



ON TARGET

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**Whose Service is Perfect Freedom by C. H. Douglas
With a Foreword by Tudor Jones**

*But they shall sit every man under his vine and under his fig tree;
and none shall make them afraid. Micah iv., 4.*

Foreword

This outstanding work of the late C.H. Douglas was commenced in the issue for June 3, 1939, of *The Social Creditor*. The second phase of the World War began with the declaration of war by Great Britain against Germany on September 3 following. Five chapters of the book had then appeared in *The Social Crediters* pages, and sixteen more were distributed, a little irregularly, over the thirty-three weekly issues of the paper between the outbreak of war and April 20, 1940, in which issue Chapter 20 was printed. Beneath this, the words '*To be continued*' indicated that the work was unfinished.

Later, there was insistent demand for republication in book form, and the author began a revision of the printed text with this object in view. A few passages which, having a purely topical reference, were suitable to serial publication were removed, but very few, and some minor changes which clarified a point here or there or corrected an obvious mistake in presentation were made, until the author reached Chapter 6. At this point, he ceased correcting.

The reader should observe, therefore, that the first six chapters of the work as here presented embody the author's corrections. All that follows Chapter 6 is reproduced here in the exact form in which it first appeared.

Unfortunately, there is no evidence available concerning the date at which the work of correction was suspended. All we know is that it was begun after, indeed many months after, the twentieth chapter was printed in 1940.

It would be interesting to know why the work of correction ceased, because that would throw some light upon Douglas's views as late as 1950 upon a vital matter affecting Social Credit, as will be seen from what follows. At that time it was the author's intention to complete his revision and to republish the work. This is known from an episode, not of great importance in itself, which led to a discussion of the work by Douglas.

What was threatened was ‘piratical’ publication of the work in its incomplete form. How this was dealt with is immaterial. The point is that it was the occasion for a clear statement from Douglas (a) that the work was incomplete, (b) that it lacked only a final chapter, which it was his intention to write when he thought fit, and (c) that, whereas most books of the kind to which *Whose Service is Perfect Freedom* belongs were devoted to an exposition of the remedy for a condition not adequately defined by their authors, the work in question was primarily concerned with the description of the condition to be remedied, leaving the question of what was to be done about it to a single final chapter.

We know, therefore, that strategy was to be the subject matter of the missing Chapter 21. During World War II, the situation as Douglas understood it, deteriorated steadily. After the end of the war and the virtual dismissal of the hero of the moment, Mr. Winston Churchill, from office, at the very moment of ‘victory’, whether events might be described as further steady and steadfast deterioration or merely the reaping of fruits already grown to maturity might be a matter of opinion, but viewed strategically the situation was an altered situation, in the light of which the wheel of fortune, however dynamically determined, had to turn farther before sure means of dealing with its effects could be elaborated.

While this feature is now doubtless as apparent to some others besides Douglas as it was then to Douglas, we have no longer his genius to help us further to define its nature and the nature of the effects to which we should attend, although we have the inestimable legacy of the principles which should determine our action if we will but attend to them.

TUDOR JONES
March, 1955

1

Some years ago, a leading member of the inner political circle in Moscow was asked about social credit. He replied: “We know all about that. It is the one theory in the world of which we are afraid.”

Perhaps the most pathetic feature of the present worldwide crises is the facility with which large masses of people will accept, under a suitable title, a situation against which they will fight to the death if it is labelled something else. The effect of this is to destroy “a just relationship between the mind and things”. For instance, a considerable, though rapidly decreasing body of what is called the working population of this country is hypnotised into the idea that, in Russia, a highly centralised, tyrannous and corrupt government, because it is labelled “the dictatorship of the Proletariat”, is something which would be to the advantage of the under-privileged classes of this country. The Russian Proletariat do about as much dictating to the real Government of Russia as the English Proletariat do

to the Bank of England. Yet less corrupt, more “socialistic”, although tyrannous and centralised governments in Germany and Italy, because they have been successfully labelled with an entirely fanciful name, Fascism (which means, if it means anything, one thing in one part of the world and another thing in another part of the world), were supposed to be the unique enemy of the “worker” and the only force to be fought in this country. It is difficult to make the general public realise that “Communist v Fascist” is, in the main, only the old Party game in a new dress.

Now, it might appear to be almost an insult to the intelligence of the readers to repeat that the characteristics of a centralised government can be deduced from the nature of the centralisation very much more effectively than by the label which is commonly used in referring to it. Without first-hand contact with it, I should be inclined to say that of the Dictatorships that of Italy, with one very important reservation, contained the least number of objectionable characteristics. Of all the centralised governments, so far as I understand their organisation, Russia is by far the greatest threat to the individual, whether he is called a proletarian or anything else. To suppose that the most naturally reactionary and politically inexperienced country in the world can, or wishes to, solve problems exercising Great Britain is merely fantastic. I believe that the state of affairs in Russia has been consciously achieved by truly anti-social and anti-cultural forces, and that an attempt is being made to achieve it all over the world by methods which, I think, it is vital should be better understood. I should like to state unequivocally that it is my conviction that centralisation is being fostered everywhere and from the same source and with the same object — world dominion.

The state of affairs in Great Britain during the last hundred years affords perhaps the best example from which to gather the nature of the process I have in mind. This process required for its successful development a section of the population which is permanently and of set purpose treated unfairly, and in whom a sense of injustice can always be roused and, in fact, justly roused. The next stage is, by such theories as Marxism, to direct the discontent of this under-privileged portion of the population against any section which is somewhat better privileged, and to inculcate steadily the idea that the deprivation of privileges on the part of the more fortunate section of the community will result in the transfer of those privileges to the less fortunate section of the community. In the United States this process is termed “playing both ends against the middle”, and is, of course, used as a basis for increasing taxation. While, at the same time, the progress of the industrial arts is towards greatly increased real wealth, any estimation of the extent to which this is so is naturally far beyond the

capacity of the uninstructed individual and is concealed by diverting productive capacity to useless avenues. The taxation process and the financial jugglery which accompanies it, succeeds quite effectively in depriving the privileged portion of the community of their privileges and transfers them to, or, if it be preferred, centralises them in institutions which are controlled from the point at which it is desired to centralise Power. It should be noticed particularly that the result of taxation, for instance, on the breaking up of the great estates of this country has not been to transfer any considerable or desirable portion of these great estates to the general population; it has been for the most part to transfer them to mortgage companies, concealing first the Banks and Insurance Companies but, ultimately, a ring of Financial Gangsters, holding a prior lien on the house and real property in the country and selecting the most desirable portions for themselves.

At this point it is perhaps desirable to digress. As perhaps I may be permitted to point out, the first book on what has since come to be called social credit, Economic Democracy, written for the most part in 1917 and published in 1919, was concerned almost wholly with the proposition that centralisation of power over initiative as opposed to individual freedom is a persistent and conscious policy. My excuse for this reference is that every effort has been made to obscure this fundamental issue, and to represent the Social Credit Movement as concerned with “a discredited monetary scheme, which has been tried in Alberta and has failed”. No Social Credit Scheme has been tried in Alberta, and consequently no such scheme has failed. Social Credit Policy in Alberta has so far been devoted to clarifying the issue I am now discussing, and the Social Credit Administration is achieving an historic success in this policy.

No social credit monetary policy can be instituted in the face of centralised Power, which is exactly why the centralisers are now in such a hurry.

2

The philosophy behind Marxism — and it should be remembered that every policy has a philosophy, very often widely different from that which its supporters claim for it — is dialectical materialism, the economic interpretation of history. I do not wish to misrepresent this theory, but as far as I understand it, it appears to be one of those half-truths which become dangerous weapons in the hands of political schemers. An allied statement is that “Labour produces all wealth”. Now, fresh air and sunshine are wealth, perhaps the greatest source of wealth, but they are not produced by Labour in any mundane sense. And, of course, using the word “Labour” in the sense in which it is used by Marx, its contribution to wealth is small and decreasing, which is why “essential services” are so easily maintained in a general strike.

But labour is a **means** to wealth. Its absurd exaltation under the term “Labour”

in the Left Wing parties, and “Employment” in the Right Wing Parties, is to my mind clear proof that it is consciously used to “play both ends against the middle” and so perpetuate world slavery, by making employment a condition of a reasonable standard of life.

To say that the primary interest of man is employment or, even more narrowly, economic employment, is to say that a means is an end. It is a challenge to (not it's opposite but to an infinitely greater whole of which it is in consequence an infinitely small part) dialectic Catholicism — that all means are comprised in the end of Man.

I am not competent to express an opinion on whether Roman Catholicism would accept this definition, but if it would, Roman Catholicism makes no mistake in denouncing Marxism as its deadly enemy.

It appears to be in the nature of the Universe that the misuse of a “means” results in the breakdown of the means misused. For instance, the centralisation which is so rampant is claimed to be in the interest of efficiency. But civilisation was never so inefficient as it is today. We have unimaginable and unthinkable production — yes. And with it, less security, less leisure, more suicides, more lunacy. Is that efficiency? By the canon of dialectical materialism it may be.

It is a curious illumination of the vanity of the human mind that materialism and Marxism are felt by their exponents to be “scientific”, “progressive”, “modern”. Their “science” is of the nature of that which, observing that an electric Power system consists of steel towers, wires, cables and machines, would insist that Power systems consist in what you can see, and what you can't see is superstition. The answer is, of course, “Climb up a steel tower, touch those wires, and let us see which is right”.

As to their progressiveness, it is quite true that the massacres and misery in Russia far exceed anything which that unfortunate land has previously experienced. But as to modernity, I am not so sure. The invariable characteristic of the mob mind is destructiveness. Its cry is not “We see there are beings more fortunate and free than ourselves; let us be like them,” but “Down with them!” Because one blade of grass in the field comes up first, down with it! Who's it to be a-puttin' of itself forward?

I do not wish to labour this matter excessively, but I think it is necessary to draw attention once again to the tyranny which words and phrases seem to exercise over subversive movements. “Socialism” means, in fact, the exaltation of the functionary at the expense of the human being — governmentalism, the increasing, deadening grip of institutions. “The Dictatorship of the Proletariat” is either a rioting mob or just words. Each and every one of these is used to forward one end — centralisation of that power which, if distributed, would make men

free and independent. There is nothing new about them — they have all been and are being tried, are soul-killing, and every civilisation has been destroyed by them.

Some time ago, Mr. Montagu Norman, when Governor of the Bank of England, is said to have replied to the suggestion that the policy of the Bank of England would force its nationalisation by saying, “Nationalisation — we welcome it”. Doubtless in consequence of this, the nationalisation of the Bank, on terms far more favourable than those accorded to coal, has produced hardly a ripple. Any detached observation of the policy of the Bank of England since 1917, at which time it came under “United States” (!) control, must recognise that a policy of conscious development towards State capitalism has been pursued unrelentingly. This is, of course, exactly what has happened in Russia and is happening both in Germany and in Italy. And it is this swift progress towards State capitalism everywhere which no doubt justified the remark recently of the Jewish millionaire, that nothing could stop the progress of world dominion, which would be finally achieved within a few years’ time. Jewish Finance will be at the apex of the Pyramid.

Complete State capitalism has already been achieved in Russia. Even the most ardent apologists for that regime are driven to explain that Russian State capitalism has prepared for another revolution which will bring in that true Socialism which is always just around the corner.

However that may be, everyone knows that what has been set up in Russia is a tyrannous bureaucracy possessing powers exceeding those of the most autocratic Tsar without any of their cultural compensation. Nazi Germany followed the same path, nor is it denied that Herr Hitler was supported by the great industrialists, who are probably in nearly autocratic control of Germany behind the scenes. In England all individual property rights are being swept away with almost unbelievable rapidity. By the Housing Act of 1936 and still more the tyrannous Miscellaneous Provisions (Agriculture) Act a state of affairs has been brought about by which the “ownership” of property, so far from being an asset, is a liability supported by State loans. The recent announcement that the occupier of a house had no rights whatever against billeting and that members of a family might be dispossessed in favour of strangers is an attack on freedom far more drastic than any which would have been tolerated without revolution in feudal times, and is copied from Russia.

To suppose that it is coincidence that an identical and recognisable objective is being pursued in every great country under such varying titles and by such apparently, but only apparently, opposing forces, is to strain credulity beyond reasonable limits.

A satisfactory reformation of the monetary and political systems would be fatal to the aspiration of the Jewish race, although it is vital to its best interest. If I have, for my own part, come to believe that there is a fundamental relationship between the troubles which afflict Europe and what is known as the Jewish problem, I have formed that opinion with reluctance, and only after close consideration both of facts and of less tangible evidence. There is probably no single piece of evidence existing which would justify the growing dislike of the Jews as a race. But there are so many indications all of which, taken together, lead to the same conclusion that, to my mind, a major verdict is inescapable. And since all responsible critics have reached this conclusion, in many cases by widely differing roads, perhaps the first necessity is to explain beyond any risk of misunderstanding, the nature of the charge, and why it is a racial and not a personal indictment. In this connection Disraeli's description of his people as "a splendidly organised race" is significant. Organisation has much of the tragedy of life to its debit; and organisation is a Jewish speciality.

I might perhaps begin by suggesting that many of the complaints laid against the Jew are merely Occidental dislike of the Oriental. Jews are not more "clever", more unscrupulous or more usurious than an equal number of natives of Southern India or Trans-Caucasian Russia. In addition, I have no doubt that it is true (although rather overstressed) that many individual Jews are, as individuals, a pattern of good behaviour and day-to-day good citizenship. Yet I should require more evidence than I have been able to acquire that these highly reputable Jews are not, perhaps specially, open to the real charge — a charge so grave that it has only to be understood for it to be realised that the Jew is a menace to be dealt with on pain of forfeiture, by Occidentals, of their indigenous culture.

The Jewish Race has many of the attributes of the harbinger of summer, the cuckoo. Every commentator, from Mr. Henry Ford's investigators to Mr. Douglas Reed, to mention only two instances of many modern critics, makes, in his special vocabulary, the same point. Once admitted as a guest, it is merely a question of time (and not very much time as time is measured in these matters) until he is ordering the dinner and his host and benefactor is washing the dishes. It is childish to say this is the result of superior ability. It is the outcome of policy.

That Jewry as a whole has a permanent policy which aims at establishing the individual Jew as a member of a "chosen", superior, dominant and ruling class in every country and over the whole world, is the charge, and it appears to me to be established by a consideration of the part played by Jews in both general and economic history so far as I am familiar with it. In short, the Jew has the policy of his philosophy.

Now the objection may at once be raised that even if this were so, it does not become a citizen of Great Britain to revile a policy which his own nation has pursued. But without attempting to excuse Imperialist excesses and ambitions, whether on the part of the British (whose Whig Imperialism dates from Cromwell) or any other people, there are, I think, certain very vital points of difference between Jewish policy and those of the great Empires of the past.

They were, as Great Britain was, definite and characteristic civilisations. Egypt, Greece, Rome, Spain, France and Britain are recognisable cultures, which were tacitly put forward for imitation and for which the nations concerned accepted responsibility. But the Jew has no native culture and always aims at power without responsibility. He is the parasite upon, and corrupter of, every civilisation in which he has attained power. There is nothing original in this charge: it is made more convincingly by such Jews as Dr. Oscar Levy, for example, in *The Idiocy of Idealism* than by any so-called anti-Semite. The more admirable portions of the Mosaic Law itself are almost certainly of Egyptian origin, and the Jewish Race has adopted them with the typical corruption that they only apply as between Jews, and that all methods are allowable and praiseworthy in dealing with the non-Jew. Out of this double morality arises the cry of persecution which accompanies the Jew through the ages.

An orthodox Jew, who marries a non-Jewess — an “Aryan” — is accursed, but Herr Hitler’s so-called Race Purity Laws which forbade a German “Aryan” to marry a Jewess were “persecution” — “race discrimination”. They were merely an inversion of Jewish custom.

Under German National Socialism, one of the variants of a creed which not only derives much from Jewish inspiration, but has been heavily subsidised with Jewish money, many Jews have been deprived of property acquired from Germans during and since the last war. [1914-18]. That is “persecution”.

During the past fifty years, tens of thousands of reputable, honest, British families have been driven to desperation, deprived of property honestly acquired and decently administered, as a result of the operations of Jewish money-lenders, large and small. That is quite all right — that is “bithness”.

The point I am concerned to make is that it is sheer insanity not to recognise that the world is always at war and must always be at war just so long as there is an organised attempt to impose a “system” on any people or person, and that an international attempt of this nature which is being actively pursued by Jewry means that the first and primary enemy is within the gates of every nation. And the first war should be upon him. It is just about as realistic to say that the business of the Allies was not to bother about the Germans, but to get to Berlin, as to refuse to deal with the Jew.

I have evidence, which is satisfactory to me, that the most effective opposition to the Social Credit Movement is exercised through Freemasonry — not “Grand Orient” Freemasonry, but Freemasonry tout court, and I am more than doubtful of the complete dissociation of Jewish and English Freemasonry, which is so strenuously protested by “English” Freemasons.

4

It has been our habit to flatter ourselves that during the past 150 years or so we have made great progress, and we have used the word ‘progress’ as though it defined itself. Now the fact is that nearly all of what we call progress is a-moral. Or to put the matter another way, there is no **moral** progress except moral progress, and the use of better tools in no way ensures better objectives. In the main, the period under review is characterised by a superficial acceleration in the achievement of vague objectives. We have cut down the time required to travel from Europe to North America from three weeks to ten hours.

What do we do with the time we have saved? Our houses (some of them) are lit by the pressing of a button. Do we find them more pleasant than the houses of the sixteenth century lit by candles? We call this a labour-saving age. In the fourteenth century there were ninety statutory holidays **per annum**, and the idea of “work” was completely alien to a large part of the population. Six hundred years ago, there were no police, and no police would have been tolerated. Was there more crime than at the present time? There is no evidence of it.

These observations seem to me to be necessary because it is frequently stressed, although again, I think, somewhat overstressed, that the Jews, as a race, have contributed largely to the advance of civilisation, and civilisation, as I suggest, is a misnomer unless it involves moral progress. Jews have, for instance, been notably prominent as chemists, and the chief use of chemistry, at the present time, is to provide high explosives with which the population of the world may blow itself to pieces, and poison gases to ensure to mortals a more painful death.

I believe it has only to be pointed out to be admitted, however, that the sphere, in which the Jewish race operates so largely as very nearly to control it, is that sphere which was regarded in the Middle Ages as the sphere of ‘black-magic’, but which we now term ‘suggestion’, or ‘the psychology of the unconscious’, and imagine that thereby we are saying something modern and scientific.

The outstanding instance of this is the hypnotism which has been exercised over the whole world by the financial system, so that almost without exception people have come to believe that bits of paper are more important than fields of grain, and figures in a book are a measure of the solid worth of a human individual and the only passport to a tolerable existence. But the hypnotism of finance, while perhaps the most important exhibit of black magic or the misuse

of suggestion, is by no means alone, either in the mediaeval or the modern world. In the former, Jews obtained control over chivalry by the hypnotic propaganda associated with the Crusades, and the money-lending transactions which were required to make the Crusades possible. The Knights Templars, in the first instance one of the strictest orders of chivalry, became corrupted by Jewish freemasonry of a particularly vicious character, so that, largely by their infection, the high idealism of chivalry, which was associated with the universal church, crumbled into ruins. In the modern world, high-pressure salesmanship, fantastic advertising, the portrayal upon the moving picture of a type of society which, fortunately, does not exist to any extent outside Jewish-controlled Hollywood, the filthy “crooning” of Bowery melodies by the British Broadcasting Corporation, are all instances of this almost diabolical faculty for destroying a “just relationship between the mind and things”. The conspiracy in the Jewish-controlled press to misrepresent world economic problems as primarily concerned with the provision of employment, the continuous misdirection of the Labour Party (now a War Party), the use of every opportunity to filch away individual initiative and to centralise it in practically anonymous and international financial institutions supported by a propaganda which distorts and perverts any information the general population may acquire, are simply modern ‘black magic’. In the face of a world which by these methods and policies has been brought to a condition rightly described as Insanity Fair, we are so bemused that we imagine that still more ‘Government’ (delegated power) will save us, and that anyone can manage our business better than we can manage it for ourselves. Every civilisation in history has perished of this cause — that ‘leaders’ and institutions have been allowed to assume powers for the exercise of which they could not be brought to account, and which we have no justification for resigning, while at the same time functional indiscipline has been advocated and practised.

Now the only rational meaning which can be attached to the phrase “moral progress” is firstly a continuous approach to Reality (which includes and perhaps is, real Politics), and secondly, the ordering of our actions, in the light of such approach, so that they tend towards our own and the general good. And if, as may be held, Reality and Good, or God, are synonymous, these two come to much the same thing.

So far, then, from the Jewish Race having contributed to a genuine civilisation, they have, ably assisted by the Puritan products of Old Testament education, been its greatest obstacle and have succeeded in the objective to be found in every one of their major declarations of policy — that all non-Jewish Races are “Goyim” (cattle) and that no civilisation not dominated by Jews and served by Gentile slaves shall be permitted to function.

It is quite possible that the translation into English and the vernacular in other countries, of the collection of documents known as the Old Testament, is one of the major calamities which have been inflicted upon mankind.

As I have suggested elsewhere, there is a legend, by no means improbable in its nature, that part, at any rate, of the Old Testament, contained a cypher, and that the cypher was the real justification for the preservation of these documents, in their original languages. Colour is lent to this theory by the opposition offered by the priesthood to translation, and the vague warnings of the dangers and disasters which would be the result of any such translation. (“The letter killeth but the spirit maketh alive.” The Jews themselves disclaim the literal teaching, even in its Hebrew form, of the Pentateuch, remarking “The words of the Torah are the vestments of the Torah.”) The veneration which may, for all I know, be due to the information contained in this hypothetical cypher has, however, been attached to a document which, in its translated form, deals with the relation between an unattractive tribal god, and a definitely repellent and treacherous tribe of Asiatics. For reasons which are not very obvious, the tribal god appears to have taken a great deal of trouble with them, and where the results of such distinguished effort were so disheartening, it appears to me to be presumptuous to suppose, as it is the fashion in certain circles to suppose at present, that we in England can do much better. I raise this particular aspect of the Jewish problem because it has become clear to me that the difficulties which confront the world’s miserable struggles towards sanity, are not in the main intellectual difficulties; they are almost wholly problems of de-hypnotisation, and not the least of these is to undo the effects of “Scripture lessons” pumped into immature minds at School and elsewhere, just so long as we allow ourselves to be obsessed by the ideals conveyed in the exoteric version of the Jewish Scriptures, we are in the state of mind which ultimately makes the rule of the Jew at once inevitable, and intolerable. And so long as the Jew is obsessed with the idea that it does not matter how he behaves, he is one of the race chosen to rule the earth, he will be persecuted, hated, and, if he persists, ultimately destroyed.

No greater service can be rendered to the Jewish race than to treat the Old Testament, as we know it, as the very patchy literature which it is, containing, rather than a pattern for imitation or a case for blind veneration, a distinct warning that over the whole period covered by its chronology, the peoples with whom it deals failed to pay any attention to the justifiable criticism which a few of their more commonsense members, the prophets, directed against their general behaviour, and are therefore still less likely to be suitable leaders for the rest of the world.

It is frequently objected that the sins of the financial system are blamed upon the Jews exclusively, whereas it is a matter of common observation that many of the world's largest bankers are, at any rate, so far as can be seen, non-Jewish, not merely in name, but in fact. This is true but it raises the curious problems as to the nature of the relationship between Judaism and Puritan-Calvinistic-Whiggism. Werner Sombart, who, with Bagehot, is perhaps the most competent writer on capitalism, expressed the opinion that the whole of the Puritan and Quaker conceptions so valuable to the system could be traced to Jewish influence. It was the Calvinist Whigs associated with Cromwell who brought the Jews back to England, in the main supported and profited by the industrial revolution with its horror of child labour and general degradation. The textbook of Cromwell's army and its authority for vandalism and cruelty, was the Old Testament. The Communist-Quaker-Whig junta of the Cromwellian Stanley Baldwin, with the Calvinistic Archbishop of Canterbury, played a typical part in the constitutional crisis which resented criticism of industrial policy and asserted unmistakably the supremacy of finance. It was Lutheran Prussia, with Jews in key positions, which first plunged Europe into war and then wrecked Germany.

It would be difficult to over-rate the importance of these matters to humanity at large. But to the British their significance is decisive. At the conclusion of the European War in 1918, an unfettered Britain guided by competent statesmanship could not merely have secured these islands and their population from further risk of war but could have guided the rest of the world into paths of economic plenty and political and international peace. Mr. Otto Kuhn or Cohen of Messrs. Kuhn, Loeb and Co., the Jewish bankers, speaking at Ottawa in 1923 said, "There was a short period after the war when we were very anxious. But we now have the situation well in hand". They had.

The post war period was for England the period of the unquestioned supremacy of American Jewish Finance. Mr. Montagu Norman, an obscure member of the London branch of an American banking firm became permanent Governor of the so-called Bank of England (i.e. the private bank which controls British Public Credit), and the United States sent over an official to "advise" him. When Mr. Stanley Baldwin's mission crossed to the United States to discuss the American Debt, Mr. Norman went with it, the mission returned in almost indecent haste with a "Debt Settlement" of which Mr. Bonar Law, the Prime Minister, is reported to have said, "If I sign this I shall be cursed for generations". From the time of the signature of this agreement, as Mr. John Gunther has pointed out, Mr. Montagu Norman pursued a Foreign Policy, with the aid of British credit, which was independent of and in opposition to that of the Foreign Office.

