

# THE SOCIAL CREDITER

## FOR POLITICAL AND ECONOMIC REALISM

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### Democratic Government: The Legal Machinery

(From a Tasmanian Broadcast by James Guthrie.)

It is usual to say that in a democratic country political sovereignty rests in the people, but legal sovereignty rests in Parliament. In other words, the power to make laws to tax and, if need be, to use the armed forces rests not with the people but with representatives in Parliament, or, to be more precise, with the majority party in Parliament, or, to be still more precise, with a small group of men called the "caucus."

Therefore the supreme legal power over a country rests with a few men and not with the people.

In theory the people are supposed to have a free choice of candidates, and these candidates, when elected, represent the people in Parliament. These representatives are supposed to discuss problems in open debate in Parliament and then to vote as their electorate wish them to vote. That is—in theory. In practice, of course, nothing like this happens.

The party candidates are selected before elections and they depend on the backing of the party machine for their success. When elected they also depend on their party bosses for promotion, for the right to sit on committees and for other perquisites of office. For a private member to vote against his party simply means political suicide.

Armed with these powers the party bosses have little trouble from rebels. And armed with these powers the party bosses decide beforehand how the voting shall go in Parliament. Parliament, therefore, is no longer the place where the laws of the country are made; even the debates therein are unheard and unread by the public. For all effective purposes Parliament has ceased to exist.

Parliament is merely used to give formal legal expression to decisions made by a few men in just the same way as elections are used to give legal status to the party bosses. All that is left of our political democracy is the legal formalities. These legal formalities are important, but they should not be allowed to obscure the ruthless spirit behind them, the contempt for the public and the contempt for Parliament.

That the present method of voting governments into power is a very thin democratic veneer, hiding the totalitarians, was made evident by the eagerness with which our so-called representatives clutched at the tremendous power of authority which war brings to them. No one who has not come into contact with the arrogance and ruthlessness with which this power was used can imagine just what tremendous dangers are facing the whole civilised world to-day.

There was a time when kings of England ruled by what was called the Divine Right; they were the Chosen of God—the King could do no wrong—his word was law. Many thought that this doctrine had died a natural death, but in our time we have seen it resurrected under various guises.

The divine right of the King has become the divine right of the "State." The "State" being those who by various means have captured the machinery for manufacturing laws and regulations and who, by control of the armed forces, are able to enforce obedience to these laws.

In so-called democratic countries the small group in control of the State have actually more powers than kings had, because kings who attempted to extract heavy taxes or to meddle with the private affairs of citizens to the extent practised by modern Governments would quickly have found themselves without their heads.

Those in control of the modern State can, and do, penalise minorities because they claim that they represent a majority—the fact being over-looked that we are all, at one time or another a member of a minority. Parents are in the minority; farmers are in a minority; the country dwellers are in a minority; skilled men are in a minority; the politically wise are in a minority.

But so-called democratic governments demand the right—and they continually exercise this right—to overrule every minority which, together, are the majority. In other words, we are witnessing in practice governments using so-called democratic methods to destroy democratic control.

### What a Racket

"Isn't it good that we have Peace again, or at least a cessation of hostilities for a few years anyhow. The latest angle here is that we are being introduced to meat rationing for a second time. The Butchers are all in a stew about it for it seems to be only a "racket." I don't think it will last long. It is too much of a problem to discuss in a letter, but I can give you one incident that will give you an idea of how crooked the Government is."

"While riding in a Street Car down town yesterday, I met a friend, and she told me that her sister, who is a widow, has a 200 acre farm, and she has ready for market 25 fat Cattle, for which she can't get any sale. If these are not sold she is up against feeding them all winter, and her feeding stuff was so poor a crop that she would have to buy from someone else—if that is possible. In fact she is at a loss as to what she will do. She is only one of hundreds, and yet the authorities tell us there is not enough meat to go round—feed the starving millions in Europe. What a Racket!" — Toronto, September 16, 1945.

## Correspondence

The Editor, *The Social Crediter*.

THE SUPPLIES & SERVICES (TRANSITIONAL POWERS) BILL.

Dear Sir,

Your serious attention is invited to an issue of outstanding importance raised by the Supplies and Services (Transitional Powers) Bill, now before Parliament. This issue does not concern party politics but is one of common justice against injustice.

The Bill visualises the lapse, through non-renewal, of the Emergency Powers (Defence) Act of 1939, which authorised the Defence Regulations held to be necessary for national defence and other such purposes during the course of the war; but, if enacted, it would renew some of the Defence Regulations while granting new transitional emergency powers.

