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FOR POLITICAL AND ECONOMIC REALISM

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FROM WEEK TO WEEK

The Russian allocation for war preparation in 1938 was ten times that of France, at Gold rates.

A few days ago, a man was fined £3 for assaulting a woman by *hitting her with a live dog*. "We hold these truths to be self-evident . . . that all men are born free *and equal*."

"A New Order in the Ages relates to Israel, that is made up of those having the Spirit of Christ. These are the Christians who are nationally identified as Americans, AM, the basic root of America, is the individualised identification of the Spirit of Christ, and issues from Om, the God Principle of Power and Presence."

If you feel that the preceding paragraph merits a little confirmation, Clarence, we can only say we read it in *The Light of Truth*, published in Chicago, Ill., where the Spam comes from. The *L. o. T.* is edited by Ida Mingle, and you will be surprised to hear that Ida doesn't like the English, who caused the war, and dragged the Christians, nationally identified as Americans, into it.

"These Commissars certainly treat themselves well. They live either in the Kremlin, which is a walled city within the city, with the beautiful old court palaces and churches, or out in their country homes, or both."

— *Mission to Moscow* by JOSEPH E. DAVIES, p. 54.

The Land for the Chosen People Racket, in fact.

The use of the word "Fascism" as a term of abuse is a valuable indication of the origin and aims of Socialism. Fascism is simply Guild Socialism adapted, largely by Odon Por, a contributor to the *New Age* in its Guild Socialist days, to Italian conditions. Initially it served the purpose of international finance very well, but in recent years the administrative organisation blackmailed the bankers. It is significant that the publicised Guild Socialist "leaders" in England have quietly moved over to "State," *i.e.*, international, Socialism.

The senseless and wanton damage to property by troops which is reported from all parts of the country is typical of the psychology of "State ownership," *i.e.*, socialism. What is everybody's property is nobody's property. Waste it.

Pearl S. Buck (Mrs. Walsh) the American Missionary-auroress, knows all about India. In fact she has published

an address she gave to the India League of America, entitled, *The Meaning of India*, from which we gather that the meaning of India is that it has a mercenary army of one million "Indians," and ought to have one much larger so that America could equip it. We believe that Mrs. Walsh was in India for several weeks. She evidently feels strongly that General McArthur is prepared to fight Japan to the last Indian and Australian.

In the same volume of 212 pages, she tells us what America means, which we have always yearned to know, and disposes of the problems of higher war strategy which seem to take up so much time and talent elsewhere. On June 5, 1942, she urged a negro audience in Washington to realise that all men are equal and that the British can't manage India. In a lecture, also reprinted, given in New York on October 15, 1942, she observes, "China . . . did not instill the notion that all men are born equal. Chinese have too much common sense for that."

We believe Mrs. Walsh was awarded a Nobel Peace Prize. What worries us is that she is not awarded all the Nobel Prizes in perpetuity. Failing this, Nobel's Explosives Limited (a subsidiary of Imperial Chemical Industries) ought to pay her a handsome retainer. She's a business getter.

"The average (not the minimum) wage of the Russian worker was the equivalent to 12/6 per week just prior to the war (1938) but only if spent on bare necessities."

— *Mission to Moscow*.

We don't hear of M. Lozhovsky, without whom no "B".B.C. party was complete, nowadays. Liquidated?

Socialism consists in doing with a thousand men what any private fool could achieve with ten.

The London Corn Circular draws attention to the fact that the Argentine Government has decided that two million metric tons of wheat should be used as fuel and burnt. From the same source we learn that five million tons of food grains have "disappeared" from the statistics of Indian supplies. On paper, India had a surplus over requirements: actually there is a famine and a deficit.

"True it is that the people at large are not fit to govern; but they can tell whether they are well or ill governed, as a man knows whether his shoe fits him or not without his being a shoemaker."

— attributed to Marsiglio of Padua. (Early XIV Century.)

"Mightier than the Sword"

The following letter appeared in a recent issue of THE DAILY TELEGRAPH:—

Sir,

The pen being mightier than the sword, I am congratulating myself that, even at 61, in the quiet backwater of a country practice, I have been enabled to make no paltry contribution towards the victories in Sicily, Russia and the other far-flung battlefields of the world. During the week I have signed these 64 certificates:

Panel notes 30; "Off work" certificates 14; Milk and egg forms 5; Expectant mothers: (a) Rations 2; (b) Clothing 3; Surgical corsets 2; Glucose 2; Brandy 2; Foot supports 2; Truss 1; Colotomy belt 1.

I am, however, slightly uneasy in my mind lest the temporary hold-up at Catania be due to refusing a certificate for a hot-water bottle and two milk and egg forms. One feels that no effort must be spared, no ink-bottle remain uncorked, no form be overlooked, if final victory is to be assured and the world made safe for bureaucracy.

