

# ELEMENTS OF SOCIAL CREDIT

*An introductory Course of Lectures  
published with the authority of  
The Social Credit Secretariat.*

*Published by*

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THE SOCIAL CREDIT SECRETARIAT  
(Advisory Chairman—Major C. H. DOUGLAS)

# ELEMENTS OF SOCIAL CREDIT

*An introductory Course of Lectures published with the authority of the Social Credit Secretariat, "a non-party, non-class organisation neither connected with nor supporting any political party, Social Credit or otherwise."*

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**SOCIAL CREDIT SECRETARIAT  
LECTURES AND STUDIES  
SECTION**

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**Constitution**

(1) The Lectures and Studies Section is constituted a sub-department of the Department of Information of the Social Credit Secretariat.

(2) The responsible officer is a Director responsible to the Deputy Chairman.

(3) Services to the Section are voluntary.

(4) Organisation of the Section is based upon the geographical distribution of groups of individuals collectively affiliated to the Social Credit Secretariat, and upon the acceptance of individual responsibility to the Director for Lectures and Studies for the effective delivery and management of the courses.

Deputy Chairman: Tudor J. Jones, Sc.D., M.D., (Glasgow), F.R.S.E.\*

Director for Lectures and Studies: Mrs. B. M. Palmer, B.A. (Lond.).

**Ordinances**

i. **Courses.** There shall be an elementary and an advanced course of study: Course A and Course B.

For Course A, classes will be held where suitable arrangements can be made, and where not fewer than twelve persons apply for instruction.

For Course B, classes will not be held. The required course of study covers a wide range, and is subject to special conditions. (See Ordinance ii below).

ii. **Admission to Courses.** Students seeking admission to Course A shall

(1) Signify their intention of making at least four-fifths of the possible attendances at lectures, and of completing such other work of the class as may be required by the lecturer, and

(2) Pay the prescribed fee.

(See further the announcement at the end of this volume: "Note on Courses.")

They may further be required to furnish evidence that they are likely to profit by the instruction given.

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\*The lectures were compiled, with the exception of Lecture XV, by the Deputy Chairman.

Students seeking to enter upon Course B shall be required to have passed the prescribed Examination terminating Course A, unless this formality is dispensed with by Regulation applying to their special case, and to fulfil such other Regulations as may be in force at the time of their entry for Examination.

(See further the announcement at the end of this volume : " Note on Courses.")

iii. **Diplomas.** There shall be two degrees of qualification : an Associate's Diploma and a Fellow's Diploma.

iv. **Examinations.** (a) Subject to the provisions contained in the Ordinances, diplomas will be granted to those who have satisfied the examiners appointed by the Social Credit Secretariat concerning their proficiency.

(b) Diplomas issued shall not be valid unless signed by Major C. H. Douglas, or by someone else nominated by him for the exercise of this power.

(c) For the protection of the public and to safeguard the prestige of diploma-holders, it shall be within the power of Major C. H. Douglas, or of someone else nominated by him to exercise it on his behalf, to withdraw any diploma at any time, and to announce his action publicly in such manner as he deems expedient.

(d) Candidates for examination in Grade A may be admitted on payment of the prescribed fee covering the expenses of their examination, *whether they have attended the prescribed course or not.* If successful, such candidates shall be admitted to the proper degree of qualification subject to the provisions of paragraphs a, b, and c of this Ordinance.

(e) Candidates for examination in Grade B may be admitted on payment of the prescribed fee and compliance with the Regulations in force at the time of entry.

v. **Lecturers.** Appointed lecturers shall have individual responsibility to the Director for securing satisfactory attendance upon the courses of lectures they deliver, and the concordance of the instruction given with the order, extent and accuracy of the instruction prescribed, to the extent that the due preparation of students for examination is dependent upon such concordance. They shall further be responsible for the organisation of the courses they deliver and for the supply of such information relating thereto as may be required by the Director.

vi. **Lecture Period.** The term lecture shall mean instruction for one hour by an approved lecturer, and tutorial work for a further period of one hour.

vii. **Order and Discipline.** Lecturers are empowered to secure the retirement of any student whose conduct is disturbing to the order of the class or to the satisfactory prosecution of the work of the class.

