

SOCIAL CREDIT IN 1952

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 Creditor* on December 23, 1939.) 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 1914-1918 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 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 appeared that those responsible for administering the financial system would appreciate the importance of these discoveries, and Major Douglas set about interviewing a number of officials.

It soon appeared, however, that the knowledge Major Douglas possessed was not welcome. He was greeted with lack of interest, and in some cases with hostility. This was a state of affairs that 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 Major 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 this system was set in place; a super-central bank, the Bank of International Settlements, was founded, and now a World Bank is in operation in fact if not in name: control of Finance (of money) is completely centralised. A full examination of this world system of finance may be studied in *The Monopoly of Credit*.

In 1920 Major Douglas published his first book, *Economic Democracy*. It is a condensed and technical analysis of the economic system; but 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 suggest methods by which this centralisation can 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.

Major 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 Major Douglas, was mentioned in the general Press. The un-

*First published, *mutatis mutandis*, in *The Social Creditor* and *The Australian Social Creditor* in 1946, this article has now been revised and brought up to date. It is here reprinted, amended, from *The Social Creditor* of August 23, 1952.

answerable 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' economy.

By 1935 there was an enormous 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.* Major 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 mainly 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. 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.

What distinguishes the present from earlier manifestations of this struggle are firstly that it is on a more magnificent scale than was ever possible before; and 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 of bombers equipped with atomic energy bombs.

Major 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 Major 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, is the belief that the individual man has a right to self-development and self-determination. 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 to emancipate individuality. It aims to place 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. The simplest way to visualise the result is to imagine yourself growing richer, and independent of the mass of Regulations by which at the present time we are enslaved. You would be free to make your own world; to go where and when you liked; to order what you wanted. You would have to work for it, of course; but with every improvement in the efficiency of industry, you would need to work less. 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 in the field, which today is, and tomorrow is cast into the oven shall he not much more clothe you, O ye of little faith?"

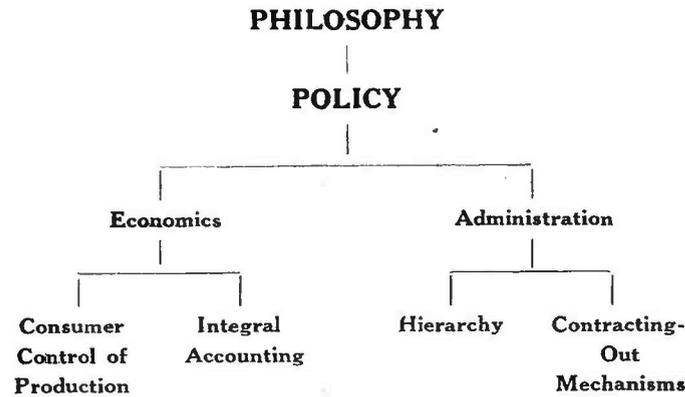
A second definition of Social Credit is—applied Christianity.

Early in 1951, Major 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 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.

February, 1951.

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 actions 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 always 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 (seventeen years).*

At one time it was said of it that it was the only

government in the world which had 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 abroad. In Alberta itself the abandonment of a truly Social Credit policy by the 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 had been "the thing that failed in Alberta."

In this year (1952), with this curiously tempered background, a British Columbia Party won enough seats to form a Government, which is as yet untried.

Clearly such happenings, and what they entail, call for study and elucidation beyond the scope of such an article as the present, and we would end the present reference with a question:—*What is the peculiar virtue which, without many years of costly preparation, and in face of the most determined opposition of the most powerful organisation in the world (Finance) can elect two even imperfect Governments in succession—“as from a grain of mustard seed”?*

But, we may ask further: "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."

—(C. H. Douglas, *Programme for the Third World War*.)

In *The Brief for the Prosecution* Major Douglas has uncovered and presented the evidence of this conspiracy. He has identified and exposed individuals concerned, and has demonstrated what they have done so far, how they have done it, and in this and other works has indicated the ultimate aim and the steps to its achievement.

In the broadest terms, the immediate objective is the destruction of the British Empire in the cultural sense, for in no Empire had the institutions to promote the liberty of the individual been advanced so far. The next objective is being pursued all over the world. It is the creation in every State of a totalitarian Government, and the organisation of the peoples 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 being promoted through financial policy; but this is now reinforced by other sanctions. The war has clearly placed Great Britain under heavy disadvantages, including the threat of starvation. This threat is being employed to force acceptance of conditions of subjection to an International Financial Authority, which is to be the channel through which an alien policy will be imposed on the British Government; and it is obviously proposed to use the threat of an International Police Force to secure obedience to that policy.

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 your 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 from the United States of America. And that policy proceeds, not from the American people, but from the International Financiers, who are predominantly Zionist Jews, and who have their headquarters at the moment 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—Major Douglas and the Social Credit Secretariat—is never so much as mentioned. It is therefore clearly necessary to get the correct explanation sufficiently widespread to break up the plot, and bring the conspirators to trial, before it is too late.

The Social Credit Movement is a set of people who 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.

"Politics is the art of the possible." Something is demonstrably possible under the name of Social Credit. What is it, and is it Social Credit?

Alternatively what is not possible is not interesting.

The Social Crediter was founded in 1938 as a weekly 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 Australian Social Crediter* reflects the intention of Social Credit journalism at headquarters, and loyal allies are the newspaper of the French Canadian movement for Social Credit, *Vers Demain*, and *The New Times* of Melbourne. The appearance of a *New Zealand Social Crediter* may be taken as evidence of a determination in the Dominion to extricate the movement there from misplaced reliance upon the good intentions of the Labour Party. An increasing number of monetary reformist journals, not all of which acknowledge the influence of Social Credit ideas, and few if any of which pay more than the oblique homage of misrepresentation to the strategical advice of Major Douglas, are evidences of the irresistible pressure of his views on the minds of our generation.

The Social Credit Secretariat is a voluntary association of Major Douglas's followers who desire to implement his advice. Functionally decentralised, it has its purely administrative headquarters at Liverpool. Its Founder and Advisory Chairman until his death in September, 1952 was Major C. H. Douglas, with Dr. Tudor Jones, now Chairman, as his Deputy. Affiliated groups of individual Social Crediters are to be found throughout the British Empire and on the Continent of Europe. A function of the Secretariat is the organisation and supervision of the study of Social Credit by those who desire to undertake it seriously. A Library is available for the use of annual subscribers to *The Social Crediter*. Details of these activities may be obtained from the offices of the publishers, K.R.P. Publications Ltd., 7, Victoria Street, Liverpool, 2.

The great conspiracy is not yet consummated; and if its nature is grasped in time it can be brought to naught. "Thus out of threatened chaos might the Dawn break; a Dawn which at the best must show the ravages of storm, but which holds clear for all to see the promise of a better Day."

THE SOCIAL CREDITER

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An Interim Edition

We are assured that a major attack upon Social Credit is impending.

Last Monday, too late to permit of the reconstruction of the normal weekly edition of *The Social Crediter*, matter bearing upon the evidence for this was withdrawn from our printers, since it had become clear that our information was still incomplete, and the publication prematurely of what was known to us was more likely to restrict than to extend opportunities for further knowledge.

Our readers have only to stand fast in the integrity of their purpose to defeat any threat.

We regret that other material, including a letter from Mrs. Douglas to the editor and readers of our paper and the promised commentary on *The Tablet's* recent article, are delayed publicity through our decision.

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