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FOR POLITICAL AND ECONOMIC REALISM

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FROM WEEK TO WEEK

The novel *Ivanhoe* is probably the least meritorious of the works of Sir Walter Scott. But it is almost unique in its presentation of the mediaeval Jew in a favourable light. It has been adapted (featuring Isaac of York and his daughter Rebecca) by Mr. Clifford Sharpe, Editor of the *New Statesman*, the Socialist weekly, for presentation by the B.B.C. in the Children's Hour.

Mr. Mackenzie King's attempt to hamstring the Canadian Provinces under the excuse of enhanced war effort has been torpedoed by Mr. Aberhart of Alberta, Mr. Mitchell Hepburn of Ontario and Mr. Pattullo of British Columbia. Apart from the importance which attaches to the rejection of the Rowell-Sirois Report, an attempt to detach all effective power from the Provinces and centralise it in Ottawa, it is the first concrete evidence that the Provinces can if necessary defeat the Federal Government. It is significant that the only Premier who voted in favour of the Report was Mr. Bracken, the Liberal Premier of Manitoba whose election was the occasion of wide and most circumstantial allegations of electoral corruption.

Marshal Pétain is anti-Masonic and anti-Jew, and Laval is a Mason and looks like a Jew. Hitler is said to be desirous of putting out Pétain, and putting in Laval. Slightly odd for an anti-Semite?

Have you noticed that the Riom Trials of the Grande Orient Freemasons either have not taken place, or have not been reported?

Jacob Schiff (Kuhn, Loeb and Company) was born in Germany. During the early part of the 1914-18 war, he did everything possible to help Germany to win, because he thought she was going to win anyway. When he

thought she was not, he did everything to make her lose.

To-day in New York. "This group [young Jew bankers—Ed.] feels that the United States would make greater profits if British commerce and finance were destroyed, and if the United States could proceed alone to reconstruct Europe."—Madame Tabouis. Just like Russia you see.

Mr. HEPBURN ATTACKED BY Mr. ILSLEY

It was not to be expected that Mr. Hepburn's support, at the recent Dominion and Provincial Conference on financial and constitutional reforms in Canada, of Mr. Aberhart's demand for a departure from orthodoxy in financing the war would pass without attack from the opposition.

Mr. Ilesley, Canadian Finance Minister, has strongly criticised Mr. Hepburn in a statement to the press. According to *The Times* he described Mr. Hepburn's proposal as a "defeatist and inflationary policy" and declared that its adoption "would mean a drastic reduction in the wages of every worker in Canada, would produce much misery and would give the enemy great delight. He deprecated Mr. Hepburn's alliance with Mr. Aberhart, the Social Credit Premier of Alberta, as particularly dangerous, because the heavy burdens of the war might make an element of the Canadian people ready to play with the fire of inflation. He also pointed out that since 1933 the Federal Governments had pursued a policy of expanding credit and currency fully as rapidly as the country's requirements demanded."

The statement issued by Mr. Hepburn to the press is not yet available in this country, or at least, has not yet been published. But the crudeness of Mr. Ilesley's reply which with its transparent use of all the phrases arousing

current prejudice is equivalent to the small boy's retort, "Yah! 'Tisn't," says much for the realistic nature of the proposition. Certainly Mr. Aberhart would not back a proposal that would have the effects described, as the course and results of his government's actions in the last few years shows.

AS "THE ECONOMIST" WOULD LIKE TO SEE IT

On January 18 *The Economist* devoted the best part of two pages to an article entitled *Bank Profits* in 1940. It said that the aggregate profit of the eight chief banks was £9,480,455 in 1940 against £10,415,585 in 1939.

The article concluded "the omens favour a further rise in the banks' gross profits in the coming year, but that will be a matter of purely platonic interest to shareholders so long as 100 per cent. E.P.T. enables the Government to take away with one hand what it gives with the other. The result of a war fought and financed under the conditions obtaining to-day, indeed, is likely to be, not the battenning of a sinister financial interest on the community which publicists of a certain political complexion [how complex!] profess to discover in our banking system, but rather a still closer identification of that system with the policy of the Government. In war-

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By John Mitchell

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THE TOLERANT SPIRIT (II)

By N. F. W.

time, the role of finance, though essential, is subordinate to the main task of directing a maximum part of the national income to the purpose of victory. And the banks' status as an executive arm of the authorities is clearly defined for the war's duration, and possibly for a long time afterwards.²³

EDUCATED AMERICANS AND ROOSEVELT

A correspondent writes:—"I have seen a private letter from U.S.A. recently which was of very great interest. The writer was an Englishman appointed to a temporary professorship at _____ University. He was himself a supporter of Roosevelt's policy and had been greatly interested in the course of the presidential election. He wrote somewhat naively that he could not understand why the whole of the university staff and the staffs of other universities were strongly opposed to Roosevelt's policy of increased federal control. He implied that increased centralisation represented the 'evolutionary trend' of democracy. It occurred to me while I listened to the reading of the letter that if the educated classes of U.S.A. are awakening to the danger, there is considerable hope for us. The Americans will have a job, because the

lower house has less power than our House of Commons had (up to two years ago)."

"A TRIAL OF CORPORATIONS"

Recognition that a socialised state is being built by a 'conservative' government under cover of the war was expressed by Mr. Bernard Harris, of the *Sunday Express*, who on January 26 wrote:

"Again, the [new Government transport] scheme for the present is to be run by a branch of the Ministry of Transport and is intended to end with the war. But is there not a general tendency nowadays to set up public corporations on the lines of the London Passenger Transport Board? If this happens with national transport the private hauliers will find their living gone.

"Similar fears are being expressed in the building industry, where reports of the formation of a national building corporation to rebuild devastated areas are becoming more and more insistent.

"These reports are coupled with the name of Lord Reith, who has moved from post to post leaving behind him a trail of public corporations and is now Minister of Reconstruction and Building."

ABSTRACTION OF LIBERTY

At a recent luncheon of the Fabian Society and the Labour Book Club, Mr. Attlee gave a talk about the Spirit of Liberty.

Hadn't he better introduce this rarified Muse to the armaments workers who nightly spend up to three hours in a two mile line in the wind and the rain waiting for a bus to take them home?

But perhaps he was referring to the Ghost of Liberty, which would be a different matter.

At his initiation as President of the United States Mr. Roosevelt called it the Sacred Fire of Liberty. He was quoting George Washington, who was a freemason.

In this country we don't yet go in for burnt offerings.