In 1928, Mr. Baldwin, having since become Prime Minister himself, hurried through an Act of Parliament handing the Note Issue over to the sole control of the “Bank of England”. In this connection it is interesting to recall the circular letter sent to the American Country Banks after the American Civil War: —

“It is advisable to do all in your power to sustain such prominent daily and weekly newspapers, especially the agricultural and religious Press, as will oppose the issuing of greenback paper money, and that you also withhold patronage or favours from all applicants who are not willing to oppose the Government issue of money. Let the Government issue the coin and the banks issue the paper money of the country, for then we can better protect each other.

“To repeal the law enacting national bank notes, or to restore to circulation the Government issue of money, will be to provide the people with money, and therefore seriously effect your individual profits as bankers and lenders.”

The joint management of the affairs of Great Britain on the political and financial sides by the persons in whose hands it was placed, resulted in the imposition of the highest taxation in the world, the rise of the suicide rate to more than double the highest previous known rate, the destruction of British Agriculture, the devastation of the English countryside, the wreck of Scotland and the sabotage of British military, naval and air force strength. When Mr. Stanley Baldwin retired and became Earl Baldwin and the administrator of a fund of £250,000 “for bettering Anglo-American relations”, Mr. Chamberlain, who succeeded him, was faced with a Germany built up in record time to the virtual dictatorship of Europe by means of loans sponsored by the “Bank of England” and a country so weakened and disintegrated both in morale and material by mismanagement that his only and proper policy in the circumstances was, for the time, “peace at any price” — a policy which the Whigs, who with their banker friends had been primarily concerned in producing the crisis, once again did their best to wreck.

There is an ugly story of a bulletin sent out from an official British source on the fateful Tuesday of the Munich Crisis which, had it not been intercepted by the energy of Mr. Chamberlain personally, would have plunged Europe into war and enthroned Wall Street as the permanent centre of world Government. But none of the actors in this tragedy receives suitable treatment from the public.

6

“For years Fascist propaganda has offered Fascism as a safeguard against Communism, and Communism has exposed Fascism as its arch foe and antithesis. In fact, the world has never seen two supposedly hostile economic and social systems more alike in essentials, both of practice and ideology, than National Socialism and Communism . . .

“Whoever tries to arrive at a fair and well balanced opinion of the Hitler system must keep in mind especially this: There is no legal limit to government or party interference in the routine life of business any more than there is a Habeas Corpus Act for the protection of civil liberties. This kind of totalitarianism, every day and everywhere, goes far beyond the written regulations.” — *Foreign Affairs*, July, 1937.

There is a Russian proverb to the effect that even God Himself cannot contend with a fool. It is in this sense, I think that Mr. Chamberlain must have been speaking when he said that one man, Hitler, and one man alone was responsible for this war.

In any other sense the statement is so nearly equivalent to the nonsense about “hang the Kaiser”, which was to be the main objective of the last war to make the world safe for democracy, that a little elaboration of it seems essential. Possibly, as he is no doubt very busy, Mr. Chamberlain will permit me to assist him with this matter.

The responsibility for the present war rests, of course, primarily with the same influences which caused and prepared the last war, and those influences are most effective through finance. They are, however, wholly concerned to centralise and capture world Power and have been actively engaged in opposing monetary reform and increasing the power of bureaucracy for, probably, hundreds of years — in England, certainly since the triumph of Cromwell.

The real objectives of the last war were the Bolshevik revolution in Russia, the League of Nations, and the financial subjugation of Great Britain.

The League of Nations, as contemplated, postulates “the undermining of the sovereignty of our respective nations”. (Speech by Professor Arnold Toynbee, Secretary of the Royal Institute of International Affairs, at Copenhagen in 1931). The underlying meaning of this is so important that a little space is necessary to deal with it.

In the first place, the ostensible reason for the League of Nations is the abolition of force as a means of settling disputes. But it is essential to notice that the advocates of the abolition of the use of force by nations assume that **the exercise of force by institutions upon individuals is natural, lawful and ought to be extended**. That is to say, there is no suggestion that the sovereignty of a government over its citizens should be decreased. If one nation has a grievance against another nation, that is matter to be settled by negotiation, as between equals. But if a tax or any other decree national or local is imposed upon an individual, it is imposed and paid (if it is paid) under the threat of overwhelming force.

The “undermining of national sovereignty” of which Professor Toynbee is

so proud, means simply that omnipotent institutions (which are operated by officials) are removed further from the control of individuals, as such, until, for them, their decrees, however harsh and oppressive, leave no possibility of appeal. Soviet Russia appears to be a working model of the general objective in view. In Russia, the Central Committee of the Communist Party which rules Russia, consists (or recently consisted) of 59 members, 56 of whom are Jews and the remaining three (of whom Stalin is one) are married to Jewesses. The alternative to the acceptance of its decree is “liquidation”.

Bearing these considerations in mind, we can now get back to Germany, Hitler and the responsibility for war.

The outstanding event of the post-war period in Germany was the ruin of the mark by fantastic inflation. As a result of this, the middle class, deprived of its savings and its small business, was wiped out, and came under the undisputed control of Jews whose international connections gave them access to dollars or pounds. For twelve years the Jews battered on the German population, employing, where it suited them, the dispossessed owners on starvation terms. It is out of this period that the hatred of the Jew in Germany has grown.

It is clear that, from the German point of view there could be no remedy for this situation except force. At the same time, the “American” financial interests, ably assisted by the Bank of England, decided that a “strong (highly centralised) Germany” was in their interest. It should be observed that the failure of the League of Nations was already evident.

Hitler, no doubt marked as a successful demagogue, was put into touch with Thyssen and other powerful industrialists, financed by or through them, and by a sequence which has been described at length in such books as *I Knew Hitler* (K.H. Ludecke) came to a position of concentrated administrative power.

I am doubtful to what extent it was in the first place contemplated that this power should grow.

It may be recalled that, on the resignation of Hindenburg in favour of Hitler, Dr. Schacht, the American-trained President of the Reichsbank said “For three months we shall have to do what Hitler tells us. After that he will have to do what we tell him.” It did not work out quite that way.

Amongst those at the apex of the pyramid of administrative power which was the inevitable result of a policy directed purely towards war, there was an appreciation of the fact that whoever controlled Germany could impose its own terms on German Banks, i.e., it was “control” which was important. Dr. Schacht was dismissed, and Gold Standard banking received a severe shock.

From the moment of Schacht’s dismissal, war became the primary objective of the international financier. In the words of Clausewitz “War is the pursuit of

Policy by other means.” The Gold Standard and the Credit-Loan and Debt system had to be restored, in order that “control” might be restored to the inter-national financier. Hitler had served his purpose in turning Germany into a modified copy of Russian Communism, more correctly described as the Police State. He could now be punished for his attacks on the Jews and his monetary heterodoxy.

The military forces of Great Britain and France could be made to do the dirty work and, in so doing, prepare the way by such measures as the Emergency Powers Act for their further conversion to the Police State envisaged by the designers of the League.

Even if a paranoiac of the Hitler type could not be trusted to plunge a Continent into war at the first check to his inflated egotism, it is obvious that his hand could be forced, as I have no doubt it was forced. Any man who allows himself to be put in ostensible control of powers greater than himself is the servant of the powers that put him there, not their master. Kaiser Wilhelm II was forced into war just as Hitler was forced into war.

It is, therefore, I think, quite possible to state the **real** as distinct from the proximate objectives of the **present** war.

They are:

(1) The establishment of the International Police State on the Russian model, beginning with Great Britain. (“Can we finally rid Europe of barriers of caste and creed and prejudice? . . . our now civilisation must be built through a world at war. But our new civilisation will be built just the same.” — Mr. Anthony Eden, Broadcast to America, 11th September, 1939).

This contemplates the complete abolition of civil rights.

(2) The restoration of the Gold Standard and the Debt System.

(3) The elimination of Great Britain in the cultural sense, and the substitution of Jewish-American ideals.

(4) The establishment of the Zionist State in Palestine as a geographical centre of World Control, with New York as the centre of World Financial Control.

7

I have suggested that the outstanding feature of the post-war period in Germany was the fantastic inflation of the mark, and the consequent ruin of the middle class, always the great bulwark against social revolution. The rise of Hitler would have been impossible without the two factors — the destruction of economic security for all but a few millionaire bankers and industrialists, and the financing of Hitler for the purpose of directing the despair of the German population into channels which would serve the purposes of the small

international group which controls world finance, as well as inspiring various immensely powerful secret societies.

But it would be a serious mistake to overlook the proof of the international nature of the world struggle against Satanic forces which is afforded by the post-war history of Great Britain.

Inflation, using the word in the sense in which it is commonly used by the Jew-kept Press, is simply a financial Capital Levy, and to recognise the nature of the underlying policy it is only necessary to realise that the fantastic taxation imposed upon Great Britain (always bearing in mind that the Bank of England had an “American” Adviser) is a capital levy in a different form. It is interesting to notice that the two Parties notoriously most susceptible to Jewish guidance, the Liberal and Labour Parties have always been advocates of confiscatory taxation in any form, open or concealed. In case any reader should be in doubt as to the objective of this policy, perhaps it might be helpful to state it categorically here.

THERE EXISTS A CAREFULLY THOUGHT-OUT PLAN TO DEPRIVE EVERY INDIVIDUAL IN EVERY COUNTRY IN THE WORLD OF ANY INDIVIDUAL SHARE IN THOSE POWERS WHICH RESIDE IN CREDIT. CREDIT IS “THE SUBSTANCE OF THINGS HOPED FOR, THE EVIDENCE OF THINGS NOT SEEN”. IT IS PROPOSED THAT NO MAN, WOMAN OR CHILD SHALL HAVE ACCESS TO ANY THINGS HOPED FOR, EXCEPT BY LICENCE, AND THAT LICENCE CAN BE AND WILL BE WITHDRAWN AT THE WHIM OF AN OMNIPOTENT SANHEDRIM. THAT IS WHAT HAS HAPPENED IN RUSSIA, POLAND AND GERMANY, AND IT IS THAT WITH WHICH WE ARE THREATENED IN GREAT BRITAIN.

In order to realise that there is nothing inherent in the nature of world events which makes such a state of affairs inevitable, various carefully propagated fallacies require some attention.

The first, and probably the most vicious, is the “work” fallacy. I have dealt with this on many occasions, but at this time certain aspects of it seem to require recapitulation.

The modern economic system, as controlled by Finance, at one and the same time saves labour and exalts Labour into a religion and a virtue. In consequence, it condemns man to perpetual bondage.

- (a) It derides all spiritual values. What can't be sold has no value.
- (b) While it has abandoned “Liberty”, it is insistent on the virtues of equality and fraternity. Those are the virtues of a herd of cows (Goyim).
- (c) By exalting a function, economic production, into a policy, it enthrones hierarchy over Humanity, and makes ever-increasing competition for raw

materials inevitable and war a normal state. Modern War inevitably becomes Civil War, and the sequence of events in Russia can be repeated.

The second fallacy is that we have to be taxed to pay for the last war, and still more to pay for this one. There was a time when I believed that those Powers which afflict us were merely stupid, and did not understand their own system. I am sorry to say that, while there is plenty of stupidity about, it is not enthroned in the inner councils of World Jewry, and that any such theory is now quite untenable.

Taxation is a confiscation of the individual's credit. When it is used to pay for fresh production, then fresh price values are produced without fresh purchasing power being distributed. Not even an orthodox or "classical" economist bothers to argue about this nowadays. It is admittedly beyond dispute.

Now, it might be argued that, as war production is given away to the "enemy", and only armaments Rings are paid for it, taxation for war purposes, at any rate, is right and proper. This idea again, rests on two fundamental fallacies (a) **that the general public is normally in possession of the total credit of the country**, that financial credit is a measure of real credit, and (b) that a country is economically poorer after a war by the amount of its war debt, plus the amount levied in taxation.

Neither of these statements is even remotely true. Probably less than 10 per cent of the financial credit of this country is at the unfettered disposal of individuals outside financial institutions, and it is probable that the real credit of this country was 25 per cent greater in 1920 than in 1914.

Before elaborating these statements to somewhat greater length, certain deductions, which could be made by anyone familiar with the subject, may be desirable.

(1) **Either** the Government of this country is powerless in the hands of the Jews and Freemasons, and is even afraid to fight them.

If that is so, and I do not believe it, then the real War, the War against Antichrist, is lost already, and the certainty that our mounting and unnecessary taxation, and the strangling bureaucracy which masquerades under the name of "Planning" will turn the war against Germany into overt or covert Civil War, according to Plan, is perhaps not important.

OR,

(2) **The money to finance the war will be issued as tax bonds bearing interest at 2½ per cent during the war, and 3½ per cent afterwards. All taxes collected from individuals, such taxes not in the aggregate to exceed 10 per cent of the total sums required for total taxation, will be in**

exchange for such bonds. In the case of producing organisations, all wages and direct costs will be met out of bank loans which will be made against definite delivery orders. No charge will be made to the Supply Ministries for War materials delivered, but the bank loans will be cancelled against a percentage of the price values delivered. Retail prices of consumers' goods will be immediately reduced by the amount of all direct and indirect taxation upon them subject to such prices bearing an agreed ration to the retailers' costs. In the event of such retailers' prices not being observed by the retailer, the tax at present payable will be levied on the retailer. Should it be desired FOR THE PERIOD OF THE WAR ONLY, to reduce consumption of any article this will be done by rationing, and not by price raising or taxation.

No National Bonds of any description will be issued to, or permitted to be held by any Bank, Insurance Company, or Discount Company.

8

It seems to me to be beyond question that unassailable right to genuinely **private** property, and any genuine democracy, are inseparable. I should define private property as anything, no matter what its composition or nature, which, being in the possession of the individual, is necessary to enable him to carry on his normal life without interference, and that "possession of title" is **presumptive** evidence of private property.

It is particularly necessary to notice in this connection, the trap of collectivism. In an appeal, significantly issued immediately after the outbreak of war, for the Jewish National Fund, and signed by Lord Samuel, it is stated "The principle of the land for the people, owned by the people, is the bedrock foundation on which our movement rests". This statement is so important as to be historic, because it identifies a most responsible Jew, whether he is conscious of it or not, with Communism. And it would, no doubt, be difficult to find a representative Jew of higher general character than Lord Samuel. Yet it is to establish Communism that Jews all over the world have worked to produce another Great War.

Analysed, Lord Samuel's statement means that the outstandingly Jewish movement — almost the only openly Jewish Political movement — Zionism, is based on the principle of what is well known to lawyers as "tenancy-in-common" of real estate. There is nothing novel about it; there are probably thousands of instances in this country of it, although they are decreasing rapidly for a perfectly good reason — that, of all forms of holding property, it is the one which most thoroughly deprives the proprietor of any control both over his alleged property and its administrators, while leaving him its liabilities. On the other hand, lawyers love it; the various "tenants" never agree on any active measure in connection

with it; its administration is ultimately left in the lawyer's hand generally with instructions to make a suitable sale; and every one of the "tenants" sighs with relief when his share is liquidated for cash. That is what "the land for the people" means except that the "people" would not be able to demand or get the cash for their share. It is the exact opposite of the land for individuals, the exact opposite of the democracy of policy and fundamentally incompatible with the Anglo-Saxon conception of freedom. Even in the most orthodox financial sense the value of an estate-in-common is anything up to fifty per cent less than sole ownership.

Fundamentally, tenants-in-common lose, as such, all the privileges of ownership. They can, and in English law, do, enjoy such credit rights as are not usurped by the State. But Lord Samuel does not say anything about this, or anything like it, nor does he refer to the fact that it is exactly this doctrine which has made it possible for the Dictators of Russia, Germany and Italy to involve their populations in desperate adventures. Stalin made no mistake when he collectivised Russian farming in spite of its gross inefficiency — he understood quite well that every admission of private ownership is an effective buttress to criticism of Government action.

Tenancy-in-common of the **credit of essentially collective enterprises** is another matter. Private ownership of a large nut and bolt factory is an abstract fiction. No single individual wants its output. The credit value of it is a proper subject for tenancy-in-common, and the realities of the situation are satisfied by distributed shareholding. This aspect of the problem, it should be emphasised, has nothing whatever to do with collectivism in the Socialist sense.

It is significant that an Emergency Powers Act, obviously most carefully drafted by those "Planning" interests identified with Jewish Communism, was the first legislative act of the present War. Every provision of it is designed to sweep away those rights of the individual in property and person for which the Anglo-Saxon has contended for centuries, and to bring about their transfer to a centralised, irresponsible and semi-secret authority. That is exactly what Communism means in practice, and although Lord Samuel and others of his race are enthusiastic about it, I notice that they are insistent that they shall be allowed to live, as individuals, in such countries as Great Britain where their theories have not yet been put wholly into practice. "Tenancy-in-common for the people"; all real powers to the administrators, "the chosen". Just as in Russia.

The Satanic power of these collectivist abstractions, typified by such words as "the people", "the workers", "the public", the "proletariat", and many others, is obviously immense. It is possible to observe their systematic application all

over the world to produce the conditions inseparable from Jewish influence. There is no exploiter of the Jew like the Jew. The sweat shops of the East End of London and the East Side of New York are owned by Jews employing Jews, under conditions which no Anglo-Saxon would impose. These establishments produce a mentality in the exploited which, espousing the cause of “the people”, would reduce all the “rich”, other than the financiers, to the ranks of the Proletariat. Engels, the Jew millionaire who financed Karl Marx, the prophet of collectivism, amassed his fortune by the relentless exploitation of child labour in the Manchester district. South Lancashire, in its subservience to Jewish policy, its fifty years of characteristically feverish prosperity, accompanied by the reduction of the countryside, from one of the most beautiful in these islands, to the semblance of a devastated area, and its subsequent economic collapse, affords an object lesson well worth thoughtful consideration. No people has ever been exploited so systematically as have the Russians, however.

There is the closest possible relationship between collectivism, mongrelisation (the treatment of individuals as if they were standard mass-produced petrol, eventually to be “pooled”), the manipulation by absurd taxation as well as by monopoly emission of an amorphous generalisation of “values”, money, and the systematic exaltation and expansion of bureaucracy. They are the policy of a philosophy.

9

In considering the nature of the measures which are necessary to ensure effective financing of the world crisis (of which the present abnormal war situation is merely the preliminary episode) certain fairly obvious propositions will bear recall.

(a) If it is possible without exhausting our credit to spend £2,000,000,000 per annum on pure economic waste, and it is possible, because we are doing it, it is possible to spend a much larger sum on the production of economic wealth which would be the basis of greater credit. It follows from this that the reason that we have been taxed as no other people in the world have ever been taxed, for the last twenty years, and are now to be still more heavily taxed, is purely arbitrary. To put the matter another way, either the spending power (which normally governs producing power) of the general population has been deliberately reduced in peace time by unnecessary taxation, or it is intended that all expenditure not financed by taxation shall be recovered in future taxation, with the object of reducing still further the consumers’ purchasing power, and the consequent possibility of wealth production, financed by consumer purchase, in peace time. The policy is clear enough; it is to remove the margin of economic security provided by an “unearned” income and to

force the individual to apply either for work or relief.

(b) "Spending" has just the same results if it takes place out of sums proceeding from "loans" as from the proceeds of taxation, provided that money retains its definition.

(c) The taxpayer loses his money permanently, although he probably obtained it in return for his personal services. This is just as true of so-called "unearned" incomes in the hands of the general public, as of wages and salaries.

On the other hand, the subscriber to a loan gets a permanent security for his money, which, over a period, is more valuable than the money he subscribes. In the case of the banks or issuing houses, which, collectively, provide probably 80 per cent of the loans, the money subscribed is counterfeit money not representing a token of services rendered, as well as a claim on alternative services, as is the case with money in the hands of the public, but simply a new claim to whatever it will buy. So that three kinds of money are used for Government finance; confiscated money, bought money, and counterfeit money. Of these, bought money alone is justifiable.

(d) If prices of consumable goods are allowed to rise, the public is again taxed by the amount of the rise; and every rise in prices is a departure of money from its definition.

(e) Broadly, securities represent capital values; cash or current deposits, consumable values.

(f) It is not **necessary** to make the general public **permanently** financially poorer in war time. If certain articles are required for war purposes they can either be withdrawn from the market, or rationed, but it is not necessary to make the public pay for them by taxation.

Post war slumps are directly due to price rises and taxation, which are only different forms of the same thing.

We hear a great deal on the subject of equality of sacrifice in war time. It may perhaps be desirable to consider the question of equality of benefits.

The first step towards such equality, is obviously to insure that all the money required for the service of the state shall be the same kind of money [cf.(c)supra]. If it is correct that the financier shall obtain War Stock for nothing, it is equally correct that the citizen, whose liability to the nation is collectively unlimited, should obtain War Stock for nothing. It would certainly appear to be beyond question that, instead of losing his hard earned money by taxation, he should be protected from the results of the issue, by German and other Jews, of money

which, as in the case of the large credits provided by the Bank of England to “build up a strong Germany”, as Mr. John Gunther puts it, may be used to deprive him of the very land he lives in.

I have already put forward, in skeleton form, certain suggestions to this effect. Pending the application of effective pressure to secure a change of policy, I do not think that any useful object would be served by further elaboration, beyond the observation that a system of compensated prices is an integral part of them.

The human mind is particularly given to “wishful thinking” at critical periods such as this, and one of these tendencies is to persuade ourselves that there is hidden somewhere, a bright idea which, if only we knew it, would solve our difficulties. There is no such idea for the simple reason that no such idea has sufficient force behind it. To anyone who will take the trouble to observe events with a dispassionate mind, it is beyond dispute that what we are witnessing is a supreme struggle for temporal power. No amelioration of the human lot is possible until this issue is resolved, and its resolution will involve either victory or defeat both for despotic bureaucracy and monopoly finance.

Fortunately, it is not necessary to accept my own assurances on this question. Lord Lothian, whose presence as Ambassador in the United States at this juncture is no more accidental than is American enthusiasm for Mr. Winston Churchill, said recently in New York, at a dinner of The Pilgrims of the United States.

“Peace comes from there being overwhelming power behind law.”

I feel that perhaps the shortest comment on this dictum is that of Sir W.S. Gilbert.

*“The Law is the embodiment of everything that’s excellent,
It has no kind of fault or flaw,
And I, my Lords, embody the Law.”*

You see how it works. We arrange matters in Germany, firstly that only a Dictatorship can emerge from the chaos made inevitable by the financiers who moulded the Peace Treaty. Then we finance the Dictator with British money, at the insistence of international agents, in the sure and certain promise that he will make war inevitable.

Then we have a war to put down Hitlerism (not, of course Stalinism) and we agree, even before the war has really started, that the only final cure for war is World Super-Hitlerism. We proceed, in fact, from the Police State to the Police World.

Well, you can fool some of the people, all the time . . .

The power of Black Magic in mass propaganda is such that it appears to be capable of rendering many people blind to obvious facts.

We are told, for instance, that the coming millennium depends on the reign of Justice and Law.

The one fact which has always made me sympathetic to the theory that Shakespeare's Plays (or some of them) were written by Lord Bacon, is the pure Baconianism of *The Merchant of Venice*.

Justice, the Law of Shylock, is the perfect demonstration of the unsuitability of the legal process to anything but a purely static condition. In order to make the world suitable for the Reign of Law, the relationship of every individual to the Law must be similar, which, in the last resort, means that all individuals must be similar. Laws are made by people with the Card-index mind. It is easy, and right, to card-index motor-cars; but that is not at all the same thing as to card-index fifty million people. Any attempt to card-index even five individuals leads straight to the situation envisaged by Blake when he wrote "One Law for the Lion and the Lamb is oppression". The Law, in fact, is a process of standardisation, and is not an objective to be sought but an evil to be minimised. The growing chorus of condemnation which is greeting the havoc caused by the "P.E. Planners", a havoc which greatly exceeds in three months that caused in three years during the last war by alleged lack of "planning", is commonly met, by those concerned to apologise for it, by the statement that it was intended for a set of conditions which have not occurred. I have not yet seen the correct reply made to this — that it is the complete and final condemnation of the type of mind which will prepare and put into operation a plan which can only be successful under conditions which cannot be foreseen. Only power divorced from responsibility makes such a procedure possible. In comparison with it "muddling through" is brilliance. Or is it? Was the havoc, the objective?

The same type of mind, nourished in abstractions and cradled in the Fabian Society and the London School of Economics, is generally distinguished by a desire to do things in a really big way. Where an engineer or scientist would make half a dozen small scale experiments before deciding on any line of action, the Civil Service or behind-the-Civil Service Planner, is prepared to go ahead no matter how much it costs someone else. It is beyond argument that small countries such as Norway, Sweden, Denmark and Switzerland have been markedly free in recent years from any strong desire to change their political systems, and that such discontent as has existed has been easily traceable to their debt structures. On the other hand, the United States, Russia, and Germany and, to a lesser degree, Japan and the British Empire, have been the scene of increasing

political ferment always directed against the Federal authority. On the face of it, smaller political and economic units would appear to have something to recommend them. But not to the megalomaniac without any genuine experience and a thirst for power without responsibility.

It may perhaps be desirable at this point to emphasise the change which has taken place in the British Civil Service, within one generation, due in the main to two causes, the lessened attractions of the Indian Civil Service, and the deadening grip of Treasury Control.

