

SOCIAL CREDIT in 1962

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AN INTRODUCTION FOR NEW READERS

The origin of the movement, now world wide, which is known as the Social Credit movement was an article entitled "The Delusion of Super-Production" by Major C. H. Douglas in *The English Review* for December, 1918. (The article was republished in the twenty-first anniversary number of *The Social Crediter* on December 23, 1939.)

The term "movement" used above is equivocal, and correspondingly unfortunate, as will be well understood by anyone who considers its restricted meanings. Human society is perpetually "on the move". *Tempora mutantur, nos et mutamur in illis*—the times are changed, and we are changed in them. Movement of some sort is a characteristic of human life and activity. An altogether different connotation underlies the use of the word in such phrases as 'the Trade Union Movement', 'the Labour Movement', 'the pre-Raphaelite Movement', 'the Protestant Movement'. One may note a partisan implication in such uses and, at the same time, reflect that there has never been and is not now a recognised 'Christian Movement', a 'Buddhist Movement' or an 'electronics Movement'.

Some at least of the greatest and most far-reaching accomplishments affecting human life in society have not recognisably been due to agitations carried on by 'movements' in this secondary sense. Natural science has acquired immense influence over the minds and bodies of men, yet there is no organised 'Scientific Movement'. Had there been such a thing, it is almost certain that it would have stultified if not frustrated those philosophically-minded men who throughout the centuries have laboured to increase knowledge. Similarly, the fine arts have developed without assistance from an 'Artistic Movement'. Rival 'schools', by insistence upon tendencies initiated by individual painters, musicians or sculptors, may have contributed to artistic development and may have acted as a focus for popular attention; but, as used with any *political* intention, a 'Movement' is something quite different from a 'school'.

Almost if not quite invariably, *political* movements have been political *parties* in embryo. Short of their attaining this (some would say questionable) rank, they have been partially or entirely assimilated by existing political parties, or have risen to take their places, and have then died away, in many cases the germinal idea they have embodied dying with them, sterile and frustrated, or transformed out of recognition.

A fairly comprehensive account of the process—one might without distortion call it the technique—as it is illustrated in British politics is to be found in Sir Ivor Jennings's three volumes on "Party Politics" published by the Cambridge University Press in 1961-62. The author, himself a concocter of political Constitutions, may be partially unconscious of the result he has achieved in this respect; his attention is concentrated upon the more obvious absurdities of so-called 'democratic' government.

Since Social Credit has been and still is seriously compromised by the association here established between political movements and faction or partisanship with their attendant evils, we would, if we could, find some other description for our activities. There are some scientific ideas which had to fight for recognition in face of resolute opposition for many years before their validity was recognised even by those qualified to judge them. Newton's "Laws" are an example. In most such cases the opposition was ideological and did not arise, in any case directly, from entrenched vested interest. This is not so with Social Credit, a fact which makes it all the more important that all lines of conduct arising from the motives of faction and partisanship, in any form, should be avoided and repudiated.

In the years between the first and second phases of the World War, demand, which was world-wide, that certain reforms associated with the monetary aspects of Social Credit should be applied reached a peak, and in one country—the Canadian Province of Alberta—it resulted in the return of a Government pledged to secure the results which Social Crediters said were possible. We will refer to this later. But elsewhere, as preparations for war resulted in the widespread distribution of purchasing power—money—general interest in Social Credit monetary proposals waned.

But throughout the war and since there has been a steady though fluctuating interest, as crisis followed crisis, and fear rather than resolute detachment in alliance with a determination to arrest the process of social deterioration swayed the responsible elements in the community. Now, however, the interest is in the fundamental ideas underlying Social Credit. Before discussing these, an outline of the history of their development will make the present position clearer.

A BRIEF HISTORY

Before the 1914-18 war, the operation of the financial system was shrouded in mystery. The greatest mystery of all surrounded the famous Bank of England, which was not even referred to by name in the Press on many occasions. Finance

* First published in *The Social Crediter* in 1946, this article was revised in 1952 and has now been brought up to date by the addition of new matter covering the succeeding ten years.

was believed to operate according to a set of laws, which could, like the laws of physics, be discovered, and made use of, but not altered.

