

WHOSE SERVICE IS PERFECT FREEDOM

by

C. H. Douglas

with a Foreword by Tudor Jones

*But they shall sit every man
under his vine and under
his fig tree; and none
shall make them
afraid.*

Micah iv., 4.

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Foreword

This outstanding work of the late C.H. Douglas was commenced in the issue for June 3, 1939, of *The Social Crediter*. The second phase of the World War began with the declaration of war by Great Britain against Germany on September 3 following. Five chapters of the book had then appeared in *The Social Crediters* pages, and sixteen more were distributed, a little irregularly, over the thirty-three weekly issues of the paper between the outbreak of war and April 20, 1940, in which issue Chapter 20 was printed. Beneath this, the words '*To be continued*' indicated that the work was unfinished.

Later, there was insistent demand for republication in book form, and the author began a revision of the printed text with this object in view. A few passages which, having a purely topical reference, were suitable to serial publication were removed, but very few, and some minor changes which clarified a point here or there or corrected an obvious mistake in presentation were made, until the author reached Chapter 6. At this point, he ceased correcting.

The reader should observe, therefore, that the first six chapters of the work as here presented embody the author's corrections. All that follows Chapter 6 is reproduced here in the exact form in which it first appeared.

Unfortunately, there is no evidence available concerning the date at which the work of correction was suspended. All we know is that it was begun after, indeed many months after, the twentieth chapter was printed in 1940.

It would be interesting to know why the work of correction ceased, because that would throw some light upon Douglas's views as late as 1950 upon a vital matter affecting Social Credit, as will be seen from what follows. At that time it was the author's intention to complete his revision and to republish the work. This is known from an episode, not of great importance in itself, which led to a discussion of the work by Douglas.

What was threatened was 'piratical' publication of the work in its incomplete form. How this was dealt with is immaterial. The point is that it was the occasion for a clear statement from Douglas (a) that the work was incomplete, (b) that it lacked only a final chapter, which it was his intention to write when he thought fit, and (c) that, whereas most books of the kind to which *Whose Service is Perfect Freedom* belongs were devoted to an exposition of the remedy for a condition not adequately defined by their authors, the work in question was primarily concerned with the description of the condition to be remedied, leaving the question of what was to be done about it to a single final chapter.

We know, therefore, that strategy was to be the subject matter of the missing Chapter 21. During World War II, the situation as Douglas understood it, deteriorated steadily. After the end of the war and the virtual dismissal of the hero of the moment, Mr. Winston Churchill, from office, at the very moment of 'victory', whether events might be described as further steady and steadfast deterioration or merely the reaping of fruits already grown to maturity might be a matter of opinion, but viewed strategically the situation was an altered situation, in the light of which the wheel of fortune, however dynamically determined, had to turn farther before sure means of dealing with its effects could be elaborated.

While this feature is now doubtless as apparent to some others besides Douglas as it was then to Douglas, we have no longer his genius to help us further to define its nature and the nature of the effects to which we should attend, although we have the inestimable legacy of the principles which should determine our action if we will but attend to them.

TUDOR JONES
March, 1955

1

Some years ago, a leading member of the inner political circle in Moscow was asked about social credit. He replied: "We know all about that. It is the one theory in the world of which we are afraid."

Perhaps the most pathetic feature of the present worldwide crises is the facility with which large masses of people will accept, under a suitable title, a situation against which they will fight to the death if it is labelled something else. The effect of this is to destroy "a just relationship between the mind and things". For instance, a considerable, though rapidly decreasing body of what is called the working population of this country is hypnotised into the idea that, in Russia, a highly centralised, tyrannous and corrupt government, because it is labelled "the dictatorship of the Proletariat", is something which would be to the advantage of the under-privileged classes of this country. The Russian Proletariat do about as much dictating to the real Government of Russia as the English Proletariat do to the Bank of England. Yet less corrupt, more "socialistic", although tyrannous and centralised governments in Germany and Italy, because they have been successfully labelled with an entirely fanciful name, Fascism (which means, if it means anything, one thing in one part of the world and another thing in another part of the world), were supposed to be the unique enemy of the "worker" and the only force to be fought in this country. It is difficult to make the general public realise that "Communist v Fascist" is, in the main, only the old Party game in a new dress.

Now, it might appear to be almost an insult to the intelligence of the readers to repeat that the characteristics of a centralised government can be deduced from the nature of the centralisation very much more effectively than by the label which is commonly used in referring to it. Without first-hand contact with it, I should be inclined to say that of the Dictatorships that of Italy, with one very important reservation, contained the least number of objectionable characteristics. Of all the centralised governments, so far as I understand their organisation, Russia is by far the greatest threat to the individual, whether he is called a proletarian or anything else. To suppose that the most naturally reactionary and politically inexperienced country in the world can, or wishes to, solve problems exercising Great Britain is merely fantastic. I believe that the state of affairs in Russia has been consciously achieved by truly anti-social and anti-cultural forces, and that an attempt is being made to achieve it all over the world by methods which, I think, it is vital should be better understood. I should like to state unequivocally that it is my conviction that centralisation is being fostered everywhere and from the same source and with the same object — world dominion.

The state of affairs in Great Britain during the last hundred years affords perhaps the best example from which to gather the nature of the process I have in mind. This process required for its successful development a section of the population which is permanently and of set purpose treated unfairly, and in whom a sense of injustice can always be roused and, in fact, justly roused. The next stage is, by such theories as Marxism, to direct the discontent of this under-privileged portion of the population against any section which is somewhat better privileged, and to inculcate steadily the idea that the deprivation of privileges on the part of the more fortunate section of the community will result in the transfer of those privileges to the less fortunate section of the community. In the United States this process is termed "playing both ends against the middle", and is, of course, used as a basis for increasing taxation. While, at the same time, the progress of the industrial arts is towards greatly increased real wealth, any estimation of the extent to which this is so is naturally far beyond the capacity of the uninstructed individual and is concealed by diverting productive capacity to useless avenues. The taxation process and the financial jugglery which accompanies it, succeeds quite effectively in depriving the privileged portion of the community of their privileges and transfers them to, or, if it be preferred, centralises them in institutions which are controlled from the point at which it is desired to centralise Power. It should be noticed particularly that the result of taxation, for instance, on the breaking up of the great estates of this country has not been to transfer any considerable or desirable portion of these great estates to the general population; it has been for the most part to transfer them to mortgage companies, concealing first the Banks and Insurance Companies but, ultimately, a ring of Financial Gangsters, holding a prior lien on the house and real property in the country and selecting the most desirable portions for themselves.

At this point it is perhaps desirable to digress. As perhaps I may be permitted to point out, the first book on what has since come to be called social credit, *Economic Democracy*, written for the most part in 1917

and published in 1919, was concerned almost wholly with the proposition that centralisation of power over initiative as opposed to individual freedom is a persistent and conscious policy. My excuse for this reference is that every effort has been made to obscure this fundamental issue, and to represent the Social Credit Movement as concerned with "a discredited monetary scheme, which has been tried in Alberta and has failed".

No Social Credit Scheme has been tried in Alberta, and consequently no such scheme has failed. Social Credit Policy in Alberta has so far been devoted to clarifying the issue I am now discussing, and the Social Credit Administration is achieving an historic success in this policy. No social credit monetary policy can be instituted in the face of centralised Power, which is exactly why the centralisers are now in such a hurry.

2

The philosophy behind Marxism — and it should be remembered that every policy has a philosophy, very often widely different from that which its supporters claim for it — is dialectical materialism, the economic interpretation of history. I do not wish to misrepresent this theory, but as far as I understand it, it appears to be one of those half-truths which become dangerous weapons in the hands of political schemers. An allied statement is that "Labour produces all wealth". Now, fresh air and sunshine are wealth, perhaps the greatest source of wealth, but they are not produced by Labour in any mundane sense. And, of course, using the word "Labour" in the sense in which it is used by Marx, its contribution to wealth is small and decreasing, which is why "essential services" are so easily maintained in a general strike.

But labour is **a means** to wealth. Its absurd exaltation under the term "Labour" in the Left Wing parties, and "Employment" in the Right Wing Parties, is to my mind clear proof that it is consciously used to "play both ends against the middle" and so perpetuate world slavery, by making employment a condition of a reasonable standard of life.

To say that the primary interest of man is employment or, even more narrowly, economic employment, is to say that a means is an end. It is a challenge to (not it's opposite but to an infinitely greater whole of which it is in consequence an infinitely small part) dialectic Catholicism — that all means are comprised in the end of Man.

I am not competent to express an opinion on whether Roman Catholicism would accept this definition, but if it would, Roman Catholicism makes no mistake in denouncing Marxism as its deadly enemy.

It appears to be in the nature of the Universe that the misuse of a "means" results in the breakdown of the means misused. For instance, the centralisation which is so rampant is claimed to be in the interest of efficiency. But civilisation was never so inefficient as it is today. We have unimaginable and unthinkable production — yes. And with it, less security, less leisure, more suicides, more lunacy. Is that efficiency? By the canon of dialectical materialism it may be.

It is a curious illumination of the vanity of the human mind that materialism and Marxism are felt by their exponents to be "scientific", "progressive", "modern". Their "science" is of the nature of that which, observing that an electric Power system consists of steel towers, wires, cables and machines, would insist that Power systems consist in what you can see, and what you can't see is superstition. The answer is, of course, "Climb up a steel tower, touch those wires, and let us see which is right".

As to their progressiveness, it is quite true that the massacres and misery in Russia far exceed anything which that unfortunate land has previously experienced. But as to modernity, I am not so sure. The invariable characteristic of the mob mind is destructiveness. Its cry is not "We see there are beings more fortunate and free than ourselves; let us be like them," but "Down with them!" Because one blade of grass in the field comes up first, down with it! Who's it to be a-puttin' of itself forward?

I do not wish to labour this matter excessively, but I think it is necessary to draw attention once again to the tyranny which words and phrases seem to exercise over subversive movements. "Socialism" means, in fact, the exaltation of the functionary at the expense of the human being — governmentalism, the increasing,

deadening grip of institutions. "The Dictatorship of the Proletariat" is either a rioting mob or just words. Each and every one of these is used to forward one end — centralisation of that power which, if distributed, would make men free and independent. There is nothing new about them — they have all been and are being tried, are soul-killing, and every civilisation has been destroyed by them.

Some time ago, Mr. Montagu Norman, when Governor of the Bank of England, is said to have replied to the suggestion that the policy of the Bank of England would force its nationalisation by saying, "Nationalisation — we welcome it". Doubtless in consequence of this, the nationalisation of the Bank, on terms far more favourable than those accorded to coal, has produced hardly a ripple. Any detached observation of the policy of the Bank of England since 1917, at which time it came under "United States" (!) control, must recognise that a policy of conscious development towards State capitalism has been pursued unrelentingly. This is, of course, exactly what has happened in Russia and is happening both in Germany and in Italy. And it is this swift progress towards State capitalism everywhere which no doubt justified the remark recently of the Jewish millionaire, that nothing could stop the progress of world dominion, which would be finally achieved within a few years' time. Jewish Finance will be at the apex of the Pyramid.

Complete State capitalism has already been achieved in Russia. Even the most ardent apologists for that regime are driven to explain that Russian State capitalism has prepared for another revolution which will bring in that true Socialism which is always just around the corner.

However that may be, everyone knows that what has been set up in Russia is a tyrannous bureaucracy possessing powers exceeding those of the most autocratic Tsar without any of their cultural compensation. Nazi Germany followed the same path, nor is it denied that Herr Hitler was supported by the great industrialists, who are probably in nearly autocratic control of Germany behind the scenes. In England all individual property rights are being swept away with almost unbelievable rapidity. By the Housing Act of 1936 and still more the tyrannous Miscellaneous Provisions (Agriculture) Act a state of affairs has been brought about by which the "ownership" of property, so far from being an asset, is a liability supported by State loans. The recent announcement that the occupier of a house had no rights whatever against billeting and that members of a family might be dispossessed in favour of strangers is an attack on freedom far more drastic than any which would have been tolerated without revolution in feudal times, and is copied from Russia.

To suppose that it is coincidence that an identical and recognisable objective is being pursued in every great country under such varying titles and by such apparently, but only apparently, opposing forces, is to strain credulity beyond reasonable limits.

3

A satisfactory reformation of the monetary and political systems would be fatal to the aspiration of the Jewish race, although it is vital to its best interest. If I have, for my own part, come to believe that there is a fundamental relationship between the troubles which afflict Europe and what is known as the Jewish problem, I have formed that opinion with reluctance, and only after close consideration both of facts and of less tangible evidence. There is probably no single piece of evidence existing which would justify the growing dislike of the Jews as a race. But there are so many indications all of which, taken together, lead to the same conclusion that, to my mind, a major verdict is inescapable. And since all responsible critics have reached this conclusion, in many cases by widely differing roads, perhaps the first necessity is to explain beyond any risk of misunderstanding, the nature of the charge, and why it is a racial and not a personal indictment. In this connection Disraeli's description of his people as "a splendidly organised race" is significant. Organisation has much of the tragedy of life to its debit; and organisation is a Jewish speciality.

I might perhaps begin by suggesting that many of the complaints laid against the Jew are merely Occidental dislike of the Oriental. Jews are not more "clever", more unscrupulous or more usurious than an equal number of natives of Southern India or Trans-Caucasian Russia. In addition, I have no doubt that it is true (although rather overstressed) that many individual Jews are, as individuals, a pattern of good behaviour and day-to-day good citizenship. Yet I should require more evidence than I have been able to acquire that these highly reputable Jews are not, perhaps specially, open to the real charge — a charge so grave that it

has only to be understood for it to be realised that the Jew is a menace to be dealt with on pain of forfeiture, by Occidentals, of their indigenous culture.

The Jewish Race has many of the attributes of the harbinger of summer, the cuckoo. Every commentator, from Mr. Henry Ford's investigators to Mr. Douglas Reed, to mention only two instances of many modern critics, makes, in his special vocabulary, the same point. Once admitted as a guest, it is merely a question of time (and not very much time as time is measured in these matters) until he is ordering the dinner and his host and benefactor is washing the dishes. It is childish to say this is the result of superior ability. It is the outcome of policy.

That Jewry as a whole has a permanent policy which aims at establishing the individual Jew as a member of a "chosen", superior, dominant and ruling class in every country and over the whole world, is the charge, and it appears to me to be established by a consideration of the part played by Jews in both general and economic history so far as I am familiar with it. In short, the Jew has the policy of his philosophy.

Now the objection may at once be raised that even if this were so, it does not become a citizen of Great Britain to revile a policy which his own nation has pursued. But without attempting to excuse Imperialist excesses and ambitions, whether on the part of the British (whose Whig Imperialism dates from Cromwell) or any other people, there are, I think, certain very vital points of difference between Jewish policy and those of the great Empires of the past.

They were, as Great Britain was, definite and characteristic civilisations. Egypt, Greece, Rome, Spain, France and Britain are recognisable cultures, which were tacitly put forward for imitation and for which the nations concerned accepted responsibility. But the Jew has no native culture and always aims at power without responsibility. He is the parasite upon, and corrupter of, every civilisation in which he has attained power. There is nothing original in this charge: it is made more convincingly by such Jews as Dr. Oscar Levy, for example, in *The Idiocy of Idealism* than by any so-called anti-Semite. The more admirable portions of the Mosaic Law itself are almost certainly of Egyptian origin, and the Jewish Race has adopted them with the typical corruption that they only apply as between Jews, and that all methods are allowable and praiseworthy in dealing with the non-Jew. Out of this double morality arises the cry of persecution which accompanies the Jew through the ages.

An orthodox Jew, who marries a non-Jewess — an "Aryan" — is accused, but Herr Hitler's so-called Race Purity Laws which forbade a German "Aryan" to marry a Jewess were "persecution" — "race discrimination". They were merely an inversion of Jewish custom.

Under German National Socialism, one of the variants of a creed which not only derives much from Jewish inspiration, but has been heavily subsidised with Jewish money, many Jews have been deprived of property acquired from Germans during and since the last war. [1914-18]. That is "persecution".

During the past fifty years, tens of thousands of reputable, honest, British families have been driven to desperation, deprived of property honestly acquired and decently administered, as a result of the operations of Jewish money-lenders, large and small. That is quite all right — that is "bithness".

The point I am concerned to make is that it is sheer insanity not to recognise that the world is always at war and must always be at war just so long as there is an organised attempt to impose a "system" on any people or person, and that an international attempt of this nature which is being actively pursued by Jewry means that the first and primary enemy is within the gates of every nation. And the first war should be upon him. It is just about as realistic to say that the business of the Allies was not to bother about the Germans, but to get to Berlin, as to refuse to deal with the Jew.

