

# *The Approach to Reality*

*Address to Social Crediters at Westminster on March 7th, 1936. Together with  
Answers to Questions by C. H. Douglas*

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## **The Approach to Reality**

**by C. H. DOUGLAS**

**I Believe** that the fate in history of the Church of England depends very largely upon your Chairman.\* I have often said to him that, without pretending to be an authority on these matters, I am fairly confident that the persecution which was the lot of Christianity in its earliest years was by no means because it was concerned with something purely transcendental—something that we call the world to come. Taking the merely material implications in it, I have little doubt that what was recognised and persecuted in early Christianity was the economic implications of its philosophy. Only when Christianity became, as it did, purely transcendentalist, was it felt to be fairly respectable and fairly safe.

Now you may say that the Dean, in his introductory remarks talked about economics and that I am talking about religion. Really I am not talking about anything of the kind. What is plain to anyone who looks at the matter coldly and dispassionately is this—that it is not of the technique of Social Credit that the powers-that-be are afraid; it is of the fundamental change it would make in the whole problem of economics and human life.

This address is primarily for Social Creditors, and those who are not familiar with the technical details of what is commonly known as Social Credit will not hear a great deal about money. But I would assure them that what I have to say to-night is interwoven with the money question.

Dr. Hewlett Johnson, Dean of Canterbury. At that time (1936) “the Red Dean” was Director of Revenue to the Social Credit Secretariat and an avowed Social Creditor. His conversion to Communism (a doctrine which, however baffling when a precise definition is sought, is certainly the direct and probably the only true opposite to Social Credit) was not then contemplated—unless by Dr. Hewlett Johnson himself.

As I conceive it, Social Credit covers and comprehends a great deal more than the money problem. Important as that is, primarily important because it is a question of priority, Social Credit fundamentally involves a conception, I feel a true conception—but you must enlarge upon that for yourselves—of the relationships between individuals and their association in countries and nations, between individuals and their association in groups.

## **Where Truth Lies**

To Social Crediters it is a fairly common-place saying that what we are trying to do with the money system is to make it reflect facts, but what we are also trying to do is to make the relationship between individuals and their institutions reflect facts. To borrow from the Dean of

Canterbury's vocabulary, what Social Crediters have in mind is "to know the truth in order that the truth shall make you free," and I have no hesitation in saying that the opposition is concerned to keep from you the truth so that you shall not be able to see the truth even when it is before your eyes. Truth is said to lie at the bottom of a well, and the opposition is concerned with keeping truth at the bottom of the well, and it will do its utmost to see that it does not get out.

We Social Crediters say (and we are all Social Creditors, although we may not all be talking very much about Social Credit at the moment) that the monetary system at present does not reflect facts. The opposition says it does. Well, I put it to your common sense. How was it that a world which was apparently almost feverishly prosperous in 1929—or alleged to be so, judged by orthodox standards—and certainly capable of producing tremendous quantities of goods and services and distributing a considerable proportion of them, could be so impoverished by 1930, and so changed fundamentally, that conditions were reversed and the world was wretchedly poor? Is it reasonable to suppose that between a single date in October, 1929, and a few months later, the world would change from a rich one to a poor one? Of course it is not.

I can perhaps give you some conception of the sort of things with which we have to deal in this problem of making the world a closer approach to reality if I draw your attention to a book, which has just been published, by the chairman of a large financial institution, and who, I understand, has a large financial interest in that humorously named journal, the *New Statesman*.

### **An Example of the Just Price**

I have noticed in my journeys round the world, in which it has been my lot to be more scurrilously attacked than most people, that the organisations which attack the theory of Social Credit always adopt one of the first technical suggestions of Social Credit, that is to say, they begin to sell below cost, and the thing they try to sell below cost is literature on their views of economics.

The amazing amount of literature you could get for nothing in Australia and New Zealand when I passed through was a complete demonstration of the principle that if you make things cheap enough you can find a sale for them. The book to which I refer, finely printed and published by one of the most famous publishers in the world, is sold at the bargain price of 5 s. (as against a probable cost of production more like 10s.), a most notable example of the Compensated or Just Price.