Partly as a result of his work during the war Major C. H. Douglas discovered certain facts about the operation of the financial system, and these discoveries explained in turn a number of hitherto puzzling economic phenomena. At that time it was hoped that those responsible for administering the financial system would appreciate the importance of these discoveries. As time passed, it became increasingly clear that such was not the case. This state of affairs required explanation.

We do not propose to examine the technical aspects of finance here; there is now an ample literature available on the subject. From the historical point of view, *the important fact is that Douglas's investigations had established the paramount importance of the creation of financial credit, or bank credit, by the banking system, and he showed that the industrial system was dependent for its continued operation on the continuous creation of this fresh money*—for bank-credit operates as effectively as money of any other form (legal tender).

Now this crucial importance of bank *credit* obviously implies the importance of the banking system which provides it, and the importance of the banking system means the importance of the individuals controlling that system. Investigation soon showed that some banks are more important than others. As well as ordinary banks, there are *central* banks, which bear much the same sort of relation to ordinary banks as ordinary banks bear to industry. And just as the ordinary banks form the banking system of a nation, so the central banks form an international banking system of the world.

In 1930 the key-stone of the system was set in place; a super-central bank, the Bank of International Settlements, was founded, and now a World Bank is in operation: control of Finance (of money) is centralised. A full examination of this world system of finance may be studied in *The Monopoly of Credit* by C. H. Douglas. (K.R.P. Publications, 12/6 net.)

In 1920 Douglas published his first book, *Economic Democracy*. It is a condensed and technical analysis of the economic system; but also it demonstrates clearly the key position of finance in this system and shows how the rules of finance operate to produce ever-increasing centralisation of control—concentration of control in fewer and fewer hands. The last few chapters suggested methods by which this centralisation could be overcome.

The concentration of control brought about by the operation of the financial system is a concentration of *power*, and it means, of course, that a small number of men have come into possession of enormous power on a world scale. There are two possible ways of looking at this matter. We may say that the financial system has more or less accidentally evolved, and that those in control of it have more or less accidentally become powerful. This way of looking at it places the emphasis on the system as such. The other way places the emphasis on the action of the individuals, and regards the system as the outcome of the efforts of individuals to gain, extend, and concentrate power over others.

Douglas began by exposing the financial system, and the Social Credit movement grew up as a body of people who blamed that system for the evils—poverty amidst plenty—which afflicted the world. But an attack on the system was an attack on the power of the men at the head of that system, whether or not they occupied that position by design. As was to be expected, they counter-attacked. There was first a short period of public discussion of Social Credit in the Press; then it was stigmatised as a fallacy; and finally, a ban was imposed, and neither Social Credit, nor Douglas, was mentioned in the general Press. The unanswerable quality of Social Credit ideas was met not by frank examination of them but by suppression. This is still operative.

Nevertheless, the money myth was exploded. It has been exploded so successfully that in these days, when "bank-credit" is an expression in everyday use, when it is generally recognised that bank-credit is simply one form of money, and that it is manufactured by the banks, and when it is taken for granted that if money can be found on the scale necessary for war, it can be found on the same scale for peace, it is difficult to take the mind back to the days when the official economists denied that banks create credit, and the 'laws' of economics were held to be part of the unchangeable laws of the Universe. Officially, economists now advocate a 'managed money' economy.

To go forward, however, to as late as 1961, we may note the British Prime Minister, Mr. Harold Macmillan, who had not previously shown publicly any sign of insight into politico-financial realities, stating baldly that "The present system is certainly not perfect. As technicians, you would not tolerate it in your sphere... If you will forgive such a frivolous comparison our system is rather like a children's game. When the family sit round to play rummy or cooncan, or poker, and one child gets all the chips and another has not enough to go on, something must be done. Either more chips must come out of the bank (which father generally keeps) or the winning children must hand over some of theirs to the others. Otherwise the game just stops."

