financiers to impose policy in all other areas of society in order to forward their own objectives: wealth, privilege, and, above all, more and more power:

> Further, it is to be remembered that the financial system is a centralising system; it can only have one logical end, and that is a world dictatorship. There seems to be little doubt that the temporary headquarters of this potential world dictatorship have been moved from country to country several times during the past five or six centuries. At one time it was in Italy and specifically in Genoa, then in the Low Countries and Lombardy, from whence came the Jewish Lombards who gave their name to Lombard Street. During the eighteenth and nineteenth centuries it has unquestionably been in London, but there is every indication that a change of headquarters to New York is contemplated. [12]

8 There can, of course, be varying degrees of oligarchic tyranny.

9 CH Douglas, *These Present Discontents and The Labour Party and Social Credit* (Cecil

Palmer, 1922) 5. See also M Oliver Heydorn, *Social Credit Philosophy* (IAP Press, 2016) 66-7: [Please confirm that the quote below is from Social Credit Philosophy. The part I've highlighted in green appears to be a comment on Douglas, not a quote from Douglas.]
It may be opportune to clarify the notion of 'functional necessity.' From the Social Credit point of view, the only limitations on individual freedom that can be justified by the inherent nature of things are those regulations that are shown to be required in practice in order to produce the complete and effective subordination of the group to the individual. The individual freedom which Social Credit advocates is not libertarian freedom, however; i.e., there is never a right to interfere with or disregard those regulations which are necessary, on account of the nature of reality, to maximise the benefits of group association for each individual to the greatest extent possible. While it is true that what might count as appropriate regulations will likely differ depending on time and place, that these should always be kept to the minimum that is needed, and that they should be summarily discarded once they are no longer required, there are indeed restrictions, which, being grounded in what Douglas referred to as 'the Canon' i.e., the natural law, reveal themselves as authoritative if the true purpose of association as envisaged by the democratic model of association is to be adequately fulfilled.
The correct set of regulations is not, therefore, a matter of mere preference or arbitrary choice; it must be discovered and then obeyed in practice. It is certainly possible that disagreements amongst people of good faith may arise concerning what the correct regulations actually happen to be, but this fact should not cause us to abandon the will either to implement or maintain whatever shows itself to be a correct regulatory principle. Any disputes of this type should be settled by free inquiry and debate and, if necessary, trial and error.
10 CH Douglas, *The Monopolistic Idea* (The Institute of Economic Democracy, 1979) 1.
11 Ibid 1.
12 Douglas (n 1) 160.

IV. DOUGLAS'S ANALYSIS OF THE FINANCIAL SYSTEM

In order to *begin* to understand the tremendous policy-making power that is resident in the banking system given its power of money-making and issuing and how this power can be used to extend and to consolidate the 'empire of finance', we will have to proceed to an examination of Douglas' analysis of the fundamental flaws which characterise the current financial system.
We might begin with the observation that the existing banking system incorporates three features in its standard operations that are ethically and functionally problematic: 1) usury, 2) fraud, and 3) the 'creation' of money *ex nihilo*.
By 'usury' I do not mean the mere charging of interest on loans, but rather the practice of economic rent-taking in the lending of money. Whenever someone lends money at arbitrarily high rates that significantly exceed the corresponding costs or risks and that are imposed independently of the success or otherwise of the borrowers, the lender is making an unjustified profit at the expense of those others. Rather than sharing in the profit of a borrower (in the case of a profitable business,

let's say) on some equitable basis, the banks make huge profits by implicitly claiming the ownership of the money that they lend out and by charging rent for it. The vast bulk of the money supply in every Western country (95%+) is rented from the private banks in this way. By this means, the banks use money to 'make money' without contributing something of equivalent value to society in terms of the flow of goods and services. [13]

Usury thus enriches and empowers one section of the community at the illegitimate expense of the others. It may be described as a racket, the true dimensions of which might be gauged by considering that, in principle, an organ of the state could provide a nation's money supply in its entirety at a mere fraction of the present cost in interest payments. Currently, only notes and coins (which are 5% or less of the money supply) are available as state money. This currency is typically issued at face value (the difference between the cost of production and the face value constituting a profit or seigniorage for the state). Instead of expanding the issue of currency to cover expenditures, governments at all levels borrow a good part of the money that they spend from the private banking system and pay interest on that money, interest charges which must then be covered by the public in their taxes. This means that the public are being taxed for private gain on account of public expenditures when that money could be supplied at cost as a public service or utility and the burden of taxation correspondingly eased.

