

DOUGLAS MEMORIAL ISSUE

THE NEW TIMES



MAJOR CLIFFORD HUGH DOUGLAS

M.I. Mech. E., M.I. Mining E., M.I.E.E., 1879-1952. Educated Cambridge University.

Chief construction engineer, chief engineer and manager, India, 1900-1910; deputy chief electrification engineer, Buenos Aires Pacific Railway, 1911; engineer P.O. Railway, London, 1913-14; assistant superintendent Royal Aircraft Factory, 1917; chief European witness, Canadian Parliamentary inquiry on banking and commerce, 1923; member World Engineering Congress, Tokyo, 1929; witness McMillan Committee on Finance and Industry, 1930.

Major works: "Economic Democracy" (1919); "Credit Power and Democracy" (1920); "Social Credit" (1923); "Control and Distribution of Production"; "The Monopoly of Credit" (1931); "Warning Democracy"; "The Alberta Experiment" (1937); "The Big Idea" (1942); "Programme For the Third World War" (1943); "The 'Land for the (Chosen) People' Racket" (1943); "The Brief for the Prosecution" (1945).

"Systems were made for men, and not men for systems, and the interest of man, *which is self-development, is above all systems*" — Douglas in "*Economic Democracy.*"

THE NEW TIMES

Registered for posting as a Publication — Category "B"

\$7.00 Per annum post free.

Box 1052J G.P.O. Melbourne.

"Ye shall know the truth and the truth shall make you free"

Vol. 44, No. 7.

JULY 1979

The Centenary of the Birth of a Genius

The birth of C. H. Douglas in 1879 was to provide Civilisation with one of the most remarkable men of history. His vast practical experience and capacity for original thinking enabled him to penetrate right to the core of the basic problems of the modern industrial society and the exploitation of those problems in the furthering of centralised power. Such was the depth of Douglas's thinking on all aspects of the human drama that comparatively few in his own lifetime fully comprehended the implications of what he had to say. When Douglas died on September 29, 1952, it appeared to superficial observers that Social Credit had no future in a world where, although there were convulsions, post-war industrial expansion could apparently continue indefinitely. But in the Centenary year of Douglas's birth, the crisis he predicted intensifies by the day. And accompanying it is a new upsurge of interest in the ideas he outlined. The Douglas Centenary Year could prove a major turning point in the history of the world.

In his Introduction to the 1974 edition of Douglas's first work, *Economic Democracy*, Dr. Geoffrey Dobbs, the distinguished English Social Creditor, observed, "But only a handful out of all those who called themselves his followers have ever grasped the truly radical nature of his thinking, or the fact that his proposals for monetary reform were quite secondary embodiments of the fundamental policy of the will-to-freedom, which now emerges as the sole alternative to the present domination of the will-to-power."

History teaches that the great majority of people react mainly to the pressure of events. It was therefore natural that there was a tremendous upsurge in interest in Social Credit as a result of the conditions of the Great Depression, this caused by the restriction of the rate of credit creation. But the overwhelming majority of those attracted to Social Credit saw it only in terms of monetary proposals, which they hoped would alleviate their desperate material conditions. Few gave much thought to whether some proposals were technically sound, or to where they might lead. Some even saw the German National Socialist leader Hitler as a type of Social Creditor because his Government was creating new money to put unemployed Germans to work. Generally ignored was the philosophy behind this type of monetary policy, a "philosophy that insisted upon guns before butter. The policy of "full employment", even if the employment is useless and soul destroying, or is devoted towards building up Communist China in the same way that the Soviet Union was built up, is rooted in the same type of philosophy which motivated Hitler. It is the philosophy of the anti-Christ.

Because so few really understood the nature of Doug-

las's ideas, it is not surprising that when material conditions changed as a result of the greater rate of credit expansion during and following the Second World War, many who called themselves Social Crediters lost interest in the subject. From the beginning Douglas had continually directed attention to the lack of understanding concerning Social Credit. Even in 1932, when the Great Depression conditions were resulting in the first wave of interest in his monetary proposals, Douglas felt it necessary to warn, "There is too great a tendency to

A. R. ORAGE'S TRIBUTE

The late A. R. Orage, brilliant editor of *The New Age*, to whom Douglas submitted the manuscript of his first book, "Economic Democracy", related in 1926 the impression made upon him by Douglas and his ideas: "He had been assistant-director of the Government aircraft factory during the war: he was a first-rate engineer; he had encountered financial problems practically as well as theoretically; and he appeared and proved to be the most perfect gentleman I have ever met. His knowledge of economics was extraordinary; and from our first conversation everything he said concerning finance in its relation to industry—and, indeed, to industrial civilisation as a whole—gave me the impression of a mastermind perfectly informed upon its special subject. After years of the closest association with him, my first impression has only been intensified. In the scores of interviews we had together with bankers, professors of economics, politicians, and businessmen, I never saw him so at much as a moment's loss of complete mastery of his subject. Among no matter what experts, he made them look and talk like children."

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

Although there are barely 25,000 words in *Economic Democracy*, a close study of it today, 60 years after it was first published, reveals that it was the work of a great genius. Events over those 60 years have confirmed the truths dealt with in this book. Douglas touched upon

either fully or in principle, every aspect of the vast subject which was subsequently expanded in numerous addresses and books.

A feature of the commemoration of the Douglas Centenary Year is the progressive republication of all Douglas's major works and addresses. Douglas the physical man has been dead for 27 years. But his revelation of Truth was never more alive, demonstrating that Truth is eternal. History will one day record Douglas as one of the really great products of Western, Christian Civilisation.

"SOCIAL CREDIT OFFERS THE PROSPECTS OF A RENEWAL OF CHRISTIANITY"

—Eric D. Butler at Red Deer Dinner

The highlight of Mr. Eric Butler's address to the Douglas Centenary Dinner in Red Deer, Alberta, was his appeal for those calling themselves Social Crediters to accept the responsibility of pioneering the renewal of Christianity by devoting themselves completely to the advancement of those policies which alone could "make the word flesh." "Those of us present at this historic Dinner should see this event as symbolic of a renewed growth of Social Credit right around the world," he said.

The following are the notes of Mr. Butler's Red Deer address:

I regard it as a great honour and privilege to be a guest of honour at a function attended by those who were making history when I had not long left school and had only started to learn something about the revelations of the man called Douglas. Pushing a bike in 1935 to help spread the "Douglas Gospel", I was, like so many others, enthused by the headlines which proclaimed that the first Social Credit Government in the world had been elected in a Province of Canada which until then I knew little about. Little did I dream that 44 years later I would be speaking from the same platform in Alberta with a number of those who had been closely associated with the first Aberhart Government.

As we meet here on this historic occasion the first thing to be said is that Douglas's teachings have stood the test of time. It was once said that events appeared to be in the pay of Douglas. They have continued, tragically, to confirm his early warnings that unless decentralisation of power was effected through a policy of decentralised credit power, the break up of yet another Civilisation was inevitable. Facing the Truth, however unpalatable we may find it, is the first requirement if a programme of genuine regeneration is to take place. The Truth is that we now live in what is the post-Christian era. Christianity has not failed; it has never been completely applied. But to the extent that it was, Western European Civilisation was starting to flower as a Twentieth Century of tremendous promise dawned. Tonight the best of that Civilisation has been shattered. That which remains is sustained only by the moral and spiritual capital of the past, and that is fast ebbing away. What is required now is a process of regeneration.

DISTORTION AND PERVERSION

Like most discoverers of Truth, Douglas not only saw

his revelations suppressed, but also distorted by those who called themselves by the very terms — Social Credit — he had used to describe his ideas. Those who claimed to know better than Douglas were often more concerned about obtaining power and advancing their own interests than in attempting to serve Truth. Rejecting the type of leadership which some urged him to adopt, Douglas said that the only concept of leadership he accepted was that of Christ: he who would be the greatest must be the servant of all. Douglas completely rejected the philosophy of power. Centralised power was strongly denounced as Satanic.

It was, of course, inevitable that those threatened by the policies of Social Credit should foster every possible type of perversion. Those who had only a superficial understanding of what Social Credit was about were easily used as innocent dupes. As warned by Douglas, submitting Social Credit to the mercies of orthodox party power politics could only result in more perversion and a compromise with principles. But having suffered these distortions and perversions, and having been dragged through the gutters of party politics, the mounting pressure of a deepening crisis has now produced a situation where there is a worldwide regeneration of genuine Social Credit as the only alternative to the stark threat of a collapse into another Dark Age.

Douglas observed that after two thousand years we are only now beginning to grasp the far-reaching implications of the message of the carpenter from Nazareth. It is now over 50 years since Douglas first brought his discoveries to the attention of his fellows, and 27 years since Douglas died. There is now developing a new understanding of the deeper implications of Douglas's teachings, with a new generation of younger Social Crediters able to benefit from

the experiences of those who pioneered the Social Credit Movement. Some of us went through relatively lonely years carrying the Social Credit torch, but were always sustained by a realistic Faith based upon an understanding of the inevitable direction in which Civilisation must move if the policies of centralised credit power were persisted with.

As one goes back to Douglas's earlier works, one is always impressed with the fact that, although not fully developed at the time, he touched upon every aspect of human affairs. His first work *Economic Democracy*, is a remarkable work by any standard. However, it is not the type of book some might think it to be.

There are twelve chapters in *Economic Democracy*, but only three of these are devoted to an examination of finance, and this primarily in relationship to the principles of human association dealt with in the other chapters. Writing in "*Whose Service is Perfect Freedom*", Douglas said that "... the first book on what has since come to be called social credit. *Economic Democracy...was* concerned almost wholly with the proposition that centralisation of power over initiative as opposed to individual freedom is a persistent and conscious policy.... every effort has been made to obscure this fundamental issue, and to represent the Social Credit Movement as concerned with 'a discredited monetary scheme, which has been tried in Alberta and failed'."

THE DOUGLAS PHILOSOPHY

Douglas revealed in *Economic Democracy* that he implicitly accepted the Christian philosophy when he wrote, "Systems were made for men, and not men for systems, and the interest of man, which is self-development, is above all systems . . ." Christ's famous rejoinder to the Pharisees, that "the Sabbath was made for men, and not man for the Sabbath", clearly revealed Christ's concern with the supreme value of the individual. Christ's revelation paved the way to free the individual from the domination of the group or the system. Examining this question more closely in *The Realistic Position of The Church of England*, Douglas stressed that a genuinely Christian society is one in which power is effectively in the hands of the individual members of that society, who are then in the position to make free choices, accepting of course, personal responsibility for the choices made. The purpose of the anti-Christ, Douglas warned, was to force man into bigger and more highly centralised groups in which man's most Divine attribute, his creative initiative, is killed. Highly centralised groups are mobs and the main feature of a mob is its susceptibility to fear and hysteria. A mob is mindless and therefore sub-human. Perhaps we have missed the meaning of Christ's promise that when two or three are gathered together in His name, there will the divine spirit prevail? One of the most illuminating statements made by Douglas, one that reveals his proper humility in the search for Truth, was that the rules of the Universe transcend human thinking, and that if the individual wished to live in a world of harmony, he should make every endeavour to discover

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HISTORIC ALBERTAN DINNER

Messages from across Canada and from around the English-speaking world were read at the Douglas Centenary Banquet held in Red Deer, in the heart of Alberta, on March 30. This historic event was hosted by the Albertan Branch of the Canadian League of Rights with Provincial Director Eric Boswell presiding. Guests were present from as far away as Southern U.S.A.

At the conclusion of a weekend of intense activities, Mr. Ron Gostick, National Director of the Canadian League of Rights, said that it was most appropriate that the Douglas Centenary Dinner in Alberta should symbolise the regeneration of genuine Social Credit now taking place right across Canada.

Mr. Gostick said, "At the very time that the superficial critics of Social Credit are congratulating themselves that Social Credit is dying because of the failure of a political party calling itself Social Credit, there is a tremendous regeneration of true Social Credit taking place. Growing numbers are beginning to realise that they were denied access to the great truths of Social Credit by politicians more concerned about power than basic principle."

The continuity of Social Credit was manifest at the Red Deer Banquet by the presence of Mr. Ron Gostick's mother, Mrs. Edith Gostick, one of the original Members of the first Albertan Social Credit Government. Three other original MLAs were also present along with one of the original Federal Social Credit Members, Mr. Walter Kuhl. A further manifestation of Social Credit continuity was the presence of Mr. Eric Butler's son, Phillip, Field Director for the Canadian League of Rights in British Columbia. In a brief address Mr. Phillip Butler announced the launching of a new publishing venture, a Canadian edition of ENTERPRISE, issued quarterly with THE NEW TIMES.

Before Mr. Eric Butler was invited to address the Banquet, Mr. Ron Gostick presented him with a high quality brief case with an inscription stating that it was a token of the esteem of Canadian supporters of the Canadian League of Rights. Mr. Eric Butler's Red Deer address is published in this issue along with selections from the many messages received.

those rules and then obey them. Douglas did not say how things ought to work; we are trying "to release reality" he said, in order that things can work in accordance with their own nature. Douglas warned that passing laws indefinitely in an attempt to make systems work in defiance of reality could only complicate the defects in these systems.

TRIBUTE BY L. D. BYRNE

One of the most revealing word pictures we have of Douglas the man and his philosophy comes from Mr. L. D. Byrne, Douglas's trusted representative in Alberta during that period when a Government under William Aberhart was making a genuine attempt to implement Social Credit policies in the face of centralised power. As a technical adviser to the Aberhart Government, Mr. Byrne had increasingly earned the respect and confidence of Aberhart. The dismissal of Mr. Byrne by the Manning

Government was a major signal that the Social Credit mission in Alberta was to be abandoned, even though lip-service to that mission continued for years to come. It is a great pity that Mr. Byrne, now residing in Victoria, British Columbia, could not be present on this historic occasion. But I know he is with us in spirit, and I can think of no better way of having him with us than to quote from an article of his in the Social Credit quarterly, *The Fig Tree*. Mr. Byrne wrote as follows about Douglas:

"Notwithstanding a mental stature unusual in any society, Douglas's outstanding characteristic was a profound humility — a humility which was reflected in his writings and in his life . . . Where others viewed the world in terms of mankind's struggles and achievements, and society as the creature of man's brain and behaviour, with the realism of the engineer and the penetrating spirituality of a Medieval theologian, Douglas saw the Universe as an integrated unity centred in its creation and centred in its Creator and subject to His Law.

