

THE SOCIAL CREDITOR

FOR POLITICAL AND ECONOMIC REALISM

Vol. 61 No. 6

NOVEMBER—DECEMBER, 1982

Registered by Australia Post
Publication No. NBH0274

Programme for the Third World War

BY C.H. DOUGLAS

THIS TREATISE, HERE CONTINUED, WHICH FIRST APPEARED SERIALLY IN THESE PAGES BETWEEN APRIL AND AUGUST, 1943, AND LATER IN BOOKLET FORM WILL NOT BE FAMILIAR TO MANY OF OUR PRESENT READERS. FOR OTHERS A RE-READING SHOULD PROVE ENLIGHTENING.

XIX

In a popular Sunday newspaper Lord Vansittart refers to "the dupes of those Leftist pan-Germans, operating under cover of anti-Nazism" in the following words, printed in block capitals, with underlining, in the original:

"This has always been a phoney war, and we may get a phoney peace, unless at long last, these people are put, and kept in their place."

— *Sunday Dispatch*, August 1, 1943.

I might, perhaps, be allowed to add to the fairly modern adjective "phoney," one still newer, "microphoney."

Lord Vansittart was Chief Diplomatic Adviser to the Foreign Office. I draw a very sharp distinction between the highly-trained official, of which class he is a representative, and the infesting bureaucracy which crept in under the prestige of a totally different organisation designed for special objectives outside the routine of the business man. And I consider the paragraph I have quoted, in the light of the training and experience of its author, to be deserving of very serious attention. It is certain that it is made on the basis of exact knowledge, and I trust that the knowledge will be made available at such a time and place as will insure that it will be the basis of action.

But the general truth of it leaps to the eye. What adjective would you apply to a "British" broadcasting organisation from which, almost any night at 5.59 p.m. you may hear an unctuous voice murmur, "Good naight, children; —everywhah" and at 6.01 p.m. a hearty fellow tell you, "Our bombers were out over Germany last night"? (And a good thing, too.) What adjective would you apply to a situation in which "statesmen" mouth clichés about a war for freedom, while men who fought in the first round of that alleged fight are imprisoned, without trial, without a formulated charge, and without hope of release? Or to a world in which forty million individuals, 99 per cent. of whom only wish to be allowed to mind their own business, are killing and wounding each other for some undisclosed objective known only to half a dozen men who don't agree on it themselves?

Lord Vansittart plants his indictment on too narrow a base. It is a phoney world, and a phoney war and a phoney peace are part of it.

Supposing I were to say to you, "I am organising a cricket club. You are all cricket enthusiasts, so I feel sure that you will join my club, and will deposit all your title deeds, stocks and shares, and other valuables with the secretary as a guarantee that you will obey my orders,"—you

would probably remark that, under the circumstances, you think you'll play golf.

But suppose you had been brought up from birth to believe that you *must* play cricket, and you must join my club, and that, of course, placing all your eggs in my basket was only a formality. And supposing that, when you were all neatly registered, I were to say, "This organisation, which we humorously call a cricket club, is really planned for plainer living, higher thinking, and more painful dying, and you can't resign,"—you would complain, wouldn't you? To which the answer is, "No, you wouldn't," because you in fact, don't. Most of you merely say that more people must join the club—"full employment."

In the face of a worsening world situation of which the foregoing little parable is not an unfair picture, it is still possible to speak of Labour as a "class" without more than one person in a million observing that the claim of "Labour" to be a class is just elementary lack of education. Labour is a function, not a class, and a Labour Government is government by function. We hear a good deal about rooting out Fascism, largely from the "Left" which agitates for "Labour." Again, not one in a million could define Fascism, which is rule by function—the corporative state. The hand ruling the brain. But not really, you know. A gang of crooks ruling everyone. A few Labour bosses, and a majority of Finance bosses.

If this business of the relation of function to policy were really difficult to understand, then it would be possible to believe that the native intelligence quota is so low that no blame attaches to anyone for its mishandling. But the native intelligence quota is not low and the general principle is quite easy to understand. Opinion is consciously misdirected by the agents of interests which know exactly what they are doing. Precisely, they are straining every agency of misdirection to lead the common man into a trap from which there is no escape.

At the present time there is hardly a Trades Union leader who is not telling his bemused constituents that he is going to make a new world in which "labour" is the only voice which matters. There is only one state of the world in which "labour" can even remotely claim to represent humanity, and that is—"in war, or under threat of war." In any sane civilisation "labour" has never been of so little importance, by reason of its displacement by power. And, if there is any sanity after this war, its importance will be less. The Trades Union constitution-makers are the worst enemies of their audience—if their audience pays any attention to what they say.

To any thoughtful Englishman (*pace* the Scot and Welshman) one of the more serious aspects of false propaganda is that it must inevitably recoil on the British people. It is most desirable that there should be a working agreement with America, but we are going the worst possible way to obtain one. This fact is recognised in rather unlikely quarters. The *New York Times* of May 9, 1943 commenting on the egregious film *Mission to Moscow*, remarks, "The whole effort is to represent Soviet dictatorship as advanced democracy. This film is anti-British, anti-Congress, anti-democratic, and anti-truth..."