I should not refer at such length to this book if it had not provided a very interesting demonstration of what it is really intended we should believe about the economic system. The conclusions at which this book arrives are obviously erroneous, so the technics upon which they are based are not of much interest. Mr. J. M. Keynes states that the outstanding faults of the economic society in which we live are its failure to provide for full employment and its arbitrary and inequitable distribution of wealth and income.

That is a very typical instance of what I am referring to as misrepresentation—a tendency to draw a picture which is not a true picture of things as they are. It suggests that *the perfect economic system should provide full employment and absolutely equitable distribution of wealth and income. Now that sounds very attractive, doesn't it?*

### **Work for All or Goods for All**

But suppose you say that the object of the economic system is not to provide employment at all, then what importance can you attach to a statement that the job of the economic system is to provide *full* employment for *all*? The job of the economic system is not to provide employment at all. It is to provide and distribute goods and services with the minimum amount of inconvenience and loss of time to everybody. That, of course, is quite fundamental.

Let us look for a moment at this idea of an equitable distribution of income. That on the face of it sounds extremely fair and sane, but let us go a little bit further. Let me use an example I have often used before. I used it in Canada about 15 years ago at the Parliamentary enquiry in 1923. Suppose you had ten men crossing the Sahara Desert and they had a long way to go and had only so much water. It would obviously be a matter of great importance to all concerned that everybody should have exactly the same amount to drink. Take the same ten men and put them in a boat in the middle of Lake Superior with 250 miles of fresh water all round. If one of them said that they should have only so much water each, for anything else would be “thoroughly unsound,” the obvious reply would be, “Go jump into the lake and have all the water you like!”

Well, that in the economic world is the position at which we are now arriving. There was a time, no doubt, when ethically—I will not say pragmatically—something might have been said for equality of income for everyone. And at that time they certainly did not have it. But now when we are at the point where there is so much potential wealth—such enormous quantities of potential wealth actually destroyed—we are supposed to devote our attention to details so that everyone may have the same amount. What Social Creditors say is that everyone should have as much as he wants, and it is our belief that he can have it without taking it from anybody else.

### **It's Your Money They Want**

Now this book of Mr. Maynard Keynes to which I have referred, represents apparently a sudden conversion on the part of the author to the monetary theories of Silvio Gesell, the originator of the idea of “disappearing money,” that is, money that loses its value month by month unless spent (as if money did not disappear fast enough already).

The idea is that if you have got a 10s. note to-day you have to put a penny stamp on it a fortnight hence to keep it worth 10s., and another penny stamp in a further fortnight's time so that it shall still remain at the value of 10s. Gesell's theory was that the trouble with the world was that people saved money so that what you had to do was to *make* them spend it faster. Disappearing money is the heaviest form of continuous taxation ever devised.

The theory behind this idea of Gesell's was that what is required is to stimulate trade—that you have to get people frantically buying goods—a perfectly sound idea so long as the objective of life is merely trading. When a 10s. note becomes worth only 9s. 11d. to-morrow, a man will go and buy something and so stimulate trade. In fact you have exactly the same state of affairs as existed at the time of the stupendous German inflation of the mark. When a waiter received payment in millions of marks he hardly waited to throw down his napkin before dashing out to buy something, because the value was disappearing so rapidly that what he bought one minute would require a billion marks ten minutes hence.

### **Government by Money**

These taxation schemes—I am not now talking of any particular theory, I am talking of conceptions of life—all these schemes are based on the assumption that you have to stimulate something or other. They are an attempt to produce a psychological effect by means of the monetary system. In other words, the monetary system is regarded not as a convenience for doing something which you decide yourself you want to do, but to make you do something *because* of the monetary system.

I am not going into Social Credit technique to-night; I merely want to repeat that our conception of a monetary system is that it should be a system reflecting the facts, and it should be those facts, and not the monetary system that determine our action. When a monetary system dictates your actions, then you are governed by money, and you have the most subtle, dangerous and undesirable form of government that the perverted mind of man—if it is the

mind of man—has ever conceived.

