

THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

Vol. 64 No.1

JANUARY — FEBRUARY, 1985

The Brief for the Prosecution*

By C. H. DOUGLAS

CHAPTER XIII

POWER POLITICS

To anyone who is prepared to consider the evidence, it must surely be conclusive.

The episodic conception of the history of the past hundred years is quite untenable. It would be absurd to suggest that the period does not comprise a large number of unrelated incidents of high importance, in much the same way that the life of a man with one single and over-mastering ambition is bound to include events which are neither sought nor anticipated. But in the main the picture is clear. Germany, from the time of Frederick of Prussia, has been the chosen instrument of power politics, the objective of which is simply concentration of power—the stripping from the individual of the freedom of action which is his birthright, and its transfer to an organisation which, from one point of view, enhances the power of a small number of chosen individuals beyond anything conceivable in the absence of the policy and its appropriate organisations. Without in the least attempting to introduce an argument which is germane, but belongs to another plane, it may be observed that this aspect of the matter has been closed some time ago by the enquiry, "What shall it profit a man if he gain the whole world, and lose his own soul?"

It may be objected that there is no ground for the separation of this period from any other—that history is one long struggle for power. That this is true is perhaps most clearly expressed in the words of F. R. Bienenfeld, the Jewish writer previously quoted:

"Within the Jewish community as a whole, a phenomenon may be noted which has regularly recurred during the past 2,000 years, namely, that at any given period that section was always considered the most advanced which had most freely submitted to the influence of the high culture of its environment, and had been most active in furthering it. [My emphasis.]

"That is why a Babylonian, Alexandrian, Arabian, Spanish, Dutch and German period may clearly be distinguished in Jewish history. . . . *The German period of Jewry has now come to an end, the Anglo-American period has begun.*" (Emphasis in original *The Germans and the Jews*, p. 245.)

This is precisely, with certain reservations, the impression which must be obtained by an intelligent observer—that the rise and fall of nations is due to a manipulating influence interested in conflict. That this statement is legitimate must be admitted by anyone who will consider the distance which separates the personal aspirations of the average individual from the life which he is forced to lead when conscripted by the all-powerful state to fight in a quarrel which is not his in any fundamental sense.

It is remarkable that, for instance, Herr Bienenfeld does not appear to notice that the passing of Germany is the culmination of a period in which German culture has been almost passionately admired, and largely dominated by Jews, while the transfer of this element to Anglo-Saxondom is contemporaneous with the attempt to impose upon Great Britain and the United States a "planned economy" of precisely the nature associated with the Great German

General Staff—a culture and economy which can be demonstrated to lead to the same ultimate catastrophe. But the synchronism is incontestable; and a recognition of it ought to expose the fallacy of supposing that the defeat of Germany, *by itself*, will dispose of the menace to civilisation. Still less, that a so-called Anglo-Saxon hegemony infested and dominated by the ideas which have been uncovered "in war, or the threat of war," would do anything but ensure a further holocaust.

But a consideration of this evidence, while it does nothing to diminish our recognition of the task with which we have allowed ourselves to become confronted, does indicate the general direction which must be pursued. And that direction is radically different from the official programmes current at the moment. Salvation is not to be found in greater and still greater agglomerations of power—in "Law, backed by overwhelming Force," in International Air Forces ruling the skies and the earth by an Aerial Board of Control after the manner of Kipling's story *As easy as A.B.C.*—doubtless an indiscreet dramatisation of an already contemplated policy.

It is, and can only be found, in bringing into actuality the existing cleavage between the individual desire to pursue an individual end and the group pressure to reduce the individual to an amorphous mass—a biological entropy.

Only an outline of major strategy to this end is either possible or desirable at this stage. But it may be helpful to consider this in general terms. Restoration of the sovereignty of the individual over his own affairs is of the essence of it.

PART II

CHAPTER I

THE RÔLE OF MONEY AND THE PRICE SYSTEM

CERTAIN premises are an essential starting-point for any useful suggestions in respect of the situation we have to face. The first of these is that a comprehension of a sound policy is by no means an identity with a comprehension of the means by which it may be achieved.

The first may be emotional or intuitional; but the second must be technical. There is, fortunately, no lack of the former, but there is immense confusion as to the latter. It is in this difference that one of the greatest difficulties of genuine reform resides. The complaints of the under-privileged have been wholly justified; their

*This is the last of the contributions to the understanding of world politics written during the War of 1939-1945 by Major Douglas. ["Whose Service is Perfect Freedom" (1939-40), This "American" Business (1940), The Big Idea (1942), The "Land for the (Chosen) People" Racket (1943), and Programme for the Third World War (1943)].

Chapters of *The Brief for the Prosecution* appeared serially in *The Social Crediter* between May and September 1944. Full publication in book form was in 1945. The reprinting is continued of this incomparable commentary of the causes of war and the ultimate seat of responsibility for the threat to civilisation, so much more imminent now.

remedies have often been inspired by their deadliest enemies. In small matters, most people are quite aware that it is absurd to tell their shoemaker how to make shoes, but reasonable to complain that their shoes hurt. But, to take an important example, once the average voter has grasped the idea that there is something wrong with the money system, it is rarely that he does not attribute its defects to something he has been taught to call private enterprise, and agree that it should be perfected by the nationalisation of the banks. Since monetary reform is not merely vital, but is becoming topical, we may begin the examination of a new policy by a consideration of certain elementary aspects of money, and perhaps the simplest approach is by an inspection of its origins. We may observe that, amongst many reasons for this, is the fact that previous researches have established the fact that centralised sovereignty is at the root of the world's ills; and money is connected with economic sovereignty.

The word "pecuniary" derives from *pecus*, L. cattle, and probably the earliest form of currency, by which we mean something which is not wealth, but can be exchanged for wealth, was a leather disc given by a nomadic cattle *owner* to a buyer who did not at once wish to remove his purchase. The currency was issued by the *owner of the wealth*. To the extent that his ownership was absolute, economic sovereignty resided in him.