But the story doesn't end there. The lending of money is also fraudulent insofar as the banks do not lend money in the strictest of senses or what we might term '1st class money' in the form of legal tender, ie, currency or state money in the form of bills and coins, that has been deposited with them (as people are generally led to believe). Rather they lend their own 'promises-to-pay', ie, bank credit. Nor does the story end there. These 'promises to pay' are actually created *ex nihilo via* accounting operations. When making a loan, for example, the bank expands both sides of its balance sheet such that the newly created bank credit is treated as the corresponding liability of a newly created debt (which is held as the bank's asset). Since the volume of bank credit greatly exceeds the supply of state money or currency, there is an additional element of fraud in that these 'promises-to-pay' are not fully backed up by currency. In the case of a bank run that has been induced by a financial crisis or even an irrational panic, they may not be fully convertible into currency upon demand. These 'promises-to-pay' thus rest on a very shaky basis and may prove to be invalid.

Douglas once summed up the matter this way:

> As the situation stands at present, the banker is in an unique position. He is probably the only known instance of the possibility of lending something without parting with anything, and making a profit on the transaction, obtaining in the first instance his commodity free. [14]

Having explained some of the key problems with the banking system from the point of view of healthy associations, there are a few caveats that must be added immediately.

Firstly, we must be clear that Douglas is not an advocate for the nationalisation of the private banks. He is not against private banking, nor is he against the private banks existing on a for-profit basis. Indeed, we should have more private banks about in order to guarantee competition, not fewer. What he insists on, however, is that the private banks should profit by assisting the community in the achievement of its legitimate, independent interests to the fullest measure, ie, by facilitating a common economic policy in the public interest, not by exploiting the community (by holding the community at ransom *via* a financial system that keeps credit artificially scarce, as we shall soon see).

Secondly, and quite interestingly enough, Douglas is not chiefly preoccupied with the problem of usury or even with the fraud inherent in the bank creation and lending of (in the absence of full reserves) 'promises-to-pay' as the bulk of our money supply. Certainly, he does recognise that banking, as it is currently operated, is 'the most colossal lucrative fraud that has ever been perpetrated on society.'[15] He also recognises that the usury and associated financial mechanisms are significant because they are amongst the chief means by which the financial elite usurp the unearned increment of economic association and centralise wealth, power, and privilege into their own hands at the expense of the common good. These matters are not non-issues by any means. However, there is a deeper, more technical problem that is at the core of the Douglas' diagnosis of our financial ills. Eliminating usury would not solve or even address this more technical issue. Even so, the two problems are intimately related insofar as the technical issue actually creates a situation which delivers even more opportunities to the banks, indeed their best opportunities, for renting out 'promises-to-pay' (as we shall soon see). In other words, the defect in question greatly enhances the degree to which the private banking system can lay hold of the unearned increment of economic association. For this reason, if one could, *ex hypothesi*, eliminate usury, this would simultaneously remove one of the chief incentives that the financiers currently have for not fixing the technical problem along the lines that Douglas suggests.

On Douglas' understanding, the technical problem with the existing financial system can be encapsulated as follows: it is *an unbalanced debt-money system*. It is a debt-system in the sense that all money (or nearly all money) is created and/or injected into the economy alongside a corresponding debt (or debt-equivalent). This, in itself, would not be a problem if it were not for the second aspect: the fact that the system is also inherently unbalanced. It is an unbalanced in the sense that the rate at which costs and hence prices are being built up in the course of multi-stage modern production under the existing financial system necessarily exceeds the rate at which consumer incomes are simultaneously being distributed by the same productive processes. The imbalance in question thus takes the form of an *underlying* deficiency of consumer buying power *vis-à-vis* the corresponding flow of costs and prices from all sources. At a macroeconomic level, this underlying deficiency may or may not express itself as a *de facto* deficiency in the global flow of income relative to the global or total flow of *consumer* prices. In other words, the flow of total prices (of capital and consumer production) always exceeds the flow of total incomes, but the flow of prices attached to consumer goods and services may or may not exceed the total flow of incomes at any given moment.