You are earnestly invited to consider now—before the passage of the Bill—whether the powers to be permitted to lapse have been discharged justly and properly. If this matter is not raised before the passing of the Bill the whole question of the administration of the lapsed powers may become closed. It may then prove impossible to correct the mistakes which have been made, and those on whom such mistakes have inflicted great injustice will lose all hope of redress.

As you no doubt realise, large numbers of British subjects were imprisoned, in many cases for more than four years, under Defence Regulation 18B. These men and women were not convicted of anything at all. They were not even accused. They were arbitrarily arrested and as arbitrarily released solely by order of successive Home Secretaries—which means, in actual practice, at the wish or instigation of subordinate officials. They have never been told what facts, or supposed facts, led to some suspicion falling upon them. They have had no chance of defending themselves. Yet it has been officially admitted more than once that grave official errors have occurred under these methods.

The sufferings of these fellow-citizens of ours while in prisons and concentration camps were very great, in some cases ending in death; and the sufferings caused to their dependents were often as great or greater. They have been subjected to every kind of vilification and humiliation. Moreover, since their release, great numbers of the victims of this Regulation have found it impossible to obtain a proper livelihood, while many have lost their savings, their homes and their businesses. In short, they are ruined if matters are left where they now stand.

In these circumstances, you are urged to press for

1. The setting up of legal machinery whereby the causes of imprisonment of these un-accused and un-convicted British men and women may be reviewed by a wholly impartial tribunal, empowered to call for evidence given on oath under the recognised rules and before which these former prisoners may be legally represented.

2. Restitution being made to those proved to have suffered injustice—the presumption being that a British subject who has been imprisoned under Regulation 18B has in fact suffered injustice unless it is proved to the satisfaction of an impartial tribunal that he or she had committed a wrongful act before imprisonment or had the personal intention of committing a wrongful act.

You will of course realise that this subject raises matters of principle even more important than the degree of hardship and injustice already inflicted upon the persons concerned.

Yours faithfully,

ARTHUR ROGERS,

Chairman, 18B Publicity Council.

London, October 5.

‘MITTELEUROPA’

Sir,

Apart from the once-gay city of Vienna (of which tales are reaching us from the British troops, with the result that even *The Times* has been compelled to admit that there are certain ‘differences of view’ between the British and the Russian military administrations) the black-out of news about Central Europe remains all but complete.

All the more eagerly does one welcome the appearance of a news-sheet, simply styled *The Letter*, which is directed by M. Lezak-Borin. M. Borin has assembled as his helpers people who are opposed to Communism and who gather the information he publishes with danger to themselves ‘as they do not enjoy the hospitality of the country where they are working.’ The task of the group is ‘to give political information about the countries with which we have closely associated all our lives and where we have had many years of experience.’

*The Letter* consists of two essays, the first of which is entitled ‘The A.B.C. of Russian Bolshevism and New Tools of its Policy,’ in which rather too much attention is paid to the Lenins and the Stalins, who after all, are only the ‘shop-window exhibits’ and too little to the part played by the *organised* double-barrelled racket of Judaeo-Freemasonry.

We are given the impression that at a certain date ‘Stalin’ triumphed over the Jewish intellectuals inside the Communist party, and that the ‘strong man’ of Russia used his intellectual Jews, as he does the intelligentsia of all the countries, as manure for preparing the real dictatorship over the proletariat. But it is not pointed out that Stalin’s conception (expressed in his book *Marxism and the National Question*) that Nationalism should only be regarded as a stepping-stone to Internationalism, is shared by Jews, ‘Talmudic’ or otherwise, in every country in the world. We are shown the essential similarity between Czarist and ‘Soviet’ Imperialism but the work done by the international banking-houses of Warburg, Schiff, Ginzburg, *etc.*, in ensuring this continuity of ‘Russian’ policy is left unmentioned.

For these reasons perhaps, there is little in M. Borin’s study of ‘communism’ in Russia of which we are not already informed by such writers as H. W. Henderson, W. H. Chamberlin, Max Eastman and others, and, who ignore the Jewish aspect even more than he does, by such authors as Denis Fahey, Vicomte de Poncins, Mrs. Webster, *etc.*, who give full prominence to the ‘occult’ side of the Russian experiment.

But when, in an essay called *The Decomposition of the Continental Intelligentsia*, M. Borin deals with facts and personalities of his native Central Europe he provides us with several items of information which may prove useful when the real history of these extraordinary times comes to be written.