#### Fees

Class fee, Course A	..	..	..	..	..	..	£1 10 0*
Course B	..	..	..	..	..	..	None
Examination fee (Grade A and Grade B)	..	..	..	..	..	..	10 6

\*See, however, Ordinances iv(d).

# SYLLABUS

## Introduction

Great care is necessary in introducing this course of lectures to the public and to students.

Social Credit has been the subject of study and propaganda for many years, but was not until January, 1937, the subject of organised exposition, instruction, and examination.

The propagandist aims to achieve the spread of ideas, whether right or wrong, tending to promote some action which he desires. The student tries to gain *correct* ideas. The word means different things to different people, or different things to the same people at different times. It may mean correspondence with the idea entertained by someone in a position of authority, or an idea which what we call our minds cannot dispel, or an idea which is right in the sense that it leads in execution to the attainment of a desired result. That is what is meant here by a correct idea. The efficiency of the propagandist rests upon the formation of at least some correct ideas (in this sense) : *i.e.*, it is dependent upon at least some study. But this study may best be study of the means of propagating ideas in general, or of a particular idea the spread of which the propagandist desires. He may already be in possession of that idea, and may not need to study to acquire it.

Undoubtedly a wide spread of certain ideas would facilitate the Social Credit propagandist's labours ; but it is questionable whether the spread of these ideas in a sufficiently accurate form can be effected widely enough and quickly enough to assist him very materially.

On the other hand, it is probable that in the sense in which knowledge is power, the distribution of as much sound knowledge as possible would increase the individual's power. The emphasis is on the soundness, not upon the possible extent of distribution. The course is planned in accordance with this guiding principle.

It is not primarily designed to assist those who have already experienced difficulty in understanding what the words " Social Credit " mean, or the practical proposals of Major Douglas based upon this understanding. The course may be said to be designed primarily to give opportunity for instruction to those able and willing to profit by it.

The course, then, aims at as complete instruction as possible in a limited number of matters concerning Social Credit. All the matters which concern Social Credit have not yet been investigated. It is the youngest of studies, though possibly the most vitally important. It concerns *the efficiency of human beings in association (or in society) as measured in terms of human satisfaction.*

A brief note on the method of study is desirable.

The lectures were not constructed to take the place of an afternoon's reading, light or heavy. When first used in 1937 detailed instructions to lecturers were distributed, and in most cases obeyed, prohibiting the introduction of irrelevant material and the discussion of the subject-matter of later lectures in advance of the designed place and time for its consideration. Each lecture was considered to be more than sufficient for one week. Lecturers were advised to read each sentence slowly, without oratorical emphasis, and, if necessary, to repeat it, more or less in the spirit, and for the reason, that one may read over a telegram, to make sure that each word receives its due attention. In practice, this proceeding lasted nearly an hour, and a second hour was spent in elucidation (not discussion) of points suggested by students. To enforce, if possible, as deliberate an approach to the study of the lectures, when they came later to be distributed by post, the rule was established that only one lecture a fortnight was to go to any student. This account of previous practice should convey to the reader the attitude of mind in which he should enter upon the study of the lectures, if he desires to gain from them an understanding of the principles they are designed to convey.

## COURSE A

### LECTURES

**Lecture 1.** Social Credit a fact, not a theory, by definition. Study aims at the extension of knowledge of the fact and of contributory facts. Method : direct observation, communication of verifiable direct observation by others, and orderly presentation of results gained. Society and association. Definitions. Conflicting tendencies reflected in current definitions. Elimination of definitions containing an ideal element.

Society as a complex of observable phenomena. Phenomena : observed results in nature. All phenomena appear to arise from some mode of association. Natural modes of association, leading to analysis of their characteristic results—phenomena.

**Lecture 2.** The increment of association in its various forms.

**Lecture 3.** Social instances of the increment. Chief facts associated with development and transmission of increment. Modern process. Industry.

**Lecture 4.** Wealth defined. Sources of wealth (natural ; no other sources demonstrable, but inductive method ready to admit and describe new sources of wealth as they may appear). Capital.