"It was the basis of Douglas's philosophy, of which Social Credit is the policy, that there is running through the warp and woof of the Universe the Law of Righteousness -- Divine Law — which he termed the Canon. He must seek it actively, and to the extent that he finds it and conforms to it, he will achieve harmony with the Universe and his Creator. Conversely, to the degree that he ignores the operation of the Canon and flouts it, he will bring disaster upon himself.

"It was inherent in Douglas's writings that he viewed society as something partaking of the nature of an organism which could have 'life and life abundant' to the extent it was God-centred and obedient to His Canon . . . Within it (this organism) the sovereignty of 'God the Creator of all things visible and invisible' being absolute, there must be full recognition of the sanctity of human personality, and, therefore, of the individual person as free to live his life, and within the body social, to enter into or contract out of such associations as, with the responsibility to his Creator, he may choose. And no person may deny another this relationship to God and his fellow" men without committing sacrilege.'

"This concept, reflecting the ideal of Christendom as the integration of Church and Society which was the inspiration of European civilisation for centuries, involves adherence to a policy in every sphere of social life, economic, political and cultural. This is the policy, which Douglas termed 'Social Credit.'

"Looking out upon the world with a clarity of vision which was unique in his time, Douglas saw a doomed civilisation committed to the opposite policy, stemming from a conflicting philosophy, a philosophy which defied Man and sought to subjugate the world to him."

A GENUINE PROPHET

The true test of science is consistently correct predictions. Genuine prophets, amongst whom might be counted statesmen, are those who, because of their understanding

of Truth, can see well in advance the consequences of certain policies if they are persevered with. In his earliest writings Douglas warned that all attempts to operate the finance-economic system under the prevailing methods of creating and issuing financial credit, must result in inflation. The insidious effects of monetary inflation are destroying Western Civilisation in the same way that it played a major part in destroying the great Roman Civilisation.

Douglas predicted the Great Depression and also warned that the Second World War was inevitable unless there was a major modification of orthodox finance-economic policies. Immediately upon the outbreak of the conflict he predicted, Douglas warned that it would be used to break up the British Empire, establish the Political Zionist State of Israel, and centralise all power still further in a bid to establish the World State. Douglas made his predictions before the massive documentation of Dr. Antony Sutton and others showed conclusively that there was a concrete programme to build up Communism as an essential feature of the programme to create the World State.

Long before ecology and conservation became issues for widespread discussion and resulted in a vast literature, Douglas had warned that to attempt to drive the economic system under centralised financial policies of debt, heavy taxation and inflation, must result in built-in obsolescence and a growing waste of valuable resources. But unlike those conservationists who seek to exploit pollution and associated problems to further more centralised controls over the individuals, Douglas advocated policies, which would remove the basic cause of pollution and the waste of raw materials.

"PRACTICAL CHRISTIANITY"

Douglas insisted that salvation was only possible by going back to basic principles. He stressed that the only hope was what he described as "practical Christianity."

He shed a new light on the Doctrine of Incarnation by stressing that it was not Truth as such which moved events; it was the proper harnessing of the Truth so that power was released. Faith without works is death. Faith can only move mountains if the appropriate equipment is used.

As we meet here tonight and break bread, we should contemplate the Truth that in this century which promised so much, the clock of Christian Civilisation has been put back nearly two-thousand years. We are back where the early Christians were as Rome was disintegrating. But we are much better equipped today, thanks to experience and the revelation provided by Douglas, as we set out on the task of regenerating. The night is still darkening but we should be sustained by the faith that Social Credit offers the prospects of a renewal of Christianity. We gathered here this evening are part of a worldwide army marching confidently through the dark confident that the Social Credit light will show the way

through to a new Dawn.

THE BIRTH OF SOCIAL CREDITERS

In his message to the Red Deer Dinner, Mr. Jeremy Lee, National Secretary of The Institute of Economic Democracy, a Division of The Australian League of Rights, said:

"Congratulations to Canadian Social Crediters on still being in the fight. Over here in Australia, as more and more conservative organisations fall by the wayside, an increasing number are turning to the few Social Crediters for some idea of what to do. Our long period of seemingly fruitless endurance is beginning to bear fruit. I imagine it is the same in Canada, and is a tribute to Douglas's insistence that the long-term view must never be sacrificed for the short-term gain.

Douglas once said that Social Crediters are born, not made. This gives an impression, if you don't think about it any further, that one cradle in a hundred thousand or so holds an individual somehow different from the others, identifiable perhaps by the look in his eye, or just the fact that he is not quite so wet as the average!

But what is birth? Surely it is more than a mere physical convulsion transposing the individual from one environment to another?

It is a process, surely, of flowering realisation, which only continues while the roots are fertilised and watered.

My own evolution is, I sometimes feel, a case in point. For too long I was one of those menaces who, having grasped that banks create credit, dubbed myself a "Social Creditor." Were it not for those far ahead - - Douglas himself, men like your own L. D. Byrne, Alec McPherson here in Australia — who was my long-suffering tutor in the Social Credit correspondence course, and naturally Eric Butler, I would probably be in the same sorry state today.

The process of birth is necessarily one of giving and receiving. It involves two people, two associations of people. The mother who nurtures a child — reading to it, opening up the imagination, providing the heroes and villains, who are then generalised into values — is continuing a process of birth, which only started with the delivery of her child.

"Ye must be born again," said our Lord. Giving and receiving is again obviously applicable. But it is no more a delivery job that begins and ends there than the other. It is a flowering, a dynamic transmission that is continually maturing.

Or that's how it has been in my case. I am continually coming across facets of what Douglas said, and kicking myself because I never saw it before! Rather should I thank God that I have reached a stage where I can see it now.

All of which must be very frustrating to those "midwives" of Social Credit — my mentors who keep deliver-

ing a new realisation. Eric Butler is an excellent mid-wife! He ran a two-day Social Credit school in Toowoomba late last year. It was a revelation to many. Now is the time for that school — in Canada, Britain, New Zealand, Australia.

A word of warning. It is a school that is not just another meeting. It needs time, and some mental preparation — a clearing of the mind to receive truth.

I conclude by wishing you good cheer. It is comforting to know that in the darkness now overcoming the world there are constant lights, burning steadfastly. God bless you all, and many happy deliveries!

MISS M. DOUGLAS'S MESSAGE

The following message from Miss M. Douglas, daughter of C. H. Douglas, was warmly applauded at the Red Deer Douglas Dinner:

"It is a great privilege and honour to be asked to send a message to greet you all at your banquet on March 30, and I am glad to do so.

"It is wonderfully cheering to know that, in so many parts of the world, the ideas which my father developed are being kept alive and propagated by so many loyal friends, in spite of the increasing material and spiritual difficulties which surround us all.

"May God bless you all and give you strength (and a sense of humour!) I hope you have a happy and rewarding evening.

"My love and good wishes to you all."

BRITISH TRIBUTE TO RON GOSTICK AND ERIC BUTLER

In a message to the Red Deer Dinner, Mr. Donald Martin, National Director of The British League of Rights, said he wished to pay a special tribute to Mr. Ron Gostick and Mr. Eric Butler, "without whose hard work over many years and also over many difficulties your current celebrations would not have been held."

Mr. Martin continued, "I am happy to be able to report that this year we have found a renewed interest in Social Credit. Part of this has come from a special supplement published in the March, 1979 issue of the "Scots Independent". ..."

INTEGRITY

It is not brains of which the Plotters are afraid—it is integrity.

—*Programme For the Third World War (1943)*

AGRICULTURE, SOCIAL CREDIT AND THE LIFE MORE ABUNDANT

By Robert Nixon

Land is unique in not only providing essential food for the life cycle of man, but it can also provide an environment where personal responsibility, freedom of choice and self development interact in the accomplishment of the true purpose of man.

Several questions therefore immediately arise. Firstly, do the farming methods effect the quality of the food produced from the land and the subsequent health of the consumer; and secondly, can the Christian use such an environment as an expression of man's true purpose.

C. H. Douglas maintained that there was a special relationship between man and the natural environment.

" . . . The world in which we live is an organism and that men and animals have an intricate relationship with the earth — not amorphous but specific and infinitely varied, which can only be disregarded at the peril both of men and the earth they live on. I do not mean in the least by this that a back to the land movement is either necessary or even desirable, but I do think that the idea that the earth is merely something to be exploited and 'lived on' is quite fatal."

Douglas then continues by outlining the antithetic materialistic concept where the economic environment is exploited solely for financial and material ends: — ". . . the world is merely the raw material for a factory."

The superb Christian policy of creativity as opposed to the plunderous policy of the anti-Christ is contained in St. John's Gospel 10.10: "The thief cometh not, but for to steal, and to destroy; I am come that they might have life, and that they might have it more abundantly."

Consider the reality of the "application" of this revelation when Christian missionaries and settlers moved into Rhodesia, a country including part of what Dr. Livingstone described as the African "charnel house". So successful was the transplanted Christianity and the application of law and order, medicine and flourishing agriculture that the African population increased from 400,000 to over six million.

By comparison, neighbouring Angola and Mozambique recently having had its life providing roots torn from the nourishment of Christendom by the imposition of a Communist tyranny is slipping back into starvation and savagery. Like Vietnam which was an exporter of rice, Angola and Mozambique are no longer prosperous food exporting lands. The life regenerating process has been dislocated, resulting in increasing parasitic dependence on the non-communist West to provide food, raw materials and technology. This is hardly an example of life more abundant.

Douglas said, "If, in the main, the land situation is being mishandled, the cause lies in the realm of policy, and the cure must also begin in that realm."

PHILOSOPHY VITAL

Before discussing the policies that govern the relationship between man and the land, and more particularly soil and animal husbandry, it is important that the main philosophies that determine the policies be outlined.

A penetrating statement made by one of the early Church Fathers and quoted by St. Thomas Aquinas is most helpful in that it defines the nature of sin, i.e. "The elevation of means into ends is the essence of sin." Therefore, for example, the elevation of the purpose of money to an end in itself provides the basis of philosophies contrary to the Christian teaching: — "For the love of money is the root of all evil."

ROBERT S. NIXON

Active W.A. State Secretary of The Institute of Economic Democracy, Robert Nixon and his brother Peter are attempting to maintain the family farm at Kalannia on organic principles. Robert Nixon is a living example of that "practical Christianity" which Douglas stressed was essential for the salvation of Civilisation. He is an outstanding exponent of Social Credit amongst an outstanding team of younger supporters in Western Australia.

Therefore all agricultural policies based upon the 'love-of-money' philosophy must work against the creativity of Christendom and its policy of "applied" Christianity. Far from being helpless to express faith as a reality, the Christian who first grasps the truths of our Christian Heritage, is placed in a position of being able to apply those truths to agriculture and social institutions.

Fundamental to an understanding of the mishandling or sabotaging of agriculture is a basic understanding of the philosophical basis of the transition from the "old order" to the 'new order'.

In Australia during the rural crises in the early 1960s the major attack on the rural community was to attack the philosophy of the rural community thereby rendering the policy based on that philosophy, ineffective.

The Fabian Socialist attack was to challenge and undermine the traditional concept, the Christian concept, that the independently owned and controlled family farm was primarily a way of life. The corollary to this concept was that as long as good soil and animal husbandry were combined, weather permitting, a physical reward or profit would be rendered. The function of the financial system was to reflect this reality.

However, the Fabian concept was to replace the traditional family farm philosophy with that which enunciates that a farm is a 'business' which in order to survive must make a 'financial' profit. Here we see the 'way of life'

concept being undermined with the elevation of the achievement of financial profit as an end in itself. Clearly this is a perversion of the Christian revelation.

Therefore it is obvious that in order to sabotage the Christian concept of agriculture it is necessary to subvert the financial system so that the ability of the family farm to achieve a 'financial' profit will be undermined.

CONSPIRATORIAL ATTACK ON PRIVATE PROPERTY

C. H. Douglas not only correctly identified the fault in the financial policies, but he also exposed the conspiratorial policies promoted by the Fabians through their Political and Economical Planning (P.E.P.) organisation. In a document issued in 1931 P.E.P. claimed: "Whether we like it or not, the individual farmer will be forced by events to submit to far-reaching changes of outlook and methods . . . What is required . . . is a transfer of large blocks of land, not necessarily of all the land of the country, but certainly a large part of it, into the hands of the proposed Statutory Bodies and Public Utility Bodies and of the Land Trusts."

Farm Rationalisation policies and Rural Reconstruction Schemes are a continuation of the P.E.P. policy of transferring land into larger and larger economic units, apparently with a callous regard to the thousands of farming families who have been forced off their farms because of a failure to make a 'financial' profit. The Saskatchewan Land Bank Commission that is currently being promoted is another version of the same policy of transferring control of land to a Statutory Body by purchasing property and leasing it back to farmers.

C. H. Douglas was opposed to policies that loaded land with debts and transferred control — or ownership — from the proprietor. Commenting on the subject he wrote: "It would be quite possible, and indeed is rapidly becoming an accomplished fact, that the legal title of the landowner is bought at bargain prices by camouflaged bank credits so the institutions are in a position to nominate the titular owners as well as to control the administration."

The farmer driven by events to service expanding debt commitments must of necessity elevate the achievement of a financial profit as an end in itself.

Quite often to achieve this end good husbandry is sacrificed for a greater volume of production of inferior quality. "Bigness," volume of production and efficiency are elevated to the pinnacles of success by agri-socialist propaganda.

C. H. Douglas rejects "this abracadabra of efficiency" and the "sacrifice everything to efficiency" approach by
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questioning the social value of its results and observing the dis-economies of scale of larger economic units. The social consequences include the decline in rural population, the disruption of parish life, and a fall in the level of community activity.