## **Shall Britons be Slaves?**

Now I said that the objective of the present system, and also the objective of many of the more unusual proposals which people are discussing to replace the present system, are consciously or unconsciously based upon this idea that the individual must be kept in a condition of economic dependence.

This matter is of considerable importance because the objective of leaving things as they are—and not as most people would desire them to be—is that the individual shall always be economically dependent. What is happening at the present time is that more and more people are becoming economically dependent. It is quite astonishing what a much greater proportion of economically independent people there was about 150 years ago than now.

Every attack on inequality of income has been made the excuse for making people who have obtained a certain degree of independence less economically secure than they were before. The question of land is an outstanding case. The landlord is often said to be the cause of all our troubles. He may or may not be, but those who agitate that the land should go to the people have only made it perfectly certain that the land should go to the banks and the insurance companies.

The modern machine with its marvellous capacity for utilising power is capable of releasing man from much of his human labour and providing for his economic independence so that he can be set free for other ends. Yet people's ideas have been so perverted that they have become slaves of the machine ever more definitely riveted to an invisible slavery.

## **The Social Significance of Plenty**

The abolition of poverty in the midst of plenty, important as that is, is not the core of the problem. It is conceivable that people might be provided for as well-fed slaves. It is fundamental that the freedom inherent in things should be conditioned only by the nature of the world, as one might say. The moment that conditions are made about making people wealthy, you are not making them wealthy in accordance with the wealth they might have from the free play of invention and progress and organisation. You are making them wealthy only according to somebody's conception of what should be the conditions under which they should be allowed to be wealthy. That is quite a different thing.

Of course you must have a certain amount of organisation in the world and just as in regard to the economic system you must make money reflect facts, so that you can choose what to do instead of being forced into doing what you do not want to do, so with your governmental system. It should reflect the fundamental relationships of human beings to each other.

When you receive a sheaf of buff papers at the beginning of the year, followed by blue ones and then a little later on, red ones, all of them stating you have received a lot of money you have never seen, and that further money must be produced, or unpleasant things will happen, the gentleman who signs these notices signs himself, on the first two at any rate, "Your obedient servant." What I am proposing is that he should be exactly right.

There is only one sane objective of government and that is to make it easier for everybody to do those things that are possible. That is the only justification for government—that by organisation and doing things according to certain rules you can do things more easily and comfortably. To imagine that we are born into the world to be governed by something not inherent in the cosmos is one of the most astonishing pieces of hypnotism that has ever afflicted the world.

## Faith Without Works is Death

At this point we get to the relationship between the Social Credit theory and action. Once again I am going to borrow from the Dean's vocabulary, because I believe it to be a fundamental, pragmatic, practical and sound vocabulary. I am using it in that sense, not in the transcendental or religious sense. I know he will forgive me. "Faith without works is death." It is a matter of no consequence whatever that a large number of people *believe* in the truth of Social Credit. The question is—what are they going to do about it?

Now what you can do is just as much inherent in the nature of things as the trouble about the monetary system. The key to an undertaking of this slightly subtle matter is that the question of works as opposed to faith depends obviously upon ability. Nobody can be held responsible for something they don't understand or cannot do. I want you to keep that in mind.

### Social Credit Parties

There is at the present time an idea that we should have a Social Credit party in this country. I can quite understand and sympathise with that idea, but it is a profound misconception. It assumes that the government of the country should be a government of experts. Let me show you that it does assume that. If you elect a Social Credit party, supposing you could, I may say that I regard the election of a Social Credit party in this country as one of the greatest catastrophes that could happen. By such an election you proceed to elect, by the nature of it, a number of people who are supposed to know enough about finance to say what should be done about it. Now it is an axiom of experience that no layman can possibly direct the expert in details, and in normal things no layman is fool enough to try to do it.

