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Douglas — The Man and the Vision

By J. W. D. LEE

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It takes but the most cursory glance at history to understand that the affairs of men have been marked by definite periods of growth and decay—reaching at times remarkable summits of achievement, descending at others to the most depraved depths, even to the stage of collapse. The remains of twenty civilisations, embellished by all the signs of technical achievement, and scarred with the bloody wounds of decay, are but an awful reminder of the frailty of what we too often regard as the incorruptible attributes of our own society.

It would, however, be false to assume that the path of history is an undeviating one, and that our civilisation is bound to a path from which no other civilisation has escaped, for, interspersed with the growth and decay pattern which we see at first, is all the evidence of historical incidents in which the broad pattern was halted, or reversed, by the indomitable efforts of a few, and at times a single individual. It is this alone which lends to the study of history its importance and its interest. Were the growth and decay pattern as inevitable as a first glance might lead us to suppose, history would lose its meaning, save to remind us of the awful inevitability of tomorrow, an inevitability which it would probably be more comforting to ignore.

Nevertheless, there is a sense of finality about this moment in our history which is sensed by a growing number of our people. Heaven knows, there is every reason why that sense of finality should be with us. The advanced signs of decay are all around us. We feel as though we are in the knacker's yard of our civilisation.

It is, perhaps, a tribute to that indefinable quality called initiative that a few men saw this moment some time ago. It has often been remarked that the beginning of this century saw our civilisation, personified in the British Empire "on which the sun would never set" at its peak. Yet to a few brave spirits the signs of decay were already so marked as to make this present moment inevitable. The turn of the century saw Federation in Australia. One great Australian, "Banjo" Patterson the poet, hoped desperately that in our young country a new Britannia might be re-born. Although Patterson is long-since dead, perhaps we may yet justify his hope. The man who wrote *Clancy of the Overflow*, and *The Man From Ironbark* deserves a greater acknowledgment for this, one of the least-remembered of his poems:

Song of the Federation

by A. B. Patterson

As the nations sat together, grimly waiting—
The fierce and ancient nations battle-scarred—

Grown grey in their lusting and their hating,
Ever armed and ever ready keeping guard,
Through the tumult of their war-like preparation
And the half-stilled clamour of the drums
Came a voice crying, "Lo, a new-made nation,
To 'er place in the sisterhood she comes!"
And she came. She was beautiful as morning,
With the bloom of the roses on her mouth,
Like a young queen lavishly adorning
Her charms with the splendour of the South.
And the fierce old nations, looking on her,
Said, "Nay, surely she were quickly overthrown;
Hath she strength for the burden laid upon her,
Hath she power to protect and guard her own?"
Then she spoke, and her voice was clear and ringing
In the ears of the nations old and grey,
Saying, "Hark, and ye shall hear my children singing
Their war-song in countries far away.
They are strangers to the tumult of the battle,
They are few, but their hearts are very strong,
'Twas but yesterday they called unto the cattle,
But they now sing Australia's marching song".

To a degree, the young queen of the South had escaped some of the ravages which had wracked Europe towards the end of the last century. The advent of the Industrial Revolution had pitted the machine against man instead of placing it in its rightful place as a tool to be used in man's service. The resultant human misery and exploitation provided an environment which fostered the seeds of tyranny. Marx refined a philosophy which the discerning could see would ultimately reduce all men to the same abject conditions. The decadent Fabians gathered in the parlours of Bloomsbury, where they plotted treason—the overthrowing of the Monarchy and Magna Carta, through "sovietisation by stealth".

From much of this degradation Australia escaped; our problems were pioneering problems, which we tackled manfully and successfully, and Patterson's description was right—we were a clean, young and refreshing nation, come to join a world already marked by lust and hate.

And so we trod the threshold of what has surely been the most tragic and awful century in the whole history of mankind. Our technological brilliance has enabled us to endure an intensity of conflict and tragedy which no previous civilisation could have withstood. Two wars which engulfed the world, the Depression, interspersed with brief periods which, for want of a better word, we have called "peace", are symptoms of this tragedy needing no elaboration.

Behind all the fighting, exploitation and degradation lies one of the most remorseless drives ever launched in human history to assume complete power and mastery over the lives and aspirations of all men, and to vest it in the hands of an incredibly small body of people. The philosophy which motivates this body is ultimately religious. The techniques by which this assumption of power is to be achieved embrace all the fields of human endeavour—political, economic, social, cultural and spiritual. The ultimate sanction is control of finance. This sets the stage for *The Unfinished Saga of the Twentieth Century*. As Shakespeare said: "All the world's a stage, and all the men and women merely players; and one man in his time plays many parts".