"ORGANISED LIFE SABOTAGE"

A frightening aspect of the sabotage of agriculture is what C. H. Douglas describes as "organised life-sabotage, which runs parallel to the human sabotage of mechanised war." It is the product of a mind advocating obliteration of life that does not conform to their perverted concept of social order. It is diametrically opposed to the Christian concept of abundance with numerous species of flora and fauna interacting in such a way as to assure the continuity of the life cycles of man and his environment.

Consider the environmental results when man is deceived into believing his finite wisdom can be projected to the realms of infinite wisdom. Man and his environment would simply be like putty moulded to the requirements of the servitude demanded by Mammon.

"It does not require much imagination," wrote C. H. Douglas, "to see that the type of mind which regards mass slaughter of cattle as the least troublesome way in which to deal with a curable disease is the same type of mind which regards the mass liquidation of millions of Russian farmers as the easiest way to stamp out opposition to collective farming."

Today agriculture is becoming a form of warfare with the increasing use of sprays to eliminate unwanted weeds, insects and funguses. Even the existence of plant and gene pools is threatened by centralised breeding programmes, which narrow the criteria of selection to maximum production of the required, and often-uniform product.

In Australia the "organised life-sabotage" has reached such destructive and selective proportions, (selective because the Federal Government claims immigrants are needed), that the birth rate has fallen to ensue a zero population growth and abortion has reached epidemic levels. Australia has an abundance of the material re-

AUGUSTUS JOHN'S TRIBUTE

"A. R. Orage was a friend of mine. The literary generation of his time owes much to Orage. Under his editorship the *New Age* became the best and liveliest weekly. After a period given to the exposition of Guild Socialism, Orage fell under the spell of Social Credit as expounded by Major C. H. Douglas. I painted the Major and was impressed by his personal dignity and charm. Unmoved by obloquy or boycott he stands apart, urbane and imperturbable...."

—Augustus John, R.A., the famous British painter, in his autobiography, *Chiaroscuro: Fragments of Biography*.

quirements of life.

Any change in agricultural policy cannot neglect an examination of the relationship between man and his economic environment in an endeavour to apply Christianity. The essential components in ownership of land are control and personal responsibility, and in point of fact personal responsibility is dependent upon control. In reality the 'owner' is a 'custodian' who commences and terminates with each succeeding generation of farmers. This in itself requires the acceptance of personal responsibility in the field of the maintenance of soil fertility, and the preservation of flora and fauna. This approach was summarised when C. H. Douglas said "One of the first considerations of the old system was to maintain, in the real, not the financial sense, the capital value of the land, and to do this required extraordinarily detailed knowledge of local conditions and customs."

THE SILENT CHURCH

Quite obviously there is a relationship between healthy soil, healthy food and healthy people - - a point that appears to be neglected in the factory farm concept.

In the past the Christian Church was a great defender of the concept of private ownership. Archbishop Simonds of Melbourne wrote: ". . . the Church makes private ownership of property the cornerstone of her social teaching."

Pope Leo XIII wrote in his Encyclical Letter *Rerum Novarum*: "The law therefore should favour ownership, and its policy should be to induce as many as possible to become owners."

In Australia today the Church is silent on the concept of private ownership, yet certain sections demand "collectivised" ownership for aborigines of 'large' areas of land.

In commenting on why sections within the Church insist in 'control of the human purpose', C. H. Douglas explained it was based on the philosophy of the Centralisation of Power.

ESCAPE FROM UTOPIA

Upon his arrival in Australia early in 1934, Douglas gave his first public address to an over-flow audience in the Perth Town Hall on January 16. The chairman was Mr. C. F. J. North, an Independent Member of the Western Australia State Parliament and President of the Social Credit Movement in the State.

The following is an extract from Douglas's address:

When I heard that I was to speak in Perth my mind went back to that ancient and romantic city which is the Gate of the Highlands, the city which is situated on the noble River Tay, and I remembered that Perth was, until about the 14th century, the capital of Scotland, but it has another matter of interest.

From the Palace of Scone came the coronation stone which is now at Westminster, and without which the cor-

onation of no King of England is legal. I mention these things because Perth—either the Perth of Scotland or its younger sister, the Perth in Western Australia— seems to have attached to it the legend of a gateway.

I am perhaps sufficiently Scottish, and therefore, as the deluded English would say, superstitious, to believe that these matters are sometimes not so unimportant as they might appear at first sight. Your beautiful city of Perth in Western Australia is quite obviously the gateway to this great continent...

But it may be that this question of the gateway may be symbolically carried still further in Perth, because all these things of which the older Perth was the gateway applied to one particular set of ideas. All those ideas, and all those things to which I referred had to do with something, which can be called, for want of a better word—Utopia.

I want to explain what I mean by that! All of those ideas had this thing in common, that they involved the imposition on the world at large of a set conception of what that world ought to be like, and they also involved a scheme or an organisation to impose that Utopia on every one, whether they liked it or not.

It was supposed in all those ideas to which I am referring that there must be some perfect world, if only one could get at it. It would be alike for everybody, and, if it could only be brought into force it would make everyone perfectly happy.

Now, the gateway I would like to see this great and beautiful city of Perth, in Western Australia, to be the entrance of is a gateway to an idea which is as different to that idea as it is possible for two ideas to be.

We who are advocating these ideas that we refer to under the name of Social Credit are, of course, immensely concerned with the technique of finance; but we see, or think we see, much behind the mere technique of finance, and we think we see that in the financial system as it exists at the present time one more determined effort to impose a particular type of world on what I think I can easily say is a reluctant population.

What we have to say is the very opposite of that idea. Social Credit, as we see it, is the escape from Utopia. It is the escape from the idea that you, in order to be good, desirable, flourishing and progressive citizens, must be exactly like me.

The Social Credit idea is a mechanism by which each person, so far from being subordinated to one of these types from which the world has suffered so long as we know anything of history, can construct his own Utopia.

"The problems which confront the world are not primarily geographical. So far as any one adjective will describe them, they are fundamentally cultural. That is to say, they relate to objectives, to ideals of life and its uses, and the conditions under which individuals will cooperate to reach these objectives."

—*Warning Democracy, 1931.*

NEW TIMES—JULY 1979

WESTERN AUSTRALIAN DINNER "SYMBOL OF HOPE FOR FUTURE OF SOCIAL CREDIT"

The Western Australian Douglas Centenary Dinner, held in Perth, on May 17, was rightly described as a symbol of hope for the future of Social Credit. Chaired by the dynamic young State Director of The Australian League of Rights, Mr. Ray White, the Dinner projected an image of a movement in which a young generation of Australians have firmly grasped the torch passed to them by the pioneers of Social Credit. It was appropriate that the Palace Hotel, a reflection of an era of more gracious living, was the venue for a Dinner of such a nature. Every available seat was taken.

The tone of the evening was set with two outstanding messages from younger Social Crediters. The first message was from Mr. Chas Pinwill, Queensland State Director of The Australian League of Rights. Chas Pinwill wrote:

"Best wishes from Queensland Social Crediters for your West Australian Douglas Centenary Dinner.

"One hundred years ago Douglas was born into a generation which saw two beginnings. The beginning of a century which promised the full flowering of Western civilisation, and the beginning of the realisation that that same civilisation was betrayed into a reversal of its historical imperative.

"In travesties of this magnitude, the mass, as always, is inarticulate. It fell to a few men, and to Clifford Hugh Douglas in particular, to personify the life force of the West, and to diagnose and prescribe for the future life-necessities of the Christian West.

"His life was one of a lone physician, living among Witch Doctors. Half a century on from the beginning of his public impact, the patient continues to sicken.

"Those who shall insist upon survival, upon thinking in depth, upon understanding what Douglas brought to the world, will at length, when all else has failed, be consulted. It is for this that Social Crediters across the world await.

"We can not now be long in the waiting, the patient ails, but wishes yet to live.

Eat, drink and be merry, for tomorrow we LIVE."

"STRIVE TO BE AN INDIVIDUAL — NOT A FOLLOWER OF SHEEP"

Writing from London, Mr. Murray Jorgensen, Editor of *Heritage*, the quarterly magazine of The Australian Heritage Society, a Division of The League of Rights, said

"The works of C. H. Douglas have, for me, one particular outstanding quality. A quality that requires emulation by every self-professed "expert" who claims to know exactly what is good for each and every one of us.

'A problem correctly stated is half solved.' How true of Major C. H. Douglas. He had a genius for correctly and so clearly stating a problem. That is the quality I admire so much in my studies of Douglas.

"And so today, far from solving our problems, we can't even agree on what the problem is! Since the turn of the century Western civilisation has suffered a multitude of man-made calamities. Thousands of books have been

written explaining why and how it all happened and what we should do about these calamities. Each year produces a new set of ideas, new theories, new explanations and new remedies -- but still the calamities happen.

"Many here tonight, particularly the young, will ask why? Why can't we come to grips with our problems and solve them? To these people I recommend the refreshing and highly enlightening Major C. H. Douglas.

"As if only written yesterday, Douglas's concise explanation of modern complexities and their root cause is something to be read and re-read.

"Major Douglas not only forecast world wide events — he explained in simple terms how they would come about, through a faulty man-made mechanism which required only minor adjustments to free man from a troublesome burden.

"Making the minor adjustment is the problem confronting the Australian League of Rights. The greatest tribute we can pay to C. H. Douglas is to see that we play our part, as individuals, to perpetuate the Truth.

"It is my hope that this Centenary Dinner will inspire



From a younger generation to a veteran of the Social Credit Movement. Mr. Ray White, Western Australian State Director of The Australian League of Rights, presents a beautiful silver tray suitably inscribed, to Mr. Eric Butler at the Perth Douglas Centenary Dinner.

our younger supporters to action; to seek out the truth; to discover the uniqueness of each individual in God's universe and to strive to be an individual — not a follower of sheep. This is the real challenge of the Australian League of Rights — this is the challenge so precisely put by Major Douglas when he wrote in 1943—

"The group exists for the benefit of the individual, in the same sense that the field exists for the flower, or the tree for the fruit. Groups of any kind, whether called nations, business systems, or any other associative label, inevitably decay and disappear if they fail to foster a

sufficient number of excellent individuals, using those words in their precise significance. It is also true that excellence involves exercise — a man does not become a good cricketer by reading books on cricket.

"Are you, as an individual prepared to accept this challenge?"

"This Douglas Centenary Dinner marks a milestone in the League's history in W.A. With your help and support and God's blessing, we can face the challenge with renewed strength and greater hope."

'DOUGLAS HAD A STARTING POINT WHICH SHOULD BE OBVIOUS TO CHRISTIANS'

In proposing the toast to C. H. Douglas at the Perth Centenary Dinner, Mr. Robert Nixon said, "The genius Douglas grasped the 'truth' that the reduction in physical effort of production should be reflected in lower prices, if the individual could apply the natural laws governing the individual and his institutions. However, unlike the orthodox economist, Douglas had a starting point, which should be obvious to Christians. Douglas insisted that Christianity is something inherent in the very warp and woof of the Universe, or just a set of interesting opinions.

"Has the Christian social engineer of today the same starting point? Now a new vision and direction is required as the Christian Church has very large sections of its foundations crumbling...

"I believe Douglas answered this question of allegiance and direction when he emphasised what Christ taught — 'Seek ye first the Kingdom of God, and all these things shall be added unto you', and secondly. 'What shall it profit

a man, if he gain the whole world and lose his own soul?'

"Traditionally the anti-Christ policies of Communism and Socialism overtly sought to gain control of the material world. Events have changed. The World Council of Churches now sprints to the front proclaiming the virtues of the New International Economic Order claiming the mandate of Christendom to 'seek the unity of Christ's people' and 'to further the renewal of the Church.'

"The attack on Christendom has intensified, the battlefield has changed, but the objective is still the same."

"A VERY NEW SCHOLAR TO THE WORKS OF DOUGLAS"

The toast to Douglas was seconded by Mr. Murray Pope who, with the loyal support of his wife Jan, is a driving force in League of Rights activities while at the same time running his farming property. Mr. Murray Pope said:

I wish to preface my remarks tonight by reading to you a cutting from *The West Australian*, January 17th. 1934:

"Australia Welcomes Douglas" announced a large sign held high over the heads of a crowd of people gathered on Victoria Quay yesterday morning as the liner Maloja from England swung slowly into her berth. Beneath the sign two pipers skirled Scottish airs to the accompaniment of a drummer, sticks a-twirling. The pipes and drum ceased for a moment and a grey-clad figure on the promenade deck of the liner waved an encouraging helmet. The crowd clustered closer together, there was a low-voiced suggestion and three cheers were sent across the water to add to the warmth of the welcome to Australia of Major C. H. Douglas, the founder of the Douglas Social Credit Movement and the man in the forefront of the most militant of unorthodox thought on economic problems".