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

### It is Results That Matter

What the layman should say is: "I am not an expert in this thing, but I know what I want;" and if you agree that the object of sending a set of men to Parliament is to get what you want, then why elect a special set of men, a special party at all? The men who are there should get you what you want—that is their business. It is not their business to say how it is to be got. The Parliamentary system of this country is a delegation of laymen to represent the wants of laymen, and not to tell the experts how to do it.

Unless you take up the attitude that the responsibility for how a thing is done is neither that of the laymen nor that of the government, you will be perfectly certain to get a state of affairs in which failure and disappointment are absolutely inevitable. *How* things are done is the responsibility of the expert. What the expert gives as a result, is the business both of the government and of the people, and they are going to get what they want. The blame—and if you like, the praise—rests with those people who arrogate to themselves, possibly correctly, the position of experts. But the right thing for you is to say what you want and see you get it. It is what you get that matters.

It is only possible to have a governmental system—a democratic governmental system—that works that way. You can only get the greatest common factor of the general population to

produce a majority, and you are pursuing a fatal course in getting a majority for a misconception. The moment that a majority begins to vote for something that it does not understand, it is perpetrating a lie. It is saying, “I want something I do not know the nature of, and this is its nature.”

## Unemployment or War

Now, that is why you have all this careful suggestion that what we want is a reduction of unemployment, and we are so badly trained in the nature of the possibilities of democratic government, that we say, “Yes, what we want is a reduction of unemployment.” Yet the urge towards a reduction of unemployment is the direct cause of the coming war. The moment you say you must have everybody employed, you have to find somewhere to which the goods you produce can go—the goods that you cannot use yourselves. You must find export markets, and the competition for export markets is the direct cause of war. That is what comes of arguing over technical details when what you want is results.

You are right in saying, “We want the disappearance of these terrible things, these depressions which accompany unemployment;” but you are not right when you say that we want the abolition of unemployment, because with the abolition of unemployment, as things now are, you get something you do not want, which is war. That is only one—but a very fundamental one—of the reasons why it is essential that you should get control of your Members of Parliament.

## Pressure Politics

There is an idea that when you have an election, the implications of which, in nine cases out of ten, you do not understand, you have disposed of the matter of government. That is unworkable democracy. It sets the government mechanism at the mercy of those people who apply pressure all the time. One leading Social Creditor in the United States who had many talks with President Roosevelt, complained bitterly that—what is perfectly true—President Roosevelt had all along the line given way to the pressure of the financial interests. President Roosevelt made the correct and proper reply. He said, “It is my business to yield to pressure.”

Unless you have a dictatorship, it is the business of government to yield to pressure. Either a government is supreme over the people or else it must yield to pressure, and it is *your* business to exercise that pressure.

## Petitions a Denial of Democracy

Now I want you to consider another of the proposals that are being advocated at the present time; I refer to those Social Crediters who propose to petition the King for a judicial enquiry into the monetary system. A petition assumes that you have to ask somebody for what you want. As a matter of fact a petition is generally not merely for what you want but for how you think it should be given to you, as for instance, when the petition asks for an enquiry. This means the passing to a higher authority of the responsibility for the decision that the people should make for themselves. You have no right—apart from anything else—to abdicate from your responsibilities; your business is to see that you get what you want yourself, not ask somebody else because you are afraid or because you are too lazy. The assumption underlying the petition is that the centre of gravity of power is somewhere where it is not. The centre of gravity is with the people.

These ideas are perfectly well understood by the opposition; the difficulty is to make them understood by the people I am referring to. That the opposition has no objection is indicated by the fact that neither the petition theory nor the Social Credit party theory are ever attacked. So far as I am aware no attack from financial sources against either suggestion has been made. On the contrary, although the two or three candidates who put up at the last Election did not call

themselves Social Credit candidates, the opposition did so and *advertised* them, so far as possible, as Social Credit candidates.

## Liberal Party For Sale

As a matter of interest I may tell you that after the last Election, the agent of one of the candidates—who has since attacked the ideas which I have been trying to put before you to-night—came to me and offered to sell me the whole Liberal Party for a quarter of a million pounds. I said I had not that sum about me at the moment, and anyway I considered the price too high. But that sort of thing indicates the objectionable incidents that are associated with the old form of party politics, no matter what label is used.