Onto this stage, then, some fifty years ago, there emerged one of the most unassuming, and yet one of the most extraordinary figures of history—a precise, reserved, terribly English Scotsman, Clifford Hugh Douglas. My task is to tell you something of the man, and his vision, leaving the more technical definition of his proposals to the speakers who follow.

What was he like, the man Douglas, whose life, history and following is so completely erased from the records and the Encyclopaedias of our present day? Was he but the momentary gleam which the blind moth is when it leaves the darkness and flies into the candle, there to singe its wings and blunder into the darkness again? or, star-like, would Douglas endure?

Born on January 20th, 1879, Douglas gained an honours degree in Mathematics at Cambridge, before studying Engineering. His engineering capabilities must have been considerable, and he finally became a member of the Institute of Mechanical Engineers, a member of the Institute of Mining Engineers, and a member of the Institute of Electrical Engineers. He was, however, no idle theorist, and before the First World War was in charge of the Westinghouse interests in the East. It was in this capacity in India that Douglas made a nodding acquaintance with the question of finance, although, as he said later, the significance of the question was completely lost on him. Two instances were later to bend his mind on the subject. One project on which he was engaged for a while concerned a survey of a large district with a good deal of water power. The survey was made at the instance of the Government of India, and it was found that there was a good deal of water power. Douglas went back to Calcutta and Simla and asked what was going to be done. They said: "Well, we have not got the money".

At the same time manufacturers in Great Britain were hard put to it for orders, and prices for machinery were very low indeed. Douglas said that he accepted the statement made, and he supposed, pigeon-holed the fact in his mind.

Round about the same time, he dined frequently with a gentleman who was the Controller General in India, who used to bore Douglas continually by discussing something he called 'credit'. This gentleman used to tell of his experiences in India and Britain, with Treasury officials who persisted in melting down and re-coining rupees, having regard to what they called the "quantity theory of money". "Silver and Gold have nothing to do with the situation, it nearly entirely depends on credit", his friend used to say. Douglas subsequently remarked that had his friend given

him a short, sharp lecture on Mesopotamia it would have been at that time just as intelligible.

Just before the War Douglas was employed by the British Government in connection with a railway for the Post Office from Mount Pleasant to Whitechapel. There was no physical difficulty with the enterprise at all. He used to get orders to get along with the job. He used to get orders to slow up with the job and pay off the men. "And as a matter of fact", he said later, "the railway is not finished yet". "Then the war came, and I began to notice that you could get money for any purpose". And that struck Douglas as being curious.

Some time after that he was sent by the Government to the Royal Aircraft Works at Farnborough to sort out a costing muddle into which that Institution had got. To sort out the mess, he had to go very carefully into the costing system. A friend of his, Sir Guy Calthrop, had suggested to him to get some tabulating machines, which he did, and after a time he began to live with those things, he said, and even to dream of rivers of cards emanating from those machines. One day it struck him with regard to the figures on those cards, that the wages and the salaries did not represent, at the weekend, the value or the price of those goods produced. "You say anybody would know that, and I suppose they would" said the Major. But it followed to him that if that was true, then it was also true in every factory in every week at the same time. Therefore, it was true that the amount of purchasing power, or wages and salaries, during that week was not sufficient to buy the product according to the price at that week. Douglas said that he was confirmed in this by talking with his chief accountant, who told him that the Treasury notes drawn out of the bank each week at Aldershot seemed to come back again. Some of them became quite old friends.

When, after that, he was immersed in industrial disputes, he found that the easiest solution of the difficulty with those who were fighting for more wages was to give it to them. "It settled everything", added the Major, amid laughter.

Afterwards, Douglas went to Richborough, one of the concrete cities built during the war. And he was immensely impressed with the fact that, despite the withdrawal of something like seven millions of the best producers in the country, who were sent away to fight, leaving behind the older people, the women and girls, yet they had been able to raise such wonderful concrete cities. Also, there were being poured out immense quantities of material to be destroyed, in wartime production. Yet everyone in the country was living at least at as high a standard as before the war.