I have evidence, which is satisfactory to me, that the most effective opposition to the Social Credit Movement is exercised through Freemasonry — not "Grand Orient" Freemasonry, but Freemasonry *tout court*, and I am more than doubtful of the complete dissociation of Jewish and English Freemasonry, which is so strenuously protested by "English" Freemasons.

4

It has been our habit to flatter ourselves that during the past 150 years or so we have made great progress, and we have used the word 'progress' as though it defined itself. Now the fact is that nearly all of what we call progress is a-moral. Or to put the matter another way, there is no **moral** progress except moral progress, and the use of better tools in no way ensures better objectives. In the main, the period under review is characterised by a superficial acceleration in the achievement of vague objectives. We have cut down the time required to travel from Europe to North America from three weeks to ten hours.

What do we do with the time we have saved? Our houses (some of them) are lit by the pressing of a button. Do we find them more pleasant than the houses of the sixteenth century lit by candles? We call this a labour-saving age. In the fourteenth century there were ninety statutory holidays **per annum**, and the idea of "work" was completely alien to a large part of the population. Six hundred years ago, there were no police, and no police would have been tolerated. Was there more crime than at the present time? There is no evidence of it.

These observations seem to me to be necessary because it is frequently stressed, although again, I think, somewhat overstressed, that the Jews, as a race, have contributed largely to the advance of civilisation, and civilisation, as I suggest, is a misnomer unless it involves moral progress. Jews have, for instance, been notably prominent as chemists, and the chief use of chemistry, at the present time, is to provide high explosives with which the population of the world may blow itself to pieces, and poison gases to ensure to mortals a more painful death.

I believe it has only to be pointed out to be admitted, however, that the sphere, in which the Jewish race operates so largely as very nearly to control it, is that sphere which was regarded in the Middle Ages as the sphere of 'black-magic', but which we now term 'suggestion', or 'the psychology of the unconscious', and imagine that thereby we are saying something modern and scientific.

The outstanding instance of this is the hypnotism which has been exercised over the whole world by the financial system, so that almost without exception people have come to believe that bits of paper are more important than fields of grain, and figures in a book are a measure of the solid worth of a human individual and the only passport to a tolerable existence. But the hypnotism of finance, while perhaps the most important exhibit of black magic or the misuse of suggestion, is by no means alone, either in the mediaeval or the modern world. In the former, Jews obtained control over chivalry by the hypnotic propaganda associated with the Crusades, and the money-lending transactions which were required to make the Crusades possible. The Knights Templars, in the first instance one of the strictest orders of chivalry, became corrupted by Jewish freemasonry of a particularly vicious character, so that, largely by their infection, the high idealism of chivalry, which was associated with the universal church, crumbled into ruins. In the modern world, high-pressure salesmanship, fantastic advertising, the portrayal upon the moving picture of a type of society which, fortunately, does not exist to any extent outside Jewish-controlled Hollywood, the filthy "crooning" of Bowery melodies by the British Broadcasting Corporation, are all instances of this almost diabolical faculty for destroying a "just relationship between the mind and things". The conspiracy in the Jewish-controlled press to misrepresent world economic problems as primarily concerned with the provision of employment, the continuous misdirection of the Labour Party (now a War Party), the use of every opportunity to filch away individual initiative and to centralise it in practically anonymous and international financial institutions supported by a propaganda which distorts and perverts any information the general population may acquire, are simply modern 'black magic'. In the face of a world which by these methods and policies has been brought to a condition rightly described as Insanity Fair, we are so bemused that we imagine that still more 'Government' (delegated power) will save us, and that anyone can manage our business better than we can manage it for ourselves. Every civilisation in history has perished of this cause — that 'leaders' and institutions have been allowed to assume powers for the exercise of which they could not be brought to account, and which we have no justification for resigning, while at the same time functional indiscipline has been advocated and practised.

Now the only rational meaning which can be attached to the phrase "moral progress" is firstly a

continuous approach to Reality (which includes and perhaps is, real Politics), and secondly, the ordering of our actions, in the light of such approach, so that they tend towards our own and the general good. And if, as may be held, Reality and Good, or God, are synonymous, these two come to much the same thing.

So far, then, from the Jewish Race having contributed to a genuine civilisation, they have, ably assisted by the Puritan products of Old Testament education, been its greatest obstacle and have succeeded in the objective to be found in every one of their major declarations of policy — that all non-Jewish Races are "Goyim" (cattle) and that no civilisation not dominated by Jews and served by Gentile slaves shall be permitted to function.

5

It is quite possible that the translation into English and the vernacular in other countries, of the collection of documents known as the Old Testament, is one of the major calamities which have been inflicted upon mankind.

As I have suggested elsewhere, there is a legend, by no means improbable in its nature, that part, at any rate, of the Old Testament, contained a cypher, and that the cypher was the real justification for the preservation of these documents, in their original languages. Colour is lent to this theory by the opposition offered by the priesthood to translation, and the vague warnings of the dangers and disasters which would be the result of any such translation. ("The letter killeth but the spirit maketh alive." The Jews themselves disclaim the literal teaching, even in its Hebrew form, of the Pentateuch, remarking "The words of the Torah are the vestments of the Torah".) The veneration which may, for all I know, be due to the information contained in this hypothetical cypher has, however, been attached to a document which, in its translated form, deals with the relation between an unattractive tribal god, and a definitely repellent and treacherous tribe of Asiatics. For reasons which are not very obvious, the tribal god appears to have taken a great deal of trouble with them, and where the results of such distinguished effort were so disheartening, it appears to me to be presumptuous to suppose, as it is the fashion in certain circles to suppose at present, that we in England can do much better. I raise this particular aspect of the Jewish problem because it has become clear to me that the difficulties which confront the world's miserable struggles towards sanity, are not in the main intellectual difficulties; they are almost wholly problems of de-hypnotisation, and not the least of these is to undo the effects of "Scripture lessons" pumped into immature minds at School and elsewhere, just so long as we allow ourselves to be obsessed by the ideals conveyed in the exoteric version of the Jewish Scriptures, we are in the state of mind which ultimately makes the rule of the Jew at once inevitable, and intolerable. And so long as the Jew is obsessed with the idea that it does not matter how he behaves, he is one of the race chosen to rule the earth, he will be persecuted, hated, and, if he persists, ultimately destroyed.

No greater service can be rendered to the Jewish race than to treat the Old Testament, as we know it, as the very patchy literature which it is, containing, rather than a pattern for imitation or a case for blind veneration, a distinct warning that over the whole period covered by its chronology, the peoples with whom it deals failed to pay any attention to the justifiable criticism which a few of their more commonsense members, the prophets, directed against their general behaviour, and are therefore still less likely to be suitable leaders for the rest of the world.

It is frequently objected that the sins of the financial system are blamed upon the Jews exclusively, whereas it is a matter of common observation that many of the world's largest bankers are, at any rate, so far as can be seen, non-Jewish, not merely in name, but in fact. This is true but it raises the curious problems as to the nature of the relationship between Judaism and Puritan-Calvinistic-Whiggism. Werner Sombart, who, with Bagehot, is perhaps the most competent writer on capitalism, expressed the opinion that the whole of the Puritan and Quaker conceptions so valuable to the system could be traced to Jewish influence. It was the Calvinist Whigs associated with Cromwell who brought the Jews back to England, in the main supported and profited by the industrial revolution with its horror of child labour and general degradation. The textbook of Cromwell's army and its authority for vandalism and cruelty, was the Old Testament. The Communist-Quaker-Whig junta of the Cromwellian Stanley Baldwin, with the Calvinistic Archbishop of Canterbury, played a typical part in the constitutional crisis which resented criticism of industrial policy and

asserted unmistakably the supremacy of finance. It was Lutheran Prussia, with Jews in key positions, which first plunged Europe into war and then wrecked Germany.

It would be difficult to over-rate the importance of these matters to humanity at large. But to the British their significance is decisive. At the conclusion of the European War in 1918, an unfettered Britain guided by competent statesmanship could not merely have secured these islands and their population from further risk of war but could have guided the rest of the world into paths of economic plenty and political and international peace. Mr. Otto Kuhn or Cohen of Messrs. Kuhn, Loeb and Co., the Jewish bankers, speaking at Ottawa in 1923 said, "There was a short period after the war when we were very anxious. But we now have the situation well in hand". They had.

The post war period was for England the period of the unquestioned supremacy of American Jewish Finance. Mr. Montagu Norman, an obscure member of the London branch of an American banking firm became permanent Governor of the so-called Bank of England (i.e. the private bank which controls British Public Credit), and the United States sent over an official to "advise" him. When Mr. Stanley Baldwin's mission crossed to the United States to discuss the American Debt, Mr. Norman went with it, the mission returned in almost indecent haste with a "Debt Settlement" of which Mr. Bonar Law, the Prime Minister, is reported to have said, "If I sign this I shall be cursed for generations". From the time of the signature of this agreement, as Mr. John Gunther has pointed out, Mr. Montagu Norman pursued a Foreign Policy, with the aid of British credit, which was independent of and in opposition to that of the Foreign Office.

In 1928, Mr. Baldwin, having since become Prime Minister himself, hurried through an Act of Parliament handing the Note Issue over to the sole control of the "Bank of England". In this connection it is interesting to recall the circular letter sent to the American Country Banks after the American Civil War: —

"It is advisable to do all in your power to sustain such prominent daily and weekly newspapers, especially the agricultural and religious Press, as will oppose the issuing of greenback paper money, and that you also withhold patronage or favours from all applicants who are not willing to oppose the Government issue of money. Let the Government issue the coin and the banks issue the paper money of the country, for then we can better protect each other.

"To repeal the law enacting national bank notes, or to restore to circulation the Government issue of money, will be to provide the people with money, and therefore seriously effect your individual profits as bankers and lenders."

The joint management of the affairs of Great Britain on the political and financial sides by the persons in whose hands it was placed, resulted in the imposition of the highest taxation in the world, the rise of the suicide rate to more than double the highest previous known rate, the destruction of British Agriculture, the devastation of the English countryside, the wreck of Scotland and the sabotage of British military, naval and air force strength. When Mr. Stanley Baldwin retired and became Earl Baldwin and the administrator of a fund of £250,000 "for bettering Anglo-American relations", Mr. Chamberlain, who succeeded him, was faced with a Germany built up in record time to the virtual dictatorship of Europe by means of loans sponsored by the "Bank of England" and a country so weakened and disintegrated both in morale and material by mismanagement that his only and proper policy in the circumstances was, for the time, "peace at any price" — a policy which the Whigs, who with their banker friends had been primarily concerned in producing the crisis, once again did their best to wreck.

There is an ugly story of a bulletin sent out from an official British source on the fateful Tuesday of the Munich Crisis which, had it not been intercepted by the energy of Mr. Chamberlain personally, would have plunged Europe into war and enthroned Wall Street as the permanent centre of world Government. But none of the actors in this tragedy receives suitable treatment from the public.

6

"For years Fascist propaganda has offered Fascism as a safeguard against Communism, and Communism has exposed Fascism as its arch foe and antithesis. In fact, the world has never seen two

supposedly hostile economic and social systems more alike in essentials, both of practice and ideology, than National Socialism and Communism . . .

"Whoever tries to arrive at a fair and well balanced opinion of the Hitler system must keep in mind especially this: There is no legal limit to government or party interference in the routine life of business any more than there is a Habeas Corpus Act for the protection of civil liberties. This kind of totalitarianism, every day and everywhere, goes far beyond the written regulations." — *Foreign Affairs*, July, 1937.

There is a Russian proverb to the effect that even God Himself cannot contend with a fool. It is in this sense, I think that Mr. Chamberlain must have been speaking when he said that one man, Hitler, and one man alone was responsible for this war.

In any other sense the statement is so nearly equivalent to the nonsense about "hang the Kaiser", which was to be the main objective of the last war to make the world safe for democracy, that a little elaboration of it seems essential. Possibly, as he is no doubt very busy, Mr. Chamberlain will permit me to assist him with this matter.

The responsibility for the present war rests, of course, primarily with the same influences which caused and prepared the last war, and those influences are most effective through finance. They are, however, wholly concerned to centralise and capture world Power and have been actively engaged in opposing monetary reform and increasing the power of bureaucracy for, probably, hundreds of years — in England, certainly since the triumph of Cromwell.

The real objectives of the last war were the Bolshevik revolution in Russia, the League of Nations, and the financial subjugation of Great Britain.

The League of Nations, as contemplated, postulates "the undermining of the sovereignty of our respective nations". (Speech by Professor Arnold Toynbee, Secretary of the Royal Institute of International Affairs, at Copenhagen in 1931). The underlying meaning of this is so important that a little space is necessary to deal with it.

In the first place, the ostensible reason for the League of Nations is the abolition of force as a means of settling disputes. But it is essential to notice that the advocates of the abolition of the use of force by nations assume that **the exercise of force by institutions upon individuals is natural, lawful and ought to be extended**. That is to say, there is no suggestion that the sovereignty of a government over its citizens should be decreased. If one nation has a grievance against another nation, that is matter to be settled by negotiation, as between equals. But if a tax or any other decree national or local is imposed upon an individual, it is imposed and paid (if it is paid) under the threat of overwhelming force.

The "undermining of national sovereignty" of which Professor Toynbee is so proud, means simply that omnipotent institutions (which are operated by officials) are removed further from the control of individuals, as such, until, for them, their decrees, however harsh and oppressive, leave no possibility of appeal. Soviet Russia appears to be a working model of the general objective in view. In Russia, the Central Committee of the Communist Party which rules Russia, consists (or recently consisted) of 59 members, 56 of whom are Jews and the remaining three (of whom Stalin is one) are married to Jewesses. The alternative to the acceptance of its decree is "liquidation".

Bearing these considerations in mind, we can now get back to Germany, Hitler and the responsibility for war.

The outstanding event of the post-war period in Germany was the ruin of the mark by fantastic inflation. As a result of this, the middle class, deprived of its savings and its small business, was wiped out, and came under the undisputed control of Jews whose international connections gave them access to dollars or pounds. For twelve years the Jews battered on the German population, employing, where it suited them, the dispossessed owners on starvation terms. It is out of this period that the hatred of the Jew in Germany has grown.

It is clear that, from the German point of view there could be no remedy for this situation except force. At the same time, the "American" financial interests, ably assisted by the Bank of England, decided that a "strong (highly centralised) Germany" was in their interest. It should be observed that the failure of the League of Nations was already evident.

Hitler, no doubt marked as a successful demagogue, was put into touch with Thyssen and other powerful industrialists, financed by or through them, and by a sequence which has been described at length in such books as *I Knew Hitler* (K.H. Ludecke) came to a position of concentrated administrative power.

I am doubtful to what extent it was in the first place contemplated that this power should grow.

It may be recalled that, on the resignation of Hindenburg in favour of Hitler, Dr. Schacht, the American-trained President of the Reichsbank said "For three months we shall have to do what Hitler tells us. After that he will have to do what we tell him." It did not work out quite that way.

Amongst those at the apex of the pyramid of administrative power which was the inevitable result of a policy directed purely towards war, there was an appreciation of the fact that whoever controlled Germany could impose its own terms on German Banks, i.e., it was "control" which was important. Dr. Schacht was dismissed, and Gold Standard banking received a severe shock.

From the moment of Schacht's dismissal, war became the primary objective of the international financier. In the words of Clausewitz "War is the pursuit of Policy by other means." The Gold Standard and the Credit-Loan and Debt system had to be restored, in order that "control" might be restored to the international financier. Hitler had served his purpose in turning Germany into a modified copy of Russian Communism, more correctly described as the Police State. He could now be punished for his attacks on the Jews and his monetary heterodoxy.

The military forces of Great Britain and France could be made to do the dirty work and, in so doing, prepare the way by such measures as the Emergency Powers Act for their further conversion to the Police State envisaged by the designers of the League.

Even if a paranoiac of the Hitler type could not be trusted to plunge a Continent into war at the first check to his inflated egotism, it is obvious that his hand could be forced, as I have no doubt it was forced. Any man who allows himself to be put in ostensible control of powers greater than himself is the servant of the powers that put him there, not their master. Kaiser Wilhelm II was forced into war just as Hitler was forced into war.

It is, therefore, I think, quite possible to state the **real** as distinct from the proximate objectives of the **present** war.

They are:

(1) The establishment of the International Police State on the Russian model, beginning with Great Britain. ("Can we finally rid Europe of barriers of caste and creed and prejudice? . . . our now civilisation must be built through a world at war. But our new civilisation will be built just the same." — Mr. Anthony Eden, Broadcast to America, 11th September, 1939).

