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Citadels of Chaos

by H. SWABEY.

Cornelius Carl Veith, makes his *Citadels of Chaos** rather unpalatable to the British reader by his failure now and then to distinguish between the British and the Rothschilds. He makes, for instance, the ridiculous statement that "With the internationalists in charge the United States is to its own serious detriment back under the crown in all but the name of a colony." In the next sentence he says: "Starving England is compelled by the usury lords to export biscuits all over the world. . . . All starving countries have a Ministry of Food to keep them hungry." Mr. Veith, of course, is more than welcome to his Americanism and it is on the whole of a healthy enough type. But the kind of Americanism that has been exported does not affect even the common man very pleasantly. The robust George Robey, for instance, wrote of 'Americanism' and its effect on popular entertainment as follows (*Looking Back on Life*):

"It isn't any sort of degeneracy that has brought this strain of 'ma baby boy' treacle and muck to the Music Halls. . . . Trying to turn Variety into Uniformity is a perfectly rotten policy. . . . And the tradesmen who are trying to reduce as many artists as they can get hold of to the same level of sentimentality, the same order of jokes, the same way of talking, and the same fatuity of melody, are just doing their best to kill the institution."

Nevertheless, in 378 pages Mr. Veith make a valuable and sustained attack on the financiers who are ruining his continent, and shows by quotation that the earlier statesmen clearly understood what the danger was. Benjamin Franklin, for instance, when he was asked, on a visit to England, how the Colonies managed to be so prosperous, replied: "That is simple. It is only because in the Colonies we issue our own money. It is called Colonial Script. . . ." In 1751, the British Parliament passed an Act which prohibited the issue of paper money in New York, "and this was later extended to other colonies." Franklin said: "The colonies would gladly have borne the little tax on tea and other matters had it not been that England took away from the Colonies their money. . . ."

But in spite of the Constitutional provision that "Congress shall have the power to coin money and to regulate the value thereof; and of foreign coin," the war did not bring independence. As Jefferson wrote to Washington of Hamilton: "He wishes it (the National Debt) never to be paid, but to be a thing wherewith to corrupt and manage the legislature." In Jefferson's opinion, "banking institutions are more dangerous to our liberties than standing armies." The Bank's charter expired in 1811, and Congress refused to renew it. War with England followed in 1812, the charter was renewed in 1816. Jackson refused to renew the charter

in 1836 on the ground that it was *unconstitutional*.

The next move was the Civil War, "really fought to bring America firmly into the possession of the Rothschilds." Bismarck noted that "The voice of the Rothschilds predominated" in the scheme to divide and rule America. Lincoln countered with greenbacks, and called their opponents "the secret foes of the nation." The reaction of the Bank of England and of *The Times* is well known. The 1862 exception clause made greenbacks legal tender for all debts "except duties on imports and interest on the public debt." Czar Alexander II prevented English interference (to prolong the war?). Lincoln was murdered in 1865, and in his assassin's trunk coded messages were found, "the key to which was found in the possession of Judah P. Benjamin, Rothschild's agent to the South and Secretary of State in the Southern Confederacy." (Alexander was murdered in 1881). The "Crime of '73" followed, when silver was demonetized. President Grant said: "I did not know the Act of 1873 demonetized silver. I was deceived in the matter."

Mr. Veith next deals with the Federal Reserve Board (1913), and Charles Lindberg, Sr.'s comments: "The Glass bill positively abolishes the United States Treasury," etc. It is noteworthy that Paul M. Warburg, who came to America in 1906 from Germany and assisted in writing the Federal Reserve Act, claimed that he was interested in banking reform. The depression of 1923 was planned, Mr. Veith shows, at a bankers' meeting in 1920, through which farmers alone lost fifty billion dollars. He includes a banker's remark: "They (the farmers) ought to be ruined; they are getting so prosperous they won't work!" The panic of 1929 followed. William Lemke remarked, "This panic was caused by men."

He gives details of the Dawes settlement, the Young plan and the Lausanne settlement, and shows how Wilson helped a revolt in Mexico, and how Baruch advised an enormous loan to Brazil. Wilson finally admitted, with reference to the Great War, "We fought a commercial war." A letter from Ambassador Page makes this clear. Henry Ford said, "They told me that if I hoped to end war, I would have to deal with the International Banking Ring." Northcliffe said, "If loans stop, war stops."

Then he tells of America arming Japan and Britain arming Germany, and gives a sensational account of a conversation between Chamberlain and Hitler. He says, "The Treaty of London in article 15 insisted that Italy muzzle the Pope in his plea for peace." He includes also Lloyd George's unsavoury boasts, "The war has cost us nothing . . . England made a profit out of the war."