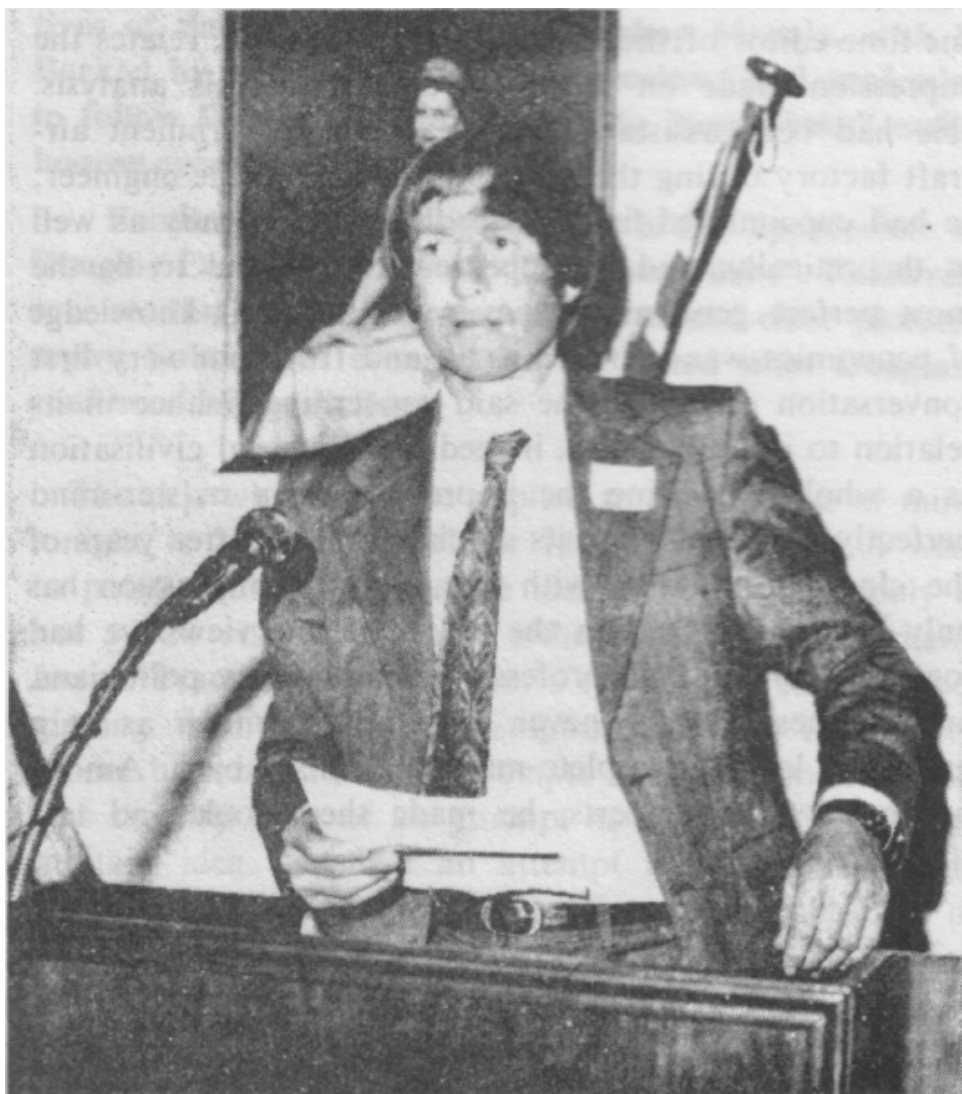
"My years of youthful idealism were starkly motivated and re-directed a decade ago, upon hearing an enunciation of a social policy of a Christian philosophy."—Mr. Robert Nixon proposing the toast to Douglas at Perth Dinner

This excerpt from the report of Major Douglas's visit to Western Australia forty-five years ago as part of his world tour gives us some idea of the impact which this man had throughout the world at that time. What a tremendous feeling of salvation from the grip of the great Depression he gave to the people, especially as we imagine over one million people here in Australia alone listening to his broadcasts on the wireless. But, as Douglas subsequently wrote, the distortions to which his proposals were subjected contrasted so markedly with the enthusiasm of those ordinary people who had no particular axe to grind, that it became obvious that the real conflict which engulfed society was a political one, from which economic disruption was resulting.

Realising this, he then set himself the task of leaving for future generations, a fully documented account of his practical solutions and the philosophy from which these practical solutions arose.

I consider myself a very new scholar to the works of Douglas, appreciating the fact that to say one could grasp the full meaning of this wonderful philosophy in a short time would not be doing the man justice.

However, from the amount of reading I have done, it seems that the main qualification needed to gain entry to this school of life is a desire to mature in thought and give ourselves a solid base from which we can develop. Those who enter these corridors of learning have come to realise that there are answers to our problems, not only a spiritual awareness of something being amiss in



Douglas revealed to me "the true meaning and importance of our leisure time" - Mr. Murray Pope seconding toast to Douglas at Perth Dinner.

the direction society is taking, but a practical solution if we are really to believe in a loving God. Through our firm belief and trust in God, we must learn that He has provided the answers, however, it is our duty to seek out and understand them in our own individual way, where we feel confident to think and rethink His teachings. I find it hard to put these feelings into words; perhaps there are no words to describe such thoughts.

One aspect of Douglas's writings, which has come to mean a great deal to me, is the true meaning and importance of our leisure time. It is interesting to note that the Greek word for leisure, "Schole", is still preserved in the words "school" and "scholar." This surely implies that this time should be of great importance to us as a learning time as well as enjoyment and how we should try to combine the two.

My first leisure activities were naturally on the sporting field and now with two sons growing up I am able to enjoy this important avenue of learning with them. To be involved with our youngsters in this way gives us a wonderful opportunity to teach them the important character building qualities, which will stand them in good stead in their difficult years ahead.

As a farmer, I am very fortunate to enjoy the freedom to choose my leisure hours and to put this time to the direct and indirect benefit of furthering the work of the Social Credit philosophy where and when I feel confident to do so. The time spent studying this has given me so many practical answers to my questions that I see it as the only way we will create a genuine Christian society of freedom and security for all. However, in the final analysis, it is the way in which we as individuals apply this knowledge which will determine what the future will be for ourselves and our children.

On this memorable occasion, I see this as the challenge which we must all be prepared to meet and I have much pleasure in seconding the toast to Major Douglas, who as a man was unique in our history.

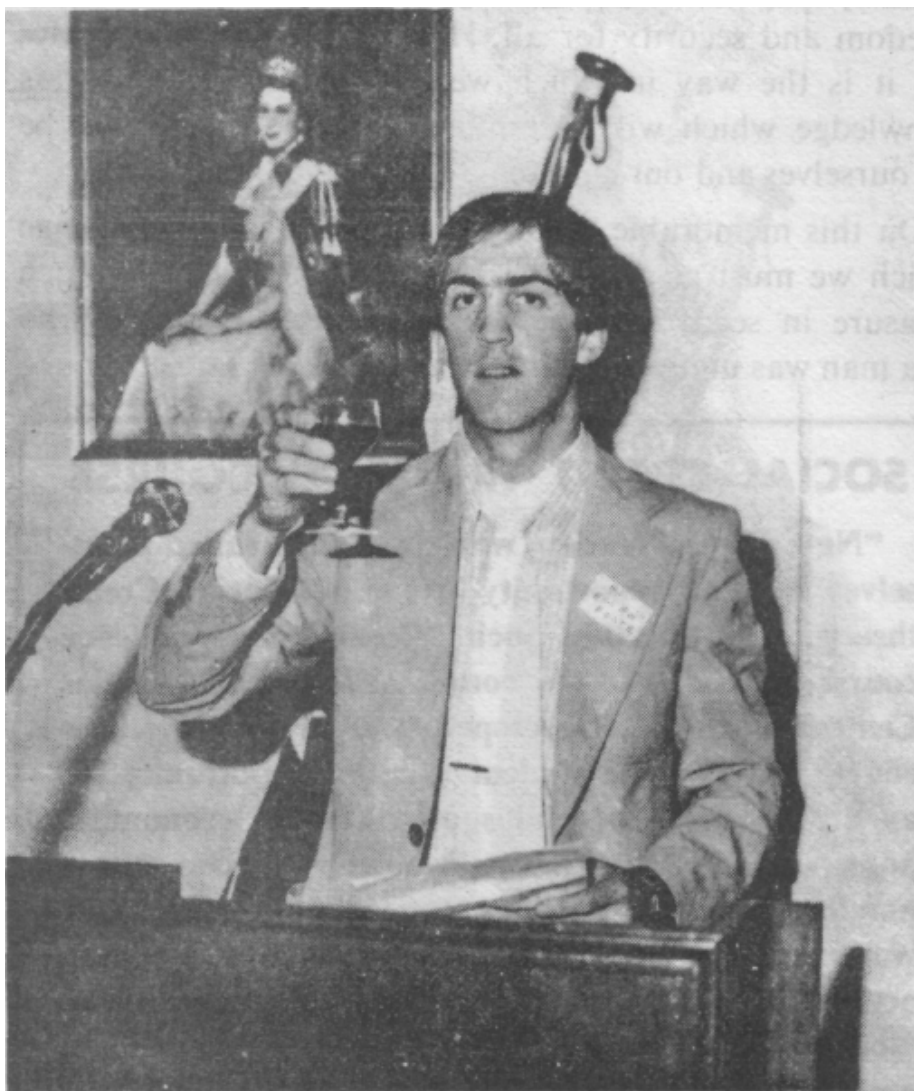
SOCIAL CREDIT TRAINING COURSE

"New Times" readers, who have not availed themselves of the opportunity to study Social Credit through the 8-lecture Social Credit correspondence course, should take the course as a special Douglas Centenary project. Developed over many years this course provides the student with an opportunity for an orderly study of philosophy, finance, economics, politics and constitutionalism. First class tutors handle the course, assisting students in every possible way. Some of the most outstanding Social Credit actionists have come through this training course. Notes and questions to lecture notes provided. The charge for the course is \$10. Australian and New Zealand readers who require to take the course should write to The Director, Social Credit Training Course, Box 1052J., G.P.O., Melbourne.

C. H. DOUGLAS-THE MAN

A Personal Sketch by Maurice Colbourne in "Unemployment or War"

What of the man who has sown the seed? A bespectacled Ishmael with a red beard who prowls round the Bank of England with a bomb in his pocket? Hardly. He tells a story of how the Canadian Government must have expected some such red-tied person when the Opposition invited him to Canada to give evidence upon the motion before the House of Commons. The Ministers were taken aback, therefore, when they found an alert, business-like Scotsman, a cousin of Lord Weir, a Cambridge University man and a gentleman, cross-examining them and successfully tying them up in knots. The inquiry ended, and, finding he had a few days to put in before his boat sailed, his hosts asked Major Douglas what he would like to do. He replied that, above all things, he would like a few days' fishing. Accordingly he very soon found himself in Toronto in a shop famous for its trout flies. The proprietor, on learning his customer's name, said, "What, not the man who's been giving evidence in Ottawa before the Government?" and, on being told that Major Douglas was none other, remarked with a twinkle, "Well, if you really want some good fishing, I advise you to tell some of the bankers round here that you're in town, and I'll wager they'll be only too pleased to offer you fishing a great many miles from anywhere!"



"In proposing the Loyal Toast to the Queen, we should commit ourselves to halt the war against Christianity and preserve some realistic constitutionalism." — Mr. Allan Foote proposing the Loyal Toast at Perth Dinner.

DOUGLAS A SCOTSMAN

First and foremost, Douglas is a Scotsman. To look at him, he might be a gentleman farmer. His steady eyes, and ruddy cheeks, and jovial personality, are those of a squire. A delightful host, his hospitality is of a kind rare in these hurried times, a hospitality in which one basks at ease from the first. And his conversation matches his wine. Not that it is sparkling, for this suggests brilliant conversation for conversation's sake, but, like good wine, it has a bouquet about it. Living in the country, Douglas is an adept at doing things for himself, with his own hands. A keen fisherman, as we have seen, he also sails his yacht single-handed in the Channel off the coast of France. Then, he laid down his own hard tennis court; and, just to keep his hand in constructed an engine, for by profession Douglas is a civil engineer.

ONE OF THE BEST-SWEPT MINDS

He has what is probably one of the best-swept minds functioning today. It penetrates, too, without effort or conceit, beneath the fashions and foibles of the times to the permanent things. He will let drop such a remark as that too much store is set on human life and not enough on human happiness, as though he were saying he thought tomorrow would be a fine day. In the "Commonweal," the excellent Catholic weekly, published in New York, the one-time editor of the "New Age," Mr. Orage, relates the impression made on him by Douglas and his analysis. "He had been assistant-director of the Government aircraft factory during the war: he was a first-rate engineer; he had encountered financial problems practically as well as theoretically; and he appeared and proved to be the most perfect gentleman I have ever met. His knowledge of economics was extraordinary; and from our very first conversation everything he said concerning finance in its relation to industry—and, indeed, to industrial civilisation as a whole—gave me the impression of a mastermind perfectly informed upon its special subject. After years of the closest association with him, my first impression has only been intensified. In the scores of interviews we had together with bankers, professors of economics, politicians, and businessmen, I never saw him so much as at a moment's loss of complete mastery of his subject. Among no matter what experts, he made them look and talk like children.

SUBJECT NOT EASY

"The subject himself, however, even in the hands of a master, is not exactly easy; and, in fact, it compares in economics with, let us say, time and space in physics. By the same token, Douglas is the Einstein of economics; and, in my judgment, as little likely to be comprehended

practically. In other words, a good deal of sweat is necessary to understand Douglas; and, with our absurd modern habit of assuming that any theory, clearly stated, must be immediately intelligible to the meanest and laziest intellect, very few will be the minds to devote the necessary time and labour to the matter. I was in all respects exceptionally favourably placed to make a fairly quick response. I had time, and, from my long experience of literary geniuses, almost illimitable patience; I was vitally interested in the subject, having not only exhausted every other, but been convinced that the key to my difficulties lay in it; and, above all, Douglas himself was actively interested in my instruction. He said many things in our first talk that blinded me with light; and thereafter I lost no opportunity of talking with him, listening to him talk, reading new and old works on finance, with all the zest of an enthusiastic pupil. Even with these advantages, it was a slowish business; and my reflections on the stupidity of the present-day student of Douglas are generously tempered by the recollection of my own. It was

a full year from beginning to study his ideas before I arrived at a complete understanding. Then all my time and labour were justified . . . Certainly there is no lack of light on the subject today; but only the usual poverty of eyes and understanding."

WHAT IS NEEDED

A few years before—the passage quoted above appeared in 1926—Mr. Orage's tone was more helpful and practical, and in 1920 we find him saying: "What is needed on the one hand is a sufficient number of people to understand the scheme and to put it into operation; and, on the other hand, the approval by the community at large of its results in practice. The results are certain if the scheme were once adopted. But, so far, no executive of any trade union, employers' association, or Government department has sufficiently considered the scheme to pass a judgment on its merits. Sooner or later, however, the time will come when such a scheme will be all that stands between chaos and order in industry"

THE MONOPOLISTIC IDEA

Melbourne Town Hall Address on January 22, 1934

Amongst those thousands present to hear C H. Douglas at the Melbourne Town Hall on January 22, 1934, was the founding Editor of "The New Times", the late T. J. Moore, at that time Editor of the Melbourne Catholic "Tribune". Moore's robust attacks on the credit monopolists through his paper resulted in protests by representatives of the monopolists to Archbishop Mannix, with Moore being requested to modify the tone of his criticism. Backed by a group of Melbourne business and professional men, Moore left his secure position at "The Tribune" to follow Douglas by launching "The New Times" early in May, 1935, which has been regularly published in Melbourne ever since.