The next stage was the accompaniment of war and social insecurity. Wealth was deposited with goldsmiths for safe-keeping, and their receipt became currency. The issue of currency thus passed from the owner of wealth to the *custodian* of wealth. It is easy to prove that the goldsmith's receipt, which was often a fraudulent receipt, is the prototype of the bank note. Sovereignty largely passed to the goldsmith bankers, who "created the means of payment out of nothing." Finally currency and cheques on drawable deposits became simply bankers' credit, which was not owned by either the owner of real wealth, *per se*, or the producer of wealth. This is quite easy to prove by an inspection of any balance sheet, in which it will be found that "real" items and monetary balances are to be found on the same side, and both are *assets*. This would imply that someone, somewhere, actually owes to the possessor of money, a "real" asset corresponding to the money, and that this individual shows this property in his accounts as a *liability*. There is nothing in the facts or accounts of the business system to confirm this conclusion, but there is much to suggest that bankers have a concealed lien on nearly all property.

There is little difficulty in demonstrating that the money system will only work satisfactorily when sovereignty over his share of it is restored to the individual. It is unnecessary to develop this thesis here, since it has been fully explored in such books as *The Monopoly of Credit*. The point that is germane to our present enquiry is that there is no evidence to indicate that a nationalised banking and currency system would be anything but more oppressive than a partly decentralised system. Each approach to centralisation, and this approach has been rapid, has increased the tyranny of Finance, a tyranny which in itself is technical, but becomes political by reason of the immense advantages which accrue to its manipulators. There is no more effective claim to totalitarian power than the claim to the sole right to issue and withdraw (tax) money, and no mere manipulation of monetary technique which does not resolve and decide this question can do anything but complicate the problem.

It may be objected that the preceding outline ignores the metallic currency of the Royal Mints. So far from this being the case, the royal prerogative of striking coins is a relic and confirmation of the original theory of money. The King was, as the "Crown" in theory still is, the ultimate owner of everything within his sovereignty. Land and chattels were held ultimately from the King, and the possession of his coinage was simply an acknowledgment of a grant by him. Those well-intentioned people who feel that nationalisation of banking, with its attribute of credit-money creation is desirable, would do well to realise what it is they are proposing, which is the Divine Right of Kings, *tout court*, without a responsible King.

It is not necessary to infer from the preceding analysis that the establishment of a mint for every household is desirable. The money system is complementary to, and useless in the absence of, a price system. A corollary of this is that *the price of articles is the direct sum paid for them, together with the proportion of involuntary payments in the form of taxation, which accompany residence within the sovereignty*.

That is to say, every rise in price, whether direct, or in accompanying taxation, is a transfer of economic sovereignty from the individual to a centralised Sovereign. And the imposition of any condition of law on the free purchase of any article is a similar transfer.

It will be noticed that managed currency systems ostensibly intended to keep price levels constant, are incompatible with economic decentralisation. Managed currencies are controlled currencies and require a controller. The essential requirement of a free economy is radically different. In such an economy the proper function of money is to reflect facts, not policy. If it is a fact, as of course it is, that the "costs" of production are in reality, if not in unstable currency units, decreasing, then both individual prices, and consequently price levels ought to move to lower levels to reflect this process. The argument that falling prices mean loss to producers and stagnant trade is merely perverse. Compensated prices even of a crude and unscientific type are a day-to-day process at the present time, and deal with this situation simply, comprehensively and successfully.

Falling prices, by themselves, are the most perfect method of passing improvement of process on to consumers. They have the effect of increasing real and psychological credit, and raise the international exchange value of the unit, which loses any economic reality if "controlled" or "pegged." The method of "spending money into circulation to 'preserve' [*i.e.*, to raise] the price level" now being advocated under the title of a twentieth-century economic system, is simply a vicious form of managed inflation, ultimately accompanied of necessity by cumulative industrial waste. Assuming that it is understood by its sponsors, it is an attempt to perpetuate government by finance.

There is little doubt, however, that while a price system based on facts and consequently unsusceptible to manipulation, if the facts on which it is based are published, is a primary essential, a national dividend is only less so. The attempt to capitalise this necessity by a levelling-down process masquerading as contributory social insurance has already been noticed. The justification for a non-contributory dividend both theoretical and practical has already been explored and demonstrated, and it is unnecessary to repeat the arguments at this stage.

It may be observed that a satisfactory restoration of the money system to its essential principles is vital to the preservation of money systems of any description. Failure to achieve this objective would at no great distance in the future deprive mankind of what might be one of his most valuable mechanisms.

The idea that, in the engaging words of the letter attributed to the American Bankers' Association, "Chattel slavery will be abolished by the war. . . . We can achieve the same result by controlling the money" is even yet a fond aspiration in many quarters by no means negligible. But, in the face of wider knowledge of the nature and functions of money the attempt, although it will doubtless be made, will merely result in the final elimination of "bankers' money."

CHAPTER II

THE DEMOCRATIC IDEA

At the present time, we use words for political purposes which either have no meaning, or, if correctly defined, describe something which does not exist. We do this at our peril. Democracy is such a word.

Most of the students of this question will find it less elusive if they will bear in mind the legal maxim "No law without a sanction." Who controls the "sanction"—the power of enforcement—controls the law.

The etymological description of democracy is "popular government, rule by the people" (Skeat). Out of six words comprising this double definition, four require definition in themselves—"popular," "government," "rule" and "people."

But even so vague and inexact a definition as that of Skeat would probably not be advanced by most people, who would say that democracy is rule by the majority, or universal suffrage. And if asked to name the democracies, they might reply, Great Britain, the British Dominions and the United States. Great Britain is a limited monarchy, and the United States is a republic. Neither is, even by definition, a democracy.

In order to obtain some idea of the nature of the problem, it should be recalled that one aspect at least of a nation is that it is an association to pursue individual ends by common rules. Everyone is familiar with the idea that an association is a contract, and the unilateral abrogation of a contract is universally condemned. The bearing of this on the powers of Government is well illustrated in the difference between the Congress of the United States and its opposite number, the House of Commons. The House of Commons can do, and does, anything. It can pass a law which abrogates every right, and the basis of every plan of the population, simply by possession of a Parliamentary majority, and it does not even require a mandate for such action.