The final chapter, which is a sustained attack on UNO and its affiliates, is perhaps the best. Among comments on the UN draft bill, the following is valuable: "Among the worst examples of this are declarations that everyone has 'the right and duty' to perform socially useful work in return for

* The Meadow Press, Boston, U.S.A. \$2.50. (1949).

the right 'to such equitable share of the national income as the need for his work and the increment it makes to the national welfare may justify.' This is Marxian dogma and nothing else. . . ." There is probably not a great deal that Mr. Veith has to learn about the Wall Street pedigree.

The author's specific is a return to the Constitution, as cited above. But if Congress were packed, this would not make so much difference. There have been many money reformers—Warburg and Brandeis among them—and their efforts will produce results good, bad and indifferent until the correct method is applied.

PARLIAMENT

House of Lords: June 13, 1951.

Sabotage in Warships and Dockyards

Lord Vansittart: My Lords, I beg to ask the Question which stands in my name on the Order Paper.

[The Question was as follows:

To ask His Majesty's Government whether any progress has been made in tracing the authors and causes of attempts at sabotage in British warships and dockyards.]

The First Lord of the Admiralty (Lord Pakenham): My Lords, I am not clear exactly what the noble Lord has in mind. It has been stated on more than one occasion, in another place, that there is no evidence of organised sabotage in the Armed Forces. As far as the Royal Navy is concerned, most of the incidents which have occurred have consisted of malicious damage inspired by petty spite or individual grievances. Apart from the two ammunition explosions at Portsmouth and Gibraltar, any damage done has usually been minor. A number of culprits have been detected and punished.

Lord Vansittart: My Lords, I am very glad to hear the latter part of the noble Lord's statement. I rather wish that that news had been made public. As to the responsibility in this matter, I recall that eleven days after the Portsmouth explosion the Prime Minister himself said that this had been caused by persons of evil intent with considerable scientific knowledge. That does not look like a haphazard or petty grievance matter.

House of Commons: June 6, 1951.

Finance Bill—Committee

Mr. Lyttelton—continued:—

. . . I want to discuss at no great length the effect of this savage rate of tax on incentive, reward, the profit motive—to which the Chancellor of the Exchequer made some genuflexion the other day—and upon the national economy. Taxation at its present level is distorting the whole national life. I referred during the Second Reading of the Bill to the need for bonuses for extra efforts and premiums on success. Instead of that we have fines—fines on overtime, fines on high earnings and fines on profits, which are greatly in the national

interest. Does anyone deny that? They do not. What I want hon. Members opposite to realise is that it is demonstrable that the top layers of taxation are raised, not for revenue purposes at all, but merely for punishment. "If you earn a lot of money," say the Government, "as a lawyer, as a surgeon, a doctor, an actor, an author, a singer, or company director we will jolly well soon teach you not to."

I will try to give simple proof of this. Here it is, and I hope hon. Members will be a little surprised by the figures. If a law were passed to say that no one in the country had to pay any direct taxation, Income Tax and Surtax, at more than 15s. in the £—and I shall be glad to be corrected afterwards if I am £1 million or £2 million out—then, as near as I can calculate, it would cost the Exchequer £16 million a year—about 1½d. on the Income Tax. Compare that £16 million with the £4,333 million which has to be raised in taxation.

It is upon those figures that I based my statement, which I repeat, that the top levels of taxation are not intended for revenue purposes at all but as a punishment. They are intended as punishment on success at a time when what we want is private enterprise and the urge to increase our national wealth. [*Interruption.*] I quite understand how very distasteful the figures will be to hon. Members opposite, but I hope they will receive them in the proper spirit. . . .

. . . Incentive and hard work are cancelled by this penal taxation. I believe that there could be a higher yield from the "soak-the-rich" policy if some incentive were left. I think the punishment motive, beside being inequitable and unfair, is silly. It is hard nowadays to get lawyers to take briefs, to get doctors to take out appendices, for directors to take on new commitments, managers to take new responsibilities, or anyone else to make any effort at all. It is this deadening doctrine of trying to level out everything that is responsible. It is sapping the vitality of this trading nation that is largely carried on by the momentum of ideas which it has inherited, ideas which are extremely repugnant to the present Government.

A new generation is growing up, and it cannot be blamed if it looks twice at working overtime when it has to give up a large part of its earnings and is unwilling to take responsibility because it has no chance of adequate reward. It is all very well for the hon. Member to laugh, but those who run large companies now know that it is difficult to get people to take the higher responsibilities when they get no commensurate reward. I would be so bold as to put my industrial experience against that of the hon. Member. These rates of taxation are also poison to the ideas of personal thrift and saving.

The figures of net small savings for the last five financial years have been: in 1946-47, plus £324 million; in 1947-48, plus £189 million; in 1948-49, plus £37 million, and in 1949-50, minus £68 million; in 1950-51, minus £90 million. That is one of the reasons why my right hon. Friend describes the rise in Income Tax as being not wholly disinflationary, to use the jargon of Sir Stafford Cripps. I accuse the Government of gross mismanagement of our national affairs, and I urge them to economise now, before the value of the £ takes another lurch downwards. I would remind the Committee that this is the highest level at which tax has ever run in peace-time. . . .