- Lecture 5.** Wealth : negative aspects. Observable limitation upon human productivity. Sabotage. Restriction of production.
- Lecture 6.** The notion of cost. Relationship to assessment of efficiency. The "balance" sheet. Historical avoidance of precision in regard to the Social Credit.
- Lecture 7.** Objective comparison with implications of ideal elements in definitions of society. Policy.
- Lecture 8.** Fundamental notions of a precise nature other than those already dealt with. Precision in measurement (conformity to exact standards in a science) largely a matter of choice of relevant standards. Douglas's use of the notion of "sufficiency." Organisation.
- Lecture 9.** Organisation and control.
- Lecture 10.** Control in relation to efficiency. Natural and artificial (planned) control. Agency of control. Sources of power available to controlling agent. Some examples analysed.
- Lecture 11.** The "arts" of government.
- Lecture 12.** Exchange and barter. Simple consequences arising from introduction of additional terms. Chain barter. Nature of money.
- Lecture 13.** Forms of money. Elementary observations on the use of money in its various forms.
- Lecture 14.** Price.
- Lecture 15.** Book-keeping conventions.
- Lecture 16.** Simple instances of the principle of mechanical similitude applied to human association : force and momentum in society. Brief outline of sphere of Social Dynamics.
- Lecture 17.** Current propaganda assessed from the point of view of its effect upon the Social Credit.
- Lecture 18.** Current symbolism in use among financiers. Objective assessment of the working of the financial system.
- Lecture 19.** General review of power available to individuals to affect the Social Credit.
- Lecture 20.** Conclusion. Suggestions for future study.

Every student should have read carefully the brief Introduction to this Course.

Our objective is stated there to be "as complete instruction as possible in a limited number of matters concerning Social Credit", and Social Credit is defined as "the efficiency, measured in terms of human satisfaction, of human beings in association (or in Society)".

The student should study that phrase word by word until he is satisfied that he is familiar with it. He will soon discover that so far from being a theory, Social Credit, if it is what the definition indicates, must be a fact.\*

Let us go over that. "Efficiency", according to Chambers's *Dictionary*, is "power to produce a result intended". There is no other word that offers any difficulty, although the phrase "measured in terms of human satisfaction", may have an unfamiliar ring. It means that the power is to be considered as being measured in a particular way. Let us suppose then, that we can remember the original definition well enough to repeat it and that in it we substitute the dictionary meaning of "efficiency" for the word. The expanded definition is :

"The power of human beings in association to produce the result intended, measured in terms of their satisfaction."

You may decide now whether human beings have or have not any such power : whether two or more persons can help each other to produce a result they intend to produce. If they have no such power, Social Credit does not exist : if they have it does.

What do we decide? We cannot study something that does not exist, and if we decide that human beings inevitably help each other to produce a result which they do not intend and do not find satisfactory, we had better give up, for we have nothing to study.

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\*Until the present revision (1946), this sentence read as follows :— "He will soon discover that so far from being a *belief*, or a *religion*, or a theory, Social Credit, if it is what the definition indicates, must be a fact." The words here italicised have now been removed because, though still true and important, they tend to conceal the relationship which exists between Social Credit and not only religion but a particular religious system, namely that variously called the Christian or Catholic. This relationship, confirmatory (we would say) of the truth of both the Social Credit and the Trinitarian Philosophy, has been made evident and clear by experience of the recent development of Social Credit thought, and is the subject of some passages in a POSTSCRIPT at the end of the Lectures, which bears the same date as the emendation (such as there has been) of the text. The student is advised to master the argument of the Lectures before he ventures upon this more advanced territory.

Social Credit, then, is a fact, not a theory. We shall try in this course to get to know as much as possible about this power—about every means of increasing it and every means of diminishing it. The result will be more power in our hands to control it, whether we use that power or not.

How is this plan of extending our knowledge to be carried out?

There is not much doubt that wherever practicable direct observation is the readiest means of gaining knowledge. That is to say: our own direct observation. Verifiable direct observation by others may supplement our own observation. The method we shall follow, therefore, is direct observation, extended by verifiable observation by others in combination with the orderly recording of our results.