As is well known, the Higher Civil Service, the real administrative Government, both of India and the Empire with the exception of the Dominions, is primarily recruited from a Common examination of great severity and, in the last quarter of the nineteenth century, so competitive and so weighted in favour of the Classical Scholar that only a small proportion of those sitting for the examination could hope to be appointed. As a career *per se* the Indian Civil probably afforded attractions which have never been surpassed either before or since — up to the end of the last century. And, in addition, the pay was high enough to attract those to whom pay was of the first importance. For reasons which are highly interesting but the analysis of which would take us too far afield, these attractions have been steadily diminishing, and so far as the old type of candidate is concerned, no longer exist. In passing, it may be observed that Examination was found to be an insufficient guarantee of suitability.

The effect of this has been peculiar. The older type of Home Civil Servant, who usually only rejected the Indian Civil in favour of the more prosaic and less well paid Home Service if he had private means, did not look outside the Service for favours, and at the same time, was, both socially and otherwise, so strongly entrenched, that he could, and did, oppose a very solid front to “Treasury” or other interests, where they conflicted with his code. While doubtless not free from the inevitable faults of the bureaucrat, he was probably as good a specimen of his kind as could be found anywhere, and was the subject of fairly widespread admiration on the part of foreign Governments. Perhaps the highest tribute which can be paid to him from the domestic point of view is that the general public was barely aware of his existence. He was secure, and therefore could be honest.

While there are no doubt many admirable exceptions, in the main the modern Civil Servant is a different animal, the product of decreased security. More varied in his social origins, and almost always dependent on his career for a living, he evolves not only from the Examination, but from the “establishment” of temporary appointments. Owing to the increased cost and more elaborate standard of living or, in other words, the devaluation of money, his pay is low in

comparison with his position and power. He has tended increasingly to look for an opposite number in Big Business, to whom to turn both for influence in the Service, and the offer of a highly lucrative job outside it.

When Big Business has arranged a nice war, he knows that a flock of new Ministries, almost wholly under outside patronage, and with fat wartime salaries, will short-circuit the normal avenues of promotion to all those who do not understand what is expected of them. It is perhaps superfluous to suggest that the last direction in which his gaze would turn for support would be towards the general public and the taxpayer.

The modern bureaucracy is enabled to serve its masters with impunity by its convention of anonymity, and its mythical detachment from Policy. Just how mythical is this detachment may be judged from the fact that no Bill may be presented to the House of Commons which has not been drafted by the Treasury.

The question of anonymity is so important, and is so much linked with the question of anonymous propaganda in the “Public” Press, that it requires somewhat wider examination.

11

“Let us now praise Famous Men”

It is characteristic of the Jewish-Whig conception of the State, that the State should do anything for the individual other than permit him to become able to do everything for himself. I think that this is the simple explanation of the obvious fact that Germany, because of her population at once docile and truculent, has been so invaluable to Jewry. Frankfurt was the capital of International Finance until it moved to New York, and the form of State Capitalism which began in Germany, spread to Russia and is struggling desperately to conquer Great Britain and the United States, is coalescing to ensure that it shall become universal either through conquest or Revolution.

For this reason, if for no other, it appears to be of the highest importance to recognise that we are engaged in two wars at one and the same time, and that, to win the external war against the German incarnation of the Will to Power, we must conquer it in our own State and Banking institutions. Anyone who is unable to see that “Socialism” is merely Will-to-Power, and that it becomes State Capitalism inevitably (**because universalised individual Capitalism is the complete and only answer to the Will-to-Power**) has not, I think anything of consequence to contribute to an understanding of the present situation.

It is obvious that anonymity is the antithesis of both individualism and responsibility — it is the amorphous, in distinction to the defined responsibility. The first characteristic conferred upon an individual by Christianity is “a Christian name”. A child thus becomes an individual, not merely “a human being”

or “one of the Smiths”. And if at some later date, John Smith forges a cheque, we are careful to incarcerate not merely one of the Smiths, but John Smith.

It is equally significant that, as far as possible, every attack on individual freedom is, like every attack on local and state sovereignty, an anonymous attack, generally in misleading phrases, and fathered on an institution which cannot be made responsible for it. Anonymity is an acknowledgement that an action which is covered by it would provoke reprisals if the perpetrator were not shielded by superior force.

When the Civil Service was, in fact, as well as by constitution, simply the highly-trained executive of an elected Political Minister, this anonymity was quite possibly, although not necessarily, justified.

But, as Lord Hewart, in his book *The New Despotism*, has pointed out with the technical ability arising from lifelong experience, the modern Civil Service is characterised by an administrative lawlessness which is something quite new in British experience. More and more the business of the country is being controlled by irresponsible *fonctionnaires* sheltering behind some Enabling Act. Each interference increases the mass of “Forms” and involves still greater armies of Office staff. The sheer inability both of individuals and businesses to make any headway against this situation is adduced as justifying still further interference. There is no check upon it whatsoever; no one in Government Service is ever responsible for anything. Apart from the fact that, in general “The Crown (i.e. the Civil Service) can do no wrong” and cannot be sued, no one with any experience pursues a grievance against a Government Department with any hope of redress.

The Policy, as distinct from the Administration of Great Britain, both domestic and foreign, between 1918 and 1936, has been so suicidal as to pass all possibility of mere stupidity or incompetence. As isolated instances, the shutting down of shipyards so that our building capacity has been reduced by at least 40 per cent, the sale of hundreds of ships to enemies to provide them with steel, the handing over of the Treasury Note to a Bank of “England” controlled from the US, the return to the Gold Standard in 1925 against even orthodox protest, the refusal to utilise the artificially engineered slump and unemployment of 1929-33 to rearm and so to forestall a Continental situation which was even then patent to any informed observer, the transfer of loans made or guaranteed by the Bank of “England” to Germany to the debit of the Exchange Equalisation Fund so that the British Taxpayer provided the money to build the German submarines to sink British ships, are unfortunately, far from comprehensive. During this period, Mr. Stanley Baldwin (“Honest Stan”) was at all material times Prime Minister and allegedly in control of Policy.

But of course this cannot have been the case, because, when it became

impossible any longer to disguise the impending catastrophe, Mr. Baldwin (“Honest Stan”) instead of being impeached and shot, was given an Earldom, control of a Fund of £250,000, and put to raising more money for the Jews. We must assume, therefore, that Mr. Baldwin had carried on a meritorious, if not very successful, struggle against forces which, discreetly, but with all their might, were working to bring about the situation which they have in fact brought to pass, both in the attack on individual and national liberties.

If neither Parliament, nor even the Prime Minister, is to be held responsible in any realistic sense for Public Policy, no possible contributory to it is entitled to anonymity. This is far from being a matter of mere vindictiveness. The immunity which accompanies the systematic inroads made upon all those privileges for which the English have fought for centuries, and on which they have, perhaps too lightly, been wont to pride themselves, is simply an invitation to further encroachment. There is a large and growing body in the swollen Bureaucracy which is dazzled by the spectacle, presented by Russia and Germany, in which bureaucrats inherit the Earth without the disadvantage of any compulsion to be meek. We ought to know all their names, and the names of their friends.

And then, of course, there is Mr. Montagu Norman — Tennyson’s Brook*, as one might describe him. His brother, Mr., Ronald Norman, was at all material times chairman of that curious synagogue, the BBC. Mr. Norman is so anonymous that he is better known as Professor Skinner. He tranships on dark nights from one steamer to another, to put the bloodhounds off the scent.

*“*Men may come and men may go, but I go on forever.*”

Mr. Norman feels, and says:

*“The higher grows the plum-tree
The bigger grow the plums
The more the potter plys his trade
The stronger grow his thumbs.”*

You may have noticed the income tax.

His opinion of any lack of cordiality to this brave new world we are entering was expressed in the words: “*The dogs bark, but the caravan moves on.*”

I cannot divest myself of the thought that if a young and enthusiastic bloodhound, well trained in the maxim that actions speak louder than words, were to join the pack, it would tend to move the caravan, under its subsequent drivers, more in the direction most of us would like to go.

The essential point is that it has, for many years, been altogether too safe, lucrative, and alluring, “to impugn the sovereignty of the local national states of the world” and, more particularly, our own as well as the sovereignty of the

individual. Hundreds of mediocre individuals have received preferment out of all proportion to their abilities, merely for professing these opinions, and helping shadowy international organisations to their fruition. The opinions themselves are of much less importance than the fact that they are such an easy passport to worldly success in quarters where there ought to be an ugly word for them.

12

This chapter is in the nature of a digression on Social Dynamics. I feel that it will tend to produce much the same irritation amongst Economists of Repute, World Planners and Builders of a New Order, as that with which the A + B theorem was received.

It may have been noticed that largescale, Comprehensive, Planning-in-a-Big-Way, is, in the main, the ambition of people with a clearly marked disinclination to make anything concrete. This may be due to the fact that when anything concrete is made “wrong”, it is difficult to disguise the fact, and a certain amount of distrust in regard to the maker is engendered. But if you can induce people by a large scale confidence trick, to surrender all their liberties to an omnipotent organisation (which is what Big Plans generally amount to), it really doesn't matter much whether The Plan is found to consist, at bottom, in a Scheme to set all the World to Work on the Extraction of Sunbeams from Cucumbers. It's just too bad, and it's too late anyway.

But, on the other hand, Jesus of Nazareth was a carpenter. His ways were more humble. “Consider the lilies; how (do) they grow?”

Christianity, Democracy, and Social Credit have at least three things in common; they are all said to have failed, none of them is in the nature of a Plan, and every effort of some of the most powerfully organised forces in the world is directed to the end, not only that they never shall be accepted, but that as few persons as possible shall even understand their nature.

It would not occur to me to attempt a comprehensive definition of what Christianity is; but negatively, I think I can do better. The curious amalgam of taboo and folk-lore which most of us derived from the teaching of our schooldays in the hours devoted to religious instruction bears about the same relation to Christianity that the real Government of England does to democracy, or the policy of the Bank of “England” does to Social Credit.

At this point, I can sympathise with any reader who might ask, “Why do you want to drag Christianity into a discussion of, *inter alia*, the defects of the bureaucratic system? What has the Civil Service, the monetary monopoly, or the Jewish Problem, to do with either Christianity, or ‘Perfect Freedom’? Or, more immediately, with an Allied Victory.” The short answer is, “Everything — if there is a European culture”.

Everything of which we have any knowledge is relative. The fact that the Dark Forces seem in the ascendent is a proof that they are temporarily in the ascendent over something else. You cannot know light without shade, you cannot know what anything is, if you don't know what it is not. If you are able to believe that this is a country whose effective Policy is that of a Christian Philosophy, or if you think that Politics (in the real sense) has nothing to do with Christianity, then you will be able to agree that it is reasonable at one and the same time to fight a war for a return to the Gold Standard, the enthronement of International Finance, together with the culture of Hollywood and Tin Pan Alley and the bureaucracy of the Russian Ghetto, while proclaiming that you are fighting to preserve Christian Standards against the onslaught of Paganism. But otherwise, not.

It is just as certain as anything can be in this uncertain world that Christianity is not a Plan, it is a Philosophy which we have hardly begun to grasp. As such, it must have a Policy. That policy was and is rejected by the Jews, consequently it cannot be a Jewish Policy. That is to say, Jewish Policy is what Christianity is not. What is Jewish Policy? That is much easier to answer, because the present state of the world is the result of it. The short answer is, "Power Politics — The Servile World". The Philosophy from which it proceeds is that of non-immanent Sovereignty. That this is so, in my opinion, is the **negative** justification for the present war. While there is no clear indication that we are fighting for anything worth having, there is, I think, genuine justification for the statement that we are **against** one particular form of Power Politics leading to a Planned State; the crude military form. When we have exhausted ourselves in defeating that, we shall, unless we modify our own policy both radically and quickly, find that we have established the Power Politics of International Bureaucracy and Finance. If anyone can direct my attention to an organisation which, having comprehensive power has not misused it, I shall be prepared to consider the idea that World Sovereignty over persons in these or any other forms would be an advantage to its subjects.

This question is quite basic and quite vital. Once admit the principle of institutional Sovereignty over the Person (functional sovereignty over matters of "common user" is basically different) and the rest follows as a mere matter of detail. In England, we knew that before Runnymede; but Magna Carta has gone to the United States, and is to stay there, as it isn't safe with us. I don't know that it is too safe there, either.

One of the delusions skilfully fostered by those Dark Forces which assail us, then, is the idea of human equality under a non-immanent Sovereignty. It is quite probable that this conception, held, where it is held, in defiance of everyday experience, observation, and history, arises from inability to grasp the meaning of

words, an inability which is coming under skilled observation in many quarters. It is perhaps unnecessary to pursue the disproof of the first aspect of it further than to suggest that, if no two persons in the world possess one attribute, a fingerprint, alike, as experts contend, then it is hardly probable that even two persons could be found to possess every attribute alike.

But this idea underlies the whole Socialist-Bureaucratic-Totalitarian propaganda. They are all the same, as any observer of events in Russia and Germany can see for himself. It is insinuating itself into such phrases as “the standard of living”. There is only one place in which there is an effective “standard” of living, and that is a gaol.

It would probably be impossible to find two individuals in this country, who, given an income of £500 per annum, would have a common measure of expenditure of much more than £100, by which I mean, would buy exactly the same articles to more than that amount, or would spend their time to more than 25 per cent of it in the same way.

The point I am at some pains to make is, I hope, becoming a little more clear. Every extension of extraneous control — if you prefer it, of non-immanent sovereignty — is demonstrably against the inherent nature of the human individual i.e. is contrary to reality. If this non-immanent sovereignty possesses virtues in itself, i.e. has some reality peculiar to itself, superior to those possessed by any individual — let us say by Jesus of Nazareth — then it ought to be possible to point to them. Where are they? Certainly not in the Jewish Jehovah. Certainly not in any Government with which I am acquainted.

Our kindly sympathy for the under-dog is being exploited to secure the creation of a permanent world of under-dogs.

The Work State is the basic idea of the World Planners. Modern technical production is essentially and inevitably hierarchical. While actually operating the productive system, it is essential that discipline be observed and if you can in fact or by convention put or keep everyone in the framework of the Work State, hegemony is achieved. But, in fact:

- (1) This hierarchy has no essential connection with the distribution of the product, or the constitution of the State.
- (2) The Power State has no inherent moral rights. We did not repudiate the Divine Right of Kings, who, at any rate, were bred and trained in a tradition of reciprocal responsibility in order to set up the Divine Right of, say, Mr. Stanley Baldwin. Or, if we did, we got what we deserved. Still less does any World Power State possess inherent validity.
- (3) The primary business of the genuine State is to distribute dividends.

They did not need to be monetary dividends until money became supreme. Its continued existence depends on this. These dividends are inherently based on the unearned increment of association, and are now in the main represented and controlled by the invisible reserves of Financial institutions, against which reserves “Banks create the means of payment out of nothing” (*Encyclopaedia Britannica*). Taxation is a complete inversion of the function of the genuine State, against which the British people have, until the foundation of the Bank of “England” and the Police System to maintain it, consistently rebelled.

(4) The taxation of dividends, accompanied by greater production per unit of labour and the determination to “put the Nation to work”, results in excessive capital production, forcing exports, competition for markets, sabotage, and war, which is merely sabotage in delirium tremens.

(5) It is no more possible to win this war by the methods of Wall Street and the Bank of “England” than it is possible to win a prize fight by hitting yourself on the head with a hammer.

13

Some years ago, it was suggested to Mr. Montagu Norman that the policy of the Bank of “England” made it arithmetically impossible for the British people to be prosperous. He is stated to have replied “I don’t believe it is good for a people to be prosperous”. About the same time Viscount Snowden described the Bank of “England” as “the greatest moral force in the world”, and Mr. Norman’s salary was increased from £1,500 per annum to, I understand, £5,500 per annum.

A year or so later, I discussed Social Credit principles with a famous Jewish film star. (Obviously not a distinctive description).

His final comment was “I am a masochist. I think it is good for people to endure pain.” I understand that first rank film stars “earn” about £500,000 per annum. Curiously enough it was widely rumoured that Social Credit propaganda was financed from this source. So far as I am aware there was not the slightest truth in this rumour.

A member of an international Jewish banking family, commenting on the same subject, said, “It is the only proposal which would save civilisation, but civilisation is not worth saving. I cannot assist it.”

I do not know anything about Mr. Montagu Norman’s benefactions, but he is known to be in favour of nationalising the Bank, because he has said so. Both of the other individuals to whom I have just referred have been supporters, with money and influence, of “Socialism”.

The first Socialist State, Russia (we know it is Socialist, because it is called so), was made possible by the intrigues of Jewish Bankers. For twenty years it was acclaimed by Socialists as the ideal community, and during those twenty years it was both internally and externally controlled by Jews and beyond all question reflected Jewish political idealism. In spite of the fact that the industrial developments (which provided a market both for American plant and machinery and American engineers and organisers) were carried out by practically slave labour under conditions of espionage and police terrorism far in excess of those existing under the worst of the Czars, the “Workers’ Republic”, it was insisted, was the kind of State for which we were all to hope.

Nothing very much has changed in Russia in the last year or two except the “liquidation” of a fairly large number of Jews. Russia is just as inefficient, dreary, and misinformed as it was ten years ago, neither more nor less. But because there are signs that it is tending to be a hell upon earth under Georgians instead of a hell upon earth under Jews, Russia has “betrayed the Labour and Socialist cause” everywhere. Odd isn’t it?

Germany, in the days before 1914, was dominated by two groups, firstly the Jew banker-industrialists such as Ballin and Rathenau, with the international finance-houses, such as Rothschilds, Schroeders, Mendelssohns, in the background; and secondly the Prussian Whigs, the Lutheran Junkers.

It may be true that, in the megalomaniac Kaiser, these groups found a specially useful tool. But it is by no means certain. There is plenty of evidence to show that, to the extent that he was a real factor in policy, Wilhelm II was a moderating influence within the limits of his capacities. What is beyond dispute is the existence in Germany of the policy of “playing both ends against the middle”, openly admitted by Bismarck, the arch-imperialist, when he said of the German Socialists “We march separately but we fight together”. Socialism, as usual, containing a powerful Jewish core, while superficially anti-monarchial, anti-capitalistic, anti-imperialistic, was not merely tolerated in Germany, where, if it had not been tolerated, it could have been suppressed with ease in six months. While detested by the Kaiser, it was both subtly recognised by the dominant groups and encouraged to form affiliations with half-baked idealists in other countries, and to assure them that German Socialism was so powerful, and so unalterably opposed to war, that the threats of the German Army and the Naval Building Programme could be disregarded. “The Workers” would never allow them to be used. The value of these protestations is a matter of history.

The defeat of Germany, and the subsequent currency manipulation, wiped out the solid German middle class, probably the only body of Germans meriting much consideration as a class. The Junkers (who had suffered most of the war

casualties in proportion to their numbers) while still maintaining some remnant of their former social status, were politically discredited and economically encircled. Germany began to take form as a Jewish Helotry — an ant-heap state with overlords contacting their equally successful brethren in the “victorious” countries, where the eviction of the middle class was in process of consummation by the imposition of fantastic taxation (“on a scale which would have been impossible without Revolution” to quote the ex-Tax Collector, Lord Stamp). Nazi (National Socialist) Germany is in the direct line of pre-war German evolution.

During the whole of this period, Mr. Montagu Norman’s friend, the American German Dr. Hjalmar Schacht, was President of the Reichsbank, and “the internal affairs of Germany are no concern of ours”. Even when Adolf Hitler became Chancellor by the aid of the same New York Jewish firm which had been so successful in wrecking Russia, Schacht, as already stated, merely remarked “For three months we shall have to do what Hitler says. After that Hitler will have to do what we say”.

Having made use of Schacht and his friends for some years, Hitler didn’t run straight. Schacht was politely ejected, Jews were encouraged to emigrate, largely to England, and (most probably, worst of all) “sound” banking methods were encouraged to emigrate with them.

Immediately, Germany became the enemy of civilisation, as Russia is apparently becoming, and in particular, of the British Labour Party, which, after denouncing war in general as a Capitalist murder-plot, demanded war on Germany on any pretext as a sacred duty. A Press which hardly mentioned the incredible sufferings of millions of, for the most part inoffensive, White Russians and peasant proprietors, and has borne with complacency the eviction and murder of the Polish aristocracy and middle class, screamed to high heaven (as did the whole of the United States Press which is so unanimous that Americans must trade but not fight) that the Jews must be restored to their Satrapy in Germany by British and French blood, and in the meantime must be cared for at our expense. Queer, isn’t it?

I am inclined to think that the Germans are, in a single Reich, a curse to Europe because of their obvious susceptibility to utilisation in mad and criminal aggression. But it would appear that it doesn’t matter much, so long as they are used by the right people. Mr. Attlee, Leader of the Labour Party, is urgent that Germany shall not be “dismembered”.

It is to remain a potential threat to the rest of the world. It would be a pity if the Germany built up by Ballin and Rathenau, which is so obviously suitable as the “spearhead” of a World Hegemony, were to become less powerful.

It is important — perhaps of primary importance — to notice the moral note with which the leisure problem posed by the progress of the industrial arts has been twisted into the service of a world tyranny of Finance. For some time, such persons as Lord Stamp, managing the L.M. & S. Railway in the spare time available from his Directorate of the Bank of “England”, have given ingenious reasons for the belief that there is no room for genuine leisure — that, in fact, we all ought to work much, much harder, and that by much higher taxation, which “by proper psychological preparation” we could be made to accept, we should have to work much harder in order to live. Especially shareholders in the L.M. & S. Railway.

But in any case, said the BBC through various spokesmen, look at the terrible demoralisation of the unemployed. Until the war became a military war, look at the marvellous results being achieved by Herr Hitler. No unemployment in Germany; everyone making guns instead of butter, financed by guaranteed credits via the Bank of “England”. And Russia; no unemployment there; the largest Secret Police System ever known; practically every important position in the hands of an alien; mass assassinations every year or so, and liquidations daily; continuous war with Japan; everyone liable to be moved from one end of the country to another at twenty-four hours’ notice: a permanent evacuation and billeting scheme, in fact, as introduced into England by Russian Jews. What could be more attractive?

Don’t forget that both Russia and Germany are Socialist States where bureaucrats do just as they like until they are shot, and everyone else does just as they’re told. And that the Gestapo is practically indistinguishable from the Ogpu. And that some of the most charming methods of both of them are imported from the United States, where the police, however, are always willing to learn. And that what the world needs, you know, is the surrender of local sovereignties to a World Police Force.

To return to the efforts of our own BBC to hypnotise us into seeing that the obvious cure for unemployment is to “set people to work”, you may not have noticed that people are always to be “set” to work, they are never to be “free” to work. They lose the “dole” if they find work.

Now, it is always assumed by Socialist politicians that the privileged classes in Great Britain, in past years, never did any work worth mentioning — that they were unemployed, in fact, and were parasites on the virtuous working class. I do not say so — it is Socialist and Communist speakers, who can now point to Germany and Russia to show the type of civilisation they prefer, who say so. And I should particularly like to emphasise the point that I am not in the main

referring to genuine “working-class” propagandists. They have many very good reasons for wanting a radical change in social and economic arrangements, even if their remedies, which for the most part they don’t understand, are worse than the disease.

I am more particularly referring to such Labourers as Dr. Hugh Dalton (Elton and King’s); Mr. Montagu Norman (Eton and “Nationalisation — we welcome it”); Mr. Bernard Baruch (“Perhaps I did have more power than anyone else in the war”); and so on. They are the kind of people whose ideas the BBC appears to reflect. If their thesis is correct, there ought to be a simple test of it. These privileged people whom they are concerned to proletarianise, ought to have become degenerate, and person to person, they ought to be less capable, and their offspring ought to be less capable, than those who, by hypothesis, do all the work, which is so good for them.

There are, of course, plenty of products of the privileged classes for whom one has to have an acquired taste. I have mentioned some of them. But on a basis of percentages, there is simply no contest. Privilege produces ten winners — genuine winners — to one produced by work, unprivileged.

The curious self-defeating perversity which fails to see that there is plenty of privilege for everyone, because of the infinite diversity both of people and of opportunity (and that the problem is to let more people get at it not to take it from those who have it), is the perfect tool for the World Planner. “I am a masochist” (on £500,000 per annum). “I don’t think it is good for a people to be prosperous” (but I live quite comfortably, thank you. So, while assuring myself of the power and the glory, I will take care that the rest of the community gets what is good for it).

An anonymous writer in the *Halifax Chronicle* (Nova Scotia, Canada), has put the root of the matter so admirably that I feel that I cannot refrain from quoting his views at some length:

“The world seems to be rapidly dividing into two opposing groups, those who believe in the democratic way of life and those who believe in the totalitarian way. Behind those two opposing beliefs lie two conflicting ideas concerning man and his nature. One group believes that ‘Man does not live by bread alone’. The other believes that he does. One sees man as a spiritual being and the other denies the whole spiritual background of life and looks upon it as of entirely material origin. “Both Nazism and Communism look at life from a purely materialistic basis. Human beings are mere pawns in the economic game. Life is a matter of mechanics and a perfect society is a perfect machine, designed and made by a little coterie of supermen who call themselves the State. Individuals are mere cogs in that machine. If individuals or groups of

individuals do not fit into the society devised, then the State must step in and, with the impersonality of a surgeon wielding his knife, excise them from the body politic. They call it “liquidating” or “purging”. But it has not been done with the cold impersonality of a surgeon. It has been done rather with the deliberate cruelty of a gangster exercising his sadistic power and impulse. It is doubtful if any blacker pages of history have been written than those of the last few years which have seen the doctrines of materialism taking the shape of totalitarian States with their claim to absolute control over the entire life of the individual. Any system which begins successfully to use man as a means rather than as an end becomes a Juggernaut crushing out of life all human freedom and value.

