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The Nature of Democracy

By C. H. DOUGLAS

Speech made by Major C. H. Douglas at Buxton, June 9, 1934, on his return from a world tour. The introductory remarks concerning the tour, which have little current general interest, have been omitted.

The Social Credit Movement has three aspects which are quite distinct and require different treatment. The first is persuasive, the second is educative, the third is militant. The first assumes a large body of uninstructed individuals having certain desires, of which, for our purposes, economic security and abundance are primary, and our persuasive activity is in the nature of explaining that these desires have a realistic basis and can be satisfied. It should be predominantly a description of the results of a Social Credit policy as compared with the present. The second aspect is more precisely technical, and is properly addressed to a much smaller audience, and has to do with the technical means for embodying the desires of the majority of the population. It assumes a willingness on the part of special technicians to embody the desires of the majority, when satisfied that this is physically possible. The third aspect assumes the existence of a powerful resistance to change, a resistance which, while relying for its effectiveness on the uninstructed or misinstructed majority, rests ultimately on a conscious desire to preserve certain unjustifiable privileges at the expense of the general population.

We have now sufficient troops who want to be led. I think it can be said in regard to the persuasive and educative aspect that we have not made big mistakes; in fact, our progress has been phenomenal. Nowadays much of our propaganda is being done for us by the references, which cannot be kept out of the Press, to the existence of abundance in all directions.

To carry out any big operations, such as the realisation of Social Credit, a mechanism is necessary, and our choice lies between using the existing mechanism or inventing a new one. I think that it is true to say, that for any practical policy, at least the embryo of a suitable mechanism exists, even though it may be in a distorted form, and to suppose that you can invent an entirely new mechanism in the face of custom and habit and use it for introducing a new system of society is just plain, bald nonsense.

It has frequently been alleged of the Social Credit Movement that it mixes politics with economics. If the foregoing phases of the Movement be accepted as legitimate, such a combination is necessary and inevitable. *No fundamental changes in mechanism can become a part of the daily routine of this or any other country except with the aid, passive or active, of the sanctions of government ultimately residing in the armed forces of the Crown.*

The theory of the British Constitution, which is a democracy, is that the armed forces of the Crown exist to ensure that the will of the people should prevail. Note the

use of the word "will", which does not mean "intelligence". No conventions or laws can stand up for any length of time against the will of the people, and anybody who is acquainted with the theory of international law will know what I mean when I refer to the "right of eminent domain", which is simply that if any law or convention is operating in defiance of the will of the people it will inevitably be modified.

During the trip round the world which I have just completed I was able to obtain what may be called a bird's-eye view of world events. It is possible, of course, that I may be mistaken, but I do not think I am. What I found was that all over the world there is an organised campaign in progress to discredit democracy, and when I say "organised" it does not necessarily mean that it emanates from some particular source. The method used in this campaign is to point to the chaos which, as we know, is unquestionably due to finance, and to start by substituting for democracy a form of administration either under the name of Communism, Fascism, or a National Recovery Administration, or rationalisation and planned economy, all of which are fundamentally similar, in that they aim at thwarting the public will.

The form that any of these methods takes is the employment of a number of second-rate experts who proceed to tell a number of first-rate experts how to run their business, with the inevitable result that the second lot of experts eventually refuse to co-operate.

The allegation, then, is that democracy is ineffective and that the interference of governments in business is the cause of the present breakdown of business. The remedy put forward at this point is a dictatorship.

The drive behind the desire to substitute various forms of dictatorship for the democratic machine is the desire to employ the forces of the State to impose the policy of international finance and trustified industry upon the general population.

In order to understand the unquestionable failure of present democracy it is necessary to understand its nature, what it can do from its nature, and what it cannot do. The literal meaning of the word is, of course, "rule by the people", but I should prefer to call it the will of the people. It is not rule by the majority, an important distinction to note. The idea of party government is comparatively modern, probably not ante-dating the Wars of the Roses, and contains in itself a subtle perversion of the democratic idea.