Like their British confreres, the majority of Continental

school-teachers were, we are informed, revolutionary Socialists, without, again like their opposite numbers here, grasping the real meaning of Socialism, and without at heart desiring the revolution which their political activities furthered. Benes, the 'Communist'-supported dictator of the Czechoslovakia of to-day, began his career as a school teacher. Masaryk was a University Professor. So was Wilson and a large number of his technical staff at the Peace Conference. It is well-known that Wilson went out of his way to protect the Judaeo-Masonic revolutions which were raging during the fatal months of the spring of 1919. Wilson's personal representative and observer in the 'Red' Hungary of Bela Kuhn, was a Professor Brown, who consistently misinformed the Supreme Council at Paris of the true nature of the Jewish murder-regime in Hungary. M. Borin reminds us that it was in the days before world war II, presumably under the government of Blum, the academic Jew, that members of a Congress of French school teachers declared 'that it is better to live as a slave than to die for one's country.' In the U.S.A. of those days another Professor, Felix Frankfurter, born in Vienna, was President Roosevelt's brain-truster No. One. And in England, Laski, Professor in the University of London, etc., was even then making his way towards the stars. It appears that A. N. Field 'has got something' when in the title of his brilliant essay on the fallacy of *Darwinism* he indicates the intimate connection between Colleges and Communism.

And then we turn to those spiritual cousins of the school masters, the journalists (some of whom at least must be reckoned amongst the Intelligentsia). In his *Hapsburg Monarchy*, which was written before the first world war, and contains one of the best analyses of the Jewish Problem in the English language, Mr. Wickham Steed proves convincingly that the Press of the Hapsburg Monarchy was entirely Jew-controlled. Mr. Ashmead Bartlett visited the Central European capitals immediately after the first world war. He noticed that, in the starved and ruined Vienna of 1919, "the Jew stood out prominently and dominated every situation. . . he was generally the first in possession of news true or false and was thus able to control the great speculative market." He adds significantly "The services of my secretary and interpreter, Isaac Goldman, now became invaluable [through] his gift of being able to sound the underworld of that mysterious freemasonry, mental or telepathic which the Jews possess." M. Borin, in his turn, states that after the various revolutions had died down, the Jewish freelance journalist 'turned his attention towards Nationalism.' From Prague one of them "wrote bitter words about the Hungarians; another from Budapest, reviled the Czechs; a third, pretending to be Polish, Yugoslav or Austrian patriot, set himself up to be the Socialist (sometimes Christian Socialist) mouthpiece of the nation he had adopted. The mother tongue of them all was a German brand of Yiddish. They all found a niche in Dr. Benes's organisation and in time they became the main source of information supplying the British Press and the British authorities with material about their master's activities and with their opinions about Central Europe in general. Anybody who dared to criticise them was forthwith completely ostracised and marked down as a "Fascist."

We learn, moreover, that the present Czechoslovak Press attaché in London is a former Editor of the *Jewish News*. His name is Fishl. His co-racialist Herr Lieben is Secretary of the Panslavonic movement "although he

cannot speak any of the Slavonic languages correctly." But, to make up for that he was formerly a Commissar in the Red Spanish army, which, as M. Borin suggests, is the ideal qualification for a position as Chief of the Czechoslovak Repatriation Office in London. Worse than that, it appears that M. Benes has left several sections of his governmental machinery behind him in London:—"The Czechoslovak Embassy is not the only new tool of Soviet policy abroad. There is in London a Czechoslovak military committee which comes under the Ministry of National Defence managed by the Communists in Prague. At 62, Exhibition Road, London, is a branch of the Czechoslovak Ministry of the Interior. It is a section of the Communist Secret State police, an offshoot of Comrade Nosek's Prague organisation and it is headed by Lt.-Col. Creek."

And out in Czechoslovakia itself it is quite common for the Communist Chairman of the local National Committee simultaneously to be the local Chief of the State secret police—owing to scarcity of true-blue Communists; and, alas, the 'Americans' have not proved the shield against the Russian terror that Czech patriots had hoped:—"Soon there appeared in the American zone Communist secret police from Prague . . . and they began to detain people left and right. The Americans did not put any obstacle in their way, but said that this business was purely an internal affair of the Czechs themselves."