. . . It is necessary to have an entirely new approach to the whole of our economic problems, and the true weapon

against inflation is increased production, not mentioned by the Chancellor in his Budget speech, and increased incentive. But the sombre realities of today, when we are already in the third month of the financial year, which imposed these taxes, have to be faced. We cannot re-write the history of the last six years. It is with great reluctance that I advise my right hon. and hon. Friends to let this Clause go. The plain fact is that no patching can be done now. What is required is not new taxes or new measures, but a new Government.

House of Commons: June 7, 1951.

Home-grown Wool (Price)

Mr. Rankin asked the Minister of Agriculture how the price of 6s. per lb. for home-grown wool had been arrived at.

Mr. T. Williams: I would refer my hon. Friend to the recently published White Paper (Cmd 8239) for an exposition of the factors which governed the fixing at the recent Price Review of the prices for wool and other commodities covered by Part 1 of the Agriculture Act, 1947.

Mr. Rankin: Is it a fact that the farmers had accepted a price of 2s. 6d. per lb. for home-grown wool and that when, at the public auction sales, wool began to fetch 9s. and 10s. per lb. on the world markets the farmers at home were given 6s. to keep them quiet.

Mr. Williams: No, Sir, I disagree with the last point of my hon. Friend. The guaranteed price was arranged at the February Review and it was agreed that any surplus secured from the auctions of the wool would be put on one side in a suspense account, but would belong to the actual producers of that wool, even though they could not have it distributed for four or five years.

House of Commons: June 11, 1951.

Electricity Supplies (Power Cuts)

Brigadier Clarke asked the Minister of Fuel and Power how far he anticipates that electricity cuts can be progressively eliminated from 1952.

Mr. P. Noel-Baker: I hope that the rapid increase in generating plant, and other measures to deal with the problem of peak hour demand, will bring about a progressive improvement in the next few years.

Brigadier Clarke: Meantime, has the Minister given any thought to paying compensation to the various firms who have lost money, since nationalisation, because of cuts?

Atomic Energy (Communist Activities)

Mr. Braine asked the Prime Minister whether, in the public interest, he will cause to be published a full report on the damage done to the security of this country by Communist agents such as Fuchs and Nunn May.

The Prime Minister (Mr. Attlee): No, Sir. It would be wrong to make public the full extent of our knowledge in

these cases, and, therefore, I do not consider that it would be in the public interest to publish such a report on this matter. I have no doubt that the public is already aware that Communist agents, such as Fuchs and Nunn May, have done very grievous damage to this country.

Mr. Braine: Is the Prime Minister aware that the United States and Canadian Governments have already published very full reports on this subject? Can he tell the House how it is that the North American people can be told of the damage done by, in some cases, people of British nationality, but that the British public are kept ill-informed? Does not the right hon. Gentleman realise that one cannot fail to draw the conclusion that the Government have something to conceal?

The Prime Minister: The hon. Member now seems to be more concerned in a party interest than in a public interest. He is no doubt aware that these scientists were taken on, not under this Government, but under another Government.

Mr. Gammons: Can the Prime Minister assure the House that there are no other people in possession of this secret information who are likely to do the same as these two people did?

The Prime Minister: How on earth can anybody know that? No one can be absolutely certain at any time that someone may have information which he might possibly give away. All we can say is that the utmost care is taken with regard to every individual employed.

Mr. Eden: Will the right hon. Gentleman bear in mind that the Canadian Government published some documents of very considerable interest and information, and also of warning, which I think would be useful? Would he consider doing something on those lines?

The Prime Minister: I will certainly consider that, but the right hon. Gentleman will realise that to state exactly what our atomic knowledge was, what the atomic knowledge of these particular individuals was, and what we imagined because we cannot know—was the atomic knowledge in the possession of Soviet Russia, would be a very difficult thing, and might result in our giving away information which we do not wish to give away.

House of Commons: June 14, 1951.

Officials (Entry Powers)

Mr. Bossom asked the President of the Board of Trade how many officials of his Department have the right to enter business or private premises without a court order or search warrant.

Sir. H. Shawcross: The number of Board of Trade officials with power to enter business premises without a court order or search warrant is 179. No official of the Board of Trade is authorised to enter private houses used exclusively as such.

Mr. Bossom: How many convictions have been secured during the last year?

Sir H. Shawcross: I cannot say without notice.

Mr. Bossom: Would not the police have been equally competent to do the work that these 179 officials are doing.

(continued on page 6).

Grand Orient

FREEMASONRY UNMASKED

by MGR. GEORGE E. DILLON, D.D.

