

# THE NEW TIMES

*"Ye shall know the truth and the truth shall make you free"*

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## Is President Reagan Charting a New Course?

President Ronald Reagan is generally presented, by both political opponents and supporters as a conservative who will move the U.S.A. on to radically new domestic and foreign policy paths. He is described as a man of the "Right" as opposed to those of the "Left". But generally the use of the terms "Left" and "Right" masks the reality that instead of being opposites, they are often different manifestations of the same underlying philosophy. "Nazism" and "Communism" are used to depict what allegedly are direct opposites. But Hitler's movement recruited large numbers of Communists, Hitler himself stating how much he had been inspired by aspects of Marxism. Margaret Thatcher's government of the "Right" is seeking increased trade links with the Soviet Union while preparing the way for a major Marxist advance in the United Kingdom. Ronald Reagan indicates that he will do likewise. His economic views are inspired by the same type of economists influencing the Thatcher Government.

Perhaps the most significant, but generally overlooked feature of the Reagan Administration, is that both domestically and in the field of foreign policy it reflects what appears to be a shift in Jewish policies. No serious student disputes that American Jews, along with Jews everywhere, have been overwhelmingly on the "Left". In the United States the majority of Jews have voted for the Democratic Party. Even when Barry Goldwater, himself part-Jewish, stood as the Republican Party candidate in 1964, the American Jewish vote went overwhelmingly against him. He was depicted as a man of "the extreme Right". American Jews were prominent in the bitter campaign against anti-Communist Senator McCarthy, and played a major, perhaps decisive role, in the anti-Vietnam campaign, which ended with the greatest American defeat in the Republic's history.

### PRO-ZIONIST

But the American Jewish attitude towards Ronald Reagan has suggested a marked change towards a man of the "Right". What is happening? From his early days in Hollywood, Ronald Reagan has been surrounded by influential Zionist Jews. Reagan was not a really great actor, but his acting skills have assisted him in his political career. As a number of conservative American observers have pointed out, there were wide gaps between the Reagan rhetoric and his actual performance as Governor of California. While Jimmy Carter dutifully went through the ritual of expressing his support for Zionist Israel, a ritual expected of all Presidential candidates, the Zionists indicated that they did not have complete confidence in such a vacillating President. But Ronald Reagan has left no doubt that he is completely committed to the Zionist cause. One of his first acts after winning the Presidential elections, was to nominate Professor Jeane Kirkpatrick, professor of political science at the Georgetown University, Washington, as the next United

States representative at the United Nations. Mrs. Kirkpatrick is strongly pro-Zionist.

It is also of interest that Mrs. Kirkpatrick is a frequent contributor to *Commentary*, the leading American Jewish intellectual journal, published by the American Jewish Committee. Edited by Norman Podhoretz, it reflects what is claimed to be a move to the "Right" by prominent American Jewish intellectuals. A book by Podhoretz, *The Present Danger*, says what others have been saying for over half a century; that Communism is a threat to the world. But Podhoretz's anti-Communism, endorsed by no less than Dr. Henry Kissinger, now also presumably a man of the "Right", does not extend to naming who has financed the Communists, or to suggesting that credits and economic blood-transfusions be cut off. He is merely for "containment", a policy that has assisted the Communist advance. Nor does he admit that the Soviet threat to Middle East oil is, as the courageous anti-Zionist Jew, Dr. Alfred Lilienthal points out in his books on the Middle East, the result of the pro-Zionist policy which alienated much of the Arab world.

Mrs. Kirkpatrick is not only pro-Zionist, but as a scholar at the American Enterprise Institute, supports the type of free enterprise policies, which the Reagan Administration allegedly is going to introduce. These policies are also supported by a number of American Jewish intellectuals, and in part reflect the teachings of the Russian Jewess, Ayn Rand, whose anti-Christian

### Jewish Exodus from Soviet

A generally unpublicised report says that since the Reagan Administration came to office, the number of Jews being permitted to leave the Soviet Union has increased.

Is this a reaction to the strong pro-Zionist stand of the Reagan Government?

philosophy reflects itself in a type of economic system in which there is only the survival of the fittest. The Ayn Rand philosophy greatly influences the Thatcher Government, while Prime Minister Fraser of Australia has also expressed his interest in Ayn Rand. Ayn Rand's knowledge of real economics may be judged by her support for a return to the gold standard, while her ideal of human achievement is New York City!