So we have a situation in which money is being created and destroyed all the time by the banking system. It is created when loans are made (or when a bank purchases securities or other assets) and is destroyed when the loans are paid down (or the bank purchases are sold to the public). At the same time, costs and prices are being generated (as money is spent on production) and liquidated (as money received as revenue by businesses is used to cancel costs and prices). The problem is that these two basic accountancy cycles of the economy are out of sync with each other. Costs/prices are being built up as money is created and destroyed at a faster rate than these claims can be finally liquidated by the flow of consumer income that is simultaneously being distributed. That is, for every cycle that a certain volume of money completes from creation to cancellation, so much, call it 'A+B', is being generated simultaneously in costs and prices, but only so much, a lesser amount, call it 'A' is being finally liquidated in consumer purchases. The 'B' component represents a portion of unliquidated costs/prices that can only be liquidated by a separate, additional cycle of money creation/destruction. This 'B' element corresponds, in the main, to the various costs associated with real capital (machines, equipment, software, etc). Because of standard accountancy conventions, 'B' costs have to be covered at least twice, once to cover their manufacture/production and another time to cover their depreciation and maintenance. The consumer is not automatically given enough income to cover even one of those payments. It is this 'double-costing' of real capital that is the main cause behind the price-income gap.

Naturally, the imbalance has to be overcome in some way in order for the economy to achieve equilibrium and to remain in operation. Since the existing system is a debt-money system, the only way to supply the economy with the additional consumer buying power that is needed to balance the flow of incomes and the flow of consumer costs/prices so that goods and services can be distributed in full and costs can be met is to get someone, ie, governments, businesses, or consumers, to borrow the needed money into existence from the banking system. This results, over time, in the building up of a mountain of public, corporate, and consumer debts that is unrepayable, ie, irredeemable, in the aggregate. Thus we see that one imbalance (that between prices and incomes) leads to another imbalance (the excess of debt). The deleterious effects of those two imbalances are too numerous to survey within the space of this article in their full horror. Some of the key manifestations include: the instability of the business cycle, constant inflation (mostly cost-push, but also demand-pull), the misdirection of economic resources, economic inefficiency, waste, and sabotage alongside forced economic growth, recurring financial crises, heavy and often increasing taxation, wage and debt-slavery, servility, forced migration, cultural dislocation, unnecessary stresses and strains, social conflict, environmental degradation, and international economic conflict leading to war, etc, etc.

13 We should pay the banks for their services, but not pay them rent as if the money were a scarce commodity, the price of which can vary depending on interest rate changes.

14 CH Douglas, *The Breakdown of the Employment System* (The Institute of Economic Democracy, 1979) 6.

15 CH Douglas, 'Money: An Historical Survey' (1936) 2 *The Fig Tree* 139, 146.

V. THE NATURE OF FINANCIAL TYRANNY

So why are these imbalances tolerated? The answer can be found when we consider the consequences that directly result from the existence of the first imbalance (ie, the price-income gap) in conjunction with how the existing system attempts, in the main, to compensate for it (ie, *via* increased indebtedness), namely: the usurpation of the unearned increment of economic association by the private banking system and the centralisation of economic wealth, privilege, and power in fewer and fewer hands. Relying on the banking system to fill the price-income gap with additional debt-money puts the banking system and its owners in a commanding position. Since they possess a *de facto* monopoly on the creation of bank credit they can impose self-serving conditions on the issuance of that additional credit upon which the rest of the economy depends in order to make ends meet. This compensatory credit tends to be associated with long-term and, in the aggregate, unrepayable debt on which compound interest is levied. The ultimate result is that wealth, power, and privilege accrue to them in a *disproportionate* manner and the unearned increment of economic association is, to a corresponding degree, captured in their favour and at the expense of the common good.