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Saturday, June 30, 1951.

From Week to Week

The sharp contrast between the two views which compete for attention in *The Tablet*, the irreconcilability of which is apparent to anyone with an appreciation of what constitutes sound and what is unsound finance, is nowhere better (or worse) illustrated than in the persistent effort which that journal is making to bring the absurdity of ballot-box democracy under the limelight of intelligent inspection, while at the same time as persistently blurring the outlines of the only thing which could make ballot-box democracy *continuously and progressively* dangerous. We have no intention of trying to bring the technics of economics within the framework of theological doctrine *per se*; but we do not despair of bringing to the attention of whomsoever it concerns the fact that while the means open to liars for extending the scope of lying include the resources of modern technics, economic and otherwise, the sin of lying is moral not technical. What chiefly interests us in an article published by *The Tablet* on June 23 is not its recognition (valuable as that is) that modern predatory politics is associated with the art of transferring property, and still less with the doctrine that the supporters of any party benefit thereby (which is a distinctly less valuable suggestion); but with the suggestion that a new kind of political instability can 'clearly' be seen to be emerging from 'the crisis of government from below.' We should be happier if we saw the instability. The whole point about entropy is that bound energy is inherently stabler than free energy—it has the stability of bondage—which is the stability of Death.

As the effects of irresponsible voting become more and more fantastically obvious and disastrous, the power to maintain irresponsible voting as a disaster-producer waxes in strength. This power is the power of predatory finance—the power of a purse which never can be empty because what fills it is pure deceit, an inexhaustible commodity in the possession of the deceivers, and the sole inexhaustible commodity they possess. Even Mr. Hawtrey has given recent evidence that neither he nor anyone else can retreat from the proposition (of which he was the author) that "banks create the means of payment out of nothing." The first deal for which the Bank of England is famous was as explicit. Deprived of the concentric behaviour of publicity and corrupt finance, publicity could not maintain the party system—at least in its present vicious form.

POSTHASTE FROM LOS ANGELES (*via* New York): Stars

are moving outward in space and their runaway speed is increasing in proportion to the distance of the stars involved. Those 250 million light-years away have a runaway speed of 25,000 miles a second, those 300 million light-years away a speed of 31,000 miles a second—and so on. So far as we can gather, they are running away from an American called Humason. So, is it any wonder . . . ?

Now, in Persia. . . .

The Archbishop of Canterbury (a Freemason) 'ordered' the Freemasonry resolution of the Rev. R. C. Meredith, of Windsor, to be placed on the agenda for the Church Assembly on June 21. The Archbishop of York, who said he was not a Freemason, thought it would be a "very serious mistake to attach greater importance to Mr. Hannah's article in *Theology* by putting up a commission to enquire into the charges made by it." There was only one voter in favour of the resolution (could it have been Mr. Meredith?)

At all events, the mistake has not been made of constituting the laity an authority on doctrine. Although unwilling to speak the voice 'of Authority' may yet have to whisper, and is doubtless doing a lot of whispering already.

"Harvard Hogs the Headlines—But"

In an article contributed to *Human Events* (Washington), a Yale graduate, William F. Buckley, Jr., says ". . . Harvard gets most of the credit for nourishing the new, irresistible, mid-century liberalism—collectivism. Yale deserves just as much credit for it. . . . She doesn't make so many headlines, she doesn't contribute so much grist for Westbrook Pegler's columns, so many clerks for Supreme Court Justices, or so many articles for the *New Republic*. But in a very real sense, Yale is more systematic. She goes about her task of collectivizing less ostentatiously. But let no one say that Yale is not pulling her oar, that she is shirking her responsibility to persuade her young men as to the merits of the Leviathan State.

"Yale recognizes that the most important single spring-board from which to launch collectivism is the basic economic course. Approximately half of her undergraduates enroll in 'Elementary Economics' before leaving New Haven. And so it is here that much of the work can be done:

"To that end, in the past five years, books by Samuelson (*Economics: An Introductory Analysis*), Bowman and Bach (*Economic Analysis and Public Policy*), Morgan (*Income and Employment*), and Tarshis (*The Elements of Economics*), have been used as basic texts.

"Now all of these books profess respect for the institution and achievements of free enterprise, a tactic indispensable, at the present, to successful collectivizing. Socialism still has to be subtle. So it is only after calculated enthusiasm for our economic system that these text writers proceed to undermine the free market place. This approach is far more effective, in my opinion, than a hundred lectures at Harvard by Harold Laski. For he bore the label 'socialist,' and his straightforwardness put many of his students on their guard.

"Not so with the text writers of Yale economics (whose approach is adopted by most of the instructors)."

