WAR DEBT: MAJOR DOUGLAS'S PROPOSALS

Mr. Roosevelt's Lease-and-Lend proposals for the supply of armaments to the Allies again bring to the fore the question of War Debts, financial and otherwise. In this connection prominence should be given to the following proposals made by Major Douglas in a letter to Mr. Lloyd George, then Prime Minister, when the question of the War Debts of 1914-1918 came up for settlement in 1922. Mr. Lloyd George had refused to grant Major Douglas an interview.

An account of Mr. Roosevelt's scheme is also given: precise information on the important question of conditions of repayment has not been published at the time of going to press.

To the Right Honourable David Lloyd George M.P., P.C.

Sir,

September 11th, 1922.

I have received your letter of September 8th, and regret that you are unable to afford me an interview. I note, however, that you are prepared to give attention to suggestions on the subject of finance.

In view of this I have the honour to submit for your consideration the following concrete suggestions, which, you will appreciate, are of necessity in outline only.

(1) That the British Government address and publish a further note to the United States Government setting forth with the maximum clarity: (a) That the debt contracted to the United States by the Allied Powers in general, and Great Britain in particular, was a debt for goods, and that the capital appreciation incident on the supply of those goods accrued to the United States nationals, together with the financial media representing that appreciation. (b) That the Allied Powers, and Great Britain in particular, are now prepared to deliver at the same rate, over an equal period at which the various debts were contracted, goods to the value of the debt, in return for U.S. War Bonds, which will be cancelled on receipt.

(2) On the acceptance of this proposal by the United States Government, the Allied Powers will notify the late Enemy Powers that raw materials and semi-manufactures are required for the purposes of (1).

(3) During the period covered by (2) the credit-capitalisation of all manufacturing firms in Great Britain will be assumed to be ten times the yearly profits. At the outset of this period the credit-capitalisation of such firms will be assessed as ten times the profits of 1922.

(4) At the end of each three-monthly period subsequent to agreement as to (1) a fresh estimate of the credit-capitalisation of British firms will be made on the basis of (3), and the collective increase will be taken as the increase for that period of the general credit. Fifty per cent of the financial equivalent of this credit will be applied to the provision of floating credits required to finance (1), and fifty per cent. will be applied to enable retailers to supply goods for home consumption at reduced prices.

Should it be found, as may well be the case, that the influences effective through the United States Government are not concerned to secure liquidation of the debt, but rather to use it as an instrument for the imposition of policy, it is clearly a matter of the gravest concern
to the people of Great Britain and the United States.

I feel confident that you will raise no objection to the publication of this correspondence, but will take no action to that end before the 16th inst.

I am, Sir, yours faithfully,

signed C. H. DOUGLAS.

The Lease and Lend Scheme

On January 6, in the course of his report to Congress on the State of the Union, Mr. Roosevelt said:

"I shall ask Congress for funds sufficient to manufacture additional munitions and war supplies of many kinds to be turned over to those nations which are now in actual war with the aggressor nations.

"Our most useful role is to act as an arsenal for them as well as for ourselves. They do not need manpower; they do need billions of dollars' worth of weapons of defence. The time is near when they will not be able to pay for them in ready cash. We cannot, and will not, tell them that they must surrender because of their present inability to pay for weapons which we know they must have.

"I do not recommend that we make them a loan of dollars with which to pay for these weapons—loans have to be repaid in dollars. I recommend that we make it possible for those nations to continue to obtain war materials in the United States, fitting their orders into our own programme. Nearly all their material would, if the time ever came, be useful for our own defence. For what we send abroad, we shall be repaid within a reasonable time after the close of hostilities in similar materials, or at our own option, in other goods which they can produce and which we need. Let us say to the democracies, "We Americans are vitally concerned in your defence of freedom. . . ."

The British Aid Bill

The 'British Aid Bill' was introduced to Congress on January 10. The points from it that have been published in this country make no mention of the manner of repayment of goods so briefly referred to in Mr. Roosevelt's speech.

According to the published reports the Bill would:

1. Permit the President of the U.S. "when he deems it in the interest of national defence" to "manufacture in arsenals, factories, or ship yards under American jurisdiction, or otherwise procure any defence article for a Government or any country whose defence the President deems vital to the defence of the U.S."

2. The Bill would enable the President to "sell, transfer, exchange, lease, lend, or otherwise dispose of to any such government any defence article.

3. "To test, inspect, prove, repair, fit out, condition, or otherwise place in good working order any defence article for any such government." .

4. "To communicate to any such Government any defence information pertaining to any defence article furnished to such Government under paragraph two.

5. "To release for export any defence article to any such government."

The measure authorises the appropriation of funds "in such amounts as may be necessary" to carry out its provisions. Estimates of eventual cost have reached £2,500 millions.

In discussing the Bill with press-men, President Roosevelt, declared that it would not have the effect of repealing the Neutrality Act's ban on loans to belligerents, nor the Johnson Act's prohibition of loans to debtor nations. It is said to be certain that the provisions of the Bill will be amended in passage through Congress, and suggestions to this effect include a time limit of two years for the exercise of the powers given to the President.

Senator Walter George, of Georgia, the Chairman of the Foreign Relations Committee of the Senate, thought that his colleagues would require that 'the best security possible should be exacted from Governments and in place of outright gifts there should be as nearly as possible the equivalent of a return after the war of the material provided.' He mentioned the possibility of a transfer to the United States of some of Britain's tin and rubber interests.

BROTHER, CAN YOU SPARE A PLANE?
by L. B. W.

U.S. aid to Britain will reach its peak in 19 ?? — News items.

The cables are shrilling, Oh boy! is it thrilling:

For this is the message they bring—

More guns (if we've bought 'em)

Will come in the autumn

And bombers will bloom in the spring.

Yet (if we're still winning)

That's just a beginning,

For here is the cue for a cheer—

Their men and employers Will build us destroyers (But not till the following year).

Before Nineteen-Fifty,

If gunners are thrifty,

We'll have ammunition to spare,

With hope effervescent— (Tho' methods at present—

Like Heinkel's—are up in the air).

