

INTRODUCING SOCIAL CREDIT



Part 5. Distinguishing Between Money & True Riches

Your Actions Count

"What can one person do?" people ask. The result is that wordy minorities, loud-mouthed in their advocacy of chaos and unfettered liberty win the day. But I say don't allow yourselves to be bullied into silence. You matter. Your actions count. One person on the side of right, decency and honesty is a real force.

INTRODUCING SOCIAL CREDIT

Do not attempt to review individual Social Credit proposals in the light of present-day political, economic and financial orthodoxy as that is counter-productive. Each theme exists within the framework of an alternative economic theory and social philosophy.

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See also inside back cover for historical background, policy statement and contact information.

PART 5: DISTINGUISHING BETWEEN MONEY AND TRUE RICHES

THE 'MONEY' STORY

The story of 'money' is one long history of corruption, fraud, great riches for some, abject poverty and slavery for many others, wars and death. No wonder we were told "You cannot serve God and mammon:" (mammon = money)

Money is an abstraction and while it takes many forms and is made of many mediums, people find it very difficult to 'get their mind' around the concept. People fail to distinguish between a set of figures and things. In this exercise we will concentrate on helping you to distinguish between a money system (a symbol) and a production system (real things).

One system has its origins in Natural Law; the other, in the minds of men. A money system is a man-made system. A money system is not the same thing as a production system.

Money is a benefit to man and we are not advocating it be abolished. We are advocating it be put back in its right place in the true order of things; returned to its original purpose as an accurate record of the physical facts. It must be put in its rightful place as a national accounting system, as originally intended: a system to distribute the fruits of the earth.

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A LESSON FROM HISTORY — TITHES, TAXES AND MAMMON

Let's turn back to that time in human history when human associations had developed into city/states, in particular, in the land of Sumer, Mesopotamia.

The temples were not only the shrines to the local god or gods, but had also developed into the education, economic, commercial, and banking centres of the communities.

With the discovery, around 150 years ago, of the relationship between the Sanskrit language of the Hindoos, Latin, Greek and Modern English, and the archeological discoveries of the ancient civilisation of Sumer, a level of civilisation was revealed far beyond anything we could have imagined having occurred in that distant past. At first it was thought Sanskrit was the 'parent' language of the Indo-European peoples, but, on further investigation, it was revealed the Sanskrit language was a 'cousin', and **all** of the aforementioned languages traced their roots back to Sumer.

Archeologists, such as Sir Charles Woolley, believe the ideals of social life and justice which informed the history of the ancients can be traced back to the Sumerian civilisation from 5000BC onwards.

For this exercise, we will use the records of the Old Testament to trace the development of a money system. The records of other ancient communities could be used for just the same purpose, but because most people would have a Bible in their home, its use will make the task easier. You might think we are going back too far in history for this exercise, but I would remind you a tithing system was still flourishing in the West in the 1500's AD.

P.W. Thompson in his book, *The Whole Tithe* wrote:

"In any advanced social order, social financing was seen as a necessity for the upkeep of the network of social institutions. "The practice of tithing, the custom of setting aside for the upkeep of the city-state temples and the maintenance of the priests, a portion of the increment of the land, was almost universal amongst the ancients. This portion seems to have varied between one-tenth in Greece and one-sixth in Egypt."

The underlined words in the above statement, reveal the author's confused thinking on the matter. Social financing is not the same thing as social tithing. The writer may have had the same goal in mind, viz. the upkeep of the temples and the maintenance of the priests, etc., but he is confusing two different ways of achieving it. Finance refers to money of some sort. Finance has to do with a money system. It is a man-made system and does not necessarily reflect the physical facts of a production system.

'Tithing' in the ancient world meant 'one-tenth' and, in the context above, it is '**one-tenth of the increment of the land**'. **The tithe's origin — its absolute origin, was in the land and was based on the increase — the increment of the land.**

It is essential the student clarifies his thinking on these matters and learns to distinguish between the two systems. The system of tithing was 'the setting aside of one-tenth of the increase of the **produce** of the earth for the upkeep of others'. In fact, the social tithe was for the upkeep of today's equivalent of the church and the state, with the poor and the needy also receiving their share.

“The tithe paid was of everything from the (cultivated) land, whether grain from the soil or fruit from the trees... and the tithe of the herd or of the flock – every tenth animal that passes under the shepherd’s rod.”
Old Testament (OT), Leviticus 27: 30-32

The tithe’s purpose is clear. It was to be given to the Levites (the state) as their inheritance in return for the work they were to do while serving, first at the Tent of Meeting, whilst the community were still wanderers; later in their settled agricultural/pastoral phase, at the Temple (church and state). A tenth (a tithe) of the tenth (tithe) was to go to the Aaronic priesthood.

OT, Numbers 18:21.

The allocated tasks of the Levites in serving the community included: composers, musicians, officers and judges, medical practitioners, scribes, and treasurers (who kept the imperial accounts and records).

OT, 1 Kings, 1 Chronicles

The Festival Tithe and the Poor Tithe: For interest sake, we refer to two other tithes the ancients paid for the social upkeep; but don’t get bogged down with how many tithes there were, or how often they were paid; the important point to observe for this exercise is that the tithes were paid in kind from the fruits of the earth! Not only that, they were paid from the increase! If the people had two crops a year, they would still have paid a tenth of the increase from each crop, **but always the tithe was calculated on the produce of the earth.**

Why is this of such importance?

The people were governed by natural law, as long as they worked in harmony with nature, and continued to recognise and be true to their organic roots — the absolute origin of their earthly existence. Their systems and institutions would have simply reflected the truths they had discovered about Life.

The absolute origin of all their economic activity had its organic roots in the soil and in nature. The tithe was paid in kind. What does this mean? It means that when the wheat farmer paid his tithe – his tenth – he would pay it in grain, in produce; the pastoralist would pay his tithe in cattle; the shepherd, in sheep.

FARMER

The farmer would calculate his tithe: One-tenth of 100 bushells of wheat (i.e. the increase, after accounting for all his expenditure, which included his time, energy and seed capital)
= 10 bushells of wheat paid to the Levites.

PASTORALIST

One-tenth of 90 cattle (i.e. the increase, after accounting for all expenditures, which includes his own upkeep and upkeep of breeding herd , which was his real capital) = 9 cattle.

Please note: In a good year, everyone lived well – including those in the religious and civil service (church and state) of the community. In a bad year, everyone had to tighten their belts – including those involved in church and state affairs. Until they were introduced to a ‘money’ system, the main laws which governed these ancient people were the real and fundamental laws of the natural order.

As an example:

- The sun: light and heat expended in work done – growth.
- Constant circulation of water – rain.
- The wind, and bees, pollinating the flowers and plants.
- Worms, soil microbes, quality of the soil, including the law of return to the soil.
- Knowledge of farming and animal husbandry.
- Their own time and energy, and accumulated capital.

SIGNIFICANCE OF THE SHEPHERD'S ROD

Every tenth animal passed 'under the shepherd's rod'. (Leviticus 27: 30-32) What does this mean? The shepherd's rod, in this case, was an instrument for recording the physical facts. The shepherd's rod (or staff) would be dipped in red ochre and as every tenth animal (of those to be tithed) passed through a race, it would be marked as a tithe animal.

The duties allotted to the Levites included the keeping of records; they were the scribes and treasurers. It was their duty to keep the imperial accounts — the national records. This meant, not only were they the tithe collectors, they were also the tithe accountants; they kept the nation's accounting records. The medium upon which the physical facts were recorded may have been animal skins, clay tablets or parchment.

I Kings 4: 2; 1 Chronicles 26:20.

Economically, the people lived on the products of past effort. Under a tithing system, they had no 'national' debts. The church had no debts; the state had no debts and the producers had no debts. Under a tithing system they could not mortgage their future by attempting to produce this year's crops with next year's rain!

Under a tithing system all were provided for, according to their station in life.

The nature of the tithe: The payment for the social upkeep was of a physical nature; it was paid in kind and estimated on the increase of the production.

The real cost of production was measured by the consumption (the upkeep of the producer, the physical maintenance of the workers and the health of the soil) incurred in that cycle of production. The farmer would have kept back enough seed for the following year's planting; that would have been accounted as a cost of production.

"The old and original tithe was a genuine and justifiable tax. It consisted of a certain percentage of the agricultural production of the taxed land,..."

C.H. Douglas, *Dictatorship by Taxation*.

This portion of the agricultural production was set aside for the physical maintenance of the priests and Levites and **the poor** of the land.