Because of this background, it is felt appropriate that Douglas's Melbourne address should be published in the Douglas Centenary issue of "The New Times". Relatively unknown compared with Douglas's many other addresses, a re-reading of it today provides a crystal-clear picture of Social Credit as the policy of an anti-Monopoly philosophy. Subsequent events have not dated what Douglas said in Melbourne 45 years ago, but unfortunately, have confirmed his predictions.

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 that 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 supersession 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 attaches 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 exists.

Now, one thing is very clear about Russia. I am not in business as a prophet, but I will venture on a prophecy

WORK AND PLAY

Still another significant feature of the inadequacy of the economic structure is the increase of voluntary unpaid effort and the large amount of energy devoted to games. There is absolutely no concrete difference between work and play unless it be in favour of the former—no one would contend that it is inherently more interesting or pleasurable to endeavour to place a small ball in an inadequate hole with inappropriate instruments, than to assist in the construction of a Quebec Bridge or the harnessing of Niagara. But for one object men will travel long distances at their own expense, while for the other they require payment and considerable incentive to remain at work.

The whole difference is, of course, psychological; in the one case there is absolute freedom of choice, not of conditions, but as to whether those conditions are acceptable; there is some voice in control, and there is an avoidance of monotony by the comparatively short period of the game, followed by occupation of an entirely different order. But the efficiency of the performance as compared with the efficiency of the average factory worker is simply incomparable—any factory, which could induce for six months the united and enthusiastic concentration of, say an amateur football team, would produce quite astonishing results.

—*Economic Democracy*.
NEW TIMES—JULY 1979

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 make-up - - the make-up 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 manu-

facture 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 off inflation.

Now I would like you to follow me in a jump over a long span of years to the middle ages. In the middle ages the goldsmiths were the world's bankers; the goldsmiths were primarily and originally artisans in precious metals, and because of that fact no doubt they had the best strongrooms in those days. As a result of that fact it came to be the habit of the Feudal nobles of the middle ages to leave their gold plate and other movable and portable valuables with the goldsmiths for safe keeping. The goldsmiths in turn gave the owner of the plate or valuables an ordinary receipt, which in those days was written on parchment, because parchment was fairly durable. The goldsmith would sign that receipt in the same way as anyone would sign a receipt at the

present time.

As these signed receipts came more and more into use they really became the lineal ancestors of our modern bank notes, because people began to use those receipts for paying for other things without bothering to draw out the plate and valuables to which the receipts referred. So that if a man bought a piece of land in those days he would very often pay for that land by means of one of these goldsmith's receipts, and the seller of that land would not bother to draw out the gold plate to which the receipt referred, but in turn would exchange the receipt with someone else for something that he required. So it will be seen that these receipts really constituted the first bank notes.

There is something else to be emphasised here, and that is that at this point a very important thing took place. When this money or when these receipts began to pass from hand to hand they were issued, and their validity was accepted, not so much on the basis of the name of the man who had actually deposited the gold plate with the goldsmith, but on the basis of the signature of the goldsmith who actually issued the receipt. It was the fact that the goldsmith was known to be a reputable person, which really made these notes or receipts acceptable. So that at that stage you get a very significant change, which took place, a transfer from the **producer** of the wealth to the **custodian** of the wealth, of this power of issuing something, which would be accepted.

Then there was a third and final transfer, which was consummated at the time of the outbreak of the Great War in 1914. It was the conventional belief before that time that there was one piece of gold in a bank to represent every pound deposited, drawable either by cheque or in some other way; it was a conventional belief that if you had £100 in the bank you could go to the bank and demand 100 sovereigns. And, of course, you could do so as long as everybody did not go along and make the same sort of claim at the same time.

But the position arose in August, 1914, in Great Britain that everybody conceived the wild, idea of doing that at once, and practically everybody attempted to do it, with the result that within a very short time every bank in Great Britain, including the Bank of England, was bankrupt. The banks were completely unable to meet their liabilities on the terms under which they had contracted to do so — in gold. There were I think, nine hundred millions of deposits in the Joint Stock Banks in 1914, at the beginning of August, 1914. Practically all the gold was drawn out of the Joint Stock Banks, and I am informed that the gold at the Bank of England was reduced to something like ten millions — a very small amount for the Bank of England. There were six hundred millions of deposits still undrawn, or being drawn at a very rapid rate, when that gold was exhausted.

As you will probably remember, a moratorium was declared - - that is to say, all debts were held up for

three or four days, all the banks were closed, and so forth. Then the banks reopened with a nice stock of clean white little notes, which said, "I promise to pay the bearer £1 on demand." If you had taken one of those little notes to the Bank of England they would have taken it and given you another little note exactly like it, saying, "Here is your £ 1." That worked perfectly, and everyone was happy. People took the notes, and business was carried on in exactly the same way.

I want you to notice what these £1 notes represented. They were issued by the Treasury, although, unfortunately, they were issued through the banks, which gave the banks control over them. But those £1 notes received their value not because of anything deposited in the banks, because all the deposits in the banks had been drawn out; they received their value because they rested on the general credit of the country. That was the first stage.

What do we mean by the general credit of the country in this connection, and what is its important factor? The general credit, the real credit of the country, I think is correctly defined as being the ability to produce and deliver goods and service as, when and where required. It is quite obvious that these little bits of paper on which we place so much store, are of no importance whatever if no one will deliver something in exchange for them. It is the fact that they are accepted as what we call effective demand for goods, which makes them important.

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 really desires 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.

Now, what does this credit really rest upon? This is a very important matter, because it has to do with who is the real owner of the money, which represents the effect demand tickets. I pointed out to you in the beginning of this explanation that originally money started with the owners of wealth. Of course, it is the orthodox Labour argument that labour produces all wealth. If that were true it would be perfectly right and proper in my opinion to say that all money belonged to labour, but I am afraid it is not true. That is not the case. The case is much better than that, even from the point of view of labour.

The great factor in production under our modern system is the labour supplied by the sun. By that I mean waterpower, oil-power, coal-power, power through the agency of electricity, and so forth. Production today is almost entirely a question of power. When labour supplied the whole of the power by muscular effort and so forth, I think it would have been a fair and equitable thing to say that labour produced all wealth either by hand or brain.

But we of the Western world are the inheritors of a magnificent culture which we ourselves did not produce, but which largely was handed down to us from previous inventors, engineers, organisers and so on. We are merely the administrators of that cultural inheritance, and to that extent that cultural inheritance is the property of all of us, without exception.

You must remember that your best engineers, organisers and administrators definitely have been trained to put the world into a state of unemployment for the past 150 years. That is what they have been trying to do. When you have achieved that thing you do not know what to do with it. But what you have to do is the simplest thing in the world. You have to represent this real credit, this capacity to produce enormous quantities of wealth, by financial credit in the form of money-tickets. It is a technical matter into which I am not going tonight, but you have to recognise that the ownership of that part of the ticket which represents the cultural inheritance is one in which we are all joint owners.

I believe that not only from the commonsense point of view of making the machine work, but from the ethical point of view and from every other point of view you can conceive, the time is ripe, is overripe, for the issue of a national dividend in some form or other.

You are going to be faced, if you allow your best brains free play, if you like to put it that way with a rapidly increasing problem of so-called unemployment and that problem of so-called unemployment is simply

the stopping of the work of those people who are not required. Are we, as a world of presumably sane people, going to say that because we no longer require the work of these people, and yet can make all the goods that they require, we are going to prevent them from having the goods? The thing is insane. But the situation has an even more tragic aspect - - that is, that this determination to recruit the employment of the whole population as being a permanent and inevitable accompaniment of any economic system which will be tolerated, means that as soon as you possibly can use in any modern country all that the whole population with modern machines can produce, you must strive for export markets. That is a perfectly straightforward proposition for two or three countries in a world of 40 or 50 countries, to strive for export markets, but when the whole 50 countries are striving for export markets, then, short of exporting to Mars, there is no solution of that particular problem. The result of that struggle to capture export markets and to maintain the technique of the present obsolete system is inevitably war.

That is the danger with which you are faced -- possibly the imminent danger — so that if I have made my point clear there is no subject in the world at the present time of such vital concern to every man, and particularly to every woman who has children, or hopes to have children, than this problem of credit. I repeat that the problem of credits must be solved, and that increased purchasing power in the form of a national dividend should be given every person. A national dividend is justified economically, by the increased power of production, and morally by the fact that this increased production is not due to any section of the community - neither the labourer, scientist or capitalist, but to all.

The world will have plenty of problems to solve after this problem has been solved, as it can be, but I assure you there will be very few people left in this world to solve any problem, if you do not solve this particular problem very soon.

DENNIS R. KLINCK, Ph.D.

At a time when it appears that the overwhelming majority of academics have turned their backs on Christianity and have embraced the philosophy of various types of collectivism, it is encouraging that a brilliant young Canadian academic, with a Social Credit background, can present a convincing thesis concerning the relevance of religion to economics.

Dr. Klinck's thesis, which first appeared in 1976 in a Canadian monthly journal "Seed", is published in this Douglas Centenary issue of "The New Times" for two main reasons: it is an in-depth exposition of a major aspect of Douglas's teachings; and it provides encouraging evidence that regeneration of Civilisation can come under the influence of a younger generation of Social Crediters.

The reader will be rewarded by a careful study of "Faith and Economics".

Faith and Economics

By Dennis R. Klinck, Ph.D.

For several reasons—perhaps the most important being the depreciation of the symbolism of their faith into grating or empty clichés by religious people themselves—religion has come to be associated with vague mysticism, unrealistic expectations, and mindless jiggery-pokery. At best, it tends to be related to warm but indistinctly defined ethical impulses and "common decency". However, religion is seldom invoked as a technique of dealing with the 'real' world—where scientific exactitude and political pragmatism are hastily elevated above "metaphysical" considerations. The implications of this paradox—that religion is relevant only to a conjectural world—are significant: religious "truth" is useless truth. If this is the case, then religion is interesting (and not very) only as a species of fairy-tale. If, on the other hand, religion does tell us something about reality, then it ought to be given heed. This series of articles examines some of the realistic implications of religious belief in the area of economics and suggests the close relationship between faith and policy.

1: THE APPROACH TO REALITY

To embark upon a discussion of matters so apparently divergent as "faith" and "economics" is perhaps to court derision. For, while "faith," as everyone knows, is fundamentally irrational and conjures up images of the simple-minded reverencing a "hypothetical deity", "economics" brings to mind visions of "cold, hard figures" and equally cold, cerebral men in steel-grey business suits, regarding each other with icy eyes. "Faith" connotes the fanciful; "economics", the resistlessly real. And, in the words of Rudyard Kipling, "never the twain shall meet".

Nevertheless, there is a point at which "faith", insofar as it is "evidence", does suggest to us something that, though real, is not quite wholly realized. And there is a point at which "economics" transmutes to "Economics"—when simple "household management" becomes a "Mystery", and the men in steel-grey suits are transfigured into votaries of a "religion" that may have no relation at all to the facts of production, distribution, and consumption. At this point the normal connotations of "faith" and "economics" become an inversion of reality, and when "Economics" becomes a system of belief, we are perhaps justified in resorting to a humbler faith.

SCIENCE AND RELIGION

This issue is crystallized, for example, in the contrasting views of religious "faith" and economic "science" adopted by Hugh Gaitskell, socialist theoretician and former leader of the Labour Party in Britain, and engineer-economist C. H. Douglas. In his article "Four Monetary Heretics", Gaitskell states a dogmatic position in which "religion" is characterized by "dogma" and "obscurity", and declares: "It is not only for his conviction but also for his methods that Major Douglas must be regarded as a religious rather than a scientific reformer"¹. What is implied, of course, is that "science" has a valid relation to reality: "religion" does not, but is more akin to black magic, or superstition. Gaitskell has a right to define his terms; however, his use of the words "scientific" and "religious" as antithetical—particularly with regard to Douglas—betrays a sorry understanding of either. Moreover, it betrays the limitations of his own system of belief: it is arguable that scientific dogmatism (especially in an age

(1) In *What Everybody Wants to Know About Money*, edited by G. D. H. Cole (London: Victor Gollancz, 1933), 375.

that is challenging facile empiricism) is no more valid than religious dogmatism—if by dogmatism is meant the assertion of principles without evidence. Douglas did himself in fact describe his own approach as "religious", but he was scrupulous to define what he meant by the term. Gaitskell, by using the term "religious" in an unexamined way, displays not only intellectual carelessness, but also those characteristics of superstition - - dogmatism and obscurity — which he attributes to Douglas.

Unlike Gaitskell, who implies the unreality of religion, Douglas insists upon the relation of religion to reality:

In the sense that I am going to use it, and I think I will be using it correctly, the word religion has to do with a conception of reality. It is the binding back either of action, or of policy . . . to reality. In so far as it means to bind back, to bring into close relation again, and in that sense I am going to use it, religion is any sort of doctrine, which is based upon an attempt to relate action to some conception of reality².

What we believe about the nature of reality will determine our approach to that reality. If the conception of reality to which policy or action is related is incorrect, then, of course, "religion" will be false, or, heretical. Again unlike Gaitskell, who implies the absolute truth of his religion by calling it "science", Douglas admits the possibility of erroneous belief:

It does not necessarily mean . . . that your conception of reality is a correct one, but it does mean that you are postulating that there is something to which you refer as real, and you are basing your policy upon that reality³.

