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BEWARE THE EURO-FED

"There never was a crime against humanity in all history as great in its magnitude or as damnable in its effects as present-day banking". – H. M. Murray in "The Struggle for Money".

British opposition party spokesmen have been declaring: 'the poll tax has been one of the most costly errors of judgement a government has ever made'. This is superficial in the extreme. The costliest error of judgement for the UK has been the granting of a Charter to the Bank of England in 1694, compounded thereafter by the supine acceptance – by successive administrations – of the debt-generating techniques of financial institutions. W. E. Gladstone, Liberal Chancellor of the Exchequer in 1853, protested strongly against the Bank's baleful influence thus:

"From the time I took office I began to learn that the State held, in the face of the Bank and City, an essentially false position as to finance . . . the hinge of the whole situation was this: the government itself was not to be a substantive power in matters of finance, but was to leave the money power supreme and unquestioned. In that situation I was reluctant to acquiesce and I began to fight against it by financial self-assertion from the first. I was tenaciously opposed by the Governor and Deputy-Governor of the Bank, who had seats in Parliament, and I had the City as antagonist on almost every occasion".

So-called Liberal Democrats, although supposedly cherishing Gladstone's stature, are pursuing financial policies diametrically opposed to his life-enhancing approach. Indeed, the hinge of their situation is this: the government itself should not be a substantive power in matters of finance, but should leave the money-power, in the form of an autonomous Central Bank, supreme and unquestioned. This Central Bank, in turn, is to be interlocked with other European central banks in what is to be termed a EuroFed, by implication modelled on the US Federal Reserve System. It is instructive to note how the American model functions. Margaret Thoren, a financial journalist in London before returning to the US in 1980, has helpfully compiled 93 questions and answers about the Federal Reserve System for public officials and taxpayers, under the title: *Figuring out the Fed*. Herewith a sample few:

24 Where do the Federal Reserve banks get the money they use to pay general expenses? They create it out of nothing, just as they create money out of nothing to pay for government securities.

- 27 How does the Federal Reserve cause the money supply to decline? The Federal Reserve banks sell some of the government securities they hold. The buyer gives the Fed a cheque and the Fed destroys this money . . . wipes it out.
- 29 What specific clause in the Federal Reserve Act of 1913, the Act establishing the Federal Reserve System, gives the banks the authority to create and destroy money? There isn't one.
- 40 Has the Federal Reserve assumed Congressional authority to create money? Yes.
- 41 Does the Constitutional prerogative to create money still rest with Congress, despite what the Federal Reserve is doing? Yes.
- 49 What was the national debt in 1983? \$1,400,000,000,000 – \$1.4 trillion. (NB. Increased to \$2.59 trillion in 1988)
- 50 What percentage of the national debt was the Federal Reserve pay-back? 1%.
- 51 Did the Federal Reserve pay-back reduce the Federal debt? Only by a tiny – actually negligible – amount. \$14 billion is peanuts next to the trillions of dollar or debt which the debt-money system has generated.

In the light of this testimony, the UK poll tax, although in some cases the 'final straw that broke the camel's back', when set against mounting debt, generated day-in, day-out, by the present global financial system is, relatively speaking, 'peanuts'.

Jack Hornsby

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In his memoirs, *Kill the Messenger*, Mrs Thatcher's former press secretary Sir Bernard Ingham insists that the exceptional circumstances of her removal came solely from a 'cock up', not a conspiracy. His conclusion seems to be based upon the reaction of Conservative MPs fearful for their general election prospects. But he takes no account of cumulative forces. C. H. Douglas put it thus: "History is crystallised policy" i.e. not disconnected episodes. In *The Development of World Dominion*, some 160 pithy quotations from Douglas's commentaries between 1945-50 emphasise that contention.

Though not subscribing to suppositions presented in *The Messianic Legacy*, we can agree that authors Michael Baigent, Richard Leigh and Henry Lincoln have chanced upon factors which 'draw their readers into the murky world of contemporary European and American affairs where politics, high finance, freemasonry, secret societies and various intelligence agencies meet and conduct their clandestine transactions'. In earlier research for *The Holy Blood and the Holy Grail*, they had tried to trace the existence of a chivalric Order known as the Priore de Sion, probably created in 1090 or 1099. They found it had preserved its lineal connection, sometimes through various facades and other organisations, down to the present day. They were able to monitor something of the Order's activities during and since the Second World War. One basic finding: a key policy aim of the Priore de Sion was a United States of Europe. This aim was shared by a strange assortment of societies and individuals, such as Pan Europa, currently directed by Dr Otto von Hapsburg; Alpha Galates, a species of secret society functioning under the public guise of an esoteric neo-chivalric Order; and Helmut James von Moltke's Kreisau Circle which, according to G. van Roon, was based upon a fundamental belief in a Europe integrated into a federal state.