As Douglas observed, "The physical meaning of this to those who paid the tithe was that they did a small amount of extra work or, alternatively, had a little less to eat themselves. There was nothing in such an arrangement which could, or did, make it impossible for the agriculturalists to live."

THE POLL (MONEY) TAX

What of a money tax?

“There is extant in the world, a common, if somewhat nebulous, idea that whoever, for instance, grows a ton of potatoes grows thereby in some mysterious way, the purchasing power equivalent to a ton of potatoes...”
C. H. Douglas, *Social Credit*

The production of a crop of wheat creates a physical asset, but it does not create an equivalent in ‘money’. Consider the indirect impact of a money tax upon agricultural land, which is the form the poll tax took.

The rulers instituted a poll tax. This was an annual fixed amount of money for every male, 20 years or older. It was to be paid in precious metal, by weight — ‘half a shekel’. To test its purity and weight, it was weighed against the ‘shekel in the sanctuary’.

O T Leviticus 27:25; 2 Chronicles 24:9.

Neither the farmer nor the pastoralist ‘grew’ shekels (money), therefore, they would need to sell their produce in the market place to obtain the half shekel. This meant they would have to estimate costs — in terms of shekels — and place a price on their produce in shekel terms. The poll tax forced them to use a system which did not necessarily reflect the physical facts, the physical records.

COST ACCOUNTING

To obtain that half shekel, the farmer would have had to sell a portion of his products. This meant he had to account for the half shekel as a cost of production. He would have increased the price charged for the article sold in the marketplace, in order to live off his farm. If he did not raise the price in the market place, which could often be the case, he made a money loss, and if that continued, ultimately, he would cease to farm, because he did not grow money (shekels), he grew produce, and money (shekels) was demanded from him.

The evil would not stop there; because the farmer could not make a reasonable living, he wouldn’t be able to keep his land in good order and would have no money to spend on the products of other industries.

“Purchasing power is not... an emanation from the production of real commodities or services much like the scent from a rose, but on the contrary, is produced by an entirely distinct process, that is to say, the banking system.”
C.H. Douglas, *Monopoly of Credit*

‘Money’ has to begin somewhere. Someone, somewhere, at some time in human history, devised and instituted a ‘money’ system.

For the nation’s accounting system to be a true record, whatever medium was used by the Levites of the Temple Corporation, it should have reflected the physical facts, just as the accounting records of the tithing system did.

Self testing

Under the system of tithing were there any physical debts carried over to the next or the following years? Please expand.

Before answering this question, ask yourself:

Is there such a thing as a physical debt in nature? Can man 'mortgage his future' in nature? In other words, can man make an agreement with 'mother nature' and produce this year's crop with next year's rain?

.....

.....

Under a tithing system, what were the natural laws which governed these people?

.....

.....

What is the true aim of all economic activity?

.....

Where did the 'increase,' the natural increment, come from?

.....

Would you say the present system governing Australians is producing the desired results?

.....

What was the social policy of the economic system based on the tithe?

.....

Is there any evidence to reveal the Ancients set aside a regular time for rest and leisure?

.....

Farmers may abuse their soil or animals. The soil may be lacking in minerals. Is this a money loss or a physical loss?

.....

ONE LONG SORRY RECORD OF CORRUPTION AND FRAUD

The historian, Josephus, in *Antiquities of the Jews*, records: “He (Cain) introduced a change in that way of simplicity wherein men lived before; and was the author of measures and weights. And whereas they lived innocently and generously while they knew nothing of such arts, he changed the world into cunning craftiness.”

The ‘measures and weights’ were ‘precious metals’ — a money system by weight. Over human history, the forms ‘money’ has taken have been many and various. At one time, precious metal by weight was often in the form of jewel-currency such as earrings, rings or bracelets; gold plate and coins; paper notes; in this present day, cheques, plastic ‘credit’ cards and computer ‘blips’. In other times, and at other places, ‘money’ would be leather discs, large stones, beads or sea shells or bronze and copper.

We know the Sumerians, the first recorded civilisation of which we have concrete knowledge, had developed to such a degree that:

- they had knowledge of building in brick or stone.
- many lived in towns or cities linked by roads.
- they cultivated food-plants.
- had domesticated animals.
- they had knowledge of the use of metals.
- used the wheel.
- exchanged property by the use of money.
- used a script to communicate ideas.
- used a calendar, accurate to within a few days in the year.
- instructed the young in intellectual subjects.

Archaeologist, Sir C. Leonard Woolley, in *The Sumerians*, describes the business-like approach of these people to their public records:

“Practically every act of civil life, of buying and selling, loans, contracts, legacies...was a matter of law and as such was duly recorded in writing and confirmed by the seals of witnesses... The temple officials duplicated in title and in function those of the king’s palace; besides the priests proper, there were Ministers of the Harem, of War, of Agriculture, of Transport, of Finance, and a host of secretaries and accountants responsible for the revenues and the outgoings of the temple. To the Great Storehouse ... the countrymen would bring their cattle, sheep and goats, their sacks of barley and rounds of cheese, clay pots of clarified butter and bales of wool; all would be checked and weighed and the scribes would give for everything a receipt made out on a clay tablet and would file a duplicate in the temple archives, while the porters would store the goods in the magazines which opened off the court...”

Here we have an account of the authorities keeping an **accurate** record of the physical facts of their economic system. The merchants of those ancient city/states, the agents of the Temple Corporations, such as in Sumer, plied their trade and commerce along well established trade routes; at times to far distant outposts or colonies — much of it on very modern lines. Although no coined money existed in that day (3500BC), gold and silver had become the standard of value for reckoning of accounts between merchants and traders. Locally, barter was still the way of exchange and the values of the produce were generally reckoned in barley.

Money, in this case, in the form of gold and silver, **was originally** created for the very purpose of **facilitating trade and commerce**.

What is important in this case, is the comprehension, the realisation, that the true basis of all growth, of sustaining and maintaining all Life — in fact the basis of all civilisations — is the system whereby the surpluses of the earth are allocated to the people, according to their place in the community, i.e. according to their place in the pyramid of life and to their need. Originally, this allocation was based on the tithing system.

In the beginning, the tithing laws were the basis of the authority of the king-priests. The maintenance of the True and Natural Order of Life was the aim of these laws. This aim was ensured by the benevolent laws of a ruler dedicated to the service of his people.

True riches, wealth, is the real thing; money is the record or the symbol of the thing. The priest-king in his temple (counting house), through his servants, was the custodian of the accounting or the recording system.



Ring money.
An earlier 'form' of money by weight.



Woodcut of a busy 16th century Mint



Tetradrachm from Athens
500-430BC



Tetradrachm 412BC

**THE TITHE – PAID IN KIND
ESSENTIALLY A JUST SYSTEM**



ONE TENTH
OF THE TITHE
WAS PAID
TO THE
PRIESTS
(THE CHURCH)



THE
LEVITES
(THE STATE)
COLLECTED
THE TITHES
INTO
THE
STORE-CITIES



-THE PEOPLE-
FARMERS
AND
PASTORALISTS
PAID THEIR TITHE
IN KIND
ON THE INCREASE
OF
THEIR
PRODUCTION

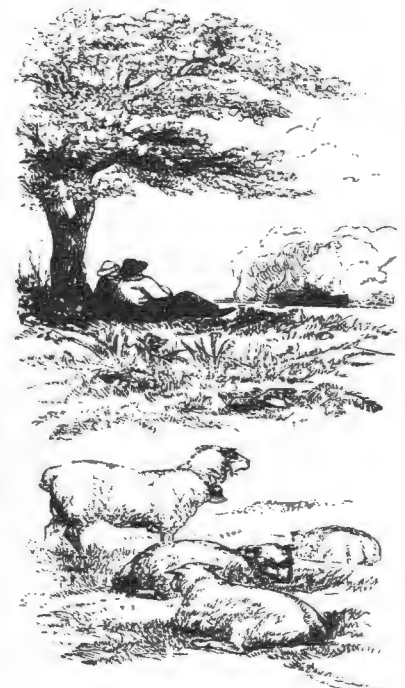
THERE WAS
NO 'DEBT'
LEFTOVER
FOR THE
FOLLOWING YEAR
...
THERE IS NO DEBT
IN NATURE.
...
WE CANNOT
PRODUCE
THIS YEAR'S CROP
WITH NEXT YEAR'S
RAIN

IN A GOOD YEAR
EVERYONE
LIVED WELL,
INCLUDING
THE CHURCH
AND
THE STATE...