According to the Communist *Daily Worker* (U.S.A.), Messrs. Warner Brothers, the Jew film monopoly, are spending half a million dollars to advertise *Mission to Moscow*—nearly twice as much as was ever previously spent on advertising one film.

Almost contemporaneously (April, 1943) a widely read periodical *America Preferred* published an article *Do we win or lose the War?* In the course of this article the author remarks, "The American people are not committed to an amalgamation with the British Empire, and they will not tolerate any conspiracy to accomplish such amalgamation, once they realise fully what is intended. The American people have never voted to socialise or communise the United States, and there is no reasonable ground for believing that they ever will do so... The international bankers recognise that internationalism stems from collectivism, just as economic nationalism stems from individualism, but the bankers have no intention of yielding the control of the collectivised and socialised state to the 'proletariat,' and there is no great fear that they will be required to do so. With a proper understanding and respect for the lessons of history, they realise how absurd is the 'dictatorship of the proletariat.' This is the reason that international bankers are so generous with their subsidies to international communism. This is the reason that Mr. Hoover, Mr. Willkie, Earl Browder, Mr. Roosevelt, Judge Frankfurter, Mr. Wallace, Mr. Hopkins, Mr. Baruch, Ben Cohen and the partners of J. P. Morgan can be found in the same bed. Their points of agreement are fundamental. Their differences are trivial."

Amongst the less intelligent criticisms of the group of ideas known as Social Credit is that it is disguised anarchy—a kind of go-as-you-please free for all. The argument is equivalent to saying that a claim to choose whether I will play cricket or tennis is a claim to make the rules of cricket or tennis.

But the criticism has an important truth contained in it—a truth which the collectivist monopolists understand clearly. Freedom of choice does *ultimately* mean negative control. Negative control is the only control the man in the street requires. He needs a bridle on the mass expert.

If sufficient individuals disapprove of an article, it will go off the market for the simple reason that it will have no market. But only if there is an alternative. If there is no alternative, you become the tool of the gangster. If you have freedom of choice, you needn't. Social Credit is the escape from gangsterdom.

This is a gangsters' war, for the benefit of gangsters and the perpetuation of gangsterdom. You can have just as many like it as you wish. To that end, the first essential is to demand the right to interfere in everyone's business, preferably without understanding it. That encourages everyone to interfere with you, and a good time is had by all.

Then use as many words which have no ascertainable meaning, as possible. Demand higher taxes for everyone and complain about your own. Otherwise leave Finance severely alone. Professor Laski will help you.

A very few years of "peace" founded on these principles will ensure a hearty welcome to the next war. (Concluded)

The Sanhedrin

(Originally published in *The Social Crediter* in 1947)

Considerable mystery as well as great interest attaches to the institution of the Sanhedrin (or synhedrion), the council of seventy or seventy-one, apparently first constituted by Moses after the Captivity but believed by some on the contrary to have been an ancient institution in abeyance from the time of the Captivity until the Maccabees.

According to the *Jewish Encyclopaedia*, under the heading "The French Sanhedrin," "On October 6, 1806, the Assembly of Notables issued a proclamation to all the Jewish communities of Europe inviting them to send delegates to the Sanhedrin to convene on October 20. This proclamation, written in Hebrew, French, German and Italian, speaks in extravagant terms of the importance of this revived institution and of the greatness of its imperial protector."

The article nevertheless reproduces in facsimile the title pages from the Prayers recited "at the meeting of the Sanhedrin convened by Napoleon, Paris, 1807." The source is the Salzberger collection in the Jewish Theological Seminary of America, New York. Surrounding a badge bearing, underneath a shield, a sign composed of five letter-v's arranged about a central point (points to centre) the first page bears the following words:—

PRIÈRE

des

Membres du Sanhédrin

RÉCITÉS

dans leur assemblée convoquée à
Paris le 1^{er} jour d'Adar de
L'Année 5567 (9 Février 1807)

[*badge*]

A PARIS

de l'Imprimerie Impériale

1807.

The account of the proceedings leaves no doubt concerning the occasion for the meeting and little concerning the aspirations behind it. Delayed for exactly a year from the date of the original proclamation, seventy-one "Members" attended, to whose number were added twenty-nine other rabbis and twenty-five laymen. The sittings were public. The resolutions passed "formed the basis of all subsequent laws and regulations of the French Government" in regard to the religious affairs of the Jews, although Napoleon, in spite of his declarations, issued a decree on March 17, 1808, restricting the Jews' legal rights.

The reference to a "revived" institution goes back to the abolition of the Sanhedrin as part of the repression of the disorders before A.D. 69. The disappointment expressed at the Emperor's moderation of his undertakings seems definitely to refer to an issue not dissimilar to that which developed under the Roman occupation in Palestine at the beginning of the Christian era. The *Jewish Encyclopaedia* raises, but does not dispel, doubts concerning the whole nature and functions of the Sanhedrin by quoting Adolf Büchler to the effect that there were in Jerusalem two magistracies, not one, "which were entirely different in character and functions and which officiated side by side at the same time." Of the first of these, the Political Sanhedrin, it is asserted that "This body was undoubtedly much older than the term 'Sanhedrin.'" The time incidence of the story of the Sanhedrin is noteworthy: it is existent, or at least prominent, before or during the Captivity, during the nationalist excesses of the Maccabees—and after the French Revolution? the latter suggestion is discounted by the recorded history of the public body; but not by the events of European and world history. The continuous underground existence of the Sanhedrin is an historical question, quite independent of the legend that the body meets regularly in Yucatan.