Yes, bombs whistle round us,

Yet Fortune has found us A friend who will help us surmount,

But oh, how stupendous, If only they'd send us A little bit more on account.

(With acknowledgements to "The Sunday Dispatch").

What 'Capital Levy' Means to You

A leaflet by MAJOR C. H. DOUGLAS.

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FROM WEEK TO WEEK

Isadore Lazarus, a full-blooded Jew, was sentenced in New York on January 10, to two years imprisonment, and a fine of $2,500 dollars, for passport frauds. He was described as a close friend of Goering and Goebbels, as well as of Schacht and Ley.

A Mr. Tait, a professional architect who has been appointed by Lord Reith to design the houses of the Socialist New Order, says that the windows will be smaller, and that the general style will be that of the better class of hospital.

We expect that the Ministry of Food will shortly issue its views on the compressed tabloids which we shall eat for nourishment in the Brave New Socialist World for Heroes, after filling in the usual forms.

It is commonly supposed that pressure from the Astor family accounts for the price of whiskey. Scottish Distilleries are however working full time on the production of the best whiskey for export to the United States. We suppose it would not be practicable to export the Astor family, and keep the whiskey?

King Charles gave his name to a very charming breed of spaniel. He was not the author of the remark, "The more I see of men, the higher is my opinion of dogs," but as he lived in the days of the first totalitarian Dictator, Cromwell, and his circle of Psalm-singing hypocrites, he might have been.

Nearly three centuries later, a lonely man, of whom Lord Esher had said earlier, "This young man is a Stuart, not a Guelp," boarded a destroyer at 2 a.m. on a cold winter’s morning, with his Cairn terrier, defeated in his fight against the City of London which had financed Cromwell, and sent Charles to the scaffold. And now that City of London lies in ruins, wrecked by the Forces which were let loose when "Dutch Finance" and Jewish schemers, killed Charles the King.

Have you ever seen a picture of Stalin, Hitler, Mussolini, Roosevelt or Churchill, with a dog?

The Popolo d'Italia states that if Eire, better known as Ireland, departs from strict neutrality, the Axis will declare war on AMERICA.

Are we to deduce from this that Eire is part of the U.S.?

If so, who was it handed over control of the Irish Naval Ports to the American-Irish-Portugese Jew, de Valera?

Who was responsible for the surrender of the control of the Western approaches to the Ports of Glasgow, Barrow, Liverpool, Milford Haven, Cardiff, Swansea and Bristol, which the Irish Naval Ports dominate, at a time when everyone knew that war with Germany was almost inevitable; and when are they to be impeached and shot?

OUR PROPAGANDISTS: "German tricks to conceal inflation, by exporting it. Germany is selling bonds in the occupied countries."—B.B.C. News Bulletin, 6-0 p.m. January 14.

So you see, if you buy bonds, you assist inflation.

CANADA REJECTS THE SIROIS REPORT

The Dominion and Provincial Conference in Canada on the Sirois Report on financial and constitutional reforms broke down the day after it opened as three of the Provincial Premiers, Mr. Hepburn (Ontario), Mr. Aberhart (Alberta), and Mr. Patullo (British Columbia) refused to take part in the work of committees dealing with the phases of the report. The Times reports that the Premiers stated that as their Governments were not sympathetic to the recommendations of the report, they saw no reason for going further into it, but that they were not unwilling to continue discussions with the Federal Government about matters affecting relations between the Dominion and Provincial Governments in general.

Mr. MacKenzie King, the Federal Prime Minister, who was General Chairman of the Conference, replied that as it had been called to discuss the Sirois Report it could not continue, but he added that he was willing to discuss any questions that the Provincial Premiers liked to bring up. The Times’s correspondent understands that the conference may continue in session to discuss an alternative scheme of Mr. Hepburn's, which will propose closer co-operation between the Dominion and the Provinces in the war effort, and in laying the foundations of post-war reconstruction.

Delegates from all the Provinces attended the conference; there were 54 Ministers and officials from the Provinces and a Federal delegation of 16. Of the six premiers who eventually agreed to discuss the Report, Mr. Godbout (Quebec) said he had come to listen, but felt it unwise to attempt to formulate any permanent plan for the future in the midst of war. Mr. Macmillan (Nova Scotia) said that if his Province had to make decisions about the whole report it would reject it, and Mr. McNair (New Brunswick) intimated that his Province was not satisfied with it.

Only from Mr. Bracken (Manitoba) came enthusiastic support, says The Times. Mr. Bracken recently (without the consent of his electorate) reorganised his Government as a Coalition, one of the points in its programme being the implementation of the Sirois Report.

A later report states that the Premier of Ontario, Mr. Hepburn, "caused some surprise" by supporting Mr. Aberhart's demand from orthodoxy in financing the war.

He urges the Federal Government to make available enough new currency to meet the expanding requirements of war-time. The Bank of Canada, he says, must not be operated for gain or to serve selfish interests, but should rather help primary producers and assist in the solution of the financial problems of Provinces and municipalities.

WHAT, MORE THAN WORDS?

"Our friends across the water want more than words," said Mr. Kennedy in a recent broadcast in the United States. "Words will not give them armaments. They will not make us strong. Now we must resolve that our lot must be toil and sweat. Then, and only then, can we hope to spare ourselves and our children from a dismal destiny of blood and tears."

Americans, with their customary skill in canning things, have already sent us tinned blood. After Mr. Kennedy's outburst we may at least expect an influx of canned sweat and concentrate of tears. As for the toil, who was the honest American who described "all aid for Britain short of war" as "all help for Britain short of aid"?
In the course of his much-interrupted speech, Mr. Hollins said:

The public debt is, I suggest, the best indication of the finances of the State. The latest issue of the Victorian Year-Book shows how the public debt increased from 1920 to 1939, by £92,000,000. In 1920, the debt was 87.6 million pounds, and in 1939 it had increased to 179.6 million pounds, representing an increase of 92 million pounds, or more than 100 per cent. in nineteen years.