IN A POOR YEAR
EVERYONE

HAD TO TIGHTEN
THEIR BELTS,

INCLUDING
THE CHURCH
AND
THE STATE



GOLD: THE SYMBOL OF A KING'S GOD-LIKE RULING POWER

"Gold," records Peter Bernstein, "a soft metal is so malleable it can be shaped in any way desired and it is virtually imperishable. It is used by religion to symbolise eternity; it is used by kings and rulers as a symbol of their power; it is designed to elevate people to greater dignity, e.g., royalty, religion and formality.

"The use of gold was once a royal prerogative, reserved especially for the 'god-kings' of the ancient world. At a time when the kings, the rulers, were thought of as the human-link, the man-god link between the gods and the people. Gold was that 'magical, mystical, mysterious' metal used by them as an expression of their 'god-like being'. They 'authenticated' their heavenly character by adorning themselves with the same substance that adorned the temples to their gods, and embellished the statues of their gods. Gold was used to demonstrate, to impress upon the people, their kingly 'godlike' rule and power.

"The custom of using gold to proclaim the power of the temple, or the palace, was repeated down through history in the gleaming, golden mosaics and decorations, Solomon the most renowned, in time throughout Italy and Spain, even on the steppes of Russia.

"The whole history of mining gold is replete with horrendous stories of human suffering. The best description we have of the horrors experienced by the workers in these mines has been provided by Diodorus, a Greek who visited Egypt about the time that Caesar ruled Rome."

The air in the shafts was fetid, constantly depleted by the tiny candles that barely illuminated the terrible darkness. The heat was intense; the earth frequently gave way, and subterranean water was a constant hazard. The fires used to crack the quartz in the rock, released arsenic fumes that caused excruciating deaths among the many who inhaled them. The slaves had to work on their back or side and were literally worked to death if they were not crushed to death by falling rocks before they expired from exhaustion.

Encyclopaedia Britannica Online: Egypt: History: The New Kingdom: The 18th Dynasty

Peter Bernstein relates a little story told to an audience by John Ruskin:

"There was a man who boarded a ship carrying his entire wealth of gold coins in a large bag. A terrible storm came up, a few days into the voyage, and the alarm went off to abandon ship. Strapping the bag around his waist, the man went up on deck, jumped overboard, and promptly sank to the bottom of the sea.

Ruskin then asked his audience: **'Now, as that man was sinking, had he the gold — or had the gold him?'** "

THE OBSESSION

Down through history people have become "intoxicated, obsessed, haunted, humbled and exalted over the pieces of metal" we call 'gold'. "Gold has motivated entire societies, torn economies to shreds, determined the fate of kings and emperors, inspired the most beautiful works of art, provoked horrible acts by one people against another, and driven men to endure intense hardship in the hope of finding, instant wealth and annihilating uncertainty.

"Gold's unquenchable beauty shines like the sun; people have turned to it to protect themselves against the darkness ahead. Yet we shall see that Ruskin's paradox arises and challenges us anew. Whether it is Perseus in search of the Golden Fleece, the Jews dancing around the Golden Calf, Croesus fingering his golden coins, Crassus murdered" by having "molten gold poured down his throat... Sutter, whose millstream launched the California gold

rush, or modern leaders, such as Charles de Gaulle, who deluded themselves with a vision of an economy made stable, sure, and superior, by the ownership of gold – they all had gold, but the gold had them all... The gold at the end of the rainbow is ultimate happiness, but the gold at the bottom of the mine emerges from hell.”

The Power of Gold: the history of an obsession by Peter L. Bernstein, 2000

A student of social credit, coming to grips with what should be the true role of money in a community, might ponder on how and why men became so obsessed with gold. How and why did men lose sight of the true wealth, their true well-being, and come mistakenly to value that inert metal as having more worth than even their own life, as John Ruskin’s story illustrates?

MAMMON – MONEY

In the Gospel of Matthew, we were warned, “You cannot serve God and mammon.” Theologian, William Barclay explains, “The word Mammon had a most curious and a most revealing history. It comes from a root which means *to entrust*; and *mammon* was that which a man entrusted to a banker or to a safe deposit of some kind. Mammon was the wealth which a man entrusted to someone to keep safe for him. But as the years went on *mammon* came to mean, not *that which is entrusted*, but *that in which a man puts his trust*. The end of the process was that *mammon* came to be spelled with a capital M and came to be regarded as nothing less than a god.”

Daily Study Bible, *New Testament* Matthew 6:24.

BANKS AND BANKERS

Since the very earliest times there have been banks and bankers. The temples¹ were also the banking centres for the city/states, and Richard Kelly-Hoskins, in *War Cycles/Peace Cycles*, claims some of the Temple banks were big ones.

“There were government banks, and private banks such as the Igibi Bank² which flourished in 575 B.C. These banks offered almost every service offered by banks today, including the use of a checking (cheque) system, savings, letters of credit, and the Babylonian form of paper money – the clay tablet.

In ancient Egypt a canal had been dug from the Nile all the way to the Red Sea. Boats coming from India could stop by barges tied up by the side of the canal and obtain a loan – day or night. At night these loan boats were well lit so that they could be seen a long way off. They are the ancestors of the drive-in window in today’s banks. There is nothing new under the sun.”

Encyclopaedia Britannica 14th Edition: Banks, p.67

“Money is simple,” Richard Kelly-Hoskins explains: “The same things occur throughout history time after time. It is like a car going around the block. After the 16th time it doesn’t make any difference what colour the car is — you will recognise it. The same goes for money... If there is only \$10 in existence, and you lend it to someone under condition he repay \$11, and if he agrees to this, he has agreed to the impossible. A usury contract impossible to fulfil has been made.”

¹ The word *temple* contains the meaning of ‘counting house’.

² Igibi Bank, *Encycl. Brit.* 14 Ed. Banks, p.67

AN EXAMPLE FROM HISTORY: THE FIRST DEFAULTS

“Archeologists digging in the ruins of ancient temples, or ziggurats, in Babylonia have discovered extensive evidence of the economic system practised by the priests of Baal. Instead of money (or coins) as we know it, we mostly find clay tablets representing promises to pay — or IOU’s. Along with the tablets has been uncovered the secret of their economic* system.”

*Readers need to distinguish between an ‘economic’ system and a ‘financial’ system. The above sentence is an example of a common mistake made when people use the words ‘economic’ and ‘financial’. They often interchange the words as though the two words had the same meaning. It is a common mistake on the part of those who should know better.

“People only borrow when they are in need, or if they are greedy and think they are getting a bargain. In Babylonia after a bad crop year, the farmers would be forced to go to the priests of Baal for a loan to buy seed for the following year. Let us say a farmer named Seth was one of those who needed money for seed. The temple priests were most accommodating and graciously allowed Seth to borrow 10 talents under condition that he repay 11 talents. His land, livestock, wife, children and he himself served as collateral.

“In that day there was little money in circulation. The sudden appearance of 10 talents in circulation allowed Seth and all the other farmers to buy seed and plant great fields of grain. They also bought cattle and sheep and many other necessary things. Here we have a situation of a debt of 11 talents coming due while there are only 10 talents in circulation with which to pay.

“We can imagine that Seth was panic-stricken after having paid back 10 talents and finding that he still owed one more, and that there was no way to pay because there was no more money in circulation. He could offer the priest thousands of bushels of grain in payment, but the contract he signed was due to be paid in talents — not grain. Cattle? Seth had herds of cattle, pigs, and flocks of sheep – these were also turned down.

“The contract was to pay in TALENTS, not sheep and pigs. Seth had gathered up the only 10 talents in circulation to pay down on his 11 talent debt, and now there was no money to be had. Land, corn, cattle, sheep and pigs had no value as payment against his debt. The contract he had signed stated that he was to pay ‘talents’ only, and there were not enough talents in circulation.

“Now arrives the moment of truth — default — bankruptcy. Since Seth could not pay his debt of 11 talents when there were only 10 talents in circulation, he must forfeit his collateral. His livestock went first, his lands next, then his children were sold into slavery as well as his wife, and then he himself became a slave. This is where most slaves came from — debt.

Besides Seth and his family, there were tens of thousands of Babylonians who could not pay debts of 11 talents when only 10 talents were in circulation. By the thousands they were herded into captivity. The priests of Baal reduced a large part of their fellow countrymen to slaves and the ‘system of interest’ (usury) spread wherever Babylonian armies marched or Baal priests practiced their religion.”

AN APPROVED BANK

“The type of bank that was approved, operated simply to bring a person with money together with a person who needed money and together they became partners in a Joint Venture business enterprise. For this service banks charged fees. (No wonder banks still claim they are only lending you someone else’s money... ed).