The receipt from the Ministry of Labour and National Service of a book of forms, E.D.652—a new certificate—inspires me with the certainty of Italy's collapse at an early date. The war is being won by this strenuous paper-chasing across the playing fields of Eton.

Yours faithfully,

M. LETHBRIDGE FARMER, M.B., Ch.B.

Arlesey, Beds.

Use for Surplus Straw

Our attention has been drawn to an article in the *Farmer and Stockbreeder* of December 1, 1942, which has a word to say on the paper situation:

"Twenty-four tons of straw pulp a day are being produced and used for paper-making at Geduld, in South Africa. The only raw materials used by this plant, which has been running now for some years, are water, salt and straw...."

"Yet... Britain is importing waste paper while surplus straw lies idle on her farms.... One mill alone has used 10,000 tons of imported waste paper and others are still getting wood pulp from overseas—while already a million and a half tons of surplus straw—which could be made into 350,000 tons of paper—remain on the farms. And there is more straw a-growing." The author gives the basis for his estimate of a million and a half tons of surplus straw, there being no published figures on the subject.

The Ministry of Agriculture urges that *all* straw should be used in agricultural processes rather than non-agricultural industries, in spite of representations by the National Farmers' Union that transport facilities and pulp-making plant should be available for that which is truly surplus.

A few of these plants are working in this country; it is claimed that the steel and labour taken in making one cargo boat lost while carrying wood pulp (or waste paper) would supply enough paper mills in Great Britain with plant to absorb the whole of the 1,500,000 tons of straw.

The Patrons and Partisans of Usury

By NORMAN A. THOMPSON, B.A. Cantab., A.M.I.E.E.

(IV)

NOTES ON "THE PROTOCOLS OF THE LEARNED ELDERS OF ZION"

The whole process of disintegration of mind and institutions, which after a steady acceleration during this century has at last reached its climax, cannot be better appreciated than by reading *The Protocols of the Learned Elders of Zion**; for, though their authenticity has been challenged, the fact remains that they describe in detail the most perfectly thought out mechanism for the destruction of the power of all the nations so as to render them finally a prey to Jewish domination.

The authorship of these *Protocols*, which ever since their publication in Russia in 1905 the Jews have been at unusual pains to disclaim, is in reality of entirely secondary importance, but the following has a certain interest. Some of the tenets of the secret revolutionary society, the *Alta Vendita*, which had been committed to writing, showed a marked identity, at times even a textual identity, with the *Protocols* in question. The hidden control behind the *Alta Vendita* was exercised by a particularly evil society known as the *Illuminati* operating in Italy through the *Carbonari*. The *Illuminati* was founded by Adam Weisshaupt and emerged in France in 1776. It was suppressed after a short number of years by the Bavarian Government, but went underground till the end of the 19th century, and was then revived in Germany. Documentary evidence shows that the real objects of Weisshaupt were satanic, and aimed at nothing less than the destruction of all the higher civilised virtues, the abolition of religion and the reduction of mankind to a condition of chaos and easily dominated slavery. Thus there is reason to believe that the origin of the tenets set forth in the *Protocols of the Learned Elders of Zion*, the production of which work was generally attributed to the first Zionist Congress held at Basle in 1897, is of much earlier date.

The authorities of the Roman Catholic Church and other groups and organisations are well aware of the instructive value of this book, and it has been regarded as the most illuminating exposure of the march of social, economic and political events, as they have been happening for many decades.

What body is covered by the term "Learned Elders of Zion" is a secret not yet revealed, but an occasional light has been cast on its existence.

In *Coningsby* by Disraeli (Lord Beaconsfield) published in 1844 appears the following passage:—

"So you see, my dear Coningsby, the world is governed by very different personages from what is imagined by those who are not behind the scenes."

These words were uttered by the hero, Sidonia (a character said to have had its original in a Rothschild).

**Protocols of the Learned Elders of Zion* translated from the Russian of NILUS by VICTOR E. MARSDEN; The Britons Publishing Society, 40, Great Ormond Street, London, W.C. 1. Price 1/6.

Again, the late Walther Rathenau wrote in the *Wiener Freie Presse* of December 24, 1912:—

"Three hundred men, each of whom knows all the others, govern the fate of the European continent, and they elect their successors from their entourage."

Judging from his lifelong political activities and positions of influence Rathenau was probably one of the three hundred. Amongst other efforts he founded the "*Deutsche Gesellschaft*," in which society by the opening of the last war in 1914 he had managed to include in the membership a very large number of persons of influence and standing in Germany with a view to their unconscious education towards a socialistic attitude and their preparation for a socialistic government later on.