Now, I will let you into a secret. Nobody for any practical purpose is going to produce a Final Social Credit plan. I will tell you who *is* going to bring in Social Credit, and that is the bankers, and we are going to make them do it. Just so long as they do not do it, just so long is the responsibility of the present state of affairs going to be piled up upon them.

What the people have to do is to recognise that it is the reality and not the label that is wanted. If the people get control of their own government and get the distribution of the goods our modern industrial system can produce, then they will have got what I am interested in.

I am so confident of the soundness of the general propositions which I have spent twenty years placing before the world, that I am reasonably certain that these fundamental ideas will be part of what will ultimately be done. They are, at the present time, a part of what is being done. Apart from economic literature, the compensated price is cropping up all over the place. I do not care the traditional celluloid cat in Hades whether my name is ever associated with a single one of these measures or not.

## The Irresponsibles

I have recently had a number of letters asking me to deal at this meeting with various schisms and schismatics in the Social Credit Movement. I have no intention of doing so, for several reasons. So far as these schisms involve attacks on me personally, I am very much inclined to agree with David Harum that it is good for a dog to have a certain number of fleas; it keeps him from brooding over the fact that he is a dog. Apart from that, I do not myself think that any of these schismatics do half as much harm as they think they do, and in addition to that, they demonstrate to other people, if not to themselves, their complete unsuitability to deal with any matters of responsibility.

For these reasons, I feel they can safely be left to the Judgment of the general mass of Social Creditors and the general public; and to their tender mercies I commit them.

## Our Responsibility

As I came here to-night I bought an evening paper on the front page of which were the words, “Germans in the Rhineland.” We are back in 1914 where the financiers said they would get us. Do not imagine that I am suggesting that the financiers want war. I look on them as being of the same nature as a patient suffering from delirium tremens—he will do everything to avoid it, except give up drinking.

I cannot see, short of the intervention of a higher power, any human possibility of avoiding another great world conflagration. Whether any considerable proportion of civilisation will survive only time will show, but I am confident of this, that what survives of the world after the next war, will reach a state either in which there will be no monetary system at all, or one that has been radically reformed in our favour.

That is the highest note of hope I can end upon. We have done our best in the past twenty years to warn the world not only of what was coming, but how the mechanism works that makes it come. I do not believe that that work will be lost whatever happens. I would ask you to realise

that the only thing that would have prevented this war, could it have been produced, was action. And it is EVEN NOW action that is our only hope.

## Major Douglas Answers Questions The Coming War

**Question.**—Major Douglas has said that action was necessary. Would he kindly specify what action would save us at present ?

**Answer.**—I think the questioner means: What would save us from the coming war ? It is quite possible that nothing will save us. There is always a point at which you must bear the consequences of your acts or omissions to act. When something acquires a certain momentum practically nothing can stop it. I have myself frequently stated that the latest date at which the threatened war could have been prevented was 1923; but I am assuming, in order to answer the question, that the *world* will survive this next war, though a great many of *us* will not.

Now, nothing can be more absurd and more unscientific than to assume that things right themselves. They do not. They are just as likely to wrong themselves, and when I said that the only thing that would save *us* was action, I meant, assuming the coming war to be inevitable, the only thing that would save the *world* will be action.

I said that I was sanguine that what remains of the world would be delivered from the curse under which we labour at the present time. I am very certain of that, because I believe that any set of ideas which are fundamentally sound inevitably come out into the realm of action. If they do not, it is because they are not sound, and in that case it is better they should not. I believe profoundly that what I have been haltingly trying to tell you to-night is fundamentally sound and will be realised in action.

Had we had the background, had we had the atmosphere we have now, in 1921 when I began to talk to fairly large audiences, we could have stopped this coming war; but unfortunately we had not that background. But I do not believe that the effort of all these years will be wasted; I am convinced that it has produced a state of affairs which will at any rate prevent the *next* war.