“The other type of bank which was disapproved operated on the Babylonian principle of lending 10 and collecting 11. The one was necessary, natural and orderly; the other unnatural and disorderly. The reasons the disorderly ‘interest system’ has been forbidden to faithful Christians are obvious. If you borrow 10 and are forced to pay back 11, sooner or later the usurer will take your property.”

RELATIONSHIP BETWEEN NATIONS

Persia Conquers Babylon:

“The relationship between nations follows almost exactly the relationship followed between individuals. If one nation desires something another nation has and doesn’t have the required payment — the money can be borrowed. If interest is required, as it usually is, trouble is just a matter of time.

Babylon had a neighbour to the north — Persia. In the course of trade Babylon graciously made loans which enabled Persia to buy things she ordinarily would not be able to buy. The loans were made at standard interest rates for the time, 33 1/3 per cent, payable in gold. Persia kept her part of the bargain as best she could. She borrowed extensively and was required to repay double the amount in three years. After paying back the original loan, Persia, like Seth earlier, found that there was no more money left in circulation and that she still owed Babylon’s bankers the interest on the loans.

The king of Persia had other problems resulting from this Babylonian loan. Interest on the loan drained Persia of money, commerce came to a virtual halt except for barter. There was no gold for taxes so the king could not pay his retainers. King Cyrus of Persia needed gold. Babylon had the gold Persia needed.

Persia went to war against her creditor and conquered Babylon in 536 B.C. — and confiscated Babylon’s gold. She also adopted Babylon’s usury system.”

Richard Kelly-Hoskins, *War Cycles/Peace Cycles* 1985

PRIEST-KINGS CAME TO FORGET THE LAWS OF DISTRIBUTION

History became legend, legend became myth – and some things that should not have been forgotten – were lost.

Canadian author and researcher into ancient money systems, David Astle, in *The Babylonian Woe*, (1975) wrote:

“Priest-kings and priests came to forget that the foundations of the power given to them from on High towards the maintenance of the right living and tranquil procession through life of their peoples, were the laws of distribution of surpluses as written on the scribe’s tablet; laws instituted by the god himself, each ordering a specified dispensation from the surpluses in his warehouses in the Ziggurat, to the holder of the tablet.

“They too fell into the error of believing that silver, with value created as a result of its being used as a balancing factor in international exchange, could become a perpetual storehouse of value... They themselves became consumed in the scramble for this gleaming metal, so conceding it, through its controllers, the power to set itself up in opposition to the law of the gods; to raise itself up in its own right, a god in itself.” (Mammon).

THE WAY OF UTOPIA

A little story by the poet Ezra Pound:

“On the 10th of September last, I walked down the Via Salaria and into the Republic of Utopia, a quiet country lying eighty years east of Fara Sabina. Noticing the cheerful disposition of the inhabitants, I enquired the cause of their contentment, and I was told that it was due both to their laws and to the teaching they received from their earliest school day. They maintain (and in this they are in agreement with Aristotle and other ancient sages of East and West) that **our knowledge of universals derives from our knowledge of particulars, and that thought hinges on the definitions of words.**

“In order to teach small children to observe particulars they practise a kind of game, in which a number of small objects, e.g., three grains of barley, a small coin, a blue button, a coffee bean, or, say, one grain of barley, three different kinds of buttons, etc., are concealed in the hand. The hand is opened for an instant, then quickly closed again, and the child is asked to say what it has seen.

“For older children the game is gradually made more elaborate, until finally they all know how their hats and shoes are made. I was also informed that **by learning how to define words these people have succeeded in defining their economic terms**, with the result that various iniquities of the stock market and financial world have entirely disappeared from their country, for no one allows himself to be fooled any longer.

“They attribute their PROSPERITY to a simple method they have of collecting taxes, or, rather, their one tax, which falls on the currency itself. For on every note of 100 monetary units they are obliged on the first of every month, to affix a stamp worth one unit. And as the government pays its expenses by the issue of new currency, it never needs to impose other taxes.

“And no one can hoard this currency because after 100 months it would have lost all its value. And this solves the problem of circulation. And because the currency is no more durable than commodities such as potatoes, crops, or fabrics, the people have acquired a much healthier sense of values.

“They do not worship money as a god; they do not lick the boots of bloated financiers or syphilitics of the market-place. And, of course, they are not menaced by inflation, and they are not compelled to make wars to please the usurer. In fact, this profession — or criminal activity — is extinct in the country of Utopia, where no one is obliged to work more than five hours a day, because their mode of life makes a great deal of bureaucratic activity unnecessary.

“Trade has few restraints. They exchange their woollen and silk fabrics against coffee and groundnuts from their African possessions, while their cattle are so numerous that the fertiliser problem almost solves itself. But they have a very strict law which excludes every kind of surrogate from the whole of their republic.

“Education for these people is almost a joy, and there are no redundant professors. They say that it is



impossible to eliminate idiotic books, but that it is easy to distribute the antidote, and they do this by means of a very simple system. Every bookseller is obliged to stock the best books; some of outstanding merit must be displayed in his window for a certain number of months each year.

“As they become familiar with the best books, the disgusting messes served up periodically by *The Times*’ or the *Nouvelle Revue Française*’ gradually disappear from the drawing-rooms of the more empty-headed young ladies - of both sexes. They attach the importance to skill in agricultural tasks that I attached in my youth to skill at tennis or football. In fact, they have ploughing contests to see who can drive the straightest furrow.

“As for myself I felt I was too old for such activities, and recalled the case of a young friend who had also been seized by this archaic passion: he wrote that his first acre ‘looked as if a pig had been rooting about all over it’.

“After I had heard these very simple explanations of the happiness of these people, I went to sleep under the Sabine stars, pondering over the astonishing effects of these reforms, apparently so trifling, and marvelling at the great distance separating the twentieth-century world from the world of contentment.

“Inscribed over the entrance to their Capitol are the words: ***The treasure of a nation is its honesty.***”

A nation that will not get itself into debt drives the usurers to fury

“It is no use assembling a machine if a part is missing or defective. One must first have all the essential parts. Fully to understand the origins of the present war it will be useful to know that: The Bank of England, a felonious combination, or, more precisely, a gang of usurers taking 60% interest, was founded in 1694. Paterson, the founder of the bank, clearly stated the advantages of his scheme: ‘the bank hath benefit of the interest on all moneys which it creates out of nothing.’

The pivot

“All **trade** hinges on money. All **industry** hinges on money. **Money is the pivot.** It is the middle term. It stands midway between industry and workers. The pure economic man may not exist, but the economic *factor*, in the problem of living, exists.

If you live on clichés and lose your respect for words, you will lose your ‘ben dell intelletto’. (Dante *Inferno*’ 111, 18. ‘Homely English wording gets that down to ‘USE OF YOUR WITS’, but I reckon Dante meant something nearer to *Mencius* meaning sense of ‘EQUITY’).

“Trade brought prosperity to Liguria; usury lost it to Corsica. But in losing the ability to distinguish between trade and usury one loses all sense of the historical process. There has been some vague talk in recent months about an international power, described as financial, but it would be better to call it ‘usurocracy’ or the rule of the big usurers combined in conspiracy.