The circumstances in which the address was given and also its reception by the publicity agencies ("control of finance and control of the news are concentric") are alike remarkable.

To take the second point first, *The Western Producer*, a famous journal of Western Canada published at Saskatoon, records in its issue for May 11, 1961: "... we searched in vain for a full report of what Mr. Macmillan said. More surprising is the fact that a prominent journalist in London complains that even the British papers failed to give adequate coverage to their prime minister's remarks even though the fact that he was to speak had been announced weeks in advance." After weeks of waiting, the Canadian newspaper obtained a full text of the address from Whitehall. The newspaper further remarks that fifty years ago an utterance by "such a man on such an occasion would have been carried verbatim in every newspaper of repute". We reserve judgment on that opinion: fifty years ago is in 1911: much earlier, say in W. E. Gladstone's time, possibly, but not probably. No *effective* criticism of finance was possible even a century

earlier: we repeat: "Control of finance and control of the news are concentric."

The occasion for the British Prime Minister's address was his visit to President Kennedy in Washington, when he went on to fulfil an engagement at the Massachusetts Institute of Technology, then celebrating its centennial. Technologists have every reason to measure up the theories of economists against their own more realistic accomplishments, and may have appreciated Mr. Macmillan's statement that "of course economists are apt to make heavy weather about money. Naturally—it's their mystery . . ."

Money is no longer a mystery, but by clever manipulation of facts it can be made to appear to be one, and this manipulation is a prime element in the contemporary control of opinion. The virtual suppression of Mr. Macmillan's remarks points to the truth of this opinion. There was at least one further observation, among many which were more 'orthodox' and these, *The Western Producer* notwithstanding, were given some publicity in London, which excites interest. Mr. Macmillan said that "Even Marx knew that capitalism must expand or perish." There is little doubt that Karl Marx knew that very well—if you allow him his interpretation of what it is which constitutes 'capitalism'. Social Crediters don't. The really significant point is the complete agreement of the whole 'capitalist' world with Karl Marx on the matter. Control of the world's populations by a financial technique for the deflection of effort and energy *away from* the satisfaction of legitimate consumer needs *does* entail the ceaseless expansion of 'production' so-called—hence, we suggest, the present 'space programmes', in which West and East alike are competitors.

To return now to earlier phases of Social Credit, there was, by 1935, a wide general demand for a rectification of the financial system. The public now blamed that *system* for its troubles. But at the same time it became evident to close observers that behind that system was "an organisation consciously *determined* at any cost of war or revolution, to uphold the economic war" which was the direct and desired result of the defective financial system, "and to use it as a weapon in the cultural war." It is of the utmost importance to grasp this situation. *A small group of men—selected International Financiers—were using the financial system to impose their policy on the world.* Douglas expressed it that the financial system was the *headquarters* of this policy. But with the exposure of the nature of the financial system, it became necessary for these men to shift their headquarters. In other words, other means had to be found to maintain over the world the control which hitherto had been maintained by manipulation of the financial system. And to break this control, the situation had to be attacked from another angle. It had been worth while to try to break the power of the international financier by rendering the system through which he was operating ineffective for his purpose, but when he began to institute other means of control it became necessary to expose him and his conspiracy. And this course took the matter down to its roots.

THE POLICY OF A PHILOSOPHY

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. Funda-

mentally, 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 first 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 of 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.