Essentially this is what is called the "scientific" method: the method adopted by Faraday in getting to know many useful things about electricity: he just watched events happening and wrote down an account of the precise circumstances in which they happened.

Most scientific studies require a specially constructed laboratory in which events may be made to happen and may be watched. Social Credit is no exception; but you need not be disappointed to find yourself beginning the study of Social Credit in a room, instead of a laboratory. There is scarcely anything that will be mentioned here that you cannot go and try out in a laboratory—the very specially constructed laboratory. That laboratory is the civilized world as you know it, and most of the things you will be asked to watch you already have watched in one sense or another. It is true you may find that you have looked at them without seeing them distinctly. Or you may find yourselves so full of thoughts about them that the things—events—your thoughts are about have become covered up. There are reasons for that. They explain why the "power of human beings to produce the result intended" is so little as it is. They are part, therefore, of the study of Social Credit.

If we are quite clear in our minds that in studying Social Credit we are really engaged in making careful and accurate observations concerning matters of common experience, which we may test over and over again, we can move forward. We know what it is we are studying, and we know we are studying it in order to increase our control over it.

Some of you may not find it easy to proceed in the way suggested—*i.e.*, by making careful and accurate observations or even to follow steadily with your mental eye the observations made by someone else. The method entails a good deal of self-discipline. Really one can learn to practise the scientific method only by applying it. It is no use talking about it. Many large and almost unintelligible books have been written about it: but they contain scarcely more than half-a-dozen really useful statements about it. It is not very helpful here to say what

they are, but it may be helpful to give a hint concerning the nature of this difficulty you may experience.

To use language which is undeniably metaphorical, once we get any single thread of the universe fairly into our hands to observe it, we are certain to find that it "pulls" upon some other thread, and the great guiding principle which we ought to adopt (because others have demonstrated its soundness), is that we must never let go *even when we have felt, as it were, that "pull"*. That, simply stated, is a profoundly important principle of scientific method (which is our method). In studying Social Credit, some of you are studying not only a science, but an exact science for the first time. There may be no name for the principle just referred to; but it is very important. It is impossible to find out where the threads of experience lead without taking a firm grasp of them. It is of no use to jump impatiently from one thread to another. Yet it is difficult to retain one's grasp very often. There are many temptations to let go. One of the commonest is what is called an "idea"; and many a man who has fast hold of a really important thread can be persuaded to let go if an idea so much as winks at him. Take Care.

Now, with our definition still, as it were, in our hands for observation, notice the end of it:

"in association (or, in Society)".

The letters italicised are the essential letters of both words: but one word begins with a capital letter. Why? We are not really concerned, of course, in merely examining words—that would land us in a mere logical argument and we are concerned, as scientific people, with events rather than with symbols. We want to get past words, if we can, through them, beyond them: we want to reach *events*, experienced *as events* directly by ourselves. Is it possible, by direct observation, to gain useful notions about Society (or, if you like, about association)?

We, at the present moment, are associating. Is there anything exceptional or different in the nature of what is called "human Society" which distinguishes it from this little bit of human Society or association? Let us look for it. If we find it, we find the difference. If we don't find it we can only say *we have found no difference*. We cannot say more than that. This is what is called the "inductive method" of proceeding. It brings to light facts that matter, instead of assuming that all that matters is already contained in some general statement. We are looking for facts that matter, and we had better behave in this way. We should, of course, test everything that is said for ourselves. Some matters may take a long time to test. For example, it will take a long time to test the statement that nothing is discoverable in human Society that establishes an essential difference between it and the society, let us say, of two families on an island, excepting the number of people concerned and the variety of their modes of association. No other

difference has been discovered so far, and on that account we are justified in saying at present that the phrases "human society" and "human association" mean exactly the same thing, that one is as good as the other and that whenever we refer to one we might call it by the name of the other. If human society were stricken by some sudden strange disease and were reduced to a bare half dozen individuals, instead of the 2,000 millions who at present inhabit the earth, Society would not necessarily be destroyed. It would still continue to be human Society, provided that the six individuals co-operated with one another, or unconsciously affected one another if only in a single instance. The variety of ways of co-operating would have been reduced in number; the associations of the six people would be changed: but they might, and if they were wise they would, still be six associating people, in other words, a human society.