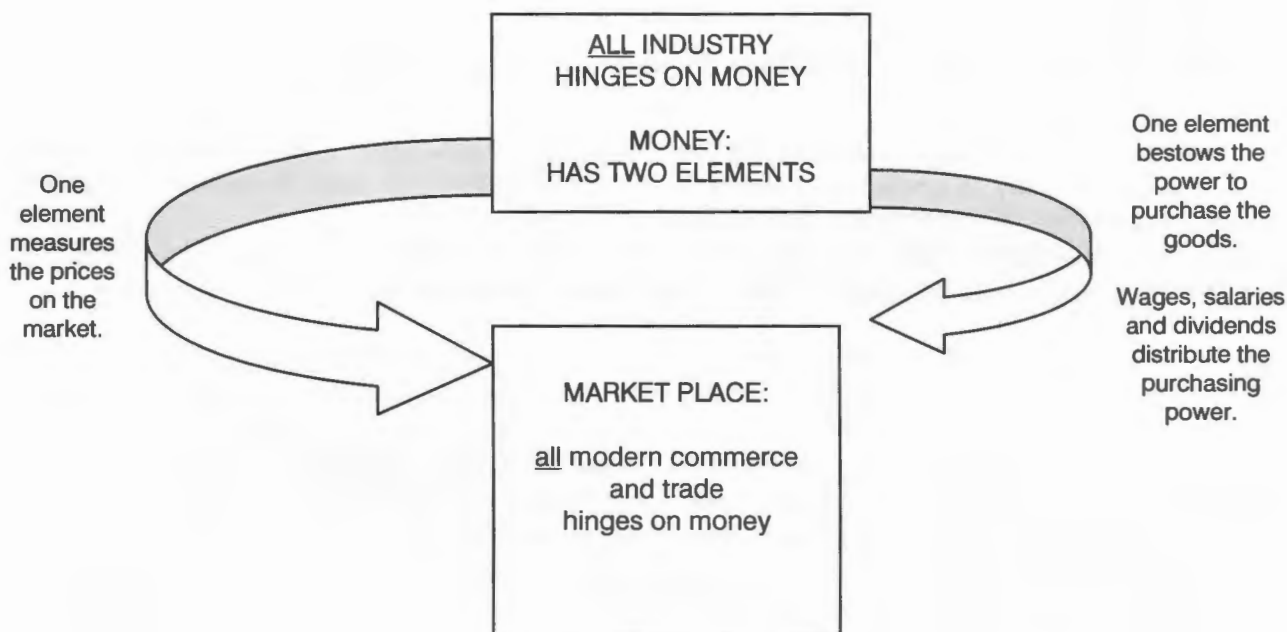
“Not the gun merchants, but the traffickers in money itself have made this war (WW2); they have made wars in succession, for centuries, at their own pleasure, to create debts so that they can enjoy the interest on them, to create debts when money is cheap, in order to demand repayment when money is dear. But as long as the word ‘money’ is not



clearly defined, and as long as its definition is not known to all the peoples of the world, they will go blindly to war with each other, never knowing the reason why.

“This war was no whim of Mussolini’s nor of Hitler’s. This war is a chapter in the long and bloody tragedy which began with the foundation of the Bank of England in far-away 1694, with the openly declared intention of Paterson’s now famous prospectus, which contains the words already quoted: “The bank hath benefit of the interest on all moneys which it creates out of nothing”.

To understand what this means it is necessary to understand what money is. Money is not a simple instrument like a spade. It is made up of two elements: one which measures the prices on the market, (and) one which bestows the power to purchase the goods. It is this twofold aspect that the usurers have taken advantage of.



“Economically the world is living on the products of the past – financially it is living on drafts upon the future.”
Vic. Bridger *Australasian School of Social Studies*.

“You know well enough,” continues Ezra Pound, “that a (mechanical) watch contains two principles, a mainspring and a hair-spring, with a train of wheels between the two. But if someone asks you what money is, you don’t know what are the ten-lire notes and the twenty-centesimi pieces, (Italian currency) which you have in your pockets.

“Until the seventh century after Christ, when an Emperor of the T’ang Dynasty issued state notes (state notes, not bank notes, mind you), the world was practically compelled to use money — a determined quantity of some commonly used **commodity**, such as salt or gold, according to the degree of local sophistication.



Chinese paper money

“But since 654 AD, at least, this metal has no longer been necessary for trading between civilised people. The state note of the T'ang Dynasty, of the year 856 AD, which is still in existence, has an inscription almost identical with the one you read on your ten lire notes.

“The note measures the price, not the value; or in other words, prices are calculated in monetary units. (The money itself has no intrinsic value, the money is serving its original purpose, it is an accounting system... ed)

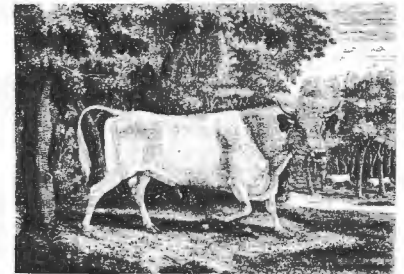
“But who supplies these notes? And, before the present war, who controlled the issue of international money? If you want to discover the causes of the present war, try and find out who controlled *international* money, and how it came under such control.”

Gold and Work by Ezra Pound, written in Italy during WW2.

THE HISTORY OF MAMMON

The simplest method by which a true conception of the Money System can be obtained is by examining some of its historic origins.

In many ancient communities, cattle were the chief basis of wealth; they were exchanged for grain, and other forms of wealth by methods of barter.



Since an itinerant grain merchant might obviously not wish to take delivery of the cattle at the moment he bartered his grain, the custom grew of accepting leather discs, each disc representing one head of cattle, and at some later date presenting the disc or discs, either by messenger or otherwise, and receiving the cattle in exchange.

It should be noted that at a much later date exactly the same process took place in regard to the goldsmiths. The goldsmiths are the lineal ancestors of our present bankers. In their case the wealth was handed to them for safe-keeping, and a receipt was given; the wealth being restored against the delivery of the receipt.

However, returning to the leather discs, two most important points should be noted:



One: This primitive money was issued by the **owner** of the cattle, that is to say, the owner of the goods.

Take careful note: The money representing the goods originally had the same point of origin as the goods.

Two: The amount of money created was exactly proportionate to the amount of wealth in existence, in so far as the system was in general use.

Simple and convenient as this system was, it is plainly clear that it provided an opportunity for the introduction of corrupt practices. To understand how this corrupt practice developed into the banking system of today, legally protected by the State, we have to return to the goldsmith.

Originally skilled craftsmen in the precious metals of gold and silver, known as the goldsmiths, by an easily understood process, developed into the custodians of the portable wealth of their clients: such portable wealth being deposited against a receipt given by the goldsmith himself. Having the tangible wealth of his clients under his control, the goldsmith rapidly developed into a money-lender against tangible security.

Remember: “The word Mammon had a most curious and a most revealing history. It comes from a root which means **to entrust**; and *mammon* was that which a man entrusted to a banker or to a safe deposit of some kind. Mammon was the wealth which a man entrusted to someone to keep safe for him. But as the years went on *mammon* came to mean, not *that which is entrusted*, but *that in which a man puts his trust*. The end of the process was that *mammon* came to be spelled with a capital M and came to be regarded as nothing less than a god.”

William Barclay, Daily Study Bible *New Testament* Matthew 6:24



English word for bank comes from Italian word banca i.e., 'bench'. People entrusted their valuables to a banker for safe-keeping. The banker gave a receipt for the valuables. (Mammon was the wealth which a man entrusted to a banker to keep safe for him.) The issued receipts began to circulate as a form of 'money'.

PARALLEL DEVELOPMENT OF IMMENSE IMPORTANCE

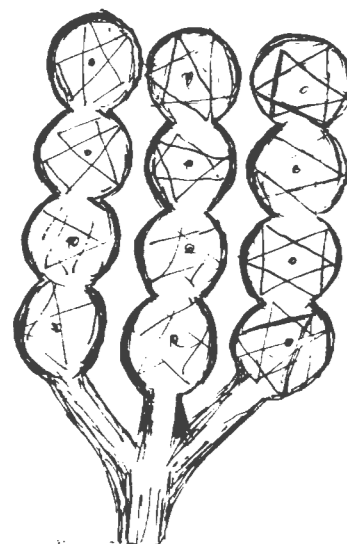
A parallel development of **immense importance** took place. The receipts, issued by the goldsmith for the tangible money/wealth deposited with him, began to pass from hand to hand in settlement of debts. The practice of using the receipts in place of the cumbersome gold-by-weight became acceptable within communities, thereby forming the original banknotes. Upon presentation, the goldsmith was obligated to hand over a specified amount of gold plate, or whatever was recorded on the receipt.

The goldsmiths' receipts were found to be so convenient that they were used until they were worn out, passing from hand to hand just like modern paper cash currency (\$5, \$10, & \$20 notes etc.), and they were only occasionally used for their original purpose of withdrawing the gold plate from the custody of the goldsmith.

With hindsight, it is easy to understand how the bright idea of having two or three receipts for one piece of gold plate (a fraudulent practice) and using each of these receipts to obtain the equivalent value of the gold plate in other goods and services would soon occur either to the goldsmith or to his clients. The practice would be quite successful as long as the receipts were not actually used to withdraw the plate itself from the custody of the goldsmith.

The essential backing, or surety, of the process would be the signature of the goldsmith on the receipt, rather than the perceived existence of the plate in his possession. It can be seen how, by the imperceptible process of transition (**that is the power of issuing money**), **passed from the owner of the wealth**; firstly to the custodian of the wealth and eventually to any individual or organisation with a reputation for reliability, and backed by that reputation with his or their signature.

Today, this divorce between the owners or creators of the real wealth, and the creators of money, has become almost complete. In the early 1900's, we were specifically told by Mr Reginald McKenna, banking chairman and an ex-Chancellor of the Exchequer in the United Kingdom, that all but an insignificant fraction, probably amounting to not more than 0.7 of 1% of the money in circulation, is actually created by the banks, and claimed by them as their property.