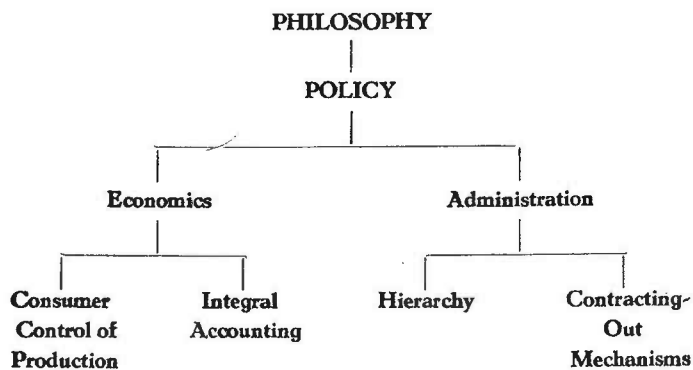
"Behold the fowls of the air: for they sow not, neither do they reap, nor gather into barns; yet your Heavenly Father feedeth them. Are ye not much better than they? . . . And why take ye thought for raiment? Consider the lilies of the field, how they grow; they toil not, neither do they spin: . . . 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 scheme 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 meta-physical, and must have regard to the organic relationships of its prototype.



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

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

THE CONSPIRACY AND THE REMEDY

In 1935, a Government was elected in the Canadian Province of Alberta, pledged to obtain the results put forward under the name of Social Credit. "If the Social Credit Government of Alberta had done nothing—and it has done many things—to justify its existence, the demonstration afforded by its enemies of one fundamental factor in the world situation would still have made it a landmark in human history.

"That factor, completely demonstrated by the actions of the Canadian Federal Government in Disallowing every Act of the Provincial Legislature directed to the inauguration of Social Credit, is that the Secret Government is determined to keep the world in turmoil until its own rule is supreme, so that one uninformed mob may be mobilised against another, should either become dangerous. I do not think that anyone

who will take the trouble to consider the action of the Canadian Federal Government, can fail to apprehend exactly why centralisation, Federal Union (now the United Nations Organisation) and other 'Bigger and Better' Governments are the most deadly menace with which humanity is faced today."
—(C. H. Douglas, *The Big Idea*.)

Reference to Social Credit in Alberta is one of the subjects which are virtually banned in the Press, and such references as do appear are almost totally inadequate and wholly misleading. The Social Credit Government has been returned five times with overwhelming majorities, and has been in office continuously since 1935 (twenty-seven years).

At one time it was said of it that it was the only government in the world which has increased its public services, reduced its taxation and reduced its public debt. Without recourse to any fundamental principle of Social Credit, it was permitted to build up a 'good-government' reputation in Canada, while ferocious hostility continued to be manifested. In Alberta itself the abandonment of a truly Social Credit policy by its Government has been recognised and publicly acclaimed by the Press since 1948, and was apparent to close observers a year earlier. This turning point was the funding of the public debt by Premier Manning at the end of the war.

Simultaneously with the appearance of a Social Credit political party in the neighbouring Province of British Columbia in 1952, a change of tone became more generally apparent. The *Financial Times* announced Alberta as "The Darling of Wall Street," and *The Times* began to speak respectfully of Mr. Ernest Manning, Alberta's Premier, while admitting that "it is not as a Social Credit party that the Government has been successful" and that the theories of Major Douglas, on which the late Mr. William Aberhart founded the party in the early thirties "have never yet been tested except in the courts and before the Privy Council in London." Hitherto, Social Credit has been "the thing that failed in Alberta."

To many uninformed people it is still "the thing that failed in Alberta" (where it has never been tried), and, particularly since 1952, when a "party" erupted in British Columbia calling itself a "Social Credit Party" and won enough seats to form a government, it has become increasingly evident that it is a considerable asset to the financial hierarchy that there should be pseudo-Social Credit governments in existence. Members of Mr. Bennett's British Columbia government have given no evidence that they have any acquaintance with Social Credit beyond the fact that it is, or was, a useful party label, distinguishing them sufficiently from other candidates for political power to enable them to snatch it from them.

With Douglas (C. H. Douglas, *Programme for the Third World War*), we ask "Is there a traceable link between the power which disallowed the Alberta legislation, financed Hitler, emasculated British military power, and ushered in the Second World War with a determined attempt to turn Great Britain overnight into a State Capitalist undertaking with an unknown Board of Directors? We have beyond peradventure to find out, and if it exists, to identify it."