THE 1d. DAILY

Swiftly progresses the British Press to-day,

It's easy going— downhill all the way
E. J. P.

EYE ON PARLIAMENT

The following passages are taken from the House of Commons Official Report (Editor, P. Cornelius), known as 'Hansard'. The date and occasion of the words are given above each section, and the speakers' names by the side. The number of columns occupied by the printed report of each section cited is also given. Lack of space imposes a severe limitation on the selection of matter for reproduction.

January 21.

Oral Answers (34 columns).

BRITISH ARMY

ADMINISTRATION (COMMITTEE).

Sir John Mellor asked the Secretary of State for War what steps have been taken since the outbreak of war, and what further steps he proposes to take to reduce the amount of paper work which is required of units?

Captain Margesson: I would refer my hon. Friend to the answer given to him by my predecessor on 18 December last, and to the answer given to my hon. and learned Friend the Member for East Leicester (Mr. Lyons) on 22 October last. The processes referred to in the earlier answer are continuing. I have every reason to believe that they are

resulting in a reduction of paper work, and I hope that even greater reductions may result in the near future.

Sir J. Mellor: Does the right hon. and gallant Gentleman appreciate that in the Home Forces company commanders are often snowed under with paper work at a time when their activities should be devoted to training? Will he consider, with a view to partially solving this problem, that rather wider latitude should be given to unit commanders in matters involving the expenditure of public money?

Captain Margesson: That is exactly the line along which we are working. We are trying to decentralise and make more action possible in the commands. I am hoping that in that general outline we shall succeed. What we all want

is better and quicker administration than has hitherto been possible.

Sir J. Nall: Will the right hon. and gallant Gentleman inquire whether it is a fact that there are too many officers at Army Corps and Divisional headquarters, with the result that there is overlapping?

Captain Margesson: Yes, Sir.

WAR AND PEACE AIMS

Mr. Mander asked the Prime Minister whether he is now able to make a statement with reference to the war and peace aims of the Government?

The Prime Minister (Mr. Churchill): Most right-minded people here and abroad, and especially in the United States, already fully understand

the causes and principles for which we are waging war upon the Nazi tyranny. His Majesty's Government are always on the look-out for any opportunity of making a statement that would be helpful to our victory and to the liberation of the nations now ground down under the German yoke. I am not, however, able to add anything at the present time to previous answers on this subject.

NATIONAL FINANCE

GOVERNMENT BORROWINGS.

Mr. Loftus asked the Chancellor of the Exchequer whether he will consider the adoption of the proposal of the Federal Reserve Board of the United States of America designed to prevent inflation, namely, that all issues of Government loans must be sold to individuals and corporations but not directly subscribed to by banks so that these loans will be financed by money already in existence and not by the creation of bank credits?

Sir K. Wood: The Government have fully recognised ever since the outbreak of war the importance of raising money out of savings by their loans. Subscriptions by banks on their own account as part of their normal investment policy are not consistent with this principle and, as such, are an important contribution to the war effort.

Mr. A Bevan: Does it not make a contribution to inflation?

Mr. Loftus: Does not my right hon. Friend think that the main cause of inflation in the last war was the creation by the banks of money for subscriptions to loans and will he take steps to avoid that now?

Sir K. Wood: I have read the Memorandum which my hon. Friend has sent on this matter. It is not a matter with which we can deal by way of question and answer.

Mr. Glenvil Hall: May we have a categorical answer in the House of Commons?

Sir K. Wood: Perhaps my hon. Friend will put the question down.

Mr. Woodburn: Will the Minister look into the matter, as obviously payment of interest to the banks is a book-keeping entry which can be done equally well by the Government.

Sir K. Wood: If the state of a bank's assets is such that it can, as part of its normal investment policy, contribute to Government loans, such contributions are, as I have said, an important contribution to the war effort.

Mr. Charles Williams: Has not the time come to realise that it is a complete illusion to believe that the banks can create money?

Mr. De la Bère: Does not the whole matter want a great deal more thought?

Production, Supply and Man-Power

Earl Winterton: . . . I want to say a word about production and what was really a calamitous statement of the right hon. Gentleman. He said, as if it were satisfactory to the whole House, that munition production to-day was greater than it had been in June, 1918. If I did not wish to be polite to the right hon. Gentleman I should say that it was a fatuous comparison.

Mr. Bevin: I did not say that munitions production was greater than it was in June, 1918. What I said was that more people were employed.

Earl Winterton: That makes the position worse. Who cares whether more people are employed? The question is whether we are getting the goods and whoever prepared the brief for the right hon. Gentleman—I suppose he had some assistance in this matter: I know that when I was a Minister we were provided with briefs—cannot be very well up in his job.

Mr. Ellis Smith (Stoke): The Noble Lord ought to bear in mind that the output per person employed in 1940 is considerably greater than it was in 1917.

Earl Winterton: I should like to point out that in June, 1918, we had on our side France, Italy, the United States, Japan—

Mr. McGovern: Russia.

Earl Winterton: —and Russia, though I do not think Russia did very much then, and Rumania and Belgium, and we had an Army which required munitions to the extent, probably, of only 50 per cent. of its requirements to-day. There is only one thing we want to know and that we have not been told. For all that the right hon. Gentleman said on that point he might never have spoken. There is only one question—we want to know whether production has gone up as compared with last summer, and whether, in the opinion of the Government, it is sufficient for the terrible emergency we shall have to meet . . .

Mr. James Griffiths (Llanelli): . . . I came into this House very largely because of the way industry was being

neglected. We are paying the price for the last 20 years in allowing our industrial equipment to rust and to rot. For 20 years we lived in a period when coalmines, workshops and shipbuilding yards were being closed down. By whom? By financiers of this country who are in this House to-day.

Viscountess Astor (Plymouth, Sutton): Nonsense.

Mr. Griffiths: It is not nonsense.

Viscountess Astor rose—

Mr. Griffiths: I cannot give way, as I have not much time, and I am entitled to make my point. I want the nation to remember that for 20 years we have pursued a policy of restricting and cutting down production, and now we are paying the price for it. I will give one example. What would this nation give to-day for a shipbuilding yard at Jarrow? Who closed down Jarrow? . . .

January 22.

Production, Supply and Man-Power (61 columns).

Mr. Lawson: I have had experience of both Army and industrial conditions. Those who want to compare compulsion in the Army and compulsion in industry simply know nothing about industry. From my experience in the Army I know that the principle there is "Obey." You have to obey. Individuality and individual thinking are to be discouraged among the ordinary rank and file when you are working with great masses, if you are to be successful. True, there are certain exceptional times and arrangements on the field of battle when the man who can readily use his individual judgment is entitled to very great credit, but, generally speaking, individual judgments are to be discouraged if you want to have good soldiers.