Moroccan 'tree money'

In technical terms, every bank loan creates a deposit. Take special note of Mr. Ray King's letter on this matter, page 20. The purchase of a security by a bank also creates a deposit. That is to say, in simple English, that when a bank allows a customer an overdraft, or discounts a bill for him/her, it actually creates the money represented by the overdraft, and lends it to the customer at interest, and as a debt to the bank.

The repayment of every bank loan destroys a deposit, and the sale of a security by a bank also destroys a deposit. When the bank buys a security, a stock, a share or a debenture in the open market, the bank gets its purchase for nothing but the simple process of writing a cheque upon itself — which cheque the bank never fails to honour!



Chinese bronze money in shape of broad bladed knife

The orthodox, and correct, definition of money is "any thing, no matter of what it is made, nor why people want it, that no one will refuse it in exchange for goods or services", it can be seen at once that this monopoly of "the power to create money" means that those who are in possession of this monopoly, can make claim to be the potential or actual owners of everything produced in the world.

CREATION OF 'CREDIT'

Mr. Ray King, of Booragoon, West Australia, a Social Crediter of many years standing, wrote the following letter to help people understand a little better how the present banking system works for and against you and me.

"As you know there are many very 'big wheels' in the banking industry, who, over the years have made it clear that banks create credit.

"However, it is very hard for most people to grasp this fact and see how our financial system works.

"As I said, particularly in the 'olden days' when I was a relative junior in the banking system, I could clearly see how the 'money trick' works.

"We had what was called the Cash Credit ledger. All handwritten of course, where, when an advance was made (loan) we debited that account in the name of the borrower with say \$10,000 – this was a debit balance, i.e., the loan.

"An entry was then made in the 'Credit Ledger' of \$10,000 and the borrower then could go on a spending spree. In other words, we created the money for he or she to spend and in doing so 'boost the economy'.

"In the bank's books our advances or loans, increased by \$10,000 and our deposits increased by \$10,000 (or gradually decreased as money was spent, or if that money was deposited either at that bank or others, or increased if credited to other accounts).

"Of course, these days it is done with electronic 'blips' – but still recorded. There are many books written about this process, but as you say, unless you see the process operating first hand, it is hard to grasp.

"I would say that most people who are doing very well by the present system, would not be too interested in the present system being changed, unless they start to feel the pinch during hard times.

"It has been my experience that not many of the bank staff up to middle management can see this, and believe banks lend their deposits.

"No doubt the top executive would know this, but genuinely think this is the only way to run a money system.

"Keep up the good work,

With very best wishes,

Ray King. 30th October, 1993."

LE(D)GERDEMAIN – another example

Assume there is within a small, self-contained community, someone with a CAPITAL of \$5,000 who decides to start a BANK.

His neighbours, having confidence in him, entrust \$45,000 of their surplus CASH to the safekeeping of the BANK.

These DEPOSITS and the CAPITAL, we may assume, are in the form of LEGAL TENDER, i.e., NOTES and COINS.

The BANK'S position at this stage would be:-

LIABILITIES		ASSETS	
	\$		\$
CAPITAL	5,000	CASH	50,000
DEPOSITS	45,000		

It is now in the position to commence operations on the lines of the present Banking System. Its first business is with JONES, who asks for an overdraft of \$1,000, with which to pay a debt to SMITH, also a client of the BANK.

On the security of PROPERTY which the BANK values at \$2,000, the OVERDRAFT is allowed. JONES thereupon draws a CHEQUE for \$1,000 in favour of SMITH, and SMITH pays the CHEQUE into his account.

No CASH is used at all in this transaction, but the DEPOSITS of the BANK have been INCREASED by \$1,000, and the ASSETS now include \$1,000 secured OVERDRAFT or advance.

Even if SMITH had drawn CASH the probability is that it would be back into the BANK within a few days, through the DEPOSITS of other customers.

Judging by the experience of other BANKS, the BANKER is confident that some of his customers will bring in as many notes as others take out. He may count, therefore, on keeping his \$50,000 of cash intact.

Assume now that the BANK continues to make advances, discounting bills, etc., until the total of such business reaches \$200,000.

Ignoring profits, the position of the BANK will now be:-

LIABILITIES		ASSETS	
	\$		\$
CAPITAL	50,000	CASH	50,000
DEPOSITS	200,000	LOANS, ADVANCES, ETC.	200,000
TOTAL	<u>\$250,000</u>		<u>\$250,000</u>

These operations have thus resulted in DEPOSITS of \$250,000 but the CASH still stands at \$50,000.

Clearly the BANK has 'created' an additional FUND or PURCHASING POWER of \$200,000 on which cheques may be drawn and by means of which payment may be made.

When this bank 'credit' money is finally repaid to the banking system it will be crossed off the ledger — thus the banker brings money into existence when he makes a loan and he takes it out of existence when he is repaid.

Please note: Now that the banking system has control over the nation's money system, the government (the state) does not bring money into existence; nor does it take it out of existence. The government now goes through the same procedure as you or I do when we borrow from a bank. But governments pledge the real wealth of the nation, based on their power to tax the people, to repay the loan. All money comes into existence as a debt to the banking system; interest is charged upon it, and so the people find themselves, collectively speaking, being thrust deeper and deeper into debt.

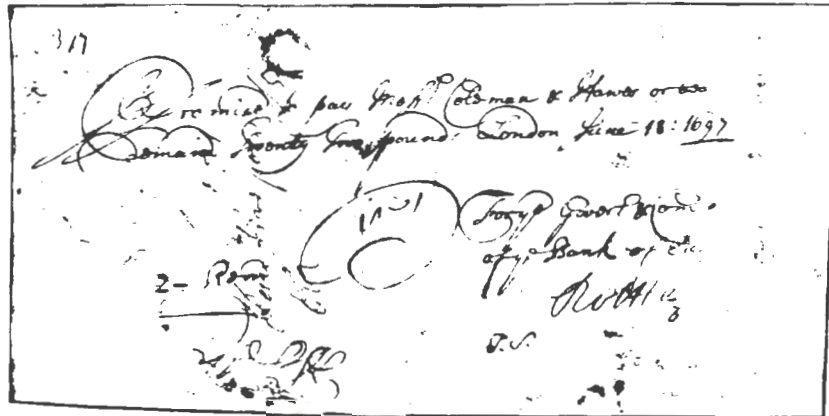
THE MONETARY SCANDAL

"The monetary system has become a genuine scandal. All the money in circulation comes from the banks. Even paper and metal money cannot come into circulation until it has been released by the banks. Now the banks do not put money into circulation except by lending it out at interest. Which is to say that all the money in circulation comes from the banks and must some day return to the banks swollen with the added interest.

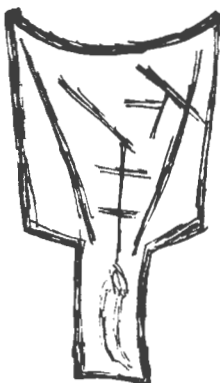
"The bank remains the proprietor of the money. We are only the borrowers. If some people manage to hang on to their money for a long period of time, or even permanently, others, of necessity, are unable to fulfill their obligations to repay. The inevitable results of such a system are, multiplication of bankruptcies both for individuals and companies, mortgage upon mortgage, and an ever-increasing public debt.

"Clamping an interest rate on money the moment it comes into existence is unjust and absurd, harmful to society and contrary to good arithmetic. The more a country's population and production increase, the more it needs money. But it is impossible to have new money without contracting a debt which, collectively, cannot be paid."

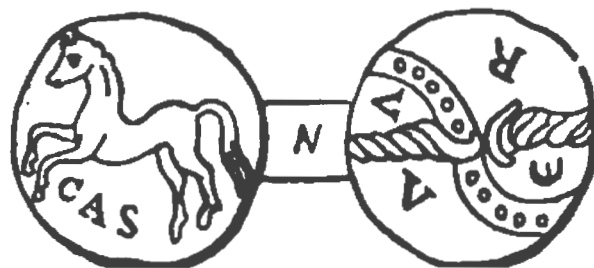
Louis Even, *A Primer of Social Credit* republished 1996



Above: One of the earliest bank notes issued by the Bank of England.