In *The Brief for the Prosecution*, Douglas uncovered and presented the massive evidence of this conspiracy. He iden-

tified and exposed the individuals concerned, and demonstrated what they had done up to 1944, how they had done it and, in the work cited and elsewhere, he indicated the ultimate aim and the steps taken for its attainment.

In broad terms, the primary tactical aim for at least half a century has been the destruction of the British Empire in terms of power *and culture*. In no other Empire has such a system as the Common Law of England and its Empire been developed. Entry into the Common Market will entail, it is contemplated, the supersession of Common Law in many fields by Roman Law. This is a matter which has been discussed in the Press.

The next objective is the creation in all possible areas of totalitarian governments and the organisation of the people under all-powerful Governments into a collectivity by means of the technique of "full employment." Governments are to have supreme powers over the individual to ensure that he is "fully" employed in the service of State policy; and State policies will be imposed from an International Headquarters.

The totalitarian policy is promoted through financial policy; but this is now reinforced by other sanctions. The war clearly placed Great Britain under heavy disadvantages, including the threat of starvation. In this connection there should be recalled the fantastically abrupt cessation of Lend-Lease arrangements necessitating the hasty negotiation of the loan of one thousand million dollars. What is the nature of the pressure which, it is commonly admitted, Washington is exerting on once-Great Britain to join the Common Market, the primary objective of which is political, not economic?

"Now, *once you have surrendered to materialism*, it is quite true that economics precedes politics, and dominates it. It is not in Bolshevism, Fascism, the New Deal, P.E.P. or the London School of Economics Fabian Society that we shall find the origins of what we are looking for. These are ostensibly political systems, and derive from, rather than give birth to economics. While this is obvious and axiomatic, it is not so obvious, although equally axiomatic that the principle works both ways. That is as much as to say, *if you can control economics, you can keep the business of getting a living the dominant factor of life, and so keep your control of politics—just that long and no longer.*" (*Programme for the Third World War*: C. H. Douglas, 1943).

"The central core of the commission's ideas is that economic integration means political action. Not only does the creation of the economic conditions necessary for a customs union require major political decisions. That is almost axiomatic. But political integration itself is the object of taking the economic decisions in the first place. Hence the truth of Professor Hallstein's much quoted remark, 'We're not in business, we're in politics', which is still the aptest expression of the thinking of the commission..."

—*The Times* Common Market Correspondent, April 2, 1962.

The loan, the Common Market, the pressure: it is a staggering and almost incredible plot. But the state of the world is incredible, too. The existence of the plot, however, is not a theory, but a fact for which the evidence has been marshalled. And it is close to its culmination.

It is, perhaps, easier to grasp what is going on if it is borne in mind that the purpose of war is to force a policy on an adversary. The essential element is the imposition of an alien policy. So that if we see an alien policy being imposed, that is war, though there may be no guns.

An alien policy is being imposed on the British Empire, now called 'The Commonwealth', and apparently doomed to be sacrificed economically through the elaboration of a 'European Common Market' at the bidding of whatever power there may be behind the United States of America. It is a power which proceeds, not from the American people, but from a predominantly Zionist hierarchy of International Financiers who, perhaps temporarily, have their headquarters in the U.S.A. and dominate its government.

This plot can only succeed so long as public opinion is confused and misinformed, and the confusing and misinforming of public opinion is a major activity of the plotters. The public is encouraged either not to think, or if it does think, to think of any but the correct explanation of its troubles. The Press gives publicity to any and every false explanation; but the true one, put forward by a highly responsible body of people, the Social Credit Secretariat, founded by Douglas in 1933, is never so much as mentioned.

We are endeavouring to secure such a rectification of policy as will result in making the individual secure in his rights as an individual, and to prevent his becoming permanently something to which a bureaucrat gives orders, employed by the State on International projects in which he has no interest.

We make no attempt here to give details. Our object is to indicate that Social Credit is genuinely the policy of the philosophy of a Christian society, and the enemy of totalitarianism under any of its many disguises. It clearly goes far beyond the question of monetary reform.