This is the essence of the *financial tyranny* which Douglas saw as embedded in our existing financial and economic arrangements. But since sufficient money gives its holders the power to buy anything that can be bought (or that has a price) and since a monopoly on money-creation potentially affords its holders the ability to monopolise everything else that is sellable, the financial tyranny must, by degrees, transform itself into a more formal political tyranny. That is, the inner logic of the existing financial system in combination with the intentional use of the great power that is derived from its operation results in the imposition of, or at least the heavy 'encouragement' of, governmental, corporate, personal, social, and cultural policies that further the narrow interests of High Finance: the final monopolisation of power in all of its forms. As Douglas once put it: 'The great monopoly which gives the power to monopolise other things is what we call the monopoly of credit.' [16]

To employ an analogy from Tolkien's famous novel *The Lord of the Rings*, the power of money creation and the benefits it delivers constitute 'the one ring to rule them all' as it gives its possessors the power to buy (if they can be bought and they can be) or at least heavily influence (through direct funding, donations, sponsorships, advertising, etc) all the other centres (or rings) of power in the society: the educational establishment, the media (news and entertainment), the military, the health system, the government (both politicians and bureaucracies), the legal system, the churches, and so forth. As the money power expands its control in 101 different ways and by 101 different means that cannot be properly explored here, the nature and use of that power tends to become ever more despotic and tyrannical. We live, first and foremost, under the rule, the governance, of finance:

> [I]t appears to be proved beyond argument that Lord Action, in his much misquoted dictum that all power tends to corrupt, and absolute power corrupts absolutely, was enunciating a natural law so that the more powerful a Government is, the more certainly it will deteriorate. [17]

So the recipe for tyranny in the modern world can be ultimately reduced to the following equation: an unbalanced debt-money system + the banks' monopoly on credit-creation = financial tyranny, which ultimately must equal a political tyranny. As the basis for a further analogy, consider the 'increment of association' that is generated between a lever and a fulcrum. The monopoly on money-creation in the form of bank credit that is possessed by the banking system might be likened to the lever, a lever which, in this case, rests on the artificial scarcity of consumer buying power relative to prices that is built into the system. This artificial scarcity thus plays the role of the fulcrum. Monopoly plus artificial scarcity equates to despotic power in the service of increasing tyranny. As power is centralised more and more, the freedom, prosperity, and independence of the bulk of the population must necessarily decrease. Quoting once again from Douglas' speech, 'The Monopolistic Idea':

> This credit and this power of issuing money have become, through the process I have explained to you, a monopoly, and that monopoly remains.
>
> It is quite obvious that such monopoly achieves enormous power by restricting its output, as you might say. If everybody has enough money money becomes less important in proportion to the amount of money you have. If you do not know from where your next meal is coming, and you cannot get your next meal without money, money looms before you as the one essential of your life; but if you have a reasonable income it does not loom quite so large; you are not quite as much worried as to whether something costs you 6d. or 7d.
>
> Therefore, it is in the very nature of monopolies of all kinds - and I say this after great consideration and as being a very important thing to consider - that they shall restrict their output, so that you shall desire it, to make it have a scarcity value.
>
> I do not believe it is conceivable, or in the nature of monopolies, for a monopoly to supply the world to the extent either that the world is capable of producing a commodity, or is really desiring it.
>
> That is one of the strongest objections to monopolies. You will notice in the world at the present time that restrictions of all kinds are increasing - restrictions on the growth of wheat, possibly restrictions on the shipment of wool, I do not know, but there are restrictions of this, that and the other kind, restrictions on entering this country or that country, restrictions on taking this thing into one country or taking

something out of another country. All of these restrictions are part and parcel of this policy of growing monopolies of various kinds. [18]

The reality of the financially-grounded attempt at world power which characterises the 'monopolistic idea' in our times was openly admitted and independently confirmed by no less a personage than Georgetown Professor Carrol Quigley (Bill Clinton's mentor) in his magnum opus *Tragedy and Hope*:

> [T]he powers of financial capitalism had another far-reaching aim, nothing less than to create a world system of financial control in private hands able to dominate the political system of each country and the economy of the world as a whole. This system was to be controlled in a feudalist fashion by the central banks of the world acting in concert, by secret agreements arrived at in frequent private meetings and conferences. The apex of the system was to be the Bank for International Settlements in Basle, Switzerland, a private bank owned and controlled by the world's central banks which were themselves private corporations. Each central bank, in the hands of men like Montagu Norman of the Bank of England, Benjamin Strong of the New York of the New York Federal Reserve Bank, Charles Rist of the Bank of France, and Hjalmar Schacht of the Reichsbank, sought to dominate its government by its ability to control Treasury loans, to manipulate foreign exchanges, to influence the level of economic activity in the country, and to influence cooperative politicians by subsequent economic rewards in the business world. ...
>
> The growth of financial capitalism made possible a centralization of world economic control and a use of this power for the direct benefit of financiers and the indirect injury of all other economic groups. [19]

16 CH Douglas, *The Monopolistic Idea* (The Institute of Economic Democracy, 1979) 5.
17 Douglas (n 2) 71.
18 Douglas (n 16) 10-11.
19 Carroll Quigley, *Tragedy and Hope: A History of our World in our Time* (GSG & Associates, 2004) 324, 337. Apart from teaching at Georgetown from 1941 to 1976, Quigley taught at Princeton and Harvard and gave lectures at the Brookings Institute, the US Naval Weapons Laboratory, the Foreign Service Institute, and the Naval College in Norfolk, Virginia.

