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FOR POLITICAL AND ECONOMIC REALISM

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THE FIG TREE

The Secretariat's Future Plans

An organisation of conventional pattern might expect protest to follow, for example, the recent reduction in size of *The Social Crediter* and the delay in the appearance of *The Fig Tree*. There has been one such protest, naively introduced by the intimation: "My newsagent says, 'D'you mean to say this is all they give you for sixpence?'"—which shows how doubly unwise it is to give discount to newsagents.

One, and perhaps the most conclusive, single piece of evidence upon which our assessment of the generally very high morale of those in alliance with the Secretariat rests is their behaviour in regard to such decisions.

We believe the reason for the restraint exhibited is that each believes we are doing what he would do if he were informed of the circumstances and had responsibility. The world situation is developing with great acceleration, and we must meet it.

These remarks are, of course, prelude to an announcement of further changes, in which, we hope, our readers will not only concur but which they will assist by active participation. They are:—

(1) For so long as is necessary, *The Social Crediter* will be delivered to subscribers alternately with a new journal, *Voice*, under the editorship of Mr. John Mitchell. The Policy of this journal is consonant with that of the Social Credit Secretariat. A preliminary article concerning it will appear in *The Social Crediter* next week.

Until the business experts have examined the position and have reported, the present subscription rates for *The Social Crediter* will cover both journals, each appearing fortnightly in alternate weeks.

(2) *The Fig Tree* is now in process of production. The terms of subscription for the new quarterly taken independently will be £1 per annum, post free. Each registered subscriber to *The Social Crediter* will receive a copy of the first issue on publication.

(3) With his assumption of the editorship of the new fortnightly, Mr. John Mitchell joins the Social Credit Secretariat as a Director (*ad hoc*), a position he has not formerly filled and to which we give him a very cordial welcome.

From Week to Week

We were not in time to stop the suggestion carried by an erroneous report, which we repeated last week, that Mr. Charles Morgan's play, "The Burning Glass," had ceased its run in London. Its production in New York came to an end after 26 performances. For the credit of English theatre patrons, we trust that its appearance in England will not be restricted by adverse propaganda. Quite clearly the atomic bomb-merchants are very touchy.

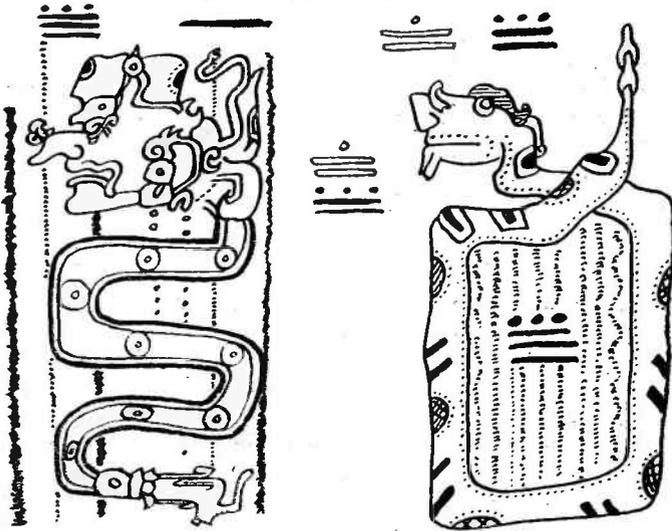
Mr. David Bowen, writing to the *Daily Telegraph* of March 30, from Westward Ho!, reproves the backward British rain-makers for what, he says, the Americans call "chasing local rain-clouds up dry gullies." "Even if we have to pay in dollars," he writes, American methods would repay trial.

"Dave" may not see the connection; but for our own part we deem it slightly odd that bombs, the three balls of the pawnbrokers' sign, elephant-headed gods and other appurtenances of the Vedic story represented in the pre-Columbian "Codex Cortes,"* including Vritra, the holy snake "encircling and holding up the rain waters," are not also included. If one were looking for a prehistoric original for the familiar dollar sign, we might find it in the elephant-headed god (Chac, the outpourer) restricted rain in the coils open, by force of the elephant-headed thunder god, and the rain streaming freely through them (the vertical lines of the dollar-sign). Often the god holds his bomb (thunderbolts), conventionalised as hands, while the Maya sign for thirteen (two horizontal lines surmounted by three balls, each line being the sign for five) very freely decorates the designs, though the signs for eleven, five, four, eighteen and twenty occur occasionally. The serpent, when not reduced to impotency by the elephant, is coiled, the falling rain being prevented from descending and is contained wholly within the coil, surrounding the numerical sign,  (eighteen). Turned sideways, the "Vritra" symbol is at once recognised as the familiar £ sign, the dot which commences it is the head of the snake, the loop is the coil, and the line through the head of the stem (which used to be a double line) has been transferred from the central position within the coil to a position slightly above it. Most of what we describe may be seen incorporated in a single picture; and all we have described, \$, £, numbers, bombs, falling rain, elephant-headed god (Chac, the outpourer) restricted rain in the coils of the serpent (Vritra,† the restrainer), are included in no

*See Seler: *Die Tierbilder der mexikanischen und der Maya-Handschriften*. (Zeitschr. f. Ethnologie, Bd. 42, 1910.)