Late in 1901, when the writer was an engineer in Berlin and innocent of all subterranean politics, he was invited several times by Walter Rathenau, a director of the *Deutsche Bank* and of the *Allgemeine Elektrizitäts Gesellschaft*, to dine with him at his club. On one occasion having referred to Germany's great industrial progress he remarked: "One day Germany will have to make war again on France and take some more of her land, for the weaker always has to give way to the stronger."

Indicted for Treason

The Daily Telegraph of July 27 stated: "Eight Americans, including two women, who have broadcast regularly from Germany and Italy on behalf of the Axis, were yesterday indicted for treason.

"Mr. James Biddle, the Attorney-General, said they would be brought to trial when caught.

"They include:

Robert H. Best, a former American Army officer.

Ezra Pound, a poet and writer.

Wilhelm Kaltenbach, described as 'America's Lord Haw Haw.'

Edward Leo Delaney, known on German Radio as 'E. D. Ward.'

Constance Drexel, formerly a reporter in Boston, and Jane Anderson who worked as a reporter in London during the last war. She was sentenced to death as a spy by the Spanish Loyalists during the Civil War, but was saved by the intervention of the State Department.

"The charges carry the death penalty."

The "Land for the (Chosen) People" Racket

By C. H. DOUGLAS

Price 2s. (Postage extra).

From K.R.P. PUBLICATIONS LIMITED,
49, PRINCE ALFRED ROAD, LIVERPOOL, 15.

Discrimination in Quebec

Vers Demain of June 15, 1943, reports that on April 21, Mr. Norman Jaques, M.P., asked Mr. Louis St. Laurent, Canadian Minister of Justice, five questions about prosecutions on account of breaking the regulation, introduced in Canada only since the war, that all printed matter on political, social or religious subjects must bear the printer's imprint.

The answers were communicated on May 31.

They showed that only five cases had been brought under this Regulation, all by the Attorney-General's department of the Province of Quebec, and that they were against M. Louis Even, Mlle. Gilberte Côté, and MM. R.-J. Bédard, Raymond Bourgault, Arthur Giroux, all of the town of Quebec.

The numbers of leaflets involved in each case were, Louis Even, and Mlle. Côté, about 8,000; R.-J. Bédard, between seven and eight thousand; Raymond Bourgault and Arthur Giroux, about 250. *Vers Demain* notes that this refers to the number of copies of the same leaflet.

Mr. Jaques's fourth question was, "Have prosecutions been instituted in all cases of violation of this law?"* Reply:—"No. In some cases there were serious doubts as to whether the law should be applied. In others a warning was given."

Mr. Jaques's fifth question elicited a list of the cases in which warnings were given:—

"It was thought sufficient to give warning to: the International Union of Miners of Kirkland Lake, Ontario, in June 1942; the *News* of the Four Freedoms Club, Montreal, in July 1942; the Ukrainian Association of Bible Students, Winnipeg, in the matter of the publication *The Light and the Watchman of Youth*, in September, 1942; the Committee of Canadians for Victory, Toronto; the Federation of Labour Youth, Montreal, in the matter of a Communiqué, in November, 1942; and the Canadian Federation of Democratic Hungarians, Welland, Ontario, in April, 1943. —(Signed) S. T. WOOD, *Commissioner of the Royal Police*, Ottawa; May 5, 1943."

Vers Demain comments:—

"... the International Union of Miners, the Winnipeg Ukrainians, the Welland Hungarians, and Toronto and Montreal organisations with a strong communistic bias have been much better treated than French-Canadian Social Crediters of Quebec. The former they took the trouble to warn. But the Social Crediters were summonsed on seven cases for the same offence—seven, and not five, because there were two summonses against Louis Even and two against Mlle. Gilberte Côté..."

"Throughout Canada the law was only invoked against five Social Crediters of the town of Quebec: this is officially stated in the reply of the Secretary of State and a member of the House of Commons of Ottawa. This is what it was wished to know: it is now known officially.

"It is to be noted also, in the matter of dates, that the written reply from the police was ready and signed by the Commissioner, S. T. Wood, from May 5, a week before the imprisonment of M. Even; but it was not communicated to the House until May 31, more than a fortnight after the conclusion of the affair. Why this delay?"

*The quotations given are a translation of the French text. The English text is not yet available here.