Then his attention was attracted to a huge propaganda campaign that was being conducted to the effect that "we must produce more". And Douglas began to wonder what would happen when the massive war machine was dissembled, and the capacity diverted into peace-time production. Afterwards, this propaganda was increased further, and it was supplemented by a new cry that Britain was a poor, poor country, and only hard work would save it from destruction. It was at this point that Douglas wrote his first article *The Delusion of Super Production* which was followed during the next twenty years by a steady stream of some of the most provocative, analytical and challenging writing that can be found in the history of English literature.

In 1920 his first major work, *Economic Democracy* was published. The effect was instantaneous. A furore of interest cutting right through social and political barriers escalated continuously through, until the Depression, which started in 1929, projected Douglas and his writings to the forefront of popular attention, not only in Britain, but throughout the Western World.

Those who, like Dr. Colin Clark, have attempted in recent months to depict the interest in Douglas as confined to a few fringe elements represented by such unlikely characters as Sir Oswald Mosley, the British Fascist, have only belittled themselves by a childish exhibition of colossal ignorance. Indeed, Dr. Clark's description of Douglas as "a fat, red-faced man" whose subject and presentation were very muddled, will, I am convinced, return to haunt a man who has a not undeserved reputation for objectivity, and even at times, commonsense. It represents such an abysmal descent into the juvenile realm of "name-calling" as to reflect very seriously on Dr. Clark's reputation and profession.

Compare Dr. Clark's remarks, for example, with those of Maurice Colbourne, the noted English writer and dramatist: "To look at Douglas, 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, he also sails his own 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. He has what is 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".

Or another view by Mr. A. R. Orage, the editor of *The New English Weekly*, a well respected journal:

"The subject itself, 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 long, 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."

Or another view of Douglas, by Professor Irvine, Professor of Economics at Sydney University. When Professor Irvine wrote this article in 1934, he was describing a small group, comprising himself and some of his colleagues in the field of economics, and their reactions on reading Douglas for the first time.

"At a meeting of the British Association, held in Sydney, I had read a paper on the *Influence of Distribution on Production*. It shocked the 'sound' but rather stodgy president of the section Professor Gonner, but met with the cordial approval of Sydney Ball, of Oxford. The gist of the paper was that the distribution of wealth (i.e. of claims to it, or purchasing power) was becoming more unequal, and this fact was sabotaging production, and might in the end lead to a breakdown of the whole system. Later, in *The Veil of Money* I had ventured to call in question some of the postulates of money and banking, much to the alarm of the members of the N.S.W. Actuarial Society, before whom the paper was read.

"*Economic Democracy* though to some extent confirming one's own gropings, opened up new and very alluring vistas. Most of us were impressed by the profound truth of Major Douglas's analysis of the world's economic situation. We had to admit that there was a growing disparity between productive power and the ability of consumers to buy the output. Hitherto we had either denied the fact, or paid little attention to it.

"We did not agree, however, with Douglas's explanation. It seemed to most of us that the $A + B$ theorem was of dubious validity. Anyhow, was it necessary? Could not the disparity be explained by the growing inequality in the distribution of wealth? Our general position resembled that of the Scottish lad to whose family of thirteen an addition had just taken place. The Minister found him in tears and asked what was the matter, and the lad told him he was afraid there would not be enough food to go round.

"'Never mind, my little chap', said the Minister. 'The Lord never sends a mouth into the world but he sends meat to fill it.' 'Ay', replied the boy, 'but he sends all the meat to your house, and all the mouths to ours!' Up to a point, that had been our explanation. The people who needed meat most could not buy it, and those who could buy needed only a part of it.

"A few of our band, however, and these were the brainiest, after a year or so of wrestling with the Douglas arguments, became convinced of their truth. The years 1919-1922 were very stimulating and vital years. Many of the students during those years were returned soldiers who had gone through the horrors of war, and had thought deeply upon the causes of such foul orgies of destruction.

It was these men who best understood and appreciated *Economic Democracy*. To them it was a revelation 'blinding them with light' as Orage puts it in his own case.

"One of them is now a distinguished Professor of Economics and a specialist in banking and finance. After 14 years he said recently he had not been able to find the flaw in Douglas. Not even two years at Cambridge had been able to shake his faith. *Others are 'lying low' and some have made their peace with the 'big battalions'*.