The Social Crediter was founded in 1938 as a journal of policy. Publication has been continuous. At the head of its editorial page there has stood unaltered the general statement in the following words:—

This journal expresses and supports the policy of the Social Credit Secretariat, which is a non-party, non-class organisation neither connected with nor supporting any political party, Social Credit or otherwise.

The description is important.

The Social Credit Secretariat is a voluntary association of Douglas's followers, who desire to implement his advice concerning matters of strategy. Functionally decentralised, details of its Constitution and personnel are published separately and may be obtained on request from our publishers, K.R.P. Publications Ltd., 9, Avenue Road, Stratford-on-Avon, or, in Australia, from Tidal Publications, Box 3266, G.P.O., Sydney, N.S.W. Its Founder and Advisory Chairman until his death in 1952 was C. H. Douglas.

THE LAST TEN YEARS

While it might be possible to do so, it would be unwise to attempt to outline the course of Social Credit during the decade since Douglas's death without reviewing again from the beginning, however briefly, its whole history. It is one

whole, in philosophy, in policy alike, facing a continuous historical development which opposes it and conditions it. We believe that development to be artificial, spurious, fraudulent even, however fraught with the possibility of unprecedented disaster. The conditions are conspiratorial. Nearly every 'axiom' of current politics and economics is demonstrably false. "Politics is the art of the possible", yet politicians aim at the impossible, for example, the indefinite "expansion" of industry; superproduction to fill markets unsupplied with purchasing-power, 'effective demand'; in politics, the solution of highly technical problems by electorates which are the victims of high-pressure advertising and manipulation of majorities.

These, the acknowledged objectives of politicians, are impossible of attainment. Persistence leads with what is called 'mathematical' certainty to breakdown of some kind, catastrophic, or long-continued and painful adjustment, thwarting the just desires of vast populations. In considering where we are forty-four years after the initial discovery of Douglas and ten years after his death, not only are we justified in taking stock of the world situation and our own, but a serious attempt to do so with positive results is incumbent upon us.

Throughout the years, Douglas was immovably opposed to speculative and hypothetical attitudes towards the job in hand. He refused resolutely and repeatedly to be persuaded into courses which envisaged a situation not actually present or emergent. Thus it was that each of the 'schemes' for Social Credit offered in response to requests from ostensibly interested parties were severely labelled 'exemplary' and so framed as to draw out some fact revealing the real *political* objection consciously or unconsciously present in the minds of those who sought to elicit something they could attack. This was so with the Labour Party, the men engaged in the mining industry, the Scottish Nationalists. In voicing objection, each in turn disclosed that it was the *policy* of Social Credit to which objection was raised. By policy we mean the end or objective envisaged. Human society is constituted not of ideal situations but of real situations, actually present but constantly changing. As a distinguished engineer, Douglas understood perfectly that practical men did not, if their efforts were to succeed, invent *ex nihilo*. They looked around to see what they had got which might be serviceable for their purpose and adjusted, modified, altered it as occasion required. The method is briefly stated as the progressive adaptation of means to ends—the experimental method. Discovery is a more or less inevitable by-product. You do not arrive at a policy at the end of a long and arduous search: you begin with a policy. If it is a sound and acceptable policy, persistence will enable you to reach your objective. Compare this conception with the confused uses of the word 'policy' current. To do so is to see at once the profound reasons for some of our most distressing 'political' failures.