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LITVINOFF

Litvinov (Finkelstein) follows Maisky back to Moscow. On the same day as the announcement, the "B".B.C. with its customary unctiousness announced a grand scheme involving the reconstruction before the New Year of a vast territory overrun by the Germans, with houses instead of huts, railway stations, and schools 'like the old closed Cadet Schools reserved for the favoured of the Czar,' all at public expense (beg pardon: 'the State's expense'). It has evidently been arranged that the German retreat is to be permanent. The recall of the Ambassadors betokens 'little change' in Russian foreign policy and no alteration in the Kremlin's attitude to Russia's Western allies. Why should it? What is perhaps more significant, it betokens no change in America's attitude. If Roosevelt is put out of the Presidency, America will be anti-New Deal, anti-Jew, and anti-British, simply because Great Britain is pro-Jewish. The switch-over of attention to Japan is just what the Germans want. It comes (if it has come: the "British" newspapers are unreliable on these points) earlier than was expected, and so perhaps Mr. Finkelstein's return to Russia may be an indication of an advance in the 'skedule.'

The alternatives before us would seem to be to beat the Germans in the next six months (unless the 'skedule' inconveniently shortens that short time available), or some arrangement by which, if necessary, the European situation can be composed. As the "B".B.C. reported from Moscow, there is 'no change' so far as Russia is concerned. Stalin is still Stalin, and the Internationale is disbanded; but, as we were told at the time by our own Communists and Socialists, that does not 'signify.' (We don't like these American words; but they fit.)

It looks as though in a clearer but supremely difficult situation what marking-time there has been among us would shortly be at an end. T. J.

The *New York Herald Tribune*, according to a Reuter message from Washington dated August 23, suggests that the removal of Litvinov is the latest of a series of notices from Moscow that something enigmatic is going on.

P.M. says:—"We are convinced that relations between Russia and ourselves are deteriorating at precisely the moment when the closest amicable relations are essential. The time has come when we must take stock before we are lost, for ever and irretrievably."

De Witt Mackenzie says:—"It is a fair guess that Premier Stalin has resorted to the replacement of Ambassadors partly as a rebuke to London and Washington. It

strikes me that things are cut deeper than a second front. The war is rushing on at an express train speed towards the time when momentous political decisions will have to be taken. . . . All indications are that Russia will emerge from this war as the dominant Power in Europe and, perhaps, in the Far East as well.

TOWN AND COUNTRY RELATIONSHIP

The following from *The Scotsman* of August 21 is published for information:

Sir,

Our rulers are acting on the assumption that the methods of conducting war and peace are essentially the same, and hitherto their assumption has not been seriously challenged. They take for granted that super-centralisation, accompanied by ever-increasing subordination of man to machinery (of the individual to the system) must rule in peace-making as it undoubtedly does, and must, in war. A direct denial of this assumption now comes from the sister Isle. There a parish priest of Tipperary has recently set agoing a movement, under the Gaelic name of Muintir na Tire (People of the Land), claiming that national, and therefore ultimately world, stability, can be attained only if first the people of each and every small locality (parish) in each country have learned the art of co-operation among themselves. This apparently includes to a large extent economic co-operation.

The movement seems to have caught on in Ireland, and to be spreading, and one is particularly interested to learn that it is in no way checked by the political frontiers which at present exist in that island, but appeals to North as well as to South.

Is it not possible, then, that this scheme might be practicable in what is commonly called "this country," viz., the island of Great Britain? Or, alternatively, why should it not now be tried out in "our own" Scotland, a country which, at least in the past, has shown itself not entirely incapable of initiative, and among some of whose present-day inhabitants there are signs of a growing weariness with the assumptions of pre-eminence made by metropolitan or international bodies?

That such a proposal has not received any general publicity before is probably due to the fact that most people now live in big cities, and thinkers cannot see how any "good-neighbourhood" idea could work in a city (where necessarily few people are in real personal touch with one another.) Here in Lewis, however, whence I write these lines, and where remains of the old village-community system still exist, the practicability is plain enough. In any case, is it not obvious that the present world war is going to alter radically the relationship between town and country? Does anyone still seriously imagine that all these bomb-and-famine-produced mass evacuations of cities are going to end, and even be reversed, by the "signing of peace?"

The Muintir na Tire movement might be expected to appeal to those among us who think there is still some future for the Christian tradition. A short description of the scheme by its initiator appears in the current number of the *New Alliance*, an Edinburgh publication.

I am, &c.,

A. J. BROCK.

Borve, Isle of Lewis; August 18, 1943.

THE PERFECT CRIME*

By The Rev. G. R. ROBERTSON

The title is borrowed, not from the film, but from a story which appeared in *Chamber's Journal*. On an Indian plantation an Indian disappears without leaving any trace whatsoever. The two white men on the plantation discuss the possibility of a perfect crime, *i.e.*, one where the criminal got completely away with it, leaving no clue of any description. In the story one of the white men disappears as the Indian has done, but finally the other white man solves the mystery by shooting a serpent when it comes to attack himself. Here really there is neither crime nor criminal: the serpent was merely seeking its prey.