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METROPOLITAN ELITES

The following letter appeared in *The Spectator*, March 4, 1972:

Sir: In your issue of July 17, 1971, A Student of Politics, commenting on the EEC, referred to "certain metropolitan elites, especially high finance, quality journalism and certain intellectual circles (among whom must be included the Foreign Office)" with the implication that this grouping was behind the drive to get Britain to join the EEC. Yet, in your issue of February 5 last, you say, "Should the (European Communities) Bill become enacted, then there cannot now or at any time in the future be any doubt but that its sole true progenitor, the man whose faith it represents, is Mr. Edward Heath".

There is far too much legal subtlety in it, and its implications go too wide and deep, for such a Bill to have had a sole progenitor. Had Mr. Harold Wilson continued as Prime Minister, I think we should have seen substantially the same Bill under his sponsorship for this Bill embodies the aspirations of the Royal Institute of International Affairs, which was officially brought forth at the peace conference in Paris in 1919.

One of the aims of the Institute (which combines high finance, quality journalism, intellectual circles, etc.) is the limitation of local national sovereignty, which the Bill is designed to accomplish. In the words of its then director, Professor Arnold Toynbee, in 1931:

"We are engaged on a deliberate and sustained and concentrated effort to impose limitations upon the sovereignty and independence of the fifty or sixty local sovereign states The harder we press our attack upon the idol, the more we take pains to keep its priests and devotees in a fool's paradise And all the time we deny with our lips what we do with our hands". These words are to be found in an article entitled "The Trend of International Affairs since the War" which appeared in the journal *International Affairs*, November, 1931. I would beg you and your readers to study the whole article, which affords an excellent perspective view of the European Communities Bill.

Basil L. Steele

Penrhyn Lodge, Gloucester Gate, London, N.W.1

AN INTRODUCTION TO SOCIAL CREDIT

by BRYAN W. MONAHAN

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Henry A. Kissinger

"It has now been revealed that Presidential Adviser Henry A. Kissinger made twelve clandestine trips to France to confer with the Vietnamese Communists, using military aircraft, changing planes, and staying in C.I.A. hideouts (safe houses). In each instance Kissinger met and conferred with the Communists in secret locations selected by them. Kissinger also made another secret trip to Peking to warn Chinese leaders of a pending *coup d'etat*.

"Washington sources report that an Israeli intelligence officer learned of a plot to assassinate Mao Tse-tung and Chou En-lai in order to effect a military takeover of Red China. This information was turned over to C.I.A. Director Richard Helms, who made a hurried visit to Tel Aviv and returned with detailed information on the matter for Henry Kissinger and President Nixon. Kissinger then took a fast plane to China and his visit resulted in the execution of a group of top Chinese military men and a blackout of news from Red China. This report is confirmed in dispatches out of France by Hilaire du Berrier . . ."

—Frank A. Capell in "An Intelligence Report" in *The Review Of The News*, Feb. 16, 1972.

Perversity

"It seems at first paradoxical that the same 'Liberal' mentality which demands that military secrets be revealed because of the public's right to know, takes pride in keeping diplomatic secrets within the narrowest of circles. Recall that at the very time of M.I.T.'s Daniel Ellsberg and the *New York Times* were spilling the 'Pentagon Papers,' Harvard's Henry Kissinger and the *New York Times* were keeping a tight lid on his trip to China to prepare the way for Nixon."

—Medford Evans in "Foreign Policy" in *American Opinion*, Feb. 1972.

Get US Out

Because of the urgency of the material on the British situation the continuation of Mr. Gary Allen's treatise *Get US Out—The U.N. Threatens the United States* has been deferred.

The Nature of Democracy*(continued from page 1)*

Now "the people" is a collective term which, in order to make its nature clearer, may be translated as "the mob". I am not substituting what may appear to be a derogatory word for one which appears to be more respectable, with a view to expressing contempt for the population considered collectively, but because a good deal of attention has been devoted to the psychology of mobs, and the conclusions, where they are sound, are obviously applicable to democracy. The outstanding feature of a mob is that it does not reason, or certainly does not reason effectively. Its conclusions as based upon reason can be stated, with confidence, to be almost invariably wrong. A mob feels, it does not think, and consequently by whatever mechanism we represent a mob we can represent only a desire, not a technique. It is, of course, possible to contend that the desires of a mob are always or frequently wrong. That is the blasphemy based on the theory of original sin, which is evident in the world to-day in various forms which can be largely included in the word "Puritanism".