One imagines it to be as internal an affair as the 'Czech' secret police in London, and as the sojourn, during the last war of 'Czech' armies behind enemy lines, in Russia and America (where, as we remember the Czechoslovak Republic was born), and the activities, during the second world war of 'Czech' army officials in Palestine. Of one citizen of the former Czechoslovakia it is said that in the Munich crisis of 1938, he deserted from the Czechoslovak army and went to Hungary; . . . and in 1941 he turned up in Palestine, and there joined the Benes Czechoslovak forces . . . he succeeded in establishing his title to three very interesting appointments: Chief of Recruiting Commission, Chief of the Czechoslovak Forces Hospital, and Chief of the Medical Board which was attached to it. . . . As Chief of the Recruiting Commission, he passed as fit every single Jew who came along, regardless of his age and physical condition. Later, as Chief of the Military Hospital, he had them admitted to one of his wards for examination. In a few weeks' time, as Chief of the Medical Board, he awarded them their discharge from the service and endorsed their claim to a pension of £12 a month. . . . "That was only a small part of the goings-on which cost the British tax-payer £40 millions."

I am, etc.,

BORGE JENSON.

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### DOUGLAS SOCIAL CREDIT MOVEMENT: BELFAST GROUP

#### PUBLIC ADDRESS

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Questions and Discussion.

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Saturday, October 20, 1945.

### From Week to Week

"This is what I want to hear: RADIO UNIVERSITY CALLING"—Professor A. M. Low in the *Daily Mirror*, October 13.

Now (unless the dream voice which the professor hears calling him is his own) why should he want just that? Is it his pleasant way of saying "to hell with my job!?" If not, why not let him have a gramophone record made, so that he may have his heart's desire any day he likes, and all day if he likes? Whatever their opinion of professors (whose stock is rapidly depreciating) the readers of this paper probably discern more in Professor Low's confession than enthusiasm for the tones of either the loud-speaker or a further extension of 'higher' education. The curious thing about it is the way in which it fits into the pattern of the current notion that we ought to do without everything that it is possible to do without. If it were true that only a footballer's feet were important, and football could be played by animated football boots, then, of course, there could be no possible argument for the retention of footballers; and if lectures tolerable to *The Times* and the *Daily Worker* could be emitted from artificially inspired heads (or one head deputising for a whole class of effectives), this should at once be done, and the doing of it would in some way be evidence of 'progress.' Pushed to its logical conclusion, 'progress' of this nature would speedily result in the extinction of all life, and the reduction of all things to the condition of a single prototype; and, since the continued existence of that could scarcely be defended on any ground of ideal necessity, its speedy disappearance might be presumed in accordance with some law of 'efficiency' more comprehensible to planners than to us. This is, of course, only another way of saying that the objective of a great deal of present effort and of practically the whole of present political effort, is death not life.

In that noteworthy study *Grey Eminence*, Aldous Huxley propounded the thesis that all 'great' politics are essentially evil, which is only another way of saying what has often been said in these pages, that mankind has no real business with politics: all politics are bad; and the business of man is with himself, not with politics at all.

What has really happened in the world lately is that civilisation has gone back on Social Credit 500 or 600 years; and, while Social Credit was, at any rate soon after its inception, a practical proposition for almost any civilised community, we are now 500 to 600 years ahead. The world has fallen back to a far greater extent than we have advanced. Whatever may have changed in the purely technical field

(which is after all merely relative) there is visible no change at all of policy from that which proved so disastrous after 1919. Exports, employment, etc., etc.: the same identical song is in the mouth of every politician and industrial 'leader.'

The same old problems are being forced upon mankind, problems which simply do not exist except as the edicts of an overriding organisation. We have no problems worth mentioning. There is not even a suggestion that when the Organisation (which has all the attributes of a personal Devil) has at last disintegrated everything, reduced everything and everybody to a dead (literally dead) level and is confronted with the question what is it (or he) to do with it, that he has any idea. And has anyone else? And so, we are back at the root question: how we can torpedo the organisation—any organisation but particularly this organisation which has the world by the neck. A civilisation which is on the point of expiring from too much control, is looking only for means of control. It hasn't the nerve to hold itself in check by simply giving itself more line, as a salmon is held by giving it line; and there is nothing else necessary.

### "The Unknown Citizen"

To JS/O7/M/378

THIS MARBLE MONUMENT IS ERECTED BY THE STATE.