On the other hand, Congress can only legislate within the boundaries of the Constitution. An Amendment to the Constitution requires a Proposal by two-thirds of both Senate and Congress, and ratification by three-fourths of the States—a process not lightly to be embarked upon.

When a man says he has something of which some kind of a definition or description exists, it is a sound principle, before forming any opinion of the thing, to make sure that he really has it. It is certain, for instance, that the state of affairs in any of the titular democracies cannot be made to agree with even Dr. Skeat. It is almost equally certain that it would be a major catastrophe if it did so correspond. Clearly, there can be two explanations of this. Either "the people" are prevented from "ruling" by the machinations of wicked men, or "rule by the people" is an impossibility.

The second explanation has an important consequence—that democracy, being impossible but attractive as an idea, would form the best possible cloak for the condition indicated by the alternative explanation. This is the criticism strenuously propagandised by the admirers of totalitarian rulers such as Herr Hitler and Mr. Stalin (although Communists amusingly describe Russia as a democracy). It can be demonstrated that real democracy is possible; but it must be conceded that a visible dictatorship is preferable to an anonymous tyranny or a manipulated electorate.

Mr. Asquith, when concerned to pass the Parliament Act, which abolished the very real safeguard of an effective Second Chamber, said "The will of the people must and shall prevail." This is, of course, an affirmation of essential lawlessness—the right to break a contract unilaterally. With this in mind, an examination of the working of "majority rule" may be helpful. Almost any concrete case would serve, but we may take motor-car taxation as an example. The facts are fairly simple. The tax in Great Britain is the highest motor tax in the world, it is inequitable and irrational, and it is detrimental to motor-car design and economical production. It is highly popular with everyone who does not pay it. It was imposed under a strict undertaking that it would be devoted to road costs (Car Licences are still called Road Fund Licences) which undertaking was almost immediately abandoned with complete cynicism. Yet this is an outstanding instance of majority rule. The explanation is that fewer people possess motor cars than are without them. An election on whether motor-car taxation should be abolished and the same sum added to the taxation of beer would not be in

doubt for five minutes. In the United States or Canada, where a large majority owns cars, British car taxation would not be tolerated.

Or take the price of wine. A bottle of good red or white wine in France or Italy ten years ago cost about 2d. The same, or a worse, because adulterated, wine in England cost probably 3s 6d., since wine drinkers in England are in a minority, and can be safely penalised.

The successful attack on landowning has the same explanation. Just as taxation on wine is made respectable by "temperance" crusades, and motor taxation, until well established, was justified by deterioration of the roads by motor traffic, so land taxation, the real basis of which is minority ownership, is made virtuous by "Land Songs" and other incendiary propaganda. The instances could be multiplied indefinitely.

So-called democracy, therefore, is a ballot-box device for despoiling minorities, not, it should be carefully noted, for the benefit of majorities, but for the benefit of third parties. Motor taxes do not distribute motor cars, wine taxes do not distribute wine, and expropriated estates do not go to the landless.

There is little doubt that the attempt to apply the principle of majority-democracy to foreign policy is inevitably disastrous. The well-known excuse advanced by Mr. Baldwin, that "our peace-loving democracy" would not support re-armament was true enough so far as it goes and is at least a partial explanation of our failure to halt Germany when she could have been checked without a war.

It has been remarked in many quarters, and the argument is receiving more attention daily, that the present political chaos is directly and consciously connected with the doctrine and popularisation of the unproved theory of the origin of species, and its corollary, the survival of the "fittest," which, oddly enough, can be, and is, adduced in support of equalitarianism.

There is also much evidence to connect the ideas which Darwin expounded with Malthus and Rousseau and so with the French Revolution. Not the least important aspect of this question is the evident intention to confuse "Progress" with "increase in size." "Progress" as an automatic feature of nature is inherent in this doctrine, which has been termed a theological rather than a scientific dogma. The present vogue of geopolitics, relating wars to a specialised form of dialectical materialism, clearly belongs to the evolutionary blind-force school of thought, from which the German contention that wars, and ever greater wars, are salutary can easily be recognised as a "logical" deduction.

It is a curious fact, which may or may not be coincidental, that the type of society which is induced or produced by this type of thinking, bears marks resembling the workings of the thermodynamic principle of entropy—the tendency of energy to deteriorate from a potential to a latent and unavailable state—to "run down." That is to say, so far from this systematic penalising of minorities under the entirely unproved theory that the equalitarian state is a desirable objective and corresponds to anything we can describe as "progress," or the survival of the fittest in any cultural sense, it appears to correspond to the exact reverse. Perhaps the most complete embodiment of dialectical materialism is contemporary Russia, and it will be noticed that the rulers of Russia are living in the monuments of a different era, the Kremlin and the architectural achievements of the period of Catherine the Great, and appear to be unable to produce anything but industrial monstrosities. It would be difficult to find a clearer exposition of the principle at work, and its effect, than that of the Balt, Paul von Sokolowski. He refers directly to the agricultural aspect of land, which can be overstressed, although perhaps not at this time, but it is, *mutatis mutandis*, true in regard to the effect of unstable politics on all real property, and consequently on society.

"There are two processes which weaken man's hold over Nature and diminish his courage in his fight with her: they are MOBILISATION of the soil and its SOCIALISATION. Neither war with its ravages

(Continued on page 4)

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: £4.00

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.

THE SOCIAL CREDIT SECRETARIAT

Personnel — Chairman: H.A. Scouler, 11 Robertson Road, North Curl Curl, N.S.W. 2099. General Deputy Chairman: C.R. Preston, Rookery Farmhouse, Gunthorpe, North Norfolk, NR24 2NY, England. Deputy Chairman, British Isles: Dr. Basil L. Steele, Penryn Lodge, 2 Park Village East, London, NW1 7PX.