#### **DEFECTS OF FREE ENTERPRISE**

As C.H. Douglas has observed, there was nothing much wrong with the free enterprise system of the late nineteenth century, so long as consumers had adequate purchasing power to order what they desired from the system. But because of the manner in which the bulk of new money is issued as an interest-bearing debt, and the insistence upon "full employment" at a time when technology was making it possible for the genuine requirements of people to be produced with less human labor, the system could only operate with progressive debt, inflation, and economic waste. Centralisation of power in all fields would thus appear inevitable. The overall result would be conflict, national and international, with progressive social disintegration and eventual collapse of civilisation.

While it is true that Keynesian economics have been proved a disastrous failure, attempts to implement what in the United States has been described as "supply-side economics", can only result in the British tragedy being repeated in the U.S.A. Tax cuts will, in the short term, result in increased consumer demand, thus stimulating the economy. But if such cuts are associated with a financial credit squeeze, and an attempt to introduce "balanced budgets", any benefits will be short-lived. As explained by Douglas in *The Monopoly of Credit*, "The demand for a balanced budget is another form of claim that all money belongs to the banks, and so far from being a reflection of the physical facts of

production, is unrelated to them. Every modern community, so far as physical facts are concerned, is becoming richer year by year, and this increase of riches could be greatly accelerated, a fact which is indicated by a large unemployed population, and a manufacturing system which, although already greatly in excess of present possibilities of sale, is daily being improved. It is equally obvious that so long as this demand for a balanced national budget is admitted, there can be no economic security, since it involves continuous application to the financial authorities for permission to live."

#### **ON DISASTER COURSE**

The Reagan Administration's approach is that increased American production is essential for economic recovery. Assuming that increased production is achieved, what then is to be done with this production? It cannot all be consumed in the U.S.A. Presumably there will be a stress upon the necessity of still greater exports, even to the Soviet Union if necessary. Inflation must continue. Douglas observed in the conclusion of *The Monopoly of Credit*, that "fundamentally a financial system is a matter of pure arithmetic", and that instead of trying to compromise with arithmetic, "it is much better that the present defective system should be allowed to discredit its upholders, and so render genuine reconstruction possible, than that an alternative, of which the effects are not sufficiently beneficial as to place it at once in an impregnable position, should be substituted for it."

Following the years of demonstration that Keynesian economics are disastrous, a demonstration by the Reagan Administration, following in the footsteps of the Thatcher Government, that its policies are even more disastrous, should clear the way for a consideration of a policy of neither "Left" nor "Right", but one reflecting Truth. And only a policy reflecting Truth can result in the regeneration of a disintegrating Civilisation.

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# The Heritage Book Service

#### **NONE DARE CALL IT CONSPIRACY**, by Gary Allen.

US Congressman John G. Schmitz has written, "After reading this book, you will never look at national and world events in the same way again". One of America's most brilliant scholars and research writers has produced a "block-buster", documentary beyond all argument that from the beginning the Marxist conspiracy has been sustained by the International Financial groups. Millions of copies sold, with young students everywhere shattered as they realise they have only been pawns in a game they never understood. This devastating exposure of the truth about the world is being given the silent treatment. The Socialist bosses are worried. But the silence is being shattered as increasing numbers buy this book and distribute it. Price \$1.35. Six copies for \$4. Ten or more copies at 60 cents each.

#### **NATIONAL SUICIDE**, by Antony Sutton.

Described by one American reviewer as one of the most important works ever published, this book outlines for the lay reader the incredible findings of the world's greatest authority on Western technological and industrial aid to the Soviet Union. British-born Antony Sutton was a Research Fellow at the Hoover Institution, Stanford University from 1968 to 1973. Sutton documents the most explosive fact of this century: there is no such thing as a Communist industrial miracle. The Soviet has been built up by the West. For example, the Soviet fleet, which carried military equipment to North Vietnam, was built in the West! National Suicide contains Sutton's sensational testimony, suppressed by the media, at the 1972 Republican Party Convention. A special paper-back edition of this book was published by The Australian League of Rights in an attempt to defeat the media black-out. Price \$3.75.

## CANADIAN SOCIAL CREDIT HISTORY DISTRICTED IN NEW ZEALAND

By Eric D. Butler

**The big upsurge in electoral support for the New Zealand Social Credit Party has resulted in a Minister of the Muldoon Government, the Hon. Peter Wilkinson, visiting British Columbia and Alberta, Canada, allegedly to ascertain what has happened in the two provinces which have had governments calling themselves Social Credit. It is clear from what Mr. Wilkinson says in an introduction to a report published in "The New Zealand Herald" of February 1 and 2, that the Government believes that it is likely that the Social Credit League will hold the balance of power after the next New Zealand elections, scheduled to be held later this year.**

Although Mr. Wilkinson says that he prepared himself for his Canadian visit, his report does not indicate an understanding of the true nature of Social Credit. Perhaps Mr. Wilkinson can be forgiven for this lack of understanding, in view of the misleading claims being made by the New Zealand Social Credit League, and its own faulty presentation of Social Credit, which it continues to associate with party politics. However, Mr. Wilkinson's report contradicts the widely circulated lie, repeated on occasions by politicians around the world, that Social Credit was that "funny-money theory which was tried in Alberta and failed."