Mr. Mackrell.—Have the national assets increased?

Mr. Hollins.—Certainly, but not in the same ratio. The Leader of the Opposition also made it clear that interest is a big problem.

While I agree with him in that statement, I do not agree with some of his findings. It is interesting to note that he pointed out that the cost of Parliamentary Government in Victoria— including the Legislative Council, the Legislative Assembly, and the establishment of the Governor— is 1/7 per head of the population, while the total interest paid is £4/9/7 per head of the population. Those figures indicate a very dangerous state of affairs.

It is being said on all sides that State Parliaments should be abolished, and very often the high cost of government is put forward as the main reason for advocating the curtailment of Parliaments. At a time like the present, when the British Empire is fighting for democracy and is, in fact, one of the last bulwarks against dictatorship, it is regrettable to find that the great interest burden is so clouding the issue as to give plausibility to the argument that State Parliaments should be abolished because of the high cost of government.

If State Parliaments were abolished, there would be greater centralisation of control, and democracy would be in grave danger. Therefore, it behoves honourable members to face this serious problem of interest charges. I believe it is the crux of our present troubles.

The Federal Treasury recently stated that the war had cost Australia, during the first twelve months, the equivalent of £105 a minute, which is equal to £151,000 a day; but he did not reveal that the amount of taxation being raised is equivalent to £110 a minute, which is £5 a minute more than the cost of the war effort in the first twelve months.

The war effort in the first twelve months has cost £5 a minute less than the cost of interest on the national effort. The Victorian Year-Book shows that in 1920 the interest payments were £3.5 million, and that in 1939 they had increased to £6.8 million.

Sir Stanley Argyle (Leader of the Opposition).—Although the rate of interest had been considerably reduced.

Mr. Hollins.—Yes. The increase over that period was £3.3 million, or more than 100 per cent. in the last nineteen years. All honourable members should seriously consider the question of interest charges. Until we do so we shall not find any solution of the State's problems. A table respecting the effect of interest was prepared some years ago, by which it was shown that £1 invested at 5 per cent. would become, at the end of a year, £1 1/12o, and that at compound interest the result would be the same; at the end of 300 years, the £1 would have increased by simple interest to £16, but at compound interest it would have increased to £2,291,000. Those figures are startling, but they are true. That is why this State, like other States of the Commonwealth, finds itself in an intolerable financial position.

Mr. Bailey (Chief Secretary and Attorney-General).—Did you say that compound interest on £1 would amount to that large sum in 300 years?

Mr. Hollins.—Yes.

Mr. Bailey.—We need not be concerned with what may happen in 300 years.

Mr. Hollins.—That is the trouble. We are passing "the buck." Government after Government has been doing that.

Mr. Mackrell (Minister of Labour).—Have you examined the particulars shown in connection with the National Debt Sinking Fund?

Mr. Hollins.—Yes. The increase of the national debt and of interest payments is tremendous over the years. That indicates clearly that the sinking fund does not wipe off any reasonable portion of the national debt.

Mr. Michaelis.—Do you suggest that we stop borrowing?

Mr. Hollins.—Yes, definitely; but I do not suggest—as some honourable members may—that we should balance the Budget and live within our present financial income. That policy would ruin the State, which is depending more and more on borrowed money to keep going. That is a peculiar statement, but it is true.

Unless Governments borrow money in ever-increasing amounts, business communities must go insolvent. In other words, the profits of the business communities depend more and more on Government loan commitments. Until we realise that that is the position, no solution will be found of our social and economic problems.

Mr. Michaelis.—In other words, we are now suffering from inflation?

Mr. Hollins.—No. Inflation is continually raised as a bogey; but what is inflation? It is an increase of the money supply which causes an increase in the price of goods for sale.

Mr. Michaelis.—Is that not what has happened?

Mr. Hollins.—No. There is certainly an increase of the money supply at present, due to war service and the manufacture of munitions, but there is still a shortage of money to buy all the
THE SOCIAL CREDITER

Mr. Michaelis.—The increase occurred long before the war.

Mr. Hollins.—Yes; largely because of increased borrowings by all the States of the Commonwealth. Attempts have been made—to some degree they have been successful—to limit the tendency for prices to rise immediately upon the money supply rise being increased. The national debts of all countries of the world present the most serious problem facing this age.

I shall quote figures taken from A Short History of Money, by Robert R. Doane. He pointed out that in the seventeenth century the world’s debts increased by 47 per cent., in the eighteenth century by 466 per cent., and in the nineteenth century by 12,000 per cent.

What the increase will be in the twentieth century, with a second world war to be taken into consideration, is left to the imagination. It is no use our being facetious about this matter, as it influences the lives of all of our citizens. As their representatives, we must face the situation honestly, and “passing the buck” will not solve the difficulty.

Mr. A. A. Dunstan (Premier and Treasurer).—The values of the State’s assets also have increased.

Mr. Hollins.—That is true; but they have not increased to the same extent as the national debt. As was pointed out by the honourable member for Northcote yesterday, more than £150,000,000 of the State’s borrowing is tied up in railways, water supply, and land settlement. The Government had to write off £30,000,000 of the capital invested in the railways. They are supposedly State owned, but they are really owned by the stockholders, the Government being the tax-collecting agency.

If we had utilised the national credit available through the Commonwealth Bank, the present intolerable situation would never have developed. It has developed mainly because past Parliaments have not faced up to the real problem. The reason for this was ably expressed by Professor Soddy who said:

“It is a secret conspiracy with the ostensible Government, whatever the party label, to hamstring democracy and keep the nation enslaved to a gang of counterfeiters, pretending to lend, but in fact minting money in order to perpetuate poverty in the midst of abundance.”

Mr. Lind (Minister for Lands and Works).—You are not blaming this Government?

Mr. Hollins.—I am blaming this Government for not facing these problems; but the responsibility on this Government is no greater than that on previous Governments.

Mr. A. A. Dunstan.—What is your suggestion?

Mr. Hollins.—If the Government were to devote one day to debating the financial and monetary issue we could make recommendations to the Commonwealth Government which would have far-reaching results, and would help to put the finances of the country on a sound basis.