I well remember leaving the Forces and coming back to industry. I had to shake myself in order to resurrect the faculties which were necessary for individual thinking and for industrial work, and which had been altogether asleep. Those who stand for compulsion right through industry are not aware of the logic of their demands. The work of the soldier is to obey, but the workman has to think individually, and never the twain shall meet. In spite of mass production, the well-run workshop, mine or factory depends, as everybody knows who is acquainted with the subject, upon individuality, personal the Under-Secretary to the Ministry of

judgments and co-operation, and the good will of the workmen is necessary to production. I warn my hon. Friends to be careful that, in working to a given end, they do not kill the very thing that they want to keep alive and develop.

Flight-Lieutenant McCorquodale :

.... To turn to another point I am not altogether happy about the smaller business concerns in this country. Our economic strength and efficiency in the past have been built up not through great industrial combines, but through a multitude of small, efficient, flexible, happy and largely family businesses. I emphasise the word "happy" because it is my belief that in a great number of cases the workman or the manager who has been in the same business as his father before him is often more happy in that family connection than those in the great organisations where each is only one cog of many thousands, even though in the latter they may be better looked after in the material sense. Those concerns, moreover, are dispersed throughout the country. They exist not only in the big target centres, but also in the little towns and the villages, and dispersal is forced upon us as the main solution of our bombing problems in regard not only to children and aeroplanes, but also factories. Many of these firms, with their organisations, premises, staff and facilities are going to the wall for lack of orders while vast new factories arise all over the countryside.

I maintain that an efficient small concern can change over their production completely much more easily than a big organisation. We shall need these small and medium sized concerns very badly after the war. The Minister of Supply has set up a number of area committees and area supply boards, and we heard

Supply talk eloquently about them some months ago. Are they doing their job adequately in obtaining production and in training these small concerns to change over from non-essential work to essential work and keeping the workers in the localities they know, out of the way of the bombing, and where they can get on with the job? I believe there is a great deal still to be accomplished in that direction.

Mr. Woodburn (Stirling and Clackmannan, Eastern): The beginnings of this Debate, one gathers, arose from a Press campaign which demanded that in the interest of the country there should be a general scheme of compulsion. The question of compulsion has been examined from two points of view yesterday and to-day; first on the ground of principle that, because the Army are compelled, industry should be compelled. I think the aspect from which this question should be examined is not as to whether it is fair or unfair, but whether compulsion in industry is going to produce the armaments which the Army requires. If compulsion is going to produce the goods, it is justified; if it is not, it is unjustified. I contend that compulsion would utterly fail. I am reinforced in that view by my experience due to the honour that the House has done me in making me a member of the Committee on National Expenditure. I am a member of a sub-committee which deals with the Ministry of Supply and which has been examining a very large number of factories throughout the country and going into the whole question of production. In its latest report that Committee has recommended that the Ministry of Labour should, where necessary, use his compulsory powers. The Committee includes several people with great experience of

industry. . . . We say, from our experience and investigation, that if you introduce a general scheme of compulsion without an intimate knowledge of the industry affected, you will slow up production and harm the national effort throughout the country. I hope therefore that those who hold a theoretical opinion that you can introduce compulsion and make it work will hesitate before they introduce the scheme. . . .

The workers in industry are working, in the main, as hard as their physical capacity will permit. Our experience of the investigations of the Select Committee has been such that we had to recommend that the workers should work not longer but shorter hours, because during the period after May, when a special appeal was made by the Minister of Labour, the work was so intensive that workers broke down under the strain. Last winter the effects of influenza and other diseases following from overwork were so great that the capacity of the workers for industry was greatly reduced. . . . They [The Select Committee] were of opinion that it was of vital importance to reduce the hours of work, and they recommended that the ultimate aim must be the introduction of the three-shift system, wherever possible. The committee found by its experience that when workers were asked to work more than 60 hours a week efficiency was reduced. They summed up:

"If general health is undermined, a reduction to optimum hours will fail to effect the required increase of output."

That means that if you work the workers until their health is exhausted, you will not get maximum production even if the hours are reduced again. We must learn from the experience of the last war.

UNBRIDLED INDUSTRIALISM

By B. M. PALMER

Readers may ask why more space is given to *The Times's* reports than to those of other newspapers. There are two reasons. The first is that its news service is the most reliable. The second, that it is popularly supposed to be a Conservative newspaper, supporting the government simply because all parties have "united" for the purpose of winning the war. This, however, is mere window dressing, and by analysing the articles it is hoped to show that the

real policy of *The Times* is indistinguishable from that of the *Daily Herald*, *News Chronicle* or *The People* and the rest. They all advocate full employment for all on wages (not dividends), and self sacrifice in the form of increasing taxation and capital levies. That is to say they all work for the progressive enslavement of the individual to the money system and the state. Before long, unless we are very careful, the state and the money system will be

indistinguishable.

The truth is that the whole of the commercial press in this country is organised against the real interests of the individual. Some two hundred years ago the policy of the individual was said to be the cultivation of his own garden. We may think of it as the choice of his own work, to be done in his own way, and in his own time; while the community only requires from him the least possible number of time-

energy units in return for the food, clothing and shelter which he wants.

That these time-energy units could be reduced to a few minutes a day, if all the resources of modern science were used to the full, cannot be gainsaid. Men and women would then be free for the first time in the history of the world.

Very possibly it would be desirable to achieve this result through a period of transition, which need only last a few years—and could be covered by post-war reconstruction—but the point is that the powers behind the commercial press are unitedly against it. They want "full employment for all." This is stressed over and over again.

Now it is certain that only the long period of sabotage which began in 1923 with a world slump and culminated in the present war has served to blind our eyes to the riches of the world and the wonders of modern engineering.

In 1919 the late Mr. H. L. Gantt, one of the most capable and enlightened industrial engineers that America has produced is reported to have said that the industrial efficiency of the United States was about 5 per cent. He was under no delusion as to the cause of this; it was because it did not pay those in control of the industrial process to make efficiency any greater, not, be it noted, because those operating it did not know how.*

In 1928 Profesor F. W. Burstall, Professor of Mechanical Engineering in Birmingham University, said:—

"Science is going to put into our hands the possibility of a heaven on earth. There are no limits to what we can do, but I venture to think that unless the human being makes up his mind which way he wants to go, then

instead of being pleasant this will be a curse."

