

## The influence of C H Douglas on his contemporaries

The first public presentation of C H Douglas's economic analysis first appeared in the December 1918 issue of the *English Review* under the title 'The Delusion of Super-Production'. This was to be soon followed by his first major work, *Economic Democracy*, which before publication in 1920, appeared serially in the *New Age: A Weekly Review of Politics, Literature and Art* edited by A R Orage.

In his autobiography, Augustus John states: 'A R Orage was a friend of mine. The literary generation of his time owes much to Orage. Under his editorship the *New Age* became the best and liveliest weekly. It carried no advertisements and in that respect was both unique and commercially unsound. I thought Orage's notes on the first World War were as judicious as they were exemplary in style: he was so often right. After a period given up to the exposition of Guild Socialism, Orage fell under the spell of Social Credit as expounded by Major C H Douglas. I painted the major and was impressed by his personal dignity and charm. Unmoved by obloquy or boycott he stands apart, urbane and imperturbable....'

In an American publication, *Commonweal*, in a series of four articles on the theme of an editor's progress, in the second bearing the title 'The Douglas Revelation', Orage recounts:

'One day, about a year after the Armistice, there came to my office, with a personal introduction from my ex-colleague, Holbrook Jackson, a man who was destined to effect a beneficent revolution in my state of mind. Major C H Douglas, as it appeared, had been for already nearly a year engaged in trying his ideas upon various persons and personages, political and journalistic. His ideas concerned the problems of finance; and I quickly gathered that they were difficult to understand and had been "turned down" or refused a patient hearing wherever Major Douglas had adventured them. This was nothing to me who had often boasted that the *New Age* owed its "brilliance" to the rejected stones of the ordinary builders; and everything about Major Douglas made him personally and intellectually attractive....'

'He had been assistant-director of the Government aircraft factory during the war; he was a first-rate engineer; he had encountered financial problems practically as well as theoretically....His knowledge of economics was extraordinary; and from our very first conversation, everything he said concerning finance and its relation to industry — and, indeed, to industrial civilisation as a whole — gave me the impression of a master-mind perfectly informed upon its special subject. After years of the closest association with him, my first impression has only been intensified....In the scores of interviews we had together with bankers, professors of economics, politicians and businessmen, I never saw him so much as at a moment's loss of complete mastery of his subject. Among no matter what experts, he made them look and talk like children....'

'The Douglas positive proposals were as impeccable as his analysis; only they could not be carried into effect owing to the stupidity of the community that needed them....Here was Douglas's idea which, if I may repeat myself, promised a way out for everybody from the economic morass. All that was needed was that everybody should sufficiently wish to be out of the morass to be willing to try Douglas's way. But how to make everybody really wish — that was now the question for me.....'

Orage was to fail in that quest, as did John Hargrave, founder-leader of the erst-while Social Credit Party of Great Britain and Northern Ireland. But in recent times, in the course of a concise appraisal of Douglas's stature, Hargrave pinpoints the kingpin of the technical analysis and proposals thus:

‘Douglas goes down in history as one of the Great Discoverers and Innovators. He joins the illustrious roll of those who have given mankind new powers, new implements, new methods of vital importance in the development of human life on this planet.

‘We do not refer to “gadgets” or improvements. We refer to fundamental discoveries. That which he revealed — and it could be jotted down on a half sheet of notepaper! — takes its place with the basic discoveries of those Unknown Experimenters who, by chance, insight, or empirical trial-and-error, laid the foundations of whatever culture and civilisation we possess. We are thinking of such Nameless Benefactors as the First Man to —

- make an Edged Tool (flint knife)
- tie a Knot
- think of using a Lever
- hurl a Throwing Stick (spear)
- hollow a Dug-Out Canoe
- shape a Clay Pot
- make and use a Wheel
- kindle Fire

‘It is in this category that we have to place the work of Douglas in the field of economics and finance. That is, in the first order of importance. In this connection, we recall the words of the late Sir Basil Blackett, a director of the Bank of England, spoken at the time of the ‘economic blizzard’ in 1931: ‘It may be that even now, just around the corner, there is waiting for mankind some very simple device comparable to the use of the cipher in numerical notation or the placing of the axle under the centre of the carriage, which will revolutionise our financial theory and practice, and save future generations from the recurrence of the disastrous sequence of boom, slump, boom, slump.’

‘Over a decade before this, Douglas had revealed ‘the very simple device’ — so simple that the majority of orthodox minds boggled at it, without however, being able to destroy its devastating logic. Can it be that Sir Basil was in fact referring, somewhat cryptically, to this when he said: ‘It may be that even now, just round the corner, there is waiting for mankind....’? (Not long after speaking of the ‘very simple device’ Sir Basil was killed in a mysterious car accident while motoring in France).

‘What, then, is this ‘very simple device’ that Douglas made known, and that could be written on a half sheet of notepaper? It is a technical formula, set forth as follows:

Cost: Price: : •Production:Consumption  
therefore: Price per ton =  
Cost per ton x

$$\frac{\text{Cost value of Total Consumption}}{\text{Money value of Total Production}}$$

‘A simple explanation of this formula is: that the scientific price of any article to the consumer is the cost of the production (‘using up’ of other articles) during the period of production.

*For the first time in human history it becomes possible to calculate the exact – the scientific, as opposed to orthodox financial – cost (and therefore the price) of any article offered for sale.*

‘This formula is in fact the kingpin of the technical aspect of what is known as Social Credit. It is arrived at by logical sequence from a consideration of Douglas’s world-famous ‘A + B Theorem’, which reveals that there is, and, under the present financial system, must always be, a shortage of consumer purchasing power. From the Cost: Price Formula (set out above) we arrive at the need for the Douglas proposals (1) the Consumer Dividend, popularised as ‘Dividends for All’, and (2) the application of the Scientific (Compensated ) Price at the retail-end. The Principles governing any application of his Proposals were formulated by Douglas as early as 1924. They remain today absolutely inviolable, and cannot be set aside or ignored by any governing power attempting to implement Social Credit.

‘All great ideas are simple. And just because they are simple, they are difficult to grasp by complex (muddled) types of mind. Perhaps Sir Basil Blackett’s mind ‘saw through’ the complexities (muddleheadedness) of orthodox financial theory and practice.

‘What manner of man was this Scots engineer, Clifford Hugh Douglas?...In looks and personality: Bland, smilingly Enigmatic, Buoyantly Self-Confident. A Buddhic Imperturbability seemed to enfold him. In build, comfortable, somewhat stout and stocky. A typical ‘John Bull’ type, you might think: indeed he would not have been out of place as ‘mine host’ at the sign of the *Jolly Miller*. Because of the gigantic cranial development — the great Domed Head dominated the whole physical structure — you wouldn’t notice the rather short legs. Then the brilliant blue eyes would light upon you — smiling, always smiling: lit by joviality of spirit — blazingly alert, honest as the day, scalpel-sharp.

‘How mild he seemed to be, quiet spoken, extraordinarily exact in verbal expression, a disconcerting master of the Socratic method, never ruffled — smilingly authentic in logic-tight statement, sometimes a little pompous, a little aloof, usually unanswerable, replying to an involved and long-winded question by a counter-question of six short words that destroyed the argument outright, revealing its naked stupidity for all to see.

‘Known as ‘Major Douglas’, he proclaimed himself a Tory, but in reality was nothing but himself. There never was an outstanding thinker who looked so normal, so non-cranky...he remained always the Man Who Held the Answer to the Economic Problem. He maintained the same attitude throughout: ‘If you want the solution, there it is — take it and apply it’.

‘A penetrating intellect, and a sea-green incorruptible if ever there was one.’