Mr. A. A. Dunstan.—Do you think it matters if we spend borrowed money so long as we create assets?

Mr. Hollins.—But we must pay interest on the borrowed money. The Leader of the Opposition pointed out that that was the real problem. I should like to ask members this question: If every citizen in the Commonwealth were to buy one war savings certificate who would pay the interest on those certificates?

It is obviously a physical impossibility for the country to pay the interest. That proves that if we continue to borrow privately-created money from the banks we shall not get out of the intolerable tangle in which we are now.

Mr. Bailey.—Did you not say that it was essential for business to borrow money?

Mr. Hollins.—Under the present financial system the business of the State cannot be carried on without large sums of money coming from the financial system, but I maintain that that is fundamentally unsound because it is creating an inextinguishable debt. I am thinking of the people of Australia. Business is in a parlous condition and no real solution of the problem is being found. The reason is that we have failed to deal with the money problem effectively.

Mr. A. A. Dunstan.—If the blacks still owned Australia there would have been no national debt here, but there would have been no national assets.

Mr. Hollins.—But the national assets could have been created without incurring the national debt. For instance, in 1860, Australia’s national debt was £12,000,000. Since Federation was accomplished, we have paid £900,000,000 in interest on the national debt without paying back one penny of principal. Even if a sinking fund has been operating, the principal has been increasing all the time. The national debt has grown by more than £1,000,000,000.

Mr. A. A. Dunstan.—Does not the same principle apply in private enterprise?

Mr. Hollins.—Exactly; but it is definitely not necessary.

Mr. Michaelis.—Your idea is as old as history.

Mr. Hollins.—A Tasmanian monetary inquiry brought out in evidence that if the present system persisted for another 25 years it would take all the national income to pay the interest on the national debt. It has also been estimated that if the present debt system was continued for another 70 years in the way it had been going, Australia would owe £780,000,000,000 at the end of that period, and that every family in the Commonwealth would have to find £31,500 a year as its share of the national interest.

That is the condition towards which we are heading unless we are prepared to make a round turn at this point. Will the Minister of Labour answer the question that I submitted a few minutes ago —If every citizen in the Commonwealth were to buy one war savings certificate, who would pay the interest on those certificates?

Mr. Mackrell.—We are paying interest on £500,000,000 borrowed from our Australian people.

Mr. Hollins.—I advise the honourable gentleman to be careful. He has not answered my question. According to the Victorian Year Book, in 1934-35 the Commonwealth taxation in this State amounted to £16,000,000 and the State taxation to 8.9 million pounds.

In 1938-39, the Commonwealth taxation had increased to £20,000,000 and the State taxation to £12,000,000. That represented an advance in the Commonwealth taxation in Victoria of £4,000,000, and of State taxation, of 3.1 million pounds. There we have a total increase in the Commonwealth and State taxation in four years of £7,000,000.

Mr. Mackrell.—What about the assets?

Mr. Hollins.—Considerable assets have been created, but they are not commensurate with the amount of increased taxation.

(To be concluded).
TRIO

An ambassador, a most intimate friend of the President and the President's ex-most-bitter political antagonist are crossing or about to cross the Atlantic, each having absolutely no connection with each other. According to reports, the Ambassador's status is official, the friend's friendly, and the antagonist's merely inquisitive. It's an unusual proceeding, and might mean anything.

It might mean that the job which has to be done is much too big for one man attached to one label and supported by one team of busybodies. If the job is that of securing to the 'U.S.A.' that Britain's mortgaged possessions shall be exempt from redemption, we hope it may prove too big a task for a swarm of such busy little bees.

Report promises us an ambassador who is 'I.L.O.', and of I.L.O. Mr. Bernard Shaw's private verdict was that it was the only one of the whole clutch of Geneva eggs to hatch. I.L.O. is presumably still the nucleus of the Dictatorship of that part of the Proletariat for which work can be manufactured in the 'New Order' (American edition) which Americans think we are fighting for. But, if the young man is anything like his English colleagues with I.L.O connections, Mr. Roosevelt may be wise to send someone over to take care of him in a friendly way. It is Mr. Wendell Willkie's butting in that makes it appear as though there may be unsuspected forces at work. It draws attention to the variety of interest in our affairs. This is all to the good.

In this country we are accustomed to ambassadors who stand in a relationship to the permanent civil servant in which the Parliamentarian stands (or seems to stand). And in America it has been the same. The ambassador is more akin to the 'Government' which formulates policy (it shouldn't be so; but it is) than to the administration which merely gives expression to policy (or so it has been made to appear). That all alike have been increasingly the mere mouthpieces of policy is a secret which has not leaked very far beyond social credit circles because really it has never 'leaked' out at all: it has had to be discerned through a smoke-screen which only specially-constructed aids to vision can pierce. The promised ambassador has a different sort of past from the ordinary: he's what you may call 'office' and, above all International 'Office' and Labour (Work) 'Office' all rolled into one. He is 'Official.' Policy has for a long time been very highly 'Un-official.' Perhaps the second and third members of the trio reflect this fact. If so, do they reflect two policies or one? In these pages Mr. Roosevelt and Mr. Willkie have been referred to as two 'horses' from the same stable; as unquestionably they were; and it would be hard to imagine anyone labelled 'life-long-and-bosom-pal' of the President as belonging to a wholly different category—but he might!

Anyhow, too many cooks spoil the broth: and no one outside of I.L.O. and similar offices will really mind if the hell's-broth of a 'New Order' that's brewing gets spoiled—and thoroughly spoiled.

The "great" dailies which have evidence produced up to now that we are in a total war.