We have mentioned association and *modes* of association without finding out what it means to associate or whether, whatever it may be, it is something that can be done in different ways. The word is Latin: *Socius*, a companion. It is not profitable, however, to begin the study of association in the highly complex instance provided by human companionship.

Inspection suggests we should find it compounded of several, perhaps a very large number of subordinate associations, or modes of association. Let us begin with something easier, for even an *apparently* simple instance of association, *e.g.*, the association, or "companionship" of two apples on one plate, may reveal unexpected features. Unprofitable study is to be avoided; yet no point which may prove to have value or significance must be allowed to pass unnoticed. Each apple seems to be imperatively restricted in definable ways by the presence in its neighbourhood of the other apple. If one apple occupies one position, the other cannot occupy the same position at the same time: if either apple is moved, its movements must have a continuous but changing relationship in regard to the other: if both are apparently at rest, they nevertheless influence each other in various describable ways. The simple instance does, then, reveal on inspection, matters of some difficulty. "Common Sense" is alleged to be capable of handling such matters. In a practical sense this is probably true to some extent, *e.g.* a child of two years often gives us the impression that it is striving to secure an *impossible* result. In doing so it discovers, practically, by trial, some, perhaps most, of the *possible* results. It cannot formulate symbolically or express what it has done or how it has done it. *It can just do it again and again with increasing precision.* It is learning the *practical limitations to effective action.* They may be natural or artificial. Time and the persistent use of the inductive method will show which.

Since our objective bears a resemblance to the child's we might do the same in regard to the powers inherent in association (or in Society); but we desire greater mastery than the child possesses,

and our world is much more complicated than a plate with two apples on it. Observations show us that the relationships which exist between the two apples would be materially altered by adding a third apple, and are still more materially altered by adding the child. By the addition of the third apple fresh physical relationships are established. By the addition of the child, a new kind of relationship is established. Much time might be spent in classifying associations and reclassifying them. Do it as much as you can in the time you have; but do not waste your time. That is a counsel of perfection. The test is the *result* in regard to the value of the useful knowledge gained, and so much has, in fact, been gained in the past that we may as well examine it, while at the same time keeping an eye open for fresh sources of help.

We shall proceed, then, presently, to an examination of the major results gained by those who have studied various instances of association. But, before we do so, it is necessary to linger for a few moments over the statement which has just been made that no one, turning his attention to Society, has ever yet found in it anything but a number of instances of association. It is only by straining his imagination that he has been able to combine these and to picture them as a whole, as a single instance of association. No one has ever seen Society, or heard it, or felt it. Each of us apprehends it only in fragments, and then what we are actually able to give our attention to is a separate instance of association and its result. For example, nobody has ever seen Society do any of the things which Society is commonly said to do. When anyone has been said to be a witness of the vengeance of Society, inflicted upon one or more of its members, what was actually seen was a hangman, a rope, a support for a rope, a moveable platform, a superintending officer, a stopwatch and a victim. Inquiring into the antecedents of these things one sees books, schools, churches, fields in which hemp is growing, factories, the instruments of carpentry and joinery, wig-makers, watchmakers, and homes and so on. No one has made it clearer than Douglas in the third Chapter of "Social Credit", and elsewhere. In the work cited, he says:—

"One of the first facts to be observed as part of the social ideal . . . is the elevation of the group ideal and the minimising of individuality, *i.e.* the treatment of individuality as subordinate to, *e.g.* nationality. The manifestations of this idea are almost endless. We have the national idea, the class or international idea, the identification of the individual with the race, the school, the regiment, the profession, and so forth. There is probably no more subtle and elusive subject than the consideration of the exact relation of the group in all these and countless other forms, to the individuals who compose the groups . . . The shifting of emphasis from the individual to the group, which is involved in collectivism, logically involves the shifting of responsibility for action. This can be made, it would appear, an interesting test of the validity of the theory.