"I myself was for long unable to overcome my initial doubts. I was still undecided when, in 1922-23 I had the privilege of meeting Douglas. I was, however, convinced that this man had started something which would bring about a revolutionary change in the whole of our economic thinking. Shortly after arriving in London I wrote to him, and was promptly asked to tea at Fig Tree Court, the Temple. The curious thing about this meeting is that I cannot recall a word of our conversation. I am not even sure that we mentioned the Douglas theories. The only thing that stands out is the beauty and historic interest of the Temple, perhaps the most entrancing in London. . . . and the rather stockily built Scotsman, blue-eyed, ruddy of complexion, courteous and friendly without fuss, quietly master of himself and yet regardful of your comfort; the sort of man you could be at home with, whether for talk, or the companionship of silence.

"They had told me that Douglas was an open-air man. He was an ardent follower of Izaak Walton. His eyes were steady and at times you would say 'here is a man who loves contemplating apart'. At other times he was the alert practical man, quick to grasp the essentials of a situation and to deal with it effectively. No dreamer this, no fanatic, no wild visionary.

"Someone has called him a 'great synthetic philosopher'. Perhaps the future will think of him as a great thinker and 'de-mesmeriser' who had the unusual gift of being able to wake men to a sense of reality; but his mind is too scientific, too wedded to solid fact, too practical and constructive to suffer being enchained for long in metaphysical subtleties. To imply that such a man is an ignorant visionary is just sheer impudence.

"Douglas, it is well to remember, had a Cambridge training, the value of which even an Oxford man will admit. Then for many years he was occupied with engineering and industrial problems. He knows the facts better than any book-keeper, better than any banker and economist; and what is much more important, he knows how to interpret them in terms of reality. I feel sure that the future will justify Orage's statement:

"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 master mind 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 have had 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."

This was the prelude to a world-wide interest which

reached an extraordinary intensity when the Depression substituted active discussion for the political apathy which attends more prosperous periods. Dr. Colin Clark wrote in his recent criticism: "Douglas's ideas really began to exert influence when they were taken up in the mid-twenties by two active politicians, Mosley and Strachey, who disseminated them in a naive book entitled *Revolution by Reason*." With respect to Dr. Clark, this is so much tripe. On the contrary, both the Fabians and the Guild Socialists repudiated Douglas's proposals, not for the technical reasons which one might suppose, but for the philosophical end towards which they were directed. Sydney Webb, an early doyen of the Fabian Society, did indeed concede that there was *no* technical flaw in Douglas's proposals, but that he did not like Douglas's purpose. In 1934, Sydney Webb wrote the preface to *The Financiers and the Nation*, by the Rt. Hon. Thomas Johnston, P.C., a former Lord Privy Seal. Webb eulogised Johnston's book as a "great public service". It was but another diatribe on the merits of nationalisation. Johnston, however, paid tribute to Douglas (p. 146). "What is impressing hundreds of thousands of people in the world is the Douglas proposal for a national dividend whereby the increased productivity of man and machine can be readily distributed to consumers, and not, as today, permitted (first) to glut markets, and (second, and because of the glutted market) to limit production and throw the producers unemployed and among the non- (or limited) consumers. . . . If the claims of Major Douglas—to have worked out a technique whereby such a distribution of national dividend can be made without an inflation of the price level—are justified, then he has undoubtedly performed a service to the whole community which entitles him to rank with Watt and Lister. True, *the Douglas proposals do nothing to socialise ownership of the land and industrial capital* . . . but if they provide, as their author claims they do, a workable method of distributing the produce of a machine age, then no government, whether Capitalist or Socialist, in the twentieth century can afford to ignore them." Mosley never, at any time accepted Social Credit, a fact which has been confirmed in recent enquiries since Dr. Clark's criticism was published.

A widespread and responsible agreement with Douglas's proposals was expressed by a considerable body of prominent observers who Dr. Clark found it convenient not to mention. Men like Professor Walter Murdoch, after whom Murdoch University in Western Australia is named, Lord Beaverbrook, of the Beaverbrook Press, The Marquis of Tavistock, Mr. Inigo Jones, Bishop Moyes of Armidale, the author Beverley Nichols, Dr. Henrick Van Loon, the well-known historian, The Very Rev W. R. Matthews, Dean of Exeter, and a host of sound thinkers who by no stretch of imagination could be called ill-informed or emotional, found a basis for a new vision in direct contrast to the problems of War, want and poverty which have certainly not been assuaged since then.