†Vritra is Vedic (Indian); the snake of the Codex symbols is American, vide the rattles on the tail. Diffusion of culture is presumed.

more than two pictures. Those of the illustration are less comprehensive.



Text Figure

Interrogated some years ago concerning the origin of the ornate letter *l* with its horizontal line, standing for the pound sterling, the late Mr. Monatgu Norman caused Mr. Peppiatt, the then chief cashier of the Bank "of England," to reply cautiously quoting the 'well-known opinion' that the sign was a corruption of the Latin *libra*. He added, however, that the sign now used appeared in the pages of a London merchant's journal of 1693, still in the possession of the Bank, and that "at about that time" it began to appear in the documents of the Bank. Similarly, the dollar sign was thought to have been originally an 8, indicating the famous 'pieces-of-eight.' Eight, the reader will recall, is not one of the numbers represented in the Maya inscriptions. "The elephant never forgets."

(The "Mayflower" sailed from Southampton Water in 1620.)

The Renouncer

The following, anticipating the House of Commons Debate on April 5, is from *The Times's* Washington correspondent, dated April 2:—

"Mr. Edward Murrow, pointing out last night that the American Press had been told more about the Bikini tests by Mr. Lewis Strauss than the American Government had seen fit to tell Sir Winston Churchill, said that 'there may be reason for bitterness worse than gall in Sir Winston's heart.'

"'He was,' Mr. Murrow went on, 'the man who made the great renunciation of Britain's atomic knowledge and its foremost atomic scientists, early in the war, so that the joint research with the United States could be done in this country under the most favourable conditions. He has never told his countrymen on what terms he took his first step. It would be strange if he had not obtained a promise in writing that Britain was to share the fruit of a joint effort. But he has never produced a document containing such a pledge signed by Mr. Roosevelt.

"'I am going to suggest that if he has not produced such a document, it may be because it was signed in secrecy and so has no legal validity. . . .'"

The Court of Criminal Appeal and Money

The Editor, *The Social Crediter*,

Sir,

The Court in which the Lord Chief Justice gave judgment on February 22 was not the Court of Appeal but the Court of *Criminal Appeal*. The case was not heard 'before Lord Goddard' but before the Court. One Judge delivers judgment (in this case Lord Goddard) for the Court.

In spite of some unpopularity on the ground of his views on retributive justice, the Lord Chief Justice is acknowledged widely to possess one of the finest brains in England, and if he chose to follow up the brief pointer at the end of *From Week to Week* on March 27, I see no reason why he should not quickly reach, if he has not privately done so, sound conclusions concerning the nature of the fraud practised by the banking community on the rest of the public. Of course, he would have to come to it for himself; it's no use your trying to do it for him.

Nevertheless, your hint, as it stands, needs amplification for less sturdy minds. "The means of exchange"—that, of course, means 'money.' "Taxation in money, fines as a punishment for legal offences, and other devices, quite apart from the use of money as a medium of exchange, are all devised with a view to make the power of the creation of money the fundamental power of civilisation. This power is fraudulent both in fact and ownership; . . ." (C. H. Douglas: *Notes for an Address at the Social Credit Study Course for Conservatives at the Bonar Law College, Ashridge, 1936.*) "The history of money is one long unbroken history of fraud, and the acquisition of this power of money-creation by the banks is the final chapter." (*Ibid.*) The crux of the matter, as Douglas said, is "the reidentification of real credit with financial credit" (*These Present Discontents and the Labour Party*, p.11). Real credit, as he defined it, "is a correct estimate of the rate, or dynamic capacity, at which a community can deliver goods and services as demanded." Obviously the correct estimation of this capacity is anybody's, and the capacity is the community's, not the banks.' 'Financial credit' he defined as "ostensibly a device by which this capacity can be drawn upon. It is, however, actually a measure of the rate at which an organisation or individual can deliver money." The quotations are from *The Control and Distribution of Production*. Why not send Lord Goddard a copy?[*]

Yours faithfully,

Gray's Inn, March 27.

X

[*] We have done so.—Editor, *T.S.C.*

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This journal expresses and supports the policy of the Social Credit Secretariat, which is a non-party, non-class organisation neither connected with nor supporting any political party, Social Credit or otherwise.

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Money: An Historical Survey

Notes for Major Douglas's speech on July 26, 1936, at the Social Credit study course for Conservatives at the Bonar Law College, Ashridge.*

There are at least two reasons for the special pleasure I am afforded by the opportunity of addressing you.