Do we want freedom or slavery? *The Times* wants wage slavery—full employment.

The destruction entailed by the war would have to be very much greater than it is now to provide an insurmountable obstacle to modern engineering. This has already been recognised in more than one quarter. Concerning Mr. Lyttelton's broadcast to the United States *The Times* wrote:—

"Equally valuable was his rebuttal of the widespread delusion that our impoverishment after the war will be such as to make recovery overwhelmingly difficult. There need be no fear of that, given the right response to the difficulty, since the power of the modern world to reproduce wealth has enormously increased since 1900, since 1930, and even since 1935."

And it will be surprising if it does not increase still more after 1941, as the result of the immense stimulus to industry and invention provided by the war.

In the above passage the word "wealth" is used correctly as representing goods and services. Money—pound notes, cheques and coins—is only a claim on wealth.

Dr. J. W. Beyren, a former President of the Bank of International Settlements, and even Mr. Keynes, think that there need be no insuperable difficulty in repairing the ravages of war.

If these are the opinions of people who wish to *make* work, we may take it that the powers of modern engineering to cope with reconstruction will be more than equal to their task.

There will come a day, not so far ahead, if there is any sanity left in the human race when the task of reconstruction will be approaching completion. What is to be done then?

Is the engineer to be asked to provide more work or more leisure?

For he cannot be expected "to combine the fundamentally incompatible objectives of labour saving and the provision of unlimited employment."*

The very fact that it is possible to ask such a question without a peal of laughter ringing round the world should be sufficient to give us pause and ask whether the problem is not one

of reason at all, but a psychological problem resulting from an evil religion or philosophy of life.

The Times stated on January 8, that if there was widespread consumption there would be full employment. To the realist full employment means one of two possibilities—either war, the greatest consumer of all, or the abolition of all labour-saving appliances and a reversion to primitive forms of production. We are not Strasbourg geese or prize cattle; the simple facts are that "the material requirements of the individual are quite definitely limited—that any attempt to expand them artificially is an interference with the plain trend of evolution, which is to subordinate material to mental and psychological necessity; and that the impulse behind unbridled industrialism is not progressive but reactionary, because its objective is an obsolete financial control which forms one of the most effective instruments of the will-to-power, whereas the correct objectives of industry are twofold; the removal of material limitations, and the satisfaction of the creative impulse."*

Do you think *The Times* Leader-writer and his employers wish to remove material limitations from you and me so that we may satisfy our creative impulses?

Of course not—they wish to keep us fully employed.

Why? Because we are not to be free—we are to be wage slaves.

There is only one way to be free—we must have the dividend that can be paid from the employment of labour saving devices in modern engineering.

This will never be *given* to us by those who are now indulging their will-to-power over us and our fellows.

We shall have to fight for it.

**Economic Democracy* by C. H. Douglas, Chapter V.

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THE BRITISH REVOLUTION

We are told that the matter in a Sunday newspaper headed: An article by Winston Churchill THE BRITISH REVOLUTION is not by the American story-writer of that name but is the work of a Prime Minister trying his 'prentice hand. Apprenticeship over, Mr. J. L. Garvin writes in *The Observer*, "upon him [Mr. Churchill] and him alone, rests the supreme responsibility as well as the supreme power. Taking the whole of his risk upon himself, he is determined to conduct this war in the way that he himself thinks best."

But, as Major Douglas asked two years ago, what possible meaning can be attached to this word 'responsibility' in such a connection? He was writing of responsibility for the possible outbreak of war. "Would Herr Hitler, Signor Mussolini, Captain Eden or Mr. Churchill," he asked, "each of them die a million deaths or suffer a million wounds? For over a thousand years the people in the world have striven towards *representative* government, and what they have got is *delegate* government. That they have *not* delegated responsibility should be obvious to anyone who realises that the next war [this one] will not be fought by delegated fighters, even though delegated governors declare it."

Is *The Observer* quite happy about it?—Not quite happy about it. Hitler looms larger than whatever it is that is behind the political scenes. And what is that? The 'prentice hand? *The Observer* calls it (a) change in the personnel of Government or (b) change in the *system* of Government. By what seems a coincidence, Peter Howard (a 'featurist' who not long ago was apologising for indiscretions concerning

some points of army organisation) writes that Mr. Churchill has made an announcement "which is interpreted as a plan to abandon election fights for the duration of the war *and three years afterwards* in the interests of national and political unity."

This journalist's surmise, that both the Tory organisers of victory and the Socialist organisers of victory may be wrong in thinking their party will survive the war, is sounder than his belief that the English people are demanding better men to *govern* them.

The suggestion that the Churchillian dictatorship will be perpetuated for three years after the war is (to use a word which will be familiar even to Mr. Churchill) a piece of "wishful thinking."

We are sometimes rebuked for displaying a (purely imaginary) inclination to dwell on the dark and gloomy side of things and a corresponding disinclination to glow in the warm sunshine of blessings shrewdly discerned by more optimistic spirits. It is probably a slight difference in regard to vistas and perspectives. This journal is headed 'realism'; and the easy phrases of rhetoric which are flowing on both sides of the Atlantic do not belong to that category. Mr. Peter Howard's "interpretation" of movements behind the scenes does. If there is anything to welcome (when we have done our daily dozen of welcomes to revolts in Rumania, Milan and Turin and to victories in North Africa) we welcome this floating of the scum of hidden politics to a surface whence it can be scraped. This sort of thing with the developing argument in Canada, is sunshine of the kind that makes things grow and not

merely of the kind that makes the ochreous cheeks of heroes shine upon the stage.

"There exists," said Major Douglas, "a carefully thought out plan to deprive every individual in every country in the world of any individual share in those powers which reside in credit. Credit is 'the substance of things hoped for, the evidence of things not seen.' It is proposed that no man, woman or child shall have access to anything hoped for, except by licence, and that licence can and will be withdrawn at the whim of an omnipotent Sanhedrim That is what has happened in Russia, Poland and Germany, and it is that with which we are threatened in Great Britain."

We still are; and, while we are, the grim resolution with which Mr. Churchill thinks Englishmen and women are facing the war is the only appropriate emotion.

T. J.

"COURAGE!", BROTHER!

According to a columnist in *The Daily Mirror* (January 21) wagers are being made in "political circles on whether or not Sir Kingsley Wood will have the courage to introduce a capital levy, even on limited lines, into his Budget." Without producing any evidence that it is so the writer continues with a string of assertions and suggestions to the effect that, although six months ago no Government could have imposed a capital levy, to-day there has been a big swing of public opinion in favour of it, so that "if a plebiscite were taken of the people to-day it would show a 70 per cent. majority in favour of a capital levy."

