

The Douglas Manual

compiled by **Philip Mairet**
Stanley Nott, London, 1934

In 1934 Philip Mairet compiled a handbook of the writings of Clifford Hugh Douglas, designed to provide an introduction to his thought for the general reader. The handbook provides a valuable resource, in view of the existence of the many summaries and interpretations which, when written by other authors often contained misrepresentations, inaccuracies and inconsistencies. Each of the publications by Douglas listed below (see Books and Pamphlets) was reprinted several times, and/or ran to several editions, from the first (Economic Democracy 1920, to the last (Warning Democracy 1934).

Foreword

The aim of this handbook is to provide a completely representative and authoritative statement of the principles of the New Economics formulated by Major Douglas in a single volume, taken from Major Douglas's own writings. The arrangement is designed to present, in an order convenient for reference, the main principles of this system of economic thought, and at the same time to serve as an introduction for the general reader.

Although this compilation had the author's full approval I must accept full responsibility for any defects in either the arrangement or the text. For any of its merits, on the other hand, I beg to acknowledge the valuable advice of Mr. D. Benton Riddett (author of *Monetary Policies*) throughout most of its preparation. My thanks are also due to Messrs Eyre and Spottiswoode, Messrs Chapman and Hall and to the Unicorn Press for permission to quote at length from *Social Credit*, *The Monopoly of Credit* and *Warning Democracy* respectively; and to Mr. A.R. Orage for his initiation of the idea.

Philip Mairet

Books and Pamphlets

By Major C.H. Douglas

Economic Democracy	Cecil Palmer
Credit Power and Democracy	Cecil Palmer
The Control and Distribution of Production	Cecil Palmer
Social Credit (3 rd Edition revised)	Eyre & Spottiswoode
The Monopoly of Credit	Chapman & Hall
Warning Democracy	C.M. Grieve

Pamphlets

These Present Discontents and the Labour Party and Social Credit	Cecil Palmer
The Breakdown of the Employment System	Manchester Economic Research Association
The New and the Old Economics	The Scots Free Press
The Douglas Theory	Cecil Palmer

Also referred to: *The Macmillan Report*: Minutes of Evidence taken before the Committee on Finance and Industry, 1930. Chairman: the Rt. Hon. H.P. Macmillan, K.C. References in this book are to the Statement of Evidence submitted by Major Douglas (also reprinted as an appendix to *The Monopoly of Credit*)

Front cover

THE DOUGLAS MANUAL

Being a recension of passages from the works of Major C.H. Douglas outlining SOCIAL CREDIT. Under a comprehensive series of headings the quintessence of Major Douglas's writings is presented on every aspect of the financial situation thus constituting the first complete compendium of the whole subject in a single volume.

Though selected from all the authoritative sources, books and articles, the extracts are arranged to be read continuously and to present what is in effect an analysis, a criticism and a solution. At the end of each quoted section the title of the book is given so that the reader may, if necessary, refer to the source.

THE AUTHORITATIVE HANDBOOK OF THE NEW ECONOMICS

Inside flap

SOME EXTRACTS FROM PRESS NOTICES OF **THE DOUGLAS MANUAL**

“Mr. Mairet has performed a very difficult task to admiration. Only those who have gone from book to pamphlet in search of an elusive quotation will fully realise the usefulness of this compendium; but it will be no less valuable to those who are making the acquaintance of Social Credit and the writings of its founder.” – *The New English Weekly*.

“The works of Major Douglas throw out a challenge which every thinking man must appreciate. ... It [Social Credit] has two characteristics which predispose one in its favour. One is its economy of means, the other its generality. ... He is right when he argues that there is a problem of general purchasing power, transcending the problems of particular industries, urgent and isolable. Moreover, he has probably done more than all the economists put together to persuade the mass of people that this is so.” – *The Spectator*.

“His manual may be commended to all who wish to understand this economic theory ...” *The Morning Post*.

“Mr. Mairet's efficient work of compilation has made it possible for interested laymen to master the brief of the economist whose work has provoked the most bitter fury and the intensest enthusiasm of any published since the European War.” – *Time and Tide*.

“ ... for those hearing of the Douglas theory for the first time, here it is, presented in authoritative and readily accessible form.” – *Review of Reviews*.

“ ... even among active supporters and critics of the scheme a thorough knowledge of its detail is often lacking. .. the 'Manual' can be accepted as thoroughly authoritative, and it offers a convenient opportunity to anyone wishing to study a theory which can no longer be ignored .. unusually well printed and has a good index.” – *The Yorkshire Post*.

“The book will be very disturbing to all disciples of orthodox economics. With simplicity and with unanswerable logic it calmly overturns the most cherished of doctrines and so-called axioms.” – *Vancouver Daily Province*.

“The volume will be found useful by both supporters and critics of the Douglas scheme.” – *Canada*.

“In view of the growing interest in the theories and principles of the New Economics formulated by Major Douglas many will be interested in the new volume dealing with his works.” – *Weekly Scotsman*.

“ ... the book should be read by all conservatives who are not yet familiar, at first hand, with Major Douglas’s theories. Here, in a briefest and clearest form, is the complete outline of these theories. ... Major Douglas is, at the lowest estimate, a strong original thinker in the field of economics. Knowledge of his thought cannot fail to benefit anyone who is seeking the way out of our present waste land.” *The English Review*.

Back flap

Clifford Hugh Douglas, Major, R.A.F. (Reserve), M.I.Mech.E. He was on the staff of the Westinghouse Company of America; late Chief Construction Engineer for the British Westinghouse Company in India; deputy Chief Engineer of the Buenos Aires and Pacific Railway Company; Railway Engineer of the London Post Office (tube) Railway; Assistant Superintendent R.A.F. Factory, Farnborough.

While reorganising the working of the Farnborough Air Factory during the war and devising a new method of keeping accounts, Major Douglas’s curiosity was aroused by his observation that the total costs incurred in each week were greater than the sums paid out for wages, salaries and dividends in that week. If this was true, as presumably it must be, for all productive businesses, it would surely invalidate the theory upon which our whole financial system was supposed to work – namely that all costs were distributed as purchasing power. Major Douglas proceeded to collect information from over a hundred large businesses in Great Britain and found that in every case the total costs incurred in every week were greater than the sums paid out for wages, salaries and dividends – except in businesses heading for bankruptcy. He then published his conclusions in an article in “The English Review” [1918]: - “that we are living under a system of accountancy which renders the delivery of the nation’s goods and services to itself a technical impossibility.” Its importance was recognised by very few, but notably by Mr. A.R. Orage, then editor of “The New Age,” who at once invited discussion of the idea in his paper.

The progress of his ideas among the British public has been slow. As Mr. Orage once wrote: “The subject itself, even in the hands of a master, is not exactly easy; and, in fact, it compares in economics with, let us say, time and space in physics. By the same token Douglas is the Einstein of economics.”

The economic depression has stimulated an intense interest in Social Credit all over the world, particularly in America, Canada, Australia and New Zealand, where the ideas have become a political issue of the first importance.

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being a recension of passages from the works of Major C.H. Douglas outlining
SOCIAL CREDIT

Compiled by
PHILIP MAIRET

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