“The fundamental error of these systems is their denial of the truth that, ‘man does not live by bread alone’. His origin is more than biological and his needs are more than material.

He cherishes ideals and visions and, time and again, he has chosen his ideals and visions in preference to bread. Such men do not dream of a world of static perfection, but of an evolving, expanding world in which human personality is attaining ever new reaches of freedom and fulfilment. As regards the State and all other institutions, they assert the great principle laid down 1900 years ago in the words, ‘The Sabbath was made for man, and not man for the Sabbath’. In the days when those words were spoken religion had made ritual requirement take precedence over human need. As a result, religion had become soulless and inhuman. Likewise, when the State becomes absolute, it becomes merciless and intolerant.”

15

“We shall create an intensified centralisation of Government in order to grip in our hands all the forces of the community. We shall regulate mechanically all the actions of the political life of our subjects by new laws. These laws will withdraw, one by one, all the indulgences and liberties which have been allowed the goyim, and our kingdom will be distinguished by a despotism of such magnificent proportions as to be at any moment and in every place in a position to wipe out any goyim who oppose us by deed or word.”

“**There is nothing more dangerous than personal initiative:** if it has genius behind it, such initiative can do more than can be done by millions of people among whom we have sown discord. We must so direct the education of the **goyim** communities that whenever they come upon a matter requiring initiative, they may drop their hands in despairing impotence.” (emphasis added)
Protocols of Zion, No. 5 (Marsden Translation) Italics in original. “Goyim” = cattle.

I suppose that if the various reasons for the chaos in society were to be synthesised, they could be expressed as too much morality, and too little common honesty. The word “common” is here used in the sense of “pain”, rather than “widely distributed”. It is a little difficult to expect common honesty from a population which is being just sufficiently educated to appreciate the fact that the primary object of politics, industry, trade, advertising, and journalism, is to sell delusion; and to do the general population justice, it is beginning to better its instruction.

Morality, which began by meaning “manners”, has, of course, been corrupted into meaning Law, divine by implication, but slightly subhuman in general character. It is grimly humourous that, while we are told that the New Order is to be the reign of law, we always begin wars for its realisation by abrogating all the best laws (such as Habeas Corpus) which have been wrested from the interests behind Law. But the worst and most reactionary laws, such as those which authorise flogging and state robbery, by taxation or plain confiscation, are never abrogated by a closer approach to this Mosaic Millennium. Might is always right if it is strong enough.

It is said that hypocrisy is the tribute which vice pays to virtue, and on much the same line of reasoning, legalism or statutory Law might be described as the tribute fraud pays to reality. I have elsewhere emphasised that genuine or Natural Law is characterised by an invariable and automatic relationship between cause and effect, which is so far from being true of Statutory Law that we are faced with the alternative of concluding either that the sum of the objectives of Statutory Law is bad (because the total result is bad) or that mankind is incapable, in the main, of drafting laws which produce the results which he expects them to produce. Probably both of these are largely true. The general method of lawmaking appears to be to state as an axiom something which is highly debatable, and then, with the ostensible objective of utilising this “axiom”, to pass a law which achieves something both irrelevant to the axiom and to the general interest. Not, of course, irrelevant to some special interest. The working of this technique is well exemplified in the Income Tax Laws, which, as was freely admitted in the course of the Royal Commission on that fascinating subject, are purposely made obscure and unintelligible because even a docile House of Commons would revolt at their outrageous provisions if it understood them.

One of the “axioms” scarcely questioned is that lawmaking is a contribution to national efficiency. The value of this idea can be more readily assessed if Law is simply regarded as absentee management.

Both consideration and experience seem to prove that this is a practical mistake of such importance that no real progress in civilisation is possible while it

persists unchallenged. For my own part, I am convinced that if nine-tenths of the energy devoted to legislation and the administration of legislation were devoted to inductive education, and at the same time, administrative units were made far smaller, the remaining tenth would become redundant in one generation. Which would of course be a desperate prospect for the Labour Party and the Reign of Law.

Quite a good example of the over-elaboration of laws, even in functional management, is afforded by the modern railway systems. As in every question of this nature, it is essential to remember the tremendous strides made by technical progress in the last hundred years. It is no justification, either for British Railways (which are now practically branches of the Bank of “England”) or of social conditions generally, that they may be a little better in some ways (by no means in every way) than they were fifty years ago. They both ought to be incomparably better.

Now, it is well known that the most deadly form of railway strike is that known as “working to rule”. It consists in observing scrupulously every regulation which is laid down both by the railways themselves and the body of general and trades-union law to govern every action of the railway employee. Such a strike will paralyse any railway in half a day. It is so deadly that no railway management will tolerate it. In other words, railway employees are asked to subject themselves continuously to possible penalties for exercising initiative.

But to anyone familiar with the inner working of a railway, it is obvious that the creeping paralysis of centralisation (which is merely one aspect of the “reign of law”) has laid a heavy hand on the British railway system in its everyday and normal working. That passenger and freight charges are both relatively and absolutely higher than fifty years ago (“A square deal for the Railways”) is perhaps a less important matter than that the service given is hardly better (if it is absolutely, it is far worse relatively). It may be contended that certain notoriously backward sections have been improved, and this may be conceded. But that they were backward before the “grouping” which was the result of the imposition of American policy upon them by the Bank of “England” after the 1914-1918 war was due, not to independent management, but to financial restriction. Anyone who remembers the great trunk systems such as the London and North Western, the Midland, or the Great Northern, in the early years of this century, will agree that their faults even then were those of undue economic power, but that in the *esprit de corps* of their employees, their technical standards, their passenger and restaurant services, they were a model to the world. If, as is the case, a well standardised process such as railroading can be crippled by law, the effect on activities requiring constant initiative can be estimated.

The Grouped railways were instantaneous profiteers on the declaration of war on September 3rd, 1939. Without a day's delay, "cheap" fares (higher than ordinary fares of fifty years ago) were abolished, and within a few days, during which alternative transport was eliminated, services were drastically curtailed. While, of course, all of this was done under the plea of "public interest" it was unquestionably done at private expense (and to the Railway Authorities' benefit) and gave conscious encouragement for a rise in general prices. Four months after the declaration of war when, so far as ordinary observation is a guide, many of the lines are working not merely below maximum capacity but much below prewar traffic density, these inferior services and higher charges continue. At the same time, drastic petrol restrictions, fantastic licence taxation, high cost and low quality of fuel, force the general public to use the railways practically on any terms which can be obtained. The public exist to serve the railway — man is made for the Sabbath.

There is more than a suspicion that this is all part of a far reaching policy intended to kill private transport while "nationalising", i.e., centralising under the Bank of "England", public transport, and reserving private transport for a privileged few. Control of communications is a vital part of Jewish policy — so vital that it may almost be said to be the policy in itself. A little consideration of the ownership or control of cables and wireless, news agencies, and foreign exchange, will illuminate the ramifications into which this control has already penetrated.

This is exactly what the Reign of Law is designed to facilitate. That curious phenomenon, the Marquis of Lothian, appointed Ambassador to the United States when war was inevitable, and, as Mr. Philip Kerr, secretary to Mr. Lloyd George in the last war, is enthusiastically acclaimed by the *New York Times*, Mr. Adolf Ochs's paper, as being willing and anxious to hand over the British Empire to some nebulous organisation when its unfortunate constituent individuals have won another war.

Mr. Lloyd George was, I understand, solicitor to the Zionist Committee. Lord Lothian may perhaps be excused for supposing that the British Public will stand anything. There is plenty of evidence tending to support that view. Lord ("Sacrifice") Stamp also assures us that it will.

But I think that a certain amount of variety is essential in the pups which are sold to us. After seeing the treatment of Austria, the fine flower of European culture, by the League of Nations; the disallowance of Social Credit Legislation in Alberta (which had probably more popular support behind it than any legislation proposed in the past hundred years) by the Federal Government at Ottawa, and the results in Great Britain of taking our instructions, and/or Rulers, hereditary

or otherwise, from Wall Street, I don't think that merely changing the pup's name from "Bank of International Settlements" to "Federal Union" is quite enough. And (what is more important) I don't think that Mr. Chamberlain thinks that it is, either. Not the same pup twice, Lord Lothian, thank you.

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It is already evident that there can be no justification for easy optimism that, in the probable event of a victory of force by the Governments of Great Britain and France, the peoples of those countries are any more likely to win the peace than in 1918. Rather the contrary.

Of course, it is quite easy to blame the politicians. Everyone blames the politicians for the Treaty of Versailles, but the politicians who took part in the Peace Conference know quite well that they were hardly more than rubber stamps on a document moulded by "advisers".

Now, if matters go in the main along the same path as in the last war, which admittedly is improbable, we can guess who will exercise the determining influence. And one quite good indication that these advisers have learnt nothing and forgotten nothing is the quality of the advice which we see in the ascendent again on economic subjects in wartime.

In a letter to *The Times* of January 12th, 1940, Sir William Beveridge, now Master of University College, Oxford, but formerly of the London School of Economics, states "In the war of 1914-1918, we were able to avoid any appreciable decline in the standard of living, except in respect of leisure, in part by realising our foreign securities, but even more by indefinite borrowing from abroad . . . Those who remember the relative prosperity of the last war, had better forget it."

I am not at the moment concerned with whether we can, or cannot, enjoy "relative prosperity" in this war. It is quite beyond discussion that war is simply an extension to the limit of the sabotage which is an increasing feature of the insane system founded on the Mercantilist Theory that a country grows rich on its exports — the bankers' theory.

All waste or sabotage obviously reduces the wealth which might be available, but, if no one can get at the wealth which is available unless a large number of "tickets" are distributed during the manufacture of "waste" goods, it is quite possible that the amount of distributed goods may rise almost in direct proportion to the volume of waste. That is what happened in the last war. But to return to Sir William Beveridge.

If you or I hold American Railway Stock and sell it, we are paid in sterling. That sterling does not affect the amount of sterling in existence unless a bank is the purchaser. It is either a purchase of sterling from a foreigner, who has bought it with dollars, or a mere transfer between Britons. If, however, the purchaser is

a bank or similar financial institution, its purchase by them increases the total volume of sterling deposits and causes what Sir William Beveridge would call inflation, but I should not.

Now if this stock is physically taken to the United States and sold by the British Bank, it creates a dollar deposit, in the United States. Sir William Beveridge's theory, if it means anything at all, means that in the last war such dollar deposits were used to buy consumable goods in the US, which goods were imported and used to raise the standard of living in England in war time by purchases with the sterling obtained by the sale of the Stock. Or alternatively, that these goods replaced consumable goods which would have been produced in England, thus releasing producers for war production.

There is not one single atom of evidence to support this theory. It will, I suppose, be admitted by anyone not in a state of monetary hypnosis, that you can only buy in England what is on sale in England. Similarly, I do not suppose anyone would seriously contend that the import of goods which go to raise the standard of living is greater in wartime than in peacetime in spite of Shipping and Exchange control, or that, in fact, our Foreign Securities were not used to buy munitions.

Therefore, the only meaning which can be given to what Sir William says (if he understands what he says) is that we shall not be allowed to have enough money to buy what is produced, unless producers sell at a loss. If the Government wanted the producers' services, they would take them anyway. So that hampering the sale of their product is merely waste.

If the major portion of foreign securities were held by individuals (instead of by banks and insurance companies) and those individuals were allowed to sell them for foreign currency, buy foreign consumable goods with them, and import them free of duty and without restriction, not one of which requirements can be met, then the sale of foreign investments would raise the standard of living of the sellers.

As it is, foreign investments do increase our power to buy war material without exporting goods in payment. They are almost completely irrelevant to the standard of living, which is primarily dependent on consumable goods.

Then as regards "indefinite borrowing abroad" (whatever that may mean). It is always stated, and correctly stated, as a reason for not paying the American Debt (a) that we received not money but credits for war materials made in America, and sold to us at exorbitant prices; (b) that we re-lent more to our allies and Russia, than we borrowed. None of our "lendings" was repaid. Was our standard of living increased by borrowing sixpence and lending eightpence, and losing the eightpence? Or by sending enormous quantities of goods to Russia, most of

which were wasted?

It is, of course, plain, that what Sir William Beveridge is concerned to prove is that making more money available does not distribute more goods, while increased taxation is good for us. All Economists of Repute are concerned to prove this.

I feel sure that they are all perfectly honest, and that they reach positions of comfort and authority, not by saying what they do not believe, but by being able to believe almost anything, even if all experience contradicts it, and to put their beliefs into such a form that the absurdity of them requires a little more analysis than most readers have the time and inclination to give them. During the interval between the war of 1914-1918 and its resumption in 1939, I am not aware of a single suggestion or criticism which has proceeded from the London School of Economics, whose endowments were largely provided by the late Sir Ernest Cassel, which would either reflect on the monstrous financial policy of this country during that period, or would assist public opinion in an effort to obtain an improvement in it. On the contrary, a steady stream of special pleading tending to a Bureaucratic Revolution, by the crippling of private enterprise of every kind except banking, has accompanied support of the incredible exhortations to “save”, “spend” or save and spend at the same time* to raise prices by “reflation”, to lower them by “deflation”, to return to a gold standard as the only hope, to abandon a gold standard because it is obsolete, to reduce employment by rationalisation, to increase it — which have convinced the general public that no one can understand finance, least of all economists.

If Sir William Beveridge, as, for many years, a representative of that institution, would explain why the war was resumed just in time to avert an economic blizzard of far greater severity than that of 1929, and that is the reason that the United States has consented to peg the sterling-dollar exchange since war was declared on Herr Hitler, while refusing to do so before, he will be serving the British Public far better than by obscuring the patent fact that, while it may be both necessary and desirable during war time to ration or even to prohibit the sale of articles of which there is a demonstrated shortage, it is not necessary, desirable, or effective to do this by monetary taxation, or a rise of prices.

On the contrary, I have no doubt whatever that if Sir William Beveridge's ideas, and those of Sir John Simon, if they are his, are not severely dealt with in the near future, there will be a disquieting and ultimately disastrous growth in the feeling that the freedom we are fighting to defend is the freedom to be exploited without redress both in peace and war.

Sir William Beveridge also makes four “practical” suggestions. Of these, it is only necessary to point out that they assume the unilateral expropriation of

various interests, familiar to students of London School of Economics political economy. Unilateral settlement of differing international interests is allegedly the reason (and a very good reason) why we are at war. It is to be hoped that a protest so thoroughly sound may be raised in the field of home politics, in which it has been increasingly ignored.

17

There is a story which is fairly widely accepted, that Herr Hitler is the grandson of one of the Viennese Rothschilds and a servant girl.

In itself, that is perhaps not a matter of much importance. But in connection with the idea sometimes voiced that totalitarian Socialist States with strong anti-Jew policies cannot be the result of Jewish organisation, it might possibly be worth investigation. The Higher Command is concerned with victory — not with the loss of a few troops.

What is already beyond dispute is that the really important Jews in Germany are for the most part still there in comfort and safety, and that Herr Hitler has been financed by them. And that German policy is exactly calculated to place Europe finally and permanently at the mercy of the, for the most part, “German” Jews who migrated from Frankfurt to New York.

The deadliest danger to Great Britain is the Jewish-controlled United States government.

Even from the point of securing the safety of the lesser Jews, what could be a more brilliant arrangement than to “persecute” them to England, persuade or force the silly English to fight Germany, get Mr. Roosevelt to insist on a purely “military objectives” war, evacuate the Jews to country billets and safe hotels, conscript the native population, while exempting, but not interning, refugees, and then allow the native populations to exterminate each other in defending the military objectives?

Anything more remarkable than the situation which now exists, in which the whole of the British Empire is engaged in a death grapple with “Germany” and “Russia” who are “aiming at the domination of the world”, while the British Empire is fighting “to re-transfer the prestige and the prerogatives of sovereignty . . . from the local national states by which sovereignty has been usurped . . . to some institution embodying our society as a whole”, (Dr. Arnold Toynbee, Director of Studies at Chatham House, now supported by the British Taxpayer), it would be difficult to imagine. While this mutual extermination for an identical object is proceeding, Jews are in key positions of power and profit everywhere, and fighting nowhere, not because of competence, as the exposure of the company flotations of Mr. Hore-Belisha demonstrates, but more probably by the corruptibility of their Gentile associates. And it is a matter of little consequence

who “wins” the war: the United States has already announced that she will not fight but will dictate the peace.

One of the worst of the disillusionments which are the lot of anyone who may hope to influence public affairs is the confirmation of Napoleon’s remark that he was not surprised that every man had his price, but he was surprised at the smallness of it. Novelists appear to have a sixth sense by which they find out that a bare-faced puff of the Chosen Race will ensure a good sale, while mention of the necessity of monetary reform will kill it. The landed interest, which is the primary target for the world-dominators, has, instead of tackling the problem of where all the “land for the people” nonsense comes from, together with the punitive taxation which makes mortgage and loss inevitable, married its sons to Jewesses if possible, and then angled for a bank directorship. It does not even appear to have occurred to most of its members that the people of the Socialist exemplar, Russia, have been dispossessed of their land with even greater celerity than the original landowners; that their interest in the collective farms is strictly confined to working on them, and that those facts are devastating counter-propaganda.

Any proposal put forward by the Right People (whose brevet is countersigned by a banker) can command active support from thousands who do not even expect to get a bit of coloured ribbon in return. They are demonstrating that they belong to the Right Set. Shades of Caerlaverock!

Is it strange that Lord (Sacrifice) Stamp is sure that the British Public will stand anything?

It is, of course, just as clear as ever it was, that the monopoly of credit, which puts all the means of bribery into the hands of a small ring of international gangsters, is the key to the problem. But it is the most dangerous of errors to assume that this situation is static. The Enemy is well aware that it is only ignorance of banking technique which has left him in control of every Peace Conference and that the power of arms could, in the last resort defeat him. Just as it is highly probable that if fifty selected individuals could be distributed amongst the mine-sweepers in the North Sea, kept there during the freezing gales, and machine-gunned at intervals, a solution of the war would be found in a few weeks.

I feel sure that an application of the same technique would solve the money problem. It can’t be done, you say? Well, that’s just too bad, isn’t it? Let’s have ten million casualties instead, and a repetition of the trouble each time the “defeated” party can re-arm.

There can be no solution of the world’s troubles which does not deal drastically with the individuals, of whatever race or country, whose object is the final

subjugation of the individual to the institution — the World Bank, with the World Police Force to see that the World Bank retains total economic power. The problem is not a European problem only, or even chiefly.

The revolt of the Canadian Provinces against the Federal Government is not an armed revolt — yet. The American States are quiescent partly because of the immense bribes distributed to the general population in the last few years, and also because of the far greater effectiveness of Congress in checking President Roosevelt's advisers, than is the case with the British Parliaments in Westminster, Ottawa, Canberra or Wellington in respect of their respective Cabinets. The practical steps to be taken if civilisation survives its present upheaval can begin with the resolution of Germany into its original provinces — a step which would be welcomed by every German except, possibly, the Prussians if the fear of outside aggression were removed. And the way to remove the fear of outside aggression is equally to resolve Great Britain into its original Kingdoms and to carry out a similar policy everywhere.

Anyone possessed of a reasonable education in these matters can assure himself that Herr Hitler's call for "lebensraum" and colonies, and Sir John Simon, Sir Wiliam Beveridge, and the Bank Chairmen's call for an intensified drive for Exports, mean exactly the same thing, are the excuse for the immense concentration of power for Imperialistic purposes, and derive directly from the Mercantilist, or Jewish, propaganda for International "Trade" as an end in itself. Abolish the myth of the necessity for "Trade" and "Employment" as the fundamental duties of mankind, and break the monopoly of credit, and the unwieldy centralised State will stand out as the clumsy, inefficient and corrupt institution which, from its nature, it is bound to be.

Every amalgamation renders the problem more difficult, as the sponsors of centralisation know well. Less and less rational, and more and more a pure exhibit of world gangsterism, its solution seems to be inseparable from the "liquidation", in some form, of the individual gangsters.

Any objective observer of the direction in which Governments, both in Europe and America, are moving must, I think, be convinced that however apparently different their mechanisms, they are consciously or unconsciously moving towards a common end.

Perhaps the nature of this movement can be most easily appreciated if we regard the pressure, which is obviously being placed upon the nations in the direction of the surrender of their privileges to a World State, as being of the same nature as the steady filching away from the individual of the freedom of action and initiative, which he once had, in favour of the Bureaucratic or Police State. To see that the process is both continuous and conscious it is only necessary to

recall and to compare the speeches of such politicians as Mr. Baldwin or Mr. Lloyd George with the words of Dr. Arnold Toynbee, to which frequent reference has been made, in regard to the undermining of national sovereignty, and his naive admission that “what we are doing with our hands, we are denying with our lips”. Particularly since the Armistice of 1918, the two aspects of this policy, the regimentation of the individual and the Internationalisation of governments, have been pursued everywhere, and pursued along parallel lines and to a large extent by identical methods. So long as Germany showed any tendency towards decentralisation, she was exploited by Reparations and demands, any benefit of which, of course, went to the United States financiers, together with considerable taxes paid by ourselves to the same recipients. When the idea had been well driven in that only a highly centralised Germany could become powerful enough to throw off external control by war, the power of a centralised Germany was built up by the Bank of England and other international financial sources. In the British Commonwealth the same drive towards centralisation by over-ruling the Australian States through the iniquitous Federal Loan Council and the Canadian Provinces by the finance-dominated Federal Government at Ottawa, was accompanied by punitive taxes upon the individual and the systematic ruin of businesses competing in any way with those deriving their finance from central sources. Thirty-seven new central banks were formed and in most cases these were extra territorial, having all the privileges commonly reserved to the Embassies of a foreign power.

It is a well established feature of this policy, which is quite frequently called Socialism, to assume as beyond discussion that the last person capable of judging what is good for him or even what he wants, is the individual concerned, and the logical extension of this argument is that the State (i.e. a Bureaucracy) is wise and the individual is of no consequence and has no rights. I am thoroughly conscious of the fact that reason has very little to do with the situation at the stage to which it has now arrived, but it is possibly not without value to examine its contemporary results. Clearly if the centralisation of all initiative, power, rights and policy is sound, then the Dictator at the apex of this centralisation should represent the ideal of wisdom, education and, in fact, every other virtue which our civilisation is capable of producing.

Do we really think that Messrs. Stalin, Hitler and Mussolini, to mention only the more obvious of the Dictators, represent the last word in human progress? As M. Stalin was a Georgian peasant, Signor Mussolini a blacksmith, and Herr Hitler a house decorator (all of them much more respectable callings than those to which they have gravitated) are we to assume that the education and opportunities for travel which people have been accustomed to regard as one

of the greater privileges of the so-called rich are, in fact, not merely useless but detrimental, since neither Stalin, Mussolini nor Hitler have any of them, and, so far as I am aware, have never been outside their own countries. Is there any sound ground for assuming that the emergence, probably with the conscious and calculated assistance of international finance, of three Dictators of this type, almost devoid of any knowledge of countries other than their own, is an accident? I do not think that there is. But there is every reason to suspect that the reply given by Disraeli to a critic of one of his Chancellors of the Exchequer, “My dear fellow, of course he knows nothing about Finance. No Englishman does, that’s why I appointed him”, is the explanation of the rise of the Dictators, rather than their transcendent abilities, or their desire to represent the best interests of their fellow-countrymen.

I find it difficult to believe that any serious student of affairs can accept the proposition that it’s just an accident that socialised Italy lost no time in attacking and annexing Abyssinia, socialised Germany took about four years in which to embark on a career of barefaced gangsterism, and socialised Russia marched to the “emancipation”, by means of bombs and high explosives, of the poor down-trodden Finns, thus causing Great Britain to pass an Emergency Powers Act, all neatly prepared, centralising all the forces of the community — and sweeping away the hard-won privileges of centuries of struggle — an Act so outrageous in its provisions that an infuriated House of Commons demanded and obtained the repeal of some of the worst of them. The ostensible excuse for all of these attacks on liberty is the same — economic and political necessity. This economic and political necessity is ascribed by one Dictator to the machinations of the other. First Mussolini and Hitler have to make guns, instead of butter, to keep Europe safe from Stalin, and the British Labour Party demands an alliance with Stalin to keep the world safe from both of them. Then Hitler and Stalin combine to rescue Europe from the British Labour Party. I don’t know at the moment who Mussolini is rescuing Europe from, but I do know who is getting the power and the money which is coming from the fantastic taxes being levied in every country whether at war or not.

Any intelligent child of six years can see, however, that if the individuals comprising each of these countries had refused to surrender to “their” Governments and Financial Institutions the Civil and economic rights of property and person which belong to free men, Mussolini, Stalin and Hitler would be minding their own business, and the rest of us might have an opportunity to mind ours.

If there is any hypothesis which will explain the events of the twenty years between 1918 and 1938, other than that which includes a conscious preparation

for the resumption of the War for the still further benefit of those who were the primary beneficiaries of its first phase, I am not familiar with it. Had it been desired to prevent another world war it could have been done by a few simple financial adjustments, by the raising of the standard of living in Germany while preventing the growth of a powerful centralised authority there, by the rapid reduction and abolition of taxation both local and Federal in every country, and by the education of the population of every country into an appreciation of the relationship between employment, production and leisure.