Mr. Wilkinson correctly states, "The Government which Aberhart led and dominated never succeeded in establishing a Social Credit system in Alberta. Therefore, not even the most fervent Social Credit supporter can claim that Social Credit solutions transformed Alberta from poverty to riches between the late 1930s and the 1970s." The centralised Money Power, using the Mackenzie King Federal Liberal Government, opposed every piece of legislation introduced by the Alberta Government to implement Social Credit policies. This obstructive policy of the Federal Government was pursued in spite of a promise by Mackenzie King at the 1935 Canadian Federal Elections that he would adopt a "Hands off Alberta" attitude. As Mackenzie King had also said that "Canada is faced with a great battle between the Money Power and the People", he therefore knew that he was abdicating from that battle with his obstructive attitude towards Alberta.

Mr. Wilkinson reveals his lack of understanding of Social Credit with his claim that "About the nearest the Government came to achieving any monetary reform and a pointer to the system that might have been - was the short-lived 'prosperity certificate' or 'scrip' scheme introduced to show how credit circulates and, thereby, facilitate the eventual adoption of a full Social Credit system.

As Mr. Wilkinson correctly records, Premier Aberhart disclaimed any expertise concerning Social Credit financial technique. And it was this lack of understanding, which resulted in initial steps by a new and inexperienced government, confronted with a desperate situation, to take steps, including an increase in taxation, which were diametrically opposed to Social Credit. Criticising the "prosperity certificate" scheme in *The Alberta Experiment* C.H. Douglas said that "it constitutes the most stupendous taxation upon money resources that has ever been proposed, and increases the power of those who have the monopoly of creating money to an

### ERIC D. BUTLER

Recognised as one of the world's outstanding Social Creditors, Mr. Eric D. Butler has had an intimate association with the Social Credit situation in Canada over nearly 20 years, meeting and working with prominent Canadian Social Creditors. He has made a close study of the history of Social Credit in Alberta and no one is more qualified to comment on what really took place. Mr. Butler is the author of a number of books on Social Credit. He will shortly be lecturing in New Zealand.

extent which for all practical purposes renders it absolute."

Mr. Wilkinson falsifies history when he writes of Aberhart's "increasingly uneasy dealings with Douglas," and his claim that "In my view, the realities of power quickly sobered him to the dangers of Douglasite Social Credit economics . . . by passing a series of Social Credit bills he could keep the more restive Social Creditors at bay. When they were declared ultra vires by 'outsiders' he had ready-made scapegoats." This statement is not only false, but is a serious reflection upon the integrity of William Aberhart, which Douglas stressed in his warm eulogy of Aberhart when he died. The truth is that Aberhart worked closely with Mr. L.D. Byrne, Douglas's personal representative, in complete harmony right up until the time of his tragic death. For an accurate summary of the Social Credit challenge to the credit monopoly in Alberta, the reader is recommended to a chapter. *The Lessons of Alberta*", in the writer's book *Releasing Reality*.

### DISTURBING THREATS

Presumably in an attempt to frighten New Zealanders, Mr. Wilkinson says that constitutional difficulties prevented the introduction of Social Credit in Alberta, and then goes on to say, "New Zealanders should remember that there are similar constitutional safeguards in New Zealand against 'funny money' experimentation." New Zealand is a constitutional Monarchy, has no written Constitution and lacks an Upper House. In theory it is a sovereign nation with a banking system whose operations come within the scope of the powers of New Zealand Government. To suggest that the elected representatives of the people of New Zealand cannot constitutionally change the rules under which the banking system operates, is to claim that the people are subject to an irresponsible financial dictatorship.

It is to be hoped that New Zealand electors challenge Mr. Wilkinson and his colleagues on this point. Nothing is more destructive of genuine constitutional government than a financial policy, which progressively erodes the value of the monetary unit by inflation. Mr. Wilkinson might be asked to indicate that constitutional barrier prevents New Zealand Government from using its power over banking to direct for example, that the interest rate be substantially reduced, and that deficit budgets be financed by credits instead of debt, these credits being made available directly to the New Zealand people.