Many simple minded people are of course taken in by this propaganda, and the writer evidently thinks so himself for he becomes even more threatening and tells us:

"There are, in fact, already statements in circulation that the War Cabinet has approved the imposition of a capital levy in principle."

The article finished by assuming that a capital levy is inevitable and endeavoured to turn the reader's mind to a discussion of who should be subjected to it.

THE SECRET FORCES BEHIND FREEMASONRY (II)*

By John Mitchell

We are all familiar with the incredulous person who cannot believe that a world conspiracy has existed for centuries with the object of securing the government of the world for the group of conspirators. These people are willing to believe that Frederick the Great or Napoleon or Hitler could have such an object; but that a hierarchy of Jews, co-opting new members to replace the dead, could have been working with this object for centuries is regarded as "fantastic." But there is a formidable list of facts for which a satisfactory explanation is only to be found in this "fantastic" statement that the Jews, or rather a hierarchy of Jews who use the Jewish nation as Hitler uses the German nation, are working for world dominion. In reality when these facts are considered it is fantastic to suggest that the Jews are *not* working for world dominion; let us consider them:—

(1) The connection already referred to, of Essenism, Jacobinism and Socialism.

(2) Essenism was practised by Cabalistic Jews; Jacobinism was the product of Freemasonry, the secret inspirers of which are known to have been Jewish Cabalists; and the Jews are everywhere predominant in connection with the development of modern Socialism, from Marx to the ninety per cent. Jewish Bolshevik Government of Russia and the main publicists and propagandists of Socialism in every country in the world to-day.

(3) Cabalism is a more advanced form of Freemasonry.

(4) Cabalism is a secret doctrine of the Jews.

(5) The Ritual of Freemasonry is Judaic.

(6) The philosophy of Freemasonry is Judaic.

(7) "Jews have been most conspicuous in connection with Freemasonry in France since the Revolution."—Article on Freemasonry in the *Jewish Encyclopaedia*.

(8) Freemasonry is international and world-wide; the Jews are international and world-wide.

(9) Action taken against Freemasonry (or Templarism) by any government in history has always been accompanied by action against the Jews.

(10) Finance has always been a specifically Jewish province of activity. Finance is international in its organisation.

(11) Jewish international financiers are known to have helped the Bolsheviks to gain power in Russia.

(12) Socialism is the policy of the chief financial journals.

(13) "War is the national industry of Prussia"
—*Mirabeau*.

"Wars are the Jews harvests"—*Werner Sombart*.

(14) "There is a strong affinity between the German and the Jew"—Maximilien Harden in the *Jewish Guardian*, January 18, 1924.

(15) The chief warmaker in Europe for the last hundred years has been Prussia. Jews played a leading part in the unification of Germany under Prussia.

(16) The Jews have played key roles in assisting Pan-Germanism. Ephraim and other Jewish moneylenders assisted the Freemason, Frederick the Great. Bleichröder was Bismarck's right hand man. Rathenau, who had a private telephone-wire with the Kaiser, and other Jews were in powerful positions under Wilhelm II, who was also powerfully aided by the Warburg-Kuhn Loeb American-German banking interests.

(17) International Finance helped Hitler to re-arm Germany.

(18) International Finance aided by the Socialists prevented Great Britain from re-arming quickly.

(19) "The Occult Power preached pacifism and humanitarianism in France by means of French Freemasonry, whilst it preached patriotism in Germany by means of German Freemasonry"—Copin Albancelli in *Le Pouvoir occulte contre La France*; 1889.

(20) The power of Russia was undermined by occult influences so as to weaken and eventually remove her as an opponent of Germany in the last war.

(21) Freemasonry (all the members of the Reynaud Government were Freemasons) and Socialists corrupted and weakened France and so caused her collapse in 1940.

(22) The Governments of both sides in the present war have announced their intention to set up a New Order in the world after the war. Both governments are implementing Socialism under cover of the war, and both governments have indicated their intention to establish Socialism internationally after the war, with one supreme government in control of finance and military sanctions. The Socialist Government of Russia has also made it clear that its aim is to set up a World Socialist government.

(23) The formulae of the "United States of Europe" and of the "Universal Republic" were first publicly advanced by the apostle of universal brotherhood and member of the *Illuminati*, Anarchis Clotz, in *La Republique Universelle* in 1793.

(24) The League of Nations idea, with its proposal for an international government, originated with Freemasons and was forwarded by them. The last war provided the opportunity and excuse for its establishment.

(25) The chief protagonists of the Federal Union idea are Socialists. The present war provides the opportunity and excuse for its establishment.

(26) The chief Jews in the world never made a secret of their detestation of Tsarist Russia. Tsarist Russia was the military enemy of the Jew-ridden Germany of 1914-18. The Jewish-Bolshevik Government of Russia under the guise of "Neutral" is the ally of Nazi Germany.

(27) The Bolshevik Government of Russia has openly stated its desire for a world war, while remaining neutral and taking advantage of the situation itself. The

*The first part of this article appeared in *The Social Crediter* of January 25, 1941.

same Government has also made it known that it wishes the war to continue until both sides are exhausted.

(28) The U.S.A., whose finance, courts and government are dominated by Jews, is playing the same role as Russia, but on the British side.

(29) The Jews are the self-appointed Chosen People, whose Religious Books openly boast of their aim to establish themselves as the Master People of the world, and unashamedly declaim their contempt for Gentiles, whilst teaching that all principle may be abandoned by Jews in their dealings with Gentiles.

(30) It was during the three and a half centuries when the Jews were banned from England that she was known as "Merrie England."

There is, therefore, overwhelming evidence that the Jews and Freemasons are the enemies, to whom the people of the world owe their present troubles. It is a most curious thing that people who know the causes of these troubles and are themselves working to rectify matters are willing that Gentiles of any nation, who are the mere dupes and tools of the real foe should be blamed, but on no account must the blame be laid against the real criminals, who are Jews and Freemasons. The explanation is to be found in psychology. There is cause for serious thought as to whether the immense problem presented by this threat to the life and happiness of men and women can be solved by ignoring the psychological aspect of it. Whilst the real enemy is successful in keeping his own existence secret and at the same time convincing people that someone else is the culprit, he will remain immune from attack himself and free to continue with his activities.