No one is likely to underrate the power and the prevalence of plain stupidity in political affairs. But anyone observing the steady and obviously conscious misrepresentation of the facts of economics and political economy, the vicious attacks made upon any professional economist unwilling to “toe the line” so scrupulously followed by Economists of Repute, the determination to retain an unprivileged or even starving section of the population so that it might be used as an excuse for reducing the privileges of that portion of the population representing the advance which man has made over his environment, must agree that stupidity in the ordinary sense is not a sufficient explanation of what has occurred. It is too obvious that a policy of general enslavement, carrying with it bribes, some of considerable value, to politicians and officials who were willing to further it, and penalties for any who would oppose it, has been pursued systematically.

18

It is difficult not to sympathise with the normal individual who finds discomfort in the contemplation of unfamiliar political forces to which is attributed historic continuity. It is exceptional to find a life steadily and consciously devoted to an objective which is clearly envisaged, and therefore normal to regard existence as a passive experience of uncontrolled and largely uncontrollable incident. The conception of an organisation, and particularly an organisation whose existence may hardly be recognised outside the ranks of those who belong to it, pursuing an end so grandiose and remote as to be almost cosmic, excites either incredulity or mild derision.

When the average “practical” man is asked to consider the possibility that such an organisation and programme have existed for hundreds, if not thousands of years, his general reaction is one of superiority to people with “bees in their bonnets”. If he is directed to the hints in such novels as Benjamin Disraeli’s *Coningsby*, to mention only one of many indications, he is apt to dismiss them as the ingenious inventions of a literary imagination.

Yet a little consideration ought to convince us that this attitude, if understandable, is not really reasonable. The Church of Rome, originally

“The Church”, to mention only one “religious” organisation, has been in existence for nearly two thousand years, and it would be a very ill-educated individual who would contend that the Church has not been the arena of a struggle in regard to an objective which has affected temporal history. The whole tone of the culture which we like to call European, as distinct from that which we call cosmopolitan, is the result of the pursuit of a concept both of manners and of society which is alive and active today, and is, in fact, one of the underlying realities of the confused melee into which the European peoples have been precipitated, although no one institution may embody it.

But, it may be contended, the evidence of the existence of religious organisation exists for everyone to see. It has buildings and officials whose lives are devoted to the propagation of a system of morals and belief concerned with the attainment of happiness in a future state of existence. Sunday is more or less devoted to its business, and any concern with temporal politics is both disclaimed by the modern churches, and discountenanced by modern statesmen in the plainest language at their disposal.

Yes? Then why does nearly every Great Power maintain an Envoy at the Vatican? I have not heard that there is an American Minister to Canterbury, although it is true that the Archbishop is taken for a holiday by Mr. Pierpoint Morgan, when he doesn't need his yacht for other purposes.

And then there is Finance, the modern World Religion of the other six days, with Temples everywhere and countless millions of adoring devotees to whom the lightest word of its parish priest, the local bank manager, is an echo from Mount Sinai. The more obvious members of its hierarchy, with touching modesty, disclaim any activities but that of being practical bankers; people, you know, who take in your money at one end of a counter, lend it while you don't want it, and get it back and give it to you when you ask for it at the other end of the counter.

Yes?

There are clearly to be seen, then, at least two organisations having in common the characteristics of an exoteric shop-window in which goods are exhibited to the simple populace, and an esoteric back-parlour the transactions of which, so far from being advertised, are so secret, and so long-term, that centuries are necessary to provide the evidence from which their nature can be deduced.

Now, any competent historian could trace, and one or two competent and mildly courageous historians have traced, not merely the impact of the Churches on events (reference to which, while risky in the Middle Ages, seems now to be quite safe) but, for example, the relationship of Sir Ernest Cassel and the Egyptian Bondholders to the war of 1882, or that of the Beits, the Wernhers, the Joels, the Barnatos, et al., to the South African War to make the world safe for the

Gold Standard. But, just as aberrations in the behaviour of the heavenly bodies impelled astronomers to suspect the presence of Neptune before that planet was identified, I think that we have indications of the existence of a long-term policy which, while it cannot be dissociated from either of those to which I have referred, is not entirely accounted for by either or both of them. Evidently, some tabulation of these indications might be helpful.

The first of them is, fortunately for our purpose, if for no other available for examination at first hand and at close range. The phenomenon of a world war carried on by individuals, not one per cent of whom desired war, may be considered from many points of view. But one aspect of it seems to be quite beyond discussion. Some influence, not that of the individuals primarily concerned, desired war, and was able to bring it about. Is it conceivable that any organisation or body should consciously work to bring about war, and should have the power to achieve their end? If it is, it ought to be possible to see in outline, at least, how that objective has been attained.

Now, I think that we can dismiss at once, every short-term explanation (“It’s that man Hitler”). The first lesson learnt by anyone concerned with administration is that human beings have psychological “mass and inertia” — you can stimulate one man to action fairly rapidly, but a million men can only be made to act quickly if a very long time has been devoted to “organising” them for a particular kind of action. We do not need to waste time in enquiring whether men have been organised for war, but it is highly significant that England was not normally organised for war, i.e. had no standing armies, until and after the Cromwellian War and the foundation of the Bank of “England”.

But it is necessary to examine the idea that war is natural and inevitable, except where “law is supported by overwhelming force” as Lord Lothian so attractively phrases it. We know that it is not natural at present — that “nobody wants war”. There is a substantial body of scientific opinion which is confident that humanity is not naturally combative, and in any case modern war is so completely impersonal that only a charlatan would pretend that there is any analogy between the emotional quarrels of individuals and the mass murder of unseen and unknown opponents with the aid of high explosive. There may be more resemblance to a prize fight, in which the promoter gets most of the money.

If war is natural, why is it necessary to foster the martial spirit by every form of propaganda and hypnotic influence, subtle or crude? Why the brilliant and unsuitable uniforms of the Life Guards, the military bands, the bits of ribbon, the ceremonial ritual — the use of every device with which trained psychology can reinforce defective education?

But to deny the existence of a natural tendency to war is one thing, and to

admit “cet animal est mechant, quand on l’attaque, il se defend”, is quite another. There may be no winner in modern war, except the promoter who doesn’t fight, but only bemused theorists would contend that all the losers lose equally. I do not think that the Poles would listen very patiently to that kind of nonsense. Clearly, if you can provide an aggressor, sooner or later you can provide a war. To provide an aggressor? Why should anyone want to provide an aggressor?

Perhaps a consideration of the position of the promoter who doesn’t fight may help to answer that question.

19

“Tandem scepra gerit, qui stemmatis ultimus erit” . . .

The sceptre at last shall grace him who is last of his race. Israel will dare a deed unspeakable, that only death can redeem.”

(—Prophecy of the Abbot of Lehnin concerning the Hohenzollern Dynasty, circa A.A. 1300)

The promoter of war who does not fight, if he exists, is obviously so important to the future of humanity, and would be so embarrassed by the attention he would be likely to receive from those involved in a modern war which they neither desired nor arranged, that we should expect that his operations would be carried on with all the secrecy which circumstances would permit.

I believe it is said by criminologists that a clever criminal is ultimately easier to identify than one of low intelligence, because the clever man cannot help being logical. Given the facts, it is always possible to find out why they occurred. Given the reason for the occurrences, a process of elimination will lead you to the individuals who would have those reasons if there were any for committing or procuring those acts.

Since, then, we are not likely to find the very clever gentry for whom we are looking by the aid of a Classified Telephone Directory, let us consider the facts and their relation to a policy.

First, as to the nature of a promoter. He is a man who makes the rules. There are innumerable instances of promotions which were disastrous to everyone concerned except the promoter, but almost none in which the rules did not make the promoter fairly safe. So that we can regard it as a fact that the position of a maker of the world’s rules would be an attractive position. The next consideration is that a promoter must have something to promote. If everyone were in a position to attend to his own affairs, a promoter would be a nuisance. So that it is vital to a promoter that people shall not be in a position to attend to their own affairs. To remain a ruler, you must keep on making fresh rules and be able to enforce them.

Now let us consider what has been happening to threaten the promoter with a world in which promoters would be a nuisance and fresh rules would be discouraged.

During the past hundred years, the promoter has always been threatened with the Age of Plenty. Productive capacity has increased fifty-fold. A world in which individuals were able to indicate what they wanted, to get it without very much trouble, and to express effectively their dislike of a system which could only permit cottages for Camberwell as a result of building gunboats for Guam, would be a world in which people would devote little time to making a living, and more time to making living worth while.

Why has this not happened?

There are three concrete processes which have been at work. Taken together, they provide a complete explanation. They are, (a) Export without equivalent imports (“The Favourable Balance of Trade”); (b) the constant expansion of the production of nonconsumable goods and the factories and tools for producing them; and (c) sabotage, including the sabotage of productive capacity (restriction of output).

While it is incontestable that the monetary system as it is operated will account for all of these it will not account for the persistence in the system. Let us see how war fits into them.

War is a contest of tools of sabotage. Let us symbolise the tools by the word “guns”. Let us also symbolise useful production, i.e. production for ends which individuals wish to attain themselves, by the word “butter”. The productive capacity of a country at any moment is therefore ‘guns plus butter’. Consequently, if you can establish the proposition that it is better to sabotage than be sabotaged, to kill rather than to be killed, and arrange that those are your only alternatives, all increases of productive capacity can be diverted to “guns”, and the “butter” can be kept constant, or even reduced, thus for all practical purposes, nullifying all increase of productive capacity. The first part of the proposition is self-evident; it is the business of the promoter who does not fight, to produce a crazy and bemused aggressor having, centralised under him, sufficient forces, who will establish the second part of it.

There is sound circumstantial evidence that Herr Hitler, like Lenin and Trotsky, was supported by Kuhn, Loeb and Company, of New York. I am not so foolish as to imagine that Messrs. Kuhn, Loeb and Company have created the world-wide organisation of which we see evidence.

Now, the “Favourable Balance of Trade” theory is so idiotic when it is understood that it has been necessary to give it respectability. Such institutions as the London School of Economics (which was largely endowed by Sir Ernest

Cassel, closely associated with Kuhn, Loeb and Company) have embodied complex versions of it, together with suitable presentations of gold standard banking, “free trade”, taxation, etc. in diploma courses ensuring to the discreet holder of reasonable livelihood and a licence to be heard on any economic subject. In passing, it may be observed that in recent years graduates of this and similar institutions have guarded themselves to some extent against certification by two members of another profession, by explaining that it is not the business of Economists of Repute to pass an opinion on the merits of the systems in regard to which they receive their diplomas, but merely to explain how they work. As no two explanations appear to be alike, and most of them contradict the facts, the fundamental objective is achieved. The public is persuaded that the subject is so unbelievably abstruse, that what seems to the ordinary man to be pernicious nonsense must be the deepest wisdom.

Sabotage and restriction of output form so large a subject in themselves that it is only possible to indicate their general nature. Crude destruction, such as the burning of millions of bags of coffee, the killing of thousands of day-old cattle, and many other devices to keep up prices so that the workman’s wages will buy him less, are the fringe of the question. The Grid Electricity Scheme, the child of the brain of Samuel Insull, the London born Chicago Jew, who was pursued round Europe by a United States warrant on a charge of fraud, probably represents the sabotage of fifty millions sterling value in serviceable plant alone, to the end of worse service, higher charges, less reliability, and immensely greater military vulnerability. Bureaucracy and “paperwork” waste the time and energy of millions.

For many years, the stronghold of Finance in British political circles was the Liberal Party (Sir John Simon, the present Chancellor of the Exchequer is a Liberal) although it is quite probable that it has an effective voice in the so-called Conservative Party also. But the Jewish influence in recent years has been more obviously exerted through the Labour Party whose Socialist-Trades-Union-Fabian policy is unmistakable. It has taken the form of a threat to the “other” parties that if they will not bring in “Socialism” a still worse fate awaits them.

The characteristics of the Labour Party are well known. Attacks upon private property and ownership, particularly of land; complete orthodoxy in finance, amounting to a defence of it; sabotage by restriction of output and bureaucratic control; close connection with the London School of Economics (Dr. Hugh Dalton, its Chancellor-elect) was Sir Ernest Cassel Reader in Commerce); Internationalism. As I have said elsewhere, the official Labour Party has no fundamental difference of opinion with the controllers of the Financial System — it merely claims that its motives, intelligence, and general equipment qualify it to

work the same system better. I don't suppose there is a member of its Front Bench who could describe in detail a single industrial process; still less, perform it.

It is clear that the Labour Party has been captured. How?

I am inclined to think that, in ascribing the situation to bribery by the agency of large subscriptions to Party Funds (although this may be an essential factor) we are leaving something unexplained. From where does the continuity of Policy come? Why is it pursued in the face of universal dissatisfaction? While it is clear enough that Finance benefits, and some Financiers, there is far too much support for, or at any rate passive acquiescence in, policies quite outside the range or understanding of either the average politician or the average banker, and too much opposition from the most unexpected quarters to, for instance, Social Credit, to accept simple greed as the only cause. We want a like to connect widely differing institutions, parties and classes in a common action or a common inaction. I think we can find it.

In *Le Moyen Age* (1922), M. Funck-Brentano writes:

“As the Templars had houses in all countries, they practised the financial operations of the international banks of our times; they were acquainted with letters of change, orders payable at sight; they instituted dividends and annuities on deposited capital, advanced funds, lent on credit, controlled private accounts, undertook to raise funds, taxes for the lay and ecclesiastical seigneurs.”

The Knights-Templars, originally an association of Militant Crusaders of the highest reputation, were suppressed on charges of heresy, black-magic, sexual perversion and widespread sedition and anti-monarchism. They “became an *imperium in imperio*, which threatened the whole social system”. The curious phenomenon of Rasputin at the time of the downfall of the Russian Empire has a resemblance to the influence which members of the Order were said to exert.

It is widely accepted that they became Freemasons, having learnt the secrets of the Craft in Palestine.

A short time ago I had an opportunity to discuss the present situation with an acquaintance uniquely well informed on current affairs. Rather unexpectedly, I asked him whether he had considered that Continental Freemasonry (The Grand Orient) had anything to do with the war. He changed colour perceptibly, and then said carefully, “I think the Grand Orient can start a war, but I don't think it can stop it”. I think I can guess what he meant.

British Freemasonry is, of course, quite different, because we are always being told so. A little log-rolling, perhaps. This man moved into an important job for no obvious reason; that man never seeming to obtain normal promotion. No interference in politics whatever, you know.

Then why the secrecy and the tremendous oaths?

Freemasonry is international and worldwide. Its members comprise Dukes and draymen. Probably ninety-nine per cent of its members (including all the Dukes) have not the least conception of its objects, which its organisation is expressly designed to conceal. Its ritual and legend are purely Judaic. The connection of Jewish (and other) financiers with it is beyond dispute. Most probably it is the **mechanism by which policy selects its administrators, just as Finance is the mechanism by which the administrators recruit their servants and keep them obedient**, and there is evidence that its focus was in Germany, and has moved to the United States and Ireland.

The Jews were expelled from England in A.D. 1290 and the Knights-Templars in 1312. The Jews, who had financed Cromwell through Manasseh-ben-Israel, were readmitted by him, and it is at this time *circa* 1660, that we first hear of English Freemasonry. The Bank of “England” was founded in 1694, incredibly camouflaged in its authorisation, by “The Tonnage Act”.

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We have now, perhaps, examined the main features of the contemporary situation sufficiently to obtain an intelligible picture of it.

In essence, it is not difficult to envisage. Out of the fog of the kind of history which Henry Ford described as “bunk”, and of propaganda designed to encourage the faith which consists in believing what ain’t so, there emerges the outline of a titanic struggle; a tripartite struggle in which, from its very nature, one side, that of the common man, has been, and indeed is, not merely unorganised in its own interests but largely unconscious of them; while another consists of highly intelligent and completely unscrupulous men, carrying on an internecine warfare throughout the ages for ultimate power. The present crisis is quite probably a culminating peak of this long struggle and we may see the emergence of a third party which perhaps has been overlooked.

To one group, the common man, with whom we may include all but a tiny fraction of the population of every country at every time is simply “cannon fodder”. His place in the scheme of things is to be forced into functional associations — Armies, “Labour”, Civil Services, etc. which can be swung like a club, and, on the whole, with as little comprehension as a club possesses as to the real objective for which it is swung. I do not believe that national boundaries have, for many centuries at least, been in any sense coterminous with any of these groups, or that, to one of them, the general well-being of the population has at any time been more than an unavoidable bribe to obtain the necessary acquiescence from national, as distinct from international “leaders”.

Now it may be reiterated, that this forced functionalizing process, which alone makes the common man the collective tool of the Enemy arises out of the

necessity for bed, board and clothes in security. Man wants much more than that. But afterwards, and the things he wants afterwards are most dangerous to the Enemy. So that the obvious policy is to keep him busy with bed, board and clothes in perpetuity.

Perhaps the first essential in considering this situation is to bear steadily in mind the idea of continuity. To repeat Clausewitz (and to emphasise the permanently “military” nature of the problem) was “the pursuit of policy by other means”. Not necessarily the policy of those who fight the war. But certainly the policy of those who promote war, either actively, or passively by opposing the rectification of those factors which force aggression; all of which, I think, can be traced to those who are in control of the international financial system, and other international forces.

That is to say, it is an elementary error to regard the course of events as being normally peaceful, but, regrettably, punctuated by wars.

It is, of course, nothing of the kind. In the present war, the blockade of Germany merely differs in method, but not at all in kind, from “peaceful” trade competition. And the desperate penalties which Germany would exact from Great Britain and France, if the victory in the military phase of the war were to go to her, would merely be an intensified form of the treatment meted out to the vanquished by financial gangsters (of whom I am confident that Hitler is merely a tool) — obliteration or absorption, whichever served best for instance the march of the Vanderbilts, Morgans, or Schiffs, towards “control”.

To say that all this merely illustrates the universal depravity of man is to take refuge in one of those cheap generalisations which have been used to obscure the facts. So far from this being the explanation, on the contrary, it is the almost universal desire of mankind to be left to cultivate his garden which has made him the tool of the clever intriguer. Many years ago, I asked a cultured and highly competent American why he didn't go into politics. He replied that he was not squeamish but he had to draw the line somewhere. Which largely accounts for American politics.

The principles of organisation are so unfamiliar to those whose business does not involve a study of them that I must ask to be excused if I appear to labour the point:

THAT MODERN WAR IS IMPOSSIBLE WITHOUT CENTRALISATION,
AND THAT THE OBJECT OF MODERN WAR IS CENTRALISATION.

It is failure to grasp this fundamental truth which gives rise to such false antitheses as, for example, “monarchy or money-power”, “socialism or capitalism”.

Monopoly of Power is the Enemy, and all Power maniacs are His Servants. “All power [over men] corrupts, and Absolute Power corrupts absolutely.” If Finance

governs the State, the Banker is the Satanic incarnation. If the State is supreme, Socialism is the Devil. It is quite possible, as has been the case both in France and the United States for some time, to have two almost balanced Forces: in France, the “Comite des Forges” and “la Haute Banque” and, in America, Morgans and the Harriman, Kuhn Loeb Group, alternately using the State mechanisms to carry on a private war and, in the process, fostering the Right and Left, Fascist or Communist, “popular” movements whose leaders are invariably power maniacs — a statement which can easily be checked by a consideration of the individuals who represent such movements in Great Britain. In every case the result is much the same to the duped citizen, just as a “Liberal” or “Conservative” government in England or Canada usually means only a re-shuffle of Ministers.

The remedy is exactly what you would expect it to be, once it is admitted that the disease is monopolistic. It is de-centralisation.

There must be a very rapidly growing minority, if not already a majority, who, while not perhaps phrasing the matter in exact terminology, would agree with the essential contention. “But”, they would say, “Nothing can be done about it. The whole trend is towards larger units, towards the suppression of individuality. You can’t alter the trend of events”.

That is exactly what it is hoped you will believe, so that your initiative will be paralysed. The use of the word “trend” to suggest a natural force against which it is useless to struggle is of Wall Street origin.

Now, if you were told that the trend of events was for motorcars to get smaller and smaller, and you had devoted any attention to the subject, you would probably reply “Up to a point, in England, yes, in America, no”. And you would go on to explain that the artificially restricted British motorcar was the result of taxation which had practically ruined the British export trade in motorcars, and resulted in the Englishman having to pay as much for something a little larger than a perambulator, driven by a toy four cylinder engine, as the American pays for an eight cylinder limousine with a 120 H.P. engine. You would assert, in fact, that the “trend” was not natural, it was consciously produced. And you would possibly have something to say about the reputation for philanthropy built up on the money obtained by selling you a toy motorcar at the price of one of reasonable size, and then arranging that by taxation and high petrol profits, it costs you rather more to run than would a Rolls-Royce in America.

It is not too much to say that an International organisation having almost unlimited control of money, and in consequence, of the Press, can produce almost any “trend” which may serve its purpose. What it cannot do, however, is to avoid the natural consequences of the policies which it pursues.

Now, in a static world, the world in which world-Planners think, centralisation

is a workable scheme. And it must be remembered that this Plan for world dominion is a very old Plan, and was conceived in a world which was so nearly static that the India of say, the Mutiny, was, outside the towns occupied by Europeans, unchanged from that invaded by Alexander the Great.

In such a world, absentee management does not matter. All industry and agriculture was standardised, and the fundamental idea of government was not “interference in business”, which is quite modern, it was simply “sacrifice”, i.e. taxation.

But the modern world is not static, it is dynamic. The idea that it is possible to govern the intricate actions of large populations from one political centre is a chimera. You can try, however, and the results of trying to do an impracticable thing are visible everywhere.

It would be easy to demonstrate the hopeless inefficiency of absentee management in almost any sphere of human activity. Absentee management of the individual's credit has made him a proletarian; absentee management of his corn-milling has given him bread which his own doctor will tell him is barely fit for human consumption; absentee management of his right to bear arms in his own defence has taken the right from him, and landed him in the greatest war of all time.

While the press and radio, controlled by groups of financiers battling desperately for world power (so that, as they imagine, resistance will be futile) are using every artifice to convince us that the millennium awaits the inauguration of the World State, the emergence of what are, in my opinion, irresistible centrifugal forces, can be seen everywhere. The “United” States always held up as a shining example of the beauties of Federal Government, was probably never more disunited in the whole of its history, than it is now. Ireland is split into two halves; India seems strangely cold to the advantages of rule from Whitehall; the Canadian Provinces are more determined than ever that the powers of the Federal Government at Ottawa shall be drastically diminished, rather than extended; and the Australian States are in almost open revolt against Canberra.

About the Author

The late Clifford Hugh Douglas, M.I.Mech.E., M.I.E.E., consulting engineer, economist, author, and founder of the Social Credit Movement, was born in 1879 and died in 1952. Among other posts which he held in his earlier years were those of engineer with the Canadian General Electric Company, Peterborough, Canada; Assistant Engineer, Lachine Rapids Hydraulic Construction, Deputy Chief Electrical Engineer, Buenos Aires and Pacific Railway; Chief Engineer and Manager in India, British Westinghouse Company; Assistant Superintendent, Royal Aircraft

Factory, Farnborough (England). During the First World War he was a Major in the Royal Flying Corps and later in the R.A.F. (Reserve).

After retiring from his engineering career, he and his wife ran a small yacht-building yard on Southampton Water for several years. The combination of beauty with functional efficiency in a successfully designed racing yacht had a special appeal for him. When he lived in an old water mill in Hampshire he used the water wheel to turn a dynamo which lit and warmed the house as well as providing power for lathes and other tools. Later, when he moved to Scotland, many of his friends and followers remember helping to build his small hydro-electric power house, sited on the local burn which ran through his land. Since decentralisation of economic power was of the essence of his teaching, it should be put on record that he practised what he preached.

One of his most interesting jobs, just before the 1914 War, was that of conducting preliminary experimental work and preparing plans and specifications for the electrical work on the Post Office Tube in London, with later supervision of the installation of plant in what was to be one of the earliest examples of complete automation in the history of engineering.

While there were no physical difficulties about the work, he used to get orders from time to time to slow it up and pay off the men. When the War came, however, he noticed that there was no longer any difficulty about getting money for anything the Government wanted.

In the final phase of his life, roughly from 1939 to his death in 1952, Douglas consolidated his ideas in depth, contrasting very clearly the philosophy which underlies them with that which activates the Monopoly of Credit. Although the best known of them, which have already exercised considerable influence in the World, lie in the economic sphere: the concepts of real credit, the increment of association and the cultural inheritance, and the proposals of the National Dividend and the Just or Compensated Price — his political ideas, though as yet little known, are if anything of greater importance. They were always worked out with a characteristic practicality, taking account of the feedback from the course of events. No one else has thrown so much light on the true nature of democracy, as distinct from the numerical product of the ballot box; on the need for decentralised control of policy and hierarchical control of administration; on the freedom to choose one thing at a time, on the right to contract out, on the Voters' Policy and the Voters' Veto. In his last address, given in London to the Constitutional Research Association in 1947, he put forward his last proposal for the rehabilitation of democracy: the Responsible Vote, in which the financial consequences of his open electoral choice would be, for a time, differentially paid for by the voter in proportion to his income — a literally revolutionary suggestion which demands an inversion of current ideas about anonymous, irresponsible, numerical voting.