He was found by the Bureau of Statistics to be  
One against whom there was no official complaint,  
And all the reports on his conduct agree  
That, in the modern sense of an old-fashioned word, he  
was a saint,  
For in everything he did he served the Greater Community.  
Except for the War till the day he retired  
He worked in a factory and never got fired,  
But satisfied his employers, Fudge Motors Inc.  
Yet he wasn't a scab or odd in his views,  
For his Union reports that he paid his dues,  
(Our report on his Union shows it was sound)  
And our Social Psychology workers found  
That he was popular with his mates and liked a drink.  
The Press are convinced that he bought a paper every day  
And that his reactions to advertisements were normal in  
every way.  
Policies taken out in his name prove that he was fully insured,  
And his Health-card shows he was once in hospital but  
left it cured.  
Both Producer Research and High-Grade Living declare  
He was fully sensible to the advantages of the Instalment  
Plan  
And had everything necessary to the Modern Man,  
A gramophone, a radio, a car and a frigidaire.  
Our researchers into Public Opinion are content  
That he held the proper opinions for the time of year;  
When there was peace, he was for peace, when there was  
war, he went.  
He was married and added five children to the population,  
Which our Eugenist says was the right number for a parent  
of his generation,  
And our teachers report that he never interfered with their  
education.  
Was he free? Was he happy? The question is absurd.  
Had anything been wrong, we should certainly have heard.  
— W. H. Auden in *Another Time*.

## The Use of Money

By C. H. DOUGLAS

*An Address delivered in St. James's Theatre, Christchurch, New Zealand, on February 13, 1934.\**

(CONTINUED)

Now there is a very obvious disadvantage in merely halving prices arbitrarily: one with which in New Zealand, I have no doubt, you are very familiar. And that is that the unfortunate man who produces the goods either has to dispose of them at a loss or keep them under present conditions. That is by no means necessary.

Supposing that you decide that you want to double the purchasing power: you can, as I say, quite obviously double the amount of tickets; but supposing you say, "Well, I will not give those tickets to the public because that will raise prices, I will apply the same amount of purchasing power to the reduction of prices. That is to say, that I will give the purchasing power to the man who produces in the first place to enable him to sell at half price so that the public will then have twice the purchasing power, and the price will be halved. That will reduce the gap between purchasing power and prices, and will not produce a loss to the producer."

Now, it is constantly being stated that that is inflation. Of course, these words are bandied about because there are certain very powerful influences who do not want a change in the financial system—do not want it rectified. No monopoly has ever existed in the world such as the monopoly of credit: the monopoly of those tickets which are producing your effective demand.

No monopoly has ever existed of such far-reaching powers as this monopoly, and it would be absurd for us to say that those who are in possession of that monopoly will not fight to retain it, and therefore you may expect that all possible misrepresentation and confusion, which can be thrown into this matter, will be thrown into it, and is thrown into it, and one of the very favoured devices is to suggest that anything which is a change towards producing more purchasing power is something that is called "inflation."

Well, now, let me define the thing. There is such a thing as inflation: there was inflation in Germany after the War, and in Russia and elsewhere. Inflation is an increase in the number of tickets accompanied, mark you, by a corresponding increase in prices. So that both price and effective demand are equally raised, and the purchasing power in that case is decreased. That is true inflation, and simply amounts to a tax upon those people who already have purchasing power because their purchasing power, owing to the rise of prices which is produced by true inflation, will buy less.

They are simply taxed to the extent of the inflation, and that is exactly the thing which the orthodox economists and the bankers are asking to take place at the present time when they say that what is required is a rise in prices. So that we are at one with those people who say that inflation is to be avoided.

How it is possible for all those people who have attacked the views which I am putting forward to-night as inflation,

to have the hardihood to suggest that what is really wanted in the world is inflation, I really do not understand; but that is what they are saying.

Now a rise in purchasing power accompanied by a fall in prices is not inflation—it is an increased purchasing power, which is quite a different thing, and if you do apply credit as we call it—the source from which purchasing power is drawn—to a reduction of prices you cannot produce inflation.

We have had during the past ten or twelve years an absolute demonstration of the fact that it is possible to pay for an article from two sources, thus lowering the price, and not producing inflation. Nobody would suggest that the last few years was a period of inflation, either in Great Britain or even in New Zealand. During that time any number of articles have been sold below cost, and it has been done by the public paying the price of those articles at which they were sold, and the producer, out of his own private reserves, paying the difference and making a loss, and that is a demonstration of paying for an article from two sources and not raising prices.

Now if you can pay for an article from two sources, one of which is the private reserves of the individual, you can certainly pay for an article from two sources when the public credit is there to second it, without raising prices.

But, as a matter of fact, while that constitutes a bridge between the lack of purchasing power and the goods which are demonstrably there to be purchased, it does not meet what is one of the increasingly important aspects of the present situation, and that is this: There exists at the present time an entirely new productive system which has been growing up inevitably in the past seventy-five years.