The Power of Finance

"So rapid was the progress made by these ideas [*] between 1919 and 1923 both in this country [Great Britain] and abroad, and so constantly did ideas derived from them appear in the pages of the Press, that the interests threatened by them became considerably alarmed, and took what were, on the whole, effective steps to curtail their publicity. In this country the Institute of Bankers allocated five million pounds to combat the subversive ideas of ourselves and other misguided people who wished to tinker with the financial system. The large Press Associations were expressly instructed that my own name should not be mentioned in the public Press, and no metropolitan newspaper in this country or the United States was allowed to give publicity, either to correspondence or to contributions bearing upon the subject. In spite of this the Canadian Parliamentary Inquiry at which I was a witness managed to expose on the one hand the ignorance of even leading bankers of the fundamental problems with which they had to deal, and on the other hand the lengths to which the financial power was prepared to go to retain control of the situation."

— An extract from a speech by C.H. Douglas at *The New Age Dinner* on March 23rd, 1929.

[*] Social Credit criticism and proposals.

It should be obvious that the Media can't be trusted. Before radio, as we know it, and television, which have both intensified our problems, C.H. Douglas warned us to see what the Press wanted us to do and do the opposite.

Bargain Prices for Russia

In a feature by Mr. Teddy Taylor, M.P., in the *London Sunday Express*, September 9, 1984, the relative prices of what is paid in England and what the Soviets pay for imports from the Common Market are given:

	English pay:	The Soviets pay:
Beef per lb.	£3.00 plus	40p.
Sugar per lb.	25p. plus	7p.
Flour per lb.	25p.	5p.
Butter per lb.	£1.30	50p.
Wine per litre	£2.59	7p.

Mr. Taylor says, "Somehow it wouldn't be so bad if the Moscow housewife were to get the benefit of those bargain basement wholesale prices. But any visitor to Russia will tell you that on a fair currency comparison, the prices are even more

than in Western Europe."

The British Government, through Value Added Tax, puts up prices while the taxpayer pays for cheap exports to Russia.

It seems impossible to believe that we are not in the hands of a Conspiracy.

Ethiopia

The following letter appeared in *The Daily Telegraph*, London, November 3, 1984:

Sir — I refer to your leader of Oct. 30. It was encouraging to see that you acknowledged the "responsibility of the vile Menghistu régime" for the famine in Ethiopia.

However, thousands do not realise that this tragedy is now 10 years old, but has only been discovered now. As an Ethiopian living in the United Kingdom in political asylum, I should know.

The drought is only an additional symptom of the diseases of the country. The primary disease is Marxism imported from and by Russia in 1974. The world stood by and watched the oldest Christian country in Africa turn Communist.

Equally, Menghistu has watched thousands die in the last 10 years, not only due to hunger but also torture and imprisonment. And yet millions are spent in maintaining the Ethiopian Army, millions were spent for his macabre display for the 10th anniversary of the régime's inauguration.

Meanwhile, thousands die from lack of food. I am sure the West does not realise that in Addis and in other central cities in Ethiopia, no one is aware of the famine. It is hard to believe, but my own relatives, recently in London from Addis, were shocked to see it on television. They refused to believe it was Ethiopia!

You see, people are not permitted to travel from one region to another in Ethiopia. Everyone is kept in the dark. Hunger and enforced ignorance are the best weapons for Communist politics.

Thank you to all the people in this country for helping the innocent in Ethiopia. I only wish the Western "Super Powers" had shown their anger 10 years ago, before Ethiopia became one of the Russian puppets. Is there still hope, I wonder?

E. Y MESHA
London, W.C.2.

The Brief for the Prosecution

(Continued from page 3)

nor any Act of God fundamentally endangers civilisation, so long as men pursue agriculture *for its own sake*. But directly the land is mobilised, that is to say, when it becomes mere property, capable of transference and financial-capitalisation, directly it comes to possess only a commercial interest, it loses the inviolable permanence and security without which its care and culture are impossible. To the man whose home is on his own land, the idea that either he or his successors could ever desert the fields of their labour for the sake of any economic advantage whatsoever, should be unthinkable. Nothing in the world should be able to make them willing to sacrifice or exchange their inherited home."

"Socialisation of the soil is even more ruinous in its effect, for it is likely to take control and care of the land out of the most competent hands; since, regardless of the true needs of the community, it is a temporary satisfaction of the cravings or ambitions of destitute sections of the population by the distribution of landed property

(e.g. parcellation of estates). Only one agrarian reform can increase the efficiency of the land: it is the commitment of its care to those best qualified for the trust. A change in agrarian tenure which is made at the expense of the land's welfare—in the interest of no matter what group—should properly be termed destruction of the soil. Socialising land laws undermine confidence in the permanence and inviolability of property, without which proper husbandry is unthinkable; for who is to give even those directly privileged by such reforms the assurance that yet further reforms will not appropriate them from the fields they have just acquired? The faintest recollection of such changes must pass from the memory of the people before confidence, thus broken, is restored."

However this may be, the observed working of political systems does make it essential to examine the properties of a political majority, and the first characteristic requiring attention is that of homogeneity. What are the boundaries within which we can say that a uniform vote reflects a uniform opinion? To what extent and in what connection, does an opinion represent a presentation of a fact? Because it must be indisputable that to base the actions of an organisation on a mass of votes which do not reflect a rational conception, is difficult to justify by the name of a system.

Most people of necessity, and especially in these days of mass propaganda, form their opinions at second hand, and a great deal of opinion formed in this way is purely passive. Little or no critical faculty is applied to it, but on occasion, it is regurgitated as though it had been formed as a result of personal experience. This is always true, but when the opinion refers to a complex or subtle problem, it is a mathematical certainty that what is registered is either a minority opinion popularised, or has no intrinsic value. Legislative action based on *proposals* submitted to a large electorate must, from the very nature of the case, place the population at the mercy of a trained bureaucracy, and if, as in the case of the British Civil Service, this is irremovable and, to the public, irresponsible, the result is indistinguishable from a dictatorship of a most undesirable character.