However, more ominous than Mr. Wilkinson's suggestion that any change in present monetary policy could be unconstitutional, is his statement that with such a change, "it is hardly likely that international financial community would continue to accord New Zealand its present credit rating if, indeed it could expect any further financial backing." Perhaps Mr. Wilkinson has revealed more than he intended. But in essence he is telling New Zealanders that there is an international financial dictatorship, and that if New Zealanders dare to change their domestic financial policies, that dictatorship will impose some type of sanctions. "The international financial community" Mr. Wilkinson mention consists of the international banking firms. It is the international financiers who have used their power of financial credit creation to extend massive loans to the Communist world and thus put the non-Communist nations to work building up those pledged to destroy them. New Zealanders should find it strange that a Minister of a conservative government warns them against upsetting international financial groups whose subversive and treacherous policies have been primarily responsible for the desperate plight of the world.

When Mr. Wilkinson warns that New Zealand could lose its present credit rating with the international banks, he is saying that if New Zealanders decided to assert control over their own credit, there would be no more "foreign capital". He does not believe that Mr. Aberhart's successor, Premier Ernest Manning, betrayed Social Credit by taking a directorship with one of Canada's biggest trading banks, observing that Manning "was never other than conservative and orthodox, as shown, for example, by his wholehearted open door approach to foreign investment." Irrespective of the explanation of Mr. Manning's real motives, the fact remains that he was elected to fight the credit monopoly, and on many occasions paid lip service to the necessity of continuing that fight, what Ernest Manning did demonstrate was the truth of Douglas's view that the centralised credit monopoly was not going to be defeated by relying only on politicians. A greater Authority than Douglas warned nearly two thousand years ago on a mountain of the destructive temptation of power.

Mr. Wilkinson is generally correct when he says that the relatively "boom" conditions of Alberta and British Columbia have little if anything to do with Social Credit, that both Provinces are actively engaged in developing their vast natural resources. But that development is geared to the all-prevailing

debt system. One of the most insidious forms of hidden taxation, inflation, is high. The New Zealand Social Credit League provides its critics with a stick for beating when it makes absurd claims about the government of British Columbia. As Mr. Wilkinson correctly points out, this government is Social Credit in name only. Responsible B.C. observers believe that its electoral stocks are currently so low that it would be defeated in an election.

### A POLICY OF FREEDOM

Social Credit is neither a "system" nor a "plan". It is the policy of a philosophy, the philosophy of freedom, of Christianity. The application of Social Credit policy must be governed by circumstances. But every step must be designed to provide the individual with more effective control over his or her own affairs. Lower total taxation would be a step in the right direction. The use of consumer price discounts, which for so many years, kept New Zealand dairy products at such a relatively low price, and helped to restrain wage demands, was a Social Credit conception, even though not labelled as such. The reality of the New Zealand situation is that it is *physically* possible for the people to adequately house, feed and clothe themselves, to provide a civilised style of living, which could be the envy of the world. Some imports are, at present, necessary, and can be paid for by exports. A reduction in New Zealand's internal price level, the result of lower taxes and consumer price discounts, would be reflected in an exchange rate giving New Zealanders an advantage in the field of *necessary* exports.

But if New Zealanders accept what Mr. Wilkinson says, they must increase their international indebtedness for the purpose of exploiting their vast natural resources, primarily for exporting. If Civilisation is to survive, sooner or later one community in the world will have to decide that the true purpose of production is consumption, and that to produce for the sake of "economic expansion" and "full employment" is a form of madness. New Zealanders are in many ways favourably situated to give a lead. It is true, as Mr. Wilkinson says, that it was the desperate plight of the people of Alberta, which produced the Social Credit revolt of 1935. Perhaps the current crisis in New Zealand can produce a much more effective effort, providing the true lessons of Social Credit in Canada are learned.

### NEW ZEALAND CAN LEAD

If New Zealanders decide to embark upon a course, which effectively challenges the policies of the credit monopolists, they must of course be prepared to become the targets of an international propaganda campaign, as were the Rhodesians when they declared their UDI in 1965. But in spite of international sanctions and no foreign loans, the Rhodesians managed to survive for a long period, learning to make use of their own resources to provide themselves with much of what they previously imported. Surely New Zealanders can be just as resourceful?

## Subversion of West by Judaised Khazars

When an author of Arthur Koestler's standing, and Jewish background, wrote his carefully documented work *The Thirteenth Tribe* (1976) showing that the overwhelming majority of those people called Jews were descendants, not of the "Chosen People" of Biblical description, but of the Asiatic people known as the Khazars, converted to Judaism in the eighth century, he sent shockwaves through the international Political Zionist movement. Previous writers, including the well-known American Jewish convert to Christianity, Benjamin Freedman, had dealt with this question, but they were not popular writers like A. Koestler, a man commanding a large international audience.