Gnosticism (*continued*)

Dean Mansell continues:—

If the affinity between the Zend and the Sanscrit languages and the similarity in some of the legends and traditions of the two nations, indicate a common origin of their religious beliefs, the differences between these two beliefs in their more developed stages no less indicate a considerable change in one or the other at a later period. The Persian system, as we have seen, is dualistic; the Indian is a monotheism, pushed to the extreme of pantheism, and even (strange as such a development may seem) of atheism. In the Persian scheme the source of evil is spiritual; in the Indian it is material. Evil itself in the one is a terrible reality; in the other, as in all consistent pantheistic schemes, it is a mere appearance and an illusion. In the Persian doctrine matter itself is not essentially evil; it is the production of a beneficent being, and the object into which it enters may be good or evil according to the power by which they are produced. In the Indian system matter is the root of all evil, and the great aim of religion is to free men from its contamination, even at the cost of annihilation itself.

Of the two great divisions of the Indian religion, Brahmanism and Buddhism, the latter is that with which we are chiefly concerned as the channel through which Indian belief and speculation obtained an influence in other countries. The Brahmanical religion was founded upon the total isolation of the Indian people and its castes, and admitted of no communion with other nations; the Buddhist faith was designed for all mankind, and its disciples were zealous and successful propagandists. The principal points of contact however between Indian philosophy and Gnosticism may be regarded as common to both branches of the former. These are, (1) the doctrine of the emanation of the world from the one absolute existence, and of its final reabsorption into that existence; (2) the doctrine of the inherent evil, and at the same time of the unreality of matter; (3) the doctrine of the antagonism between spirit and matter, and the practical consequence, that the highest aim of religion is to free the soul from the contamination of matter, and to raise it to a final absorption in the being of the absolute.

The Buddhist however carried his metaphysical abstraction to a higher point even than the Brahman. While the Brahm of the orthodox Hindu philosophy, the one sole absolute substance, the ground and reality of all things, is represented as simple existence, the first principle of the Buddhist religion is carried a step higher still in abstraction, and identified with pure nothing. According to the Buddhist creed nothing is, and all seeming existence is illusion, the offspring of ignorance, which true knowledge resolves into nothing. The highest end of human life is to escape from pain by annihilation; the highest virtue is that which prepares the soul for the knowledge which is to end in annihilation. In order to overcome ignorance, the cause of seeming existence, and desire, the cause of ignorance, the votary of Buddhism is bidden to practice the most rigid asceticism and to devote himself to the most intense meditation. By this process he is gradually to extinguish desire, sensation, thought, feeling, even consciousness itself, till he finally arrives at complete rest in complete extinction (*Nirvana*, literally 'blowing out'), the soul being not even, as in the Brahman doctrine, absorbed as a drop in the ocean, but in the literal meaning of the phrase, blown out like a lamp. The Gnostic systems fall far short of

this gigantic heroism of absurdity; yet its influence in a diluted form may undoubtedly be traced in the antagonism which they maintained to exist between matter and spirit, in the deliverance of the spirit by asceticism, and in the contrast between ignorance and knowledge, the one the source of illusion and misery, the other the sole means of obtaining deliverance and repose.

The influence of the Persian religious philosophy may be mostly clearly traced in those forms of Gnosticism which sprang up in Syria, a country which both from geographical position and historical circumstances must have had frequent means of communication with the head-quarters of the Magian system. The sects which sprang up in this country chiefly based their teaching on the dualistic assumption of an active spiritual principle and kingdom of evil or darkness, opposed to the kingdom of goodness or light. The Indian influence in a modified form may chiefly be traced in those forms of Gnosticism which sprang up in Egypt, which appears to have been visited by Buddhist missionaries from India within two generations from the time of Alexander the Great, and where we may find permanent traces of Buddhist influence, established at all events before the Christian era. The Therapeutæ or contemplative monks of Egypt, described by Philo, whom Eusebius by an anachronism confounds with the early Christians, appear to have sprung from an union of the Alexandrian Judaism with the precepts and modes of life of the Buddhist devotees, and though their asceticism fell short of the rigour of the Indian practice, as their religious belief mitigated the extravagance of the Indian speculation, yet in their ascetic life, in their mortification of the body and their devotion to pure contemplation, we may trace at least a sufficient affinity to the Indian mystics to indicate a common origin.

The principal sources of Gnosticism may probably be summed up in these three. To Platonism, modified by Judaism, it owed much of its philosophical form and tendencies. To the Dualism of the Persian religion it owed one form at least of its speculations on the origin and remedy of evil, and many of the details of its doctrine of emanations. To the Buddhism of India, modified again probably by Platonism, it was indebted for the doctrines of the antagonism between spirit and matter and the unreality of derived existence (the germ of the Gnostic Docetism), and in part at least for the theory which regards the universe as a series of successive emanations from the absolute Unity. Other supposed sources, to which Gnosticism has with more or less probability been sometimes referred, will be noticed in my next lecture.