However that may be, one may see in reviewing our years of effort that they are marked by phases, of which at least five are clearly distinguishable:—

Phase 1: 1918-1933. The period of 'seeding'. Douglas's earliest ally was the late A. R. Orage, editor and proprietor of a weekly newspaper of note, The New Age. Orage, whose

journal had been largely devoted to the special interests of a highly literate clientèle, 'liberally' (in the continental sense) inclined, and seeking for an outlet for Guild Socialism, recognised the genius of Douglas and gave his paper over to Social Credit, losing thereby a minority of readers, but slowly collecting a new audience. This early 'reformist', 'intellectualist' connection created some of the most stubborn problems of Social Credit advocacy. The technics of Social Credit assumed the dignity (or indignity) of a parlour-game in which the prizes went to those best able to invent or to solve problems in economics sometimes of quite fantastic ingenuity. At the same time, the 'game' tended to conceal the rooted convictions of many Social Crediters that majority-rule (as understood by democrats) was an infallible political instrument. This misunderstanding, intensified rather than diminished, still dogs our steps. This phase came to an abrupt close at the end of a world-wide tour which Douglas conducted, marked by seemingly great success—red carpets, interviews with the great and powerful, including at least one crowned head, social invitations, and so forth—which might have deceived anyone less realistic than Douglas. As Douglas was actually waiting to board the homeward-bound liner at New York, a stranger asked him if he was satisfied with the reception he had received during his tour and particularly in the United States. At the same time, the stranger asked whether Douglas had met a certain famous New York banker. If not, arrangements might be made for an interview if Douglas could spare the time and if he desired a meeting. Douglas agreed. It was at the resulting interview that it became clear to Douglas that, so far from being anxious to find a way out of their financial and industrial difficulties, the financial hierarchy were resolutely determined to intensify them and challenged him to do anything effective to impede them. From that moment the time for seed-sowing was, for Douglas, over. On his return to England he immediately set about founding the Social Credit Secretariat. An address announcing the new outlook before Social Crediters was delivered at Buxton, and it was soon in action.

Phase 2: 1933-1938. Individual policy as against 'popular' opinion. This phase, intensely active, is marked by the Alberta episode, and a number of campaigns designed to elicit expression of (not to create) a genuine popular policy, defined as some objective which is capable of engaging the active co-operation of men and women—the only just basis for association—with the right to contract out without penalty for so doing. Such campaigns were that for the abolition of poverty without the imposition of higher prices or taxation (shown to be economically possible) and various more restricted campaigns when we were within sight of approaching war.

Phase 3: The war years. A week-to-week commentary by Douglas in the pages of The Social Crediter and more extensive attempts to awaken people to the unprecedented dangers of a political nature which confronted them marked these years. The published fruits are on record and obtainable.

Phase 4: Until the electoral defeat of Mr. Winston Churchill after the war, Douglas had not abandoned his belief in the soundness of British, particularly English, political instinct which he thought would reassert itself under pressure from circumstances. It did not. It has not since done so. The 'large and persistent changes in voting habits' which The

Times (April 19, 1962) believes to be 'under way', an opinion elicited by the apparent revival of the Liberal Party, is not, to our way of thinking a sign of any such recovery. Progressively during the post-war period, "Social Stability by the integration of means and ends", the explicit objective of Social Credit as defined in the graphic specification set out above, has appeared to be a receding vision. The apparently victorious advance of the enemies of stability, exploiting every invention and every development, appears to a superficial view to have the quality of 'inevitability'. This may be, almost certainly is, an illusion. At any moment the progression might be arrested if even a section of the community were sufficiently clear-headed and resolute. Hence the attempt in 1960 by the Secretariat to awaken responsible people by the wide distribution of "The Last Chance: a Conspectus." As with all our efforts, echoes, at times faint at other times clear, of what we have to say, are heard. Imperceptibly, we have been at least contributing to 'the Agenda'. There are other contributors. Close and attentive readers of the better-informed newspapers detect these other voices and may trace them to their sources. For example: automation and its impact upon trade unionists concerned to maintain their (rather invidious) position *vis-à-vis* their following. The growing suspicion of impending break-down of the party-political system of (ostensible) Government (doubtless there exists some degree of confidence, justifiable or otherwise according to what the ultimate result may be, in a hidden power of control) is another ally. The parallel suspicion which is becoming widespread and intense that the Freudian 'pair', Russia and the United States, contemplate a 'marriage' is yet another source of illumination to astute observers, whose minds are not distracted by meaningless labels and overaccentuated stresses and strains. Bankers and politicians have their headaches. Apoplexy is more likely than repentance.