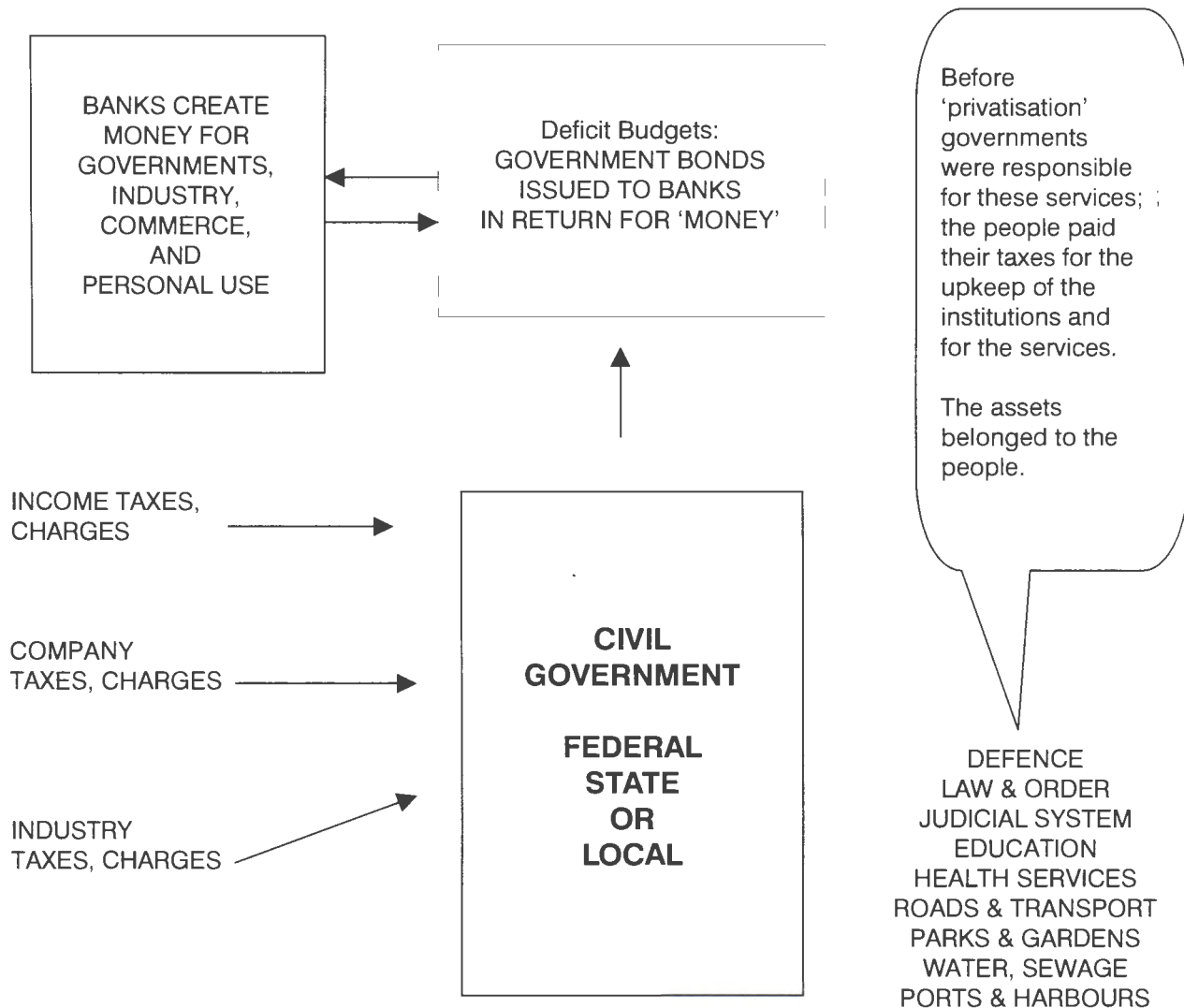
Chinese bronze 'spade' money



Coin of pre-Roman Britons with Sun Horse

PRESENT MONEY SYSTEM

A NATION'S MONEY SUPPLY IS CREATED - OUT OF NOTHING - BY THE BANKING SYSTEM



All private services are paid for out of wages, salaries and dividends. What that means is that when one pays one's doctor, lawyer, accountant, or service industry repairer for his services, the money to pay them comes out of one's wages, salaries or dividends.

The money to pay these people is distributed, in the last analysis, in the production of goods.

Services performed by government servants are paid for out of taxes, levied upon these wages, salaries and or dividends.

All such payments come out of the existing amount of purchasing power and are NOT additions to it.

The prices of all services are included in the price of goods, both capital goods and consumer goods.

“What the population of the world wants, and is determined to get, is a sufficiency of goods and services; there is no lack of these goods and services, either actual or potential, but they cannot be obtained except through the agency of money, of which there is a lack.

“This lack of money is not natural, in the sense of being unavoidable, but is wholly artificial, and is the result of a deliberate policy in the operation of the money system, although that policy may not perhaps be wholly conscious.”

C.H. Douglas *Breakdown of the Employment System* 1923

TO WHOM SHOULD THE ‘CREDIT’ OF A NATION BELONG?

“Whereas banks advanced ‘credit’ for purposes of their private profit – it was in reality social credit, that is, most definitely COMMUNAL PROPERTY.” C.H. Douglas.

DEMAND OF INDIVIDUALS, ABSOLUTE ORIGIN OF ALL ACTIVITY

“The *primary* object of the whole industrial system should be the delivery, to individuals associated together as the public, or society, of the material goods and services they individually require. **This demand of individuals, be it emphasised, is the absolute origin of all activity.**

“Since men co-operate to satisfy this demand, which is complex in its nature, it is necessary also to combine the demand, **and this combined demand of society is the policy**, so far as it is economic, of society as a whole. The first part of the problem, then, consists in finding a mechanism which will impose this policy on the co-operating producers with the maximum effectiveness, which always means with the minimum of friction.”

C.H. Douglas, *Control and Distribution of Production* 1929

If our society continues to be organised in such a way in which a handful of people exploit the greater number; if applied science and the progress of generations only serves to make outcasts of the homeless; a goodly number continues to live below the poverty line; or families continue to be torn apart; nothing, absolutely nothing, will prevent further friction and disintegration of this nation.

As the situation continues to deteriorate, how many persons will governments imprison who steal products to live? Or vandalise other’s property out of anger, frustration and perceptions of rejection? How many prisons will need to be built to hold the numbers who will revolt against a social order in which they see no place for themselves?

The sick are now deprived of care; talents go undeveloped; the young despair of a future career for themselves, or of the opportunity to set up their own home; farmers by the thousands are losing their farms and many families are barely managing to exist . All because the bankers, the usurers, the ‘money-changers’, not only enslave them, but enslave the people’s governments as well. The burdens are now too hard to bear.

USURY – DESTROYER OF SOCIETIES

by Jeremy Lee:

“The dictionary definition of ‘usury’ (Concise Oxford) is: ‘The practice of lending money at exorbitant interest’. In fact, this is a woefully inadequate definition. Various expansions have stressed that *any* form of lending which unfairly disadvantages the borrower is ‘usury’. All three major religions – Christianity, Islam and Judaism – condemn the practice.

“Various Biblical examples can be found. The patriarch Joseph, as Pharaoh’s servant, used the method to dispossess the farmers of Egypt. During seven good seasons he bought and stored all the grain from the farmers. In the following seven bad seasons he sold it back to them, finally dispossessing them of their flocks and lands. *Genesis* 47:18 records the sad finale, when the farmers pleaded. The same thing happened much later in the time of Nehemiah (470 BC), but with a different result. Again, the people were being financially oppressed:

‘We, our sons and our daughters, are many; therefore, let us get grain that we may eat and live. We are mortgaging our fields, our vineyards and our houses that we might get grain because of the famine.

Then I was very angry And contended with the nobles and the rulers and said to them: ‘You are exacting usury ... Give back to them this very day their fields, their vineyards, their olive groves and their houses, also the hundredth part of the money and of the grain...’

O.T. *Nehemiah* 5: 1-2.

“This time the money-lenders wrote off the debts!”

GREECE AND ROME

“Only a little earlier (594 BC) the Greek civilisation was experiencing the same disasters. Encyclopaedia Britannica, Vol 27, 11th edition recorded:

‘The bulk of the population, who had originally been small proprietors, or metayers, became gradually indebted to the rich to such an extent that they were practically slaves. Usury had given all the power of the State to a small plutocracy...’

On the advice of the Greek philosopher Solon, debt was written off and property returned. So Greece survived. Encyclopaedia Britannica continued:

‘When we turn to Rome at the same period, we find exactly the same difficulties arising. ... Unfortunately, however, no alteration was made to the law of debt. In the course of two or three centuries the small free, farmers were utterly destroyed. By the pressure of war and taxes they were all driven into debt and debt ended practically, if not technically, in slavery. It would be difficult to overestimate the importance of the influence of usury on the social and economic history of the Roman Republic ...’