We are accustomed to look on the productive and economic system as if it was the same thing that Adam Smith talked about one hundred years ago when individuals or small productive concerns—very small productive concerns, chiefly individuals—produced practically all the wealth of the world and exchanged it with each other, and it was probably fairly true to say at that time that "money was a medium of exchange."

Now from the economic point of view in the modern world, an increasing number of people have got nothing to exchange.

That increasing number of people are the people that we call the "unemployed." Their labour is not wanted by the present economic system. It has changed from being an individualistic producing system to being what you might call a "pooled co-operative producing system."

The fact that we have not got what we call a "co-operative state" in the Socialist sense does not in the least mean that we have not got a co-operative State in the technical sense. We have got it now—we are all co-operating in making that thing which we call the standard of living. One man makes one thing; another man makes another thing, and those things are no use to these men unless they are pooled and drawn upon by something that we call "effective demand." So that the modern economic system has completely changed from the system of exchange between individuals to a single wealth-producing system on which we all require to draw from the centre to the circumference, as you might say.

\*The first instalment of the Address appeared in *The Social Crediter* for October 13.

The creation of wealth at the present time is inevitably a co-operative matter. One man, by means of a most ingenious machine, makes a nut and a bolt. That nut and bolt is no good to him by itself—he does not live on nuts and bolts. Some other man has to make some other little bit of machinery, and together with a hundred or two of them, makes up what we call a motor-car. While a motor-car is useful, you cannot live on motor-cars. Somebody else has to make a lot of things through more ingenious machinery. We have steam-baked bread, machine-baked bread, plumbing and so on, all of which form the single pool of wealth from which we all draw.

Now this single pool of wealth is produced primarily by power and by ingenious kinds of machines. It is not produced primarily by labour at all, and it requires less and less labour to produce it, and from the point of view from which I am looking at the thing, the perfect industrial system will be one which requires no labour at all.

We have not got to that point yet: we are getting there pretty fast if something does not stop us. We have to recognise that there is an increasing number of people—a number which is bound to increase continuously up to the point where it forms the major portion of the population—which will not be required, for any considerable length of time of their lives, in the economic and productive system at all. That is one of the facts that you have to face along the lines on which we are going—and the proper lines too.

Now then we have to arrange that those people can get goods without being employed. Our objective is not to employ those people but to disemploy them and yet give them the goods. Now you can do that quite easily by something that we know as the dividend system.

If you have a dividend at the present time—if you are the owner of some of those very few shares existing in the world, still paying dividends—you are in fact getting a piece of paper which entitles you to a fraction of the production—not of the particular thing in which you have shares—but of the total production of the world. We have this pool of wealth, and if we extend this dividend system so that all of us who are not employed can have our dividend warrants, and those who are employed can be paid in addition to being employed, then we would have a state of affairs which exactly parallels the physical facts of the case, and nothing else.

I can well realise that there is need of great mental adjustment to agree to proceed along those lines. We have developed on the physical and productive sides to a stage which we can quite properly call middle twentieth century. We have not developed in our economic thinking processes, which are middle fourteenth century, and we have got to make up a great deal of lost time in a very short space; but the only way to do that is to clear your minds of any doubt whatever as to what it is you are trying to do.

If you will persist in assuming that the economic system is going to be some sort of governmental system—that all sorts of moral questions as to whether a certain man is worthy to have what you call a dividend, or whether it would be demoralising to him to have a dividend or something of that sort—you are simply introducing into what is an arithmetical proposition all sorts of propositions which have nothing to do with arithmetic at all.

Make up your minds what it is you want your productive

and your financial systems to do. Do you want them to be a governmental system? Do you want to make certain conditions which will govern a man getting these things, because if you do you want to dampen down your producing system; you want to cut down your producing system, and stop your producers from producing wealth, and your chemists from finding fresh methods of producing wealth. Stop these people and say, "We do not want any more wealth; there are quite a number of people in the world who are not worthy of having wealth, and we do not want them to have it."

I think it is very wrong from my point of view, but if you are going to do that sort of thing, be conscious of what you are doing, and do not mix it up with arithmetic—that is the important point.

Now, before closing, let me put to you: what are the difficulties? The difficulties are not at all on the productive side—the problem is not on the productive side at all, nor is it on the administrative side. It has nothing whatever to do, for instance, with the respective merits of administering, let us say, a large productive factory as a nationalised factory or as a private factory—those are questions of administration.