This contemplates the complete abolition of civil rights.

(2) The restoration of the Gold Standard and the Debt System.

(3) The elimination of Great Britain in the cultural sense, and the substitution of Jewish-American ideals.

(4) The establishment of the Zionist State in Palestine as a geographical centre of World Control, with New York as the centre of World Financial Control.

I have suggested that the outstanding feature of the post-war period in Germany was the fantastic inflation of the mark, and the consequent ruin of the middle class, always the great bulwark against social revolution. The rise of Hitler would have been impossible without the two factors — the destruction of economic security for all but a few millionaire bankers and industrialists, and the financing of Hitler for the purpose of directing the despair of the German population into channels which would serve the purposes of the small international group which controls world finance, as well as inspiring various immensely powerful secret societies.

But it would be a serious mistake to overlook the proof of the international nature of the world struggle against Satanic forces which is afforded by the post-war history of Great Britain.

Inflation, using the word in the sense in which it is commonly used by the Jew-kept Press, is simply a financial Capital Levy, and to recognise the nature of the underlying policy it is only necessary to realise that the fantastic taxation imposed upon Great Britain (always bearing in mind that the Bank of England had an "American" Adviser) is a capital levy in a different form. It is interesting to notice that the two Parties notoriously most susceptible to Jewish guidance, the Liberal and Labour Parties have always been advocates of confiscatory taxation in any form, open or concealed. In case any reader should be in doubt as to the objective of this policy, perhaps it might be helpful to state it categorically here.

THERE EXISTS A CAREFULLY THOUGHT-OUT PLAN TO DEPRIVE EVERY INDIVIDUAL IN EVERY COUNTRY IN THE WORLD OF ANY INDIVIDUAL SHARE IN THOSE POWERS WHICH RESIDE IN CREDIT. CREDIT IS "THE SUBSTANCE OF THINGS HOPED FOR, THE EVIDENCE OF THINGS NOT SEEN". IT IS PROPOSED THAT NO MAN, WOMAN OR CHILD SHALL HAVE ACCESS TO ANY THINGS HOPED FOR, EXCEPT BY LICENCE, AND THAT LICENCE CAN BE AND WILL BE WITHDRAWN AT THE WHIM OF AN OMNIPOTENT SANHEDRIM. THAT IS WHAT HAS HAPPENED IN RUSSIA, POLAND AND GERMANY, AND IT IS THAT WITH WHICH WE ARE THREATENED IN GREAT BRITAIN.

In order to realise that there is nothing inherent in the nature of world events which makes such a state of affairs inevitable, various carefully propagated fallacies require some attention.

The first, and probably the most vicious, is the "work" fallacy. I have dealt with this on many occasions, but at this time certain aspects of it seem to require recapitulation.

The modern economic system, as controlled by Finance, at one and the same time saves labour and exalts Labour into a religion and a virtue. In consequence, it condemns man to perpetual bondage.

(a) It derides all spiritual values. What can't be sold has no value.

(b) While it has abandoned "Liberty", it is insistent on the virtues of equality and fraternity. Those are the virtues of a herd of cows (Goyim).

(c) By exalting a function, economic production, into a policy, it enthrones hierarchy over Humanity, and makes ever-increasing competition for raw materials inevitable and war a normal state. Modern War inevitably becomes Civil War, and the sequence of events in Russia can be repeated.

The second fallacy is that we have to be taxed to pay for the last war, and still more to pay for this one. There was a time when I believed that those Powers which afflict us were merely stupid, and did not understand their own system. I am sorry to say that, while there is plenty of stupidity about, it is not enthroned in the inner councils of World Jewry, and that any such theory is now quite untenable.

Taxation is a confiscation of the individual's credit. When it is used to pay for fresh production, then fresh price values are produced without fresh purchasing power being distributed. Not even an orthodox or "classical" economist bothers to argue about this nowadays. It is admittedly beyond dispute.

Now, it might be argued that, as war production is given away to the "enemy", and only armaments Rings are paid for it, taxation for war purposes, at any rate, is right and proper. This idea again, rests on two fundamental fallacies (a) **that the general public is normally in possession of the total credit of the country**, that financial credit is a measure of real credit, and (b) that a country is economically poorer after a war by the amount of its war debt, plus the amount levied in taxation.

Neither of these statements is even remotely true. Probably less than 10 per cent of the financial credit of this country is at the unfettered disposal of individuals outside financial institutions, and it is probable that the real credit of this country was 25 per cent greater in 1920 than in 1914.

Before elaborating these statements to somewhat greater length, certain deductions, which could be made by anyone familiar with the subject, may be desirable.

(1) **Either** the Government of this country is powerless in the hands of the Jews and Freemasons, and is even afraid to fight them.

If that is so, and I do not believe it, then the real War, the War against Antichrist, is lost already, and the certainty that our mounting and unnecessary taxation, and the strangling bureaucracy which masquerades under the name of "Planning" will turn the war against Germany into overt or covert Civil War, according to Plan, is perhaps not important.

OR,

(2) **The money to finance the war will be issued as tax bonds bearing interest at 2½ per cent during the war, and 3½ per cent afterwards. All taxes collected from individuals, such taxes not in the aggregate to exceed 10 per cent of the total sums required for total taxation, will be in exchange for such bonds. In the case of producing organisations, all wages and direct costs will be met out of bank loans which will be made against definite delivery orders. No charge will be made to the Supply Ministries for War materials delivered, but the bank loans will be cancelled against a percentage of the price values delivered. Retail prices of consumers' goods will be immediately reduced by the amount of all direct and indirect taxation upon them subject to such prices bearing an agreed ration to the retailers' costs. In the event of such retailers' prices not being observed by the retailer, the tax at present payable will be levied on the retailer. Should it be desired FOR THE PERIOD OF THE WAR ONLY, to reduce consumption of any article this will be done by rationing, and not by price raising or taxation.**

No National Bonds of any description will be issued to, or permitted to be held by any Bank, Insurance Company, or Discount Company.

8

It seems to me to be beyond question that unassailable right to genuinely **private** property, and any genuine democracy, are inseparable. I should define private property as anything, no matter what its composition or nature, which, being in the possession of the individual, is necessary to enable him to carry on his normal life without interference, and that "possession of title" is **presumptive** evidence of private property.

It is particularly necessary to notice in this connection, the trap of collectivism. In an appeal, significantly issued immediately after the outbreak of war, for the Jewish National Fund, and signed by Lord Samuel, it is stated "The principle of the land for the people, owned by the people, is the bedrock foundation on which our movement rests". This statement is so important as to be historic, because it identifies a most responsible Jew, whether he is conscious of it or not, with Communism. And it would, no doubt, be difficult to find a representative Jew of higher general character than Lord Samuel. Yet it is to establish Communism that Jews all over the world have worked to produce another Great War.

Analysed, Lord Samuel's statement means that the outstandingly Jewish movement — almost the only

openly Jewish Political movement — Zionism, is based on the principle of what is well known to lawyers as "tenancy-in-common" of real estate. There is nothing novel about it; there are probably thousands of instances in this country of it, although they are decreasing rapidly for a perfectly good reason — that, of all forms of holding property, it is the one which most thoroughly deprives the proprietor of any control both over his alleged property and its administrators, while leaving him its liabilities. On the other hand, lawyers love it; the various "tenants" never agree on any active measure in connection with it; its administration is ultimately left in the lawyer's hand generally with instructions to make a suitable sale; and every one of the "tenants" sighs with relief when his share is liquidated for cash. That is what "the land for the people" means except that the "people" would not be able to demand or get the cash for their share. It is the exact opposite of the land for individuals, the exact opposite of the democracy of policy and fundamentally incompatible with the Anglo-Saxon conception of freedom. Even in the most orthodox financial sense the value of an estate-in-common is anything up to fifty per cent less than sole ownership.

Fundamentally, tenants-in-common lose, as such, all the privileges of ownership. They can, and in English law, do, enjoy such credit rights as are not usurped by the State. But Lord Samuel does not say anything about this, or anything like it, nor does he refer to the fact that it is exactly this doctrine which has made it possible for the Dictators of Russia, Germany and Italy to involve their populations in desperate adventures. Stalin made no mistake when he collectivised Russian farming in spite of its gross inefficiency — he understood quite well that every admission of private ownership is an effective buttress to criticism of Government action.

Tenancy-in-common of the **credit of essentially collective enterprises** is another matter. Private ownership of a large nut and bolt factory is an abstract fiction. No single individual wants its output. The credit value of it is a proper subject for tenancy-in-common, and the realities of the situation are satisfied by distributed shareholding. This aspect of the problem, it should be emphasised, has nothing whatever to do with collectivism in the Socialist sense.

It is significant that an Emergency Powers Act, obviously most carefully drafted by those "Planning" interests identified with Jewish Communism, was the first legislative act of the present War. Every provision of it is designed to sweep away those rights of the individual in property and person for which the Anglo-Saxon has contended for centuries, and to bring about their transfer to a centralised, irresponsible and semi-secret authority. That is exactly what Communism means in practice, and although Lord Samuel and others of his race are enthusiastic about it, I notice that they are insistent that they shall be allowed to live, as individuals, in such countries as Great Britain where their theories have not yet been put wholly into practice. "Tenancy-in-common for the people"; all real powers to the administrators, "the chosen". Just as in Russia.

The Satanic power of these collectivist abstractions, typified by such words as "the people", "the workers", "the public", the "proletariat", and many others, is obviously immense. It is possible to observe their systematic application all over the world to produce the conditions inseparable from Jewish influence. There is no exploiter of the Jew like the Jew. The sweat shops of the East End of London and the East Side of New York are owned by Jews employing Jews, under conditions which no Anglo-Saxon would impose. These establishments produce a mentality in the exploited which, espousing the cause of "the people", would reduce all the "rich", other than the financiers, to the ranks of the Proletariat. Engels, the Jew millionaire who financed Karl Marx, the prophet of collectivism, amassed his fortune by the relentless exploitation of child labour in the Manchester district. South Lancashire, in its subservience to Jewish policy, its fifty years of characteristically feverish prosperity, accompanied by the reduction of the countryside, from one of the most beautiful in these islands, to the semblance of a devastated area, and its subsequent economic collapse, affords an object lesson well worth thoughtful consideration. No people has ever been exploited so systematically as have the Russians, however.

There is the closest possible relationship between collectivism, mongrelisation (the treatment of individuals as if they were standard mass-produced petrol, eventually to be "pooled"), the manipulation by absurd taxation as well as by monopoly emission of an amorphous generalisation of "values", money, and the systematic exaltation and expansion of bureaucracy. They are the policy of a philosophy.

In considering the nature of the measures which are necessary to ensure effective financing of the world crisis (of which the present abnormal war situation is merely the preliminary episode) certain fairly obvious propositions will bear recall.

(a) If it is possible without exhausting our credit to spend £2,000,000,000 per annum on pure economic waste, and it is possible, because we are doing it, it is possible to spend a much larger sum on the production of economic wealth which would be the basis of greater credit. It follows from this that the reason that we have been taxed as no other people in the world have ever been taxed, for the last twenty years, and are now to be still more heavily taxed, is purely arbitrary. To put the matter another way, either the spending power (which normally governs producing power) of the general population has been deliberately reduced in peace time by unnecessary taxation, or it is intended that all expenditure not financed by taxation shall be recovered in future taxation, with the object of reducing still further the consumers' purchasing power, and the consequent possibility of wealth production, financed by consumer purchase, in peace time. The policy is clear enough; it is to remove the margin of economic security provided by an "unearned" income and to force the individual to apply either for work or relief.

(b) "Spending" has just the same results if it takes place out of sums proceeding from "loans" as from the proceeds of taxation, provided that money retains its definition.

(c) The taxpayer loses his money permanently, although he probably obtained it in return for his personal services. This is just as true of so-called "unearned" incomes in the hands of the general public, as of wages and salaries.

On the other hand, the subscriber to a loan gets a permanent security for his money, which, over a period, is more valuable than the money he subscribes. In the case of the banks or issuing houses, which, collectively, provide probably 80 per cent of the loans, the money subscribed is counterfeit money not representing a token of services rendered, as well as a claim on alternative services, as is the case with money in the hands of the public, but simply a new claim to whatever it will buy. So that three kinds of money are used for Government finance; confiscated money, bought money, and counterfeit money. Of these, bought money alone is justifiable.

(d) If prices of consumable goods are allowed to rise, the public is again taxed by the amount of the rise; and every rise in prices is a departure of money from its definition.

(e) Broadly, securities represent capital values; cash or current deposits, consumable values.

(f) It is not **necessary** to make the general public **permanently** financially poorer in war time. If certain articles are required for war purposes they can either be withdrawn from the market, or rationed, but it is not necessary to make the public pay for them by taxation.

Post war slumps are directly due to price rises and taxation, which are only different forms of the same thing.

We hear a great deal on the subject of equality of sacrifice in war time. It may perhaps be desirable to consider the question of equality of benefits.

The first step towards such equality, is obviously to insure that all the money required for the service of the state shall be the same kind of money [cf.(c)supra]. If it is correct that the financier shall obtain War Stock for nothing, it is equally correct that the citizen, whose liability to the nation is collectively unlimited, should obtain War Stock for nothing. It would certainly appear to be beyond question that, instead of losing his hard earned money by taxation, he should be protected from the results of the issue, by German and other Jews, of money which, as in the case of the large credits provided by the Bank of England to "build up a strong Germany", as Mr. John Gunther puts it, may be used to deprive him of the very land he lives in.

I have already put forward, in skeleton form, certain suggestions to this effect. Pending the application of effective pressure to secure a change of policy, I do not think that any useful object would be served by further elaboration, beyond the observation that a system of compensated prices is an integral part of them.

The human mind is particularly given to "wishful thinking" at critical periods such as this, and one of these tendencies is to persuade ourselves that there is hidden somewhere, a bright idea which, if only we knew it, would solve our difficulties. There is no such idea for the simple reason that no such idea has sufficient force behind it. To anyone who will take the trouble to observe events with a dispassionate mind, it is beyond dispute that what we are witnessing is a supreme struggle for temporal power. No amelioration of the human lot is possible until this issue is resolved, and its resolution will involve either victory or defeat both for despotic bureaucracy and monopoly finance.

Fortunately, it is not necessary to accept my own assurances on this question. Lord Lothian, whose presence as Ambassador in the United States at this juncture is no more accidental than is American enthusiasm for Mr. Winston Churchill, said recently in New York, at a dinner of The Pilgrims of the United States.

"Peace comes from there being overwhelming power behind law."

I feel that perhaps the shortest comment on this dictum is that of Sir W.S. Gilbert.

"The Law is the embodiment of everything that's excellent,
It has no kind of fault or flaw,
And I, my Lords, embody the Law."

You see how it works. We arrange matters in Germany, firstly that only a Dictatorship can emerge from the chaos made inevitable by the financiers who moulded the Peace Treaty. Then we finance the Dictator with British money, at the insistence of international agents, in the sure and certain promise that he will make war inevitable.

Then we have a war to put down Hitlerism (not, of course Stalinism) and we agree, even before the war has really started, that the only final cure for war is World Super-Hitlerism. We proceed, in fact, from the Police State to the Police World.

Well, you can fool some of the people, all the time . . .

10

The power of Black Magic in mass propaganda is such that it appears to be capable of rendering many people blind to obvious facts.

We are told, for instance, that the coming millennium depends on the reign of Justice and Law.

The one fact which has always made me sympathetic to the theory that Shakespeare's Plays (or some of them) were written by Lord Bacon, is the pure Baconianism of *The Merchant of Venice*.

Justice, the Law of Shylock, is the perfect demonstration of the unsuitability of the legal process to anything but a purely static condition. In order to make the world suitable for the Reign of Law, the relationship of every individual to the Law must be similar, which, in the last resort, means that all individuals must be similar. Laws are made by people with the Card-index mind. It is easy, and right, to card-index motor-cars; but that is not at all the same thing as to card-index fifty million people. Any attempt to card-index even five individuals leads straight to the situation envisaged by Blake when he wrote "One Law for the Lion and the Lamb is oppression". The Law, in fact, is a process of standardisation, and is not an objective to be sought but an evil to be minimised.

The growing chorus of condemnation which is greeting the havoc caused by the "P.E. Planners", a

havoc which greatly exceeds in three months that caused in three years during the last war by alleged lack of "planning", is commonly met, by those concerned to apologise for it, by the statement that it was intended for a set of conditions which have not occurred. I have not yet seen the correct reply made to this — that it is the complete and final condemnation of the type of mind which will prepare and put into operation a plan which can only be successful under conditions which cannot be foreseen. Only power divorced from responsibility makes such a procedure possible. In comparison with it "muddling through" is brilliance. Or is it? Was the havoc, the objective?