Count Richard Coudenhove-Kalergi's prestigious Pan European Union, founded in 1922, had attracted the support of such political figures as Léon Blum in France, Eduard Beneš in Czechoslovakia, Winston Churchill, and writers such as Bernard Shaw and Thomas Mann. Driven out of Austria by the German Anschluss of 1938, Coudenhove-Kalergi emigrated to the US in 1940. There he lobbied ceaselessly for his Pan-European ideal, insisting that European unity must be a priority of American policy after the war. When America entered the war, his thinking contributed to the blue-prints for post-war policy already being devised.

By 1943, Coudenhove-Kalergi had established close links with Allan Dulles, Head of Section, Switzerland, of the Office of Strategic Studies (OSS), which had been created with the aid of the UK's MI6 and Special Operations Executive (SOE). The OSS was the precursor of the Central Intelligence Agency (CIA).

Contributing to the long-term federal aim was a splinter group from the Sovereign and Military Order of the Temple of Jerusalem led by one Anton Zapelli, with support from the Swiss Grand Lodge Alpina. Their paramount concerns were banking and international finance, a United Europe, and the role of the modern Templars in such a unification in line with the original Templars' policy. Latter-day successors were urged to emerge from the shadows, embrace something more important than antiquarian interests, and involve themselves politically to work for European unity. Zapelli appeared to function in a world where secret societies link with high finance and Pan-European

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politics, where national frontiers do not constitute an obstacle and no established legal guidelines obtain.

As is well documented elsewhere, a very significant functionary since the '20s in the movement towards a federal Europe was the enigmatic Pole Joseph Retinger. He helped to organise the Hague Congress of Europe in May 1948. In July of that year he travelled with Winston Churchill, Duncan Sandys and former Belgian Prime Minister Paul-Henri Spaak to elicit US support for the self-styled European Movement. The outcome: on March 29, 1949, during a luncheon to honour Winston Churchill, the American Committee on a United Europe (ACUE) was launched.

ACUE's chairman, William Donovan, had been director of OSS; its vice-chairman was Allan Dulles. The secretary, George S. Franklin, was a director of the Council on Foreign Relations (CFR) and subsequently a co-ordinator of the Trilateral Commission (TC). The CFR is the companion body of the Royal Institute of International Affairs (RIIA). The saturation by CFR members of the US administration and centres of influence has been charted by the Committee to Restore the Constitution. RIIA influence on UK government policy is less evident, but it surfaced blatantly over Margaret Thatcher's downfall and has been more conspicuous since. ACUE's director was a serving CIA operative, Thomas Braden. Under the auspices of these officials, ACUE underwrote the European Movement, funds from State Department sources being discreetly filtered into its Brussels headquarters.

This information was revealed in the May 23-29, 1975 issue of *Time Out*, under the heading 'Uncle Sam goes to Market', the secret funding role having come to light through the discovery of an obscure Oxford doctoral thesis written by F. Rebattet, the son of a former Secretary General of the European Movement, who had access to the Movement's secret archives.

Thus partially financed by the CIA, Joseph Retinger and associates forged ties with Prince Bernhard of the Netherlands and the Italian Prime Minister Alcide de Gasperi, and with Sir Colin Gubbins, former director of Britain's SOE. Together with the then director of the CIA, General Bedell Smith, the group created a 'think-tank' which met for the first time in May 1954 at the Hotel de Bilderberg in the Dutch town of Oosterbeek. Thus arose the Bilderberg Conferences held annually, usually in exotic locations and kept nigh-impenetrable to the world's media.

According to the Strictly Confidential record of the minutes of the first gathering, it was decided that 'insufficient attention had so far been paid to long-term planning and to evolving an international order which would look beyond the present day crisis'.