The Cabalists, whose great influence on the events of the world is known, were all devoted to Magic. Thus for instance the Rosicrucian Robert Fludd, who played an important part in the early development of Freemasonry in England, was known to have been associated with Jewish Cabalists and his *Tractatus Apologeticus* has been described by a Masonic writer, A. E. Waite, as treating "of the noble art of magic, the foundation and nature of the Cabala." The Cabalist Rabbi of Amsterdam, Manasseh Ben Israel who exercised very great influence during the Cromwellian period, published a work called *Nishmat Hayyim*, which the *Jewish Encyclopaedia* says "is filled with superstition and magic." The *Jewish Encyclopaedia* in its article on Manasseh Ben Israel says: "He was full of Cabalistic opinions, though he was careful not to espouse them in those of his works that were written in modern languages and intended to be read by Gentiles." During the eighteenth century a number of Jewish Cabalists became famous—they adopted such titles as "Baron von Offenbach," "Compte de Saint Germain" and "Compte de Cagliostro." The most powerful of these Cabalists, who all practised Magic, was Hayyim Samuel Jacob Falk, called Dr. Falk, who was born in 1708. He was referred to as "the Chief of all the Jews" by Savalette de Langes, Royal Treasurer and Grand Officer of the Grand Orient, in correspondence between himself and the Marquis de Chefdubien. An article is devoted to Falk in the *Royal Masonic Encyclopaedia*. He is known to have been behind the Duc d'Orleans's conspiracy to overthrow the French Monarchy; references to this are to be found in the *Jewish Encyclopaedia*. He is the subject of five dialogues published in 1770 by Gotthold Ephraim Lessing, librarian to the Duke of Brunswick, Grand Master of all the German

lodges. In these dialogues, entitled *Ernst und Falk*, Falk describes his idea of a world federation of states, and asks: "Why should not human beings exist without government like the ants or bees?" Savalette de Langes said of him, "in all the sects of savants in secret sciences he passes as a superior man."

The mental character of these high initiates of Freemasonry is so far removed from that of ordinary people, that few people can be brought to take them seriously or to credit them with any great influence on the affairs of the world. In the words of Eliphaz Levi, "There is nothing more dangerous than mysticism for the mania which it begets baffles every combination of human wisdom. It is ever the fools who upset the world and that which great statesmen never foresee is the desperate work of a maniac."†

In his book *The Secret Societies of Ireland*, Capt. H. B. C. Pollard says: "The higher initiates of Illuminism were subjected to certain rituals which produced a condition that modern psychologists would recognise as a state of suggestibility, and both suggestion and auto-suggestion appear to have played definite parts in the ritual of the education of neophytes. Such societies still exist and are by no means inactive." Capt. Pollard, whose book was published in 1922, was on the staff of the Chief of Police, Ireland. On this subject a Report of another policeman is worth reading. It is that of the German Commissioner of Police, Berckheim, to the Minister of Police in 1814. Its registration number in the Archives Nationale is quoted by Mrs. Nesta Webster. It says: "... As the principal force of the *Illumines* lies in the power of opinions, they have set themselves out from the beginning to make proselytes amongst the men who through their profession exercise a direct influence on minds, such as litterateurs, savants, and above all professors. The latter in their chairs, the former in their writings, propagate the principles of the sect by disguising the poison that they circulate under a thousand different forms. These germs, often imperceptible to the eyes of the vulgar, are afterwards developed by the adepts of the Societies they frequent, and the most obscure wording is thus brought to the understanding of the least discerning. It is above all in the Universities that Illuminism has always found and always will find numerous recruits. Those professors who belong to the Association set out from the first to study the character of the pupils. If a student gives evidence of a vigorous mind, an ardent imagination, the sectaries at once get hold of him. They sound in his ears the word Despotism, Tyranny, the Rights of the People, etc., etc. Before he can even attach any meaning to these words, as he advances in age, reading chosen for him, conversations skillfully arranged, develop the germs deposited in his youthful brain; soon his imagination ferments, history, traditions of fabulous times, all are made use of to carry his exaltation to the highest point. ..."*

Can we not detect similar happenings at the present time? Dark Forces are undoubtedly at work in the world, and they have immense influence. The strong temptation is to ignore them and look only at the bright side. But is that a sound course to pursue? Prejudice springs from ignorance, and prejudice is as strong as compulsion.

*Quoted from *Secret Societies and Subversive Movements* by Nesta Webster.

†*The History of Magic* by Eliphaz Levi, translated by A. E. Waite.

THE TOLERANT SPIRIT (II)

By N. F. W.

On the principle of Democratic Freedom, which is the one popularly assigned to the keeping of the British Empire, it may be assumed that the nation stands for the relative effectiveness of individual initiative and voluntary team work and improvisation—perhaps adaptability is a better word for the last. That, one might almost say, was our national way of living, which, because it is attacked, we are prepared to defend. But that we are the champions of an abstract theory of Democratic Government for the world in general is just not true. As we saw in the first part of this article, the average man, and the average Anglo-Saxon in particular, simply does not look at things that way.

Now if we choose to call this democratic manner of organising our way of living one of de-centralised control—a flight of thought generally outside the philosophic habits of the man in the street—and then glance at the results of Britain's war effort to date, as seen superficially in her Boards and Controls and her financial legislation—that is, her attempt to adjust herself to the military situation, it would appear as though her cause, if it really is the preservation of her native, democratic way of life and her civil freedom, had already sustained a deadly reverse on the Home Front. It isn't easy for those who really love liberty for its results rather than as an emblem on a flag, to escape some such conclusion; and in addition, to avoid an impression of unpreparedness and muddle and defeat in the military field.

But there is a deeper aspect of the matter, which presents nothing like so dark a picture, perhaps because it is a humbler view; one that can receive comfort from the reflection that during these early phases of the war we have had literally nothing to put up against all the obvious and immediate advantages of planned and mechanised preparations on the part of an enemy that has had five years start of us, thanks to the helpful accommodation of the Bank of England and other financial friends.

Looked at from this angle, and in spite of military defeats, what begins to emerge is not the fact of Prussian efficiency, which incidentally has never lacked advertisement, but the effectiveness of our principle; of the idea of

individual initiative, most obvious, perhaps, in the sea and in the air, but beginning to be demonstrated in every field, civil as well as military. Even in apparent defeat at home and abroad, the thing we *are* begins to shine out for all to see, as it didn't, except to a mere handful, even a couple of years ago.