I do not believe in original sin. It is, however, quite certain that desire, emotion, or feeling, however you wish to phrase it, is plastic and possesses from its nature a strong desire to clothe itself in forms, so that if a mob shouts "We want food and shelter" it is easy to get it to translate that into a cry "We want work", which is, of course, not at all the same thing.

Now in this country we have evolved a mechanism of election which is alleged to be for the purpose of making the will of the mob evident. But the most cursory examination of the slogans on which elections are fought is sufficient to show that the machinery has been completely perverted. We elect Parliamentary representatives at the present time to pass laws of a highly technical nature, not to ensure that certain results are achieved. As a result of this, not merely in this country but everywhere in the world, so far as my observation takes me, we are witnessing a set of second-rate experts in the seats of governments ineffectively endeavouring to give technical directions to a set of first-rate experts who are actually carrying on the functions by which society lives.

Perhaps the most outstanding and possibly the final instance, under an alleged democracy, of this process can be witnessed at Washington at the present time, where may be found previously unemployed individuals expressly appointed and busy, generally for fourteen or sixteen hours a day, in enquiring into how each separate trade and industry in the United States, is run, and instructing the directors of businesses in that trade how to do it some other way from that which has up till now proved successful. This is not quite so true in regard to finance as it is in regard to other businesses, but it is beginning to be true also in regard to finance.

Now I have no doubt whatever that that select group of international financiers who desire to rivet the rule of finance upon the world are observing this process with complete satisfaction, and they are using the situation which they themselves have brought about, and with which governments are ineffectively meddling, to support the idea that the whole cause of the trouble is the meddling in business of governments and government officials who

do not understand business. They are using this argument most effectively as an argument for sweeping away that control over their own destinies which peoples, or, if you prefer it, mobs, were in process of attaining through the centuries, and substituting a dictatorship which will enthrone an international oligarchy permanently. I have no doubt also that this is the vital problem which concerns all the peoples of the world at this moment. To put it another way, while nothing but Social Credit will provide a mechanism, nothing but the rehabilitation of democracy in a genuine sense, and with an understanding of its limits, will enable Social Credit to become an actual fact.

[This paragraph of course had particular reference to the conditions brought about by the Great Depression of 1929, which can now be seen as a preparation for the resumption of World War (a) to homogenise and further bureaucratise Europe; (b) to intensify everywhere the bureaucratic 'controls' initiated under cover of the depression; and (c) establish the predominance of Soviet Russia as the prototype of eventual World Government. In this perspective what Douglas wrote in 1934 can be brought into the present context by re-writing it as follows:

Now I have no doubt whatever that the select group of self-perpetuating 'Insiders', who are working "with all their might" (Professor Arnold Toynbee of the Royal Institute of International Affairs, 1931) to rivet their rule on the world through the maintenance of a financial system which is demonstrably producing and intensifying industrial and social anarchy, are observing this process with complete satisfaction, and they are using the situation which they themselves have brought about, and with which governments are ineffectively meddling, to support the idea that the whole cause of the trouble is the 'incompetence' of successive administrations†. They are using this argument most effectively as an argument for sweeping away that control over their own destinies which peoples or, if you prefer it, mobs were in the process of attaining through the centuries, and substituting a dictatorship which will enthrone an international oligarchy permanently. The draconian, unscrupulous and dishonest conduct of the Heath Administration in endeavouring to abrogate British national sovereignty is the present concern of the British. But I have no doubt that this is the vital problem which concerns all the peoples of the world at the present moment. To put it another way, while nothing but the rectification of a deliberately conceived and sustained and destructive financial system will provide a mechanism, nothing but the rehabilitation of democracy in a genuine sense, and with an understanding of its limits, will enable a genuine economic democracy to become an actual fact.]

There is a key-word which forms the solution of this, perhaps the greatest of all problems which confront the world at the present time. That word is "responsibility". We have got to make individuals bear the consequences of their actions.