In 1934 Douglas lectured throughout the Western World, gaining a reception and a hearing which has not been as faithfully recorded as it might have been. A few aspects of his Australian trip are symptomatic of his reception elsewhere in the world.

He arrived in Perth on January 16th, 1934, and was met on the wharf by an enormous crowd consisting of

people from all over the State, many of whom had travelled hundreds of miles. At a Civic Reception in the Town Hall at Fremantle, the Mayor, Alderman Gibson was in the chair, and on the platform was the State Minister for Public Works, the Hon. A. McCallum, and the State President of the Social Credit movement, Mr. C. F. North, MLA. Mr. McCallum associated the State Government with the Reception, as did other members of Parliament and leaders of Primary Industry organisations. A packed meeting at the Perth Town Hall was also broadcast by radio, many mills and factories closing down so that workers could listen in. On January 25th, over 12,000 people assembled to hear Douglas in the Sydney Stadium and the broadcast of that address was heard by over a million people. Despite this response, the mass media maintained almost uniform hostility, and any genuine criticism was replaced by personal vilification and distortion. At no time were Douglas's proposals ever set out through the media. Nevertheless the numbers of active discussion groups in Sydney alone numbered well over 100, meeting weekly, many composed of University students and academics. In Auckland the Town Hall was packed to hear Douglas at a meeting presided over by Mr. H. G. R. Mason, M.P. for Auckland. Time does not permit any further elaboration of the reception which C. H. Douglas received in New Zealand, the United States, Canada and the British Isles, as well as a number of Scandinavian and European countries.

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. This was confirmed for Douglas at the conclusion of his tour through the United States, when he was asked to lunch with one of the financial magnates of Wall Street. His proposals were listened to politely, and their validity acknowledged. But he was also told just as politely that his proposals were doomed to defeat at the hands of a supra-national political force, diametrically opposed philosophically to Douglas, which aimed over a period of time to remove self-government from the people, using political and economic coercion in the process. The same force has been recently exposed by the eminent American historian Dr. Carroll Quigley in his book *Tragedy and Hope*, and its existence is beyond all question.

So one can conclude that a struggle exists today, as it has all this century, between a concept of self-government and individual responsibility, based of necessity on the decentralisation of power, and its antithesis, the centralisation of more and more power into fewer and fewer hands, with a resultant removal of sovereignty from the individual over his own life and affairs.

What then, were Douglas's proposals? Before going any further, it is essential to stress that those who believe that Social Credit is merely a monetary reform scheme could not be further from the truth; of his extensive writings only a very small part is devoted to the technical aspects of the financial system. As he himself stressed, no constructive argument on the subject of money or production can take place unless there is at least agreement on the end result we are seeking. Such questions as "What is the purpose of a

productive system?", "What is the relevance of full employment in a technological age?", "How does one resolve the conflict between the production syndrome and the conservation of the environment and natural resources?", "Are systems for men, or men for systems?", "What is the physical cost of production?", "What is the purpose of a financial system?", "To what end are we striving?" were all dealt with extensively by Douglas before the examination of what are in essence administrative problems. For this reason I do not propose, nor have I the time to deal with his technical propositions. If, however, we are to share in the vision which Douglas painted, let us at this momentous point in our history beware of three traps into which advocates of freedom, and adherents of Social Credit have at times fallen.

There is, first of all, a tendency which seems peculiar to the English, to believe that the elaboration of a set of proposals, depending on a dispassionate and fair-minded audience, is all that is necessary. Truth is wrapped in a vacuum. This tendency would have us ignore the advocate of evil, and I often detect among a certain section of Social Crediters an antipathy to any action which opposes or attacks communism or socialism or collectivism. Douglas rejected this approach by a fearless exposure of the enemies of freedom, and he summed it up in one sentence: "What use is logic if you haven't got the guns?" As a corollary is that other English pedantry which judges every proposal more by the grammar in which it is expressed than by its merits. Totalitarianism is all right if it is couched in sophisticated phrases, and the unforgivable sin is to end a sentence with a preposition!

There is secondly, a tendency to believe that "anti-communism" or "anti-socialism" is an adequate end in itself. The feature of the non-communist world is large numbers of people who are fearful of the powers of evil, but are powerless because they know of no alternative. Many pray, it is true, but they pray without understanding.

There is finally, the tragedy of the "monetary reformers" who have attached to Douglas's financial proposals an importance which has relegated his philosophy to a second place. Such people have rendered Social Credit a grave disservice, a fact which has been exploited by its opponents. They have turned means into ends, which is perhaps the unforgivable sin.