Although I know the phrase stinks—this coming war will probably be the last great war—and that perhaps is something to be thankful for.

## The League of Nations

**Question.**—If it is the present financial system that causes war, should it not be the duty of the League of Nations to change it—for the British public is behind the League ?

**Answer.**—I began my address to-night by saying that we are engaged in a war for truth. It is one of the curious phenomena of that war that most of the soldiers on both sides do not know what they are fighting for. This applies both to soldiers on the side of lies and soldiers on the side of truth. The war to a large extent is a war to capture public opinion, and public opinion is very often captured by something which is more of a fundamental lie than even the thing from which the people think they are flying.

The League of Nations provides just one of those instances of the overwhelming importance of *priority* in this world. There are probably millions of things which are equally sound and good and important in the cosmos (such as the abolition of capital punishment—you can make a catalogue for yourself). The question is, what are you going to do first ? A RAT is not the same thing as TAR although composed of the same letters—priority of the letters is obviously important.

The idea of the League of Nations, of course, on the face of it is attractive and is meant to sound attractive. Had we got a reformed financial system, one which did not force exports, one which did not really place everything under the control of finance, one which did not produce

frustrations caused by the working of financial institutions: if these things were not so—if, I repeat, we had a reformed financial system—the right kind of internationalism would be fairly sound and proper. But not first, not before the financial system is rectified. The only safeguard against a world governed by international finance is nationalism.

Whatever may be said about the inception of the League of Nations—and some very queer things are being said—there is no doubt whatever that it has been the sport of international financiers from its very beginnings; and while it may be thought the duty of the League of Nations to reform the financial system. I do not think that the League of Nations has either the power or, so far as it is at present concerned, the desire to do so; but rather so to strengthen itself that it may become a world-government of Finance—which it is rapidly becoming at the present time.

## **Futility of a Social Credit Party**

**Question.**—Why does Major Douglas believe that a Social Credit Party and Social Credit parliamentary candidates would not be perfectly capable of making experts do their job—or face a firing squad ?

**Answer.**—It seems very difficult to make this, to me, rather simple point. The essence of it is whether or not you regard the Member of Parliament as an expert. If you assume that he is an expert then you are electing a second-rate expert to control a first-rate expert. If you agree that the Member of Parliament should not be an expert, then why tie a label on him ? The proper attitude of the people is, “We don’t care what your alleged name is—the essential thing is that you should do as you are told.”

The idea that you cannot get Parliament to give you what you want unless you have a Social Credit Party, means either (a) that the ordinary Member of Parliament will refuse to agree to take the instructions of his constituents, or (b) that you can more quickly get a majority in Parliament which is labelled Social Credit than you can get a majority in Parliament which has merely agreed to do as it is told.

Now that is very largely a matter of experiment, and I am fortunately provided with facts. There were at the last General Election three candidates who stood on various adaptations of a Social Credit platform. They all of them lost their deposits. They all put up a perfectly good fight, but the fact is that they lost their deposits.

With far less concentrated organisation than these candidates had, we went along the lines of forcing the parliamentary candidate or the Member of Parliament to agree to take the instructions of his electors on all occasions if they were properly conveyed to him by a majority of his constituents in regard to anything they might want. Now, though all the Social Credit candidates lost their deposits, we succeeded in getting 17 Members of the House of Commons committed to do as they are told by their electors. Which of these two has been proved to be the more effective action ?

You have to take human nature just as you find it. There are lots of people who will say, “I don’t know anything about this Social Credit business. It may be all right, but I don’t understand it and I am not going to vote for it. Besides, everybody will say I am a crank.” There is nothing repugnant, nothing novel about asking people to insist that their Member of Parliament shall do as they tell him, more particularly if it is pointed out to them that in this way they can get an amelioration of their conditions. What they are, *in fact*, being asked to do is to assume the functions of real democracy. It is very much easier to get people to do that than it is to get them to vote for a Social Credit candidate.