What we do know at the present time, beyond any possibility of doubt, is that whether the administrative system is perfect or not it is producing, not merely all that we can use by our financial system at the present time, but large surpluses, and in my opinion it is nothing less than suicidal to start reorganising an admittedly effective producing system before you have touched upon where the real trouble lies, and that is in the effective demand system, the purchasing power, so that you have to realise that it is neither in the actual processes of production nor in the methods called administration of production, that this trouble lies. It lies simply and solely in this ticket system which is summed up in the words, "the monopoly of credit," and the monopoly of credit is to all effects and purposes the same thing as the banking system.

Now I do not want to suggest and I never have suggested at any time, that bankers are anything less than ordinary persons of society, so far as 95 per cent. of them are concerned. I make a reservation of 5 per cent.

And I wish to say that none of those 5 per cent. are in New Zealand, so that no one can say that I am criticising New Zealand. But you have to recognise this fact: that this monopoly of credit is, as I say, the most terrific weapon for controlling the bodies and even the souls of the population of this earth, because it is controlled very often by publicity, and as there are various ways of disseminating publicity, it has terrible effects—the fear of the economic system—on the people, and does not only control their bodies, but their very souls to a large extent, and that is not going to be rectified without a very severe struggle.

There are two ways by which the problem can be attacked, and one of those ways has to do with the fact—which I honestly believe—that 95 per cent. of the personnel of the banking system are just ordinary, every-day hardworking business people like anybody else. You can make it clear to that 95 per cent. that they are engaged in a very anti-social business as carried on at the present time, and you can—and I say this with a full appreciation of the implications to be put upon it—drive a wedge

between the 95 per cent. and the irreclaimable 5 per cent. (not situated in New Zealand).

That has been done to my certain knowledge in many countries of the world, and there is no doubt at all about it that this cleavage in opinion in regard to this vital question is penetrating into the very highest quarters of financial circles at the present time, and a great deal of pressure is being placed in very high places indeed to get that 5 per cent. to see sense.

I speak with some knowledge of what I am talking about: but I do not believe they will ever make that irreclaimable 5 per cent. see sense. Then the answer is that they have got to be put out.

If they cannot be put out by the pressure of their own associates and subordinates, backed up by an increasingly firm and powerful public opinion, then they have got to be put out by constitutional means: by which I mean they have got to be put out by bringing the powers of politics to bear upon them. That I put second amongst the methods by which this matter can be achieved. But I would like to say in regard to this second method that it has a vital bearing on the inadvisability of pressing too quickly for the nationalisation of banking. I do not say that something like the nationalisation of banking will not have to come. I think it probably may have to come. But what I am perfectly certain of is that if you unite the powers of governments with the powers of banking before you have changed the banking system, you have got a problem which is doubly difficult to solve. So that what you have to do, if necessary, is to set the Government against the banks.

That is what has got to be done, but that has only got to be done, in my opinion, second, when all other things have failed, and first of all the pressure ought to be increased from every outside source on those who are in control over this system to see sense, and to realise that any continuation of this present absurd situation—because tragic as it is, it is almost equally absurd—cannot continue for more than a very limited space of time without a world-wide catastrophe, and whether with or without that catastrophe I am certain it cannot continue more than three or four years.

So, as I have said before, I do suggest to those people who are in power in these matters that they have no earthly chance of retaining this position in the control of forces which—very largely by negligence on our part—we have allowed them to usurp, and as they have no chance of retaining it, the sensible thing is to come down before they are brought down, because they are going to be brought down whatever the consequence. Unless this is done, the consequences to the world at large are too terrible to contemplate. There must be some rectification. We know the plan proposed on which the rectification should take place; but the details are not details of one fixed plan which can be clamped down on any country as the only plan which will suit the world. That is not true. Probably a plan for New Zealand would be a different plan from a plan for Australia, but the main principles are absolutely clear at the present time.

The financial system is nothing but a ticket system. The ticket system must be made to reflect the actual truth of the productive system and not attempt to control it. Finance must be made to follow industry and business

and not control them, and the actual means by which real wealth is produced must be recognised as being largely descended to us from the labours and the genius and the work of very large numbers of inventors, and so forth, who are now dead, and these inventions are the legacy of civilisation and therefore the product of their legacy is something to which we all have a right, and because that is the chief form of production, it is the factor in production which we all of us have a right to share.

Only in that way can this absurd anomaly—this unbelievable anomaly between poverty and tremendous, either actual or potential, plenty—be solved, and if that anomaly, that paradox between poverty and distress on the one hand and potential plenty on the other, is not quickly solved, then the civilisation to which we have devoted such wonderful care, and brought on to the very edge of a golden age, will go down with those of Greece and Rome.