One of those in the audience today, a newcomer to the ranks of Social Credit, told me of the difference between what he called "symbols" and "ikons". A symbol was a perversion of the ikon. Thus, for example, a house is a symbol, a home is an ikon, and we all know of that house where the floor is so spotless and the furniture so cherished that comfort and companionship are discarded. The physical act of sex is a symbol, love is an ikon, and we all understand the results of an elevation of physical intimacy into an end in society without the spiritual principles of compassion, love and loyalty. I was very struck by the wisdom of his examples. But the supreme elucidator on the difference between symbols and ikons was Douglas, under his treatment of means and ends. The true Christian, and the true Social Crediter is one who has clarified this before anything else. In her book *The ABC of Social Credit* Miss E. S. Holter says:

"Social Credit is not solely an economic solution to the

present crisis—it has a profounder philosophical basis, rooted in human nature itself. Its vital aim is not merely to establish economic security without destroying individual initiative. It is interested in economic security for the very purpose of establishing individual freedom in order that man may develop according to his own initiative and capacity. The possibilities implicit in our age of plenty go much further than the problem of distribution or any other economic consideration. The struggle for physical maintenance becomes incidental. Man is at last freed to devote himself to those intellectual, emotional and creative pursuits which alone can make life something more than mere vegetation. The expression of individuality is essential to the happiness of man."

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

Freedom is a word on everybody's lips, not least the Marxist. A perversion of reality is to believe that the real struggle is between the individual and authority, described usually as the establishment. This is a mistake that I think is made in Gary Allen's latest book *None Dare Call It Conspiracy* on page 29, when he compares two charts. The first chart shows the current idea of describing Communism at the left wing end, and Fascism on the right wing end. Gary Allen makes the point that the perversion lies in believing that Fascism and Communism are different ends. In a second chart, which he suggests is more realistic, he places all Totalitarian ideas on the left, and Anarchy on the right, with limited constitutional government somewhere between.

I believe that Douglas would have drawn that chart differently, for he distinguished, as Jesus of Nazareth did, that unlawful Power and lawful Authority were at opposite ends: and that Authority, based on the rightness of the Logos, or the Word, was the essential prerequisite for the maximum freedom for each sheep in the flock.

An illuminating story told of Douglas, by Mrs. Elizabeth Dobbs concerns one of an early group of Social Crediters who left a meeting because of a disagreement. "He needn't think he's indispensable" said one of the group. "On the contrary" said Douglas quietly, "everyone is indispensable". This made a profound impression on me when I heard it, and made me very conscious of the times when I and others in the League, have left someone out because they didn't seem to fit in too well, through perhaps a particular habit or attitude. Our concern must be for each person, even our enemy, as Christ himself taught us.

Douglas saw more clearly than anyone else how important each individual was, as he expressed in writing "Systems were made for men and not men for systems, and the interests of man which is self-development is above all systems".

The following extract from Dr. Monahan's booklet *Social Credit in 1962* is worth quoting:

"The situation is one with which the world is very familiar—the situation which has dominated all history. It is the endless struggle between the tyrant and the people.

Fundamentally, the tyrant is a man who endeavours to organise as much of mankind as he can reach into a mob which can be handled by sub-tyrants—what we now call 'bosses'—and used for his personal aggrandisement (*vide* George Orwell: 1984).

"What distinguishes the present from earlier manifestations of this struggle is firstly that it is on a more magnificent scale than was ever possible before; secondly that the tyrants have concealed themselves and their conspiracy; and thirdly that the antithesis of mob-existence—freedom of the individual—is far more a practical possibility now than has ever previously been the case.

"The vast scale of possible tyranny is the result of the modern development of communications, under which heading we include control of publicity through Press and wireless—a situation epitomised in the phrase 'control of finance and control of news are concentric.' Not only communications, however, but power is on a world scale, as can easily be grasped by considering the possibilities open to a squadron equipped with H. bombs or, as far as popular credence is concerned, an orbiting satellite capable of ejecting a devastating missile at any selected area or point of the globe.

"In this connection it is of some interest to note that President Kennedy has stated that the agreement of the U.S.S.R. to co-operate with the U.S.A. in exploring the problems of outer space may well be a turning-point in history (*vide infra*).

"Douglas has defined Social Credit more than once. The first time he defined it as 'the policy of a philosophy'. This definition, which at first sight conveys little, is of tremendous importance.