VI. THE DOUGLAS SOCIAL CREDIT REMEDY FOR TYRANNY

Thankfully, Douglas not only analysed the problem of tyranny in the modern world in terms of its nature and origins, but also offered solutions. We can distinguish between his general remedy, which is applicable to every association, and his specific remedy, which was designed to neutralise the financial and economic tyranny and, by extension, the emerging political tyranny that currently grows out of the former. Since tyranny in any association involves a significant deviation from the correct principles of association, the general remedy for tyranny is to identify which of these principles is being violated and then to bring the association back into alignment with the blueprint for a healthy, functional, and flourishing association.

According to Douglas, 'The general principles which govern association for the common good are as capable of exact statement as the principles of bridge building, and departure from them is just as disastrous.' [20] So what are the correct principles of associations

There are three of them: 1) the policy of the association must be democratic (this constitutes the right end), 2) the administration of the association must be hierarchical (this constitutes the right means), and 3) the sanctions over the association must be decentralised (this constitutes the right integration of the ends and the means).

When we say that the policy of an association must be democratic what we mean is that the only policy which we might expect all individual members to agree on and fully support is that the true purpose of the association should be optimally fulfilled. This is because the true purpose of an association coincides with the *raison d'être* of an association or the reason why people decided to enter into association in the first place. It is thus the only policy which could truly be designated as a *common* policy

> [A] genuine democracy of policy is the fundamental basis of association, and that no association which disagrees with this idea can continue. [21]

When we say that administration must be hierarchical we mean that a pyramidal, top-down structure allows for a clearly recognised and respected division of duties, for rapid decision-making, and for the effective dissemination of these decisions from the apex to the lower levels. This makes it as easy as possible to effectively and efficiently carry out any given policy-directive on behalf of an association:

> In regard to administration, I do not propose to say very much beyond the fact that it is and must be essentially hierarchical and therefore it is a technical matter in which the expert must be supreme and ultimately autocratic. The idea that administration can be democratic ... is not one which will bear the test of five minutes' experience. It may be consultative, but in the last resort some single person must decide. [22]

But let it be re-emphasised, since the problem of tyranny remains the central topic in this article, that hierarchies exist in Douglas Social Credit theory in order to serve; they are not there to dominate. Hierarchy exists to facilitate a democratic or common policy, not a self-serving policy:

> That you must have policy democratic and execution hierarchical is one of our fundamental conceptions in Social Credit; ... [23]

When we say that sanctions must be decentralised we mean that the common members of an association must have an effective means by which they can steer an association's activities back on track, back into line with the association's true purpose, should it ever deviate. The type of control needed is a negative control, ie, the power to reprimand or replace administrators in the hierarchy who cannot or will not carry out the common policy effectively, efficiently, and fairly, the power to atrophy functions that do not serve their best interests, and even the ability to opt out of the association altogether if necessary, with no other penalty but the loss of the association's benefits:

> Since the analysis of existing conditions which we have undertaken shows that any centralised administrative organisation is certain to be captured by some interest antagonistic to the individual, it seems evident that it is in the direction of decentralization of control that we must look for such alteration in the social structure as would be self-protective against capture for interested purposes. [24]

The power to contract out was to serve as the final safeguard against tyranny:

> [A]ssociation for the attainment of an objective inevitably becomes a tyranny (i.e., an attack on individual initiative) unless it can be broken at any time, without incurring any penalty other than the loss of association itself. [25]

In the case of a tyrannical association, the group, and more particularly the oligarchy that controls the group, is elevated over and above the common individual to one extent or another. This happens because the first and the third of the correct principles of association are not being respected and/or effectively embodied. That is, instead of serving its true purpose optimally in a single-minded fashion, resources have been diverted through various mechanisms (some of which we examined before specifically in reference to financial/economic tyranny: monopoly in combination with artificial scarcity, etc) to enfranchise a parasitic class at the expense of the authentic common good. Policy ceases to be fully functional and democratic. At the same time, the common members have been sufficiently sidelined by the power structure that they are in no easily effective position to restrain and ultimately neutralise the oligarchy. They lack effective sanctions.