The authors of *The Messianic Legacy* conclude that 'the seeds were sown for the growth of a shadowy subterranean sub-culture in which secret and semi-secret societies - religious, political and financial - would soon begin to flourish. By the late '50s, this sub-culture had assumed a momentum of its own, comprising a milieu which, although

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invisible to the outsider, began to exercise a more and more pervasive influence on public affairs'.

When, therefore, the American political newspaper *The Spotlight* reported in the May 20, 1989 issue that the Bilderberg group, meeting earlier that month on the island of La Toja off the Atlantic coast of Spain, had plotted the political assassination of Prime Minister Margaret Thatcher 'because of her refusal to yield British sovereignty to the European superstate that is to emerge in 1992', it was entirely consistent with a conspiracy theme. As *The Spotlight* had long emphasised, a European superstate with no trade barriers among the western European nations and a common currency, had been on the Bilderberg agenda for years, being 'viewed as a major step toward their goal of a world government and creating a favourable climate for huge banks to consume small ones and huge international conglomerates to absorb small firms'.

The UK's dilemma was starkly presented by Sir Leon Brittan in a Conservative Centre for Policy Studies paper (June 1990) entitled '*Monetary Union - the issues and the impact*'. The crux of Sir Leon's case was stated thus: 'Does anyone in this country believe that when there is a common currency for much of Europe, British interest rate decisions will not be even more tightly constrained than at present? Let us be generous. Let us assume that if there is a European currency unit (écu) and sterling is not part of this monetary union, that we still have 15 minutes to decide whether to follow interest decisions of the 'EuroFed', before the markets took the decision for us by selling sterling and precipitating a crisis of confidence'.

Sir Leon's taunt has gone unanswered within conventional political circles for the obvious reason that it is unanswerable within the constraints of the present financial institutions and related mechanisms, which means that if the promoters of what is now being openly proclaimed as the New World Order are to be challenged, a viable alternative will have to be advanced at national and international levels.

"The first proposition which requires to be brought out into the cold light of the day . . . is that nations are, at bottom, merely associations for the common good of those composing them . . . it is in the perversion and exaltation of means and ends in themselves that we shall find the root of our tragedy. Once it is conceded that sovereignty resides anywhere but in the collection of individuals we call the public, the way of dictatorship is certain". (C. H. Douglas)

What Europeans are now faced with is the dictatorship of a superstate. By degrees, the organs of government have become further and further removed from any semblance of democratic accountability. Regulations and directives affecting millions emanate from the bureaucracies and are implemented with little or no oversight by legislators duty bound to be the guardians of the public interest.

On this administrative Olympus, the Eurocrats plan to pile their own Pelion - the European Central Bank, or EuroFed - the superstructure of a superstate, unelected, unaccountable and irremovable.

The shallow-rooted democracies comprising most of the European Community appear acquiescent. In Britain alone is opposition persistent and vocal - hence Britain's much-criticised "isolation". But, as noted elsewhere, British Eurosceptics are now joined by no less an authority than the vice-president elect of the Bundesbank. The issue will continue to dominate British politics. We urge all readers to do their utmost to mobilise opposition to any further concentration of power into unaccountable institutions within Europe. Write in to Conservative Central Office, Smith Square, London SW1; to The Labour Party, 150 Walworth Road, London SE17; and to your MP.

References:

Kill the Messenger. Memoirs of Sir Bernard Ingham. Harper/Collins, price £17.50

The Development of World Dominion, by C. H. Douglas, Bloomfield Books.

The Messianic Legacy, by Michael Baigent, Richard Leigh & Henry Lincoln, Jonathan Cape.

The Holy Blood and the Holy Grail, by the same authors, Jonathan Cape.

Time Out.

The Spotlight.

The Tragedy of Human Effort, by C. H. Douglas, Bloomfield Books.

(With acknowledgements to CHD Associates for information on file.)

N.B. CHD Associates, 4D Church Road, Tweedmouth, Berwick-on-Tweed TD15 2AJ.

Distributors of *A Zealous Pilgrimage, Part II*, by Arthur Garrison, price £1.

BUNDESBANK ATTACKS HIGH-SPEED EMU

"In what amounted to the most downbeat assessment of Emu ever by a Bundesbank director, and a reflection of increasing scepticism on Emu throughout Germany, Hans Tietmeyer, vice-president elect of the Bundesbank and Herr Pohl's eventual successor, gave warning that monetary union would lead to the complete abandonment of domestic monetary policies and with it, the sovereignty of the nation.