"A policy is a course of action designed to secure a particular result. Now Douglas has never claimed that Social Credit is something wholly new; and, in fact, Social Credit bears to the present world situation the same relation as a new strategy bears to an old battle. In this case, the battle is the battle between the will-to-dominate of the tyrant, and the will-to-freedom of the individual. The philosophy, of which Social Credit is the policy, includes belief in the self-development and self-determination of the individual man. It is exactly opposed to the philosophy of collectivism, of which Socialism is the policy.

"The will-to-dominate leads to the organisation of mankind into ever larger and fewer units. We call it collectivism, or totalitarianism, or Socialism. One of its expressions is Internationalism. Douglas has expressed the situation beautifully: 'Internationalism with its corollary a World State . . . is one end of the scale and self-determination of the individual is the other. The smaller the genuine political unit, the nearer you are getting to self-determination of the individual'. Collectivism, in all its expressions, means the subordination of individuality to the group.

"Social Credit, on the other hand, is the policy which aims at emancipating individuality. It aims at placing the achievements of modern industry at the service of the individual, in order to set him more and more free from the necessity of being organised for some collective purpose. Technically, that aim can be accomplished with the greatest ease. This policy is the antithesis of the policy of 'full

employment', which, at the moment, is the major expression of the will of the few to dominate the world.

"Behold the fowls of the air: for they sow not, neither do they reap, nor gather into barns; yet your Heavenly Father feedeth them. Are ye not much better than they? . . . And why take ye thought for raiment? Consider the lilies of the field, how they grow; they toil not, neither do they spin: . . . Wherefore, if God so clothe the grass of the field, which today is, and tomorrow is cast into the oven shall He not much more clothe you, O ye of little faith?"

"Early in 1951, Douglas, to counteract the tendency of the Social Credit movement, as of all movements which have a philosophical basis, to develop its perspective disproportionately, drew up a schema embodying a definition of Social Credit by specification in answer to the question,

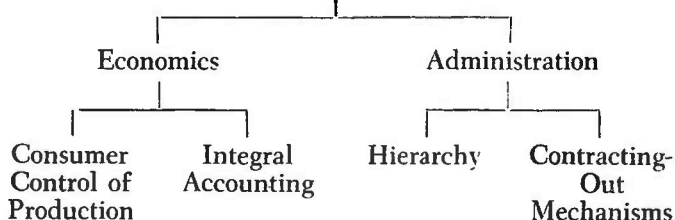
WHAT IS SOCIAL CREDIT?

"This specification follows:—

"Social Credit assumes that Society is primarily metaphysical, and must have regard to the organic relationships of its prototype.

PHILOSOPHY

POLICY



OBJECTIVE: Social stability by the integration of means and ends.

INCOMPATIBLES: Collectivism, Dialectic Materialism, Totalitarianism, Judaeo-Masonic Philosophy and Policy. Ballot-box democracy embodies all of these."

"Christianity," Douglas said, "is either an interesting set of opinions, or it is the warp and woof of the Universe". Starting from the point that the true and rightful end for man is expressed through and in the Christian faith as in no other, Douglas showed the steps necessary to "make the Word flesh" or to translate the Christian faith into practical effect in society. His scheme he called Social Credit, "the Policy of a Philosophy". It is the only hope of an emergence through the darkness of our present times into the age of freedom, and the emancipation of individuality. It will be no Social Utopia, but an environment in which each person can spend a life building a Utopia of his own. He understood completely the nature of the struggle which is now intensifying, as described so brilliantly in his chapter "The Critical Moment" in the book *Social Credit*. He put new colours on the great picture which exploded into a decaying world 2,000 years ago, when the Word became flesh through

Christ Jesus. He showed how a few can shift mountains. We have to take hold of our shovels and start shifting. I would like to conclude by quoting some verses written in 1934, called the Douglas Vision:

These things shall be! A loftier race
 Than e'er the world hath known shall rise.
 With flame of freedom in their souls
 And light of knowledge in their eyes.
 They shall be gentle, brave and strong
 To spill no drop of blood, but dare
 All that may plant man's lordship firm
 On earth, and fire, and sea, and air.
 Nation with nation, land with land,
 Unarmed shall live as comrades free;
 In every heart and brain shall throb
 The pulse of one fraternity.
 New arts shall bloom, of loftier mould,
 And mightier music thrill the skies.
 And every life shall be a song,
 When all the earth is Paradise.