The same type of mind, nourished in abstractions and cradled in the Fabian Society and the London School of Economics, is generally distinguished by a desire to do things in a really big way. Where an engineer or scientist would make half a dozen small scale experiments before deciding on any line of action, the Civil Service or behind-the-Civil Service Planner, is prepared to go ahead no matter how much it costs someone else. It is beyond argument that small countries such as Norway, Sweden, Denmark and Switzerland have been markedly free in recent years from any strong desire to change their political systems, and that such discontent as has existed has been easily traceable to their debt structures. On the other hand, the United States, Russia, and Germany and, to a lesser degree, Japan and the British Empire, have been the scene of increasing political ferment always directed against the Federal authority. On the face of it, smaller political and economic units would appear to have something to recommend them. But not to the megalomaniac without any genuine experience and a thirst for power without responsibility.

It may perhaps be desirable at this point to emphasise the change which has taken place in the British Civil Service, within one generation, due in the main to two causes, the lessened attractions of the Indian Civil Service, and the deadening grip of Treasury Control.

As is well known, the Higher Civil Service, the real administrative Government, both of India and the Empire with the exception of the Dominions, is primarily recruited from a Common examination of great severity and, in the last quarter of the nineteenth century, so competitive and so weighted in favour of the Classical Scholar that only a small proportion of those sitting for the examination could hope to be appointed. As a career *per se* the Indian Civil probably afforded attractions which have never been surpassed either before or since — up to the end of the last century. And, in addition, the pay was high enough to attract those to whom pay was of the first importance. For reasons which are highly interesting but the analysis of which would take us too far afield, these attractions have been steadily diminishing, and so far as the old type of candidate is concerned, no longer exist. In passing, it may be observed that Examination was found to be an insufficient guarantee of suitability.

The effect of this has been peculiar. The older type of Home Civil Servant, who usually only rejected the Indian Civil in favour of the more prosaic and less well paid Home Service if he had private means, did not look outside the Service for favours, and at the same time, was, both socially and otherwise, so strongly entrenched, that he could, and did, oppose a very solid front to "Treasury" or other interests, where they conflicted with his code. While doubtless not free from the inevitable faults of the bureaucrat, he was probably as good a specimen of his kind as could be found anywhere, and was the subject of fairly widespread admiration on the part of foreign Governments. Perhaps the highest tribute which can be paid to him from the domestic point of view is that the general public was barely aware of his existence. He was secure, and therefore could be honest.

While there are no doubt many admirable exceptions, in the main the modern Civil Servant is a different animal, the product of decreased security. More varied in his social origins, and almost always dependent on his career for a living, he evolves not only from the Examination, but from the "establishment" of temporary appointments. Owing to the increased cost and more elaborate standard of living or, in other words, the devaluation of money, his pay is low in comparison with his position and power. He has tended increasingly to look for an opposite number in Big Business, to whom to turn both for influence in the Service, and the offer of a highly lucrative job outside it.

When Big Business has arranged a nice war, he knows that a flock of new Ministries, almost wholly under outside patronage, and with fat wartime salaries, will short-circuit the normal avenues of promotion to all those who do not understand what is expected of them. It is perhaps superfluous to suggest that the last

direction in which his gaze would turn for support would be towards the general public and the taxpayer.

The modern bureaucracy is enabled to serve its masters with impunity by its convention of anonymity, and its mythical detachment from Policy. Just how mythical is this detachment may be judged from the fact that no Bill may be presented to the House of Commons which has not been drafted by the Treasury.

The question of anonymity is so important, and is so much linked with the question of anonymous propaganda in the "Public" Press, that it requires somewhat wider examination.

11

"Let us now praise Famous Men"

It is characteristic of the Jewish-Whig conception of the State, that the State should do anything for the individual other than permit him to become able to do everything for himself. I think that this is the simple explanation of the obvious fact that Germany, because of her population at once docile and truculent, has been so invaluable to Jewry. Frankfurt was the capital of International Finance until it moved to New York, and the form of State Capitalism which began in Germany, spread to Russia and is struggling desperately to conquer Great Britain and the United States, is coalescing to ensure that it shall become universal either through conquest or Revolution.

For this reason, if for no other, it appears to be of the highest importance to recognise that we are engaged in two wars at one and the same time, and that, to win the external war against the German incarnation of the Will to Power, we must conquer it in our own State and Banking institutions. Anyone who is unable to see that "Socialism" is merely Will-to-Power, and that it becomes State Capitalism inevitably (**because universalised individual Capitalism is the complete and only answer to the Will-to-Power**) has not, I think anything of consequence to contribute to an understanding of the present situation.

It is obvious that anonymity is the antithesis of both individualism and responsibility — it is the amorphous, in distinction to the defined responsibility. The first characteristic conferred upon an individual by Christianity is "a Christian name". A child thus becomes an individual, not merely "a human being" or "one of the Smiths". And if at some later date, John Smith forges a cheque, we are careful to incarcerate not merely one of the Smiths, but John Smith.

It is equally significant that, as far as possible, every attack on individual freedom is, like every attack on local and state sovereignty, an anonymous attack, generally in misleading phrases, and fathered on an institution which cannot be made responsible for it. Anonymity is an acknowledgement that an action which is covered by it would provoke reprisals if the perpetrator were not shielded by superior force.

When the Civil Service was, in fact, as well as by constitution, simply the highly-trained executive of an elected Political Minister, this anonymity was quite possibly, although not necessarily, justified.

But, as Lord Hewart, in his book *The New Despotism*, has pointed out with the technical ability arising from lifelong experience, the modern Civil Service is characterised by an administrative lawlessness which is something quite new in British experience. More and more the business of the country is being controlled by irresponsible *fonctionnaires* sheltering behind some Enabling Act. Each interference increases the mass of "Forms" and involves still greater armies of Office staff. The sheer inability both of individuals and businesses to make any headway against this situation is adduced as justifying still further interference. There is no check upon it whatsoever; no one in Government Service is ever responsible for anything. Apart from the fact that, in general "The Crown (i.e. the Civil Service) can do no wrong" and cannot be sued, no one with any experience pursues a grievance against a Government Department with any hope of redress.

The Policy, as distinct from the Administration of Great Britain, both domestic and foreign, between 1918 and 1936, has been so suicidal as to pass all possibility of mere stupidity or incompetence. As isolated instances, the shutting down of shipyards so that our building capacity has been reduced by at least 40 per cent, the sale of hundreds of ships to enemies to provide them with steel, the handing over of the Treasury

Note to a Bank of "England" controlled from the US, the return to the Gold Standard in 1925 against even orthodox protest, the refusal to utilise the artificially engineered slump and unemployment of 1929-33 to rearm and so to forestall a Continental situation which was even then patent to any informed observer, the transfer of loans made or guaranteed by the Bank of "England" to Germany to the debit of the Exchange Equalisation Fund so that the British Taxpayer provided the money to build the German submarines to sink British ships, are unfortunately, far from comprehensive. During this period, Mr. Stanley Baldwin ("Honest Stan") was at all material times Prime Minister and allegedly in control of Policy.

But of course this cannot have been the case, because, when it became impossible any longer to disguise the impending catastrophe, Mr. Baldwin ("Honest Stan") instead of being impeached and shot, was given an Earldom, control of a Fund of £250,000, and put to raising more money for the Jews. We must assume, therefore, that Mr. Baldwin had carried on a meritorious, if not very successful, struggle against forces which, discreetly, but with all their might, were working to bring about the situation which they have in fact brought to pass, both in the attack on individual and national liberties.

If neither Parliament, nor even the Prime Minister, is to be held responsible in any realistic sense for Public Policy, no possible contributory to it is entitled to anonymity. This is far from being a matter of mere vindictiveness. The immunity which accompanies the systematic inroads made upon all those privileges for which the English have fought for centuries, and on which they have, perhaps too lightly, been wont to pride themselves, is simply an invitation to further encroachment. There is a large and growing body in the swollen Bureaucracy which is dazzled by the spectacle, presented by Russia and Germany, in which bureaucrats inherit the Earth without the disadvantage of any compulsion to be meek. We ought to know all their names, and the names of their friends.

And then, of course, there is Mr. Montagu Norman — Tennyson's Brook*, as one might describe him. His brother, Mr., Ronald Norman, was at all material times chairman of that curious synagogue, the BBC. Mr. Norman is so anonymous that he is better known as Professor Skinner. He tranships on dark nights from one steamer to another, to put the bloodhounds off the scent.

*"Men may come and men may go, but I go on forever."

Mr. Norman feels, and says:

"The higher grows the plum-tree
The bigger grow the plums
The more the potter plys his trade
The stronger grow his thumbs."

You may have noticed the income tax.

His opinion of any lack of cordiality to this brave new world we are entering was expressed in the words:

"The dogs bark, but the caravan moves on."

I cannot divest myself of the thought that if a young and enthusiastic bloodhound, well trained in the maxim that actions speak louder than words, were to join the pack, it would tend to move the caravan, under its subsequent drivers, more in the direction most of us would like to go.

The essential point is that it has, for many years, been altogether too safe, lucrative, and alluring, "to impugn the sovereignty of the local national states of the world" and, more particularly, our own as well as the sovereignty of the individual. Hundreds of mediocre individuals have received preferment out of all proportion to their abilities, merely for professing these opinions, and helping shadowy international organisations to their fruition. The opinions themselves are of much less importance than the fact that they are such an easy passport to worldly success in quarters where there ought to be an ugly word for them.

This chapter is in the nature of a digression on Social Dynamics. I feel that it will tend to produce much the same irritation amongst Economists of Repute, World Planners and Builders of a New Order, as that with which the A + B theorem was received.

It may have been noticed that largescale, Comprehensive, Planning-in-a-Big-Way, is, in the main, the ambition of people with a clearly marked disinclination to make anything concrete. This may be due to the fact that when anything concrete is made "wrong", it is difficult to disguise the fact, and a certain amount of distrust in regard to the maker is engendered. But if you can induce people by a large scale confidence trick, to surrender all their liberties to an omnipotent organisation (which is what Big Plans generally amount to), it really doesn't matter much whether The Plan is found to consist, at bottom, in a Scheme to set all the World to Work on the Extraction of Sunbeams from Cucumbers. It's just too bad, and it's too late anyway.

But, on the other hand, Jesus of Nazareth was a carpenter. His ways were more humble. "Consider the lilies; how (do) they grow?"

Christianity, Democracy, and Social Credit have at least three things in common; they are all said to have failed, none of them is in the nature of a Plan, and every effort of some of the most powerfully organised forces in the world is directed to the end, not only that they never shall be accepted, but that as few persons as possible shall even understand their nature.

It would not occur to me to attempt a comprehensive definition of what Christianity is; but negatively, I think I can do better. The curious amalgam of taboo and folk-lore which most of us derived from the teaching of our schooldays in the hours devoted to religious instruction bears about the same relation to Christianity that the real Government of England does to democracy, or the policy of the Bank of "England" does to Social Credit.

At this point, I can sympathise with any reader who might ask, "Why do you want to drag Christianity into a discussion of, *inter alia*, the defects of the bureaucratic system? What has the Civil Service, the monetary monopoly, or the Jewish Problem, to do with either Christianity, or 'Perfect Freedom'? Or, more immediately, with an Allied Victory." The short answer is, "Everything — if there is a European culture".

Everything of which we have any knowledge is relative. The fact that the Dark Forces seem in the ascendent is a proof that they are temporarily in the ascendent over something else. You cannot know light without shade, you cannot know what anything is, if you don't know what it is not. If you are able to believe that this is a country whose effective Policy is that of a Christian Philosophy, or if you think that Politics (in the real sense) has nothing to do with Christianity, then you will be able to agree that it is reasonable at one and the same time to fight a war for a return to the Gold Standard, the enthronement of International Finance, together with the culture of Hollywood and Tin Pan Alley and the bureaucracy of the Russian Ghetto, while proclaiming that you are fighting to preserve Christian Standards against the onslaught of Paganism. But otherwise, not.

It is just as certain as anything can be in this uncertain world that Christianity is not a Plan, it is a Philosophy which we have hardly begun to grasp. As such, it must have a Policy. That policy was and is rejected by the Jews, consequently it cannot be a Jewish Policy. That is to say, Jewish Policy is what Christianity is not. What is Jewish Policy? That is much easier to answer, because the present state of the world is the result of it. The short answer is, "Power Politics — The Servile World". The Philosophy from which it proceeds is that of non-immanent Sovereignty. That this is so, in my opinion, is the **negative** justification for the present war. While there is no clear indication that we are fighting for anything worth having, there is, I think, genuine justification for the statement that we are **against** one particular form of Power Politics leading to a Planned State; the crude military form. When we have exhausted ourselves in defeating that, we shall, unless we modify our own policy both radically and quickly, find that we have established the Power Politics of International Bureaucracy and Finance. If anyone can direct my attention to an organisation which, having comprehensive power has not misused it, I shall be prepared to consider the idea that World Sovereignty over persons in these or any other forms would be an advantage to its subjects.

This question is quite basic and quite vital. Once admit the principle of institutional Sovereignty over the Person (functional sovereignty over matters of "common user" is basically different) and the rest follows as a mere matter of detail. In England, we knew that before Runnymede; but Magna Carta has gone to the United States, and is to stay there, as it isn't safe with us. I don't know that it is too safe there, either.

One of the delusions skilfully fostered by those Dark Forces which assail us, then, is the idea of human equality under a non-immanent Sovereignty. It is quite probable that this conception, held, where it is held, in defiance of everyday experience, observation, and history, arises from inability to grasp the meaning of words, an inability which is coming under skilled observation in many quarters. It is perhaps unnecessary to pursue the disproof of the first aspect of it further than to suggest that, if no two persons in the world possess one attribute, a finger-print, alike, as experts contend, then it is hardly probable that even two persons could be found to possess every attribute alike.

But this idea underlies the whole Socialist-Bureaucratic-Totalitarian propaganda. They are all the same, as any observer of events in Russia and Germany can see for himself. It is insinuating itself into such phrases as "the standard of living". There is only one place in which there is an effective "standard" of living, and that is a goal.

It would probably be impossible to find two individuals in this country, who, given an income of £500 per annum, would have a common measure of expenditure of much more than £100, by which I mean, would buy exactly the same articles to more than that amount, or would spend their time to more than 25 per cent of it in the same way.

The point I am at some pains to make is, I hope, becoming a little more clear. Every extension of extraneous control — if you prefer it, of non-immanent sovereignty — is demonstrably against the inherent nature of the human individual i.e. is contrary to reality. If this non-immanent sovereignty possesses virtues in itself, i.e. has some reality peculiar to itself, superior to those possessed by any individual — let us say by Jesus of Nazareth — then it ought to be possible to point to them. Where are they? Certainly not in the Jewish Jehovah. Certainly not in any Government with which I am acquainted.

Our kindly sympathy for the under-dog is being exploited to secure the creation of a permanent world of under-dogs.

The Work State is the basic idea of the World Planners. Modern technical production is essentially and inevitably hierarchical. While actually operating the productive system, it is essential that discipline be observed and if you can in fact or by convention put or keep everyone in the framework of the Work State, hegemony is achieved. But, in fact:

(1) This hierarchy has no essential connection with the distribution of the product, or the constitution of the State.

(2) The Power State has no inherent moral rights. We did not repudiate the Divine Right of Kings, who, at any rate, were bred and trained in a tradition of reciprocal responsibility in order to set up the Divine Right of, say, Mr. Stanley Baldwin. Or, if we did, we got what we deserved. Still less does any World Power State possess inherent validity.

(3) The primary business of the genuine State is to distribute dividends. They did not need to be monetary dividends until money became supreme.

Its continued existence depends on this. These dividends are inherently based on the unearned increment of association, and are now in the main represented and controlled by the invisible reserves of Financial institutions, against which reserves "Banks create the means of payment out of nothing" (*Encyclopaedia Britannica*). Taxation is a complete inversion of the function of the genuine State, against which the British people have, until the foundation of the Bank of "England" and the Police System to maintain it, consistently rebelled.

(4) The taxation of dividends, accompanied by greater production per unit of labour and the

determination to "put the Nation to work", results in excessive capital production, forcing exports, competition for markets, sabotage, and war, which is merely sabotage in delirium tremens.

(5) It is no more possible to win this war by the methods of Wall Street and the Bank of "England" than it is possible to win a prize fight by hitting yourself on the head with a hammer.

13

Some years ago, it was suggested to Mr. Montagu Norman that the policy of the Bank of "England" made it arithmetically impossible for the British people to be prosperous. He is stated to have replied "I don't believe it is good for a people to be prosperous". About the same time Viscount Snowden described the Bank of "England" as "the greatest moral force in the world", and Mr. Norman's salary was increased from £1,500 per annum to, I understand, £5,500 per annum.