Truth is stranger than fiction, and if we are seeking perfection in crime we can easily find a higher standard than this. Someone would need to know about it; it would need to be gross; it would need to deceive greatly; it would need to be a case of deceiving or bribing judges, or governments, or whole peoples. Crime implies the breaking of a law, or of some canon of right, and so, of course, "perfection" of crime is a contradiction in terms. But there have been crimes so enormous, so flagrant, so baffling, so elusive, that one may, in a sense, admire them, and call them magnificent!

A lawyer, having successfully pleaded for his client, addressed him thus: "There, you rogue, I have got you off; you will not grudge me my fee." "No," said the other, "you have done splendidly; I thought I was guilty myself till I heard you speak"! That was not the perfect crime, however, but the perfect advocate—*advocatus diaboli*.

As an example of the well-nigh perfect criminal, perhaps we may cite the case of Miss Madeline Smith, who was put on trial for the murder of her sweetheart some seventy or eighty years ago in Glasgow. At her trial, which was a lengthy one, she appeared day after day, a charming, fascinating woman dressed to kill, and sat through and listened to the evidence with the utmost composure. The case seemed quite conclusive against her, but she had so fascinated the jury that they brought in a verdict of "Not Guilty." I suppose they thought that a thing of such radiant beauty must not perish from the earth. The lady afterwards wrote to the foreman of the jury thanking him and his fellow jurors, *but entirely disagreeing with their verdict!*

Another magnificent criminal was Deacon Brodie of Edinburgh, who sat on the bench during the day as a magistrate and employed himself as an expert burglar at night. This was perfect while it lasted; but Deacon Brodie was hanged in the end.

Perhaps the most amazing single criminal of all time was Benvenuto Cellini, famous sculptor and artist, who wrote his own biography, in which he gloried in the cunning of his murders, cited his visions, and spoke of the heavenly powers which aided him in his exploits!

For sheer audacity it is hard to beat the deliberate attempt of the Jews who tried to bribe the judges of their fellow-country-man, Reb Süß, to acquit him. They brought gold, and more gold, bags of gold, rivers of gold, and piled it up on the floor of the court-room before the judges!

To come back to Scotland again, we had a notorious case of legal murder, which came near the ideal of perfection we are seeking, the case of James Stewart of Appin. There was a perfectly fair trial. Stewart had an able lawyer to defend him, who tore the case for the prosecution to tatters, and showed quite clearly that there was not a shred of evidence to incriminate his client; and yet a jury of Campbells found him guilty; a most wicked crime under the shelter of the law. But, of course, that is not a unique story. The law condemned Socrates to death; and Pilate, after pronouncing the sentence, "Not Guilty," ordered Jesus of Nazareth to be crucified.

One of the most fascinating of detective stories is Browning's *The Ring and the Book*. The same essential facts of a story are told by ten different people, and each one gives his own interpretation. But even here we are not left in doubt that there is a true account of the story. Capponasacchi and Pompilia are two of the finest characters in literature, and we have no hesitation in accepting their account and their interpretation of the facts.

There are many different descriptions and definitions of modern banking, and many different accounts of its value and purpose. They range from the verdict of Philip Snowden, a recent Chancellor of the Exchequer, that the Bank of England is the greatest moral institution in the world, to the verdict of Professor Soddy: "The Banking system is, in fact, now nothing but a gigantic vested interest in the actual issue of new money by methods which still evade the law, and ruin first creditors and then debtors. By the ordinary canons of commercial morality, there is not a shred of difference between creating money to lend to others for interest and creating it to spend oneself, and now none is recognised either in banking morality."

Now if Professor Soddy is scientifically accurate, Philip Snowden cannot be. If Professor Soddy and the many others who think like him are right in calling this "creation of credit" a crime, then it is, according to the suggestion of my title, the Perfect Crime, inasmuch as those who are guilty of it not only get off with it, but have persuaded subtle minds like that of Philip Snowden that it is no crime, but a great boon and a blessing to men. Indeed, they have persuaded the bulk of mankind that it is no crime. Perhaps they have persuaded themselves. At any rate they have persuaded the British Government to let them get away with it. They still reap the benefit of being let off, and all mankind suffers the consequences, including the British Government and people. The consequences are dire, but have come upon us so gradually that we fail to notice them. Those of us who think we have recognised them fail to get others to see them; they are so enormous that people simply cannot believe that they have been fooled so long and so grossly. Is it not then the perfect crime?