In other words, every policy is based upon a philosophy, or conception of reality. Belief—or faith—is realized in policy, and the results of this policy are the fruits by which we can estimate the validity of the underlying "religion". Since the policy of the philosophy suggested by Douglas has never been fully or consistently realized, we cannot say that it is wrong: rather, we might suspect that it is right, since by definition it must reflect "the way things are". If, on the other hand, the economic "science"

²"*The Policy of a Philosophy*", an address given in London, June 26, 1937 (Liverpool: K.R.P. n.d.),

³*Loc. cit.*

of Gaitskell represents "orthodoxy", then his belief must be seriously questioned in view of the palpable failure of the policies which stem from it.

THE CANON

Before proceeding to a consideration of the violation of truth by what financial theorists and politicians are pleased to call "inexorable economic Law", we ought perhaps to look more particularly at the kind of "religion" to which Douglas refers, in order to answer Gaitskell's allegations. Douglas makes the following explicit confession of faith:

Now it is my belief . . . that there is running through the nature of the Universe something that we call a "canon". It is the thing, which is referred to in the Gospel of St. John as the "logos", the "word" . . . The engineer and the artist refer to it when they say they have got something "right". Other people mean the same thing when they talk about absolute truth, or reality⁴.

He asserts his conviction that there is something "real"; he does not go on to prescribe what "reality" is, but suggests that it is recognizable when it is realized. His faith is in an underlying reality that interfuses the very nature of things. From this, we may conclude of Douglas that he is an absolutist in religion: truth is not, for him, a matter of subjective relativism, or of the construction of models of how things "should" be. At the same time, however, he makes no dogmatic assertions about the nature of reality, except that it is real (a necessary assumption of any epistemology). And, he implies, what is real is right. But he eschews any temptation to make reality into a system; rather, it is something that unfolds itself to the careful searcher. This is the extent of Douglas's "dogmatism".

At this fundamental level, the issue of "faith" resolves itself into the question: "Is anything real?" Douglas is convinced that there is a reality. Gaitskell, to judge from his own conviction, appears similarly to be convinced that something is real, although he seems to have a somewhat different conception of reality. Examination suggests that Douglas's is the humbler faith, attending as it does upon discovery, while Gaitskell's implies not only that there is an absolute truth, but that that truth is somehow manifest in the assumptions upon which the economic-system operates. This brings us to a consideration of religious "methods"—for which Douglas has also been criticized.

DISCOVERY

Significantly, Douglas suggests, in his examples of the engineer and the artist, that this "canon" of which he speaks, this underlying principle of reality, is recognizable most readily in its incarnations: "The Word", it will be

⁴"*The Pursuit of Truth*", address to *New Age Dinner*, March 18, 1933. Quoted by Eric D. Butler in *Social Credit and Christian Philosophy* (Melbourne: New Times Limited, n.d.), 8. Hereafter cited as Butler.

recalled, "became flesh". In this, he is adopting a religious position that may be described as Christian: the central fact of Christian faith is the incarnation of the Word. This principle of incarnation is universal, comprehending both natural and moral relationships. Richard Hooker, for example, declares the similarity of natural and moral rectitude dogmatism and obscurity. Of his own method, Douglas says:

Genuine success only accompanies a consistent attempt to discover and conform to this canon in no matter what sphere our activities may lie⁶.

"Discovery", it will be remarked, precedes "conformity". That is to say, ironically, that Douglas's method is not only "religious", but it is also "scientific"; it is the inductive method of science adumbrated by Sir Francis Bacon. Douglas was himself an engineer: when he first glimpsed, in the field of industrial cost accounting, what he refers to as a "portion of reality", he was not looking for (or selecting) statistics to demonstrate a proposition. Rather, certain facts came to his attention, and he attempted to describe the situation, which they indicated. In a sense, therefore, Douglas's asserts about the nature of things cannot be merely unrealistic dogma: his own religious methods require that they proceed from reality. His facts may be incorrect, or his interpretation of them may be inaccurate, but his method cannot be dogmatic because it insists upon making observations before drawing conclusions. He has no pre-formulated conception of the way things ought to be.

It is clear, therefore, that both Douglas's "conviction" and his "methods" are bound back to reality. Thus, contrary to his critical intention, Gaitskell has paid Douglas the compliment of accuracy in labelling him a "religious reformer". Ironically, it is in terms of Douglas's definition of religion—and not Gaitskell's—that the latter's accuracy rests. "Faith" for Douglas is initially the conviction that there is a Reality, and there is a method whereby this Reality may be approached. This paper is concerned with the breakdown of such faith—in the crucial field of economics.

II: ART AND MYSTERY

C. H. Douglas, as we have seen, argues for a position based upon faith in what he calls a "canon", or in an objective, discoverable, and incarnate reality. The "correctness" of things he takes as evidence for the reality that underlies these things. This, as has been remarked, provides a criterion by which to evaluate our concept of reality: does it work out in its incarnations? "By their fruits," we have been cautioned, "ye shall know them". If the correctness of things appears to contradict our conception of reality, then, perhaps we should re-consider our "religion". In purely "religious" terms, if we "pervert the right ways of the Lord", our faith must suffer. If

⁶*Op. cit.*, "*The Pursuit of Truth*", 8.

"faith" contradicts the "canon", then it is logical to expect that we shall lose our faith, or, as has happened in Christianity, we shall have to "transcendentalize our faith" —dissociate it from reality⁷. In either case our approach to reality is likely to suffer: faith will degenerate either to despair or to the dogma and obscurity that haunt Gaitskell.

Writing in "Realistic Constitutionalism", Douglas observes that something like this dissociation of faith from reality occurred at "the fork in the road somewhere about the time of the so-called Reformation". It is not my intention to become involved in the controversy over "the Protestant ethic and the spirit of capitalism" with Weber, Troeltsch, Tawney, and their multifarious "critics", except to observe that, as in most speculations of this type, there is some truth, but that they tend to attribute too much to "accident" and too little to "design". My interest in the immediate post-Reformation period, for the purposes of this study, is simply that people at that time spoke more unabashedly of religion than they do now. Since phenomena that remain with us today were then verbalized in specifically "religious" language, their earlier manifestations offer significant parallels with current syndromes in the realm of "faith and economics". If history is not contingent, then at least it offers object lessons.

AN HISTORICAL EXAMPLE

In 1616, Godfrey Goodman, chaplain to Queen Anne of England, published a lengthy treatise entitled *The Fall of Man, or the Corruption of Nature*. His thesis is straightforward enough: he argued that nature (both human and external) was in a state of decay, and that the dissolution of the world was imminent. That he was wrong (at least in the matter of timing) is now obvious; what is important are his beliefs, and how he arrived at them. Significantly, as Victor Harris remarks in *All Coherence Gone*, "many of the disturbances which Goodman records are reflections of an unsettled economy"⁸. To take one example, Goodman notices the enormous (almost modern) inflation that occurred in England during the century after 1530: R. B. Outhwaite records it at about 700 percent'. What is interesting to note is Goodman's inference from this observation: "To conclude, these excessive prices of things do well argue a great scarcitie, that the whole world is turned bankrupt"¹⁰ — an assertion that appears somewhat ridiculous in the light of the productive potential of the world that has subsequently been demonstrated. From his inference, Goodman further concluded that the whole situation was evidence of "the heave judgements of God".

Goodman's logic is significant for its revelation of the complex psychology involved in the relationship between

one's perception of reality and his faith. The first thing to note is that Goodman's perception of reality is mediated not by empirical observation of the real world, but by reading of a man-made measuring device: he draws an inference about economic reality ("scarcitie of goods") from the financial indicator ("high prices"). We are reminded of L. C. Knights' observation that "the force of money in determining the course of the world's history meets us at every turn at this period"¹¹. What is not mentioned is that money, because of its identification with commodities (silver and gold), was a highly misunderstood phenomenon. The idea of the intrinsic value of money interfered with its function as a facility for the distribution of real wealth: the problem, of course, was one of how correctly to incarnate "value". Price, which in fact is no more than a ratio —the ratio between consumption and production in a given period — had assumed a mystical significance largely because of the collapse of the "just relationship between the mind [ideas?] and things".

For Goodman's conclusion to be sound, his premise — that price was in fact an accurate indication of the condition of the economy — would have had to be correct. If high prices do not indeed argue a great scarcity, then his "conception of reality" will be distorted to the extent that his premise is false. That it may have been false is suggested by the (again, almost modern) proliferation of other possible explanations of the inflation: the "profit inflation" associated with the beginnings of modern capitalism, the rise of the international money market, the discovery of American silver and gold, the vast expenditures upon wars of religion¹². One contemporary of Goodman E. Misselden, argued that the cause of high prices was in fact too many goods: "The general remote cause of our want of money is the great excess of this kingdom, in consuming the commodities of foreign countries, which prove to be discommodities, in hindering us of so much treasure which otherwise would be brought in, in lieu of these toys"¹³. There seems, indeed, to have been considerable confusion about the exact function of price (money) as an economic indicator. The point is that Goodman was basing his faith upon what may very well have been an abstraction from reality.

Although Jevons has suggested a causal relationship between sunspots and economic depressions, no modern "economist of repute" has followed Goodman in attributing the inflation in Tudor England to the wrath of God —not in so many words. That Goodman resorts to his transcendental judgment (which, ironically, is "accurate" in the sense that false "household management" is a

⁹ *Inflation in Tudor and Early Stuart England, Studies in Economic History* (London: Macmillan, 1969), 11.

¹⁰ "(London. 1616), 377.

¹¹ *Drama and Society in the Age of Jonson* (London: Penguin, 1962), 42. Knights draw his material from Richard Ehrenberg's *Capital and Finance in the Age of the Renaissance*.

¹² Outhwaite discusses in detail both contemporary and modern "explanations" of the inflation phenomenon.

¹³ *Free Trade, or the Means to Make Trade Flourish* (1622), 11-2.

⁷ Douglas has observed: "Taking the merely material implications in it. I have little doubt that what was recognized and persecuted in early Christianity was the economic implications of its philosophy. Only when Christianity became, as it did purely transcendentalist was it felt to be fairly respectable and fairly safe" (*The Approach to Reality*. London: 19*6, 5).

⁸ *A Study of the Seventeenth Century Controversy over Disorder and Decay in the Universe* (London: Frank Cass & Co., Ltd. 1966), 41.

"perversion of the right ways of the Lord", and thus entails the consequences of perversion) brings us to another aspect of "faith". A faulty perception of economic reality leads Goodman to make a statement about his conception of ultimate reality, "God", which tends, by means of grandiose metaphor, to divert the mind from real and proximate causes. "God" becomes an excuse for the inability to approach reality; "God" is dissociated from reality. Goodman's faith is now in a "God" divorced from natural law.

RESPONSIBILITY

As this type of faith denies truth, it also denies human or personal responsibility. Tudor Jones remarks upon this phenomenon of the displacement of proximate causes by uncontrollable "alibis". The result—a postulation of crude determinism, and the vitiation of human will and responsibility - - obviates another aspect of incarnation, namely immanent sovereignty.¹⁴ The basis of faith, the confidence in the possibility of approaching "God", is thus undermined, and Goodman's "faith" becomes rather a sense of helplessness. As R. H. Tawney observes, matters of money tended to evoke the response in "all plain men" that "there is some mystery in the matter", and that "God" must look after economics.¹⁵

Perhaps Goodman (and other "plain men") ought to have attended more closely to the words of Sir Thomas Gresham, founder (in 1568) of the Royal Exchange. Gresham, explaining fluctuations in exchange rates, attributes them to his own "art" and "God's providence"¹⁶. What is suggested here is that the proximate cause of many financial phenomena lies in the wills of men. In other words, the policy of those who controlled the abstraction (in this case, money) may have been the real reason for "high prices". One man's "art" is another man's "mystery", and one certain way to guarantee the success of a policy is to ensure that those who might object do not understand it.

Presumably, as has been remarked, "faith" is realized in policy. The financier's conception of reality (if it is only self-aggrandizement, like that of old Jacob Fugger, whose "religion" was comprised in the accumulation of financial capital even when he was too old to know what to do with it) will determine his policy. And the theologian's conception of reality will determine his policy. Goodman, believing that "God" was laying His heavy judgments on the land, adopted the technique of writing a fairly pessimistic treatise to support his policy of retreat into a kind of abstract (certainly disincarnate) theology that in fact destroys the relationship between "faith" and reality.

(14) *Elements of Social Credit* (Liverpool: K.R.P. Publications Limited, 1946), 68. Among the "alibis" which we are inclined to resort to in ignoring proximate causes ("the first alterable element" in causation), he enumerates as "God, Divine Will, Prophecy, Allah, Ideas, Pain, Pleasure, *Der Zeitgeist*, *Die Gestalt*, The Mode of Production and Distribution, Sin, Inexorable Economic Law, Evolution, Historical Determinism . . ."

¹⁵*Religion and the Rise of Capitalism*, 85.

(16) Quoted by Knights, 46.

The value of this foray into the mists of time is, at this stage, intended to be mainly analogical: it presents, in undisguised theological language, an example of the effect of economics upon faith. To those who argue that there is continuity between the rise of capitalism in the Reformation period and contemporary financial "religion", the example will have greater significance. The process that is illustrated is crucial: the dissociation of the sign (money) from the thing signified (wealth) erodes the basis of "faith", which in turn allows further disruptions of the approach to reality. Douglas argues that "the fundamental falsity of the present financial system is that it distorts and perverts reality" (17). If he is correct, the consequences for faith will be enormous: the whole mechanism of our economic relationships will have frustrated our attempts to realize our "credit". It is to a consideration of Douglas's test of any financial scheme—that is, that it reflects reality—that I shall now turn, considering particularly those tenets which underlie our present financial arrangements.

III: "TO WORK IS TO PRAY"

In referring to Douglas as one of "Four Monetary Heretics", Gaitskell implies (and Douglas, I think, would hardly have disagreed) that the financial system has a "religious" basis. That is, if the financial system embodies a policy, that policy will be determined by the "religion" (conception of reality) of the manipulators of the system. In this matter, Douglas does not postulate what "the end of man" is, but he does insist that "economic activity is merely a functional activity", and, as such, constitutes a restriction of "the free expansion of individuality"¹⁸. Therefore, within the limits of economic (not monetary) reality, Douglas's objective (policy) would be to free men and women from purely functional activity. The opposite point of view is, of course, embodied in the conception of the economic system as a means of government, or constraint.