Perhaps the lesser of these is that, to the extremely small extent that I can be said to have any party politics, I am a Conservative. In my opinion this is a conservative country, although it has been for many years, and is, governed by Whig policies. If I can do even a little to awaken you to a consciousness of what I mean by that, I shall be especially gratified.

And the second reason is that this institution is a memorial to probably the only Prime Minister we have had in this country for many years who gave any public *evidence* of competence or understanding of the problems with which Great Britain and the world are faced. It was a misfortune the extent of which it is difficult to estimate that he was prevented from longer service to us. We might be in a very different situation now if Mr. Bonar Law had been Prime Minister during the past 15 years.

You will gather from what I have just said that so far from coming to you as a propagandist of subversive doctrine (an idea which financiers are most anxious to convey) I am, in my own opinion at least, asking you to consider whether conservative opinion in this country has not yet been betrayed into the support of policies which are traditionally alien to it and to the vast majority of us, and which genuine conservative opinion would repudiate if it were conscious of its true implications.

A minute or so ago I said that the policy of this country was and is a Whig policy. Now I should like you to place this statement side by side with the accusation which is universal on the Continent, in regard to both British and United States policy, that it is hypocritical. Because the keynote of Whig policy, which is predominantly a policy based upon orthodox finance, is hypocrisy—the justification, on some allegedly moral ground, of policies which are in fact not merely narrowly selfish, but pragmatically disastrous.

I should like to emphasise at once that Social Credit is not an artificially concocted plan either of my own or of any one else's. That is exactly what its opponents wish to argue about. While I am satisfied that the technical proposals which have been associated with it are reasonably sound (and I must add that that conviction is only strengthened by the complete failure of its opponents, either here or elsewhere, to establish their criticisms), the fundamental idea is simply the antithesis of Whiggism, namely, that the first essential of a stable, peaceful and successful society is to get at the truth and to present—not misrepresent—the truth to everyone concerned. "Credit is the substance of

things hoped for, *the evidence* of things not seen," and no stable society can endure on *false* evidence.

You will at once wish to observe that I have so far not brought forward any evidence in support of my suggestion that we are carrying on our national business on a basis of false information. I agree; and I will endeavour, however inadequately, to make this essential point.

To take the general proposition first. You will agree that we live in a money economy—that no one can live nowadays without money. Well, if the distinguished economist who is my critic here—Mr. Hawtrey—had no other claim to consideration (and he has many such) he would have rendered a signal public service by enshrining in the "Encyclopædia Britannica" the words "Banks create the means of payment out of nothing."

The whole of our civilisation rests upon the possession of the means of payment. It *need* not so rest, but it does in fact so rest. Taxation in money, fines as a punishment for legal offences, and other devices, quite apart from the use of money as a medium of exchange, are all devised with a view to make the power of the creation of money the fundamental power of civilisation. This power is fraudulent both in fact and ownership; but I would ask you to realise the absurdity of a complaint against the private ownership of, say, minerals, when there is an international private ownership of credit.

The history of money is one long unbroken history of fraud, and the acquisition of this power of money-creation by the banks is the final chapter. Without attempting to cover the historical aspect of the matter, one phase of it seems to me to be useful as indicating the basis of modern banking. Originally, just as a railway issues its own tickets, the wealth producers of the world, thousands of years ago, produced their own tickets. In those days the ownership of beasts of various kinds was the chief form of wealth, and of course the cattle had to be fed. Very often the rich man, the man who owned a lot of cattle, had not sufficient corn or fodder to feed the rest. The merchant of grain and fodder was generally an itinerant, and it was not always convenient for him to take away the cattle; so he took from the cattle owner a leather disc which represented one head of cattle. Sometimes it had on it a rude engraving of the cow's head, or something of that sort, and sometimes it hadn't. Indeed most of you know as well as I do that the Latin word for cattle is *pecus*, and our modern word pecuniary derived from it is historical proof, if any were necessary, of the derivation of the first money.

Now, in that simple arrangement there is one point of immense importance to be noticed, and that is that the owner of the wealth, that is to say the owner of the cattle, actually, literally, in truth, *made*—not metaphorically but actually—*made* money representing his wealth, in the same sense that the railway makes tickets—not in the sense that the modern businessman "makes" money when he says he makes money. It is so long ago since he made any money that he has forgotten probably that he ever did say it, but when he did say it he was mistaken; he never made a cent in his life. If he had he would have been in jail for counterfeiting. All *he* did was to get money that somebody else had, but the original man about whom I am talking for the moment, the owner of cattle, actually *made* money. He

*This address was first printed in *The Fig Tree* for September, 1936.

made his leather discs as the owner of the wealth; they were token of wealth which existed, those discs, and the issuer of the token and the owner of the wealth were the same person.