### An Exponent of Democracy

Auckland, New Zealand, October 1, 1945.

New Zealand to-day possesses one Member of Parliament whose career should be of interest to all who understand the meaning of "Social Credit."

At the last general elections in 1943 the electorate of Remuera—a suburb of Auckland, long regarded as the most conservative in the Dominion—elected with the largest single vote in New Zealand, Mr. R. M. Algie, late Professor of Law at Auckland University College.

In 1937 Mr. Algie resigned to establish the Freedom League in whose service he wielded an able pen, and spoke with a polished and convincing style for several years. Soon after his election to Parliament Mr. Algie announced that he conceived it as his business to try to carry out the wishes of his electors and expressed a desire that committees should be formed throughout his constituency to keep him acquainted with the electors' instructions.

The "free and enlightened" electors of the superior suburb of Remuera either failed immediately to appreciate the possibilities in this situation, or else they had no material problems. One could hardly imagine an attitude on the part of a Member of Parliament more impeccable from the Social Credit point of view than that taken up by Mr. Algie.

In recent months however, the initiative has been taken on behalf of Remuera electors, by Mrs. Gertrude Brooks—a lady of considerable energy and with a refreshing capacity for knowing what she wants and determination to get it. As a resident of the new government housing suburb of East Orakei, Mrs. Brooks has successfully organised her neighbours into a local association for the purpose of stimulating official activity in providing such necessary facilities as street lighting and shops placed conveniently for the residents and not where some government official thought would be a good place for them. Similarly a much-needed bus service was demanded, despite official petrol shortage. To the surprise and delight of the tenants concerned, Mr. Algie promptly and energetically responded and his activities have already brought about the desired results. In reply to a recent letter from the tenants' association thanking him for his excellent work on their behalf, Mr. Algie has expressed pleasure in being able to serve a community which has shown itself so capable of deciding its wants and making them clearly known. He also expresses an

intention to use much of the forthcoming Parliamentary recess to get more closely into touch with this particular part of his electorate and its problems.

This seems to be a working model of how to set democratic machinery in motion, with the job made easier by the democratic attitude adopted by the new Member for Auckland's most "Conservative" suburb, plus the fact that Mrs. Brooks has for many years been a close student of the philosophy and tactical advice of Major Douglas.

That Mr. Algie's conception of democratic principles is sound has also been well illustrated in other directions and on subjects of wider interest during his brief period in the House of Representatives. As one example I quote his attitude towards the Socialist Government's action in setting up an official Commissioner to take control of the liquor business in the city of Invercargill which had voted itself "dry" more than thirty years ago and had remained good and parched ever since, until reversing the vote at the last general elections. Mr. Algie drew attention to this undemocratic action on the part of the Socialist Government who could claim no mandate to alter the system which had been in operation before the long drought set in.

But it was in respect of the ratification of the so-called San Francisco "Charter" that Mr. Algie made his most notable stand. When, early in August, and soon after the return of the Prime Minister, Parliament was suddenly and urgently asked to ratify this "Charter," Mr. Algie alone opposed the request on the grounds that they were being asked in effect to sign a blank cheque. The people, he pointed out, had been told nothing of its contents and to what obligations they were being committed. Mr. Algie said he did not feel justified in thus blindly committing the people whom he represented. He also drew attention to the misnomer of "charter" as applied to what was really better described as a "treaty," since "charter" implied a benefit conferred. The San Francisco "Charter" on the other hand would involve the Dominion in obligations financially and in military commitments the extent of which were entirely unknown. The Auckland *Star* editorially supported this attitude and pointed out that, ironically, the one possible safeguard to the Dominion might be the right of veto which Great Britain had maintained despite the almost passionate opposition of New Zealand's Prime Minister.

The "charter" was, of course, ratified, Mr. Algie alone refusing to vote.

Naturally this unusual exponent of democratic principles has been the target for some bitter attacks by the more rabid of the Socialist members, but after some of them had discovered how sharp and polished are the shafts of wit and irony which the newcomer can direct against them, they have become more cautious. Mr. Algie at least is likely to improve the standard of debate in the House.

F. H. R.

### German Libraries

According to the Ministry of Education, Miss Wilkinson during her recent visit to Germany observed that the "purge" of University Libraries, though decreed by the Nazis, was apparently never carried out freely and the supply of suitable books for advanced university courses may prove "not too inadequate."

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