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The Price of Freedom is Eternal Vigilance

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13th February 2026

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Does Democracy Need a Warning? By Neville Archibald

In the preface of *Warning Democracy* C.H. Douglas. It starts:

In 'Warning Democracy' Major Douglas speaks colloquially of political events and prospects in the light of his famous Social Credit proposals. The titles of his nineteen chapters are indicative of the enormous range of topics covered. For the reader who has already concluded that something must be rotten in the state where poverty stalks the land in spite of a hundred and fifty years of invention to increase the output of goods, Major Douglas's lucid and non-technical essays constitute an initiation into fundamental causes and remedies.

The words of this series of addresses might have been written between 1920 and 1931, but the reason for them is still the same today. Douglas was often fond of repeating that: "Systems were made for man, and not man for systems, and the interest of man which is self-development, is above all systems, whether theological, political or economic" (The philosophy is espoused further in his book: *Economic Democracy*.) It is this very problem that we face today, more than ever!

Every time a problem arises between yourself and your government, ask yourself why? The answer usually comes down to, 'that's just the way the system works!' or in your case, doesn't work!

Disenfranchisement with government departments and bureaucratic process, has been steadily increasing since Douglas first wrote those words. Our usually tolerant nature has allowed more and more of this disengagement of individual outcomes, until it has become the more structured, 'what part of the system do you fit into'. It may not sound like a

big difference initially, but it is at the core of our very problem. Continued law making and amending, sees an ever increasing reliance on knowing the 'law' in regard to personal outcomes, than it does allowing for common sense; backed by a generalised brief to instruct intent. The reliance on these laws and the dependence on the written clauses, means that 'common sense' cannot prevail and what we then find is that, what is not exercised is lost. We all wonder why there is a shortage of it these days (common sense), I contend that it has been programmed into us to look for what the books say, and now, what the internet says. From 'how to' videos to legal advice or accounting advice, our everyday life is subject to a plethora of rules and regulations to be followed. From waiting for a red light or turn arrow at midnight, when there is no traffic (the camera might get you!), to the newly instituted 'hate speech laws', where you are told what you can and cannot say!

Each of these system requirements means you must fit in, no matter what the circumstances and it is set up to punish us if we do not.

Governments and bureaucracy both, love to exercise control and have become experts at using these systems to further limit the possibility of someone having an alternate opinion.

Take increased gun laws, if no guns are available (goes the concept) , no one can be shot. The same could be said of anything we have around us. No cars so no road fatalities, no knives, so no stabbings, even down to no ropes, so no one can hang themselves. Where do we stop?

We stop at common sense! The very thing being limited.

Why this rambling? It does serve a purpose and does relate to Douglas' original quote and the words: *'For the reader who has already concluded that something must be rotten in the state where poverty stalks the land in spite of a hundred and fifty years of invention to increase the output of goods, ...'*

Common sense would suggest that since both output and ability have increased far more than necessary to achieve a life of plenty, why are so many now almost destitute? Farmers grow far more than we need (witness the waste and inability to find markets), factories can turn out far more product, of all kinds, than they can sell! Most actually scale down ability, so as not to 'oversupply the market'. What is that all about?

Somewhere in there, the 'system' is faulty! And yet we do not seem to be able to see this. The entire financial system, based on a faulty premise, only ever results in increased debt. The solutions 'sold' to us are not real solutions, but just different ways to sink the boat. One part of the uni-party urges us to battle inflation, for the other the battle is more about interest rates. What we don't seem to connect with, is the fact that both decrease our real wealth. Alternating

between which of the holes in the boat we cover, doesn't stop it from sinking. The biggest reason I can find for this is, the ability of others to 'sell' their views on the subject at hand as though they were the only solution there is. In some cases only two solutions are offered, neither of which is a real solution. We are then urged to fight for the one we believe is 'best sold'. We are arranged into opposing teams, no matter what the issue, to play a game whose very rules are fixed. There can be no winner. We are given false visions, or we are distracted by what I term, crises acting.

Let's take a look at what we are seeing presently.

The leadership challenge within the Liberal party, does it really matter? We have seen the actions of the party when it comes to the crunch, time after time. They follow on in the same direction as before, with just a small tweaking of personalities and perhaps if we are lucky, a slower rate of change. Is it ever the change we want? Or does it still end up being just a show to convince us they might be more reasonable this time. That the brand now has a better face.

In case you are wondering, the new leader, Angus Taylor, was absent from the vote on the hate speech laws. In fact for some reason he was absent from the vote on 32 out of 72 bills voted on in 2024 (As listed in the, 'they vote for you' website).

https://theyvoteforyou.org.au/people/representatives/hume/angus_taylor/friends

We also find that he and the former leader voted 99.5% the same in the cases where they both attended. So will he make a difference? According to that same website, he never rebels, that would mean that he always follows the party line. The statistics of voting may vary and being marked as absentee may well be a legitimate thing, but I would like to think this shows something. That the smoke and mirrors of the challenge, is more akin to a deflection of policy scrutiny. Watch the show, don't ask the hard questions!

With the hype around gun laws, resulting from the Bondi terror attack waning, it seems not enough news is demonising gun owners presently. So to boost the scare factor, several media outlets ran with the worry about the 71% 'increase in new firearm licence applications'. Pushed as if these were all new gun purchases or new gun owners, they missed the mark completely. Gun laws changed the categories into which many firearms fell. If your currently owned gun changed category, of course you needed to re apply for a new permit. If the number of guns you had was more than 4, then someone else in your family perhaps applied. The statistics are once again chosen for their fear factor to influence the general public who do not look so deeply at things they know little about. Couple this with the relatively small numbers we are talking, and any increase becomes statistically significant.

Focusing on things like the increase in people looking to be firearm collectors

(7000% increase) sounds impressive, yet for those who already had more than 4 firearms it became just another way to keep those they already had. There is a lot more statistical 'scaremongering' that would truly fit the category of misinformation, if it were not for the fact that this fits the narrative they are trying to pursue. System changes that alter perception of what is going on, seems to have reached an all-time high! Nothing we are being told about this subject seems to be in any way relevant to the fact that a terrorist attack was carried out, despite adequate laws being in place. The failure to respond prior is something that should be headlining the news. Instead, legitimate gun owners have become the target.

The Israel and Palestine subject, a continual source of protest and violence on our streets is also being used to stir us into taking a side. Both are a long way away, both involve people who are not a part of our country. Yet the division we are being constantly bombarded by takes up a large portion of our news every night.

We have no real say in the outcome, for they are both other countries, but we find a large portion of our political time is taken up with it. Imagine for a moment that we are looking globally. Sudan, Myanmar, Syria, Yemen, the democratic republic of Congo and Burkina Faso; are all still at war. Who has even heard of the last one?

Of these countries, Sudan, Yemen, Myanmar and Syria; are persecuting Christians en-masse, yet we hear little to nothing of it!

<https://www.vaticannews.va/en/church/news/2026-01/open-doors-world-watch-list-2026-report-christians-persecuted.html>

<https://www.opendoors.org.au/world-watch-list/>

The reason it is being 'promoted' for want of a better word – to keep us from concentrating on the other stories that show our political leaders for what they are.

We live in an increasingly violent world, many struggling to stay alive in dire circumstances, including civil wars (struggle for political control) and ideological conflicts. Much of this is exacerbated by poverty. In this abundant world we have the ability to ensure this 'poverty' could be removed. Still we cling to the false financial beliefs that despite every advance we have made, we are now poorer than ever and cannot even help ourselves.

The first step to seeing these ridiculous reasons for our own poverty, is understanding. Understanding that it need not be so. The study of Social Credit, as Douglas saw it, is a way of looking anew at the issues we face. Looking at the world as it is, with a knowledge that the improvements we can make are huge, given just the will to do it.

In his *Approach to Reality*, Douglas takes you through our associations and their relationship to individuals, as well as a look at the purpose of the employment system, as both he and Keynes see it. He then takes us through some of the reasons we are being ‘governed by money’ and not enabled by it. An easy 12 page read.

<https://alor.org/Storage/Library/PDF/Douglas%20CH%20-%20Approach%20to%20Reality.pdf>

In *Dictatorship by Taxation*, he shows the difference between money and wealth, who really should own it, a proposal to the New Zealand government in 1934 to help fix monetary problems and then how we are being punished by the tax system, rather than the alternative – benefited by public works. Also a short read of 18 pages.

<https://alor.org/Storage/Library/PDF/Douglas%20CH%20-%20Dictatorship%20by%20Taxation.pdf>

More Snouts in the trough!

There has been talk of bringing the numbers of senators in the two territories, from two to four and possibly even six.

<https://www.theguardian.com/australia-news/2023/aug/06/labor-national-conference-northern-territory-nt-act-senators-referendums-territorians>

While it started in 2023 as a parliamentary inquiry to improve representation, it was again revisited in April 2025 as a consideration by Labor, if elected. Murmurings have continued since.

Our Australian Constitution allows for further numbers of political representatives to be added, with a formula for the numbers and population statistics considered. In the past there have been two increases, one in 1949 and again in 1984. In 1975, two Senators each were added for the ACT and the Northern Territory.

While I have no qualms about increasing the ability to ‘represent’ a given population, I am cynic enough to see potential reasons for doing so.

In the case of the ACT, we would see a bias towards the political party system as the residents, in greater proportion, rely on government for their jobs. It allows for the two party system to keep its advantage. I am not saying that these people should not have a say in the running of the country, but we must also realise that as with city centred population bases, this lopsidedness distorts the ability of rural populations to have any real say over what happens to them. This divide is already quite wide, and many look on with despair at it growing further.

So much so that there have already been ideas floated to form a separate Riverina State.

Poor decisions and a growing frustration at lack of any input into government policy, has seen the formation of a group called REXITAU. <https://rexit.au/riverina.php>

Made up of land in NSW and Victoria adjoining the Murray river, the idea was first floated by a Senator Charles Hardy in 1931; it has gained popularity recently through a desire for the regional centres to get their voices not only heard, but taken notice of. There is no doubt that many rural people see the State and Federal Governments as city centred. Victoria stops just outside Melbourne for many, as does NSW stop once you are over the dividing range. This disenfranchisement we spoke of earlier, is the very thing pushing it. To have more politicians in city areas, as many would see the extra Senators, would be another reason to push for succession into a new state.

Once again, our Constitution allows for the creation of new states, but it is up to the parliament to do it. The push for what they currently appear to want, would further their hold on power as far as I can see. To divest this power to a 'Rural State' would be an anathema to them.

This scene is being played out elsewhere as people in western countries try to come to grips with their loss of control over the political elite. In the UK, in Scotland, in the US there have been attempts; and now in Alberta Canada moves are afoot for the western states to separate from Quebec and the eastern states. *'Organizers of the Alberta independence movement are collecting signatures in order to trigger a referendum in that province. The pro-independence campaign has been travelling across the province as organizers try to collect nearly 178,000 signatures over the next few months.'* <https://www.cbc.ca/news/politics/ebv-alberta-separatism-9.7066320>

If this shows anything, it is that political systems the world over are 'on the nose'. True public representation is being seen as absent from everyday processes. The push for some form of world homogenised government is becoming clearer by the day. Governments are finding ways to help them keep control in this changing environment, one way which does not seem to occur to them is actually representing the people.

To ensure you have some knowledge of what these attempts are about, you could consider the reasons behind federation in this country and in looking at federalism more broadly. The concept of federalism – as a safeguard for the independence of the individual, has been shown to work well. It is just that we do not own it anymore! We have sold it off to Parties, to decide what is best for us. We vote once every three years and go back to sleep. To take back our independence we need to understand our processes and the reasons we chose them in the first place.

I have been reading: *Ten Advantages of a Federal Constitution and How to Make the Most of Them*, by Geoffrey de Q. Walker. 2001
[https://alor.org/Storage/Library/PDF/Walker%20G%20de%20Q%20-%20Ten Advantages of a Federal Constitution.pdf](https://alor.org/Storage/Library/PDF/Walker%20G%20de%20Q%20-%20Ten%20Advantages%20of%20a%20Federal%20Constitution.pdf)

Barrister-at-law, 1965-. University of Queensland, St. Lucia, Queensland.,

Australia, professor of law and head of department, 1985-96, dean of faculty of law, 1988-96.

Walker has authored a number of well researched books, including this one. To come to understand what something means, you do need to know some of it's history. Once you realise why it was developed, it becomes easier to see why we still need it and how it should be implemented. It is hard to stress just how much our own knowledge and participation is needed to fix the issues we face. Just knowing that most of the systems we operate under were originally designed to benefit us, should help us to understand that it is we who must once again take an active part in keeping them honest.

The executive summary from this book follows, may it tempt you to read further:

Executive Summary

Worldwide interest in federalism is greater than ever before and more countries are moving to adopt it. It has proved its worth and is especially well adapted to today's world, but in Australia it is still being attacked and undermined. The debate concentrates on, and exaggerates, the minor inconveniences of federalism and makes no mention of its great advantages. These include:

1. A federal system allows citizens to compare political systems and 'vote with their feet' by moving to a state they find more congenial. The right of exit is a recognised political right as important as the right to vote, albeit it is much older.
2. Federalism allows and encourages experimentation in political, social and economic matters. It is more conducive to rational progress because it enables the results of different approaches to be compared easily.
3. Federalism permits economic and cultural differences to be accommodated, thus strengthening national unity. At the same time, federations work better if regional differences are not too marked, so Australia has an advantage here. The sheer size of Australia makes some kind of federal structure inevitable in any event.
4. A federation is more democratic than a unitary system because there are more levels for public opinion to affect. A federal structure helps to offset governmental elitism.
5. The federal division of powers hampers the rise of despotic central government and thus protects liberty. This was exemplified when the states led the struggle against the political broadcasts ban in 1991.
6. Federal decentralisation makes governments easier for the people to supervise and results in better decision making. State governments have fewer programs and employees, and their smaller scale cuts monitoring costs.

As the states cannot create money, the scope for abuse of power is reduced.
7. Federations produce more stable government than unitary systems, and stability is a cardinal virtue in government.

8. The competition between governments in a properly working federation reduces waste and promotes the best mix of taxation and services.

The duplication issue is misunderstood—Australia spends proportionally less on government than the unitary United Kingdom or New Zealand.

9. Competitive federalism facilitates the discovery of the rules and devices that will enhance the competitive position of Australia in world markets. Australia's problem with railway gauges long predates Federation; its persistence may be a result of government monopoly ownership.

At the dawn of the Commonwealth's second century, changes are in progress that may help revitalise Australian federalism and make the most of its potential. The goods and services tax in practice provides the secure revenue base the states have long needed, and is a step towards more balanced Commonwealth-State fiscal relations. The lack of a formal national bill of rights denies the federal judiciary the de facto veto power over state (or provincial) legislation that they enjoy in the United States and Canada. The general intellectual climate is becoming more favourable to constitutionalism, checks and balances, aided by the decline of the old British theory of absolute parliamentary power.

Many of the world's other federations tap the benefits of federalism better than Australia does. There are a number of simple and inexpensive steps that would improve Australia's performance in that regard. They include reviving the Senate's role as the states' house by establishing a standing committee on federal-state relations, formalising present intergovernmental bodies by requiring, for example, regular meetings and public hearings, and recognising that the usual drive towards national conformism should be balanced by an appreciation of the benefits of diversity. The High Court should be invited to emulate the United States Supreme Court and revisit some of the centralist decisions that have undermined the Constitution. Some purely symbolic measures would help to reawaken the spirit of independence, self-reliance and community solidarity.

Our national future is not determined by our past. There is no reason why past conditions, mistakes and prejudices should be allowed to lock the nation into unhelpful patterns. Australia is a young, vigorous and successful country. Within its own borders it can be anything it wants to be. ***

Annual Subscription to 'On Target' \$75.00 pa which includes an
Insert, the On Target and the NewTimes Survey journals -
printed and posted monthly.

On Target is printed and authorised by Arnis J. Luks
13 Carsten Court, Happy Valley, SA.



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The Price of Freedom is Eternal Vigilance

Vol. 62 No. 06

20th February 2026

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**A Policy Needed From Each Political Party To Deal
With Debt & Inflation By Ken Grundy**

Pauline's One Nation has certainly added a new aspect to the political scenery.

Let us hope the new enlarged party will look at the debt situation. No other party has done so effectively.

Finance can be a jumble to get your mind around but keeping things simple is the best approach.

Why is our debt continually rising?

Why is every nation's debt continually rising?

Who or what organisation is providing the huge increased borrowings?

Australia has most of the world's minerals in plentiful quantities.

We have differing climates and soils to produce an abundance of food and fibre.

We export much of these commodities.

We have the knowledge and ability to provide all of our needs.

Based on all of the above, we must be in a favourable situation. Could it be better?

Then why do our accountant's records show us to be in huge debt?

Needed more than anything else are political candidates who pledge to find corrective answers to the facts being perverted and presented as DEBT.

It is an un-natural situation when we are unable to make use of the wealth without the burden of debt.

Checking the Financial situation a little further.

From the few short points made above, you might be wondering why such positive attributes at the disposal of Australians could possibly be recorded as

such a huge negative - DEBT.

Continuing in a vein as simple as possible.

What if I tell you that in every factory, there is not quite enough money distributed during production to enable all of the goods to be purchased in that period?

When considering the price on the tags of the goods for sale, the manager tallies all costs including raw materials, rent, interest, fuel, power, wages and a lot more similar things and plus his need for some profit to remain solvent. These items determine the price of the goods for sale.

There would not be enough money distributed to buy all of the goods. After paying all of those costs the price tag on the goods would add to a greater amount. Not enough to buy all of the goods.

You think that is a bold statement and it is, but for the exercise, I want you to accept the findings of an astute Scot, named Clifford Douglas who was a brilliant scientist and mathematician. Let us assume he was correct and see what follows. Then the picture may be clearer.

Again, I ask you to read further in this scenario. The findings of C H Douglas take a little explaining and can be given more attention later. However, there being insufficient money distributed as buying power indicates some of the production would remain unsold.

One can imagine a stockpile of unsold goods outside every manufacturer's premises. But this doesn't occur for several reasons. Some go to export where a new form of buying power exists from the foreign recipient. Some are sold with the aid of "time payment", where temporary credit is provided to consumers. Or the other answer is provided by the banking system in conjunction with Parliament. The deficiency of buying power is recognised which calls for an injection of new money into the economy to enable all goods to be consumed. After all, the sole purpose of manufacturing anything is to have it consumed. This latter source of funding may enter the economy at various points. It could be as pensions or for building roads or schools etc.

The banking system issues the new money as a debt. Once this point is grasped, it is clear why the national debt is escalating, not just for Australia but for every developed country.

Why couldn't this injection of funds to enable consumption of goods produced be free of debt. Could it be a credit? As a comparison, a successful trading firm may issue bonus shares to its shareholders to enjoy the success of the business. As a bonus, these shares arrive free. The injected gap payment could be similar. There is a fair amount of misinformation about how the banking system works. We might ask, "Where will the money come from to fund this gap payment?". The answer is the absolute key to solving our debt problem. In recent years there

has been reports from the banks explaining what previously was thought of as a myth. Even the Mother of all Banks, the Bank of England disclosed that every loan creates an increase in the money supply. That means the new loan money did not exist before the bank granted the loan. The myth being that the bank lent some of its depositor's funds. Every loan is an increase in the money supply and every loan repaid decreases the money supply. It therefore follows that the injected gap money could be a credit reflecting the real wealth actually produced. The gap payment can be likened to a Board game where the player receives \$100 each time he passes Go. The game would cease without this 'gift' just like the economy will falter unless the community receives the gap payment. Each person could be rewarded with a bonus credit payment.

Not only would this break the surging debt figure, it would begin to reverse inflation and rising prices.

There is no fear of 'more money causing inflation' because the suggested gap payment would require the same amount of money, but as a credit rather than a debt. The same money with a very different result!

Confirmation of the above about the banking system is available within our own history. Dennison Miller (later Sir Dennison) as the Governor of the original Commonwealth Bank, issued funds as a credit to fund numerous needs including WW 1, our coastal shipping, our C.O.R. oil refinery, support for agriculture and the East-West railway, for example. It is part of our history and deserves to be repeated as a measure to combat inflation and debt.

This matter deserves wider interest and I can help with your questions. ***

To Whom Do They Owe Allegiance? By Neville Archibald

After the most recent spate of almost continuous protest, flag burning and traffic disruption, it finally happened. Someone was arrested for burning a flag. Am I talking about Australia Day, Covid lockdowns, Black Lives Matter or Free Palestine protests and does it matter?

So, a flag was burnt, yet again. No, it was not the Australian flag, it was the flag of Israel (two of them actually), whose President just happened to be about to visit. So, it could very well be all about the optics.

Our 'quick to legislate against us using for naughty words' polities, seem less perturbed about the desecration of our national symbol, or the hate it infers about our very community and its history, than the symbol of a foreign country over 13,000kms away. A place where the people who live there, do not even vote for them; do they? To burn the Australian flag seems to be a rite of passage for many people protesting our abhorrent ways. It happens on a fairly regular basis, even outside parliament, yet no one stops it, and few polities do more than slightly condemn it. If you remember January 27, 2012, when that Australian flag burning

happened, security even rushed then Prime Minister, Julia Gillard and Tony Abbot away from a nearby restaurant. There must have been some concerns over 'hate' to do that! Yet burning our flag remains slightly more ho than hum.

What we witnessed was the arrest of a 20-year-old, outside Melbourne's Parliament Station a few days ago. She burnt two Israeli flags. Notice I say arrest, police took her into custody for her actions. Perhaps it was just that the fire also damaged part of a tram stop – who knows? I just find it a strange contrast, that only the Israeli flag seems to be a protected piece of cloth here in Australia.

The thin line of integrity

With an air more 'Monty Python' than real for me, our Anti-Corruption Commissioner has, for the second time, found himself facing scrutiny for potential officer misconduct and agency maladministration (I was trying to find a better word for that mouthful). It seems that no one is immune from investigation – even those at the core of investigating it.

This brings me to another question which has also seen news coverage from time to time. That of abuse of privilege and expectations of claiming 'justified' expenses. We have seen parliamentary figures being questioned about taking spouses with them on expense accounts, abuse of travel budgets and generally using public money in what I would call 'hardly appropriate ways'. While I don't begrudge a flight upgrade to be rested on arrival, or even the inclusion of a significant family member occasionally, the line between job and jaunt is looking more like a hazy fog that no one wants to address.

It doesn't stop with being in parliament either. Many ex or retired members have found work in the very same industries that they championed for. Why is it that our one-time auditor of these things, the news media, no longer even blink at these goings on. Unless a blatant and usable item can be fitted into the narrative being pushed this week, most goes on unsaid. Even the Attorney General, whose job is in part, 'upholding the rule of law', could be said to avoid involvement. No, the role of investigating corruption, as of 1st July, 2023 is the very National Anti-Corruption Commission (NACC) whose leader is now under investigation. I must ask if he has stepped on any toes?

It is not just a federal problem either, we are used to such questions being raised in the confines of state and even local government too. In Victoria, yet another cost blowout, in yet another 'big build', has raised concerns over CMFEU involvement.

The Guardian, the *ABC* and the *Australian Financial Review*, all shared similar stories this week:

'The Victorian opposition have pledged to call a royal commission into CFMEU corruption on the state's Big Build sites if elected.'

Opposition leader Jess Wilson said if it wins the 2026 Victorian election, her party would track down \$15 billion in taxpayer's money alleged to have been lost through corruption.

The government this week dismissed calls for a royal commission and disputed the estimates of \$15 billion put forward by a report.'

This eruption came after a Queensland commission of inquiry! Strange that Victorian corruption allegations come from the state of Queensland, not from watchdogs in Victoria. What did Queensland find?:

'The report written by Geoffrey Watson SC and tendered to Queensland's Commission of Inquiry on Wednesday, detailed widespread corruption, violence and extortion in the CFMEU.

Among the claims in the report were estimations that the actions of the CFMEU had cost the Victorian taxpayer around \$15 billion, and that the state Labor government has been "cowed" by the industrial power of the union.

Mr Watson said he had no doubt the government knew what was happening inside the CFMEU but did nothing as it wanted its Big Build projects to be completed.'

<https://www.abc.net.au/news/2026-02-15/victoria-opposition-cfmeu-royal-commission/106346448>

We have our own Victorian, Independent Broad-based Anti-Corruption Commission (IBAC). They are supposed to investigate these things. I would have thought \$15bn was a lot of corruption. Yet the current Labor government dismisses calls for a royal commission, claiming it has all been handed to the relevant authorities. The opposition pledges to 'track' it down. Where in all this is IBAC involved? This is sadly, not the only tale of corruption in Victoria over the years, but each time, that money so easily 'lost', must be found again by taxes from the public. As an overtaxed Victorian, I for one am sick of this culture of doing what it takes to get things done. All those involved need to look carefully at the words *integrity* and *honesty*, before committing themselves to public office. If the general swamp they all live in, has clouded that vision, perhaps they need to revisit it. Make it clear, that it is at least, almost as wrong as mis-gendering someone.

The *Oxford English Dictionary* provides the following definition of Integrity: *'the quality of being honest and having strong moral principles.'*

Do we really need to define honesty too?

Meanwhile in the city of Kingston, Melbourne, a strong Labor district is dealing with what it sees as corruption too. Councillors who were previously elected because of a perceived need for change, are fighting again. The original fight related to, 'ratepayers monies and resources being used to promote Labor party politicians and their mega-debt pet projects' (*Australian Inquirer*, pg 24, 14-

15 Feb 2026) A few of these councillors are now trying to protect green spaces from development – even in the face of concerns that the houses to be built on one of these spaces, will be on flood prone land. This is an on-going dispute that makes one question the reasons behind all developments these days (not just in Kingston). I know of a number of developments that I for one would never have allowed if it were up to me, knowing the flood history of the area. We have also seen these considerations, less considered than they probably should have been, coming to light after a flood or fire has proved this. The inevitable cries of it being the result of ‘climate change’, and not of the poor or perhaps corrupt decisions, are wearing thin.