—J. A. Symonds.

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Personal Wealth Tax

The letter hereunder, originally dated July 19, appeared in *The Canberra Times* on Aug. 18, 1973:

Sir,—The correspondence columns of newspapers are an unsatisfactory forum for discussions of economic problems, about which professional economists and even textbooks have divided and often contradictory views. R. O. Hieser's letter on inflation (*The Canberra Times*, July 18) is a bit of a curate's egg in this respect, and to say that I consider some of his assertions invalid is of no more practical consequence than the probability that he considers them valid.

But there is one spot in his particular egg that really is putrescent, for if his suggestion of a personal wealth tax were adopted the effect would be catastrophic.

A person's "wealth" is assessed in monetary terms, and taxes have to be paid in money. In the vast majority of cases, personal wealth is represented by physical possessions—land, house, furnishings, etc., and securities. The cash held by the community is for the most part what is required for day-to-day living, and is represented approximately by the note issue which in 1971 was \$1,369.4 million when the population was 12.55 million—an average of \$109 a head, or about \$380 a family.

Saving banks deposits were \$7,634.5 million, or about \$2,130 a family. However, saving bank deposits do not represent cash; these deposits are for the most part loaned for housing and other purposes, so that a large-scale demand by depositors for cash would require a large-scale withdrawal of loans, which in turn would require the sale of houses, etc., mortgaged to the banks.

Deposits in trading banks are similarly offset by overdrafts which to a large extent finance business operations. It was, of course, the massive call-up of bank loans which brought about the terrible 1929 Great Depression.

The attempt to raise cash on the massive scale which would be required to meet a wealth tax would mean that the market would be flooded with securities of various kinds, with the result that those with access to cash, directly or indirectly, would acquire such securities at a fraction of their nominal value, and the concentration of wealth would be

increased at the expense of individual control. The wealthy would become wealthier and the relatively poor poorer.

Apart from this, the point that Dr. Hieser misses is that the monetary system is in reality an accountancy system, not a cash system. Since past costs (wages in the first but not the last instance) are continuously accounted forward into current prices, so that prices consist of current wage-costs plus depreciation charges and other overhead costs, there is a built-in inflationary factor which sustains the vicious wage-cost spiral.

But behind this is something even more important, and perhaps Dr. Hieser will contemplate its implications: inflation is a mechanism of political intent (in colloquial terms—if you want to organise fox-hunts, make sure you don't eliminate foxes). As the late Lord Keynes recognised, inflation is the royal road to socialism, which is strong centralised and pervasive Government; so no socialist would rectify inflation.

Socialists know that "controlling", "curbing" or "fighting" inflation is controlling people. If every family were comfortably secure economically (as they soon would be were inflation to be reversed) they would not give a tinker's cuss for politics, and politicians and their sycophants would be largely out of business. And there's the rub.

BRYAN W. MONAHAN,
Red Hill.

Morality and Mozambique

The timing of the release of the reported massacre suggests that politics rather than humanitarian concern had its influence. But the truth of the report as well as its motive concerns those of good will and *The Times* itself (July 17, 1973) published a letter from the Rev. David Vicars which arouses honest doubt in the whole story. He is area secretary of the United Society for the Propagation of the Gospel and points out that the evidence of missionaries forms the basis of charges against Portugal. His own missionary society, U.S.P.G., publishes reports from its Mozambique missionaries, which contain "incidental tributes to the Portuguese for the manner in which they administer the country and for the efforts they are making to develop it in the interests of all its peoples."

He adds some remarks on the "charming" activities of the Frelimo whose landmines (supplied by Russia and China) "operate impartially, like the rain from heaven, upon the just and unjust."

The Anglican bishop of Lebomba (the Right Rev. Daniel de Pina Cabral) has also expressed doubts on the massacre of 400 African villagers by Portuguese troops. His diocese covers the whole of Mozambique and, he said, if there had been a massacre of major proportions "he would without doubt have heard about it." (*Church Times*, July 20, 1973). He explained that he was a close friend of several Roman Catholic bishops in Mozambique and "none had ever spoken to him about the massacre." Moreover in the Tete district there was almost certainly not a single African settlement outside the official fortified villages "with anything like this number of inhabitants." He was equally sure that the Roman Catholic bishops would have spoken out against such a massacre if it had taken place.

—H.S.