Beginning with the first reference, "*Tiberias was avoided in New Testament times by faithful Jews as godless, pagan, and defiled, but by the irony of history became later a seat of the Sanhedrin, and to-day is one of the four holy cities of Jewry,*" we commend to those who may be interested the consecutive reading of the twenty or so references to the Sanhedrin in "A Commentary on the Bible" edited by Arthur S. Peake, sometime Rylands Professor of Biblical Exegesis in the University of Manchester. Authorities are cited.

T.J.

Collectivism

"If we then describe the deadly danger which threatens our whole Western civilisation as Collectivism we do not doubt that we shall be fully understood by everyone. We are surely within our rights in speaking of Collectivism as the fundamental and mortal danger of the West and in describing it as nothing less than political and economic tyranny, regimentation, centralisation, the despotic organisation of every department of life, the destruction of personality, totalitarianism and the rigid mechanisation of human society. And we do not doubt that we can count upon general agreement when we say that this resulting insect State would not only destroy most institutions and values which comprise a development of three thousand years and which, with a conscious pride, we designate Occidental civilisation. It would not only rob society of that organic structure, and internal support which gives it its stability, but above all it would take from the life of the individual just that essential purpose which only freedom can bestow; and with the loss of individual liberty every vestige of intrinsic worth and dignity would perish from the earth. In speaking thus we are expressing convictions which comprise the very core of Christian thought and which must perish with it."

—Wilhelm Ropke in *Civitas Humana*
(William Hodge & Co. Ltd.).

The Myth of the Trades Union

(Originally published in *The Social Crediter*, March 15, 1947)

By reason of its chameleon-like disguises, MONOPOLY often escapes notice under the label of some particular embodiment of it. When Social Crediters drew attention to the dominance of Finance in the years of the Armistice, they were merely (and the better-informed of them realised the fact) dealing with something which, *at that time*, occupied an almost unique position astride the world of production and distribution—a position derived from its peculiar claim to synthesise *value*, or wealth. Major Douglas has frequently deplored the undue emphasis on the later chapters of *Economic Democracy*. The pathetic inability of many otherwise intelligent people to penetrate below the appearance to the MONOPOLY, which was the thing-in-itself, has been demonstrated by the almost universal clamour, until it was too late, for the "nationalisation", i.e., complete centralisation and MONOPOLY, under an uncontrolled and uncontrollable anonymity, of Banking and Currency.

But the phenomenon is far from standing alone. For generations and almost without protest the Myth of the Trades Union, i.e., the MONOPOLY of Public Service, has gone forth.

The Myth takes the form that Trades Unionism is inherently good; a marvellous gift to suffering humanity; that British Trades Unionism in particular is the primary cause of the "emancipation" of "the worker"; and that to attack Trades Unionism is just a Tory demonstration of obsolete reaction. Trades Unionism is MONOPOLY and inherently bad and anti-social.

The first point to notice is that Trades Unionism, like every other monopolistic economic practice, is directed against the consumer, consumption being the only aspect of the human individual which is recognisably universal. With that Satanic ingenuity which suggests its origin, Trades Union propaganda never admitted this; its adversary was always the "rapacious" employer, the man who had the brains, the enterprise and the courage to come out of the rut, to try something new, and, to take the responsibility for it. But, in his turn, the employer was instructed, probably from the same source, that the attack of the Labour MONOPOLY could be passed on to the Individual, the consumer, by monopolistic price rings, Trade Associations, Trusts, and similar devices. Clearly, the logical next step was the Mond-Turner Conference to unify Labour and Management into a Production MONOPOLY which would eventually deal only with the Individual through a Distribution MONOPOLY. . . .

It is only the rapidly declining intelligence of the population which prevents the fantastic absurdity of "full employment" from dissolving in a blast of derisive, but angry, contempt. It is really amazing that people will accept a falling standard of living, combined with universal slavery, while at the same time they have thirty mechanical slaves per head and modern production technique at their disposal. If that is the best we can do, then let us scrap all our advance in the industrial arts as pure delusion, and go back to the Middle Ages before we are detonated into the Dark Abyss.

THE SOCIAL CREDITER FOR POLITICAL AND ECONOMIC REALISM

This Journal expresses and supports the policy of the Social Credit Secretariat which was founded in 1933 by Clifford Hugh Douglas.

The Social Credit Secretariat is a non-party, non-class organisation neither connected with nor supporting any political party, Social Credit or otherwise.

Annual subscription: \$6.00

Offices: (Editorial and Business) Tidal Publications, 11 Robertson Road, North Curl Curl, N.S.W. 2099.

English Edition published by K.R.P. Publications Ltd., 26 Meadow Lane, Sudbury, Suffolk CO10 6TD.