So how do we respond to such a situation, ie, a situation in which an oligarchy is tyrannising society? Douglas says that the only way to neutralise this threat is, quite appropriately enough, by *associating* in favour of the common good. That is, Social Crediters (those who have a concern for the well-being of an association or of a society generally) must work together so that, through education and appropriate action, an association is consistently moved in the direction of full functionality, while the threats to that functionality are constantly unmasked. This is the only way to effectively neutralise tyranny:

> What is important is that we should become conscious of our sovereignty – that we should associate consciously, understanding the purpose of our association, and refusing to accept results which are alien to the purpose of our association. [26]

This task may not be as difficult as it may first seem, provided that we keep one basic truth before the minds of the public: the Social Credit policy is, above all, a policy of unity, not of division. Indeed, a truncated synonym for the fully functional association could be the simple word: freedom, ie, not just freedom of choice, or the freedom not to be unjustifiably interfered with, but also freedom *from* want, from fear, from insecurity, and freedom *for* flourishing. Freedom, in this, most ample of senses, is the greatest unifying force possible that might be put before the public:

There is no possible definition of a policy which is all-embracing in its acceptance other than the word 'Freedom'. People only unite in wanting what they want. [27]

Furthermore, while everyone wants freedom for himself, he must come to realise that it is only by ensuring the freedom of his neighbours that his own freedom can become secure. Once it is understood that seeking the full functionality of an association must, by necessity, promote the best interests of each individual, it also becomes obvious that 'It is most probably true that there can be no divergence between true Public Interest and any true private interest; ...'. [28] Instead of polarising different sections of the community and pitting them against each other, insisting that every association should be formed on the basis of the correct principles and that it must function accordingly brings resolution by harmonising interests. In other words, freedom and the fruits of freedom necessarily presuppose a respect for and due application of the truth concerning the nature of human association for the common good:

> To Social Crediters it is a fairly common-place saying that what we are trying to do with the money system is to make it reflect facts, but what we are also trying to do is to make the relationship between individuals and their institutions reflect facts. To borrow from the Dean of Canterbury's vocabulary, what Social Crediters have in mind is 'to know the truth in order that the truth shall make you free,' ...[29]

On the basis of this unity grounded, as it is, on a recognition of the mandatory nature of freedom as a condition of and a constitutive component for a fully functioning association, it becomes possible for a conscious Social Credit movement to defeat tyranny by embodying in a very concrete manner in its own operation 'the necessity for exalting the individual over the group.' [30] This serves as a living testament, as a sign-post, calling all associations back to their roots. The group or the association is merely a means; the well-being of each concrete individual is the proper end:

> The first proposition which requires to be brought out into the cold light of the day, and to be kept there remorselessly, at the present time in particular, is that nations are, at bottom, merely associations for the good of those composing them. Please note that I say 'at bottom'. [31]

More specifically, Douglas' solution to this problem of financial tyranny (and of the political tyranny to which it inevitably gives rise) was to break the banks' monopoly on credit-creation by using the money creation powers of the state to fill the price-income gap with sufficient debt-free consumer credits. This would make the financial system balanced in a sustainable way (because there would be no piling up of unrepayable debts). An unbalanced debt-money system would be replaced by a balanced system incorporating both debt-money and debt-free credit in properly calculated proportions. Since the private banks would no longer be called on to fill the recurring price-income gap with additional debt-money, all of the interest and other charges that are currently levied on that compensatory debt would be eliminated, as would their leverage over the financial and economic policy of other sectors in the society. This would help massively in putting an end to the usurpation of the unearned increment of economic association by financial elites and to the centralisation of wealth, power, and privilege in fewer and fewer hands.