A year or so later, I discussed Social Credit principles with a famous Jewish film star. (Obviously not a distinctive description).

His final comment was "I am a masochist. I think it is good for people to endure pain." I understand that first rank film stars "earn" about £500,000 per annum. Curiously enough it was widely rumoured that Social Credit propaganda was financed from this source. So far as I am aware there was not the slightest truth in this rumour.

A member of an international Jewish banking family, commenting on the same subject, said, "It is the only proposal which would save civilisation, but civilisation is not worth saving. I cannot assist it."

I do not know anything about Mr. Montagu Norman's benefactions, but he is known to be in favour of nationalising the Bank, because he has said so. Both of the other individuals to whom I have just referred have been supporters, with money and influence, of "Socialism".

The first Socialist State, Russia (we know it is Socialist, because it is called so), was made possible by the intrigues of Jewish Bankers. For twenty years it was acclaimed by Socialists as the ideal community, and during those twenty years it was both internally and externally controlled by Jews and beyond all question reflected Jewish political idealism. In spite of the fact that the industrial developments (which provided a market both for American plant and machinery and American engineers and organisers) were carried out by practically slave labour under conditions of espionage and police terrorism far in excess of those existing under the worst of the Czars, the "Workers' Republic", it was insisted, was the kind of State for which we were all to hope.

Nothing very much has changed in Russia in the last year or two except the "liquidation" of a fairly large number of Jews. Russia is just as inefficient, dreary, and misinformed as it was ten years ago, neither more nor less. But because there are signs that it is tending to be a hell upon earth under Georgians instead of a hell upon earth under Jews, Russia has "betrayed the Labour and Socialist cause" everywhere. Odd isn't it?

Germany, in the days before 1914, was dominated by two groups, firstly the Jew banker-industrialists such as Ballin and Rathenau, with the international finance-houses, such as Rothschilds, Schroeders, Mendelssohns, in the background; and secondly the Prussian Whigs, the Lutheran Junkers.

It may be true that, in the megalomaniac Kaiser, these groups found a specially useful tool. But it is by no means certain. There is plenty of evidence to show that, to the extent that he was a real factor in policy, Wilhelm II was a moderating influence within the limits of his capacities. What is beyond dispute is the existence in Germany of the policy of "playing both ends against the middle", openly admitted by Bismarck, the arch-imperialist, when he said of the German Socialists "We march separately but we fight together". Socialism, as usual, containing a powerful Jewish core, while superficially anti-monarchical, anti-capitalistic, anti-imperialistic, was not merely tolerated in Germany, where, if it had not been tolerated, it could have been suppressed with ease in six months. While detested by the Kaiser, it was both subtly recognised by the

dominant groups and encouraged to form affiliations with half-baked idealists in other countries, and to assure them that German Socialism was so powerful, and so unalterably opposed to war, that the threats of the German Army and the Naval Building Programme could be disregarded. "The Workers" would never allow them to be used. The value of these protestations is a matter of history.

The defeat of Germany, and the subsequent currency manipulation, wiped out the solid German middle class, probably the only body of Germans meriting much consideration as a class. The Junkers (who had suffered most of the war casualties in proportion to their numbers) while still maintaining some remnant of their former social status, were politically discredited and economically encircled. Germany began to take form as a Jewish Helotry — an ant-heap state with overlords contacting their equally successful brethren in the "victorious" countries, where the eviction of the middle class was in process of consummation by the imposition of fantastic taxation ("on a scale which would have been impossible without Revolution" to quote the ex-Tax Collector, Lord Stamp). Nazi (National Socialist) Germany is in the direct line of pre-war German evolution.

During the whole of this period, Mr. Montagu Norman's friend, the American German Dr. Hjalmar Schacht, was President of the Reichsbank, and "the internal affairs of Germany are no concern of ours". Even when Adolf Hitler became Chancellor by the aid of the same New York Jewish firm which had been so successful in wrecking Russia, Schacht, as already stated, merely remarked "For three months we shall have to do what Hitler says. After that Hitler will have to do what we say".

Having made use of Schacht and his friends for some years, Hitler didn't run straight. Schacht was politely ejected, Jews were encouraged to emigrate, largely to England, and (most probably, worst of all) "sound" banking methods were encouraged to emigrate with them.

Immediately, Germany became the enemy of civilisation, as Russia is apparently becoming, and in particular, of the British Labour Party, which, after denouncing war in general as a Capitalist murder-plot, demanded war on Germany on any pretext as a sacred duty. A Press which hardly mentioned the incredible sufferings of millions of, for the most part inoffensive, White Russians and peasant proprietors, and has borne with complacency the eviction and murder of the Polish aristocracy and middle class, screamed to high heaven (as did the whole of the United States Press which is so unanimous that Americans must trade but not fight) that the Jews must be restored to their Satrapy in Germany by British and French blood, and in the meantime must be cared for at our expense. Queer, isn't it?

I am inclined to think that the Germans are, in a single Reich, a curse to Europe because of their obvious susceptibility to utilisation in mad and criminal aggression. But it would appear that it doesn't matter much, so long as they are used by the right people. Mr. Attlee, Leader of the Labour Party, is urgent that Germany shall not be "dismembered".

It is to remain a potential threat to the rest of the world. It would be a pity if the Germany built up by Ballin and Rathenau, which is so obviously suitable as the "spearhead" of a World Hegemony, were to become less powerful.

14

Sacrifice' — the Psalm of the Tax-Collector.

It is important — perhaps of primary importance — to notice the moral note with which the leisure problem posed by the progress of the industrial arts has been twisted into the service of a world tyranny of Finance. For some time, such persons as Lord Stamp, managing the L.M. & S. Railway in the spare time available from his Directorate of the Bank of "England", have given ingenious reasons for the belief that there is no room for genuine leisure — that, in fact, we all ought to work much, much harder, and that by much higher taxation, which "by proper psychological preparation" we could be made to accept, we should have to work much harder in order to live. Especially shareholders in the L.M. & S. Railway.

But in any case, said the BBC through various spokesmen, look at the terrible demoralisation of the

unemployed. Until the war became a military war, look at the marvellous results being achieved by Herr Hitler. No unemployment in Germany; everyone making guns instead of butter, financed by guaranteed credits via the Bank of "England". And Russia; no unemployment there; the largest Secret Police System ever known; practically every important position in the hands of an alien; mass assassinations every year or so, and liquidations daily; continuous war with Japan; everyone liable to be moved from one end of the country to another at twenty-four hours' notice: a permanent evacuation and billeting scheme, in fact, as introduced into England by Russian Jews. What could be more attractive?

Don't forget that both Russia and Germany are Socialist States where bureaucrats do just as they like until they are shot, and everyone else does just as they're told. And that the Gestapo is practically indistinguishable from the OGPU. And that some of the most charming methods of both of them are imported from the United States, where the police, however, are always willing to learn. And that what the world needs, you know, is the surrender of local sovereignties to a World Police Force.

To return to the efforts of our own BBC to hypnotise us into seeing that the obvious cure for unemployment is to "set people to work", you may not have noticed that people are always to be "set" to work, they are never to be "free" to work. They lose the "dole" if they find work.

Now, it is always assumed by Socialist politicians that the privileged classes in Great Britain, in past years, never did any work worth mentioning — that they were unemployed, in fact, and were parasites on the virtuous working class. I do not say so — it is Socialist and Communist speakers, who can now point to Germany and Russia to show the type of civilisation they prefer, who say so. And I should particularly like to emphasise the point that I am not in the main referring to genuine "working-class" propagandists. They have many very good reasons for wanting a radical change in social and economic arrangements, even if their remedies, which for the most part they don't understand, are worse than the disease.

I am more particularly referring to such Labourers as Dr. Hugh Dalton (Eton and King's); Mr. Montagu Norman (Eton and "Nationalisation — we welcome it"); Mr. Bernard Baruch ("Perhaps I did have more power than anyone else in the war"); and so on. They are the kind of people whose ideas the BBC appears to reflect. If their thesis is correct, there ought to be a simple test of it. These privileged people whom they are concerned to proletarianise, ought to have become degenerate, and person to person, they ought to be less capable, and their offspring ought to be less capable, than those who, by hypothesis, do all the work, which is so good for them.

There are, of course, plenty of products of the privileged classes for whom one has to have an acquired taste. I have mentioned some of them. But on a basis of percentages, there is simply no contest. Privilege produces ten winners — genuine winners — to one produced by work, unprivileged.

The curious self-defeating perversity which fails to see that there is plenty of privilege for everyone, because of the infinite diversity both of people and of opportunity (and that the problem is to let more people get at it not to take it from those who have it), is the perfect tool for the World Planner. "I am a masochist" (on £500,000 per annum). "I don't think it is good for a people to be prosperous" (but I live quite comfortably, thank you. So, while assuring myself of the power and the glory, I will take care that the rest of the community gets what is good for it).

An anonymous writer in the *Halifax Chronicle* (Nova Scotia, Canada), has put the root of the matter so admirably that I feel that I cannot refrain from quoting his views at some length:

"The world seems to be rapidly dividing into two opposing groups, those who believe in the democratic way of life and those who believe in the totalitarian way. Behind those two opposing beliefs lie two conflicting ideas concerning man and his nature. One group believes that 'Man does not live by bread alone'. The other believes that he does. One sees man as a spiritual being and the other denies the whole spiritual background of life and looks upon it as of entirely material origin.

"Both Nazism and Communism look at life from a purely materialistic basis. Human beings are mere pawns in the economic game. Life is a matter of mechanics and a perfect society is a perfect

machine, designed and made by a little coterie of supermen who call themselves the State. Individuals are mere cogs in that machine. If individuals or groups of individuals do not fit into the society devised, then the State must step in and, with the impersonality of a surgeon wielding his knife, excise them from the body politic. They call it "liquidating" or "purging". But it has not been done with the cold impersonality of a surgeon. It has been done rather with the deliberate cruelty of a gangster exercising his sadistic power and impulse. It is doubtful if any blacker pages of history have been written than those of the last few years which have seen the doctrines of materialism taking the shape of totalitarian States with their claim to absolute control over the entire life of the individual. Any system which begins successfully to use man as a means rather than as an end becomes a Juggernaut crushing out of life all human freedom and value.

"The fundamental error of these systems is their denial of the truth that, 'man does not live by bread alone'. His origin is more than biological and his needs are more than material.

He cherishes ideals and visions and, time and again, he has chosen his ideals and visions in preference to bread. Such men do not dream of a world of static perfection, but of an evolving, expanding world in which human personality is attaining ever new reaches of freedom and fulfilment. As regards the State and all other institutions, they assert the great principle laid down 1900 years ago in the words, 'The Sabbath was made for man, and not man for the Sabbath'. In the days when those words were spoken religion had made ritual requirement take precedence over human need. As a result, religion had become soulless and inhuman. Likewise, when the State becomes absolute, it becomes merciless and intolerant."

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"We shall create an intensified centralisation of Government in order to grip in our hands all the forces of the community. We shall regulate mechanically all the actions of the political life of our subjects by new laws. These laws will withdraw, one by one, all the indulgences and liberties which have been allowed the goyim, and our kingdom will be distinguished by a despotism of such magnificent proportions as to be at any moment and in every place in a position to wipe out any goyim who oppose us by deed or word."

"**There is nothing more dangerous than personal initiative:** if it has genius behind it, such initiative can do more than can be done by millions of people among whom we have sown discord. We must so direct the education of the **goyim** communities that whenever they come upon a matter requiring initiative, they may drop their hands in despairing impotence." (emphasis added)

Protocols of Zion, No. 5 (Marsden Translation)
Italics in original. "Goyim" = cattle:

I suppose that if the various reasons for the chaos in society were to be synthesised, they could be expressed as too much morality, and too little common honesty. The word "common" is here used in the sense of "pain", rather than "widely distributed". It is a little difficult to expect common honesty from a population which is being just sufficiently educated to appreciate the fact that the primary object of politics, industry, trade, advertising, and journalism, is to sell delusion; and to do the general population justice, it is beginning to better its instruction.

Morality, which began by meaning "manners", has, of course, been corrupted into meaning Law, divine by implication, but slightly subhuman in general character. It is grimly humourous that, while we are told that the New Order is to be the reign of law, we always begin wars for its realisation by abrogating all the best laws (such as Habeas Corpus) which have been wrested from the interests behind Law. But the worst and most reactionary laws, such as those which authorise flogging and state robbery, by taxation or plain confiscation, are never abrogated by a closer approach to this Mosaic Millennium. Might is always right if it is strong enough.

It is said that hypocrisy is the tribute which vice pays to virtue, and on much the same line of reasoning, legalism or statutory Law might be described as the tribute fraud pays to reality. I have elsewhere

emphasised that genuine or Natural Law is characterised by an invariable and automatic relationship between cause and effect, which is so far from being true of Statutory Law that we are faced with the alternative of concluding either that the sum of the objectives of Statutory Law is bad (because the total result is bad) or that mankind is incapable, in the main, of drafting laws which produce the results which he expects them to produce. Probably both of these are largely true. The general method of lawmaking appears to be to state as an axiom something which is highly debatable, and then, with the ostensible objective of utilising this "axiom", to pass a law which achieves something both irrelevant to the axiom and to the general interest. Not, of course, irrelevant to some special interest. The working of this technique is well exemplified in the Income Tax Laws, which, as was freely admitted in the course of the Royal Commission on that fascinating subject, are purposely made obscure and unintelligible because even a docile House of Commons would revolt at their outrageous provisions if it understood them.

One of the "axioms" scarcely questioned is that lawmaking is a contribution to national efficiency. The value of this idea can be more readily assessed if Law is simply regarded as absentee management.

Both consideration and experience seem to prove that this is a practical mistake of such importance that no real progress in civilisation is possible while it persists unchallenged. For my own part, I am convinced that if nine-tenths of the energy devoted to legislation and the administration of legislation were devoted to inductive education, and at the same time, administrative units were made far smaller, the remaining tenth would become redundant in one generation. Which would of course be a desperate prospect for the Labour Party and the Reign of Law.

Quite a good example of the over-elaboration of laws, even in functional management, is afforded by the modern railway systems. As in every question of this nature, it is essential to remember the tremendous strides made by technical progress in the last hundred years. It is no justification, either for British Railways (which are now practically branches of the Bank of "England") or of social conditions generally, that they may be a little better in some ways (by no means in every way) than they were fifty years ago. They both ought to be incomparably better.

Now, it is well known that the most deadly form of railway strike is that known as "working to rule". It consists in observing scrupulously every regulation which is laid down both by the railways themselves and the body of general and trades-union law to govern every action of the railway employee. Such a strike will paralyse any railway in half a day. It is so deadly that no railway management will tolerate it. In other words, railway employees are asked to subject themselves continuously to possible penalties for exercising initiative.

But to anyone familiar with the inner working of a railway, it is obvious that the creeping paralysis of centralisation (which is merely one aspect of the "reign of law") has laid a heavy hand on the British railway system in its everyday and normal working. That passenger and freight charges are both relatively and absolutely higher than fifty years ago ("A square deal for the Railways") is perhaps a less important matter than that the service given is hardly better (if it is absolutely, it is far worse relatively). It may be contended that certain notoriously backward sections have been improved, and this may be conceded. But that they were backward before the "grouping" which was the result of the imposition of American policy upon them by the Bank of "England" after the 1914-1918 war was due, not to independent management, but to financial restriction. Anyone who remembers the great trunk systems such as the London and North Western, the Midland, or the Great Northern, in the early years of this century, will agree that their faults even then were those of undue economic power, but that in the *esprit de corps* of their employees, their technical standards, their passenger and restaurant services, they were a model to the world. If, as is the case, a well standardised process such as railroading can be crippled by law, the effect on activities requiring constant initiative can be estimated.

The Grouped railways were instantaneous profiteers on the declaration of war on September 3rd, 1939. Without a day's delay, "cheap" fares (higher than ordinary fares of fifty years ago) were abolished, and within a few days, during which alternative transport was eliminated, services were drastically curtailed. While, of course, all of this was done under the plea of "public interest" it was unquestionably done at private expense (and to the Railway Authorities' benefit) and gave conscious encouragement for a rise in

general prices. Four months after the declaration of war when, so far as ordinary observation is a guide, many of the lines are working not merely below maximum capacity but much below prewar traffic density, these inferior services and higher charges continue. At the same time, drastic petrol restrictions, fantastic licence taxation, high cost and low quality of fuel, force the general public to use the railways practically on any terms which can be obtained. The public exist to serve the railway — man is made for the Sabbath.