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Christ and Anti-Christ

(Our "Week to Week" Notes for March, 1973, reprinted)

The evidence of conspiracy as the controlling factor in world events is now so palpable that its general non-recognition can only be attributed to the success of the greatest brain-washing endeavour in the whole of human history. Against this, the much vaunted 'reason' which is supposed to govern human affairs has proved a paper sword. Every triumph of industrialisation is swallowed by an accelerating inflation, which in turn is utilised as an excuse for increasingly totalitarian controls, all leading to the imposition of World Government maintained by force.

In the Sixth, most recent edition, of Nesta Webster's *World Revolution*,* the following appears: "Thus from 1776 onwards the plan we now know as 'Communism' has existed and throughout 191 years successive groups of adepts have been perfecting a method for achieving power over the whole human race, a process which might be compared to ju-jitsu whereby the strength of a man's body is turned against himself. In some amazing way they have mastered the art of what Weishaupt called 'winning the common people', exploiting their grievances, rousing their passions, gaining their confidence and so achieving control over their minds as to make them completely impervious to reason. In every country a large proportion of organised manual labour has been turned from all sane and practical plans of reform and made to use their strength for their own enslavement.

"Thus Trade Unionism, in its origins a wholly pacific system for the protection of the workers, has been largely captured by the conspirators and the industrial disputes which form the ostensible purpose of each succeeding crisis are often engineered by their 'Communist' leaders. It is useless to tell them that under the system these men representing Trades Unions as they know them would cease to exist and would become simply departments of an all-powerful State without the right to strike or to have any voice in their conditions of labour.

"In the same way the conspiracy has been able to enlist the intelligentsia in its service and to acquire control over all forms of publicity. Journalists even in the employ of the so-called 'Capitalist Press' devote long and important notices

to every book that is calculated to serve the cause—works ranging from heavy treatises on intellectual Socialism to the lowest form of demoralising fiction. No book subversive of order or immorality ever passes unnoticed in the Press, while the contrary view is carefully ignored or derisively dismissed as out of touch with modern thought.

"Of course the greater part of this organisation is carried out by the power of gold [*i.e.* International Finance—*Ed. T.S.C.*]—not necessarily by bribery but simply by making agitation a 'paying job', or by offering the most lucrative posts to adepts or at least agents of the conspiracy. . . .

"But by far the most potent inducement offered was the *promise of power*. 'The pupils are convinced that the Order will rule the world. Every member therefore becomes a ruler.' Robison quoting this passage adds: 'We all think ourselves qualified to rule. The difficult task is to obey with propriety; but we are honestly generous in our prospects of future command. It is therefore an alluring thought, both to good and bad men. *By this lure the Order will spread*' "

It is now abundantly clear that we have reached the culmination of this age-old Conspiracy, and must suffer the consequences. The late C. H. Douglas remained convinced that it must *ultimately* fail; but that failure may, and probably will, be spread over many decades, if not centuries. We think the situation is even worse than envisaged by Douglas, because of the rapid development of techniques of control. But in the meantime increasing carnage and destruction—inseparable from the advance of Communism in all its history—is certain. To imagine that the ballot-box can protect us from this is infantile, but in keeping with the prevailing fashions of thought. We warned the British* that electing a 'Conservative' Government to replace the Wilson Administration would be worse than useless, as simply providing a fresh mandate for a continuing policy; and another election would simply have the same effect. (The most practicable answer at this stage would be a massive boycott of the election.)

Against this background, we quote a note by C. H. Douglas published in *The Social Crediter* for Sept. 30, 1950. "We rate the intelligence of the readers of this review highly. It is not written for morons, who we recognise are catered for in productions of much larger circulation.

"The full recognition of these facts enables us to dismiss at once any idea that there is some stratum either of society or Government composed of individuals who, if only we could penetrate it, would see the light, and work effectively towards it.

"Let us make this point as clear as we are able, because it appears to lie at the root of widespread misapprehensions. World Politics are (irrevocably, we think) committed to the centralisation of Power. *We* are committed irrevocably to the decentralisation of Power to *the limits of the capacity of the individual*. The first Policy postulates the equality of all men and women; the second recognises the absolute individuality and increasing differences of every human being.

"There can be no greater practical mistake at the present time than to suppose that Social Crediters can engage use-

*See *The Survival of Britain*: K.R.P. Publications and Tidal Publications.

*Britons Publishing Co.

fully in what Lord Keynes called *Essays in Persuasion*, directed at the conversion of conscious opponents.

"The die is cast; whether the phrase 'the war between Christ and Anti-Christ' is taken to be symbolical or literal, one side must win.

"Now, the practical effect of this is to put to some extent technical arguments into cold storage. Not the least of the fallacies of Fabianism was that Economics preceded and conditioned Politics. Precisely the opposite is true, and our task is, *not to capture politics*, but to fragmentate them. . . ."

Since Douglas's Note was written, much more hard evidence of the relation between Finance and Communism has become available, and has been collated and published in a series of books, to which we have given publicity over the intervening years, as well as facilitating their distribution. Gary Allen's *None Dare Call It Conspiracy* has sold more copies in Britain than any other book distributed through K.R.P. Publications. A sufficient distribution of this book, and the companion volume, *Alternative to Disaster*, in conjunction with the exposure of the Conspiracy which may be achieved in the U.S.A. through the efforts of the John Birch Society, offers the only visible hope of turning the tide of the disaster which already is engulfing us.