One may say it is a small result considering the grim experiences the nation has already been through. But we must not forget that on the elementary lines to which we have been trying to keep this and the previous article, it is just exactly that and nothing else, that the war is all about. As far as we, the individuals who wage it, are concerned, this war isn't about World Orders and Democracy in any real sense, it is just about the relative effectiveness of our way, not only of fighting but of living, as compared with the German way. And if there are indications that we are proving that point, it is surely no small thing—in fact, can we ask more?

But there is this in addition, that should be a great satisfaction to us: to know that in as far as we are demonstrating the value of the individual, we are not the material of an experiment imposed on us either from outside or above, as is the case with the Germans, and still more, the pitifully unfortunate Russians. This principle—the belief in the individual—is *our* method, is in a sense *us*. We actually embody it, and nobody else can teach it to us. And incidentally—or is it only incidental?—this principle of ours, which we are living and demonstrating, is the essential principle of Christianity, incarnate in us; the democratic principle that enunciated the fall of a sparrow as of importance.

This is the reason why all this talk about war aims is so really pointless. We fight to preserve our skins, and if there is any virtue at all in this horrible business of fighting, our skins constitute our war aim. Because the best, and in fact the only hope we can have of this war is that it will serve to bring the truth to light; and that the truth, which can only be revealed in events, will be found favourable to us. Looked at from this angle, the assumption of war aims is just intellectual arrogance. Our destiny is already implicit in ourselves, and the question is in not what *shall* we do, but

what can we do? In other words, all intellectual pretensions apart, what are we good for?

It is perhaps of significance in this respect, and a fact to be noted for our guidance, that it is just those who are loudest in calling for a formulation of war aims, that complain of our unpreparedness for this war. It is their contention that had Britain's preparations been complete in 1939 there would have been no war. That is one of those matters it is impossible to verify or refute. But one thing is certain, had Britain been prepared with the completeness implied here, there *should* have been no fundamental reason for war between ourselves and Germany, since we would have been a totalitarian state.

For by the immutable law of this world, it seems that you cannot have complete physical preparation against any danger without first capitulating to it. Apparently those are the Devil's terms. The only way to be prepared against any particular eventuality is to be internally fortified against every eventuality; which carries with it as an inevitable corollary the necessity of depending to a great extent on improvisation and initiative and voluntary co-operation—that is, the British way.

All that, however, is as may be. The facts are that in spite of Mr. Anthony Eden and the late Lord Lothian and the other advocates of a Democratic World Order which could not, in the nature of things, differ fundamentally from the Communist ideal, the peoples of the British Empire insist and will insist on fighting for themselves and their way of doing things, which is essentially not the Nazi way, thus keeping the issue between us and Germany a real issue and not merely an academic one of political labels and abstract ideas. In other words, Democracy, in as far as Britain represents it, is not an ideology but a biological fact, against which Germany has pitted herself.

Between her and ourselves there is a real difference to be settled, or reconciled, and we can see that in its simple, elementary form it is between centralised control and decentralised initiative, between planning and improvisation. One's mind reverts to Douglas's axiom in *Economic Democracy*, that "in respect

of any undertaking, centralisation is the way to do it, but is neither the correct method of deciding what to do, or of selecting the individual to do it."

Now it is not to be supposed that all the rights of a dispute can be on one side. So let us, for the sake of argument, put it this way; each side has a contribution to make to the present world problem, each of us represents an aspect of it which demands to be reconciled with the other. The first and most urgent requirement then, if civilisation is to pull anything positive out of this present upheaval, is simply for an atmosphere in which adjustment may have a chance of taking place.

When hostilities cease it will not be a question of Jehovistic judgment of the rightness or wrongness as between one people and another; but each nation will be faced, *within itself* with the dual problems, as we call them, of Distribution and Unemployment. It will be in dealing with them that the rival and, as they still appear, mutually exclusive claims of centralisation and de-centralisation will have to be settled—war itself can settle nothing—

and for this purpose the right spirit, the right soil one might almost say, means everything.

Now, whatever there is to be said for centralisation as a method which the German nation championing, or has been forced into championing—which, makes no practical difference—there is an important fact which cannot escape notice, and it is that behind the Totalitarian idea, as at present expressed, there is a spirit of complete and violent intolerance—exclusive, megalomaniacal, atavistic. And this fact transcends in practical importance any merely intellectual contribution to human advancement Germany may have to make; which is to say that as a consideration it ranks first in the natural sequence.

Intolerance is a form of mental paralysis, of tension and constriction; very infectious, and the reverse of resolvent in every respect. The military triumph of such a spirit at this juncture would undoubtedly mean an end to all hopes of present reconciliation and, as far as this civilisation goes, failure and a retreat for *homo sapiens* into temporary obscurity. It can, therefore, be suggested

quite impersonally and without any racial arrogance at all, that humanity's first requirement seems to be for a victory of British arms; because to say that is not to assert that British national culture represents the whole Truth, and must be *imposed* on the world, but simply to recognise that it contains in its constituents, the best, perhaps the only 'solvent' to be seen anywhere about.

Civilisation needs to adjust itself, specifically, to the terrific fact of the Industrial Revolution and the problem of distributing the fruits of applied solar energy, and more generally to the profound fact of humanity's mutual interest disclosed nearly two thousand years ago, but as yet accepted only in theory. By accident then, let us say, for the benefit of those persons who assert that they don't believe in a Design, the Anglo-Saxon culture, in the spirit of toleration and comparative leniency which is an organic part of its basis, holds out the greatest hope of satisfaction for humanity's need. That is what it amounts to—not very much, but maybe enough to satisfy humanity's need.

Victorian Parliament Considers Public Debt

During the debate on the budget in the Victorian (Australia) Parliament in October, 1940, Mr. Leslie Hollins brought up the question of using public credit to finance the war. His speech, part of which was published in the Social Crediter last week, attracted lively debate:

Mr. Mackrell.—Money must be borrowed.

Mr. Hollins.—In Victoria in 1938-39 the Commonwealth taxation per head amounted to £10/13/9, and the State taxation to £6/8/3. Particulars as to municipal taxation are not available for that year, but I shall assume that it was not less than the amount taken in taxation by the councils in 1937-38, when it was £2/0/11 per head.

If we add that sum to the other figures we find that the total taxation in the State of Victoria for the year 1938-39 was £19/2/11 per head of the population. That is the situation to-day, and it all comes through borrowing from private bankers who, to quote the London Chamber of Commerce, "create money out of the blue."

Mr. Macfarlan.—Do you say we should borrow money from the Commonwealth Bank?

Mr. Hollins.—We should draw

money from the Commonwealth Bank according to the needs of the community.