Political involvement in local government has risen sharply in recent decades and with it the potential for power plays. The once roads, rubbish and ratepayer concerns, are finding a backseat to State intentions. With the level of corruption being questioned everywhere, a strong local council is important - as Kingston is obviously finding out. Even electing someone who will push back is no guarantee of fixing it. The people of Kingston, need to get involved and support council now more than ever before. If you are watching similar things happen in your neck of the woods, perhaps look on at what is happening, and learn something. Use what you learn and apply it locally where you need to.

The flow of personnel (including political hopefuls) that happens from local council to state to federal is a real one. Many hopefuls cut their political teeth there. If we at the grassroots level, call out corruption or dishonesty there at least, it may be easier to ensure it doesn't feed the system higher up.

https://www.theaustralian.com.au/subscribe/news/1/?sourceCode=TAWEB_WRE170_a_FBK

The *Australian Inquirer* dated 14 – 15 Feb, has several pages devoted to the Liberal leadership issue. I know it is a hot topic, for the death of one side of the uni party could throw a spanner in the works of the reigning duopoly of control. Imagine a parliament where a real alternative was offered. Where there was a possibility of having someone actually listen to public opinion, not just to a small clique of party interpreters.

What came out of all these articles for me was a firm belief that the Liberal party will remain the Liberal party. When the Liberal leadership cried foul over the push by Labor to put a rocket under the hate speech/gun control legislation without due consideration; and then proceeded to launch it herself after painting their name on the outside of it, almost straight after, who among them said boo? Angus Taylor (the new leader) voted for it!

As for the question about intent of the ‘new look’ liberal party, he declares solidly that they will not be moving to the right! I wonder where else they can go to change?

As I see it, this means of course that (and I am making this up here) 'I am not really sure yet, but my Liberal party will be more liberal than her liberal party, even though we voted 99.5% the same'. Any way you say it, it sounds like a very liberal statement to me.

The profusion of has-been politicians who are now writing pieces, has become a popular addition to the 'ask no real questions' reporting I keep seeing. Did I say popular? I am not sure who with. It does little for me reading the opinions of those who could have changed things while in power but didn't. Isn't that why we ended up in the here and now?

Tony Abbott writes on page 17:

'Labor's green fixation has made it almost impossible for new resource projects and is inevitably ending the coal and gas exports on which our prosperity absolutely depends.'

This from a man who while in power, saw exports of gas earning us virtually nothing and paying very few royalties. His article may be a good read for some, but as far as I am concerned, he like so many others quick to put pen to paper, had their chance and failed us.

What does history say? The Abbott/Turnbull government was 2013 – 2018.

'In Australia, despite a drop in commodity prices, capital expenditure on LNG projects peaked around 2015. However, significant amounts of exported natural gas during this period (e.g., \$149 billion over four years in one report) paid very low royalties.'

Then under the Turnbull led government:

'In Australia, despite receipts totaling over \$22.7 billion in the 2016-17 financial year, only \$970 million in Petroleum Resource Rent Tax (PRRT) was paid.'

(while my source is Google AI, a quick browse through the many articles of the time continually highlight the lack of income for government from our resources, especially due to tax offsets. Remember, these are our resources, they belong to us, not the foreign multinational corporations that develop them!). Nothing has really changed since then and we are still being denied any substantial revenue, despite the shift between labor and liberal policy outcomes. What does this tell you?

Abbott continues, pointing out that Labor is blaming Taylor, *'for the mistakes of the Morrison government and the Dutton opposition even though, as a loyal colleague, he simply did his best to support the team while being a voice of reason to leaders who wouldn't often listen.'*

Strange that again, as noted last week, he never rebels – he votes as his team do. If he was truly concerned, enough to speak out and challenge for leadership

now, where were his principles then? What does integrity mean if you vote for something you don't believe in just to support a team that doesn't listen?

Abbott finishes with a rose-colour tint about what the 'new look' party would be, but we still have to see it said and actioned by those actually in office. Not from someone outside trying to 'sell the brand'. The endless promises we've seen in their past give me no confidence in their future. No matter which of the Uni party it is, no matter how sweet the picture they paint, little will change. I guess we will see what happens in the electorate of Farrer as the former leader takes her bat and ball and goes home before her time is up.

Have we swallowed the climate (de)bait, hook, line and sinker?

The US has rolled back their EPA's determination that 'Greenhouse gases' endanger public health. Everything even remotely connected to this endangerment claim has added costs and limits to our society. Those who pay in the final analysis, are of course the public.

When this endangerment finding was rolled out, I don't believe anyone would have seen how far these 'protective' schemes would have reached. Even to the point of timber use, whether old-growth, new-growth or farmed, being seen as bad for the environment and taxed accordingly!

This carbon-based decision is being wound back now, as we are seeing the outcomes of catastrophic prediction fall flat on its face.

The hypocrisy of some of the more costly cures are being found to be less than true in real life. The CFC crisis, where all refrigeration had to change. CFC's were so nasty that a new patented HFC had to be rolled out (very similar to the fast tracking of mRNA technology) with government subsidy in many cases. Now the new research is showing that HFC's (the costly replacement), are just as bad for our ozone layer – if not worse.

Our rapid advance into alternatives to 'nasty' carbon-based items, has had almost all the same fingerprints on it as the CFC substitution. Since carbon is the building block of all life-giving things, the demonising of it wholesale was always going to be over the top.

If it is true that this knee jerk reaction to this sense of doom, is really so badly overinflated as we are beginning to see, then how stuck is the hook they caught us on? Al Gore's original predictions have failed on so many levels, more computer modelling is failing all around us, needing ever more manipulation to stay in the doom cult. The US, is winding it back. Many other countries never even took part. Some even grew their 'carbon' footprint at our expense.

Will we be able to taste the bait for what it is, can we extract the hook, the addiction to doom we have, and the lead weight, the taxes? Can we remove them, or will they, like all taxes, remain firmly in place for the foreseeable future – to help fund the fisherman pulling the strings. ***



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The Price of Freedom is Eternal Vigilance

Vol. 62 No. 07

27th February 2026

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Buying Your Own Presents! By Neville Archibald

Can you imagine being excited by opening that one present you bought for Christmas, in order that the newest family member could give it to you. He is not yet one year old, but your wife insists he buy presents for us. I hope this doesn't sound silly to you, but I am sure you know of people who do this (some even do this from their pets!).

The joy, is in the inclusion of that new family member, not the object per se; you do, however still finance it. It can be fun!

Fast forward to tax time, do we welcome that same concept, or am I a fool for believing many of us might? They take more and more off us, only to sound generous when giving it back in some form, usually minus a fair slug.

The recent discussions about our massive debt and the taxing needed to reduce it, have dropped a doozy. In an article or two reporting on the Capital Gains Tax, and how it could be used to raise more revenue, a new phrase has been born. Like many times before, the ability to sell these desperate grabs for our money, is couched in a word salad. One designed to convince us of it's necessity and of course of it's benevolence for those whose votes are being targeted. (I'll get to that later.)

A Capital Gains Tax Discount Reduction, is what we must have. Is this to sell it better? but first of all, a discount?

Capital Gains Tax policy was introduced by a Labor government in 1985 and has seen several modifications since. The word 'discount' was added in 1999 by the Howard Liberal government. Now the current Labor government is about to change it again.

"Grand sale!, Grand sale!" It goes. "All things store wide are going out at a discount-reduced price, get yours while you can!". "On offer store wide these discount-reductions on our regular taxed items are booming!" ... and so it goes! (nowhere did I mention a price increase, which is what it really is)

Firstly let us look at who a capital gains tax has the greatest impact on, and here we are not necessarily talking just financial.

I was about to go into a deep dive on corporate profits, tax for companies and just how much (or how little) many of them pay. This is relatively easy to find out, and a little more complicated to understand; but at the heart of this question, we should be asking if there is a difference between the individual and the company? Just who is the country run for? Who should the system be looking out for? Tax inequalities are a part of that same discussion.

Companies and organisations are run for profit, these days most likely maximum profit regardless of where the company is based. The minute it becomes cheaper to move overseas, that is where they go. Many pride themselves on their multinational existence. In short, very few these days, are family companies trying to get ahead. The active push on the financial side of things has been to make it easier the bigger you get. Government has been a part of that too, with the "get big or get out" mentality stretching back to the Fraser Liberals. The intent can be hard to fathom sometimes, the result – we eventually see. Smaller industry, catering for local work, adaptable and capable of meeting individual needs, have died out. Now we have a one-size-fits-all approach where real choice looks a lot like our political system, a choice between one or two pre-prepared items that satisfy no one in particular, accountable in the long run, to nobody but themselves. Able to sell inferior products, because all are selling inferior products, made to 'best price' standards.

Companies create their price structures to pass on costs to the consumer. Whether it is paying less for raw materials or raising purchase price, the buck stops with us.

We on the other hand live here, we raise our families, build communities and basically try to make a better world for ourselves. We strive for a place to work, a home to live in and an idea that it will be easier for the next generation. With all the labour-saving devices and technology implemented, we should be seeing this. Instead the next generation will not be able to own their own home or even afford to raise their children. Our income is taxed and apart from some minor deductions we have no one to pass on costs to. Anyway you wish to look at it, the individual is the milk cow.

Is it a coincidence that both the capital gains tax and tax increases in general can be compared to the first three policies in the communist manifesto?

"1. Abolition of property in land and application of all rents of land to public purposes.

2. A heavy progressive or graduated income tax.

3. Abolition of all right of inheritance."

Is this what we are seeing?

If you are to listen to both government and the financial gurus out there, it is our fault. They as much as say that we homeowners have too much capital tied up in real estate, our homes are worth too much and this money is sitting idle. It must be accessed. Yes, the roof over our heads is a money pile just waiting to be used, indeed the amount is staggering, no wonder the economy has slowed. (sarcasm)

Our 'Grand Sale' government will fix that for us, how dare we have a gain in our capital worth – even if it really means nothing. Older people are being demonised in the aspiring youngsters eyes, because we are sitting on this potential wealth. We are greedy for having spare bedrooms (after the children move out).

What is a home?

A house that is a home is a necessity for a stable family life.

All money used to purchase this home has already been taxed.

To sell up and buy another, never realises this 'capital gain' in real terms, for the next house has also - 'gained in value'.

The inflation rate on housing is not the fault of those in the market to buy, it is strictly a financial issue. We hear all about demand price increase and other bullshit excuses, but the mere fact that no one can afford to build new ones (or is really building any) means there are less available. Why is this happening? Who is responsible for making this 'build less' climate? Entirely financial policy! The realm of government! A government that was keen to help it's population develop these stable lifestyles would do so!

C.H.Douglas, pointed out the financial flaws that see us with this lack of purchasing power, over a century ago. It is not the money in our homes that is 'not working for us', it is the policy of the Keynesian Financial Debt System, that keeps us descending further and further into debt. No rearranging of the limited money in the system will add what is needed.

Whose votes are being targeted?

It is in the governments interest to target voters they think might help keep them in power. This divide and conquer tactic will often pit a possible vote against an unlikely vote. Much time and money is spent on analysing these outcomes, and policy more often than not will reflect it. The older home owner

vs the aspiring one, there must be political mileage to be made here, maybe that is what the numbers show. In the present climate, the younger voter has not the historical knowledge of where they are likely to be deceived. The older voter is probably fed up and will not be a definite vote, or they are a smaller cohort. Which ever way you look at it, rather than solve the real problem, playing with votes seems to be easier.

Government is supposed to be a mechanism to allow the people of the country to prosper and evolve. If we are doing this, then we are the ones to advance. Government should be in our interest. Some might contend that companies are us, just in a different format; but this does not stand up to scrutiny for very long. The direction of big business, has taken a turn towards a life of it's own.

Outside of individual concerns, the mantra of greed seems to have taken over. The corporate world feeds on itself as well as the consumer (that is us, the people they claim to be producing things for).

At the turn of the last century, personal income tax did not exist as the main supplier of money to government. Governments got on just fine.

"Before the widespread adoption of income tax, governments—including Australian colonies prior to 1901 and many Western nations—relied on a combination of indirect taxes, duties, and alternative revenue streams to fund their operations. The primary methods focused on consumption and trade rather than personal earnings."

<https://treasury.gov.au/publication/economic-roundup-winter-2006/a-brief-history-of-australias-tax-system>

A quick overview of income tax is given here, much the same applies to Australia as in this US example, below. Temper this view with the words of Douglas at <https://alor.org>

<https://www.youtube.com/watch?v=q78J89PkZso&t=751s>

I believe our forefathers had a better understanding of just what was important then. Individuals were free to make a life for their families and advance.

The country was the families and the health of that country was seen to reside in strong independent communities. As such government income was derived from tariffs and trade, over and above that of the amount needed to grow the country (the people). We existed for a long time in this fashion. To revisit this era and make notes would be a worthy start, but to apply Douglas' recommendations and to instil in the population at large, just what money is truly for, would see us prosperous and far less likely to be conned yet again.

What is money? Who does it really belong to?

<https://www.thetruthhound.com/since-money-or-credit-is-a-social-instrument-society-not-private-bankers-should-issue-it/>

<https://alor.org/Storage/Library/PDF/Douglas%20CH%20-%20Dictatorship%20by%20Taxation.pdf>

Casting Entrails: or ‘Flawed computer modelling strikes again!’

It is not just science that uses modelling to predict outcomes. In fact, in a previous article I wrote on *Weapons of Math Destruction*, a book by Cathy O’Neil. (ISBN 978-0-553-41881-1) *On Target* Vol. 60 No. 18 (May 17, 2024)

I commented on the abuse that we are being subject to by data collection, both personal and public. This latest escapade draws a distinct line under why we need to reel in those using modelling to ‘adjust’ our lives.

The Economist (25th Feb 2026), had an article entitled, ‘a viral research note on AI gets its economics wrong’.

The use of flawed data within this model gave rise to a dire prediction of financial loss and coming hardship. From this and various other models, ‘global’ entities seek to make policy adjustments. While this might sound innocuous, the far reaching impacts of these adjustments affect our very lives. That this study was later retracted does not mean that the policies it influenced are revisited and corrected. Those who attend and decide world direction, may meet and leave before a fault is uncovered.

In much the same way, Al Gore’s predictions (based on modelling) have been used to initiate a financial burden on us with CO2 or carbon capture costs, the corrections to the data initially used is slow in coming and a reversal of bad policy unlikely. Many of these modified policies are not real-world based and as such can and do wreak havoc. Our push for renewables, is over-riding our common sense, leading to power problems, the likes of which other countries have already seen (Spain and Germany) but we are yet to experience fully. We have; however, experienced the ‘cheaper’ power have we not?

Any business that functions on a faulty premise will find itself in trouble. The world being made to function on a faulty premise, just takes longer to see. Rising debt on an international scale, where the entity to whom it is owed, may as well be the moon, is subjecting us all to increasing hardship. As much as we may tighten our belts or produce extra, under this faulty system, we can never meet this debt. The sooner we realise this, the sooner we can look to correcting it. In the meantime, casting entrails or looking in cloudy crystal balls, is not far removed from the many models we see being used to make big decisions from.

Going after Hurty Words.

Overall crime in Victoria has gone up around 12 – 18% for the year ending June ‘25. these are the highest levels since they began reporting it in 2004 – 5. Meanwhile police are being asked to bring in or find people whose ‘Hurty Words’ have offended someone. All while police numbers are at their lowest level for some years, and are not capable of addressing this violent crime increase. Machete bins, costing millions, did little to alter machete attack numbers. In fact

this sort of vicious violent crime has risen about 16%, which to me, suggests the police concentration should be focused there. I doubt many would disagree. Are these 'Hurty Word' crimes seeing people bleed out on the streets? Is a bleeding heart really a reason to deflect from real blood being shed elsewhere? Shakespeare would have a field day with the tongue now being seen as mightier than the machete!

On the same note, these spoken or thought crimes are being brought to our attention elsewhere too. The rise of One Nation and Pauline Hanson, seems to be bringing out the best (worst) of politics on both 'sides' (if it is possible for a Uni-party to have sides). Allegations, accusations and anger are on the menu in the media and in Parliament. These same people who cry copious tears over 'Hurty Words' are quick to use them themselves when it suits. Who decides what is 'Hurty'? To the victor go the spoils! Victory in the passing of these 'hate speech' definitions will be a thing to watch. It seems it is okay to demonise those you need to, to keep control. One Nation (or any group pushing for genuine reform) will be, and is being, targeted for special treatment. As one example, the group 'Get - up', is pushing members to donate for large billboards in Farrer (Susan Ley's electorate), and elsewhere in the country hoping to stop what they see as the 'authoritarian, far right'. Bus stop signs and 'massive outdoor billboards' are to be the go in the next election. Funny thing is, I remember not that long ago, the amount of hand wringing and the legal attempts to stop that very same thing when it targeted a 'Green' seat.

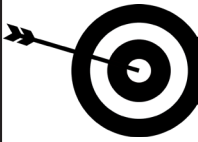
Watch carefully for the double standards, if they appear, and remember just who it is playing politics with our countries future! Put them last! ***

(Ed) **A note on CG tax:** Discount and taxation do not mix. They should never be used in the one sentence (as the media are doing). To suggest CG tax is discounted by 50% on assets held over one year should more honestly be written as: CG tax is doubled on assets sold within one year of purchase. This is how words create different pictures.

Another one to watch is suggesting Local Councils should have rates capped. How could any organisation survive among rising costs with frozen income? Our State MP's are suggesting it. I wrote that it should be tested by the States firstly freezing their taxes. See how it works!

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The Price of Freedom is Eternal Vigilance

Vol. 62 No. 08

6th March 2026

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War, By Any Other Name By Neville Archibald

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War, By Any Other Name By Neville Archibald

In the early 1900s, a country trying to obtain its own national identity, was under both Russian rule in the north, and rule by Great Britain in the south. Even though only about one third of it was arable land, it had high production rates and was a large sugar supplier. Around 1906 they had their own version of a 'Boston tea party'. The sugar merchants staged a protest at set prices which saw outside interests making more money. This was put down, but it created a move for independence. Between 1906 and 1911 this country endeavoured to create its own constitution and a House of Justice. This was promised, but never fully delivered at the time.

Further discontent led to more protest and finally the formation of a Parliament, promised and signed by the old ruler just before his death. There were teething problems as you would expect, especially with those outside interests and their possible loss of control. The following world wars and vying for strategic positioning by other countries, saw some major infrastructure developments and the harnessing of oil fields (again in foreign hands). By the 1960s a desire for a more National control of their resources saw even more modernisations occur. Women, who previously had little input, got the right to vote, a say in divorce and child custody, and basically became free of the strict controls they had been under for some time. The war between a fundamentalist religion and freedom to choose began in earnest. Those outside forces saw themselves losing control and began to act. Nationalising of their businesses meant some of their profits would be going back to the public instead (or sadly, the rulers only). Behind the scenes manipulation created a situation where a previously exiled fundamentalist leader was brought back.

A destabilised country with a dictatorial leader is easier to manipulate. So, a fundamentalist ruled country was created, which then began to go backward. From that point on, it is sad to say, many more manipulations in this region have occurred and are still to this day occurring. That country is Iran! The old Kingdom of Persia.

This nutshell study is mine alone and could contain much more. I urge readers to always do their own study using reputable and non-biased sources. Failing that, read the conflicting evidence and look for patterns. The internet as a source is often misleading.

I neither condemn nor praise this, Nation. We, all of us, go through teething troubles when developing a system for freedom within our respective countries. Do I feel sorry for them? Yes, I do. Foreign intervention can be a two-edged sword. In the final analysis it is the people of that nation who must choose. Great Britain saw foreign kings and schemers manipulate it as it trudged through time. America too had its share of troubles and had several wars to break free. Each country rises or falls by the eventual action of its people (or inaction).

This is a stark reminder to us - to participate in the ruling of our own country!

The current war in Iran is still one of control. Both governments and media may demonise elements in a country to achieve an end (even in our own country). We need to be thoughtful enough to make up our own minds. This is the importance of history, in politics as well as in the longer term. Interfering in another country's reality is a serious thing. I wonder if we would accept it here?

Who is responsible?

In our own history (political) we have seen greed and corruption in many forms: Robber Barons, wealthy corporations and individuals with no real allegiance to anything other than a thirst for more power. These groups wish to either rule over us or take from us, things that are rightfully ours (freedoms or resources usually). This has been the basis for our search for systems that will protect us; both governmental and judicial, a way of keeping it fair for the general population.

While we have achieved this to some degree, it would seem that we have allowed this 'unfairness' to be shipped abroad. The rise of what are seen as colonial powers (that which our detractors push so heavily as 'the nasty west'), has really been the rise of the multinational force of competition. Things that are unacceptable if they are done to us, we tend to turn a blind eye to when it is done elsewhere. The criticism of foreign sweatshops is made on a public level, but our overall disgust for this style of corruption, does not make it as far as our government policy. 'Tut tut' sounds are made, but banishment or penalties are never really used in any appreciable way to alter our fundamental dealings

with the companies responsible. We could refuse to import; we could raise tariffs on corrupt practices so high as to exclude them. There are many ways our collective disgust at what we don't accept here could be expressed or enabled. As individuals we have the power to refuse to buy. As a government, this could be reflected in policy too. We just need to be active enough to make our politicians listen to our desires.

In pushing away the corruption from our shores, we have not looked at that bigger picture of how it has grown elsewhere. We have allowed it by finding benefit in it, rather than projecting out to see the damage it may do to us in the long term. I believe that this is what we are seeing now. Multinational, or worldwide corporations, which are above government, above any real form of control, now dictate policy to countries the world over. We still have the upper hand where we can elect our own government (democracies) but we need to be aware enough to do so. What we accept as moral in our own living space, needs to include dealings outside of it. Support given to other countries does not have to be violent or warlike. We can simply remove the reasons for inequality by removing the markets these organisations sell to. Practises that are destructive of freedoms may well create a product for sale, but these items do not have to be bought.

In the 60s they said, 'what if they have a war and nobody came', we could equally say, 'imagine a sweat shop that made things that nobody bought'. If the political will cannot be brought to bear to stop exploitation, the grass roots must solve the problem using their money vote.

Has anyone else considered this?

To examine this subject more, consider the use of this concept of non-interference/ self-determination in the genre of science fiction. Writers in this domain have tackled this and the outcomes it creates in many movies and books. Interaction with a new planet is dealt with as a form of 'benign colonialism'; bringing the barbarians into modernity. Helping them to advance. Or conversely by simply allowing them to proceed at their own pace. But wherever we go our faults go with us, even if unintended. Our focus on being safe at home, does not always fan out to include others. In the fiction, the 'nasty corporation' is often beaten by the native inhabitants. What we tend to see in fiction as a win, we overlook in the reality of our own life. It is a subject worth considering if we are to find ourselves in a better world. Just how do we act?

In the history of Australia, some of our early politicians recognised this problem (Andrew Fischer for one). They fought to keep the practise of greed and abuse (seen in early coal-mining for him) to a minimum. They had seen it where they grew up and did not want it repeated in this new free country. Fischer, and

others like him, fought for protectionist policy for this very reason. It was not about isolationism as we are told today, or unfair competition on a world market, it was recognition of the power plays that the wealthier always use to grow bigger and the toll it takes on our communities.

A second use for war.

War can also be a smoke-screen to obscure events at home. Rising problems including debt and corruption can be triggers for war. Whether on others or on a concept, the result is the same. A war on poverty or a war on homelessness can be as useful as a war on terror. Attention is focused on something other than the missing millions (or in some cases billions) or corruption at home. Time after time we have seen financial problems quickly obscured by a dramatic event.

In 2001, 2.3 billion dollars was unaccounted for at the pentagon. Before it came to a head we were distracted by the events of 9/11, and never really went back.

This is not a new problem. Back in 2001, former Secretary of Defense Donald Rumsfeld made an astonishing admission:

'According to some estimates, we cannot track \$2.3 trillion in transactions.' Rumsfeld went on to describe the money wasted by the military as 'a matter of life and death.'

Another, missing in 2019, conveniently before the 'plandemic' overshadowed it:

'Back in 2019, we poked fun at the Department of Defense (DOD) for, as we put it, losing \$21 trillion.' That colossal sum represented what the Pentagon's inspector general called 'unsupported journal voucher adjustments' between 1998 and 2015. But as it turns out, the \$21 trillion was just the tip of the iceberg. Bloomberg News reports that the DOD recorded a staggering \$94.7 trillion in accounting adjustments for fiscal years 2017, 2018, and 2019 combined.' <https://www.nestmann.com/about-that-missing-94-7-trillion>

There are many people who have explored this cycle of monetary control, including: Richard Kelly Hoskins, in *War Cycles, Peace cycles* and Carroll Quigley, in *Tragedy and Hope*.
<https://www.abebooks.com/9781881867098/Cycles-Peace-Richard-Kelly-Hoskins-1881867099/plp>
<https://alor.org/Storage/Library/PDF/Quigley%20C%20-%20Tragedy%20and%20Hope.pdf>

Control by Money.

A Hillsdale college podcast on You Tube, entitled, 'How central Banks Plan to Control You' by Catherine Austin Fitts, is an enlightening one for all the right reasons. In this podcast she outlines many of the things we should know about finance, control and politics. The missing money is only a small part of it.