To the True Planner, the fact, the 'blitzed' parts of London, Coventry, Southampton, Bristol, Sheffield, Birmingham, Portsmouth, Liverpool et al., the ordeal and the courage of the people, are not EVIDENCE.
THE SECRET FORCES BEHIND FREEMASONRY (I)

By John Mitchell

Government is concerned with control of individuals in the mass, and is therefore interested only in social objectives. Those who want to govern, by their nature direct their efforts to getting more human energy spent on common objectives and less on individual objectives. But the individual is by nature concerned with obtaining and maintaining the freedom to pursue his own individual objectives, and no two individuals are exactly alike in their wants; for this reason the individual is only interested in social objectives in so far as they give him greater freedom to pursue individual objectives. If government serves the individual it can no longer accurately be called "government," but becomes instead an administration whose policy is governed by the people whom it was set up to serve. But what we have in fact in the world is government whose policy is imposed on the mass of people, with their acquiescence or by force.

If a policy is imposed by force, those upon whom it is imposed must be docile. If it is acquiesced in those upon whom it is imposed must be deceived. It is a fact which anyone can demonstrate for himself that the human individual if he is unbiased can, with relatively few exceptions, recognise the truth when it is pointed out. Extensive as is the control by the secret government of publicity organs, the truth can still be disseminated. But as things are it is only rarely adequately recognised, and the people still acquiesce in a policy against their individual interests; so that secret government is seen to be operating a factor here which is not rendered possible merely by control of financial or police sanctions. This control is in fact maintained by psychological means, means which may be described as "magical"—Black and White Magic.

It may be that the whole secret of this Magic is known only to those who are using it to govern the world. But an objective study of the methods of government does reveal certain characters which facilitate the direction and concentration of the thought and will of people en masse on objectives upon which they can expend endless energy without getting any nearer to freedom from external controls and instead find themselves subjected to even more controls. The two broad principles upon which government is seen to be based are "divide and rule" and "unite to resist." By dividing people into groups opposed to each other you make it possible to unite the people in each group to a single objective. By this means is obtained what is called "unity." It is to be noticed that in war-time, when there is serious division between nations there is a greater measure of "unity" in nations; and in peace-time, when there is a semblance of "unity" between nations, there is much less "unity" in nations, in fact there is division. There is, however, a natural unity, which produces diversity of human aims and activities, and harmony in human relations. But the trend of all government policy and propaganda in the world is in the opposite direction.

Until such time as people can be united, assuming this possible, to work for objectives chosen for them without having to resist some other group of people, the secret government will attempt to unite them for objectives chosen for them by dividing them into opposing groups. By so doing it has been found possible to hypnotise their attention, thus enabling a third party to operate unnoticed. These secret forces, however, are working to establish an order where it will be possible to govern the whole world without dividing people into opposing factions. This involves nothing less than a change in human nature, and the possibility of its success can be weighed against this fact. But, for the present, government is based upon division in order to unite, and this necessitates the employment of two forces, one destructive and the other constructive, which correspond with Black and White Magic. Both of these forces can be seen to be working through Freemasonry, and account for its dual nature, which has deceived so many people. "Between the right and left hand (Magic) there is but a cobweb thread," says an Eastern proverb.

The so-called harmlessness of British Freemasonry can be explained by the fact that outwardly its mission is "constructive." This constructive, i.e. the "building" aspect of Freemasonry, however, is also common to Continental Freemasonry. But in Europe and elsewhere not only is the "constructive" aspect evident, the destructive aspect of Freemasonry is also established beyond dispute, and it is known for certain what social phenomena it initiates. These social phenomena can also be observed in Great Britain, and it would be odd indeed if the forces responsible for them were in no way related to the forces producing the same phenomena on the Continent. It is known that the "constructive" objects of Freemasonry in Great Britain are the same as the "constructive" objects of Freemasonry in Europe. Therefore, if there is a superficial dissociation of British Freemasonry from Continental Freemasonry, there nevertheless remains a real association.

Freemasonry is a system for setting in motion a vast number of people and making them work in a cause unknown to them. The essence of this conception is delusion, deception and secrecy. "It is the unvarying rule of secret societies that the real authors never show themselves." M. Copin Albancelli, a Freemason who reached the Rose-Croix degree, in his book, Le Pouvoir occulte contre La France, gives it as his opinion that there are three Freemasonries, one above the other: (1) Blue Masonry (i.e. the three Craft Degrees), in which none of the real secrets are revealed to the members and which serves merely as a sorting-ground for selecting likely subjects; (2) the Upper Degrees, in which most of the members, whilst imagining themselves to have been initiated into the whole secret of the Order and "bursting with importance" over their imaginary role of leaders, are only admitted to a partial knowledge of the goal to which they are tending; and (3) the inner circle, "the true masters," those who conceal themselves behind high-grade Masonry. Admission to this inner circle may be, however, not a matter of degrees. "Whilst in the lower Masonries the adepts are obliged to pass through all the
degrees of the established hierarchy, the upper and invisible Freemasonry is certainly recruited not only amongst the thirty-three degrees but in all the groups of the upper-degree Masonry, and perhaps in certain exceptional cases outside these.” M. Copin Albancelli describes in his book an experience where one of his superiors took him aside and instead of inviting him to take the next step in Freemasonry, the thirtieth degree of Knight Kadosch, as he thought at first was happening, asked him to enter a side-door into an association concealed within Freemasonry and for which the visible organisation served as a cover.

Blue Masonry alone was recognised by the English Grand Lodge at the time of its foundation in 1717. The upper degrees, beginning with Royal Arch and the higher degrees known as the Scottish Rite or the Ancient and Accepted Rite were imposed on the top of Blue Masonry between 1740 and 1743 by one section of British Freemasons who were known as the Ancients. These upper degrees were officially received into English Freemasonry in 1813. The Royal Arch degree is purely Judaic, and its initiation with that of all the upper degrees into British Freemasonry seems to have been the work of Cabalistic Jews.