Although Koestler carefully attempted to protect himself by stressing that his history did not mean he was opposed to the establishment of the Zionist State of Israel, a survey of the Zionist reviews of the book demonstrated the capacity of Zionists to engage in Talmudic dialectics. The book could hardly be completely ignored. But having been suitably "reviewed", so that it could be later stated that it had "been comprehensively answered", the book was subjected to the same type of treatment extended to works like *The Zionist Connection*, by the distinguished American Jew, Dr. Alfred Lilienthal. It became increasingly difficult to obtain, with many booksellers passing on the story that it "was out of print", and that there was insufficient demand for its republication. Limited supplies are, in fact, still available outside the general bookselling organisations.

### THE KHARYAN INVASION OF THE U.S.A.

We mention Koestler's work as an introduction to a subject, which was examined in some detail by the American historian, John Beaty, in his classic of meticulous scholarship, *The Iron Curtain Over America*, first published in 1951. In spite of the author's background as an historian, his position as a top American intelligence officer during the Second World War, and the endorsement of his book by a number of senior American military leaders, including General George E. Stratemeyer, he was widely smeared as "pro-Nazi" and "anti-Semitic". Senator William A. Langer, a former Chairman of the U.S.A. Judiciary Committee, said that Beaty's book "ought to be compulsory reading in every public school in America." But the forces identified by Beaty were too powerful at that time to permit this to happen.

Beaty drew attention to the fact that it was the Eastern European Jews who had brought the Political Zionist movement westwards and imposed it upon reluctant Western Jews, most of these of Sephardic background. The same Eastern European Jews had, in their invasion of the U.S.A., produced the major subversive figures seeking to destroy Christendom. The gaol sentence imposed upon Lord Kagan in England, for fraud and theft, last December, directs attention once again to the problem raised by Beaty and further dealt with by Douglas Reed in his explosive book, *The Controversy of Zion*. Kagan had been elevated to the House of Lords by his good friend, former British Labor leader, Sir Harold Wilson. Kagan had created a reputation as a philanthropist, but, said Mr. Justice Jupp, "by unscrupulous and dishonest means he took advantage of the controlled price of indigo in the United Kingdom to sell it in the booming markets of the world and to divert the proceeds to secret Swiss banking accounts." Kagan was found guilty of four

theft charges.

The Kagan case recalls that of another Jewish "philanthropist", the German barrister Hans Deutsch, who played an important role in persuading Pope Paul VI to support the Jules Isaac thesis, which led to the changed Vatican attitude towards Judaism at the 1964 Council in Rome. There was a major sensation in Europe when Deutsch, an Austrian Jew who left Austria when Hitler came to power, living in Palestine until the end of the Second World War, then going to post-war West Germany to make a fortune representing those claiming compensation as Jewish victims of Nazism, was exposed as a master criminal. It was subsequently revealed that Deutsch had collected several million marks in the names of the victims of the Nazi plundering of art collections. He was described as "perhaps the most accomplished crook of the century."

The subversive role of Judaised Khazars is dealt with by Count Leon de Poncins in "Judaism and the Vatican".

### HAROLD WILSON'S JEWISH FRIENDS

A further contribution to the subversive role of the Judaised Khazars, who appear to have a flair for exploiting politicians, is provided by the well-known British journalist, Chapman Pincher, in his book on

### Basic Fund Passes \$36,000

There has been a substantial advance in the League of Rights' Basic Fund over the past month, taking the total past \$36,000. But there is still a long way to go to reach the objective. Some supporters have responded to the suggestion that sufficient supporters may be in the position to advance interest free loans for a limited period to enable the League to carry through its planned book-importing programme. We have a Catch 22 type of situation with an increasing demand for books, but with only donations and profits to finance increasing purchases. Generally these imports require cash payments.

At the moment the League is barely keeping pace with its planned programme for 1980-81. The next two or three years are the really critical ones, and years of forward planning have gone into what has already been achieved. We cannot afford to be found wanting. No more contributions, please, from those who have already given. The balance of the Fund can easily be provided by the large number who has not yet contributed.