There is more than a suspicion that this is all part of a far reaching policy intended to kill private transport while "nationalising", i.e., centralising under the Bank of "England", public transport, and reserving private transport for a privileged few. Control of communications is a vital part of Jewish policy — so vital that it may almost be said to be the policy in itself. A little consideration of the ownership or control of cables and wireless, news agencies, and foreign exchange, will illuminate the ramifications into which this control has already penetrated.

This is exactly what the Reign of Law is designed to facilitate. That curious phenomenon, the Marquis of Lothian, appointed Ambassador to the United States when war was inevitable, and, as Mr. Philip Kerr, secretary to Mr. Lloyd George in the last war, is enthusiastically acclaimed by the *New York Times*, Mr. Adolf Ochs's paper, as being willing and anxious to hand over the British Empire to some nebulous organisation when its unfortunate constituent individuals have won another war.

Mr. Lloyd George was, I understand, solicitor to the Zionist Committee. Lord Lothian may perhaps be excused for supposing that the British Public will stand anything. There is plenty of evidence tending to support that view. Lord ("Sacrifice") Stamp also assures us that it will.

But I think that a certain amount of variety is essential in the pups which are sold to us. After seeing the treatment of Austria, the fine flower of European culture, by the League of Nations; the disallowance of Social Credit Legislation in Alberta (which had probably more popular support behind it than any legislation proposed in the past hundred years) by the Federal Government at Ottawa, and the results in Great Britain of taking our instructions, and/or Rulers, hereditary or otherwise, from Wall Street, I don't think that merely changing the pup's name from "Bank of International Settlements" to "Federal Union" is quite enough. And (what is more important) I don't think that Mr. Chamberlain thinks that it is, either. Not the same pup twice, Lord Lothian, thank you.

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It is already evident that there can be no justification for easy optimism that, in the probable event of a victory of force by the Governments of Great Britain and France, the peoples of those countries are any more likely to win the peace than in 1918. Rather the contrary.

Of course, it is quite easy to blame the politicians. Everyone blames the politicians for the Treaty of Versailles, but the politicians who took part in the Peace Conference know quite well that they were hardly more than rubber stamps on a document moulded by "advisers".

Now, if matters go in the main along the same path as in the last war, which admittedly is improbable, we can guess who will exercise the determining influence. And one quite good indication that these advisers have learnt nothing and forgotten nothing is the quality of the advice which we see in the ascendent again on economic subjects in wartime.

In a letter to *The Times* of January 12th, 1940, Sir William Beveridge, now Master of University College, Oxford, but formerly of the London School of Economics, states "In the war of 1914-1918, we were able to avoid any appreciable decline in the standard of living, except in respect of leisure, in part by realising our foreign securities, but even more by indefinite borrowing from abroad . . . Those who remember the relative prosperity of the last war, had better forget it."

I am not at the moment concerned with whether we can, or cannot, enjoy "relative prosperity" in this war. It is quite beyond discussion that war is simply an extension to the limit of the sabotage which is an increasing feature of the insane system founded on the Mercantilist Theory that a country grows rich on its

exports — the bankers' theory.

All waste or sabotage obviously reduces the wealth which might be available, but, if no one can get at the wealth which is available unless a large number of "tickets" are distributed during the manufacture of "waste" goods, it is quite possible that the amount of distributed goods may rise almost in direct proportion to the volume of waste. That is what happened in the last war. But to return to Sir William Beveridge.

If you or I hold American Railway Stock and sell it, we are paid in sterling. That sterling does not affect the amount of sterling in existence unless a bank is the purchaser. It is either a purchase of sterling from a foreigner, who has bought it with dollars, or a mere transfer between Britons. If, however, the purchaser is a bank or similar financial institution, its purchase by them increases the total volume of sterling deposits and causes what Sir William Beveridge would call inflation, but I should not.

Now if this stock is physically taken to the United States and sold by the British Bank, it creates a dollar deposit, in the United States. Sir William Beveridge's theory, if it means anything at all, means that in the last war such dollar deposits were used to buy consumable goods in the US, which goods were imported and used to raise the standard of living in England in war time by purchases with the sterling obtained by the sale of the Stock. Or alternatively, that these goods replaced consumable goods which would have been produced in England, thus releasing producers for war production.

There is not one single atom of evidence to support this theory. It will, I suppose, be admitted by anyone not in a state of monetary hypnosis, that you can only buy in England what is on sale in England. Similarly, I do not suppose anyone would seriously contend that the import of goods which go to raise the standard of living is greater in wartime than in peacetime in spite of Shipping and Exchange control, or that, in fact, our Foreign Securities were not used to buy munitions.

Therefore, the only meaning which can be given to what Sir William says (if he understands what he says) is that we shall not be allowed to have enough money to buy what is produced, unless producers sell at a loss. If the Government wanted the producers' services, they would take them anyway. So that hampering the sale of their product is merely waste.

If the major portion of foreign securities were held by individuals (instead of by banks and insurance companies) and those individuals were allowed to sell them for foreign currency, buy foreign consumable goods with them, and import them free of duty and without restriction, not one of which requirements can be met, then the sale of foreign investments would raise the standard of living of the sellers.

As it is, foreign investments do increase our power to buy war material without exporting goods in payment. They are almost completely irrelevant to the standard of living, which is primarily dependent on consumable goods.

Then as regards "indefinite borrowing abroad" (whatever that may mean). It is always stated, and correctly stated, as a reason for not paying the American Debt (a) that we received not money but credits for war materials made in America, and sold to us at exorbitant prices; (b) that we re-lent more to our allies and Russia, than we borrowed. None of our "lendings" was repaid. Was our standard of living increased by borrowing sixpence and lending eightpence, and losing the eightpence? Or by sending enormous quantities of goods to Russia, most of which were wasted?

It is, of course, plain, that what Sir William Beveridge is concerned to prove is that making more money available does not distribute more goods, while increased taxation is good for us. All Economists of Repute are concerned to prove this.

I feel sure that they are all perfectly honest, and that they reach positions of comfort and authority, not by saying what they do not believe, but by being able to believe almost anything, even if all experience contradicts it, and to put their beliefs into such a form that the absurdity of them requires a little more analysis than most readers have the time and inclination to give them.

During the interval between the war of 1914-1918 and its resumption in 1939, I am not aware of a single

suggestion or criticism which has proceeded from the London School of Economics, whose endowments were largely provided by the late Sir Ernest Cassel, which would either reflect on the monstrous financial policy of this country during that period, or would assist public opinion in an effort to obtain an improvement in it. On the contrary, a steady stream of special pleading tending to a Bureaucratic Revolution, by the crippling of private enterprise of every kind except banking, has accompanied support of the incredible exhortations to "save", "spend" or save and spend at the same time* to raise prices by "reflation", to lower them by "deflation", to return to a gold standard as the only hope, to abandon a gold standard because it is obsolete, to reduce employment by rationalisation, to increase it — which have convinced the general public that no one can understand finance, least of all economists.

If Sir William Beveridge, as, for many years, a representative of that institution, would explain why the war was resumed just in time to avert an economic blizzard of far greater severity than that of 1929, and that is the reason that the United States has consented to peg the sterling-dollar exchange since war was declared on Herr Hitler, while refusing to do so before, he will be serving the British Public far better than by obscuring the patent fact that, while it may be both necessary and desirable during war time to ration or even to prohibit the sale of articles of which there is a demonstrated shortage, it is not necessary, desirable, or effective to do this by monetary taxation, or a rise of prices.

On the contrary, I have no doubt whatever that if Sir William Beveridge's ideas, and those of Sir John Simon, if they are his, are not severely dealt with in the near future, there will be a disquieting and ultimately disastrous growth in the feeling that the freedom we are fighting to defend is the freedom to be exploited without redress both in peace and war.

Sir William Beveridge also makes four "practical" suggestions. Of these, it is only necessary to point out that they assume the unilateral expropriation of various interests, familiar to students of London School of Economics political economy. Unilateral settlement of differing international interests is allegedly the reason (and a very good reason) why we are at war. It is to be hoped that a protest so thoroughly sound may be raised in the field of home politics, in which it has been increasingly ignored.

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There is a story which is fairly widely accepted, that Herr Hitler is the grandson of one of the Viennese Rothschilds and a servant girl.

In itself, that is perhaps not a matter of much importance. But in connection with the idea sometimes voiced that totalitarian Socialist States with strong anti-Jew policies cannot be the result of Jewish organisation, it might possibly be worth investigation. The Higher Command is concerned with victory — not with the loss of a few troops.

What is already beyond dispute is that the really important Jews in Germany are for the most part still there in comfort and safety, and that Herr Hitler has been financed by them. And that German policy is exactly calculated to place Europe finally and permanently at the mercy of the, for the most part, "German" Jews who migrated from Frankfurt to New York.

The deadliest danger to Great Britain is the Jewish-controlled United States government.

Even from the point of securing the safety of the lesser Jews, what could be a more brilliant arrangement than to "persecute" them to England, persuade or force the silly English to fight Germany, get Mr. Roosevelt to insist on a purely "military objectives" war, evacuate the Jews to country billets and safe hotels, conscript the native population, while exempting, but not interning, refugees, and then allow the native populations to exterminate each other in defending the military objectives?

Anything more remarkable than the situation which now exists, in which the whole of the British Empire is engaged in a death grapple with "Germany" and "Russia" who are "aiming at the domination of the world", while the British Empire is fighting "to re-transfer the prestige and the prerogatives of sovereignty . . . from the local national states by which sovereignty has been usurped . . . to some institution

embodying our society as a whole", (Dr. Arnold Toynbee, Director of Studies at Chatham House, now supported by the British Taxpayer), it would be difficult to imagine. While this mutual extermination for an identical object is proceeding, Jews are in key positions of power and profit everywhere, and fighting nowhere, not because of competence, as the exposure of the company flotations of Mr. Hore-Belisha demonstrates, but more probably by the corruptibility of their Gentile associates. And it is a matter of little consequence who "wins" the war: the United States has already announced that she will not fight but will dictate the peace.

One of the worst of the disillusionments which are the lot of anyone who may hope to influence public affairs is the confirmation of Napoleon's remark that he was not surprised that every man had his price, but he was surprised at the smallness of it. Novelists appear to have a sixth sense by which they find out that a bare-faced puff of the Chosen Race will ensure a good sale, while mention of the necessity of monetary reform will kill it. The landed interest, which is the primary target for the world-dominators, has, instead of tackling the problem of where all the "land for the people" nonsense comes from, together with the punitive taxation which makes mortgage and loss inevitable, married its sons to Jewesses if possible, and then angled for a bank directorship. It does not even appear to have occurred to most of its members that the people of the Socialist exemplar, Russia, have been dispossessed of their land with even greater celerity than the original landowners; that their interest in the collective farms is strictly confined to working on them, and that those facts are devastating counter-propaganda.

Any proposal put forward by the Right People (whose brevet is countersigned by a banker) can command active support from thousands who do not even expect to get a bit of coloured ribbon in return. They are demonstrating that they belong to the Right Set. Shades of Caerlaverock!

Is it strange that Lord (Sacrifice) Stamp is sure that the British Public will stand anything?

It is, of course, just as clear as ever it was, that the monopoly of credit, which puts all the means of bribery into the hands of a small ring of international gangsters, is the key to the problem. But it is the most dangerous of errors to assume that this situation is static. The Enemy is well aware that it is only ignorance of banking technique which has left him in control of every Peace Conference and that the power of arms could, in the last resort defeat him. Just as it is highly probable that if fifty selected individuals could be distributed amongst the mine-sweepers in the North Sea, kept there during the freezing gales, and machine-gunned at intervals, a solution of the war would be found in a few weeks.

I feel sure that an application of the same technique would solve the money problem. It can't be done, you say? Well, that's just too bad, isn't it? Let's have ten million casualties instead, and a repetition of the trouble each time the "defeated" party can re-arm.

There can be no solution of the world's troubles which does not deal drastically with the individuals, of whatever race or country, whose object is the final subjugation of the individual to the institution — the World Bank, with the World Police Force to see that the World Bank retains total economic power. The problem is not a European problem only, or even chiefly.

The revolt of the Canadian Provinces against the Federal Government is not an armed revolt — yet. The American States are quiescent partly because of the immense bribes distributed to the general population in the last few years, and also because of the far greater effectiveness of Congress in checking President Roosevelt's advisers, than is the case with the British Parliaments in Westminster, Ottawa, Canberra or Wellington in respect of their respective Cabinets. The practical steps to be taken if civilisation survives its present upheaval can begin with the resolution of Germany into its original provinces — a step which would be welcomed by every German except, possibly, the Prussians if the fear of outside aggression were removed. And the way to remove the fear of outside aggression is equally to resolve Great Britain into its original Kingdoms and to carry out a similar policy everywhere.

Anyone possessed of a reasonable education in these matters can assure himself that Herr Hitler's call for "lebensraum" and colonies, and Sir John Simon, Sir Wiliam Beveridge, and the Bank Chairmen's call for an intensified drive for Exports, mean exactly the same thing, are the excuse for the immense concentration

of power for Imperialistic purposes, and derive directly from the Mercantilist, or Jewish, propaganda for International "Trade" as an end in itself. Abolish the myth of the necessity for "Trade" and "Employment" as the fundamental duties of mankind, and break the monopoly of credit, and the unwieldy centralised State will stand out as the clumsy, inefficient and corrupt institution which, from its nature, it is bound to be.

Every amalgamation renders the problem more difficult, as the sponsors of centralisation know well. Less and less rational, and more and more a pure exhibit of world gangsterism, its solution seems to be inseparable from the "liquidation", in some form, of the individual gangsters.

Any objective observer of the direction in which Governments, both in Europe and America, are moving must, I think, be convinced that however apparently different their mechanisms, they are consciously or unconsciously moving towards a common end.

Perhaps the nature of this movement can be most easily appreciated if we regard the pressure, which is obviously being placed upon the nations in the direction of the surrender of their privileges to a World State, as being of the same nature as the steady filching away from the individual of the freedom of action and initiative, which he once had, in favour of the Bureaucratic or Police State. To see that the process is both continuous and conscious it is only necessary to recall and to compare the speeches of such politicians as Mr. Baldwin or Mr. Lloyd George with the words of Dr. Arnold Toynbee, to which frequent reference has been made, in regard to the undermining of national sovereignty, and his naive admission that "what we are doing with our hands, we are denying with our lips". Particularly since the Armistice of 1918, the two aspects of this policy, the regimentation of the individual and the Internationalisation of governments, have been pursued everywhere, and pursued along parallel lines and to a large extent by identical methods. So long as Germany showed any tendency towards decentralisation, she was exploited by Reparations and demands, any benefit of which, of course, went to the United States financiers, together with considerable taxes paid by ourselves to the same recipients. When the idea had been well driven in that only a highly centralised Germany could become powerful enough to throw off external control by war, the power of a centralised Germany was built up by the Bank of England and other international financial sources. In the British Commonwealth the same drive towards centralisation by over-ruling the Australian States through the iniquitous Federal Loan Council and the Canadian Provinces by the finance-dominated Federal Government at Ottawa, was accompanied by punitive taxes upon the individual and the systematic ruin of businesses competing in any way with those deriving their finance from central sources. Thirty-seven new central banks were formed and in most cases these were extra territorial, having all the privileges commonly reserved to the Embassies of a foreign power.

It is a well established feature of this policy, which is quite frequently called Socialism, to assume as beyond discussion that the last person capable of judging what is good for him or even what he wants, is the individual concerned, and the logical extension of this argument is that the State (i.e. a Bureaucracy) is wise and the individual is of no consequence and has no rights. I am thoroughly conscious of the fact that reason has very little to do with the situation at the stage to which it has now arrived, but it is possibly not without value to examine its contemporary results. Clearly if the centralisation of all initiative, power, rights and policy is sound, then the Dictator at the apex of this centralisation should represent the ideal of wisdom, education and, in fact, every other virtue which our civilisation is capable of producing.

Do we really think that Messrs. Stalin, Hitler and Mussolini, to mention only the more obvious of the Dictators, represent the last word in human progress? As M. Stalin was a Georgian peasant, Signor Mussolini a blacksmith, and Herr Hitler a house decorator (all of them much more respectable callings than those to which they have gravitated) are we to assume that the education and opportunities for travel which people have been accustomed to regard as one of the greater privileges of the so-called rich are, in fact, not merely useless but detrimental, since neither Stalin, Mussolini nor Hitler have any of them, and, so far as I am aware, have never been outside their own countries. Is there any sound ground for assuming that the emergence, probably with the conscious and calculated assistance of international finance, of three Dictators of this type, almost devoid of any knowledge of countries other than their own, is an accident? I do not think that there is. But there is every reason to suspect that the reply given by Disraeli to a critic of one of his Chancellors of the Exchequer, "My dear fellow, of course he knows nothing about Finance. No Englishman does, that's why I appointed him", is the explanation of the rise of the Dictators, rather than their

transcendent abilities, or their desire to represent the best interests of their fellow-countrymen.