MORE MODERN TIMES

“The usury of ancient times is nothing compared to that of the last 300 years. With the rise of the great banking dynasties, nations have been throttled by debt, often forced to **re-borrow** to repay old loans. It was Meyer Amschel Rothschild, founder of the most famous banking dynasty, N.M. Rothschild & Sons, who issued the famous statement:

‘Permit me to issue a nation’s money and I care not who makes its laws.’

“Many leaders in the past have recorded the great power of the money barons. Benjamin

Franklin, who started local money known as “Colonial Script” in the American colonies, which produced great prosperity, was forced by the British Government, under pressure from the **Bank of England**, to abolish his system and rely on **borrowed** British money. The Resumption Act denied the colonies the right to issue their own money, which impoverished them in a few months.

“Abraham Lincoln recorded during the American Civil War that the bankers were a greater danger than the Southerners. They offered him war loans at between 24% and 36% interest. Lincoln responded by issuing his own money, the famous Lincoln Greenbacks. Many suggest that this was the reason for his subsequent assassination.

THE AUSTRALIAN STORY

Federation in Australia, in 1901, heralded an attempt by one of our first federal politicians, King O’Malley, to safeguard the nation against the predations of usury. He campaigned vigorously for the establishment of a “peoples’ bank” which eventuated under the name, *The Commonwealth Bank*, in 1911.

Speaking in support of the project in Parliament in September 1909, O’Malley said:

“We have before us the greatest question that has yet been submitted for our consideration. It involves Australia’s national supremacy in finance, and the peace, good government and prosperity of generations as yet unborn. I have laid down my scheme because I am a banker. If I did not understand it, and if I had not had experience among some of the cleverest financial men that America has ever produced, I should not have presumed to submit it to the House. This is no party matter. I am not speaking as a Labor man, or as a Government man, but as an Australian for the whole Commonwealth, in order to see if we cannot devise some scheme that will overcome the complexity of modern finance with benefit to the people”

The Commonwealth Bank opened for business in 1913 and was immediately of immense benefit. It created \$700 million for wartime expenditure in 1914, at a charge of five-eighths of one per cent interest, thus saving Australia the huge war debts still plaguing other nations.

The story of how the Bank was strangled in 1924, placing it under the directorship of the private money-lenders, is one of the most tragic episodes in Australia’s history. It has now been completely ‘privatised’, by the same Labor Party which created it originally.

In the same year the Commonwealth Bank opened for business – 1913 – the *US Federal Reserve*, a privately-owned Central Bank, was enacted in the US, establishing the pattern of Central Banking now operating **across the world**. Central Banks now operate under the aegis of the *International Monetary Fund*, set up at Bretton Woods in 1944.

Of the IMF and its partners-in-crime, the World Bank and the World Trade Organisation, the courageous director of the Transnational Institute, Dr Susan George, said on the ABC in 1992:

‘All these institutions are centralized, hierarchical, completely undemocratic and working with a lot of money contributed by their members, mostly their richer members.

“What do they do with that money? Well in many ways they are helping to subjugate all the economies of the world. ...

‘The World Bank is in charge of imposing this economic doctrine; the International Monetary

Fund is in charge of imposing structural adjustment and GATT (now the World Trade Organisation) is involved with reducing not only barriers to trade, but any standards – environmental, health standards, high wages – that could be considered impediments to trade.

“I feel very much that the undemocratic nature of these institutions will mean that a whole new world order is put into place and that it is an anti-democratic, authoritarian order run by the elites of the world on their own behalf’

GLOBAL MONOPOLY

“That the planned centralization of money-control into a global monopoly is not accidental was exposed by probably America’s most distinguished historian, the late Dr Carroll Quigley, in his now-famous *Tragedy and Hope – A History Of The World In Our Time* (MacMillans, 1966).

“Quigley recorded that a network established **between bankers** was working towards an international order in which a financial directorate would **control** governments, production, distribution and trade. This was no mere speculation. Quigley wrote:

‘ ... I know of the operation of this network because I have studied it for 20 years and was permitted for two years in the early sixties to examine its papers and records I have objected, both in the past and recently to a few of its policies But in general my chief difference is that it wishes to remain unknown. ... The names of some of these other banking families are familiar to all of us and should be more so. They include Baring, Lazard, Erlanger, Warburg, Schroeder, Seligman, Speyers, Mirabaud, Mallet, Fauld and, above all, Rothschild and Morgan’

“Now, at the start of the 21st Century, power has been centralized on a scale never experienced in world history. Nations have been forced into trading blocs completely dominated by Central Banks. Under Clause 107 of the Maastricht Treaty, Europe’s Central Bank may not be challenged, nor is it beholden to any Member State of the European Parliament. Members have been coerced, against the wishes of their own people, into abandoning their own currencies in favour of the new European Currency Unit.

“Multinationals, themselves the creatures of the Banks which finance them, dominate world trade, forcing governments and industries alike to bend to their will. Global Governance — a euphemism for World Government — is on every trade agenda and behind each international treaty.

THE AUSTRALIAN HERITAGE SOCIETY

The Society was launched in Melbourne on 18th September, 1971 at an Australian League of Rights Seminar. It was clear that Australia's heritage was under increasing attack and Australians generally had 'lost their way': spiritually, culturally, politically and constitutionally. A permanent body was required to ensure that young Australians were not cut off from their true heritage and the Heritage Society assumed that role in a number of ways.

The Australian Heritage Society welcomes people of all ages to join in its programme for the regeneration of the spirit of Australia. To value the great spiritual realities that we have come to know and respect through our heritage, the virtues of patriotism, of integrity and love of truth, pursuit of goodness and beauty, and unselfish concern for other people - to maintain a love and loyalty for those values.

Young Australians have a real challenge before them. The Australian Heritage Society, with your support, can give the necessary lead in the regeneration of building a better Australia.

"Our heritage today is the fragments gleaned from past ages; the heritage of tomorrow - good or bad - will be determined by your actions today."

*SIR RAPHAEL CILENTO
First Patron of the Australian Heritage Society*

OUR POLICY

*To promote service to the Christian revelation of God,
loyalty to the Australian Constitutional Monarchy,
and maximum co-operation between subjects of the
Crown Commonwealth of Nations.*

*To defend the free Society and its institutions
— private property, consumer control of production
through genuine competitive enterprise,
and limited decentralised government.*

*To promote financial policies which will reduce taxation,
eliminate debt, and make possible material security
for all with greater leisure time for cultural activities.*

*To oppose all forms of monopoly,
either described as public or private.*

*To encourage all electors always to record
a responsible vote in all elections.*

*To support all policies genuinely concerned with
conserving and protecting natural resources, including the soil,
and an environment reflecting natural (God's) laws,
against policies of rape and waste.*

*To oppose all policies eroding national sovereignty,
and to promote a closer relationship between the
peoples of the Crown Commonwealth and those of the
United States of America, who share a common Heritage.*

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**"What can one person do?" people ask. The result is that wordy minorities,
loud-mouthed in their advocacy of chaos and unfettered liberty win the day.
But I say don't allow yourselves to be bullied into silence.
You matter. Your actions count.
One person on the side of right, decency and honesty is a real force.**

Sir Wallace Kyle, former Governor of WA writing in 1977 Heritage

AUSTRALIA'S FUTURE — A VISION SPLENDID

***Our heritage today is the fragments gleaned from past ages,
the heritage of tomorrow – good or had – will be determined by our actions today.***

Sir Raphael Cilento; First patron of the Australian Heritage Society



THE TRUTH WILL PREVAIL

Australians have come to realise that their country is being steadily stolen away from them, but few know what to do about it.

Agonised discussions are occurring with increasing frequency all over the land as worried citizens ponder how they can wrest control of excessive government back from the treacherous elites who presently steer us down the path of destruction as a nation.

Out of concern at the erosion of our traditional heritage, The Australian Heritage Society was launched in 1971 as a specialist division of The Australian League of Rights.

The Australian Heritage Society has produced "*Introducing Social Credit*" in the belief that Truth will eventually prevail, and in the belief that the material will appeal to those who agree with the old saying; "Don't believe everything you read in the papers". There is a side to Australian and world events that is never discussed in the "popular" press because too much controversy is not good for business. Heritage is an independent publication, striving to articulate a noble and comprehensive vision of Australia. That which could be — if enough Australians strengthen their resolve to make it happen — a vision splendid.

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