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the shady aspects of British politics, *Secret Power*, Pincher writes, "because of Wilson's close friendship with the Jewish community there were many prominent Jews in the (honours) list - the two show-business brothers Sir Lew Grade and Sir Bernard Delfont, Sir Joseph Kagan, the maker of Gannex raincoats, Sir Max Rayne, the property millionaire, Sir Eric Miller, Sir Joseph Stone, his doctor Sigmund Sternberg, and Sir George Weidenfeld . . . later the awards were criticised at a meeting of the Parliamentary Labour Party, where more than 100 MPs dissociated themselves from them on the grounds that some of the names were too closely associated with 'the less acceptable face of capitalism'."

Pincher then raises the question of the large number of East European refugees "who had retained and developed contacts behind the Iron Curtain", several of these having been raised to the peerage by Wilson. Pincher continues, "While collecting honours, wealth and in some cases, like Lord Schon, appointments, these immigrants have managed to keep an astonishingly low profile, though in the case of Joseph Kagan (now Lord) who was born in Lithuania, Wilson himself provided continuing publicity by wearing Gannex coats. Some of these men have helped him financially in his political life. When he was in Opposition between 1970 and 1974 about a dozen wealthy Socialists, many of them Jewish, supported a secret trust fund of £25,000 a year to help meet the costs of running his office. Of the five trustees, four were Jewish, including Lord Goodman, the solicitor, and Sir Rudy Sternberg (latter Lord Plurenden). Contributors included Cyril Stein of Landbrokes, an ardent Zionist, and Arich Handler, a City financial consultant. The trust was kept secret from the Labor Party and even from the chief whip..."

But even more important than this information is Pincher's comments on the subject of Harold Wilson's Eastern European Jewish financial backers and security. He writes, "Regrettably, libel again restricts disclosure, but one who as since died can be named

Tom Driberg, who was elevated to the peerage as Lord Bradwell. He claimed to have been expelled from the Communist Party before he became an MP in 1942, but remained a Kremlin agent of sympathy, sponsoring various Communist-front organisations, urging the withdrawal of troops from Northern Ireland, and there was deep suspicions inside M15 that he was an active agent of the KGB. The fact that this man, who was also widely known as a homosexual pouncer of a bestial kind, haunting public lavatories to find quick conquests, as he described in his memoirs, could have become chairman of the Labour Party, illustrates the extent to which blatant behaviour, political or private, is no bar to progress in that party."

After Kagan had been sent to gaol, Harold Wilson attempted to protect himself by claiming that after he had consulted cabinet papers, he could state that while it was true that Kagan had links with a top KGB agent, Cicardus Valguaskas, he was in fact spying for the British.

The Lord Goodman listed as one of the trustees of Harold Wilson's secret trust fund, was the same Lord Goodman sent out to Rhodesia by Wilson in the campaign to force the Rhodesians to surrender.

### RESOLVING THE PROBLEM

It was the distinguished Sephardic Jewish writer, Dr. Oscar Levy, who wrote, "The question of the Jews and their influence on the world, past and present, cuts to the root of all things and should be discussed by every honest thinker."

The essence of the "Jewish Problem" is the "Chosen Race" claim undergirded by a collectivist philosophy, which elevates the group over the individual. As Douglas said in *Social Credit*, the first requirement for resolving the problem is to break up the dominance of the group. This requires, financial and economic policies, which effectively decentralise power. Jews have been prominent in opposing such policies. Jewish opposition to Social Credit is, as Eric D. Butler shows in his *Releasing Reality*, a logical result of the Judaic philosophy.

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## The Use of Social Credit

By C.H. Douglas

**The following article was first published in "The Rotarian", England, in 1935, and republished in "The Social Crediter" in 1946 with an editorial note saying it was being republished to provide a standard of reference to which readers might judge the prospects of a policy of rising prices, increased exports, with an expansion of bureaucratic and administrative costs ending with the type of disasters the article suggested.**

An economist is in some sense a professing doctor - sometimes, perhaps, a witch doctor - of the Body Politic. If I were asked to define the difference between a witch doctor and a modern physician, I should say that fundamentally a witch doctor accepts the diagnosis of his patient as the description of the disease from which he suffers, and the modern physician does not. Since the patient, though suffering from heart disease, quite possibly states that a "Devil" has bewitched his breathing, the Witch Doctor resorts to spells, frequently of an alphabetical nature, while exhorting his victim to exertions which a physician

would condemn. Much the same distinction may be drawn in regard to the diagnosis and treatment of trade depression. The idea that unemployment is a defect of the economic system and that the present distresses of society flow from it, and can only be cured by its elimination, is both unscientific and incorrect. The sound economist observes that the best scientific, engineering, organising and administrative brains are continuously endeavouring to achieve a given amount of work with a diminishing amount of human labour, and that, therefore, an increase of leisure is both certain,

and from their point of view, highly desirable. When he hears that the prime requisite for a restoration of prosperity is a restoration of confidence, he examines the nature of confidence, and finds that it grows from the experience that an intelligent line of action will always lead to a desired result, and he concludes therefore, that confidence follows experience, and does not precede it. When he observes that the modern production system produces more than is sold although there are still numbers of the population of modern producing countries in drastic poverty, he does not conclude that the output of the production system should be reduced in order that it may correspond with the amount that can be bought, but he says that the amount that can be bought should be increased.