LECTURE III. SOURCES OF GNOSTICISM — CLASSIFICATION OF GNOSTIC SECTS... In addition to the three sources to which in my last lecture I endeavoured to trace the origin of the Gnostic systems, namely, the Græco-Jewish philosophy of Alexandria and the religious systems of Persia, and India, other countries and systems have been occasionally named as probable tributaries to the stream. Egypt, Phœnicia, China, have all been enumerated by modern critics among the precursors of Gnosticism; but it may be doubted whether anything can be produced from the philosophy or religion of these countries which may not be derived more directly and with more probability from the sources previously mentioned. There remains however at least one system of religious philosophy, which on account of its close affinity to the Gnostic theories and the possibility, to say the least, of an

actual historical connection between it and them, cannot be passed over without a special examination—I mean the Kabbala, or secret teaching of the Jews.

The word *Kábbala* (if we may adopt a pronunciation which, though not strictly accurate, has at least been naturalised in English) literally means *reception* or *received doctrines*, and, substituting the active for the passive relation, may be perhaps fairly rendered *tradition*, a word more exactly corresponding to the Hebrew *Massorah*. In actual use it designates a system of traditional and partially at least of esoteric or secret teaching, which has not inaptly been called the Jewish Metaphysic, and which may be compared to the Jewish philosophy of Alexandria, as being, like it, an attempt to combine the theology of the Old Testament with a philosophical speculation derived from foreign sources. But while the Alexandrian philosophy was cultivated by Hellenistic Jews and published entirely in the Greek language, the Kabbalistic doctrines, if we allow them the same antiquity, must be regarded as the peculiar study of the Jews of Palestine, and as confined with equal exclusiveness to the Hebrew language. The principles also of the two systems, notwithstanding some resemblances in matters of detail, must be regarded as fundamentally different. While the Platonic philosophy, which was the chief source of the speculations of Philo, is, in principle at least, a dualism, recognising an original distinction, and even opposition, between the maker of the world and the matter out of which it is made, the philosophy which the Kabbalists attempted to blend with the belief of their fathers is in principle a pure pantheism, adopting as its foundation the hypothesis of an absolute unity, a God who is at the same time the cause, the substance, and the form of all that exists and all that can exist. The Kabbala has been asserted to be the parent of the philosophy of Spinoza; and whatever may have been the historical connection between the two, the similarity of their principals can hardly be denied. In the place of the personal God, distinct from the world, acknowledged in the Old Testament, the Kabbala substitutes the idea of an universal and infinite substance, always active, always thinking, and in the process of thought developing the universe. In the place of a material world, distinct from God and created from nothing, the Kabbalist substitutes the idea of two worlds, the one intelligible, the other sensible, both being, not substances distinct from God, but forms under which the divine substance manifests itself. Here we have under one aspect, that of the universal substance, the principle of Spinoza, under another, that of the universal process, the principle of Hegel. The doctrines of the Kabbala are chiefly contained in two books, known as the 'Sepher Yetzirah or Book of Creation,' and the book called 'Zohar' or 'Light.' The former professes to give an account of the creation of the visible world; the latter, of the nature of God and of heavenly things—in short, of the spiritual world. Both proceed from the same pantheistic point of view, though differing in the details of their contents. The former pretends to be a monologue of the patriarch Abraham, and professes to declare the course of contemplation by which he was led from the worship of the stars to embrace the faith of the true God. It consists of a scheme of cosmogony and anthropogony, running parallel to each other, man being regarded as the microcosm, or image in miniature of the world, exhibiting in his constitution features analogous to those of the universe. The method reminds us of Thales and Pythagoras together; the letters of the Hebrew alphabet, together with their numerical powers,

being employed as symbols to represent the material elements of the world regarded as emanations or developments of the one divine substance or spirit. For the purpose of our present inquiry however, this work is of little importance compared with the other Kabbalistic book, the *Zohar*, in which, if at all, the traces of a connection between Kabbalism and Gnosticism will be found.

(To be continued).

PARLIAMENT.

(Continued from page 3)

Sir. H. Shawcross: No, Sir. This is largely specialised work which it would be unwise to impose upon the police. I have no doubt that the existence of this force of inspectors helps to avoid offences being committed and prosecutions having to take place.

National Finance (Post-War Credits)

Sir I. Fraser asked the Chancellor of the Exchequer if he will allow post-war credits to be set off against income tax.

Mr. Jay: Arrears of Income Tax on salaries and wages for 1945-46 and earlier years are set off against the post-war credit for 1945-46. That was a special arrangement made to meet exceptional circumstances, and I cannot extend it to allow other post-war credits not yet due for payment to be set off against tax arrears now due.

Bank of England (Profits)

Sir W. Smithers asked the Chancellor of the Exchequer the profits of the Issue Department of the Bank of England for the years ending 31st March, 1940, to 31st March, 1951, inclusive.