ST. PAUL'S DICTUM

To St. Paul goes the rather dubious honour of having said: "this we commanded you, that if any would not work, neither should he eat" (I. Timothy 3:10). One would wish that this had simply been a statement of administration, determined by the exigencies of a specific situation, and not a statement of policy (work as an end in itself). In any case, in matters of Christian faith, we must defer to the higher authority of Christ Himself, who admonishes: "Consider the lilies of the field, how they grow; they toil not, neither do they spin" (Matthew 7:28). The argument is that the field exists for the flower, and that, even in the matter of economics, grace (something for nothing) is realized.

This view has found expression in later spokesmen

(17) *Op. cit.*, "The Pursuit of Truth", 16.

¹⁸"Social Credit Principles". *Warning Democracy* (London: Stanley Nott, 1935), 38.

for "Christian orthodoxy", notably the great Catholic theologian. Thomas Aquinas:

Poverty is not a good in itself . . . In so far as poverty removes the good resulting from riches . . . It is simply an evil. Spiritual danger ensues from poverty when the latter is not voluntary; because those who are unwilling poor fall into many sins¹⁹;

and the great Anglican theologian, Richard Hooker:

True it is, that the kingdom of God must be the first thing in our purposes and desires. But inasmuch as righteous life presupposeth life; inasmuch as to live virtuously it is impossible except we live; therefore the first impediment, which naturally we endeavour to remove, is penury and want of things without which we cannot live²⁰.

The emphasis is upon the desirability of economic arrangements, which, as far as is consistent with reality, free the soul of man to seek "the kingdom of God"—whatever that may be. Christian policy, it would appear, is diametrically opposed to the idea that enforced penury is a spiritual good, for it denies God's gift of abundance and vitiates the soul.

COERCION AND MORALITY

Nevertheless, there are those whose "faith" reposes in the desirability of economic coercion. Various commentators—for example, Charles and Katherine George²¹ and Michael Walzer²²—have noted the association of the "work ethic" with that aberration known as "Puritanism". Tawney quotes the Puritan divine, Arthur Young, as having said: "Everyone but an idiot knows that the lower classes must be kept poor, or they will never be industrious"²³—a sentiment recently repeated by Arnold Toynbee. As with all labels, however "Puritanism" tends to conjure up different images to different people: thus, it is the policy, and not the name, that concerns us. The policy is the elevation of work to an end in itself. Thus, if "Puritanism" describes this policy, Karl Marx—who was concerned with individuals "only insofar as they are personifications of economic categories"²⁴—was an arch-Puritan. So was George Bernard Shaw, who spoke of the "keystone" of Socialism as "Compulsory labour, with death as the final penalty"²⁵.

We see, then, that in respect of the objective of economic activity, there are two radically different "faiths", issuing in two radically different policies. Unfortunately, those who control our economic lives appear dedicated to the faith in labour as the end of man. When it was suggested to Montagu Norman (former Governor of the Bank of England) that the policy of that institution was preventing prosperity during the 30's he is said to have replied: "I don't believe it is good for a people to be prosper-

ous"²⁶. Presumably, he used the financial monopoly at his disposal to impose the policy of his philosophy on everybody else—a procedure that finds contemporary expression in the position adopted by the likes of Pierre Elliot Trudeau. Similarly, the former Canadian cabinet minister, Eric Kierans, reacted in horror to the suggestion that man seeks not work, but the results of his work:

Nothing so humiliating has ever been proposed to a people — that the object of man's existence, the goal of society, shall be his personal consumption! Socialists, and even Communists, are more honest than that—they know the necessity of work.²⁷

Mr. Kierans seems totally incapable of even grasping the distinction between means and ends; to him, the means are the ends. He makes no mistake in categorizing himself with Socialists and Communists, for this religion of labour, as man's sole justification is common to Gaitskell, Marx, and the financiers. At this point, we perhaps should query: "Who are the heretics?"

Thus, in view of the "convictions" of these flamens of "high finance" and "the proletarian revolution", one of the dogmas that have been foisted onto society is the myth of "Full Employment". From the point of view of an orthodoxy that seeks to integrate means and ends, this particular heretical doctrine constitutes what Aquinas calls the "essence of sin" — the elevation of means into ends. Douglas has elaborated this estimation of full employment and suggested its ultimate consequences:

Institutions [the economic system] are a means to an end, and I do not think it is too much to say that the elevation of means into ends ... constitutes an unforgivable sin, in the pragmatic sense that it brings upon itself the most tremendous penalties that life contains²⁸.

The relationship of the individual soul to Reality, to "the Kingdom of God", is prevented by a system of nearly-inescapable coercion. Under the circumstances, "free will" (the directing of the will towards or away from truth) is severely restricted: people's attention is focused on material survival, and the locus of control over the means of that survival is intransigently external.

"SIN"

Sin is sin because it perverts reality, and thus annihilates faith. The perversion of reality entails predictable consequences. Full employment is vicious not only in that it represents a religion of coercion, but also in that it is unreal — it goes against economic facts. How unreal it is, is demonstrated by the perennial "concern" of politicians and economists that dealing with the Scylla of unemployment will cast us upon the Charybdis of inflation²⁹. Within the context of the present system, "full employment" and "relative price stability" are mutually ex-

²⁶Quoted by Douglas in "Whose Service is Perfect Freedom", *The Fig Tree*, 1:4 (N.S.) (March, 1955), 179.

²⁷"The Myth of Social Credit", an address to the Members of the Club Richelieu at Chicoutimi, P.Q., February 27, 1963.

²⁸Quoted in Butler, 24.

²⁹The Hon. Edgar Benson, then Minister of Finance, demonstrated the typical equivocation of politicians in this matter when he said in the Canadian House of Commons (May 15, 1970): The fact that there has been a relatively moderate increase in

¹⁹Quoted in Butler, 29.

²⁰Hooker, 189.

²¹The *Protestant Mind of the English Reformation* (Princeton: University Press, 1961).

²²*The Revolution of the Saints: A Study in the Origins of Radical Politics* (London: Weidenfeld and Nicholson, 1966).

²³*Eastern Tour* (1771), IV, 361.

²⁴Quoted in Butler, 24.

²⁵*Labour Monthly* (October, 1921)

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clusive — but the point is that neither is a legitimate economic objective in any case. C. S. Lewis, as we have remarked elsewhere, has very perceptively pointed out that the devil always sends errors into the world in pairs of apparently-contradictory opposites and asks: "Choose the lesser evil". No, thank you. What we really want is leisure and falling prices — prices that reflect our real increase in productive power. The question is "Can it be done?" and not "Can we make reality fit our presuppositions — can we wrest, stretch, or prune reality to fit our Procrustean model?"

Nevertheless, employment is maintained at an artificially high rate — as a result of such doctrines as "super-produce" and "export-or-die". It is one of the ironies of modern economic arrangements that a country measures its economic health in terms of its ability to keep people working overtime to produce goods which will immediately be shipped off to the ends of the earth — hopefully, to be destroyed as quickly as possible. Douglas notes that this policy derives psychological reinforcement from the doctrine of "Progress" — the belief that it is inherently desirable to keep people employed in the over-production of "gadgets", and in the export of these "in order that the blessings of a gadget civilization may be carried to the benighted heathen"³⁰. Here, once more, we observe the formulation of "religious dogma" from the facts of a false economic indicator, with the consequent reaction upon economic objectives. This is veritable idolatry: the ability to distinguish the real is lost, and civilization reels from repletion³¹.

Conceived in perversion, the doctrines of "full employment" and "Export-or-die" issue ultimately in death. Paul Samuelson, for example, asks how the United States, after 1940, was able to become the "arsenal of democracy" and enjoy higher living standards than ever before. The answer "Largely by taking up the slack in unemployment"³². Incomes cannot be distributed until an excuse can be found for excessive capital production. What Samuelson fails to ask is: why must our standard of living be a direct function of our ability to manufacture the means of death? It is a predictable characteristic of a heinous financial system that it thrives on murder. Presumably the United States could not "afford" to quit Vietnam until suitable trade arrangements could be made with Moscow and Peking.

the number of Canadians without jobs as a result of the slower growth of the economy does not reflect any lack of concern about unemployment on the part of either myself or the government. On the contrary, one of the central objectives of the government is to promote the greatest, increase in employment and in the standard of living of Canadians that is possible under conditions of relative price stability. To achieve this long-term objective, however, we are confronted by the immediate necessity of breaking the back of the inflationary spiral that grips the nation and seriously jeopardizes future employment and prosperity.

This was in 1970, note. The rhetoric (including the curious mixture of metaphors) has not changed.

(30) *The "Big" Idea* (Liverpool: K.R.P. Publications, 1942), 38.

(31) See "Inflation: The Price of Entropy", *Seed*, 1:1 (February 1974), for a discussion of the "cost-price squeeze" as it relates to the pollution problem.

(32) *Economics: An Introductory Analysis* (London: McGraw-Hill, 1964), 20.

"By their fruits shall ye know them". The religion of "full employment" is sinful, and results in the penalties of sin: coercion, alienation, pollution, and death. It attacks the very basis of real faith, and sacrifices man upon the altar of functionalism. It is a sad testimony to our lack of faith that we will not accept grace in its economic incarnations. However, like Goodman unable to penetrate the "mystery", modern man consoles himself with the contemporary equivalent of Goodman's alibi — "the Laws of Economics" — and desperately acquiesces in the consequences of a perversity that, in normal conditions of faith, would be neither ignored nor tolerated.

IV: "THE FAITH OF SOCIETY"

Despair, the sin against the Holy Spirit, is the precise opposite of faith, and the loss of touch with reality issues in despair. Thus, Goodman's statement of "faith" — namely, "God is doing this thing" — is in fact (though Gaitskell would disagree) an expression of despair. In effect it is an abdication of personal moral responsibility for "evil" (or error) and a foisting of that responsibility onto an uncontrollable abstraction. Frustration is the logical consequence — a frustration complemented by the dubious consolation of something "wholly other" that can be blamed. As Tudor Jones remarks, "we are realists in our pleasures, but not in our pains" Despair, in a significant sense, is the inability to accept our relationship to God.

CREDIT

Faith, on the other hand, complements grace, which becomes real when it is realized: faith is the human disposition, which corresponds to the divine gift. Faith, in other words, is the human disposition which regards reality, and which is firm in its cooperation with reality. It will accept nothing less than what is real. At the social level (we are considering "household management in society"), faith is the confidence of people, working in association, that they can get what they want. This confidence would clearly be absurd if the reality did not complement the faith. The reality is, of course, that (economically speaking) the world is originally endowed with wealth, and that the application of the correct principles of association results in fecundity. The creative principle can be either frustrated or fostered: in this set of alternatives is comprised the choice offered to men of despair or faith. Men (in society) may agree to frustrate productivity or to encourage it: their decision (limited by their real capabilities) to do either will determine the extent to which faith may realize grace. In other words, social faith, or social credit, is "the efficiency, measured in terms of human satisfaction, of human beings in association".

As we have seen, then, "religion" has to do with "faith" or "credit"—with "reliance, confidence, and trust". "Credit" is reinforced by results: the correctness of our religion is confirmed in the results, which arise from our policy based upon that conception of reality. The

antithesis of this condition of credit is "doubt".

In 1542 (according to the *Oxford English Dictionary*), the word "credit" in the economic sense was used for the first time in English. It meant: "Confidence in a buyer's ability to pay at some future time for goods, etc., entrusted to him without present payment". This special use of the word is an exact reflection of its more comprehensive meaning; its perversion is similarly an index of the perversion of "faith" in the larger sense. As Douglas pointed out, the financial system does not "credit" society with its social credit: it debits us instead. Since "credit" is not generated quickly enough by the employment system (even, it must be remarked, the "full employment system"), we are forced — as the "public" or as individuals — to borrow; hence, "the National Debt", and "consumer credit". Of course, just as the national debt of, say, England has been growing since the seventeenth century, so there is no reason to "credit" the consumer's ability to pay --he never can. The financial picture is drawn awry; it does not reflect reality: it denies the social credit (which, in a sense, is the precise opposite of the national debt). From looking at the false picture, society begins to believe that it is real: at the level of faith, the social credit is seen as illusory; it is discredited. In fact, of course, it is the financial picture that is illusory, but the credulous populace is taken in by the deception. Faith in the unreal is not faith at all -- it is doubt, the psychological equivalent of the social debt perpetrated by faults finance.

INFLATION AND DOUBT

One of the most vicious consequences of this false financial picture — which disintegrates the faith of society — is that other Leviathan of the money cult, inflation. What inflation implies is that our efficiency -- reflected in price — will diminish with time. If price, the financial index, indicates the state of our "social credit", inflation leads to the startling conclusion that, in spite of technology and organization supposedly having increased in efficiency, it is *harder* for us to get what we want. The "social credit" is undermined by inflation; the interposition of "money" between economics and the human sufferer results in a disintegration of the social credit.

The consequences of this disintegration, based again upon the dissociation of the abstraction (price) from the thing itself (wealth) are invariably frustrating, and ultimately disastrous. Money constitutes a means of effective demand; it is an economic vote. A diminution of the power of that vote constitutes an assault on the power of choice, on personal sovereignty. Douglas has indicated the results of this kind of disenfranchisement. In the U.S.S.R., Lenin destroyed money as an effective order system by means of a policy of inflation; the "credit" (faithfulness to reality) of money was obliterated: "A new basis of credit was required, and M. Trotsky obligingly stepped in with an excellent machine-gun corps"³³. The policy, like that of full employment, is the imposition

Credit-Power and Democracy (London: Cecil Palmer, 1921), 62-3.

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of external sovereignty, the antithesis of the free expansion of personality advocated by, for example, Christ, Aquinas, and Hooker. Finance is used to destroy faith; then, another kind of "faith" is imposed from without. The Incarnation is the Christian answer to this process: It opposes reality to abstractionism, and immanent to non-immanent sovereignty.