I find it difficult to believe that any serious student of affairs can accept the proposition that it's just an accident that socialised Italy lost no time in attacking and annexing Abyssinia, socialised Germany took about four years in which to embark on a career of barefaced gangsterism, and socialised Russia marched to the "emancipation", by means of bombs and high explosives, of the poor down-trodden Finns, thus causing Great Britain to pass an Emergency Powers Act, all neatly prepared, centralising all the forces of the community — and sweeping away the hard-won privileges of centuries of struggle — an Act so outrageous in its provisions that an infuriated House of Commons demanded and obtained the repeal of some of the worst of them. The ostensible excuse for all of these attacks on liberty is the same — economic and political necessity. This economic and political necessity is ascribed by one Dictator to the machinations of the other. First Mussolini and Hitler have to make guns, instead of butter, to keep Europe safe from Stalin, and the British Labour Party demands an alliance with Stalin to keep the world safe from both of them. Then Hitler and Stalin combine to rescue Europe from the British Labour Party. I don't know at the moment who Mussolini is rescuing Europe from, but I do know who is getting the power and the money which is coming from the fantastic taxes being levied in every country whether at war or not.

Any intelligent child of six years can see, however, that if the individuals comprising each of these countries had refused to surrender to "their" Governments and Financial Institutions the Civil and economic rights of property and person which belong to free men, Mussolini, Stalin and Hitler would be minding their own business, and the rest of us might have an opportunity to mind ours.

If there is any hypothesis which will explain the events of the twenty years between 1918 and 1938, other than that which includes a conscious preparation for the resumption of the War for the still further benefit of those who were the primary beneficiaries of its first phase, I am not familiar with it. Had it been desired to prevent another world war it could have been done by a few simple financial adjustments, by the raising of the standard of living in Germany while preventing the growth of a powerful centralised authority there, by the rapid reduction and abolition of taxation both local and Federal in every country, and by the education of the population of every country into an appreciation of the relationship between employment, production and leisure.

No one is likely to underrate the power and the prevalence of plain stupidity in political affairs. But anyone observing the steady and obviously conscious misrepresentation of the facts of economics and political economy, the vicious attacks made upon any professional economist unwilling to "toe the line" so scrupulously followed by Economists of Repute, the determination to retain an unprivileged or even starving section of the population so that it might be used as an excuse for reducing the privileges of that portion of the population representing the advance which man has made over his environment, must agree that stupidity in the ordinary sense is not a sufficient explanation of what has occurred. It is too obvious that a policy of general enslavement, carrying with it bribes, some of considerable value, to politicians and officials who were willing to further it, and penalties for any who would oppose it, has been pursued systematically.

18

It is difficult not to sympathise with the normal individual who finds discomfort in the contemplation of unfamiliar political forces to which is attributed historic continuity. It is exceptional to find a life steadily and consciously devoted to an objective which is clearly envisaged, and therefore normal to regard existence as a passive experience of uncontrolled and largely uncontrollable incident. The conception of an organisation, and particularly an organisation whose existence may hardly be recognised outside the ranks of those who belong to it, pursuing an end so grandiose and remote as to be almost cosmic, excites either incredulity or mild derision.

When the average "practical" man is asked to consider the possibility that such an organisation and programme have existed for hundreds, if not thousands of years, his general reaction is one of superiority to people with "bees in their bonnets". If he is directed to the hints in such novels as Benjamin Disraeli's *Coningsby*, to mention only one of many indications, he is apt to dismiss them as the ingenious inventions of

a literary imagination.

Yet a little consideration ought to convince us that this attitude, if understandable, is not really reasonable. The Church of Rome, originally "The Church", to mention only one "religious" organisation, has been in existence for nearly two thousand years, and it would be a very ill-educated individual who would contend that the Church has not been the arena of a struggle in regard to an objective which has affected temporal history. The whole tone of the culture which we like to call European, as distinct from that which we call cosmopolitan, is the result of the pursuit of a concept both of manners and of society which is alive and active today, and is, in fact, one of the underlying realities of the confused melee into which the European peoples have been precipitated, although no one institution may embody it.

But, it may be contended, the evidence of the existence of religious organisation exists for everyone to see. It has buildings and officials whose lives are devoted to the propagation of a system of morals and belief concerned with the attainment of happiness in a future state of existence. Sunday is more or less devoted to its business, and any concern with temporal politics is both disclaimed by the modern churches, and discountenanced by modern statesmen in the plainest language at their disposal.

Yes? Then why does nearly every Great Power maintain an Envoy at the Vatican? I have not heard that there is an American Minister to Canterbury, although it is true that the Archbishop is taken for a holiday by Mr. Pierpoint Morgan, when he doesn't need his yacht for other purposes.

And then there is Finance, the modern World Religion of the other six days, with Temples everywhere and countless millions of adoring devotees to whom the lightest word of its parish priest, the local bank manager, is an echo from Mount Sinai. The more obvious members of its hierarchy, with touching modesty, disclaim any activities but that of being practical bankers; people, you know, who take in your money at one end of a counter, lend it while you don't want it, and get it back and give it to you when you ask for it at the other end of the counter.

Yes?

There are clearly to be seen, then, at least two organisations having in common the characteristics of an exoteric shop-window in which goods are exhibited to the simple populace, and an esoteric back-parlour the transactions of which, so far from being advertised, are so secret, and so long-term, that centuries are necessary to provide the evidence from which their nature can be deduced.

Now, any competent historian could trace, and one or two competent and mildly courageous historians have traced, not merely the impact of the Churches on events (reference to which, while risky in the Middle Ages, seems now to be quite safe) but, for example, the relationship of Sir Ernest Cassel and the Egyptian Bondholders to the war of 1882, or that of the Beits, the Wernhers, the Joels, the Barnatos, *et al.*, to the South African War to make the world safe for the Gold Standard. But, just as aberrations in the behaviour of the heavenly bodies impelled astronomers to suspect the presence of Neptune before that planet was identified, I think that we have indications of the existence of a long-term policy which, while it cannot be dissociated from either of those to which I have referred, is not entirely accounted for by either or both of them. Evidently, some tabulation of these indications might be helpful.

The first of them is, fortunately for our purpose, if for no other available for examination at first hand and at close range. The phenomenon of a world war carried on by individuals, not one per cent of whom desired war, may be considered from many points of view. But one aspect of it seems to be quite beyond discussion. Some influence, not that of the individuals primarily concerned, desired war, and was able to bring it about. Is it conceivable that any organisation or body should consciously work to bring about war, and should have the power to achieve their end? If it is, it ought to be possible to see in outline, at least, how that objective has been attained.

Now, I think that we can dismiss at once, every short-term explanation ("It's that man Hitler"). The first lesson learnt by anyone concerned with administration is that human beings have psychological "mass and inertia" — you can stimulate one man to action fairly rapidly, but a million men can only be made to act

quickly if a very long time has been devoted to "organising" them for a particular kind of action. We do not need to waste time in enquiring whether men have been organised for war, but it is highly significant that England was not normally organised for war, i.e. had no standing armies, until and after the Cromwellian War and the foundation of the Bank of "England".

But it is necessary to examine the idea that war is natural and inevitable, except where "law is supported by overwhelming force" as Lord Lothian so attractively phrases it. We know that it is not natural at present — that "nobody wants war". There is a substantial body of scientific opinion which is confident that humanity is not naturally combative, and in any case modern war is so completely impersonal that only a charlatan would pretend that there is any analogy between the emotional quarrels of individuals and the mass murder of unseen and unknown opponents with the aid of high explosive. There may be more resemblance to a prize fight, in which the promoter gets most of the money.

If war is natural, why is it necessary to foster the martial spirit by every form of propaganda and hypnotic influence, subtle or crude? Why the brilliant and unsuitable uniforms of the Life Guards, the military bands, the bits of ribbon, the ceremonial ritual — the use of every device with which trained psychology can reinforce defective education?

But to deny the existence of a natural tendency to war is one thing, and to admit "cet animal est mechant, quand on l'attaque, il se defend", is quite another. There may be no winner in modern war, except the promoter who doesn't fight, but only bemused theorists would contend that all the losers lose equally. I do not think that the Poles would listen very patiently to that kind of nonsense. Clearly, if you can provide an aggressor, sooner or later you can provide a war. To provide an aggressor? Why should anyone want to provide an aggressor?

Perhaps a consideration of the position of the promoter who doesn't fight may help to answer that question.

19

"Tandem scepra gerit, qui stemmatis ultimus erit" . . .

The sceptre at last shall grace him who is last of his race.

Israel will dare a deed unspeakable, that only death can redeem."

(—Prophecy of the Abbot of Lehnin concerning the Hohenzollem Dynasty, circa A.A. 1300)

The promoter of war who does not fight, if he exists, is obviously so important to the future of humanity, and would be so embarrassed by the attention he would be likely to receive from those involved in a modern war which they neither desired nor arranged, that we should expect that his operations would be carried on with all the secrecy which circumstances would permit.

I believe it is said by criminologists that a clever criminal is ultimately easier to identify than one of low intelligence, because the clever man cannot help being logical. Given the facts, it is always possible to find out why they occurred. Given the reason for the occurrences, a process of elimination will lead you to the individuals who would have those reasons if there were any for committing or procuring those acts.

Since, then, we are not likely to find the very clever gentry for whom we are looking by the aid of a Classified Telephone Directory, let us consider the facts and their relation to a policy.

First, as to the nature of a promoter. He is a man who makes the rules. There are innumerable instances of promotions which were disastrous to everyone concerned except the promoter, but almost none in which the rules did not make the promoter fairly safe. So that we can regard it as a fact that the position of a maker of the world's rules would be an attractive position.

The next consideration is that a promoter must have something to promote. If everyone were in a

position to attend to his own affairs, a promoter would be a nuisance. So that it is vital to a promoter that people shall not be in a position to attend to their own affairs. To remain a ruler, you must keep on making fresh rules and be able to enforce them.

Now let us consider what has been happening to threaten the promoter with a world in which promoters would be a nuisance and fresh rules would be discouraged.

During the past hundred years, the promoter has always been threatened with the Age of Plenty. Productive capacity has increased fifty-fold. A world in which individuals were able to indicate what they wanted, to get it without very much trouble, and to express effectively their dislike of a system which could only permit cottages for Camberwell as a result of building gunboats for Guam, would be a world in which people would devote little time to making a living, and more time to making living worth while.

Why has this not happened?

There are three concrete processes which have been at work. Taken together, they provide a complete explanation. They are, (a) Export without equivalent imports ("The Favourable Balance of Trade"); (b) the constant expansion of the production of nonconsumable goods and the factories and tools for producing them; and (c) sabotage, including the sabotage of productive capacity (restriction of output).

While it is incontestable that the monetary system as it is operated will account for all of these it will not account for the persistence in the system. Let us see how war fits into them.

War is a contest of tools of sabotage. Let us symbolise the tools by the word "guns". Let us also symbolise useful production, i.e. production for ends which individuals wish to attain themselves, by the word "butter". The productive capacity of a country at any moment is therefore 'guns plus butter'. Consequently, if you can establish the proposition that it is better to sabotage than be sabotaged, to kill rather than to be killed, and arrange that those are your only alternatives, all increases of productive capacity can be diverted to "guns", and the "butter" can be kept constant, or even reduced, thus for all practical purposes, nullifying all increase of productive capacity. The first part of the proposition is self-evident; it is the business of the promoter who does not fight, to produce a crazy and bemused aggressor having, centralised under him, sufficient forces, who will establish the second part of it.

There is sound circumstantial evidence that Herr Hitler, like Lenin and Trotsky, was supported by Kuhn, Loeb and Company, of New York. I am not so foolish as to imagine that Messrs. Kuhn, Loeb and Company have created the world-wide organisation of which we see evidence.

Now, the "Favourable Balance of Trade" theory is so idiotic when it is understood that it has been necessary to give it respectability. Such institutions as the London School of Economics (which was largely endowed by Sir Ernest Cassel, closely associated with Kuhn, Loeb and Company) have embodied complex versions of it, together with suitable presentations of gold standard banking, "free trade", taxation, etc. in diploma courses ensuring to the discreet holder of reasonable livelihood and a licence to be heard on any economic subject. In passing, it may be observed that in recent years graduates of this and similar institutions have guarded themselves to some extent against certification by two members of another profession, by explaining that it is not the business of Economists of Repute to pass an opinion on the merits of the systems in regard to which they receive their diplomas, but merely to explain how they work. As no two explanations appear to be alike, and most of them contradict the facts, the fundamental objective is achieved. The public is persuaded that the subject is so unbelievably abstruse, that what seems to the ordinary man to be pernicious nonsense must be the deepest wisdom.

Sabotage and restriction of output form so large a subject in themselves that it is only possible to indicate their general nature. Crude destruction, such as the burning of millions of bags of coffee, the killing of thousands of day-old cattle, and many other devices to keep up prices so that the workman's wages will buy him less, are the fringe of the question. The Grid Electricity Scheme, the child of the brain of Samuel Insull, the London born Chicago Jew, who was pursued round Europe by a United States warrant on a charge of fraud, probably represents the sabotage of fifty millions sterling value in serviceable plant alone,

to the end of worse service, higher charges, less reliability, and immensely greater military vulnerability. Bureaucracy and "paperwork" waste the time and energy of millions.

For many years, the stronghold of Finance in British political circles was the Liberal Party (Sir John Simon, the present Chancellor of the Exchequer is a Liberal) although it is quite probable that it has an effective voice in the so-called Conservative Party also. But the Jewish influence in recent years has been more obviously exerted through the Labour Party whose Socialist-Trades-Union-Fabian policy is unmistakable. It has taken the form of a threat to the "other" parties that if they will not bring in "Socialism" a still worse fate awaits them.

The characteristics of the Labour Party are well known. Attacks upon private property and ownership, particularly of land; complete orthodoxy in finance, amounting to a defence of it; sabotage by restriction of output and bureaucratic control; close connection with the London School of Economics (Dr. Hugh Dalton, its Chancellor-elect) was Sir Ernest Cassel Reader in Commerce); Internationalism. As I have said elsewhere, the official Labour Party has no fundamental difference of opinion with the controllers of the Financial System — it merely claims that its motives, intelligence, and general equipment qualify it to work the same system better. I don't suppose there is a member of its Front Bench who could describe in detail a single industrial process; still less, perform it.

It is clear that the Labour Party has been captured. How?

I am inclined to think that, in ascribing the situation to bribery by the agency of large subscriptions to Party Funds (although this may be an essential factor) we are leaving something unexplained. From where does the continuity of Policy come? Why is it pursued in the face of universal dissatisfaction? While it is clear enough that Finance benefits, and some Financiers, there is far too much support for, or at any rate passive acquiescence in, policies quite outside the range or understanding of either the average politician or the average banker, and too much opposition from the most unexpected quarters to, for instance, Social Credit, to accept simple greed as the only cause. We want a like to connect widely differing institutions, parties and classes in a common action or a common inaction. I think we can find it.

In *Le Moyen Age* (1922), M. Funck-Brentano writes:

"As the Templars had houses in all countries, they practised the financial operations of the international banks of our times; they were acquainted with letters of change, orders payable at sight; they instituted dividends and annuities on deposited capital, advanced funds, lent on credit, controlled private accounts, undertook to raise funds, taxes for the lay and ecclesiastical seigneurs."

The Knights-Templars, originally an association of Militant Crusaders of the highest reputation, were suppressed on charges of heresy, black-magic, sexual perversion and widespread sedition and anti-monarchism. They "became an *imperium in imperio*, which threatened the whole social system". The curious phenomenon of Rasputin at the time of the downfall of the Russian Empire has a resemblance to the influence which members of the Order were said to exert.

It is widely accepted that they became Freemasons, having learnt the secrets of the Craft in Palestine.

A short time ago I had an opportunity to discuss the present situation with an acquaintance uniquely well informed on current affairs. Rather unexpectedly, I asked him whether he had considered that Continental Freemasonry (The Grand Orient) had anything to do with the war. He changed colour perceptibly, and then said carefully, "I think the Grand Orient can start a war, but I don't think it can stop it". I think I can guess what he meant.

British Freemasonry is, of course, quite different, because we are always being told so. A little log-rolling, perhaps. This man moved into an important job for no obvious reason; that man never seeming to obtain normal promotion. No interference in politics whatever, you know.