Mr. Jay: The figures are:

Year ended.	£
31st March, 1940	6,078,000
31st March, 1941	8,893,000
31st March, 1942	7,637,000
31st March, 1943	9,071,000
31st March, 1944	9,541,000
31st March, 1945	16,568,000
31st March, 1946	14,152,000
31st March, 1947	8,850,000
31st March, 1948	10,193,000
31st March, 1949	12,658,000
31st March, 1950	7,316,000
31st March, 1951	10,568,000

Tibet (Anglo-Indian Consultation)

*Mr. Gamman*s asked the Secretary of State for Commonwealth relations what consultations took place between His Majesty's Government in the United Kingdom and the Governments of India and Pakistan with regard to the situation in Tibet; and if any joint action was agreed on.

Mr. Gordon-Walker: We are always in close touch with the Government of India on matters relating to Tibet since all our existing Treaty rights and obligations with regard to Tibet were assumed by the Government of India on the transfer of power to India in 1947 and they maintain a representative in Lhasa. Our exchanges of views with other Commonwealth Governments are always treated as confidential but I can say that no question of joint action has in fact arisen.

House of Commons: June 14, 1951.

Finance Bill.

Considered in Committee.

New Clause.—(AMENDMENT OF S. 3 OF FINANCE ACT, 1920).

Subsection (2) of section three of the Finance Act, 1920, shall have effect as if for the words "nineteen hundred and twenty," there were substituted the words "nineteen hundred and fifty-one," and as if for the words "ten pounds, ten shillings and tenpence," there were substituted the words "seven pounds, seventeen shillings and sixpence."—[*Colonel Gomme-Duncan.*]

Brought up and read the First time.

Colonel Gomme-Duncan (Perth and East Perthshire): I beg to move, "That the Clause be read a Second time."

. . . It may not be known to some hon. Members that the present tax on whisky is £10 10s. 10d. per proof gallon. We suggest that the figure should be reduced to £7 17s. 6d. There is nothing sacrosanct in the figure we have chosen. It was chosen with a view to bringing to the notice of the Government the very serious state of this great Highland industry due to excessive taxation. I should like to put a little more clearly the effect of this on agriculture in Scotland, because whisky is a product of agriculture. Distilling is the best market for malting barley which, as everybody knows, is a high grade barley which grows particularly well in parts of Scotland.

This tax of £10 10s. 10d. per proof gallon represents the positively staggering figure of a tax of £1,000 per acre of barley grown in Scotland for distilling. . . .

. . . The approximate yield of barley per acre is 19 cwts. which, if it is good quality barley, will make 100 proof gallons of whisky. If that is multiplied by £10 10s. 10d., the answer is almost exactly £1,000 per acre of barley grown.

A healthy home market is absolutely essential if this great Highland industry is to be kept alive. We must have greater supplies at home than we have now, and it is essential that those supplies at home should be cheaper. They cannot be cheaper so long as this terrific tax remains upon what, after all, is one of the most important industries in the country. It cannot survive on foreign trade alone, although everybody will admit, and you, Major Milner, I am sure are aware, that the part which whisky distilling has played in our dollar earnings for its size, exceeds that of any other industry in this country. But it cannot go on if there is no home market as well.

In the last two years, 30 million proof gallons of whisky have been made. It is not yet ready for sale, but when it is it will have to be realised that the foreign market cannot absorb it and that it must come on to the home market, which will make sales impossible if the price remains as it is at present, because people cannot afford to pay 35s. per bottle for whisky. I am talking of people of moderate incomes, who are the vast majority of the people of this country and those upon whom this trade depends.

Before 1914, a man earning £2 a week could easily afford a bottle of whisky a week, because it cost him 3s. Today, if he is earning £5 a week or more, he has to pay 35s. for a bottle. It is no good hon. Members laughing at this; these are facts, and they are very vital facts to the case which I am trying to put. This is a home product. Why should this home product suffer more than imported products?

Let me give an example, very briefly, by illustrating the difference between the prices of cigarettes and whisky. Before 1914, 20 cigarettes cost 6d.; they are now 3s. 6d., which is a sixfold increase. For whisky, it was 3s. a bottle then, and was also much stronger than it is today. . . . Today's price of 35s. a bottle represents more than a tenfold increase, as opposed to the sixfold increase in the case of cigarettes. Of that tenfold increase, eight-tenths is in respect of Excise Duty. Why should this be? Tobacco is grown by foreigners and is imported, while whisky is a home product, produced in this country by British people. Why should it be selected for this positively killing taxation? . . .

Mr. Boothby (Aberdeenshire, East): Scotland has given much to the world. There is no doubt that three of the greatest gifts she has bestowed on mankind are herrings, oatmeal and whisky. I do not think the Committee realises what a dollar earner whisky is to this country. In comparison with the amount of labour that is employed and the amount of money involved, the amount of dollars we get back is fantastic. The amount of dollars earned per man-hour is far higher than in any other industry, and the whisky industry is one of the greatest dollar earners of any industry—including the Cunard Line.