Apart from its undesirability, I do not believe that there is the slightest practical chance of getting a Social Credit majority. The moment you label a party Social Credit you get a wrangle

about the technique of Social Credit, and that is exactly what you must avoid. You must not send candidates to Parliament to be technicians. You must send candidates to Parliament to impose your will upon the technicians who already exist. That is the very essence of the problem.

### Force—or Pressure ?

**Question.**—Does Major Douglas think that, if the coming war is averted long enough for the Social Credit Movement to grow to great force, the goal for which we are working can be achieved on feasible democratic lines, and that there is no danger of experts refusing to act, and so producing chaos? Can we achieve our aim without resort to force ?

**Answer.**—I have no doubt whatever that the right sort of pressure, invisible pressure, but nevertheless irresistible pressure, can be brought to bear once people are aware of what we are driving at. The whole strength, not merely of finance, but of its type of democracy—or if you like of an outworn Governmental system—lies in the unconsciousness of the average individual as to its nature. If you can make him conscious of its nature, you can rouse his *will* in regard to it, and he will undoubtedly prevail.

### To Petition—or to Demand ?

In answer to a question about a Petition to the King, Major Douglas said:—

I think the question may be put thus: Is the petition method—if a petition is so framed as to ask for the reference to the High Court of Justice of whether or not the present financial system is in the interests of the nation, and if it gets 10,000,000 signatures to it—is that an effective way of getting the financial system changed ?

The questioner interpolated that the second form of the Petition to the King had been drafted by lawyers in such a way that the duty was laid on the High Court of Justice to determine for the guidance of the Government whether or not certain things were in accordance with public policy.

There are two things involved.

We will let go the idea for the moment that there does exist in this country machinery by which the people can exercise their *will*, that this is the machinery which should be employed, and that to use other machinery is obviously to bring upon yourself the suggestion that you do not believe the constitutional machinery for the purpose of exercising your will can be made to work.

If that is so, then the first thing to do is completely to abolish Parliament.

I want to get this clear. Your ancestors and mine fought a series of bloody battles in various parts of this island for the purpose of obtaining political democracy. They set in operation a mechanism. Now, I am perfectly confident that the working of that mechanism at the present time is perverted, but I am also perfectly confident that it is not necessarily ineffective for our purpose, and it seems to me that to abandon without endeavouring to rectify the working of the mechanism which has been obtained by us amid blood and tears, is a very dangerous thing to do. I am also perfectly certain, incidentally, that it is the set purpose of the financial powers to discredit Parliamentary Government in order that they may say, “ See what comes of the interference of Governments in business,” and so on.

That is the first comment I want to make on the situation.

Let us come to the next proposition. It is said that it is impossible to win a case against an Urban District Council. I do not know whether this is true or not, but it is commonly said so. Now a petition to examine and rectify the financial system asks, first of all, that somebody shall prepare a case to go before the High Court of Justice, and then that the judges who try that case should make the most stupendous pronouncement on their own responsibility against the most

stupendous power that the world has ever known. (I am assuming it to be a fact that if you have 10,000,000 signatures you can get your petition to the High Court of Justice.)

At this point I will express my own opinion that, first of all, the case would not get to the High Court of Justice in its original form, or, if it did, it would be thrown out on some technicality.

If, however, it did arrive there, the matter would be involved in interminably long legal processes in which its sponsors would have the source of all money against them (and therefore questions of cost would not come in at all), and that the whole matter would either be buried or transformed. As a method of getting a basis for action I am confident a petition would be absolutely futile.

In brief I do not believe that the High Court of Justice is the right place to get a statement on a question of this sort, and even if it were, the question would never get to it, or be decided in any form which would lead to a radical modification of the monetary system.

### A Question of Method

**Question.**—Major Douglas has said that we should tell Members of Parliament what we want, but not how to get what we want. In his opinion, can the results we want be obtained by any other methods than those associated with his name ?

**Answer.**—I certainly should not like to state a negative to that. I do not know of any other methods by which they can be obtained except these. That is why I am perfectly willing to leave it to those who are forced to produce results to decide whether they use them or not. My feeling about it is, “If you know of a better ‘ole—go to it!”