But it seems most improbable that analysis of the situation can be carried any further than it has been carried in these pages. In consequence, publication of *The Social Crediter* will be reduced, *pro tem.*, to a monthly basis, being maintained mainly to keep open a line of communication with those who have recognised the nature of the task—vigorous exposure of the *fact of conspiracy* as the mainspring of world politics.

Studies in Words

"Verbicide, the murder of a word, happens in many ways. Inflation is one of the commonest; those who taught us to say *awfully* for 'very', *tremendous* for 'great', *sadism* for 'cruelty', and *unthinkable* for 'undesirable' were verbicides. Another way to verbiage, by which I here mean the use of a word as a promise to pay which is never going to be kept. The use of *significant* as if it were an absolute, and with no intention of ever telling us what the thing is significant of, is an example. So is *diametrically* when it is used merely to put *opposite* into the superlative. Men often commit verbicide because they want to snatch a word as a party banner, to appropriate its 'selling quality'. Verbicide was committed when we exchanged *Whig* and *Tory* for *Liberal* and *Conservative*. But the greatest cause of verbicide is the fact that most people are obviously far more anxious to express their approval and disapproval of things than to describe them. Hence the tendency of words to become less descriptive and more evaluative, while still retaining some hint of the sort of goodness or badness implied; and to end up being purely evaluative—useless synonyms for *good* or *bad*. . . .

"I am tempted to adapt the couplet we see in some parks—
Let no one say, and say it to your shame,
That there was meaning here before you came".

—C. S. Lewis in the introduction to *Studies in Words* (Cambridge University Press).

Weighed Down by Debt

This title was used for a leading article in *The Times*, London, for August 23, 1982, from which the following extracts are taken:

"The news that Western commercial bankers, meeting in Washington on Friday, have agreed on a moratorium on Mexico's loan repayments brings to a successful conclusion the immediate first phase of the crisis. It follows last weeks swift response by the International Monetary Fund and the central banks, acting through the Bank of International Settlements and the United States Administration, to the problem of short-term credit for that country. Mexico has not reached the point of declaring a formal default; the banking system has survived. The speed with which the banks have rallied round has probably prevented an erosion of confidence in the system which, had it not been checked at once, might have led to further near-default and a major international financial calamity.

"This is a testimony to the resilience of the international financial system, buffeted as it is by the debt problems of the Soviet bloc countries, not to mention the succession of financial and industrial crises from which Western economies are suffering . . . Having begun the process of re-establishing confidence in the system, it must now consider how to move forward from the present crisis. Other countries heading for near default — and there appear to be several of them — need to be helped to cope now, before the point of collapse . . .

"There are also proposals for a sort of world central bank, possibly part of the International Monetary Fund, to ward off the dangers of bank crashes in the event of further national debt crises. Central banks, possibly through the medium of the Bank of International Settlements, could perhaps draw up guide-lines for lending, although incautious new lending is hardly the problem today; it is rather that, in the period of caution and retrenchment now likely, perfectly 'bankable' countries will be denied money they need.

"These are not simply matters for the third world. The world banking system affects every country; the repercussions of a major collapse would be felt everywhere. When the governors of the International Monetary Fund meet in Toronto next month they will have to consider how they can continue to combat inflation in the industrial world without exacerbating the debt problems of the developing world. That is the dilemma the central banks now face, eased but not resolved by falling interest rates."

THE GENESIS OF THE INTERNATIONAL MONETARY FUND

Speaking of a World Government Programme in his Paper, "A Short History of the World Council of Churches", presented at a Christian Alternative Seminar in Austral, N.S.W., on June 19, 1982, Jeremy Lee said, "So far we have concentrated on events behind the Iron Curtain. But some significant events appeared in the West. In 1942 the Federal Council of Churches in the U.S.A. set up a special Commission to 'Study the Basis of a Just and Durable Peace'. It was headed by the famous John Dulles [Secretary of State 1953 to 1959]. His report recommended:

' . . . a World Government, strong immediate limitation on national sovereignty, international control of all armies and navies, a universal system of money, world-wide freedom of immigration, progressive elimination of all tariff and quota restrictions on world trade, and a democratically-controlled world bank . . .'

"In the same year the famous economist John Maynard Keynes wrote a memorandum, 'The International Control of Raw Materials' which provided much of the foundation for such current programmes as the Integrated Programme for Commodities and Common Fund, part of the New International Economic Order. Significantly, Keynes's memorandum was never published until 1974. Three years after he wrote it he was heavily involved with Harry Dexter White, subsequently exposed as a Soviet Agent, in setting up the International Monetary Fund . . .

"In 1945 the United Nations Organisation was formed, with it's ancillary the International Monetary Fund, and immediately became the focal point for a highly persistent anti-colonial movement — whether rightly or wrongly, you will have to judge. Let it suffice to say that the components of the Third World — now writhing in crisis — were largely former colonies of Western powers . . .