To take an example from comparatively recent history, of what value is the opinion of the average voter on Tariffs? We may further notice, at this point the contemporary emphasis on the virtues of the "common man"—not on his uniqueness as an individual, but precisely the opposite; on his "common"-ness, his resemblance to a mass-produced article.

John Buchan (Lord Tweedsmuir) refers to "that degeneration of the democratic theory which imagines that there is a peculiar inspiration in the opinions of the ignorant" (*Augustus*, p. 340). It would be equally legitimate to doubt the permanent virtue of a considerable body of "instructed" opinion. But we cannot have it both ways. Either minorities have obtained privileges by natural selection, or they have not.

If they have, it is a gross interference with the process to penalise it. If they have not, then natural selection is inoperative in mankind, just as it is fashionable to deride heredity in human beings while being extremely careful not to bet on a horse which has not a satisfactory race-winning pedigree. The argument that the breeding of race horses is controlled while that of human beings is not ignores factors which are probably decisive.

The further the subject is analysed, the more evident it becomes that the primary perversion of the democratic theory is to identify it with unrestricted majority government. When Mr. Asquith announced that the will of "the people" must prevail, he meant that he would present a bribe to the electorate at the expense of a minority in such a way that he would get a majority. It is that situation which has to be altered. It is easy to demonstrate that minorities (not to be confused with any particular *economic* class) are invariably in the forefront of improvement, and that while a minority opinion is not certainly right, a right opinion on a novel problem is inevitably a minority opinion—beginning with a minority of one.

Nevertheless the democratic idea has real validity if it is separated from the idea of a collectivity. It is a legitimate corollary of the

highest conception of the human individual that *to the greatest extent possible, the will of all individuals shall prevail over their own affairs.* Over his own affairs, the sanctions of society must be restored to the individual affected.

There are two essential provisions to a genuine democracy of this nature. The first is the provision of an absolute check on majority bribery of the description to which reference has been made. And the second is the provision of something which may be called a Civil Service of Policy, as distinct from Administration.

CHAPTER III

SOVEREIGNTY AND PARLIAMENT

"A MASS of evidence establishes the fact that there is in existence a persistent and well contrived system intended to produce and in practice producing a despotic power which at one and the same time places Government Departments above the sovereignty of Parliament and beyond the jurisdiction of the Courts."—LORD HEWART *The New Despotism.*

Since a considerable portion of the earlier portion of this book is devoted to an examination of the process and the origins of the situation to which Lord Hewart refers, further emphasis on the fact is unnecessary. But the statement just quoted, great as its value is as coming from a Lord Chief Justice of England, only deals with half the indictment. The system to which he refers does not merely place the anonymous bureaucrat above the law. It places the law, and the sanctions of the law, at the unchecked disposal of the bureaucrat.

It should be realised that the situation of an anonymous law-maker has become at least temporarily impregnable, and is a violation—admittedly only open rather than covert—of the principles of Parliamentary government without those principles having been renounced. That is to say, while the Act proceeds from the bureaucrat, or his shadowy inspiration, the responsibility, and the odium, rest still upon the Member of Parliament who is constitutionally, but not actually, able to check him. The stealthy separation of power from responsibility, which is so marked a feature of secret societies, is now incorporated into Government activities. For some time, much too long a time, no Bill has been presented to the House of Commons which has not been drawn up by the Treasury, whoever ostensibly sponsored it. But someone *did* sponsor it, and a façade of responsibility has been maintained until recently. This has now gone. "The State" makes laws *tout court*. "The State," in fact, is quite probably some little naturalised alien full of bright ideas from the ghettos of Mid-Europe, looking for preferment to any quarter rather than that affected by his law-making. To employ a colloquialism, lawmaking has become altogether too easy.

Law is taking on a new aspect. For centuries concerned to maintain every man in his rights, it is mainly now employed to take them away. Interference in small matters, to have any rationality, apart from desirability, must postulate an over-riding policy, and if unlimited latitude is allowed, even in regulation-making, control of policy goes with it. To illustrate this, we may consider the proposed large projects for the "utilisation" of Scottish water-power.

The Report on which the proposals are based remarks "No vested interests will be permitted to interfere" with them. That is to say, the proposals represent an over-riding policy which will be empowered by the sanctions of the law to sweep *existing* vested interests out of its path. At the same time it is admitted that the objective is more power for factory industry, and notably for electro-chemical industry. Who committed the nation to that policy? When was it submitted to the judgment of the House of Commons? When, and by whom, was it decided that *one* vested interest is more important than several?

It is symptomatic of the paralysis which has overtaken British thinking in the past fifty years that this phrase "vested interest" which merely means stability of tenure, can appear in the Report

of a Royal Commission, without amplification, as though it described a public evil. There is probably not an individual in the country whose waking hours are not largely devoted to acquiring a vested interest in something or other, even if it be only a tooth-brush. In fact, it is precisely those predatory aggressors on vested interests concerned with the monopolisation of Scottish water-power, and the industries for the use of which it is intended, which transform concentrated vested interests into a public danger. The widespread distribution of vested interests would be the greatest guarantee of social stability conceivable.

This sweeping away of minor vested interests by a major vested interest is policy in action. But the policy is not defined and is carefully kept from Parliamentary discussion unless a nebulous connection with "full employment" can be regarded as a definition.