However much the general public may be deceived as to the nature of both Blue and Upper Degree Freemasonry, there is no dispute as to their existence. But the carrying out of a world conspiracy presupposes the existence of a directing group and an effective co-ordination of action in different countries throughout the world. What is known about the character of Upper Degree Freemasonry and its personnel can explain how it is possible for it to be used in a World Conspiracy, but not how it could itself initiate and direct such a conspiracy. It becomes interesting, therefore, to discover whether there is any evidence of the existence of an inner ring of conspirators who are trying to direct the policy of all governments. M. Copin Albancelli’s experience in which he discovered the existence of a secret society hidden behind Freemasonry, but drawing members from it and using it, happened in 1889. In the previous century, in the year 1776, the Illuminati, whose major role in bringing about the French Revolution is acknowledged generally by Freemasons, was founded by Weishaupt. In 1786 the papers of this organisation were seized and their contents subsequently published. The following statement by Weishaupt throws a light on the manner in which this organisation worked:

“That we shall have a masonic lodge of our own. That we shall regard this as our nursery garden. That to some of these Masons we shall not at once reveal that we have something more than the Masons have. That at every opportunity we shall cover ourselves with this (Masonry). . . . All those who are not suited to the work shall remain in the Masonic lodges and shall advance in that without knowing anything of the further system.”

Under the heading of “Higher Mysteries,” Weishaupt wrote:

“The man who is good for nothing better remains a Scottish Knight. If he is a particularly industrious co-ordinator, observer, worker, he becomes a Priest . . . . If there are among these (Priests) high speculative intellects, they become Magi. These collect and put in order the higher philosophical system and work at the people’s Religion, which the Order will next give to the world . . . .

“We must consider how we can begin to work under another form. If only the aim is achieved, it does not matter whether we cover or not, and a cover is always necessary. For in concealment lies a great part of our strength. For this reason we must always cover ourselves with the name of another society. The lodges that are under Freemasonry are in the meantime the most suitable cloak for our purpose, because the world is already accustomed to expect nothing great from them which merits attention. . . . A society concealed in this manner cannot be discovered. In case of a prosecution for treason the superiors cannot be discovered. . . . We shall be shrouded in impenetrable darkness from spies and emissaries from other societies.”

The assassinated French statesman, M. Barthou, in his Life of Mirabeau, refers to the discovery at Mirabeau’s house of a paper describing how the Order of the Illuminati, to which Mirabeau belonged, was to be grafted on to Freemasonry.

Now it is certainly difficult to believe that Weishaupt, a German professor, could himself originate the doctrine upon which the Order of the Illuminati was based, initiate the Order, establish wide connections with other secret societies already in existence and bring about the French Revolution within twenty years of the inception of the Order.

In previous articles on Freemasonry I have referred to statements that Freemasonry is based upon the Cabala and to the fact that the Ritual of Freemasonry is Judaic. It is in this direction that we can find both the secret inspirers’ of secret societies and a satisfactory explanation of how such societies could harbour such ambitious as well as evil aims, and exercise the extraordinary power which they have done for centuries. These secret inspirers are the Jewish Cabalists. That the Jewish Cabalists are not just a dissident sect among the Jews can be ascertained from the Jewish Encyclopaedia, in its article on the Cabala, says: “the Cabala is not really in opposition to the Talmud and many Talmudic Jews have supported and contributed to it.”

It is not surprising, therefore, that the Jewish writer, Bernard Lazare, states that “there were Jews, Cabalistic Jews, around Weishaupt.” Mrs. Nesta Webster telling us this in her book Secret Societies and Subversive Movements refers to the fact that two writers, the Abbé Barruel and Lecoulteux de Canteleu, state that Weishaupt was “initiated into all the mysteries of his secret doctrine” in 1771 by a man named Kolmer, which he had himself learnt during many years spent in Egypt.

A fact of great significance is that the principles of collectivism and the elimination of the private ownership of property which are the basis of present day Socialism—the effective policy that practically every government in the world is trying to put into practice at the present time—are exactly the same as the principles which were behind the Jacobinism of the French Revolution and those which the Jewish Cabalistic sect of Essenes practised over two thousand years ago.

*Quoted from N. Webster’s Secret Societies and Subversive Movements.
C. H. Douglas:—

"The primary business of the genuine State is to distribute dividends."

"Abolish the myth of the necessity for 'Trade' and 'Employment' as the fundamental duties of mankind, and break the monopoly of Credit, and the unwieldy centralised state will stand out as the clumsy, inefficient and corrupt institution which from its nature it is bound to be."

What is the connection between measles and spots?

"The drying up of the channels of international trade and the development of 'autarky' have been widely recognised as one of the crucial problems of the past twenty years, and a major cause of the war," said The Times on January 11.

Ever since 1919 British statesmen and economists have been constantly preoccupied with the removal of barriers and obstacles to trade. And constantly the obstacles increased "in geometrical progression." Despite all efforts a "crescendo of obstruction was still in progress when the war broke out!"

International trade rivalry does not cause war. Oh, no! Measles do not cause spots. Peace cannot return until international trade is revived, because "abundant and prosperous commerce is one of the surest guarantees against unemployment and war."

I would not insult my readers by the recapitulation of such unmitigated nonsense were it not for the treacherous plan which those responsible for this article have in mind—He who wrote it is their instrument.

What is their plan?

Here it is in their own words:

"The mere removal of trade barriers is a barren cause, because in practice it always amounts to a demand for the removal of other people's restrictions on our commerce, and for the maintenance of our restrictions on theirs."...

"We must therefore reconcile ourselves to the view that the days of laissez faire and the unlimited division of labour are over."...

"This exchange can no longer be left to the working of Adam Smith's 'invisible' hand, but must be consciously and deliberately organised by those who are responsible for commercial policy. This policy must be conceived as a whole... Too many countries have made the attempt in recent years to eat their cake and have it. ... " [My italics.]

Who are THEY?

Now it is quite obvious THEY cannot be British, or French, or even American. If so they might be too much interested in cake.

THEY must be people whose interests transcend mere national boundaries, who in fact belong to no "nation," and are above "patriotism." THEY conceive of policy as a whole, as world-wide, not as being under control of the nations.

Who are THEY?

To whom are THEY responsible?

The answer to these questions will be left to the intelligent readers, but it may be as well to remark, since we are dealing in proverbs, that one man's meat is another man's poison.