The last years of Douglas's life were occupied in intensified consideration of the roots of Social Credit—policy and the adaptation of means to ends. This preoccupation was, naturally, uncongenial if not repugnant to everyone whose mind was bogged-down in the notions of pseudo-democracy as it had developed since at least the time of Martin Luther. We have already drawn attention to this initial handicap incidental to the early history of Social Credit. Two words take precedence over almost all others in considering realistically the present phase of Social Credit: *Authority* is one. *Policy* is the other. And so we come to the latest phase.

Phase 5: We have survived a decade of unprecedented world-crisis since we lost the incomparable guidance of Douglas himself. He meant us to survive it. He prepared us to survive it. Many years have passed since he expressed his conviction that the attainment of his objective would be a thing—however possible—which neither he nor we should see. Social Credit is not a 'gadget' to be designed on an engineer's drawing-board, transferred to the pattern maker's shop and mass-produced in a factory. It is a fact unrealised as yet in the unfolding of history, and 'History is crystallised policy'. The crystallisation of our policy will come not by the 'authority' of governments, still less by the 'authority' of the Social Credit Secretariat. No man can possess or control Authority, and we do not claim it. "Power cannot be destroyed, but it can be distributed." We see in a just distribution of power the

way to Social Stability. Authority, on the other hand, can be neither destroyed *nor* distributed. All we can do is to await the revelation of it by events. To do that with constant watchfulness, discovering where we are with precision at every step we must take in circumstances which Douglas now can never know, is to walk in his steps and be faithful to the charge he laid upon us. He left us a mission and a method, not a mantle.

Postscript: June 20, 1962

With great reserve, having regard to the immense hazards to which any veridical *policy* (i.e. the *real* as opposed to the presumed objective of association between individuals composing a community, large or small) is subject at the hands of electorates on the one hand and "Establishments", headed by Finance, on the other, we record items printed by *The Times* in its issue for June 20, 1962:—

(1) A Political Party led by Dr. Robert Thompson, with M. Real Caouette as Deputy leader, under the name "Social Credit", has obtained balance-of-power strength in the Canadian Federal Parliament. With two seats still in doubt, the state of the parties (respective strengths in the old parliament in brackets) is:

| | | |
|-----------------------------|-----|-------|
| Progressive Conservatives | 117 | (208) |
| Liberals | 96 | (49) |
| Social Credit | 30 | (0) |
| National Democrats (C.C.F.) | 19 | (8) |

(2) *The Times* Ottawa correspondent reports that "The Social Credit Party said today it would not entertain the idea of a coalition"; its Montreal correspondent that the "success in Quebec in taking 26 of the province's 75 seats cannot be dismissed as a flash in the pan" and the same correspondent that the Social Credit preached by Dr. Thompson and M. Caouette "had almost nothing in common with the Alberta and British Columbia varieties". (As has been indicated in season and out of season, these 'varieties' have also 'nothing in common' with Social Credit itself as enunciated by Douglas — or, for that matter, Aberhart).

(3) Its leading article, entitled "Nobody Wins", *The Times* commences as follows:— "The wayward vote for Social Credit in Quebec has put Canadian politics into the worst kind of deadlock. This eccentric local group now holds the national balance of power. It is not even the Social Credit which *was extinguished as a national force on its home ground of Alberta and British Columbia four years ago; it is Social Credit in a new guise*". (c.p. "Social Credit? Ah, yes, the thing that failed in Alberta." — 'extinguished', not 'failed' now!) *The Times* offers the further opinion that "it would be sanguine to hope that Mr. Caouette will be swept away on a new vote."

(4) In an inset note in the news, *The Times* asserts that "Little is now heard in Alberta of the early monetary theories which, from the start, received rough treatment from Ottawa: the Supreme Court barred all attempts by the Alberta Government to impose them."

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