Instead of electing representatives to inform bankers and industrialists (who understand the technique of their jobs perfectly) how to do them, and to pass a multitude of laws which, while providing unnecessary jobs for large numbers of people who could be better employed, still further impede industry, the business of democracy is to elect representatives who will insist upon results, and will, if necessary, pillory the actual individuals who are responsible either for the attainment of results or their non-attainment. It is not a bit of use asking democracies to decide upon matters of technique, and it is quite certain, as has already been

†See the *Times*, Feb. 18, 1972: "The Conservatives have proved as incompetent and shortsighted as Labour, and their devotion to what Mr. Heath saw as a free enterprise philosophy has landed this country in much of its present trouble." For preliminary warnings concerning the present situation, see *The Survival of Britain*: K.R.P. Publications.

demonstrated, that if you throw a plan to a democracy it will be torn to shreds.

It is not the business of the Parliamentary machine to reform, for instance, the financial system. It is the business of the Parliamentary machine to transmit the desires of the people for results (which at present the financial system is not producing) out of the financial system, and to transmit to the people the names of individuals who are responsible for the financial system, so that, by the exercise of the right of Eminent Domain, which has undoubtedly been established as vested in the representatives of the people, they may, if necessary, take steps to remove those responsible for impeding the will of the people. If it is pleaded in extenuation, that those in charge of any particular function of the State, such as finance, do not know how to produce the results desired, then it is the business of Parliament to provide them with all the advice available, but if they will neither take action within a reasonable period of time, and will not accept advice if provided, then it is the business of the representatives of the people to remove them, whether they are alleged to be operating under a system of private enterprise or as public departments.

The application of these principles to the policy of the Social Credit Movement is, I think, clear enough, and follows much along the lines of the three aspects of the Movement that I have previously discussed, and does, in fact, correspond not unsatisfactorily with the activities of the Movement up to the present time. One section of the Movement, the largest, has been charged with the task of purifying the desires of the general population, by which I mean the integration of popular will to a united objective without specification of mechanism. One of the most effective methods is by explaining what would be the result of Social Credit as compared with those we know to rise out of the present system. I think that most admirable work has been done along these lines.

In another, necessarily smaller, section of the Movement those of us who are sufficiently fortunately placed to devote a large portion of our attention to the matter may legitimately qualify to be experts on mechanism.

From now on, however, I believe that the most immediately important aspect of the matter is the formulation of definite methods for bringing Parliament itself, and consequently the forces of the Crown, which Parliament controls, under popular control in regard to objectives. I would again repeat, and not in regard to mechanics. This amounts to bringing pressure to bear upon the individual Member of Parliament, and he is interested only in two things: the first is in keeping his job, and the second is in knowing how much voting power is behind any demand made upon him.

I think that in every part of the country where a Social Credit Group exists, or can be formed, an organisation should be set up at once for the systematic presentation of the situation to every voter in the district. One by one the voters should be asked whether they are in favour of a larger personal income, with absolute security, via the National Dividend; and sufficient information should be placed before them to show that that is possible. This is a job for the rank and file. The electors should then definitely be asked for a pledge to vote for no candidate who is not prepared to demand that dividend. Every sitting

Member of Parliament should be notified at a suitable time of the number of individuals whose support has been obtained, and should be asked whether he is prepared to proceed along certain lines which will be explained to him, and informed that he will not be supported unless he is. If any sitting Member of Parliament is not willing to give such an assurance, a new candidate should be nominated.

Although this policy has been sketched only in outline, I am fully conscious of the magnitude of the task that I am laying upon you. You will be advised on tactics by the Secretariat from time to time. To say, however, that it is a matter of life and death is to understate the case. If civilisation, not merely for this generation but for many generations to come, is to be saved for a tolerable existence, it requires primarily a tremendous amount of collective will, such as perhaps the world has never seen in peace time, although it is not unknown in times of war. If this collective will can be mobilised in times of so-called peace, as it has been mobilised in times of war, nothing can resist it. If it cannot, then we have indeed lost the peace, whatever we did with the war.

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