" . . . In 1980 the Brandt Commission Report, calling for a New International Economic Order was produced, along the exact lines called for in 1942 by the Federal Council of Churches [later the National Council of Churches] study. The World Council of Churches was enthusiastically endorsed and furthered the Brandt Commission Report. It has a history of its own, combining a long-time programme from the Socialist International, currently headed by Willy Brandt, and a number of international groups with heavy banking involvement, i.e. the Council on Foreign Relations, the Bilderbergers and the Trilateral Commission, plus the Club of Rome. It can be clearly shown now that we have the majors in the international banking world — the epitome of capitalism, the Socialist International, the U.S.S.R. and the World Council of Churches fervently working for the establishment of a world government scheme called the New International Economic Order . . ."

PROTOCOL AND PRACTICE

An article bearing this title, written by B.W. Monahan, appeared in *The Social Crediter*, September–October, 1980. Following is a major portion of the article:

When C.H. Douglas elaborated what he later called "a glimpse of Reality" into a concise and penetrating analysis of social conditions around the turn of the century under the title "Economic Democracy" (1920), he took as implicit the fact that banks create money. He discovered — uncovered — the central mechanism of the economic system: that the cost of production of consumable goods is always, and increasingly, in excess of the purchasing-power of the wages, salaries and dividends distributed in the course of their production — that is to say, there is a gap, and an ever-widening gap, between incomes and prices. Douglas merely remarks, *en passant*, "... the creation of subsidiary financial media, in the form of further bank credits, becomes necessary . . ." Later he says that the money to fill the gap "must reside in the banks" and, later, "loan-credit, that is to say, purchasing-power created by the banks on principles which are directed solely to the production of a positive financial result. . ."

Now to this very day it is quite certain that the great majority of people do not realise that more than ninety per cent. of what they call money — "money in the bank" — has no physical existence; it is not cash, but book-entries. This ignorance is simply due to the fact that the *right* of the banking system to create the money used by the community and to claim its ownership and charge for its use, has not been permitted to become a subject of open public debate. Professional economists even as late as the 1930's denied the fact of money creation by the banking system; but with the rise of so-called Keynesianism the fact was both

obscured by rationalisation and obfuscated by controversies between rival economic theories concerning 'management' of 'the economy', and finally placed out of reach of the public by the 'nationalisation' of banking, which simply armed the banking system with the sanctions of overt Government.

Economic Democracy is a highly objective analysis of economic and political reality, and was addressed primarily to the latent goodwill underlying British character and institutions, at that time under the threat (to which they have now succumbed) of the imposition of an alien culture of collectivism as opposed to individuality — epitomised by Prussianism in the first place, and succeeded by Bolshevism at the end of World War I.

Douglas made the whole situation explicit in *The Monopoly of Credit* (1931; 3rd Revised Edn. 1951). But with the suppression, through the British Government at the instigation of the International Financiers, of the Alberta (Canada) Government's attempt to effect monetary reform according to Social Credit principles, it became proven that control through the financial system as it exists was the mechanism of a conscious conspiracy to establish overt World Government with International Financiers at its centre, and Social Credit strategy was then directed towards exposing and defeating the Conspirators.

Thus in retrospect it is clear that Douglas fully understood the actual operation of the financial system when he wrote *Economic Democracy*, but chose not to put the emphasis on this aspect of his analysis.

In 1906 a copy of a document entitled *The Protocols of the Learned Elders of Zion* was deposited in the British Museum. An English translation of this was published in London in 1920, and received notice in *The Times* and other journals, and roused considerable interest. In a short time, however, discussion was stulted, and the book denounced as a "forgery".

The Protocols describes in extraordinary detail a coherent programme to achieve World Government dominated by Jewish "Elders" — a programme of which some of the various items have become history only in this century. Here we note only the inner knowledge of finance displayed in the plan.

"Discussing Gentile financial "irregularities", **Protocol No.20** states: "... The first irregularity, as we shall point out, consists in their beginning with drawing up a single budget which year after year grows owing to the following cause: this budget is dragged out to half a year, then they demand a budget to put things right, and this they expend in three months, after which they ask for a supplementary budget, and all this ends with a liquidation budget. But, as the budget of the following year is drawn up in accordance with the sum of the total addition, the annual departure reaches as much as 50 per cent. in a year, and so the annual budget is trebled in ten years. Thanks to such methods . . . their treasuries are empty. The periods of loans supervenes, and that has swallowed up remainders and brought all gentile States to bankruptcy.

"You understand perfectly that economic arrangements of this kind, which have been suggested to the gentiles by us, cannot be carried on by us.

"Every kind of loan proves infirmity in the State and a want of understanding of the rights of the State. Loans hang like a sword of Damocles over the heads of rulers, who, instead of taking from their subjects by a temporary tax, come begging with outstretched palm to our bankers. Foreign loans are leeches which there is no possibility of removing from the body of the State until they fall off of themselves or the State flings them off. But the gentile

States do not tear them off; they go on in persisting in putting more on themselves so that they must inevitably perish, drained by voluntary blood-letting.

“What also indeed is, in substance, a loan, especially a foreign loan? A loan is – an issue of government bills of exchange containing a percentage obligation commensurate to the sum of the loan capital. If the loan bears a charge of 5 per cent., then in twenty years the State vainly pays away in interest a sum equal to the sum borrowed, in forty years it is paying a double sum, in sixty – treble, and all the while the debt remains an unpaid debt.