For instance, the individual killing of one man by another we term murder. But collective and wholesale killing, we dignify by the name of war, and we specifically absolve the individual from the consequences of any acts which are committed under the orders of a superior officer. This appears to work admirably so long as the results of the action do not take place on a plane on which they can be observed ; but immediately they do, the theory obviously breaks down. There may be, *ex hypothesi*, no moral guilt attributable to the individual who goes to war ; but the effect of intercepting the line of flight of a high-speed bullet will be found to be exactly the same whether it is fired by a national or a private opponent. Nations are alleged to have waged the first world war, but the casualties both of life and property fell upon individuals. There is no such thing as an effective national responsibility—it is a pure abstraction, under cover of which, oppression and tyranny to individuals, which would not be tolerated if inflicted by a personal ruler, escape effective criticism. We do not know what is the automatic reaction consequent on the killing of one individual by another, as distinct from the non-automatic and artificial reaction involved in the trial and punishment of a murderer in a court of law. But we do know that over every plane of action with which we are acquainted, action and reaction are equal, opposite and wholly automatic. Consequently there is nothing to indicate that the automatic consequences of a given action will exhibit any difference if committed under the orders of a superior officer, or not."

These passages take us further than our present topic, but they justify our present slow pace of progress. Take the sentence :

"There is probably no more subtle and elusive subject than the consideration of the exact relation of the group in all these and countless other forms, to the individuals who compose the groups."

It is subtle and elusive because something is constantly distracting the attention from actualities ; and before any headway can be made we must practise uncomplicated attention to actualities just as a cricketer practises uncomplicated attention to the movements of a cricket ball in varying conditions. This is an entirely different matter from the rules of the game of cricket. It is doubtless possible for a cricketer to learn the rules of the game and how to bat concurrently ; but he can learn nothing about batting from the rules and nothing about the rules from batting. Batting and the rules of cricket have no connection with each other. It is not the rules of cricket which cause the ball to rise for a catch ; but the relative movements of bat and ball. This, which is so obvious in cricket, has ceased to be obvious in the discussion and the practice of association, or Society ; and we can only reacquire our ability to see the plain and the obvious in this "subtle and elusive" sphere by, as it were, practice at the nets—not by study of the rule book. Finished as they are in the application of objective

standards, the passages quoted from Douglas are the work of one who has practised at the nets. So we must practise at the nets unless we have already done so until we regain facility in distinguishing between rules and strokes and can think without confusion about rules and strokes. Since the matter is plainly one which may involve the life and death of individuals it is important.

Another matter :—

Douglas asserts that "for every action with which we are acquainted, action and reaction are equal, opposite and wholly automatic". Those unacquainted with physical science may be reminded that these constitute a statement of no less important an observation than that contained in the Third Law of Motion of Sir Isaac Newton : "To every action there is an equal and opposite reaction".

A very large part of the science of mechanics is an elaboration of this law, and the demonstrations which usually accompany it are as simple as those we have used to demonstrate a simple association—two apples on a plate. Unless we can submit ourselves to the discipline of considering such simple things, "the exact relation of the group to the individuals who compose it" will always be a subtle and elusive subject.

Douglas draws attention to the fact that "the consequence of intercepting the line of flight of a high-speed bullet will be found to be exactly the same whether it is fired by a national or a private opponent". It is quite possible to express what Douglas is driving at in the statement that if there is any validity in the ideal plan of the nature of society, a bullet fired with "social" authority ought to effect some change which a bullet fired without "social" authority could not effect and that if experience fails to reveal such a difference, "Social" authority is as incapable of establishing it in any other field as it is in this. Things are either what they are or what they ought to be. Events either occur as they do occur, or as they ought to occur ; we can take our choice whether we will deal with things as they are or whether we will deal with them as they are not, but ought to be. The impossibility of establishing agreement concerning what they ought to be as well as our powerlessness to impose this *ought*, whatever it is, upon nature as a whole, determines that if we are to make any progress at all, we must consider things as they are, and we cannot do this unless we do it completely. We cannot think if our minds are in a state of perpetual conflict. The "oughts" belong to a different world from the "is's" and we shall never understand the effective nature of society unless we deal with these two worlds at least one at a time. Also talking about them, even one at a time, is not the same thing as learning to attend to them one at a time. We must practise that. Broadly speaking every mention of society which tends to endow it with a quality, apart from an observed result of association, will be found, on examination, to be contaminated by some notion which is purely ideal. Whenever a word is used to bring into the mind any notion of a difference in



the true source of this gain. The true source of this gain is *the natural properties of the association which permits us to vary the opposing weights to our advantage. What we cannot vary are these natural properties.*