We believe that this part of the banking business (and it is the source of the banker's profits and dividends) is precisely equivalent to coining or forging, both of which proceedings are crimes liable to severe penalties. The coiner robs the party from whom he obtains goods in exchange for his false coin or money. If, however, this party does not detect the forgery, but passes it on, it is the next party who is robbed. The crime only becomes obvious when the forgery is detected. Somebody gets the baby to hold. If that somebody happens to be the original forger, he may say, "Thank God that false money has come back to me,

*Reprinted from *The Fig Tree* (quarterly), for September, 1938. *The Fig Tree* was edited by Major C. H. Douglas.

and I have not been detected." He may flatter himself that he has wronged nobody, but really he has had the usufruct of what did not really belong to him, until he gave it back in return for the false note he issued. Now that is precisely what banking is and does. Forged money may be useful, and enable a lot of people to earn an honest living till it is nailed to the counter. So may banker's money. But that is beside the point, which is that the banker, like the forger, has quite an unfair advantage over the rest of the community.

If the creation of new money were recognised and defined and legalised, and the banker's remuneration was calculated on service rendered, then we might know where we were, and justice might be done. But it is neither recognised officially, nor defined legally, nor is its remuneration fixed by any standard or law. This modern banking transaction is above (or below) law or morality.

This point is so vitally important that we had better give unimpeachable authority for it.

"I assure ministers that if they will make known to us through the appropriate channels what it is they wish us to do in the furtherance of their policies, they will at all times find us as willing with goodwill and loyalty to do what they direct, as though we were under legal compulsion." — Montagu Norman, quoted in *The Economist* for October 10, 1936.

"We have carefully considered whether our recommendations as to cash reserves to be maintained by the banker should be given statutory effect or whether they should be left to the goodwill of the banks concerned. We think that there are substantial advantages in the traditional procedure of this country by which our banks are not subjected to any special legislation." — The Macmillan Report.

"The ten-to-one ratio between deposits and cash reserves which English banks have come to regard as a standard of practice . . . is so well recognised that it might easily be thought to have the force of law. In fact, there is no statutory requirement whatsoever on the subject of cash reserves." — *The Midland Bank Monthly Review*, (May-June, 1937).

It is here that we have to utilise our analytical powers to detect the crime. Two of these statements are from bankers themselves. The third is from the Macmillan Committee, which was supposedly an impartial public body, and it also admits that the banking system is above law. Those who have not studied banking to any extent may need to have it explained to them that the bankers limit the amount of "created" money they venture to loan to about ten times the amount of "cash" they have in hand. Every bank balance sheet shows this ratio. And yet there is no law on the subject. Why? Because the thing is illegal. Hence the term "legal tender." There we have the crime recognised in our common speech; and yet it is not held to be a crime, *i.e.*, as unlawful, as immoral, as unjust. When is a crime not a crime? When you get away with it! Perhaps we may be able to see why we cannot legislate on the matter. According to the Macmillan Report, "There are substantial advantages. . . ." Yes, there are; but to whom? Admitting there are certain advantages (failing a better system) to the people who use this money, the main advantages accrue to the people who issue the money in the first instance as "loans bearing interest," and the main disadvantage falls on the whole community, which has a perpetual tribute to pay to the bankers; it is this which gives the banker control over industry, in fact, over the lives and destinies of all men; it is by means of this trick that the bankers are able to convert public assets into debts to themselves.

Until recently it was stoutly maintained by the bankers

and the upholders of "sound finance" that they did not coin money, they did not "create credit." As recently as November 18, 1935, the City Editor of *The Times* wrote: "If the banks could create credit at will, their power would indeed be enormous. The only authority, however, which can create, or has ever truly created money and credit is the State; exercise of this power by an individual or by a corporation is punishable." The answer to this had already been given by *The Economist* (May 18, 1935): "Practical bankers have been wont to declare that they serve merely as a 'cloakroom' for money, issuing 'tickets' in the shape of deposits, only for the money actually deposited with them. Now this position is clearly untenable. The deposits of the clearing banks alone amount to roughly £2,000 millions, and there is not, and never has been, this amount of currency in existence. If the number of cloakroom tickets is found to exceed the number of hats in existence, it is obvious that tickets have been issued in excess of the number of hats deposited." The writer goes on to argue that a spade is not a spade, and that black is white. A similar argument was used by Mr. Favil Tuke, Chairman of Barclays Bank, in his annual address in January, 1936. He also stated the precise amount of new money which the banks created in 1935: "If, as in the case of the London Clearing Banks in 1935, the average holding of cash is raised by nearly £3,500,000 to about £215,500,000 and the ratio to deposits is reduced from 11.27 per cent. to 10.77 per cent., the cash available will support an increase in deposits of approximately £120,000,000. This is what actually took place last year."

A very interesting letter appeared in *The Economist* of May, 1935, from Mr. Gaitskell, the much quoted critic of Major Douglas, in which he describes that journal's article of the previous week as containing "some very flimsy arguments and not a little verbal quibbling" (how these "Experts" love one another!), and finished up by saying, "On this money it is true that their profit arises from the difference between the interest they receive on the debts they own and the interest they pay on the debts they owe. It has yet to be shown that they ought to retain this difference."