“From the calculation it is obvious that with any form of taxation per head the State is bailing out the last coppers of the poor taxpayers in order to settle accounts with wealthy foreigners, from whom it has borrowed money instead of collecting these coppers for its own needs without the additional interest.

“So long as loans were internal the gentiles only shuffled their money from the pockets of the poor to those of the rich, but when we bought up the necessary person in order to transfer loans into the external sphere all the wealth of States flowed into our cash-boxes and all the gentiles began to pay us the tribute of subjects.

“If the superficiality of gentile kings on their thrones in regard to State affairs and the venality of ministers or the want of understanding of financial matters on the part of other ruling persons have made their countries debtors to our treasuries to amounts quite impossible to pay it has not been accomplished without on our part heavy expenditure of trouble and money . . .

“. . . It is a proof of the genius of our chosen mind that we have contrived to present the matter of loans to them in such a light that they have even seen in them an advantage for themselves . . .”

Protocol No. 21 “To what I have reported to you at the last meeting I shall now add a detailed explanation of internal loans. . . .

“We have taken advantage of the venality of administrators and the slackness of rulers to get our moneys twice, thrice and more times over, by lending to the gentile governments moneys which were not at all needed by the States. Could anyone do the like in regard to us? . . . Therefore, I shall only deal with the details of internal loans.

“States announce that such a loan is to be concluded and open subscriptions for their own bills of exchange, that is, for their own interest-bearing paper. That they may be within the reach of all the price is determined at from a hundred to a thousand; and a discount is made for the earliest subscribers. Next day by artificial means the price of them goes up, the alleged reason being that everyone is rushing to buy them. In a few days the treasury safes are as they say overflowing and there’s more money than they can do with (why then take it?). The subscription, it is alleged, totals many times over the issue total of the loan; in this lies the whole stage-effect – look you, they say, what confidence is shown in the government’s bills of exchange.

“But when the comedy is played out there emerges the fact that a debit and an exceedingly burdensome debit has been created. For the payment of interest it becomes necessary to have recourse to new loans, which do not swallow up but only add to the capital debt. And when this credit is exhausted it becomes necessary by new taxes to cover, not the loan, but only the interest on it. These taxes are a debit employed to cover a debit.

“Later comes the time for conversions, but they diminish the payment of interest without covering the debt, and besides they cannot be made without the consent of the lenders; on announcing a conversion a proposal is made to return the money to those who are not willing to convert their paper. If everybody expressed his unwillingness and demanded his money back, the government

would be hooked on their own flies and would be found insolvent and unable to pay the proposed sums. By good luck, the subjects of gentile governments, knowing nothing about financial affairs, have always preferred losses on exchange and diminution of interest to the risk of new investments of their moneys, and have thereby many a time enabled these governments to throw off their shoulders a debit of several millions.

“Nowadays, with external loans these tricks cannot be played by the gentiles for they know that we shall demand all our moneys back.

“In this way an acknowledged bankruptcy will best prove to the various countries the absence of any means between the interests of the peoples and those who rule them . . .”

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The wording of the above extracts may appear obscure to some of our readers, and relative to the greater part of the *Protocols*, dealing with social and political strategies, it is obscure, probably intentionally so. It would not be obscure to those members of the Congress to whom the lectures were allegedly addressed who were engaged in the actual practice of financial manipulation. Theodore Herzl, a leading Zionist, in his book *The Zionist State*, remarked: “When we sink, we become a revolutionary proletariat, the subordinate officers of the revolutionary army; when we rise, there rises also our terrible power of the purse”.

Protocol No. 22 states: “In our hands is the greatest power of our day – gold: in two days we can procure from our storehouses any quantity we may please”. That is more symbolically than literally the case – the International Financiers operated by manipulation of exchange rates and circulation of documents (Bills of Exchange, etc.).

But the real power behind money is the charging of interest. As long as there are, on the one hand borrowers and on the other hand lenders, the charging of interest on loans ensures that the whole of the money will pass into the possession of the lenders *unless the quantity of money is increased*. In the centuries before the birth of the industrial era, the finding and mining of gold provided a sufficient expansion to ensure the continued circulation of money. But with expanding industrialisation the rate at which new money was required rapidly increased beyond the rate at which gold could be mined. Yet it was necessary to maintain the myth that all money had commodity – i.e. real – value, ensured by exchangeability for gold. So for a time we had the Gold Exchange Standard.

The recent runaway increase in the ‘price’ of gold exposes this situation. Gold at its current price is useless as currency. Hence the proposal for a gold substitute in the form of so-called ‘Paper Gold’, or Special Drawing Rights (SDR’s). The idea is that national currencies should be based on these, which would, of course, be controlled by the International Bankers; “In our hands is the greatest power – the control of the world’s money supplies”!