Now—to carry our minds back a considerable distance through history—in the fifteenth and sixteenth centuries, when Europe was rent with various kinds of wars, and the chief owners of wealth were the feudal nobles, a great deal of their wealth was in the form of gold and silver plate. This was made by people who were called goldsmiths, and, because of the supposed great value of these metals, the goldsmiths had very good safes for those days to take deposits, and it got to be the habit of the feudal nobles not merely to have their gold plate made by the goldsmiths, but to deposit or leave it with the goldsmiths for safe keeping, and the goldsmiths gave a receipt for this gold plate, signed on parchment. It became a great convenience for the owner of one of these receipts, should he want to buy, say, a piece of land—instead of drawing out the gold plate or gold coins deposited with the goldsmiths—to hand over the receipt. Instead of actually drawing out the wealth, he handed over the so-called wealth, and these receipts on parchment signed by the goldsmith were the direct lineal ancestors of your modern bank notes.

At this point something happened which was not present in the original conception of money as issued by the owner of cattle. The right of issuing money was transferred from the creator or the owner of wealth to the custodian of wealth. Not the man who produced wealth, nor the man who owned it, but the man who took care of it issued the receipt which, as I say, was the lineal ancestor of your modern bank note.

That was one of the most epoch-making things, though probably unnoticed until the present time, that has taken place in the history of the world in the last two or three thousand years; because it was the goldsmith's signature upon this parchment receipt which made it pass from hand to hand—not the name of the owner of the wealth—so that this power of creating money which is so important, passed to a third party who was neither the owner nor the creator of wealth, but merely its custodian.

There is no doubt that at this point some dishonest goldsmith found that a large number of his clients left their values in his care almost indefinitely. They were safer with him than elsewhere, perhaps even in the castle of the owner, so that there was always a tremendous amount of wealth in the actual custody of the goldsmiths which apparently was never drawn out. Our dishonest goldsmith had the bright idea of issuing several receipts for one piece of wealth, on the assumption that those receipts would not all be presented at the same time. It was particularly easy where merely gold coins had been deposited, for if by any chance an owner of wealth did ask for his gold crowns, he would get them, because they need not be the same gold crowns that had been deposited. So it was found quite safe in a general way to issue more receipts for wealth than the wealth which had been deposited.

That, without doubt, was the first inflation, and of course it gave the goldsmith the value of all the receipts in excess of those which represented wealth actually deposited. That process, beginning undoubtedly in fraud, grew so common that it became the convention amongst bankers, who were

the descendents of the goldsmith, to do this thing; and they have always for the past several hundred years been in the habit of issuing more receipts for wealth than the actual wealth which was deposited with them. At the present time it is a well-known convention, not denied by bankers themselves, that for every dollar of legal tender which they have, they issue nine dollars of credit money which they actually create themselves; just as the goldsmiths, not by exactly the same process, created those false receipts representing deposited wealth which was not there. Now, no scheme of that kind so obviously fraudulent, in its beginnings at any rate, could have proceeded so long as it did, and for that matter does at the present day, if it had not served a very useful purpose. In fact the additional receipts were passed as money, facilitated trade, kept goods moving and were in every way an advantage, even to the general population. They were of the greatest advantage, of course, to the banker, but they were also of great advantage to the public, as they provided it with money.

Still a third thing has happened to the money system. Until a very short time ago, practically up to the beginning of the European War, the convention was that either a banknote or a cheque on a deposit—which was simply an order to a goldsmith to pay so much to somebody else, which is exactly what was done in the old days—both of those things, the banknote or the cheque, were supposedly cashable at any time in tangible wealth at the bank—in golden sovereigns in fact.

The idea was that the bank was a custodian of a certain amount of tangible wealth, and that could be drawn out by means either of a banknote which was payable on demand, or by cheque, and the actual tangible wealth could be taken away. That was the convention.

There is an idea put forward by people, who ought to know better, at the present time, that banking is that sort of thing now. It is nothing like that, as I propose to show you. There used to be, of course, a lot of bank failures, even in Great Britain, and those banks failed because people suddenly decided, all at once, to draw out the things for which they had orders on the bank in the form of banknotes or cheques, and when they all tried to draw out at once, they found that what they wanted was not there.

It never was there; it never has been there for at least a hundred years. The bank has never consisted, in the last hundred years, of merely handing out at one end of the counter what was put in at the other. No bank ever paid a dividend in the last hundred years on the process of merely lending that which it took in. There is no possible doubt at all about this thing. I sometimes wonder why it is that certain protagonists—certain defenders—of the present banking system go on arguing about this matter. There is no possible doubt about it. And since the war the convention that you could get golden sovereigns in return for your cheque or banknote has not even had a plausible foundation. All you can get for a banknote is another banknote. There is no longer any obligation to hand over anything more tangible than some printed paper.

(To be concluded.)