"He said: 'All participants must be clear that the loss of monetary sovereignty will make national efforts to solve domestic economic problems impossible'.

"Herr Tietmeyer's speech marks a considerable hardening in the attitude of the Bundesbank, which has never been an enthusiastic supporter of Emu . . .

"Herr Tietmeyer also said that Emu could work only if backed with a commitment towards maintaining a hard and stable currency. "Emu requires a single monetary policy and effective rules to enforce budgetary discipline in the member states. These prescriptions are difficult to implement because they affect national sovereignty. On this issue it becomes clear that Emu can work only within a wide-ranging political union.' "

From *The Times*, June 12, 1991

LOOKING FOR THE EXIT

Britain's Future – Independence or extinction: No Middle Way by *Stephen Bush* (Prosyma Publications, £1)

The objective of this booklet is to rally support for Britain's withdrawal from the European Community. That is now a very tall political order. Any hope of success hinges on identifying correctly all the forces on the other side. This work fails to consider the following:-

1. In historic perspective, the planned subjugation of Great Britain as the world leader in the development of individual freedom dates at least from World War 1. The principal means has been the domination of policy by international bankers through their control of the monetary system. Their "Fractional Reserve" system of credit creation (otherwise debt-creation), under which banks enjoy a virtual monopoly over creating money out of nothing, sets the financial parameters within which all elected governments have to operate, as well as enmeshing them all in irredeemable debt.

2. The present 'United States of Europe' concept is a development of the 'Federal Union' advocated in the 1930's. The proposed European Central Bank or 'EuroFed' is intended to be the equivalent of the American Federal Reserve system, i.e., not an agency of government, despite its title, but a cartel of international banks independent of Congress and the government. One should note here the current arguments as to how "independent" the EuroFed should be. One might also note the huge and irredeemable US government debt.

3. The EMU article in our January 1991 issue compressed some salient facts. There are innumerable authorities, including standard textbooks on banking and economics to testify to the facts of credit creation. The other essential factor in the present situation is the Douglas analysis which demonstrates beyond dispute that the generation of prices necessarily outstrips that of incomes to pay them. The current recession, in the face of continuing increases in productive capacity, is the latest demonstration of the truth of that analysis. The chronic and cumulative shortage of purchasing power in home markets is the direct motivation for the competition for overseas markets. Thus instead of a mutually favourable exchange of surpluses, international trade becomes economic war with its all too familiar weapons of tariffs, quotas, etc., which are now being cited to justify a "common market". Hence also the demand for continuous "economic growth" financed by further borrowing for "investment", i.e., debt which eventually becomes irredeemable, and the unceasing exploitation of the environment.

It may well be that basic facts about economics and international finance are too arcane for popular acceptance. The economic and constitutional arguments against continued EC membership outlined in this pamphlet may serve better as a means of rallying support. But the campaigners should realise that they are secondary in importance to the monetary system in terms of *realpolitik*. Most politicians and economists, even though convinced by the evidence, are very reluctant to come out against the all-powerful banking hierarchy for fear of imperilling their careers.

The UK's Liberal Democrats having now pledged themselves to a single European currency and central bank, parliamentary opposition to EMU appears to be confined to the rather muted Labour "Safeguards" Committee and the splintered Tory right. Rather than the technicalities, the rallying call should surely be the defence of self-government, by maintaining the sovereignty of Westminster. The Soviet Union and Eastern Europe are object lessons in the perils of collectivism.

Pocket-size, the pamphlet is available from the author at 'Genval', Millstone Close, Poynton, Cheshire, SK12 1XS.

Donald Neale

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RECOMMENDED READING

Benson, Ivor	This Age of Conflict.
Burkitt, B. & Baimbridge, M.	What 1992 Really Means: Single Market or Double Cross?
Douglas, C. H.	The Brief for the Prosecution. The Development of World Dominion. Economic Democracy. The Monopoly of Credit. The Policy of a Philosophy. Social Credit.
Eringer, R.	The Global Manipulators.
Maré, Eric de	A Matter of Life or Debt.
Monahan, Bryan W.	The Moving Storm. The Survival of Britain. Why I am a Social Crediter.
Robertson, Thomas	Human Ecology.
Social Credit Secretariat	Elements of Social Credit.
Tether, C. Gordon	The Great Common Market Fraud.

Full booklist and prices upon request.