However, SDR’s are only paper documents – international overdrafts, as it were. They are quite lacking in the almost mystical quality of gold – a quality, however, which is based on the inherent value represented by the effort of discovering and mining the metal. And that is the fundamental reason behind the propaganda for a New Economic Order – One World – World Government controlling a World Police Force; and behind this again is “a carefully thoughtout 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 any things 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 Britain." (C.H. Douglas, 1932). Since then it has happened in the rest of Eastern Europe, Africa, South East Asia and elsewhere, and continues to spread. The spread of penalised unemployment, soaring inflation, strangling taxation are the onset in the rest of the world. . . .

Reuters

By EUSTACE MULLINS

(Originally published in *The Social Crediter* in 1952)

We recommend to the student of political science, if there is such a science, a volume which has recently come to our attention, the autobiography of Sir Roderick Jones, entitled *A Life in Reuters*, Hodder and Stoughton, 1951. This book gives us much authoritative information on news distribution. Sir Roderick was Chief of Reuters News Agency for many years, assuming command of that agency when it was still at its historic address of 24 Old Jewry, London.

It is difficult to approach journalism without taking into account its companions of a trinity, propaganda and espionage, and we find in this book many instances of their relationship. On page 200, Sir Roderick relates a bit of history which will not be found in the universities. It describes a luncheon given by him for General Smuts, Sir Starr Jameson, and Dr. Walter Hines Page. He says:

"We dined in a private room at the Windham Club, the one in which twenty years later the terms of the abdication of King Edward VIII were settled. We drifted on to the question of the United States entering the war, for which Britain and France so patiently waited. Dr. Page then revealed to us, under seal of secrecy, that he had received from the President that afternoon a personal communication upon the strength of which he could affirm that, at last, the die was cast. Consequently, it was not without emotion that he found himself able to assure us that the United States would be at war with the Central Powers inside a week from that date. The Ambassador's assurance was correct to the day. We dined on Friday, March 30. On April 2 President Wilson asked Congress to declare a State of War with Germany. On April 6 the United States was at war."

Sir Roderick tells us that Baron Julius de Reuter was born Israel Ben Josaphat Beer, the son of Rabbi Samuel Beer of Casse, Germany. Like so many of his co-religionists, Beer saw that the British Empire was ripe for plucking. He emigrated, set up a news agency, came to the attention of the House of Rothschild, and the rest is history. In 1859, now Baron de Reuter, Beer signed a Covenant with his two rivals in Europe, Havas of France and Wolff of Germany. Havas was a French Jew, Wolff was a German Jew, and these three divided up the world between them. Havas was to have South America, the three were to share the continent of Europe, and Reuters was to have the rest of the world. The arrangement, providentially concluded just before the outbreak of the Civil War in the United States, endured until the First World War for Zionism.

Sir Roderick Jones began his career as Assistant to the Chief Correspondent in the Transvaal, one Leo Weinthal, before the Boer War. On page 38, we find some interesting background on that conflict, as follows:

"Towards the end of 1895, smouldering and unsubstantial fires of political discontent in Johannesburg were fanned by the Transvaal National Union and by the gold mine owners into an outwardly presentable flame of revolution. An Uitlanders Reform Committee was established, with an inner executive consisting of John Hays Hammond, Lionel Phillips (one of the heads of the gold and diamond mining firm of Eckstein—the Corner House), George Farrar, head of East Rand Property Mines, and Colonel Frank Rhodes, brother of Cecil Rhodes, Prime Minister of the Cape. Percy Fitzpatrick, also of the Eckstein firm, was the Secretary. The General Committee consisted of sixty other prominent citizens, including Abe Bailey and Solly Joel."

Sir Roderick, although he freely relates the role of the House of Eckstein in promoting that war, does not reveal the importance of the House of Rothschild. John Hays Hammond was chief mining engineer for the Rothschilds, later being employed by the Guggenheims at a salary of five hundred thousand dollars a year, and finally becoming Washington lobbyist for the Rothschild policy group, the Council on Foreign Relations. Sir Abe Bailey was the principal angel of its sister group in Britain, the Royal Institute of International Affairs. Almost any biography of Cecil Rhodes will inform the reader that he was financed in his African Empire by the House of Rothschild.

On April 28, 1915, Baron Herbert de Reuter, Chief of the Agency, shot himself. The cause was the crash of the Reuters Bank, which had been built up by Baron Julius de Reuter to handle foreign remittances without their being subjected to inspection. It was felt by the directors to be unwise to replace the Baron with another German Jew, there being a war going on with Germany, and Sir Roderick Jones who had served Leo Weinthal faithfully and well, was chosen as a more respectable front for the international operations of the agency. On page 363, he tells us:—

"Shortly after I succeeded Baron Herbert de Reuter in 1915, it so happened that I received an invitation from Mr. Alfred Rothschild, then the head of the British House of Rothschild, to lunch with him in his historic New Court, in the City."

We are not favoured with an account of the conversation, Sir Roderick limiting himself to a description of the formalities attending upon a visit to the Rothschild. After this, the Chief of Reuters toured the world, being received everywhere with a display usually reserved for royalty. In India he was entertained by the Viceroy, Lord Reading, whose name had been entered at the synagogue as Rufus Isaacs. Isaacs told him that on his first visit to India, he had been a lowly ship's boy, and on his second visit he was Viceroy, whereupon Sir Roderick remarked that only in the British Empire could such a thing have happened. His observation is a slight to America.