PECUNIOLATRY

The problem, ultimately, with idolatry — taking the sign for the thing itself, and worshipping it — is that it involves the attribution of the qualities of reality to a metaphor. If the metaphor is not bound back to reality, it will of course exhibit not the characteristics of reality, but of falsehood, which is of Satan, "the Father of Lies". Thus we come to the opinion of John Selden: "Tis a vain thing to say, Money begets not Money, for that no doubt it does"³⁴, or of the "eminent American divine", Orville Dewey: "The same principle which applies to every other commodity applies to that commodity called money"³⁵. At the risk of appearing old-fashioned, I must oppose to these views the observation of Thomas Adams: "money is an unfruitful thing by nature, made only for commutation: it is a *praeternatural* thing, it should engender money: this is *momtrosus partus*, a prodigious birth"³⁶ The adulation of money has "begotten" a perversion of the creative principle.

Money - - in spite of the metaphors applied to it -is relevant and meaningful as a counting system only insofar as there is something to be counted. "How much" means nothing until it becomes: "How much calico, permanganate, or asparagus?" The quantitative abstraction has reality only when it is incarnated. Money cannot "beget" money: to accept that it does denies the interposition of reality between two quantities of "money". Men can "make" money -- as much or as little as they like. Money can be transferred in order to facilitate the re-association of wealth in the creation of new wealth, for which money equivalent may or may not be created. If more money is made with no corresponding increase in real wealth, then all you have is more pieces of paper with numbers on them relative to real wealth. Money is not begotten; it is created. How much money there is, is determined not by natural forces, but by human convention or human policy. If that policy is to pervert reality, then we are confronted with idolatry and will be asked to credit absurd propositions such as "money begets money", which is tantamount to saying "7 begets 11", and just as comprehensible.

Again: a quantitative abstraction, a measuring device, is given life through the metaphors applied to it. Failure to understand these as metaphors leads to the supposition that the abstraction is more real than reality itself: it is as if we were more concerned with inches (centimetres)

⁽³⁴⁾ *Table-Talk* (Temple edition), 146. Quoted in Knights, 110.

³⁵ *Moral Views of Commerce. Society and Politics*, *Sermons* (New York, 1838), 29.

³⁶ *The White devil, or the hypocrite uncased* (London, 1613), 51.

than with the thing being measured.

If our abstractions are busy engendering, it is small wonder that our "religious" confusion will result in the frustration of the real creativity inherent in nature. John Ruskin divides labour into "positive" and "negative": "positive, that which produces life; negative, that which produces death; the most directly negative labour being murder, and the most directly positive, the bearing and rearing of children"³⁷. This is a useful distinction, for it epitomizes the choice before us: life *versus* death. It is also a telling indictment of an article of "faith" (imposed by the financial system, at least partially) such as the belief that, because it is economically (read "financially") inconvenient to have children, abortion is a creditable practice. The inability to distinguish reality from illusion leads to conclusions like that of the Toronto *Globe and Mail*, commenting on the decision some years ago of the Canadian government to pay farmers not to grow wheat: "There is an inescapable immorality in paying farmers not to grow food when half the world is hungry and some of it is starving. But, it's a crazy world"³⁸. Here we have again the reaction of Godfrey Goodman - - except, in this case, the newspaper's hypothetical deity is the irrationality of the world. The expression of despair is profound.

There is religion, and there is religion. The religion of "Economics", referred to earlier and also known as "Finance", is one sort. The object of its worship is "money", which as we have seen, is merely quantitative, merely an abstraction. The abstraction determines the premises of this religion; the premises, because they are idolatrous (not bound back to economic reality), are vicious. This "religion" — in fact, a kind of black magic, or superstition, because it worships illusions - - is what we are asked to place our faith in; we are asked to credit a palpable falsehood which is neither scientific nor genuinely religious. No wonder our faith is imperilled.

The superstition of scarcity, engendered in a false relationship between ideas and things, and fostered by a continuing assault on "credit", eventuates in a sense of hopelessness, of spiritual despair, of anti-life. In denying natural fecundity, it denies grace - - the something for nothing without which the dynamics of creation and salvation (not to mention economics) cannot proceed. Our "religion" of scarcity, manifested in the financial system, can be accurately characterized as "anti-sacramental". If a sacrament is "an outward and visible sign of an inward, invisible grace", then the financial system, as a false sign or abstraction from reality, is a denial of the grace in which our faith must rest.

THE CHOICE

At the same time, it vitiates our potential to become conscious and self-creative - - to participate in our own salvation. This false religion issues in coercion, denying

³⁷*Unto This Last*, edited by Monfries and Holland (London: University Tutorial Press, n.d.). 76.

³⁸Quoted in *Time magazine* (Canadian edition), March 9 1970, 8.

³⁹Hooker, 169.

faith and obviating responsibility. Morality, founded upon choice, is forced out of the question; without morality, there is no personality. We are not allowed to do good *because* it is good. But Richard Hooker suggests that precisely this is the problem before us, spiritually:

"Behold, (saith Moses) I have set before you this day good and evil, life and death". Concerning Will, he addeth immediately, "Choose life", that is to say, the things that tend unto life, them choose"

Good is equated with life; evil is equated with death. And the essence of the opposition of the two religions is epitomized in the perversion of the word "election" from its meaning of "choosing" to "being chosen". When choice is gone, life is gone.

Douglas claims to have glimpsed a small part of economic reality; as time went on, he became convinced that the Christian insight constituted an approach to reality. Christ himself claimed: "I am come that they might have life, and that they might have it more abundantly". He did not say, "Of course, I am referring only to things transcendent, and therefore temporal existence should be as wretched and deprived as possible". The point is, it seems to me, that, if there is such a thing as abundance, it must reside (at least potentially in the whole created world -- material as well as spiritual. In fact, of course, the very idea of the Incarnation gives significance to the "world". Moreover, it implies the conditions of real faith, namely, the dethronement of abstractionism and the internalizing of sovereignty. To deny the Incarnation, to withhold faith, carries with it at the economic level the consequences of idolatry at all levels of reality. If religion is real, then infidelity has real consequences.

THE POLICY OF A RELIGION

The objective I have in mind.... to establish the fact that the Protocols are a Book of the Bible of Anti-Christ, and that its policy, Communism and Socialism, which can be easily linked with Frederick of Prussia as their first prominent and identifiable exponent, are essentially the policy of a religion, of which the energising factor is physical force and the fear of it. And the policy of that religion is plainly labelled in the names Communism and Socialism—it is the treatment of men as a collectivity. The civilisation which results from that policy is exemplified in Russia and in that to which we are fast moving in this country, the Police State, with its "direction" of "labour" (notice the collectivity). Its essential characteristics are fear and violence—cf. the Protocols. The civilisation of Christianity was incompletely embodied in the culture of mediaeval Europe, and is exemplified in Magna Carta. Its essential characteristic is courage, allied to "love", cf. "Perfect love casteth out fear" (a rather unsatisfactory translation). The knight of chivalry, the militant Christian ideal, watched his armour alone in the chapel through the night, and then went out to do battle alone for love against fear and oppression—

a very complete allegory. The "mass" is unsaveable, just as a mob is insane ("without health"); the object of Anti-Christ is to keep mankind in ever larger mobs, thus defeating the object of Christ, to permit the emergence of self-governing, self-conscious individuals, exercising free will, and choosing good **because** it is good. The energising factor is attraction, inducement.

—*The Realistic Position of The Church of England* (1948)

PRINCIPLES OF ASSOCIATION

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". Association is at once the direct cause of our progress and of our threatened destruction. 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.

The modern theory, if it can be called modern, of the totalitarian state, for instance, to the effect that the state is everything and the individual nothing, is a departure from those principles, and is a revamping of the theory of the later Roman Empire, which theory, together with the financial methods by which it was maintained, led to Rome's downfall, not by the conquest of stronger Empires, but by its own internal dissensions. It is a theory involving complete inversion of fact, and is, incidentally, fundamentally anti-Christian, in that it exalts the mechanism of government into an end rather than a means, and leads to the assumption that individuals exist for the purpose of allowing officials to exercise power over them. It is in the perversion and exaltation of means into ends in themselves, that we shall find the root of our tragedy. Once it is conceded that sovereignty resides anywhere but in the collection of individuals we call the public, the way of dictatorship is certain.

—*The Tragedy of Human Effort, address given in Liverpool, England, on October 30, 1936.*

DOUGLAS AND THE PARTY SYSTEM

In an address to British Social Crediters on March 7, 1936, *The Approach To Reality*, Douglas spelt out clearly his opposition to trying to advance Social Credit through parties calling themselves Social Credit. He said: "There is at present time an idea that we should have a Social Credit party in this country. I can quite understand and sympathise with that idea, but it is a profound misconception. It assumes that the Government of the country should be a government of experts. Let me show you that it does assume that. If you elect a Social Credit party,

supposing you could, I may say that I regard the election of a Social Credit party as one of the greatest catastrophes that could happen. By such an election you proceed to elect, by the nature of it, a number of people who are supposed to know enough about finance to say what should be done about it. Now it is an axiom of experience that no layman can possibly direct the expert in details, and in normal things no layman is fool enough to try to do it.

"If you had a Social Credit government, it would proceed to direct a set of very competent experts — the existing financial authorities, for example — how to do their job. The essential thing about that situation would be the responsibility for what was done. Now no set of 500 or 600 men whom you elect in this country could possibly know as much about finance as the people they would presume to direct. You know, in all that I have said about financiers, I have never at any time said that they were incompetent, nor are they, within the limits of their own philosophy. But to elect a Social Credit Party in this country would be to elect a set of amateurs to direct a set of very competent professionals. The professionals, I may tell you, would see that the amateurs got the blame for everything that was done."

Commenting further on this matter in answer to a question following his address, Douglas said, "It seems very difficult to make this, to me, rather simple point. The essence of it is whether or not you regard the Member of Parliament as an expert. If you assume that he is an expert then you are electing a second-rate expert to control a first-rate expert. If you agree that the Member of Parliament should not be an expert, then why tie a label on him? The proper attitude of the people is, 'We don't care what your alleged name is — the essential thing is that you should do as you are told'."

Douglas concluded, "You must not send candidates to Parliament to be technicians. You must send candidates to Parliament to impose your will upon the technicians who already exist. That is the very essence of the problem." Douglas then went on to indicate how electors might unite on specific issues to ensure that Members of Parliament reflect their will.

"It is not necessary to invoke the authority of the Christian philosophy (although that is unequivocal on the point) to realise that the relationship of the individual to the group is not arguable. The group exists for the individual in the same sense that the field exists for the benefit of the flower, or the tree for the fruit. Groups of any kind, whether called nations, business systems, or any other associative label, inevitably decay and disappear if they fail to foster a sufficient number of excellent individuals, using those words in their precise significance. It is also true that excellence involves exercise — a man does not become a good cricketer by reading books on cricket."

—Letter to *The Scotsman*, September 14, 1943.

A GREAT SOCIAL CREDIT TEACHER

The Social Credit Movement has produced many English-speaking exponents, but it is felt that in this Centenary issue of "The New Times" a special tribute should be paid to the late Mr. Louis Even, the French-Canadian who became one of the greatest teachers of Social Credit throughout the world. Tremendously gifted, Louis Even had the capacity to present Social Credit simply but soundly. A true Douglas apostle, Louis Even left a secure position to risk his future taking the Social Credit message to the people of Quebec. He was the founder of the French-language journal, *Vers Demain* and the non-party Union of Electors movement.

A devout Roman Catholic, Louis Even constantly stressed that Douglas's teachings were in conformity with the traditional social philosophy of his Communion. His missionary zeal inspired others to go out in to the highways of Quebec, and elsewhere, taking the Social Credit message, and selling subscriptions to "Vers Demain." Louis Even's mission was taken to France and other countries. He was a strong critic of those who muddied Social Credit in the gutter of party politics.

In a recent communication, Madame Gilberte Cote-Mercier writes that Louis Even "left us ineffaceable memories, particularly his numerous writings on Social Credit. Social Credit was a very great light for his very logical spirit!" The impact of Social Credit in Quebec is a tribute to the unique work of Louis Even. His teaching methods and missionary style could be well emulated by others.

Mr. Gostick recalled at the Red Deer Dinner of how when he met his old school teacher, Premier Aberhart, on a train some years after he had been elected to office, Aberhart told him that if he had his time over again, he would have devoted more time to gathering around him a team of young Social Credit students and having prepared them, would then have sent them out across the country as missionaries.

Mr. Gostick also recalled Mr. Louis Even telling him that if he knew there was a young man in Alaska who would be an excellent Social Credit missionary, and that the only way to reach that young man was by walking to Alaska, he would regard it as his duty to do just that.

LAW

The Common Law of England worked on the whole to the general benefit, largely because it always had regard for the fundamental maxim *De Minimis non curat lex*—the law is not concerned with trivial matters. And it is small matters, which make up the essential life. The principle has only so to be stated to see how far we have departed from it, and how fantastic it is to have an organisation, which is forever grinding out new laws . . .

While this place for law in its proper place, and stripped of the nonsense of majesty and sanctity, may be



admitted, it is yet possible to say. I think without any effective reply, that Law becomes more irrational, oppressive, and ultimately intolerable as the number of persons affected by it increases.... No people ever became great by passing laws, and the combined tendency to regard law as a substitute for action while abandoning industry for bureaucracy, is one of the most dangerous symptoms of racial degeneracy.

—*Programme For the Third World War (1943)*

"Due very largely to a mistaken and mischievous Puritanism, probably having a common origin with Marxism, there is a widespread idea that no one should obtain a living without working for it and it is noticeable that those who do, in fact, obtain a very handsome living without working for it, are the most vigorous in their determination that there shall be a minimum extension of the principle. The moral or ethical justification for a National Dividend, however, rests on the same basis (a sound basis) on which those fortunate persons who do obtain a living without working for it, ground their claim, that is to say, on the possession of property. The property that is common to the individuals who make up a nation is that which has its origin in the association of individuals to a common end. It is partly tangible, but to a great extent intangible, in the forms of scientific knowledge, character and habits."

—*The Use of Social Credit.*