The matter stands then, this way: we have all to keep the law and honour our obligations; the banks can invoke the law to compel the fulfilment of our obligations to them, but when it comes to pass (as it inevitably must) that the banks fail to keep their contract, they are "relieved of their obligation." "They bind heavy burdens and grievous to be borne, and lay them on men's shoulders; but they themselves will not move them with their finger" (Matt. xxiii. 4). The banking system is thus supreme above law, supreme above Government; it is the Supreme Ruler. A certain newspaper had a leading article on Alberta, which said, *inter alia*, "We could repudiate all our debts and merely call it a Refunding Bill." With reference to this I wrote, "You are quite right; in fact, we could repudiate all our debts; we could abolish all the Ten Commandments without consulting anybody. But who are we? It is surely not Democracy; is it not Theocracy of sorts?"

That letter was never published. Neither was this one, which is really the same challenge in another form: "Will any Professor of Law, or of Economics, or of Finance, or of Moral Philosophy, or of Divinity, explain on what ground the Bank of England is able to show a profit or to declare

a dividend, seeing it has defaulted, and remains in default, on its main contract?"

The Bank Charter Act of 1844 was designed to prevent banks or the Bank from "creating credit," *i.e.*, from issuing paper money which did not represent real money. Its intended effects are very ably described by Professor Courtney in the article on Banking in the *Encyclopaedia Britannica* (ninth edition). There are many statements like these: "The Gold in the Issue Department of the Bank was not purchased by the bank and does not belong to it. The bank is its keeper but not its owner. It belongs to the public, or to the holders of bank notes, with and under the express stipulation that on paying the latter into the bank they should receive back their gold. Any interference with these deposits would be an interference with property held in pledge for others, that is, it would be an act precisely of the same kind with that which exposes private bailees to penal servitude." "Supposing the bank were in difficulties, is it to be allowed to right itself by setting aside the principle of *meum* and *tuum*, and seizing on what belongs to others? The directors would be the first to repudiate such a doctrine, which must be rejected by all men who have any sense of honour or regard for character."

These words, written more than fifty years ago, are the perfect commentary on the transaction of 1931, commonly known as "going off the Gold Standard." The words of supreme significance in that transaction are the request of the Bank of England to the British Government: "It is in our opinion expedient in the national interest that we should be relieved of our obligation to sell gold." The bank does not sell gold; it only accepts gold for safe keeping and returns it to its owner on demand. When it fails to do so, what has it proved itself to be?

A certain weekly paper quoted as a wise and striking remark, "The entire economic structure of the world is founded upon four words on a Bank of England note, 'I Promise To Pay'; I replied: "Will you now inform your readers that the entire economic structure of the world is upon a false foundation, inasmuch as the Bank of England has been relieved of its obligation?"

This letter was, of course, not published either.

Apparently the entire Press as well as the British Government has been suborned to conceal the crime; is it not, therefore, the Perfect Crime?

Points from Parliament

House of Commons: August 5, 1943.

REGIMENTAL BADGES AND TRADITIONS

Mr. Loftus (Lowestoft): On July 13 I asked my right hon. Friend the Secretary of State for War the following question:

"Why the cavalry regiments, which now form part of the Royal Armoured Corps, are not allowed to wear on their uniforms their regimental badge or name, as this decision has caused great dissatisfaction to these regiments with their individual traditions and long roll of battle honours?"

My right hon. Friend replied as follows:

"These regiments are now part of the Royal Armoured Corps and follow in this matter the practice in other corps such as the Royal Artillery and the Royal Engineers. Personnel may, however, wear a flash in the colours of their particular regiment, and they

may wear a regimental cap badge."—[OFFICIAL REPORT, July 13, 1943; col. 9, Vol. 391.]

... I refer to units serving at home, and the position concerning them is as follows: All infantry units wear their regimental titles on the shoulder, with the exception of the Highland regiments. The Highland regiments were given the choice between continuing to wear their regimental titles, and wearing the tartan, and they chose the tartan. Cavalry regiments now incorporated in the Royal Armoured Corps have been forbidden by an Army Council Instruction to wear their regimental titles. Instead they wear the "R.A.C." of the Royal Armoured Corps.

These cavalry regiments have great historic traditions. Many go back 250 years and even longer. They have a long roll of battle honours, recalling famous periods in history. Many of them can show honours gained in the great battles of Marlborough's campaigns—Ramillies, Oudenarde, Malplaquet, Blenheim—in the battles of the Peninsular war. Every unit is proud of its regimental record and traditions and wishes to maintain its regimental identity. That is the point at issue and the point on which these fears are expressed. It is true that the answer of my right hon. Friend is to the effect that they can wear the regimental cap badge at their own expense. They can also wear a flash with the regimental colours. I suggest that the wearing of a flash is really no concession... if I see a bit of colour on the sleeve or shoulder, I do not know what it means, and I doubt whether there is a Member in the House who recognises it unless he has served with that distinguished regiment and who can tell to-day what the colours of the Scots Greys are. All ranks are proud of their traditions and records, and keep certain days of the year which are, as it were, regimental festivals.