The volume of 'debt-free' credit needed to bridge the recurring price-income gap would be issued to or on behalf of consumers by the National Credit Authority, which would be an organ of the state that would function independently of the government of the day. The direct payment would take the form of a National Dividend, ie, a periodic, say monthly, payment that each citizen would receive independently of employment status. This would be justified pragmatically by the fact that the economy needs that extra money in the hands of consumers in order for it to function in equilibrium, in order for costs to be met in full, and for the full range of goods and services to be distributed. It would be justified ethically by the fact that each citizen is rightly regarded as a shareholder in his economy, as an heir to the cultural heritage (which, by means of its embodiment in real capital, is responsible for the gap). The indirect payment would be (in its usual formulation at any rate) a payment of debt-free credit issued to retailers in exchange for the latter reducing their prices (thus increasing the purchasing power of consumer incomes) in accordance with the economy's overall consumption/production ratio. This Compensated Price Discount is based on the observation that the true cost of production is consumption and therefore no production should be offered on sale at prices that exceed the financial costs associated with the consumption that was needed to bring that production into being. Hence, if the average C/P ratio were ¾, then prices would be reduced by ¼ and retailers would be reimbursed the ¼ reduction via an infusion of debt-free credit from the National Credit Authority.

By breaking the monopoly credit with a carefully calculated flow of compensatory consumer credits that are issued debt-free we are not merely stopping the flow of the usurious tribute that is paid on the debt-money that is currently issued to fill the gap, we are using the money creation and issuing power of the state to enfranchise the individual by making his life easier: goods and services become more affordable by means of the discount, while the dividend distributes, in an unconditional manner, a basic share in the power of money to everyone in the society. When an individual is thus enfranchised he is in a much stronger position to chart his own course independently of the course that would be set for him if obtaining his 'meal tickets' were overly dependent (as it is now) on co-operating with the agenda of financial interests:

> If it is true, as seems probable, that effective resistance to an imposed group policy is nearly impossible so long as the group has control of the credit of the individuals composing it, it is beside the point to pay serious attention to such a factor. The only line of action which can be effective in the emergency with which the world is confronted must be one which can paralyse or break up the group control of credit to which the majority of individuals in every country have become helpless slaves; …[32]

Indeed, the National Dividend plays a very special role as a bulwark against tyranny.

If every citizen is guaranteed a share in his country's communal profit as an inherent right whenever it is profitable (with prices exceeding incomes), then each citizen will enjoy a minimum employment-independent source of income that he can fall back on regardless of circumstances. This lessens the leverage which either the government of the day or private employers can use to impose policies on people against their will. It provides a measure of security, independence, and freedom for each individual as part of the basic operating system of the society. It is the most practical method for achieving 'the emancipation of the individual from the domination of the group, ...' [33]

The opposite of financial and economic tyranny thus shows itself to be financial and economic freedom, real freedom, concrete freedom, for every individual. That freedom should be the fundamental aim of economic association:

> It is suggested that the primary requisite is to obtain in the readjustment of the economic and political structure such control of initiative that by its exercise every individual can avail himself of the benefits of science and mechanism; that by their aid he is placed in such a position of advantage, that in common with his fellows he can choose, with increasing freedom and complete independence, whether he will or will not assist in any project which may be placed before him.

In other words, the remedy for tyranny is to recognise that power needs to be distributed, not concentrated, and it needs to be distributed in a very practical way that has teeth: 'power to make decisions *is freedom for the individual, ...*' [35] And money is one of the most basic forms of power:

> Salvation is not to be found in greater and still greater agglomerations of power ... It is, and can only be found, in bringing into actuality the existing cleavage between the individual desire to pursue an individual end and the group pressure to reduce the individual to an amorphous mass – a biological entropy. [36]

In many, if not in most cases, the failure of other associations, non-economic associations to embody the proper democratic structure and to achieve proper functioning is due to the fact they are subject, in turn, to an economic and financial system which is fundamentally despotic in nature. The opposite holds true, ie, restoring the financial system and economic association to full functionality would have a beneficial effect on all other associations within society, making it significantly easier for them to overcome the various challenges and barriers which prevent them from attaining to a state of full functionality.