<https://www.youtube.com/watch?v=O3Ivv6jjixE>

Catherine starts with a quote from a friend, John Edward Hurley who was asked at a presentation, 'why is Southern Culture relevant to me?'. His answer, 'Young man, culture is the integration of the divine in everyday life.'

With a start like that you expect a thoughtful lecture to follow and I was not disappointed. While the main content of the lecture focuses on the dangers of Central Bank Digital Currencies (CBDCs), she is not shy of tackling other issues. In the next few sentences, she states that, 'all our wealth comes from life.' and insists we don't have a 'financial problem' we have a secret governance system that is not transparent and is centralised in control. The digitisation of everything and the over-arching control via CBDCs will harm all areas of our life.

Fitts herself authored a report into Federal finances called, *The Solari Papers#1* (August 2023). https://audio.solari.com/Solari_Papers/SolariPapers-1-v5.pdf

In it she outlines some of the problems faced by a government that wishes to overcome the inherent problems we all face with regard to financial control, digital oversight and the great reset (incorporating CBDCs).

A few extracts:

'This paper provides an overview of critical issues related to the U S federal finances and the systemic lawlessness of current federal financial management. 'If you are eligible to vote in the United States, we want to underscore the importance of investing your time and resources to support candidates who are acting to protect your financial freedoms, particularly your state legislators.'

'Pursuant to federal financial laws and regulations, U S monetary policy is currently delegated to a central bank—the Federal Reserve System ('the Fed') The Fed consists of 12 private, member-owned banks—of which the Federal Reserve Bank of New York ('New York Fed') is the largest in terms of assets and volume of activity'

'As mentioned, the New York Fed is the flagship bank of the 12 private Fed banks—each owned by its member banks—and serves as agent managing the Exchange Stabilization Fund. Both the Fed and the New York Fed are shareholders in the Bank for International Settlements (BIS) in Basel, Switzerland, the 'central bank for central banks'

'The BIS has 63 central banks as members and plays a unique role in the global financial system, as it and its officers and directors enjoy sovereign immunity created under its Swiss charter and recognized through the treaty process by the nations of its member central banks. It currently operates hubs around the world helping to implement central bank digital currencies (CBDCs). The BIS system of banks, insurance companies, and payment systems designated as 'systemically important,' which are granted a type of preferred status that is

reflected in the home countries of member central banks; Appears to extend the BIS sovereign immunities to numerous private institutions that are important in the global financial system, whether by express authorization or 'de facto' recognition of the powers of sovereign immunity.'

In regards to sovereignty, Fitts lays it out thus:

'If private banks and contractors control your cash flows, your borrowings, your accounts, and all the related data, including data that are secret and withheld from you, you and your team will need to first and foremost face the fact that one of your primary tasks is to return the U S federal government to a state of financial sovereignty. If you do not, you will be like the driver of a bus whose steering wheel does not connect to the real wheels. You are a marketing front, but you have no say over where the bus goes.'

Included in her study, are links to articles on 'sneaky treaties', by Amy Benjamin, *The history of money in Ancient Cultures*, A book by Alexander del Mar, and *The Guernsey Experiment*. The last two of which are recommended reading on our website. Fitts offers a unique view from a woman who was involved and saw much of what went on in government from 1986 onwards. She has a passion for finding a solution for what amounts to, '*... the end of human liberty in the Western world.*'

I find much of what she says is in line with my interpretation. Of her knowledge on True Social Credit (Douglas Social Credit), I am not sure. The inclusion of reference material that we also carry at alor.org and her emphasis that true wealth is a measure of reality and not issued as a debt to banks, puts her in close agreement. That this video is out there and that she has the ears of many others can only be beneficial. While not all of us opposing the current regime agree on everything, the starting point is that there is a problem and that the first methods used to fix them should always be our strongest and most individual ones, those we are in complete control of our very selves. Our political vote and our money vote!

Further information that may open your eyes, are short video clips of many of the people involved with this CBDC roll-out and the reasons they have for it. Excellent material to share. They are saying it! ***

Link to Video: <https://live.solari.com/w/p/fB7tHdYRypjkPvZSxvEUBU?playlistPosition=2>

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"All that is necessary
for the triumph of
evil is that good
men do nothing . . ."
— EDMUND BURKE.



THE NEW TIMES SURVEY

THE AUSTRALIAN

LEAGUE OF RIGHTS

Vol. 27 No. 02

February 2026

IN THIS ISSUE

A Douglas Social Credit Critique of Gesell's Monetary Analysis and Proposals

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A Douglas Social Credit Critique of Gesell's Monetary Analysis and Proposals M. Oliver Heydorn

Silvio Gesell believed that the two great economic evils were stagnation and inequality. He attributed stagnation to hoarding (the "retention" of money that slows circulation) and inequality to both hoarding and the payment of interest on money. His remedies were therefore twofold: demurrage (a carrying charge that makes money lose value if held, forcing it into rapid circulation) and interest-free credit.

From a Douglas Social Credit standpoint, Gesell's take on monetary reform rests on a fundamentally flawed diagnosis and thus the remedies he proscribes are inadequate, in addition to being coercive and counterproductive.

1. Gesell's Diagnosis Is Fundamentally Incorrect on a Deep Assessment of the Financial System's Flaws and Only Partially Correct at Best from a more Superficial Assessment

Gesell's central claim is that hoarding is the root cause of economic stagnation (and a major contributor to inequality). With the term 'hoarding', Gesell seems to mean holding on to money long-term with no intention of actually spending or investing it, but merely to earn interest as passive income (thereby removing money from active circulation).^[1] This diagnosis is fundamentally mistaken for two reasons.

In the first place, and most fundamentally, Gesell completely misses the main structural defect that actually prevents the community from buying back what it produces, a defect which was identified by C.H. Douglas and encapsulated in his A+B theorem. In any modern economy, the total prices attached to goods and services (A + B) always exceed the total incomes distributed in the form of wages, salaries, and dividends (A). The difference (B) consists of overheads, depreciation, inter-firm payments, and other capital charges of a similar nature

— costs that are not simultaneously distributed as purchasing power to the final consumer.

In other words, under the current financial system, not all costs are distributable as concurrent income because businesses must charge for real capital twice over: once to recover the financial capital that was expended on the manufacture or purchase of the real capital, and a second time for its use so that it can be replaced (depreciation charges). We often express this by saying that the financial capital is most often “prematurely cancelled” in capital loan repayments and is thus no longer available to meet the usage charges when these finally appear in consumer prices years and even decades into the future. Businesses thus charge the consumer more in the final products they produce than they have simultaneously distributed to consumers in the form of wages, salaries, and dividends. Let it be stressed that these capital charges are entirely legitimate under the existing rules of cost accountancy. As a result, the community as a whole can never buy back what it has produced unless additional purchasing power is continuously injected from outside the price system. This structural price-income gap is, on the Douglas analysis, the single greatest underlying cause behind economic stagnation and the lack of consumer buying power and it is due to a set of accounting conventions. The financial system has no built-in, automatic provision to compensate for it. Whenever the existing financial system fails to compensate for this lack with sufficient additional borrowing through a variety of exogenous palliatives, the economy stalls. Hoarding is not, therefore, the only cause behind economic stagnation nor is it even the prime cause.

In the second place, insofar as true hoarding can be a problem, a contributing factor to a lack of consumer demand, it is not always and everywhere a systemically aggravating phenomenon that requires deliberate correction in the way that Gesell supposes. Hoarding is potentially self-correcting in whole or in part through ordinary market behaviour. While some agents hoard, others routinely dishoard; i.e., they spend beyond current income by drawing on long-term savings built up in the past. The economy experiences genuine difficulty only when the current flow of new saving persistently exceeds the rate at which past savings are being spent back into the economy and there is no provision made to compensate for it (*via* new borrowing, for example). In that specific case there is indeed a shortfall of effective demand, but this is a *de facto* flow imbalance, not one that can be characterized as existing always and everywhere or necessarily. Such an adventitious imbalance, while a problem, is therefore not the systemic or inherent pathology that Gesell claims it to be. Incidentally, Douglas does explicitly acknowledge that savings and related phenomena like profit-making can indeed serve as secondary, exacerbating causes for the deficiency of consumer buying power. See, for example, his book: *The New and*

The Old Economics in which five main causes are identified.^[2]

Gesell thinks that hoarding is a much more important as a source of economic stagnation than it actually is because he appears to have assumed that the money supply is a fixed, permanent stock issued by the government and that banks merely act as intermediaries connecting savers and lenders. Both ideas are false. In reality, the great bulk of the money supply consists of bank credit that is created when private banks make loans or purchases and is destroyed when those loans are repaid or the purchases are sold back to the public.

Money is not something that “circulates” in a closed loop; it is continually born and extinguished (destroyed) in the act of creation and repayment.

This temporary, cyclical nature of the money supply is relevant to Gesell's hoarding thesis because, in a debt-based money system in which the bulk of production and consumption occurs in the formal, monetized economy, money is not that easy for most people to hoard. First off, people have to live, which means they have to be continually spending money on accommodation, food, utilities, transport, healthcare and so on. Secondly, most people also have debts (mortgages, car loans, lines of credit, credit card debt, student loans), as do governments and businesses. Debt-servicing charges and taxes continually swallow up large sums of money which are then not available to be hoarded. In general, Gesell seems to have underestimated or neglected altogether the many factors that actively incentivize, if not demand, continual spending as well as dishoarding. Money under the existing system is already perishable, not imperishable as Gesell supposed.

In sum, the Social Creditor would say that Gesell's *hoarding* diagnosis is flawed because it exaggerates a manageable and partially self-correcting tendency to save *money* into the central problem of economic life, while entirely overlooking the structural purchasing-power accounting gap that is the real deep source of both stagnation and the chronic need for additional debt (with interest charges attached) to compensate for it. *The compound interest charged on that debt and mainly in favour of financial institutions then centralizes wealth, privilege, and power in the hands of the few, the owners of the system, thus contributing to gross inequalities.*

As far as Gesell's belief that the charging of interest is the other key factor behind economic stagnation and especially economic inequality, I want to make it clear that, contrary to what many suppose, interest is not the main cause behind the price-income gap and that it is not even involved as a special cause that is any way different in kind from what might be ascribed to the profit-making of any businesses. The debt virus hypothesis, i.e., that interest on debt requires even more debt to pay the interest (because the banks don't create the interest they demand) is, to a large extent, false. Banks also spend money (which

they create) into the economy whenever they pay for raw materials, operating expenses, wages, and so on. They also distribute part of their profits in the form of dividends. These bank injections of credit help to offset a significant portion of the interest charges. Only that portion of interest representing retained profit (which, in the case of the banks, is not inconsiderable) might contribute to a gap, but that the principle behind that holds true in the case of any business. Now, it is correct that interest can and does have a centralizing effect, but most of this is due to long-term compensatory debt which is used to fill the recurring price-income gap. Interest, especially compound interest, charged on debt that is used to fill a gap that should not exist might be defined as usurious by its very nature. If that gap were filled as Douglas proposed, *via* the issuance of compensatory debt-free consumer credits, the additional government, business, and consumer debts would not be necessary and the centralizing effect of the resultant interest charges would be entirely obviated. So what comes first, the chicken or the egg? Douglas would argue that it is the chicken, i.e., the debt, that comes first. Eliminate the debt and you eliminate the interest. Eliminate the interest and you eliminate the kind of economic inequalities which stem from usurious interest charging.

2. Gesell's Remedies Are Flawed and Counterproductive

Because his diagnosis misses the real economic problem, the structural price-income gap, and is only partially correct in reference to the more superficial problem of hoarding, the remedies that Gesell proposes miss the mark and are actually likely to cause additional problems of their own.

To begin with, demurrage cannot address the core economic problem, not even by a side wind, because it only accelerates the flow of money; it does nothing to fill the recurring price-income gap that is caused by the A+B factor.

Because money is not permanent, but is created and destroyed by the banking system and because money is used to catalyze production and to distribute income for consumption, the two main accountancy cycles that dominate economic life, the creation and destruction of money on the one hand, and the creation and destruction of prices *via* the spending of purchasing power on the other, are linked. The money created by the one cycle is the source of funds for liquidating prices in the other. But, as we have seen in examining the A+B factor, the two cycles are also fundamentally out of sync under the existing financial system. That is, as money is created and destroyed in the banking accountancy cycle, costs and prices are being generated faster than incomes can be distributed in the price system's accountancy cycle. This is due fundamentally to the fact that not all costs are distributable as concurrent income.

Now, a policy like demurrage can speed up these cycles to be sure, but increasing the velocity of money can do nothing by itself to close the A + B gap.

It merely forces the existing volume of money through the same accountancy cycles at a higher frequency. Every production cycle will still be generating prices (A + B) faster than it distributes incomes (A). The result is not an increase of purchasing power relative to corresponding prices, but a more rapid recurrence of the same deficiency. No amount of increased velocity can compensate for a system that systematically fails to distribute sufficient purchasing power in the first place. In other words, even with *perfect circulation (no hoarding)*, aggregate price generation will exceed the rate of aggregate income distribution. The price-income gap is structural (mathematical), not behavioural or psychological.

Demurrage could, at best, have relevance only in the narrow case where new saving really does persistently exceed the rate at which past savings are being spent and where there is no ‘naturally-motivated’ compensation occurring — i.e., a deficiency that could be described as being the effect of “hoarding.” In that limited circumstance, demurrage might appear to help restore balance to the circular flow by penalising the retention of money, but at what cost and is the cost worth it? And, are there other, better ways of dealing with a deficiency of consumer buying power that is caused by hoarding?

We are dealing here with the law of unintended consequences. Yes, demurrage could incentivize dishoarding, but it is also likely to cause fresh and serious distortions. To begin with, it is an indiscriminate tax on the mere holding of money, regardless of purpose. Low-income households depend on modest reserves for emergencies, health care, and education. Families save for homes, retirement, and children’s futures. Businesses hold liquid balances for inventory, equipment replacement and smoothing out cash-flow issues. By eroding every unspent balance uniformly (most of which do not even qualify as hoarding in the strict sense of that word), demurrage discourages prudential foresight across the entire society. It penalizes individuals and businesses for provisioning for themselves. Douglas rightly called demurrage a type of “disappearing money” system that involves “the heaviest form of continuous taxation ever devised.”^[3] Unlike conventional taxes that can be targeted or progressive, this levy operates as a relentless, blanket charge on liquidity, disproportionately burdening those individuals with the least flexibility to adjust without suffering real economic harm. And what effect on economic functionality in general might it have when individuals and organizations (institutions and businesses) cannot save without being penalized? Demurrage is likely to incentivize economic activity that is not in line with the true purpose of economic association, thus introducing inefficiency, waste, and friction. This last point is incredibly important, so we might take some time to flush it out further. According to Douglas Social Credit, the true purpose of an economy is to deliver the goods and services actually

required and desired by the community so they can survive and flourish and to achieve this with the least possible expenditure of human labour and physical resources. But demurrage is likely to interfere with the decisions that economic agents need to make in order that this true purpose of economic association might be optimally fulfilled. This is because demurrage treats spending as an end in itself rather than as a means to human well-being, and is not so concerned, therefore, with what the money is spent on. When demurrage is in play we can ask: does this or that instance of spending reflect the independent will of the consumer, what he would really be spending money on if he was not labouring under demurrage? It tends to skew things in a quantitative rather than qualitative direction because its main objective is to overcome what it perceives as circulation blockages in order that the economy cannot avoid stagnating. Thus, while demurrage may produce a surge in the rate of transactions, it does nothing by itself to ensure that the goods and services that are truly desired are being delivered in the most efficient manner and is even likely to induce patterns of production and consumption that are at odds with the fulfilment of the economy's true purpose.

Douglas succinctly captured the error: “The theory behind this idea of Gesell’s was that what is required is to stimulate trade — that you have to get people frantically buying goods — a perfectly sound idea so long as the objective of life is merely trading.”^[4]

But the object of life and the object of the economy are not mere trading for the sake of trading. The object of life is not trading at all, but self-development and through self-development the achievement of transcendence. The object of the economy is trading for the sake of delivering what people need to survive and flourish with the least amount of labour and resource consumption. In other words, whereas Gesell is myopically concerned with circulation as an end in itself (as if solving that particular issue was a sufficient condition for solving all other economic problems), Social Credit treats this question of circulation as a means to an external, non-immanent end: the efficient delivery of goods and services to consumers.

The whole psychology of demurrage as means to induce spending is thus at odds with the true purpose of the financial system and of the economy as a whole. Indeed, all such schemes that use money to “stimulate”, “cajole” or psychologically manipulate people into spending or engaging in any economic activity transform the monetary system from a neutral record of economic facts into an instrument of behavioural control. It is forcing people to do things they wouldn’t otherwise do in order to make the money system work, instead of making the money system work by reforming it appropriately so that it reflects what people really want to do. The silent false assumption is that the money

system and its needs should come first ahead of the real economy and its needs. The embodiment of this incorrect philosophy in monetary policy can only cause people's economic activities to deviate from a direct and simple fulfilling of the true purpose of economic association towards the fulfillment of another purpose: making the money system work. As Douglas once put it:

“All these schemes are based on the assumption that you have to stimulate something or other. They are an attempt to produce a psychological effect by means of the monetary system. In other words, the monetary system is regarded not as a convenience for doing something which you decide yourself you want to do, but to make you do something *because* of the monetary system. I am not going into Social Credit technique tonight; I merely want to repeat that our conception of a monetary system is that it should be a system reflecting the facts, and it should be those facts, and not the monetary system that determine our action. When a monetary system dictates your actions, then you are governed by money, and you have the most subtle, dangerous and undesirable form of government that the perverted mind of man—if it is the mind of man—has ever conceived.”^[5]

There are also more practical, incidental risks that could flow directly from imposing a demurrage psychology on people, especially if the demurrage rate is relatively high. To cite one example, Douglas warned that artificially hurried spending bears some potential to degenerate into unstable, panic-like behaviour: “In fact you have exactly the same state of affairs as existed at the time of the stupendous German inflation of the mark. When a waiter received payment in millions of marks he hardly waited to throw down his napkin before dashing out to buy something, because the value was disappearing so rapidly.”^[6]

Some of Gesell's contemporary followers have suggested that demurrage revenue could be used to finance a dividend for all citizens (which would be a more and more important use of such funds given the realities of increasing technological labour displacement) and/or to finance public works. Whatever benefits this might bestow on the population, it is necessary to emphasize that a demurrage-funded dividend or public works system cannot close the A + B gap itself. Like all taxes, demurrage funding would merely redistribute a secondary flow of funds that leaves both the structural A+B deficiency and its need for fresh additional purchasing power to balance it out untouched. No matter how you slice it, you cannot make an insufficiency sufficient by redistributing it. Demurrage is not adding more money when more money is, in fact, periodically needed, it is just shuffling it around.

As far as Gesell's remedy of interest-free credit is concerned, it likewise fails to address the core problem with the financial system. Even if loans were issued without interest, the necessity to borrow would remain so long as aggregate

incomes fall short of aggregate prices. Credit—interest-bearing or interest-free—enters the economy as debt that must ultimately be repaid, and repayment withdraws purchasing power from circulation, leaving the underlying A+B gap unresolved. In other words, interest-free credit may remove one factor that can contribute to unjust inequality, but it does not eliminate the systemic compulsion to incur debt that generates both economic instability and the concentration of wealth in the hands of financial institutions. Beyond that, financial institutions must charge something, whether in the form of interest or service fees, in order to cover their costs and to make a legitimate profit if and when they do a good job in serving the public interest. While usury, properly defined as economic rent-taking in lending, should be abolished and would be by the side-wind of Douglas’ remedial proposals, eliminating interest or its equivalent entirely would render banking impossible, with great fallout for the economy if loans cannot be made because legitimate fees to cover their expense of such loans cannot be charged.

3. Douglas Social Credit Solves the Financial System’s Core Problem Directly, Coherently, and Without Coercion

In contradistinction to Gesell’s demurrage proposals, Douglas Social Credit addresses the structural purchasing-power gap that Gesell missed and does so at its source.

The National Dividend distributes additional purchasing power debt-free to every citizen as a birthright, directly bridging the gap between aggregate incomes (A) and aggregate prices (A + B). The Just Price / Compensated Price mechanism lowers the effective price of goods to the consumer by the same proportion as artificially inflated financial costs exceed real costs, again without creating new debt.

These measures are dynamic: if past savings temporarily exceed current spending, the dividend or price adjustment can be moderated; if the gap widens, they can be increased. The system therefore maintains equilibrium without penalising anyone for holding money, without coercing behaviour, and without turning the monetary mechanism into a tool of psychological manipulation and behavioural control. As far as hoarding is concerned, since the DSC proposals are to be implemented within the context of “the minimum employment necessary” as opposed to the present policy of full employment, the vast majority of people, upon receiving their dividends would be inclined to spend them immediately in order to maintain a basic standard of living or to otherwise supplement their standard of living (which is the very purpose for which they would be issued). Since the compensated price discounts are only issued if and when a sale is made, that use of compensatory money is even more directly tied to consumption and is thus not available to be hoarded in the first place.

Now, it is worth re-emphasizing that because the dividend and the compensated price are debt-free, they eliminate the need for interest-bearing bank credit issued to governments, businesses, and consumers to fill the gap. The upward flow of interest that currently concentrates wealth in the hands of the financial elite is thereby cut off at its root. Equity is enhanced, not by punishing savers, but by removing the artificial scarcity that forces most people into chronic debt in the first place.

Conclusion

Gesell's diagnosis mistakes a secondary and partially self-correcting phenomenon (hoarding) for the central defect of the current monetary system (alongside interest on debt), while entirely overlooking the structural A + B gap. His main remedies — demurrage and interest-free credit — necessary fall short and even create and compound other problems. Demurrage accelerates the deficiency it claims to cure, penalises necessary saving, coerces behaviour, and risks unstable spending patterns, while interest-free credit addresses only one consequence of debt without eliminating the structural compulsion to borrow in order to bridge the income–price gap. Both remedies leave the real mechanisms of stagnation and power centralisation untouched.

Douglas Social Credit, by contrast, identifies the structural purchasing-power gap as the main economic problem, fills it directly with debt-free credit distributed as a dividend and a price adjustment, preserves the legitimate functions of saving, stabilises the economy, ensures a more equitable distribution of wealth, and aligns production with the true purpose of economic activity: the delivery of goods and services to consumers with the least possible human effort. It is therefore not merely a more effective policy; it is a policy that is both practically sound and ethically consistent with the dignity and freedom of the individual.

A large part of the enduring appeal of Gesell's proposals in certain quarters appears to lie in the incorrect mental model of the financial system that Gesell—and many of his followers (who should know better by now)—appear to have taken for granted: that money is a permanent, government-issued stock whose movement alone sustains economic activity and that the banks are lending funds that have been deposited with them by savers. This makes hoarding and interest-taking seem like the obvious villains behind stagnation and inequality. Within this diagnostic context, it is easy to see why demurrage and interest-free credit might feel compelling: they offer a direct, visible lever to “unstuck” the economy and redistribute wealth. Once people understand the financial system in terms of the bank-credit model—where most money is continuously created and extinguished through lending and repayment—and in terms of the inherent

imbalance in the price system, due to standard cost-accounting conventions (i.e., that prices and costs are generated faster than incomes are distributed), the intuition that hoarding and interest are driving economic dysfunction collapses. The real problem is the systemic A + B accounting gap and the accompanying endemic deficiency in consumer buying power, not the secondary phenomena of interest or delayed spending. Gesell's ideas resonate because they seem simple, moral, and actionable, but they miss the root structural causes of stagnation and inequality and, as we have shown, are likely to generate their own set of difficulties in terms of economic inequality and dysfunction. ***

References:

^[1] When Silvio Gesell talked about hoarding, he wasn't condemning the ordinary holding of money for everyday transactions or short-term liquidity; he meant the long-term accumulation of money that is deliberately kept out of circulation, often to earn interest or profit, without any intention of spending or investing it productively. This type of hoarding, according to Gesell, reduces the velocity of money, creating a drag on the economy, because money that could be used for trade, production, or wages sits idle instead. In his view, ordinary cash balances for practical purposes aren't "hoarding," but wealth accumulated purely to earn passive income—like interest or capital gains on money that never circulates—is what disrupts economic flow.

^[2] C.H. Douglas, *The New and the Old Economics* (Sydney: Tidal Publications, 1973), 15: Categorically, there are at least the following five causes of a deficiency of purchasing power as compared with collective prices of goods for sale:

1. Money profits collected from the public (interest is profit on an intangible).
2. Savings, *i.e.*, mere abstention from buying.
3. Investment of savings in new works, which create a new cost without fresh purchasing power.
4. Difference of circuit velocity between cost liquidation and price creation which results in charges being carried over into prices from a previous cost accountancy cycle. Practically all plant charges are of this nature, and all payments for material brought in from a previous wage cycle are of the same nature.
5. Deflation, *i.e.*, sale of securities by banks and recall of loans. There are other causes of, at the moment, less importance.

^[3] C.H. Douglas, *The Approach to Reality* (London: K.R.P. Publications Ltd., 1936), 9.

^[4] C.H. Douglas, *The Approach to Reality* (London: K.R.P. Publications Ltd., 1936), 9.

^[5] C.H. Douglas, *The Approach to Reality* (London: K.R.P. Publications Ltd., 1936), 9-10.

^[6] C.H. Douglas, *The Approach to Reality* (London: K.R.P. Publications Ltd., 1936), 9.

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