Proposals for the use of Social Credit as a remedy for the present ills are not primarily concerned with the production side of business. Probably the greatest body of expert knowledge in the world is concentrated in the production system in one form or another, and this body of opinion may be left to continue its undoubted success in the past. But when we come to consider the distribution of the product, we are met with a less satisfactory situation. The phrase of "Poverty amidst plenty" has become enshrined amongst the clichés of the English language. Social Credit, in consequence, is primarily concerned with the distribution, and not with the administration or technique of production. Its problem is poverty, not plenty, and poverty consists of lack of money, the essence of money being credit - the belief that money will do what it is supposed to do.

Economic production is interlocked with the distribution of money through the agency of wages, salary and dividend. The existing financial system stands or falls by the perfectly simple proposition that the production of every article distributes enough money to the general public to buy that article. The orthodox economist says it does, the Social Engineer says it does not. The Socialist complaint against so-called capitalism is that money has been distributed inequitably, that is to say, that some people, the "Capitalists", get too much, and some, the "Workers", get too little. Hence the Socialist is permanently committed to a policy of "soak the Rich". It is a primary tenet of Social Credit theory that though this inequitable distribution may exist, it is a secondary consideration to the fact that not enough money is distributed to buy the goods that are for sale, and that in consequence redistribution is not an economic remedy, whilst being a political irritant of a high order.

The first point which may raise in our minds a legitimate doubt as to whether the orthodox economist is quite right in regard to this matter is that the business of making money, and the business of making goods or growing food, have no ascertainable relation to each other. Of course, the manufacturer, the trader, or even the farmer, sometimes talks about "making money". They never make money. They merely scramble for the money, which is provided for them in varying quantities and under varying conditions by the bankers, with or without the assistance of the State. It is a little difficult to pin the banker down as to his own conception as to his position in the community.

If he is accused of providing an unsuitable amount of money, and thus causing business depressions, or, to a less degree, frantic booms, he retorts that he is merely a businessman and knows nothing about economics, a claim that he can generally substantiate. If, on the other hand, he is accused of missing a business opportunity, which he does not wish to pursue, he is a little apt to retire behind a high moral obligation to the community. The point on which he is quite firm is that the initiative of decreasing or increasing the amount of money in circulation is his prerogative, and that if production or consumption are out of step with it that is just too bad.

Now the fact that the banker can increase or decrease the amount of money in circulation with results which, though they may be satisfactory to himself, are somewhat tragic to the community, has tended to obscure the fact that we have no record anywhere of a satisfactory distribution of consumable goods to the extent that they can be produced, except in a time of expanding capital production. To put the matter in its shortest possible form, we have no evidence that in modern times the price system is self-liquidating and every evidence to show that it is not.

The theory of this proposition is somewhat complex and highly controversial, but the inductive proofs of it are endless. One of the more obvious is contained in the constant rise of debt, stated by the Technocracy Group to be at the rate of the fourth power of Time, one hundred years being taken as a unit. Another equally conclusive indication of the immense excess of price values over purchasing power may be derived from examining the assessments for Death Duties in Great Britain and elsewhere, in which it will invariably be found that an estate alleged to be worth, let us say £100,000 and taxed in money upon that sum, consists only to the extent of two or three percent in purchasing power, the remainder of the estate being assets of one kind or another which have price values attached to them, and require purchasing power to buy them. It is significant that in England eight years are allowed in which to pay Death Duties. It should be noticed that this confusion between assets having a price value placed upon them and purchasing power which is required to meet those price values (as if these, instead of being exactly opposite in nature, were similar) is one of the commonest sources of confusion in discussions of the money problem.

Now just as a man is taxed upon his assets and has to pay the tax in money, which is purchasing power, although those assets do not grow money, just so do the price values of industrial assets enter into the price of the goods, which are sold. And the first objective of Social Credit is to provide sufficient money to meet these charges, which occur in ultimate products as the result of the existence of industrial assets. One of the methods by which it is proposed to do this is to take the charge for industrial assets out of prices and pay it direct to the owner of the assets. Instead of taxing him in money for the possession of industrial assets we should, on behalf of the consumer, pay him for the use of them. That is not essential to the theory, but it is a quite possible way of dealing with the situation.