Large-scale utilisation of water-power for the generation of electricity has been feasible for at least fifty years, and the benefits arising from the general use of electricity have been widely recognised if not realised. It is curious that, while the prime mover, the water turbine, has not been radically improved during that period, and the prime mover used in the generation of electricity from the use of coal, the steam turbine, has been improved out of all recognition, the sudden decision to transform Scotland into a water-power factory has awaited the "nationalisation" of coal. From an orthodox economics point of view, the case for hydro-electric development on a large scale is weaker than it was in 1900. The proposal has been presented to the public so as to suggest that water-power represents an *alternative* to power from coal, whereas at the present time it is doubtful whether the development of all the power in the rivers of the Highlands would represent 2 per cent. of the power generated by other methods, and if the total rises, the water-power which is inextensible, becomes still less important. In 1938 the generated units of electricity in Great Britain were approximately 26,000,000,000. Excluding war production, which was already considerable, it is doubtful whether industrial demand was 50 per cent. of that figure. At the present time, *i.e.*, before any of the proposed water-power has been developed (war-time electricity-production-figures cannot be given), it is very greatly in excess of the pre-war figure. There is no possibility of utilising power from extensive hydraulic development for many years after any normally contemplated termination of hostilities, and such termination must cause an almost immediate drop in the demand for electrical power. By the time the immense works contemplated are complete, industrial demand, in the absence of war, will have fallen far below present electrical supply capacity, and will not be replaced by equivalent domestic use. To the extent that this capacity displaces man-power (the objective of using electrical power) the unemployment situation, looked at from an orthodox point of view, will be worsened.

The proposal to increase greatly the generating capacity of electric power-stations, therefore, requires far more justification than has publicly been offered for it, by whatever means the power is generated. The idea that there can be no limit to the generating capacity required is not merely absurd on the face of it, but is contradicted by experience, *except in war*. If it has been decided to adopt the philosophy of the Great German General Staff, that the primary objective of a nation is war, that is another matter. Even so, it is far from certain that these large power-stations do not constitute the gravest possible military risk. There is a considerable mystery surrounding their comparative immunity from attack.

We must therefore link up the development of water-power with the "nationalisation" of coal. A considerable proportion of the coal mined in Great Britain goes to provide the energy which is distributed as electrical power. A good deal of careful propaganda has been devoted to the "wastefulness" of burning coal, but in fact the subject is far from being susceptible to unqualified judgment. What is obvious is that coal is the principal raw material of the chemical industry: that every ton released strengthens the chemical industry: and that the chemical industry with its collateral, electro-metallurgy, is making preparations to take delivery of a high percentage of the

electrical energy generated by Scottish water-power: and that the propaganda for increased export may easily result in the export of our capital resources on an even larger scale than in the past, without the fundamental policy, and its possibly disastrous consequences having ever been discussed by those most affected.

On the other hand, the minor vested interests which are adversely affected are numerous. Perhaps the first in importance, although apparently the last to be considered, is the antipathy of the resident population. The Scottish Highlander has never taken kindly to the industrial system. He is entirely unconvinced that "the development" of the highland areas would be to his advantage, and in fact the arguments which have been adduced to convince him, are both perfunctory and disingenuous, and, in one case at least, the comparison of the proposals to those carried out by the Tennessee Valley Authority in America can only be characterised as unscrupulous. The Tennessee Valley works, themselves the subject of embittered controversy, are primarily flood control schemes, and bear no resemblance whatever to Scottish conditions. The natural Highland water-power is almost ideal for the utilisation of small, high-fall installations taking water from small streams at a high altitude, and returning it to its original bed several hundred feet lower down, without interfering in any way with the watershed or the local amenities. Such plants, rarely exceeding two or three hundred horsepower, under local control and possible in nearly every village, offer advantages to the local population obtainable in no other way, and are almost specifically excluded from the project.

The Commission proposals are radically different. Whole catchment areas are to be monopolised, glens are to be flooded, villages submerged, immense dams and pipelines built, with secondary effects on climate and vegetation which are unknown but certainly considerable. No one can say with certainty to what extent American soil erosion is affected by large power schemes.

The electrical energy generated is transmitted at so high a voltage that its utilisation locally or *en route* is impracticable, and is in fact disclaimed.

After rendering lip-service to the need to arrest the depopulation of the country, the country's chief assets are to be at least damaged, and at most destroyed, and its power transmitted almost intact to selected industrial areas farther south. The Severn Barrage Scheme which is free from many of the objections to Highland industrialisation appears to have every claim to prior consideration.

While the Highland project, brought forward under cover of war, when probably 75 per cent. of the individuals whose lives will be affected are prevented by absence or other causes due to war, from expressing their opinions on it, affords a compact instance of the working of the Supreme State, it does not differ, save perhaps in magnitude, from hundreds of similar cases. The technique is always the parade of "the common good." As Madame Ayn Rand so truly remarked in *The Moral Basis of Individualism*, "no tyrant ever rose to power save on the plea of the common good."

To anyone who will take the trouble to penetrate through the veneer with which written British history has been overlaid, it is difficult to avoid the conclusion that the political instinct of the people has deteriorated, rather than progressed. The situation with which we are confronted is one with which our history ought to make us familiar, and to which we have previously reacted correctly by such measures as Magna Carta and the Petition of Right. The native instinct has intuitively recognised in the past that it was not so much the question of who held certain powers which was important, as that those powers should not be concentrated. The derided phrase, "That is not done," embodies a sound, if now perverted, national conclusion. One of the more ominous symptoms of this political degeneration is often to be found in those quarters which in many ways represent the flower of our culture. It takes the form of a lament that "the unity of purpose which we find in war cannot be carried over into peace." The short answer is that it can be and is, in Germany and Russia, and that if that is all that is required, why not surrender to one or the other?

This attitude arises more than from any one other cause out of an almost perverse determination *not to recognise the persistency of a policy of centralisation of property rights and in consequence, the absolute necessity for the equivalent of a Bill of Rights ultra vires of Parliament, together with a permanent professional body, trained to attack not only an existing law, but armed with permanent power to bring out into the open for cross-examination at any time the originators of any law which encroaches on those rights.* It is essential to exalt the man above the machine. It is nothing less than suicidal to concede the idea of abstract and unquestioned omnipotence to the products of a law-making system of the chain-store variety such as we tolerate to-day, and such "laws" as Regulation 18B, which sweep away the hard-won safeguards of a thousand years, are the logical outcome of this mental attitude. It is perhaps hardly necessary to observe that such a body would be appointed and dismissible by individuals, not by the administrative Civil Service.