### The Bank of England

**Question.**—Would Major Douglas and the Dean of Canterbury accept seats in the Court of Directors of the Bank of England ?

**Answer.**—The real trouble, even in the Bank of England, is not a matter of technicalities at all. I believe that the divisions of opinion upon technicalities between myself and what you might call orthodox economists are narrowing—that many so-called orthodox economists are coming around largely to my views. Where such a division of opinion does exist, I am most anxious to believe that it is because we are starting from different premises.

Now I start from different premises from those which activate the Bank of England. Even if you assume for the moment that the Bank of England is a British institution—which, of course, it is not—it is an international institution in the control of international forces which are fundamentally not interested in Great Britain at all—there *are* people in the Court of the Bank of England most decidedly concerned with what they consider to be the interests of the British, but that means, in their case, furthering what they call trade or reducing unemployment—not freeing individuals from economic shackles.

While I should be delighted to join the Dean in the Court of the Bank of England, I don't think that even that would radically alter its course.

### The Power of the People

**Question.**—Would Major Douglas outline a practical plan to bring home to people a sense of their power ?

**Answer.**—When a poacher gets a young whippet he always takes it out when there is a lot of easily-caught game, which he lets it catch. This gives it confidence.

That indicates a way to give people a sense of their power. First encourage people to try small things. Don't necessarily tackle the financial system straight away—tackle the local district council because there is a hole in the road and make them put it right. When you have

got a number of people to see they can get a hole in the road put right, they can set out to get a new road, and so on. The principle is to try it on the dog!

**Question.**—Is the correct object of the monetary system to facilitate the interchange of goods and services?

**Answer.**—The modern productive system does not primarily involve interchange of goods and services. The fundamental factor in production is power-driven machinery, and you cannot exchange services between power-driven machinery. That is why it is incorrect to say that money is, primarily, a medium of exchange. Money is primarily a demand system, so that the individual can demand from the productive system those things which he does himself contribute to it.

## The Object of Industry

**Question.**—Would Social Credit increase employment at first ?

**Answer.**—Yes—although, of course, it is not our *objective* to provide employment—I think that for a short time probably there would be increased employment.

What certainly would happen quickly would be a complete difference of emphasis on what is produced. Without going into technicalities, I want to stress this point. We are often told that it is obviously absurd to say that the financial system does not distribute sufficient purchasing power to buy the goods that are for sale. *We* never said it! What we do say is that, under the present monetary system, in order to have sufficient purchasing power to distribute goods for consumption, it is necessary to make a disproportionate amount of capital goods and goods for export.

Sweden is held up as a wonderful example of how well the monetary system can work. Sweden is producing about three times as much as she is actually consuming, but owing to vagaries of exchange she is able to export the remaining two-thirds. She has to take three times as much trouble as is really necessary in order to make the monetary system work.

That is, broadly speaking, the situation. In this country, and in every modern country, in order to make the present monetary system work at all, you have got to make a whole lot of things that are not immediately bought in order to distribute what is already available.

Although you may not require lathes and may have enough bread, the employees of the lathe-maker cannot get bread unless they make lathes; and so they make lathes to make shells to make war to get bread which is already available. Under Social Credit the emphasis on *what* is produced would be different. Only what was wanted would be produced.

## Efficiency of Unforced Labour

**Question.**—Do not most people prefer to be employed rather than unemployed ?

**Answer.**—Perfectly true. Most people prefer to be employed—but on the things they like rather than on the things they don't like to be employed upon. The proposals of Social Credit are in no sense intended to produce a nation of idlers—and would not. There never was a more ridiculous piece of misrepresentation than to say that as a class the rich are idle. They may be wrongly employed, but they are not idle. The danger to the world does not come from the idle rich—it comes from the busy rich.

No. Social Credit would not produce idlers; it would allow people to allocate themselves to those jobs to which they are suited. A job you do well is a job you like, and a job you like is a job you do well. Under Social Credit you would begin to tap the amazing efficiency inseparable from unforced labour, and the efficiency of the whole industrial system would go up.