This is a fantastic tax. I cannot call it punitive; I can only call it ridiculous. It is preventing the consumption of whisky in this country, and I maintain that one cannot expect to have this vast export trade in dollar areas indefinitely without some kind of home market. I believe that to be a perfectly serious and valid point. I would also point out to the Financial Secretary and the Economic Secretary that this is class legislation of the most shocking and shameless kind.

The very rich can afford whisky, they can afford to get it and to drink it, but the working class cannot. [HON. MEMBERS: "They never could."] Yes, they could. They could afford whisky when the best whisky was 3s. 0d. a bottle. If hon. Members opposite think that the working class of Scotland never could afford to buy whisky to drink, all I can say is they know nothing at all about it, and do not know their Scotland. [Interruption.] I did not say a bottle of whisky. It has not been a matter of a bottle since the halcyon days before the First World War. It is an extremely healthy drink.

I remember going with a deputation to see Sir Stafford Cripps three years ago about the duty. One of the leading spokesmen on the deputation waited until the very end to bring forward the formidable point in the whole of our armoury. He said, "It is a point, Sir Stafford, which must appeal to you," and raising his voice to a hoarse whisper he added, "The younger generation in this country is losing its taste for whisky." I must say that Sir Stafford was not frightfully enthusiastic. He saw the point, but without much enthusiasm. It is true, and it is a great pity. [HON. MEMBERS: "It is tragic."] I agree, it is tragic.

We are running a grave risk of losing a great industry, which brings much prosperity to the North of Scotland and to the farmers there, and also brings an immense amount of dollars to this country. But there are limits, and if the Government wish to impose this penal and class taxation in favour of the rich against the poor, I suppose it is their

look-out. If the present tax on whisky is maintained it may ruin one of the greatest industries of the country.

Mr. Jay: . . . The hon. and gallant Member for Perth and East Perthshire (Colonel Gomme-Duncan), who rightly said this is a very high duty, proposed a rather drastic reduction. He wants to reduce the figure from the present level of £10 10s. 10d. per proof gallon to £7 17s. 6d. That would actually mean a reduction in the price, according to my information, of 6s. 2½d. a bottle. In the present circumstances I think there could be only two reasons for the Committee accepting that proposal. The first would be that this industry, owing to lack of total demand at home and abroad, was in danger of collapse or serious decline, and the second that consumers of whisky were particularly in need of tax relief.

As to the first argument, although a very high proportion of whisky is exported, according to all the information at our disposal, it is the fact that, in spite of the high price, the demand at home still exceeds supply on the home market. Therefore, at the moment, there is no sign of the possibility of the industry being in serious difficulty owing to lack of demand.

. . . As to the consumer, this concession would cost over £8 million and if one extended it, as I think one would have to do, to home-produced gin, it would cost something like £17 million. It seems to us in all the circumstances of this year, and having regard to other claims both on the taxation side and on the social services side, a relief of that magnitude is certainly not one of the first priorities before us on this Bill.

Mr. Spence (Aberdeenshire, West): It seems to me that the Financial Secretary was not seized of the extremely serious situation that has developed for the distilling industry. Figures have been given and I should like to dissect them a little further. Production per year at the moment, encouraged by the Government, is 30 million gallons. The total disposals both for home and export added together, are only a little more than 12½ million gallons. Therefore, we are piling up whisky in our bonded stores at the rate of approximately 17 million gallons a year.

That was desirable over the last three or four years, for during the war and in the years subsequent to the war distilling was restricted and in some cases stopped entirely. Our bonded stores were exported and we had to make up that leeway. But what people in the trade want to know is what is the intention of the Government about the future of this industry when bonded stores are again full, as they will be in a very few years from now.

It is impossible suddenly to create a demand for whisky if one has deliberately cultivated people's palates away from it for years, and by this punitive duty on whisky today we have deliberately educated the home market away from whisky to all kinds of foul concoctions that do no one's stomach any good. . . .

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Mr. Godfrey Nicholson (Farnham): I want to intervene only for a few minutes. I must first declare my interest in this matter, because I am a distiller of gin and a dealer in whisky and other spirits. This is just as much an English matter as it is a Scottish matter. I cannot approach it with the wit or levity of my hon. Friend the Member for Edinburgh, South (Sir W. Darling). Gin is even harder hit on the wholesale side. I wonder how many hon. Members realise that more than fifteen-sixteenths of the wholesale price of gin is represented by duty. The danger of the position is—and I look at it purely from the fiscal angle—that if the present rate of duty on spirits is raised there is the real possibility that the Exchequer will suffer heavily from the Revenue angle. . . .

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