I used the word "treacherous" advisedly. He who wrote the article is guilty as well as those who inspired it, of conspiring to deprive this nation of sovereign power, and invest it in an international body whose policy has not been chosen by the people.

Here is the policy as set forth in the last paragraph:

"It is only by widespread increase in consumption that we shall at one and the same time provide full employment for our resources in men and material and create those expanding markets which alone can free international trade from the shackles of the past twenty years."

What is cake to THEM? International trade and expanding markets. And at the same time they want increased consumption and full employment (under the wage system, of course).

There is no doubt THEY are going to have all the cake there is, and eat it too!

You, my poor consumer, are just to be an employed consumer, nothing more. It is your duty to consume as hard as possible in order to make international trade work, and employ yourself for six or eight hours a day in providing something for yourself to consume! THEY have not decided on the number of hours yet. It will be announced in due course. What you will consume will also be chosen by THEM.

Have you noticed that the word "leisure" is never mentioned nowadays?

A nation of well-fed slaves:

I had a dream in which it seemed that I was admitted to THEIR presence and was to be granted the privilege of asking one question, I thought carefully, and asked,

"How can you expect the modern engineer to combine the fundamentally incompatible objectives of labour-saving and the provision of unlimited employment?"

From THEIR austere thrones THEY looked upon me, and with a benign aspect ONE replied, speaking for the rest,

"My poor woman, We have provided for everything.

The inventor will be allowed to invent as usual, but as the engineer releases time so We in our wisdom shall take it up. As man can only be happy when he is under the Law we have arranged for a comprehensive system of licences which shall cover every department of life. There will be forms to fill in for every article bought, for every journey taken, for every leisure hour, so that We shall have a complete report of all consumption and of all leisure and of the way it is used. And if We are satisfied that it is being used in the right way We may decrease the working hours, but only on condition that the leisure shall be used as We ordain. For the present the filling in of the forms and the increased consumption of paper will create much beneficial employment, not to mention the increased work of checking and filing them when completed and analysed.

"Another suggestion has been made by one of our number who is interested in architecture, He proposes that when Jerusalem is built in England's green and pleasant land, staircases and lifts shall be so designed that as much time and energy as possible is consumed in getting from one department of an office (continued on page 11)."
THE GRAND INQUISITOR

The following passage (the first part of which was published in ‘The Social Crediter’ of January 11) is taken from ‘The Brothers Karamazov,’ the last of Dostoevsky’s novels, which he wrote in 1878 and which is broadly concerned with the effects of an ill-digested ‘liberalism’ and ‘science’ on traditional Russian life and culture.

Ivan, the second Karamazov brother, is an ‘intellectual,’ and he finds it increasingly difficult to reconcile his knowledge of the affairs of men, of philosophy and of science with a belief in God. He is expressing his doubts in a long conversation with his younger brother Alyosha, a youth of unassuming kindliness and simplicity. He tells him of a poem he nearly wrote a year ago, about how Christ, coming again on earth during the fifteenth century was taken by the Inquisition. The Grand Inquisitor tells Him what is being done in His name:

‘Oh, ages are yet to come of the confusion of free thought, of their science and cannibalism. For having begun to build their tower of babel without us, they will end of course with cannibalism. But then the beast will crawl to us and lick our feet and spatter them with tears of blood. And we shall sit upon the beast and raise the cup, and on it will be written, ‘Mystere.’ But then, and only then, the reign of peace and happiness will come for men. . . . But with us all will be happy and will no more rebel nor destroy one another as under Thy freedom. Oh, we shall persuade them that they will only become free when they renounce their freedom to us and submit to us. And shall we be right or shall we be lying? They will be convinced that we are right, for they will remember the horrors of slavery and confusion to which Thy freedom brought them. Freedom, free thought and science will lead them into such straits and will bring them face to face with such marvels and insoluble mysteries, that some of them, the fierce and rebellious, will destroy themselves, others rebellious but weak, will destroy one another, while the rest, weak and unhappy, will crawl fawning to our feet and whine to us: “Yes, you were right, you alone possess His mystery, and we come back to you, save us from ourselves!”

‘Receiving bread from us, they will see clearly that we take the bread made by their hands from them, to give it to them, without any miracle. They will see that we do not change the stones to bread, but in truth they will be more thankful for taking it from our hands than for the bread itself! For they will remember only too well that in old days, without our help, even the bread they made turned to stones in their hands, while since they have come back to us, the very stones have turned to bread in their hands. Too, too well will they know the value of complete submission! And until men know that, they will be unhappy. Who is most to blame for their not knowing it?—speak! Who scattered the flock and sent it astray on unknown paths? But the flock will come together again and will submit once more, and then it will be once for all. Then we shall give them the quite humble happiness of weak creatures such as they are by nature. Oh, we shall persuade them at last not to be proud, for Thou didst lift them up and thereby taught them to be proud. We shall show them that they are weak, that they are only pitiful children, but that childlike happiness is the sweetest of all. They will become timid and will look to us and huddle close to us in fear, as chicks to the hen. They will marvel at us and will be awe-stricken before us, and will be proud at our being so powerful and clever, that we have been able to subdue such a turbulent flock of thousands of millions. They will tremble impotently before our wrath, their minds will grow fearful, they will be quick to shed tears like women and children, but they will be just as ready at a sign from us to pass to laughter and rejoicing, to happy mirth and childish song. Yes, we shall set them to work, but in their leisure hours we shall make their life like a child’s game, with children’s songs and innocent dance. Oh, we shall allow them even sin, they are weak and helpless, and they will love us like children because we allow them to sin. We shall tell them that every sin will be expiated, if it is done with our permission, that we allow them to sin because we love them, and the punishment for these sins we take upon ourselves. And we shall take it upon ourselves, and they will adore us as their saviours who have taken on themselves their sins before God. And they will have no secrets from us. We shall allow or forbid them to live with their wives and mistresses, to have or not to have children—according to whether they have been obedient or disobedient—and they will submit to us gladly and cheerfully. The most painful secrets of their conscience, all, all they will bring to us, and we shall have an answer for all. And they will be glad to believe our answer, for it will save them from the great anxiety and terrible agony they endure at present in making a free decision for themselves. And all will be happy, all the millions of creatures except the hundred thousand who rule over them. For only we, who guard the mystery, shall be unhappy. There will be thousands of millions of happy babes, and a hundred thousand sufferers who have taken upon themselves the curse of the knowledge of good and evil. Peacefully they will die, peacefully they will expire in Thy name, and beyond the grave they will find nothing but death. But we shall keep the secret, and for their happiness we shall allure them with the reward of heaven and eternity. Though if there were anything in the other world, it certainly would not be for such as they. It is prophesied that Thou wilt come again in victory, Thou wilt come with Thy chosen the proud and strong, but we will say that they have only saved themselves, but we have saved all. We are told that the harlot who sits upon the beast, and holds in her hands the mystery, shall be put to shame, that the weak will rise up again, and will rend her royal
purple and will strip naked her loathsome body. But then I will stand up and point out to Thee the thousand millions of happy children who have known no sin. And we who have taken their sins upon us for their happiness will stand up before Thee and say: "Judge us if Thou canst and darest." Know that I fear Thee not. Know that I too have been in the wilderness, I too have lived on roots and locusts, I too prized the freedom with which Thou hast blessed men, and I too was striving to stand among Thy elect, among the strong and powerful, thirsting "to make up the number." But I was awakened and would not serve madness. I turned back and joined the ranks of those who have corrected Thy work. I left the proud and went back to the humble, for the happiness of the humble. What I say to Thee will come to pass, and our dominion will be built up. I repeat, to-morrow Thou shalt see that obedient flock who at a sign from me will hasten to heap up the hot cinders about the pile on which I shall burn Thee for coming to hinder us. For if anyone has ever deserved our fires, it is Thou. Tomorrow I shall burn Thee. Dixit."