The real beneficiary, it should be noted, is the consumer, who gets lower prices.

While a scientific regulation of the price level so that goods can be taken off the market by the available purchasing power as fast as they are produced is an essential component of a scientific money system, it does not deal with the second aspect of the problem, which fundamentally is related to the change over from manual production to power production. Probably over 80 percent of the total number of issues of purchasing power distributed in our existing financial system, is distributed through the agency of wages and salaries and it is obvious that this assumes that 80 percent at least, of the population will be maintained on a wage or salary basis.

But there is no ground for the common assumption that such a percentage can, or will be maintained in normal times, and every ground for assuming that it will decrease continuously.

On the other hand the dividend system is independent of employment, and depends fundamentally, only on production. If we can arrange that while the wage and salary pay roll becomes continually less, the dividend pay roll becomes continually greater and more widely distributed, we have dealt with the second half of this problem. There are two ways of looking at these aspects of the matter. The first is moral or ethical, and is probably the less important, since we are less sure of our ground. Due very largely to a mistaken and mischievous Puritanism, probably having a common origin with Marxism, there is a widespread idea that no one should obtain a living without working for it, and it is noticeable that those who do, in fact, obtain a very handsome living without working for it, are most vigorous in their determination that there shall be the minimum extension of the principle. The moral or ethical justification for a National Dividend, however, rests on the same basis (a sound basis) on which those fortunate persons who do obtain a living without working for it, ground their claim, that is to say, on the possession of property. The property that is common to the individuals who make up a nation is that which has its origin in the association of individuals to a common end. It is partly tangible, but is to a great degree intangible, in the forms of scientific knowledge, character, and habits.

The extent, to which this national heritage can be made to pay a dividend in money to the general population from whom it arises, merely depends on the simple proposition that the money, if spent, shall be effective in acquiring goods without raising prices. To raise prices would reduce the purchasing power, not only of the fresh money, but of that which preceded it. If this provision can be met, that is to say, if there is undrawn upon productive capacity coupled with control of the general price level, then the mechanism of a National Dividend becomes fairly simple. In its simplest form, it is the issue of bonds to the general population, similar in character to those, which are issued to them in return for bank- created money during

a period of national emergency, such as war. The exact conditions under which the bonds are issued is not an economic but rather a political problem. Many factors enter into it, and it will, in all probability, be solved in various ways as the differing psychologies of peoples and their Government may direct. In combination with the regulation of the Price Level, it affords a completely flexible method of ensuring that what is physically possible is financially possible. Its inauguration in a modern industrial State means the disappearance of poverty in the old sense of the word, from the population of that State.

The monopoly of credit at present held by financial interests, that is to say, banking institutions and their affiliations\*, is obviously so valuable that it would be too optimistic to suppose that it will be relinquished without a struggle. The primary weapon used in this war is misrepresentation. The socialisation of credit, so far from being an attack upon private property, is probably the only method by which private property can once again become reasonably secure. It is the alternative to ever-increasing taxation. It is a method by which everyone may become richer without anyone becoming poorer. It is, so far as I am aware, the only method by which the pernicious doctrine of "a favourable balance of trade" can be exploded. In consequence, it is the primary requisite to the removal of the fundamental causes of war. You are, however, unlikely to arrive at any conclusions of this character by reading criticisms of the theory, which originate from orthodox financial circles.

In spite of the difficulty of obtaining a wide public presentation of the theory, however, the progress, which has been made by it, more particularly in the past two or three years, is remarkable. There is no portion of the English-speaking world in which it is not discussed, or in which, spontaneously, bodies for its propagation and realisation have not been formed. The Canadian Province of Alberta has the honour of having elected on August 22nd, the first Social Credit Government, but I shall be surprised if it retains this isolated position for long. New Zealand Australia (and, in particular, Tasmania), South Africa, are all moving rapidly in this direction, more or less in the order named. Whilst in the United States other remedial measures have engaged public attention, steady education upon the subject has been proceeding.

So far as anything is certain in this world, banking dominance of credit, commerce and industry is certainly doomed together with poverty amidst plenty.

\* (Which, since the 'nationalisation' of central banks, now include 'democratic' governments) - Ed. T.S.C.

### **"The Zionist Connection"**

We regret to have to inform our Australian readers that the limited supply of Dr. Alfred Lilienthal's explosive work on the Middle East is exhausted. Further stocks are being sought and when available we will publicise.