Levers have been divided into three classes according to whether the Fulcrum, the Resistance or the Driving Force occupy the middle position. A crowbar or a spade are levers of the first kind: a pair of nut-crackers, or a wheel-barrow, and an oar, are levers of the second kind; a pair of sugar tongs is a lever of the third kind. The Balance and the Steel-yard are modifications of the lever; the other simple machines are the pulley, the inclined plane, and the screw, each with its characteristic mechanical advantage.

Every simple machine consists of more or less massive parts and its characteristic action is displayed only in the presence of something which produces, or tends to produce movement in these parts.

Inspection of one of these machines in action elicits curiosity in the observer concerning it, and this is quite enough to know that physical association is a very respectable subject for investigation and a fruitful source of observed results which are advantageous.

#### Results.

Phenomena = observed results in nature (of association).  
Association = the apparent source of phenomena.  
Society = complex associations into which human beings enter with each other.

#### Additional Notes.

The lecture is planned to serve as an introduction to the inductive method "go on looking until you find it is not so. If you cannot find it is not so, say 'no case has been found'". Students unfamiliar with the methods of the natural sciences will be prone to revert to logical argument or to seek for ultimate causes, *e.g.*, *why* is  $W.AC = R.BC$ ? This is the constant *result* obtained by the actual measurement and it arises out of the association. Students should make this point of view familiar to themselves and should resist the temptation to enter into argument or philosophical discussion. Social Credit takes account of everything relevant to social life, *but* from the definite point of view of "the power to produce the result intended". The *effects of beliefs* in modifying efficiency are thus matters for consideration. But each effect must be treated in its own place lecture by lecture.

## II

We are trying to learn something about ASSOCIATIONS, because human society is AN ASSOCIATION . . . the most complex association we know: a vast construct, or complex, of separate associations.

A simpler association than a ruler balanced on the edge of a knife it would be hard to find, yet results of great importance have been gained by paying attention to this very simple instance. By watching what happens when similar very simple associations are established, a vast amount of useful knowledge has been acquired by man — knowledge of HOW TO DO THINGS. A short name for man's knowledge of how to do things is *Culture*.

The men who did most of this work were wise in that they made haste slowly. They found that they were most successful when the job was easy, so they stuck to simple easy matters. All the great practical achievements are due to their persistence in this course: modern technology, engineering, chemistry, agriculture. The most wonderful thing about these is THE RESULTS: each of the steps taken to reach these results was a childishly simple and easy step.

It is not because Social Credit is "mechanistic" (whatever that may mean), or because it is a branch of the science of Mechanics (it isn't) that we are at present considering some of the better-known results of elementary mechanics. It is because they are very simple in themselves, and illustrate the properties of associations of all kinds as nothing else can do.

Every association has a RESULT. This is its INCREMENT OF ASSOCIATION.

At the close of the present lecture, we shall have reached two important conclusions:

- (1) Each of the ELEMENTS in an association is effective in its own way.
- (2) Knowledge of the RESULT of an association is, and can be derived PRACTICALLY by observing the CIRCUMSTANCES IN WHICH IT OCCURS.

Both of these generalisations are of supreme importance to anyone who wishes, let us say, to control the Social Credit. They are well understood by those who wish to diminish it. Anyone who wishes to increase it had better be as well-informed, and it is impossible to be well-informed about matters of this kind without considering them carefully by easy stages.

The chief instance of association and its result considered last week was one which involved the tendency of matter to move in certain circumstances. We saw that some of these circumstances might be controlled, leading to the gain of an advantage called the mechanical