"... but that's absurd!" he [Alyosha] cried, flushing. "Your poem is in praise of Jesus, not in blame of Him—as you meant it to be. And who will believe you about freedom? ... your suffering Inquisitor is a mere fantasy."

"... A fantasy you say, let it be so! Of course it's a fantasy. ... You see, only suppose that there was one such man among all those who desire nothing but filthy material gain—if there's only one like my old Inquisitor, who had himself eaten roots in the desert and made frenzied efforts to subdue his flesh to make himself free and perfect. But yet all his life he loved humanity, and suddenly his eyes were opened, and he saw that it is no great moral blessedness to attain perfection and freedom, if at the same time one gains the conviction that millions of God's creatures have been created as a mockery, that they will never be capable of using their freedom, that these poor rebels can never turn into giants to complete the tower, that it was not for such geese that the great idealist dreamt his dream of harmony. Seeing all that he turned back and joined—the clever people. Surely that could have happened?"

"Joined whom, what clever people?" cried Alyosha, completely carried away. "They have no such great cleverness and no mysteries and secrets. ... Perhaps nothing but Atheism, that's all their secret. Your Inquisitor does not believe in God, that's his secret!"

"What if it is so! At last you have guessed it. It's perfectly true, it's true that that's the whole secret, but isn't that suffering, at least for a man like that, who has wasted his whole life in the desert and yet could not shake off his incurable love of humanity? In his old age he reached the clear conviction that nothing but the advice of the great dread spirit could build up any tolerable sort of life for the feeble, unruly, 'incomplete, empirical creatures created in jest.' And so, convinced of this, he sees that he must follow the counsel of the wise spirit, the dread spirit of death and destruction, and therefore accept lying and deception, and lead men consciously to death and destruction, and yet deceive them all the way so that they may not notice where they are being led, that the poor blind creatures may at least on the way think themselves happy. And note, the deception is in the name of Him in Whose ideal the old man had so fervently believed all his life long. Is not that tragic? And if only one such stood at the head of the whole army 'filled with the lust of power only for the sake of filthy gain'—would not one such be enough to make a tragedy? More than that, one such standing at the head is enough to create the actual leading idea of the Roman Church with all its armies and Jesuits, its highest idea. I tell you frankly that I firmly believe that there has always been such a man among those who stood at the head of the movement. Who knows, there may have been some such even among the Roman Popes. Who knows, perhaps the spirit of that accursed old man who loves mankind so obstinately in his own way, is to be found even now in a whole multitude of such old men, existing not by chance but by agreement, as a secret league formed long ago for the guarding of the mystery, to guard it from the weak and unhappy, so as to make them happy. No doubt it is so, and so it must be indeed. I fancy that even among the Masons there's something of the same mystery at the bottom, and that's why the Catholics so detest the Masons as their rivals breaking up the unity of the idea, while it is so essential that there should be one flock and one shepherd. ... But from the way I defend my idea I might be an author impatient of your criticism. Enough of it."

"You are perhaps a Mason yourself!" broke suddenly from Alyosha. "You don't believe in God," he added, speaking this time very sorrowfully. He fancied besides that his brother was looking at him ironically. "How does your poem end?" he asked, suddenly looking down. "Or was it the end?"

"I meant to end it like this. When the Inquisitor ceased speaking he waited for some time or IS soner Jome;: ever peop e. ure y __a ~ou. a~e to answer him. His silence weighed ~own upon him. He

[TREASON—continued from page 9).

or factory to another. He points out that this simple device will lead to a larger consumption of shoe leather and food, by reason of the physical energy needed to cover the distances. It will also consume much time, and benefit health. But though We are interested in his ingenious plan We hardly think it will be necessary to go to such lengths when rebuilding takes place." To the sound of holy music they faded away, or was it the voice of the Mayor of Ilford telling the Minister of Information to take his forms to hell.
BOOKS TO READ

By C. H. Douglas:

Economic Democracy

Social Credit

(temporarily unobtainable)

Credit Power and Democracy

The Monopoly of Credit

Warning Democracy

(temporarily exhausted)

The Tragedy of Human Effort

The Use of Money

Approach to Reality

Money and the Price! System

Nature of Democracy

Social Credit Principles

Tyranny

and

“This ‘American’ Business”

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