One of the first results of such an arrangement would be an arrest in the flow of law-making. If the world is regarded as a factory run by officials on would-be mass-production lines, continuous works-orders camouflaged as laws are inevitable, though quite rapidly fatal. But, in a world in which it is realised that the more action is spontaneous within the limits of personal sovereignty the less the friction and the higher the general satisfaction, they are both redundant and objectionable.

It will be remembered that Great Britain has no written Constitution, and it has often been claimed that this is an advantage. The claim is more than suspect. The Constitution of the United States, for instance, is a body of Superior Law which is a powerful check on "Administrative lawlessness," as President Roosevelt discovered when he tried to pack the Supreme Court in order to obtain a favourable decision on unconstitutional measures of the New Deal. The Fourteenth Amendment to the Constitution makes it impossible to enact or enforce such a measure as the Regulation 18B under which large numbers of persons have been imprisoned for years without trial.

There are several unofficial bodies in existence whose intentions in regard to this problem are excellent, but it is no detraction from their public spirit to say that they are wholly inadequate. We have to deal with the usurpation of powers which derive from a completely different conception of the nature of the state, and these powers require to be brought into proper relation to the world of to-day by measures as carefully designed and powerfully supported as those with which they have to deal.

It is often said, and with justice, that we hear too much in these days of "rights," and far too little of duties. It does not appear to occur to such critics that when rights were more stable, duties were more recognised.

CHAPTER IV

THE POWERS BEHIND REVOLUTION

WHEN Karl Marx (Mordecai), in his Message to the First International in 1870, observed, "The English are incapable of making a Socialist revolution, therefore foreigners must make it for them," he placed on the record a statement of high historical and practical value.

Whatever the ultimate result may be, it is a simple statement of fact that social disturbance, economic and industrial distress in Great Britain can in almost every case be traced to alien influence. The native English, in particular, have their own methods of dealing with a distasteful situation, as anyone intimately conversant with the tragi-comic breakdown of the alien billeting system in 1939 can testify. But revolution is not one of them. The immense stability underlying race homogeneity is the main factor in this characteristic, a sense of proportion contributes its quota, and a curious corruptibility, which is always ready to accept an immediate benefit rather

than persist in a long-term vision, helps to make the way of the social incendiary one of successive disappointment.

But this latter feature has taken on a new aspect in the present century. Social revolution has itself become a profession in place of being a religion, paying, in its higher branches, and subject to compliance with a code, high dividends both material and social. Socialism is a highly organised business, showing marked resemblance to the chain-stores which it favours, and its various activities, political and economic, provide lucrative careers, not least to the private owners of businesses engaged in furthering its propaganda. As it is completely parasitic, living off a production process to which it contributes nothing, it is quite possible that the most realistic approach to an understanding of it is to regard it as a disease of that system, to be cured by indirect methods. The effect of this parasitism has been to create, primarily in London, but to a less extent in all the larger towns, what can only be described as an alien culture, in the main bureaucratic, but linked with mechanical industry by the Trades Union official. This culture also has its own type of Art. It is not an exaggeration to state that if the whole population *outside* these circles were to cease work, the social revolutionaries of the Fabian and other varieties would starve to death in a month, while on the other hand the disappearance of the Socialists and bureaucrats would hardly be noticed except with general relief.

Yet it is beyond argument that the bushy and somewhat foreign-mannered tail wags the rather bewildered British dog, even if contributing little to his sustenance. The indigenous culture is one of tolerance combined with a strong desire to mind one's own business directly, rather than by pooling processes. Once given access to the sanctions of the state, an alien culture can be imposed on such a national temperament with comparative ease. Whether it can be maintained is another question, but it has been demonstrated that the centralised state, once achieved, is difficult and costly to dislodge.

Without carrying the German conception of *Blut und Boden* to the absurd lengths characteristic of its protagonists, only the type of mind which has absorbed the abstractions of Bloomsbury would dispute the large element of truth which it embodies. A nation is amongst other factors a culture, and while a culture probably contains many components which do not derive from the soil, it is certain that no culture which is not rooted in the soil and racially related to it has the character of permanence. The astonishing resistance of nationalism to the massed forces of international finance, cartelism and Freemasonry seems to have put this question beyond further argument, and the chameleon-like element in Jewish behaviour no doubt has its explanation in the Diaspora.

If this conception be accepted as broadly representing reality, then the efforts of the foreigners mentioned by Marx, and their employes in various gainful occupations in this country, take on a somewhat different and more sinister aspect. We have not to deal with a mere propagandist endeavour to introduce the latest improvements into administrative machinery, which might conceivably be well-intentioned, even if demonstrably wrongheaded. The spiritual life of the country and the nation, which is its culture, is being subjected to a deadly attack. There can be no peace until one side or the other is defeated.

No civilisation is tolerable which suppresses agitation from within its own borders against an existing condition, however mistaken that agitation may be. *But no civilisation can survive which will permit members of an alien culture to settle within its borders in order to make the exploitation of grievances real or fancied into a highly lucrative profession.* It is remarkable that the British Dominions overseas are in the highest degree sensitive to any suggestion of interference from the official British Government in London, while tolerating barely concealed attempts to impose, *via* specially trained representatives of the London School of Economics working in conjunction with the Central Banks, a comprehensive tyranny entirely foreign in its origin and character.

It is not difficult to apprehend that naturalisation laws have a

vital bearing on this matter, and that naturalisation laws are affected not merely quantitatively but essentially by the relation of the culture of the immigrant to that of the country of his choice. Apart from a few points on the seaboard, for instance, the culture of the North American Continent in the seventeenth century was that of the North American Indian.

Immigration has wiped out that culture, not wholly or even principally through frontier massacre, but by the sheer incompatibility of the indigenous culture with that of the immigrant. The immigrant himself was in the main a variant of the general European culture although of differing national stocks, and a culture with recognisable European features was characteristic of the United States until the last quarter of the nineteenth century, as it is in Canada to-day. A consideration of the history of American expansion lends a grimly humorous aspect to the solicitude for India now so prevalent in the United States.