Mr. Michaelis.—In other words, print bank notes?

Mr. Hollins.—To propose that we should print bank notes is foolish. If we were to print £10,000,000 worth of notes, the private banks would be enabled to create and lend £100,000,000 of financial credit, which would be new money. That shows the unsoundness of the suggestion just made.

Honourable members will recollect the proposal of a former Treasurer of the Commonwealth, Mr. Theodore, that a fiduciary issue of £18,000,000 should be printed, and will recall that it was not carried out. Had it been put into effect, the private banks would have been able to create and issue approximately £180,000,000 of financial credit. I make that statement because, if a bank holds £1 in cash, it can lend £10.

Mr. Michaelis.—What are your own

suggestions on the subject?

Mr. Hollins.—I suggest that if new money is wanted by the State, the Commonwealth Bank should make that money available, without interest.

Mr. Hogan.—Would you suggest that there should be no limit?

Mr. Hollins.—Of course there must be a limit. Nobody but a fool would issue money to an unlimited extent. Money has value so long as it has a correct relationship to the goods produced or services rendered.

Mr. Bailey.—What would happen when the limit was reached?

Mr. Hollins.—Obviously, the bank would not issue more money, because that would cause inflation and a reduction in the value of money.

Mr. Michaelis.—What would happen then?

Mr. Hollins.—The amount of money in circulation should be sufficient to enable the people to buy all the goods

produced and to pay for services rendered. If that were done, there would be no inflation, but there would be prosperity among all sections of the people.

Mr. A. A. Dunstan.—Would the individual taxpayer still have to pay interest?

Mr. Hollins.—If honourable members so desire, I am willing to carry on the debate along the lines now developing and to continue my prepared speech later.

Mr. Hogan.—Who do you suggest should fix the limit?

Mr. Hollins.—The limit would be fixed only by the physical capacity of the community to produce goods and render services.

The Chairman (*Mr. Coyle*).—Order! I would remind the honourable member that he is not obliged to answer interjections.

Mr. Hollins.—The intolerable position in which we find ourselves in this State to-day has been due largely to the fact that we have been borrowing money from a source which might be termed "private mints."

Mr. Hogan. Do you know that the Commonwealth Bank fixed a limit in 1931?

Mr. Hollins.—The Commonwealth Bank did fix a limit on the amount of money it would lend, but the point of issue is—Who controls the Commonwealth Bank? During the term of office of the Bruce-Page Government, the Commonwealth Bank was hamstrung. It is no longer a people's bank, but rather is it a bankers' bank. The Commonwealth Bank is no longer in a position to serve the nation as it did during the Great War.

Mr. Mackrell.—There is a very interesting book on this subject in the Parliamentary Library, and I would recommend it to honourable members for careful perusal.

The Chairman.—Order! It is not fair to the honourable member for Hawthorn that he should be subjected to a cross-fire of interjections from both sides of the House. Further, it has been laid down by presiding officers in the past that a member addressing the Chair should not be heckled, especially from the Ministerial bench.

Mr. Hollins.—I can understand the reasons that have evoked the running fire of interjections, because this is certainly the most important, even if the

most controversial, matter dealt with in the House since I have been a member. Until we are prepared to face up to the monetary issue, we shall not find a solution of our social problems. The Government can introduce Bills *ad lib*, to amend existing Acts, or make further enactments, but, until it is prepared to tackle the fundamental issues involved, we shall get nowhere.

Mr. A. A. Dunstan.—I should need a lot of luck to get interest-free money from the Commonwealth Government or the Commonwealth Bank.

Mr. Hollins.—We should not carry on, increasing the burden of debt, until we reach a stage at which it will be almost impossible for primary and secondary industries to continue. It is of great importance that the primary producer should understand that, in respect of every bushel of wheat produced in the State, either in a good season or a bad season, interest payments absorb 1/6 of the selling price. That fact cannot be ignored.

I have said that the Government finds itself in a parlous situation because previous Governments continued to borrow money from private banks, which were able to create and issue money at practically the cost of pen, ink, and paper.

Mr. Holland.—That was proved during the Great War.

Mr. Hollins.—To support my contention, I shall quote a statement by Mr. R. G. Hawtrey, one of the leading bankers in the world, in his book, *Art of Central Banking*:

"When a bank lends it creates credit. Against the advance which it enters amongst its assets, there is a deposit entered in its liabilities. But other lenders have not this mystical power of creating the means of payment out of nothing. What they lend must be money that they have acquired through their economic activities."

Mr. Hogan.—Could all banks do that, or only some of them?

Mr. Hollins.—All banks, except the State Savings Bank.

The relationship that exists, even in wartime, between the factors I have mentioned and this great international money monopoly is amply illustrated. The power to create and issue money is limited by the amount of legal tender in circulation. Approximately ten times as much financial credit can be issued as is held in the community generally. The total amount of cash coined and

notes issued in Australia to-day is approximately £60,000,000. When that is multiplied by ten it will be found to represent approximately the total deposit in the trading banks and savings banks. They are more than £600,000,000. From where has the extra amount of more than £500,000,000 come?

It certainly was not authorised by the Commonwealth Government, largely because there is no relevant provision in the Constitution. The Commonwealth Constitution sets out that that Government has power over currency, coinage, and legal tender, but no mention is made of financial credit. Because financial credit is the most efficient and scientific means of exchange to-day, we use the cheque system. It is much more satisfactory than handling coins and notes, but it does enable the banks to create inextinguishable debts that cannot be paid off.

Mr. Macfarlan.—Interest would have to be paid on the total of £600,000,000.

Mr. Hollins.—That is so—at compound interest rates. Referring to the cheque system, Professor Soddy said:

"The cheque system, itself beneficent, has enabled the banks continuously to create and destroy money, at will. It is the power of the private mint which imperils the future of scientific civilisation, which makes politics a sorry farce, and reduces Parliament to a sham."

Reference can also be made to the views expressed by Thomas Jefferson, when he was President of the United States of America 140 years ago. He declared:

"I believe that banking institutions are more dangerous to our liberties than standing armies. Already they have raised up a monied aristocracy that has set the Government at defiance. The issuing power should be taken from the banks and restored to the people to whom it properly belongs."

Such is the story behind the financial racket that is proceeding, not only in this State, but also in the Commonwealth and throughout the world. I feel deeply concerned over this matter, for I see no solution of any of our social or economic problems. Whether those problems relate to primary industries, secondary industries, or any other national activity, they cannot be solved without honestly facing the monetary problem to which I have referred.

(Report from "The New Era".)

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