There is also a practical consideration. We have to think not only of the war but of the post-war years, and one of the problems is that we will have to obtain fully qualified officers making the Army their life profession...

These complaints that I have received come not only from the Cavalry but from the Yeomanry. Take my own county and the Suffolk Yeomanry. They were formed in 1793. They have been in existence exactly 150 years. Now they have become gunners and are incorporated as part of the Royal Artillery. They are forbidden to wear their regimental titles, and they wear "R.A."—Royal Artillery. I have received complaints from all ranks in the unit that they wish to wear their regimental titles. I admit that many individuals in that regiment now do not come from the county of Suffolk, and I regret it. I think it is due to the pressure of war, but I think it is desirable to draw attention to it. There has been a tendency—I expect it is inevitable under the pressure of war—to draft men into county units from quite another part of the country, even when men in the county are available and want to get into the unit. The Gloucestershire Yeomanry had a waiting list of, I believe, 400 who wanted to join the county regiment. They had an extension of the establishment, and they asked that 120 of that 400 should be allowed to join. The 120 were sent from Durham. I am sure the Gloucestershire Yeomanry would far rather have had Gloucestershire men, and the Durham men would far sooner have gone into that fine county battalion the Durham Light Infantry. I have heard of other instances. I know there was an atmosphere in the last war in the War Office discouraging the Territorial and the county

spirit. . . . What we ask is an assurance that these famous county regiments, especially after the war, shall not lose their identity by being absorbed in the Royal Armoured Corps but shall continue in their distinguished Corps as separate units, in the same way as before the war each cavalry regiment was regarded as a separate unit of the Corps of Cavalry of the Line.

My second reason for raising this matter is to utter some words of warning about our post-war Army and to seek an assurance from the Secretary of State on matters applicable to cavalry, yeomanry and also to infantry battalions. It is the same principle, the maintenance of tradition, that is at stake. There are ideas abroad in all walks of national life in this and many other countries in all departments of life of merging the smaller individual units, the crushing of individuality, forcing everything into big, uniform undifferentiated masses. But mankind, the individual human being, is so formed that he wants small associations to which he can give his full interest and loyalty. I know these measures are defended and advocated on the ground of efficiency. I am not sure that they are not advocated because they give less trouble to officialdom. It is so much easier to classify an undifferentiated mass, a uniform mass, than a lot of differentiated, highly individual units.

The text of my remarks could be found in words used by the Secretary of State on Tuesday in the Debate on the V.A.D. I wrote down his words:

"It is no good seeking uniformity if you sacrifice other things worth having."

I beg my right hon. Friend to act up to that magnificent text. We have so much uniformity to-day. We have uniform utility furniture and uniform utility clothing. I hope that after the war we are not going to have a uniform utility Army, with all the units indistinguishable and interchangeable, all distinguishing marks gone, the Highlanders, for instance, no longer allowed to wear the kilt. I hope we do not sacrifice such valuable things in the name of efficiency, because it will not make for efficiency. It is rumoured that there are abroad to-day ideas that units of the post-war Army under conscription should be interchangeable as in the Royal Artillery. There are rumours that *esprit de corps* should literally mean loyalty to the corps and not to the regiment. It is even rumoured that certain views have been expressed that the only title allowed to be worn after the war should be "R.A."—Royal Army—in the same way as "R.N." for the Royal Navy, that all units should be interchangeable, personnel moved from one unit to another, county distinctions abolished, and so on.

The Royal Navy tradition is a very great tradition. . . . The Navy, however, also has individual devotion to a ship, and there is great rivalry and competition between ships. . . .

. . . It may be said that after the war we must have very revolutionary changes in the organisation of the Army. We see during the war those revolutionary changes in process of coming into being, and we realise that sacrifices must be made. It is, however, the glory and the strength of our people and a cause of admiration and envy to foreign nations, that we have always made drastic and, indeed, revolutionary changes within the old framework and in accordance with our own national traditions, thereby securing the general consent of our people and incorporating in the necessities of the present, the experience, the wisdom

and the enduring loyalties of the past.

[Mr. Loftus was supported by Brigadier-General Sir Ernest Makins (Knutsford), Colonel Arthur Evans (Cardiff, South), Mr. Turton (Thirsk and Malton), Major York (Ripon), and General Sir George Jeffreys (Petersfield).]

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