The immigration and the culture which is being forced upon Great Britain by every device of propaganda and covert political, social, and economic pressure is not fundamentally European, is not accompanied by immigration of European stock, and is as incompatible with the native culture as was European culture with that of the North American Indian. It is just arguable, and it is very loudly argued, that a small influx of foreign strains can be absorbed without great disadvantage. But it must be small, and it is essential that it should be absorbed. Our alien population is not small (its dimensions are systematically falsified), it is increasing, and it is not being absorbed. In spite of strenuous denials it is certain that the dominating influence in the State at this time is alien in culture, whatever the particular passport of its protagonists may be.

M. Léon de Poncins, whose book, *The Secret Powers behind Revolution*, is one of the most conservative enquiries into the subject, remarks "There is a greater amount of artificiality in revolution than is believed. This is not solely to be imputed to the Jews. It is not certain that they form its most numerous elements, but, thanks to their racial qualities, they are the strategists and directors of the movement, from which they, almost alone, derive advantage" (p. 239). That is to say, it is only important to the powers behind revolution that there should be unrest; given unrest, control of publicity, propaganda, and educational facilities, it can be invariably directed to the advantage of the unseen manipulators.

It is clear that such organisations as the Royal Institute of International Affairs have no antagonisms with P.E.P.; and P.E.P. derives ostensibly from the Fabian Society and the London School of Economics. Its first Chairman was Sir Basil Blackett, of the Bank "of England." The Royal Institute of International Affairs is the successor to the shadowy "delegates" and "experts" to the Paris Conference of 1919. At this Conference, Paul Warburg of the Federal Reserve Board headed the U.S.A. delegates, and Max Warburg, his brother, of Warburg Bank, Hamburg, represented Germany. In May, 1919, the "experts" met and decided to form an international institute, and in 1923 this institute was given Chatham House, in St. James Square. The subscribers to it, amongst others, were Thomas Lamont of J. P. Morgan & Co. (£2,000), Sir Abe Bailey, the South African gold millionaire, Sir Otto Beit, the Carnegie Trust, Imperial Chemical Industries, the Bank "of England," Prudential Insurance Company, N. M. Rothschild & Sons, Schroeders, Rockefeller Foundation (£8,000 per annum), Reuters News, etc.

Anyone who has contemplated the changes of front of the Communist movement must be satisfied that it is an extension of international financial intrigue although quite possibly its dupes would react violently to the suggestion. According to the Melbourne (Australia) *Herald*, "Communists in Latin America no longer attack Dollar Diplomacy or British Imperialism" (1/11/44). It will be remembered that Viscount Snowden, whose chief concern was that the rich were not poor rather than that the poor should be rich and that England should be ruled by minor revenue officials, remarked that the Bank "of England" was the greatest moral force in the world.

It would be a naive student of British politics who would suppose that an obscure Excise official could rise to the Chancellorship of the Exchequer and a Viscount, and his wife be appointed a Governor of the most powerful propaganda organ in the world, the "B," B.C., if their views were regarded as a menace to the power of "the City," or their policies incompatible with those of the powers in command of patronage.

The position is admittedly one of great difficulty. It was recognised by William Cobbett, probably one of the greatest Englishmen of the past three hundred years. His general contention, implicit if not explicit in all his writings, is just as true to-day as it was a hundred years ago. Almost any social and economic system is or rapidly becomes tolerable if it is homogeneous and indigenous. The old saying "Let fools for forms of Government contest. That which is best administered is best" is profoundly untrue as it reads, but it does contain an element of potential truth—that the system will rapidly be modified *if it is native*. In 1290 Edward I expelled the Jews from England, and twenty years afterwards suppressed the Knights Templars, the direct ancestors of Freemasonry. It is significant that the Laws of England which are regarded as "good law" to the present day unless specifically abrogated, date from Edward I.

The modern British individual in the main has a totally false idea of the intelligence of his ancestors of that date. Seven hundred years is but a moment in the life of a race, and the inspection of documents relating to the management of either England or Scotland in the time of Edward I will convince anyone that we have perhaps not learnt so much of real consequence as we have forgotten. But it is certain that we are faced with a situation which was threatening England with disaster then, and it ought to be obvious that the first step to take is to restrict drastically alien immigration, and to make naturalisation a rare and exceptional concession. It is desirable to emphasise the wide difference between free circulation and easy naturalisation.

The next step is to submit to a mental cold bath on the meaning of "hospitality." We are the laughing-stock of large numbers of our "guests" and of all of their recent hosts. For the last few years our "guests" have been ordering our dinner, and telling us that plain living, watered beer and hard work are good for us, though not for them. A new note has crept into the discussion. The frenzied appeals to save the victims of Hitler's tyranny are giving place to scarcely concealed threats. Unless we mould our foreign and domestic policy as instructed, we are going to regret it. The import of, for instance, an article in the *American Mercury* of March, 1944, which remarks that "London must be made aware that Palestine is not a purely domestic question. The United States of America endorsed the Balfour Declaration, and would share the 'breach of faith' . . . Other countries have interests in the 'Grand Central' of the world. Britain [*sic*] does not have the only or the last [my emphasis] word in the Palestinian situation," is obvious. (In passing, it may be noticed that the geographical and strategic position of Palestine is being stressed as a reason why, say, Madagascar will not be accepted as a substitute national home for Jewry.) Mr. Emmanuel Celler, Democratic Congressman for New York, informs us that the release of Sir Oswald Mosley, from prison, to which he had been committed without trial, is not within our competence. The suggestion is that the internments under Regulation 18B were made under alien orders.

The memory of most of us goes back to the period of the "war of nerves" of 1936-39, and the part played in it by the Sudeten Germans and the racial minorities in general.

History is full of examples of the suicidal folly of allowing unassimilated minorities of any description to attain substantial influence. Whether it is too late to deal with the matter comprehensively on the principles, if not by the exact methods, of Edward I, is a large question. But that it has to be dealt with if we are to avoid the fate of Poland, does not admit of argument.

(To be continued)