Fixing the financial system would thus be very stabilising, whereas persisting with the current dysfunction is inherently destabilising:

> [A]s soon as Society ceases to serve the interests of the individual, then the individual will break up Society ... those persons who wish to preserve Society can do no worse service to their cause, than to depict their idol as an unchangeable organisation whose claims are to be regarded as superior to those of the human spirit. [37]

20 CH Douglas, *The Tragedy of Human Effort* (The Institute of Economic Democracy, 1978) 3.
21 CH Douglas, *Dictatorship by Taxation* (The Institute of Economic Democracy, 1978) 11.
22 Douglas (n 20) 5. Cf: CH Douglas, *Economic Democracy*, (Bloomfield Books, 5th ed, 1974) 37: [A] centralized or pyramid form of control ... is in certain conditions, the ideal organization for the attainment of one specific and material end. The only effective force by which any objective can be attained is in the last analysis the human will, and if an organization of this character can keep the will of all its component members focussed on the objective to be attained, the collective power available is clearly greater than can be provided by any other form of association.
23 CH Douglas, *The Policy of a Philosophy* (The Institute of Economic Democracy, 1977) 8. Cf CH Douglas, Economic Democracy (Bloomfield Books, 3rd ed, 1974) 39: 'it is vital to devise methods by which technical co-ordination can be combined with individual freedom. To crystallize the matter into a paragraph; in respect of any undertaking, centralization is the way to do it, but is neither the correct method of deciding what to do nor the question of who is to do it.'
24 Douglas (n 22) 91-2. It seems that the lack of adequate decentralised sanctions is one of the single greatest flaws in present social arrangements: 'at the present time, there is no question that it is in the domain of sanctions that the human race is involved in its great difficulties.': Douglas (n 20) 6. Cf also CH Douglas, *The Control and Distribution of Production* (Cecil Palmer, 1922) 51: 'It has frequently and rightly been emphasised that the essence of any real progress towards a better condition of society resides in the acquisition of control of its functions by those who are affected by its structure; and it is well if somewhat vaguely recognised by the worker of all classes that this control is at present not resident in, but is external to, society itself, and that in consequence men and women, instead of rising to an ever superior control of circumstance, remain the slaves of a system they did not make and have not so far been able to alter in its fundamentals.'
25 CH Douglas, *The Control and Distribution of Production* (Cecil Palmer, 1922) 101.
26 Douglas (n 20) 16.
27 Douglas (n 25) 37. Cf: Douglas (n 22) 102: 'The pyramidal structure of Society gives environment the maximum control over individuality. The correct objective of any change is to give individuality maximum control over environment.'
28 Douglas (n 1) 55.
29 CH Douglas, *The Approach to Reality* (KRP Publications Ltd, 1936) 6.
30 Douglas (n 6) 74.
31 Douglas (n 6) 3. That the 'common good' is to be understood distributively and not collectively, that it is the good of each individual which needs to be promoted to the greatest degree feasible and not the well-being of the whole at the expense of some individual or group of individuals, follows quite logically from the ontological priority which the individual holds over the group. On this understanding, the true purpose of any association is to forward as effectively, as efficiently, and as equitably as possible, the well-being of each one of its individual members in line with the particular types of benefits with which the association deals. Any association can be evaluated in terms of how adequately it satisfies individual requirements.
32 Douglas (n 1) 163.
33 Douglas (n 6) 74.

34 Douglas (n 22) 28.
35 CH Douglas, *Credit Power and Democracy* (The Social Credit Press, 1933) 6.
36 CH Douglas, *The Brief for the Prosecution* (KRP Publications Ltd, 1945) 63.
37 Douglas (n 1) 73.

VII. CONCLUDING REMARKS

By way of conclusion, it behoves me to now address the most common objection to Douglas' alternative vision, ie, that it is somehow 'utopian', ie, unrealistic or otherwise unattainable. The standard response of Social Crediters would be that it is not utopian in the sense that we are not aiming at a mathematically perfect world, but rather we are aiming at a healthy world, ie, highly functional financial and economic system to replace the existing dysfunctional and unhealthy system. Clearly, the current system benefits an oligarchy and that oligarchy will resist any changes to the system that would lessen their power, privilege, and position, etc. At the same time, there is no appeasing that oligarchy. We either resist them by promoting functionality and health or we abdicate our responsibilities and permit them to run civilisation into the ground. The path to a better today always remains open to us; Douglas is merely showing us the way forward:

> [S]o far from the realisation 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 ideals 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 individualised. 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. So far from desiring to impose some abstract ideal called the 'common will' upon the individual, their proposals have for their objective the employment of the common heritage … for the furtherance of the individual objective, whatever that may be, and without defining it. [38]

38 Douglas (n 6) 24-5.

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