Then why the secrecy and the tremendous oaths?

Freemasonry is international and worldwide. Its members comprise Dukes and draymen. Probably ninety-nine per cent of its members (including all the Dukes) have not the least conception of its objects, which its organisation is expressly designed to conceal. Its ritual and legend are purely Judaic. The connection of Jewish (and other) financiers with it is beyond dispute. Most probably it is the **mechanism by which policy selects its administrators, just as Finance is the mechanism by which the administrators recruit their servants and keep them obedient**, and there is evidence that its focus was in Germany, and has moved to the United States and Ireland.

The Jews were expelled from England in A.D. 1290 and the Knights-Templars in 1312. The Jews, who had financed Cromwell through Manasseh-ben-Israel, were readmitted by him, and it is at this time *circa* 1660, that we first hear of English Freemasonry. The Bank of "England" was founded in 1694, incredibly camouflaged in its authorisation, by "The Tonnage Act".

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We have now, perhaps, examined the main features of the contemporary situation sufficiently to obtain an intelligible picture of it.

In essence, it is not difficult to envisage. Out of the fog of the kind of history which Henry Ford described as "bunk", and of propaganda designed to encourage the faith which consists in believing what ain't so, there emerges the outline of a titanic struggle; a tripartite struggle in which, from its very nature, one side, that of the common man, has been, and indeed is, not merely unorganised in its own interests but largely unconscious of them; while another consists of highly intelligent and completely unscrupulous men, carrying on an internecine warfare throughout the ages for ultimate power. The present crisis is quite probably a culminating peak of this long struggle and we may see the emergence of a third party which perhaps has been overlooked.

To one group, the common man, with whom we may include all but a tiny fraction of the population of every country at every time is simply "cannon fodder". His place in the scheme of things is to be forced into functional associations — Armies, "Labour", Civil Services, etc. which can be swung like a club, and, on the whole, with as little comprehension as a club possesses as to the real objective for which it is swung. I do not believe that national boundaries have, for many centuries at least, been in any sense coterminous with any of these groups, or that, to one of them, the general well-being of the population has at any time been more than an unavoidable bribe to obtain the necessary acquiescence from national, as distinct from international "leaders".

Now it may be reiterated, that this forced functionalizing process, which alone makes the common man the collective tool of the Enemy arises out of the necessity for bed, board and clothes in security. Man wants much more than that. But afterwards, and the things he wants afterwards are most dangerous to the Enemy. So that the obvious policy is to keep him busy with bed, board and clothes in perpetuity.

Perhaps the first essential in considering this situation is to bear steadily in mind the idea of continuity. To repeat Clausewitz (and to emphasise the permanently "military" nature of the problem) was "the pursuit of policy by other means". Not necessarily the policy of those who fight the war. But certainly the policy of those who promote war, either actively, or passively by opposing the rectification of those factors which force aggression; all of which, I think, can be traced to those who are in control of the international financial system, and other international forces.

That is to say, it is an elementary error to regard the course of events as being normally peaceful, but, regrettably, punctuated by wars.

It is, of course, nothing of the kind. In the present war, the blockade of Germany merely differs in method, but not at all in kind, from "peaceful" trade competition. And the desperate penalties which Germany would exact from Great Britain and France, if the victory in the military phase of the war were to go to her, would merely be an intensified form of the treatment meted out to the vanquished by financial gangsters (of whom I am confident that Hitler is merely a tool) — obliteration or absorption, whichever

served best for instance the march of the Vanderbilts, Morgans, or Schiffs, towards "control".

To say that all this merely illustrates the universal depravity of man is to take refuge in one of those cheap generalisations which have been used to obscure the facts. So far from this being the explanation, on the contrary, it is the almost universal desire of mankind to be left to cultivate his garden which has made him the tool of the clever intriguer. Many years ago, I asked a cultured and highly competent American why he didn't go into politics. He replied that he was not squeamish but he had to draw the line somewhere. Which largely accounts for American politics.

The principles of organisation are so unfamiliar to those whose business does not involve a study of them that I must ask to be excused if I appear to labour the point:

THAT MODERN WAR IS IMPOSSIBLE WITHOUT CENTRALISATION, AND THAT THE OBJECT OF MODERN WAR is CENTRALISATION.

It is failure to grasp this fundamental truth which gives rise to such false antitheses as, for example, "monarchy or money-power", "socialism or capitalism".

Monopoly of Power is the Enemy, and all Power maniacs are His Servants. "All power [over men] corrupts, and Absolute Power corrupts absolutely." If Finance governs the State, the Banker is the Satanic incarnation. If the State is supreme, Socialism is the Devil. It is quite possible, as has been the case both in France and the United States for some time, to have two almost balanced Forces: in France, the "Comite des Forges" and "la Haute Banque" and, in America, Morgans and the Harriman, Kuhn Loeb Group, alternately using the State mechanisms to carry on a private war and, in the process, fostering the Right and Left, Fascist or Communist, "popular" movements whose leaders are invariably power maniacs — a statement which can easily be checked by a consideration of the individuals who represent such movements in Great Britain. In every case the result is much the same to the duped citizen, just as a "Liberal" or "Conservative" government in England or Canada usually means only a re-shuffle of Ministers.

The remedy is exactly what you would expect it to be, once it is admitted that the disease is monopolistic. It is de-centralisation.

There must be a very rapidly growing minority, if not already a majority, who, while not perhaps phrasing the matter in exact terminology, would agree with the essential contention. "But", they would say, "Nothing can be done about it. The whole trend is towards larger units, towards the suppression of individuality. You can't alter the trend of events".

That is exactly what it is hoped you will believe, so that your initiative will be paralysed. The use of the word "trend" to suggest a natural force against which it is useless to struggle is of Wall Street origin.

Now, if you were told that the trend of events was for motorcars to get smaller and smaller, and you had devoted any attention to the subject, you would probably reply "Up to a point, in England, yes, in America, no". And you would go on to explain that the artificially restricted British motorcar was the result of taxation which had practically ruined the British export trade in motorcars, and resulted in the Englishman having to pay as much for something a little larger than a perambulator, driven by a toy four cylinder engine, as the American pays for an eight cylinder limousine with a 120 H.P. engine. You would assert, in fact, that the "trend" was not natural, it was consciously produced. And you would possibly have something to say about the reputation for philanthropy built up on the money obtained by selling you a toy motorcar at the price of one of reasonable size, and then arranging that by taxation and high petrol profits, it costs you rather more to run than would a Rolls-Royce in America.

It is not too much to say that an International organisation having almost unlimited control of money, and in consequence, of the Press, can produce almost any "trend" which may serve its purpose. What it cannot do, however, is to avoid the natural consequences of the policies which it pursues.

Now, in a static world, the world in which world-Planners think, centralisation is a workable scheme. And it must be remembered that this Plan for world dominion is a very old Plan, and was conceived in a

world which was so nearly static that the India of say, the Mutiny, was, outside the towns occupied by Europeans, unchanged from that invaded by Alexander the Great.

In such a world, absentee management does not matter. All industry and agriculture was standardised, and the fundamental idea of government was not "interference in business", which is quite modern, it was simply "sacrifice", i.e. taxation.

But the modern world is not static, it is dynamic. The idea that it is possible to govern the intricate actions of large populations from one political centre is a chimera. You can try, however, and the results of trying to do an impracticable thing are visible everywhere.

It would be easy to demonstrate the hopeless inefficiency of absentee management in almost any sphere of human activity. Absentee management of the individual's credit has made him a proletarian; absentee management of his corn-milling has given him bread which his own doctor will tell him is barely fit for human consumption; absentee management of his right to bear arms in his own defence has taken the right from him, and landed him in the greatest war of all time.

While the press and radio, controlled by groups of financiers battling desperately for world power (so that, as they imagine, resistance will be futile) are using every artifice to convince us that the millennium awaits the inauguration of the World State, the emergence of what are, in my opinion, irresistible centrifugal forces, can be seen everywhere. The "United" States always held up as a shining example of the beauties of Federal Government, was probably never more disunited in the whole of its history, than it is now. Ireland is split into two halves; India seems strangely cold to the advantages of rule from Whitehall; the Canadian Provinces are more determined than ever that the powers of the Federal Government at Ottawa shall be drastically diminished, rather than extended; and the Australian States are in almost open revolt against Canberra.

About the Author

The late Clifford Hugh Douglas, M.I.Mech.E., M.I.E.E., consulting engineer, economist, author, and founder of the Social Credit Movement, was born in 1879 and died in 1952. Among other posts which he held in his earlier years were those of engineer with the Canadian General Electric Company, Peterborough, Canada; Assistant Engineer, Lachine Rapids Hydraulic Construction, Deputy Chief Electrical Engineer, Buenos Aires and Pacific Railway; Chief Engineer and Manager in India, British Westinghouse Company; Assistant Superintendent, Royal Aircraft Factory, Farnborough (England). During the First World War he was a Major in the Royal Flying Corps and later in the R.A.F. (Reserve).

After retiring from his engineering career, he and his wife ran a small yacht-building yard on Southampton Water for several years. The combination of beauty with functional efficiency in a successfully designed racing yacht had a special appeal for him. When he lived in an old water mill in Hampshire he used the water wheel to turn a dynamo which lit and warmed the house as well as providing power for lathes and other tools. Later, when he moved to Scotland, many of his friends and followers remember helping to build his small hydro-electric power house, sited on the local burn which ran through his land. Since decentralisation of economic power was of the essence of his teaching, it should be put on record that he practised what he preached.

One of his most interesting jobs, just before the 1914 War, was that of conducting preliminary experimental work and preparing plans and specifications for the electrical work on the Post Office Tube in London, with later supervision of the installation of plant in what was to be one of the earliest examples of complete automation in the history of engineering. While there were no physical difficulties about the work, he used to get orders from time to time to slow it up and pay off the men. When the War came, however, he noticed that there was no longer any difficulty about getting money for anything the Government wanted.

It appears that he was sent to Farnborough in 1916 to sort out "a certain amount of muddle" in the Aircraft Factory's accounts, so that he had to go very carefully into the costing. This he did by introducing what were then known as "tabulating machines" — an approach which anticipated the much later use of computers, and which drew his attention to the much faster rate at which the factory was generating costs as compared with the rate at which it was distributing incomes in the form of wages and salaries. Could this be true of every factory or commercial business?

Douglas then collected information from over 100 large businesses in Great Britain, and found that, in every case except in businesses heading for bankruptcy, the total costs always exceeded the sums paid out in wages, salaries and dividends. It followed that only a part of the final product could be distributed through the incomes disbursed by its production, and, moreover, a diminishing part as industrial processes lengthened and became more complex and increased the ratio of overheads to current wages. Unless this defect in monetary bookkeeping was corrected (which in his view was perfectly practicable) the distribution of the remainder must depend increasingly on work in progress on future products (whether wanted or not) financed by loan credit, export credits, sales below cost leading to bankruptcies and centralisation of industrial power, or by consumer borrowing. The result must be predictably disastrous — in fact, the modern dilemma between mass-poverty through unemployment and growing inflation, debt and monopoly, with waste of human effort and the earth's resources to maintain "full employment", requiring continuous economic "growth"

and economic warfare between nations leading towards military war.

This original engineer's approach, which regarded the monetary system much as Douglas, a former railway engineer, had regarded the ticket system, as a mere bookkeeping convenience for the efficient distribution of the product, was completely alien and unacceptable to the economic theorists of the day. Only one Professor of Economics (Professor Irvine of Sydney) expressed agreement with it, and he resigned his post shortly afterwards. This general condemnation by the economists was, however, along two different and contradictory lines, viz.: (1) that the cost-income gap was an illusion due to Douglas's failure to realise that the costs all represented sums paid out at a previous date as wages, salaries, etc. — ignoring the time factor which was the essence of his analysis; and (2) that it was, on the contrary, a glimpse of the obvious, of no significance whatever, since this was the immutable way in which the monetary and economic system must work for the stimulation of new production and the maintenance of the level of employment — i.e. ignoring Douglas's radically different objective of production for the consumers' use and not for "employment" or other monetary objectives.

When the Great Depression of the 1930's grimly confirmed Douglas's diagnosis and gave him a worldwide reputation and following, his critics explained that he had mistaken a temporary lapse for a permanent defect in the monetary system; but subsequent events have, by now, so continuously fulfilled his predictions that this criticism is no longer credible. Despite rejection by the Economic Establishment of the day, Douglas was called upon to give evidence before the Canadian Banking Enquiry in 1923 and the Macmillan Committee in 1930, and undertook several World Tours in which he addressed many gatherings, especially in Canada, Australia and New Zealand, and also at the World Engineering Congress in Tokyo in 1929. In 1935 he gave an important address before the King of Norway and the British Minister at the Oslo Merchants' Club, and in the same year he was appointed Chief Reconstruction Adviser to the "United Farmers" Government of the Province of Alberta, Canada, which later in the year elected the first Government to bear the title "Social Credit". The Canadian Federal Government, however, frustrated all attempts to implement Douglas's advice by disallowing the legislation, some of which was passed, and disallowed, twice; after which, although the Party remained in power for over 30 years, it progressively abandoned the principles on which it was first elected. It should be placed on historical record, as a precedent, that two "provincial dividends" of little more than token value, were nevertheless paid at one period to the citizens of the Province, and that, while still acting under the advice of Douglas's representative, the province paid its way without further borrowing, and drastically reduced the Provincial debt.

This diversion of Douglas's ideas into the dead-end of Party politics has received far more publicity than the original and experimental approach to politics which is signposted in his later speeches and writings from 1934 onwards, notably in his five major speeches in England: *The Nature of Democracy*, *The Tragedy of Human Effort*, *The Approach to Reality*, *The Policy of a Philosophy*, and *Realistic Constitutionalism*. In 1934 a Social Credit Secretariat was formed under his Chairmanship, which started an Electoral Campaign involving the use of the vote for purposes desired by electors rather than by Parliament or the political Parties. This was followed by a highly successful Local Objectives Campaign along similar non-party lines, and a Lower Rates and Assessments Campaign which saved the British ratepayers many millions of pounds without loss of services, by reducing loan charges. The Second World War put an end to these activities on an organised national scale, and dispersed them, with the Social Credit Movement, into a decentralised force, better

adapted to the present crisis of World centralisation.

In the final phase of his life, roughly from 1939 to his death in 1952, Douglas consolidated his ideas in depth, contrasting very clearly the philosophy which underlies them with that which activates the Monopoly of Credit. Although the best known of them, which have already exercised considerable influence in the World, lie in the economic sphere: the concepts of real credit, the increment of association and the cultural inheritance, and the proposals of the National Dividend and the Just or Compensated Price — his political ideas, though as yet little known, are if anything of greater importance. They were always worked out with a characteristic practicality, taking account of the feedback from the course of events. No one else has thrown so much light on the true nature of democracy, as distinct from the numerical product of the ballot box; on the need for decentralised control of policy and hierarchical control of administration; on the freedom to choose one thing at a time, on the right to contract out, on the Voters' Policy and the Voters' Veto. In his last address, given in London to the Constitutional Research Association in 1947, he put forward his last proposal for the rehabilitation of democracy: the Responsible Vote, in which the financial consequences of his open electoral choice would be, for a time, differentially paid for by the voter in proportion to his income — a literally revolutionary suggestion which demands an inversion of current ideas about anonymous, irresponsible, numerical voting.

Hugh Gaitskell, a former Leader of the Labour Party, once sarcastically described Douglas as "a religious rather than a scientific reformer". Perhaps he was more right than he knew! It may be that Douglas's thinking on the subjects of philosophy, policy and religion, and the special meaning he gave to those words, will turn out to be his most valuable contribution to the restoring of the link between religious belief and the principles which govern Society. In his view, a "philosophy", i.e. a conception of the universe, always expresses itself as a "policy" — a distinctive long-term course of action directed towards ends determined by that "philosophy". "Religion" (from the Latin *religare*, to bind back) is not just a set of beliefs such as are expressed in the Christian creeds (which constitute a "philosophy") but is precisely the "Binding back" of these ideas to the reality of our lives, not only individually, but in the political and economic relationships of our society.

The policies of centralisation and monopoly now being imposed upon the World through the closely related agencies of Finance-Capitalism and Marxist Socialism derive from a "philosophy" fundamentally different from, and opposed to, that of Trinitarian Christianity, which was, however imperfectly, expressed in our Constitution, our Common Law, and the progress towards personal freedom which had been made, especially, in Britain and the Commonwealth. At the time Douglas first put forward his ideas and proposals for carrying forward this traditional policy to its next stage, its Christian basis could be taken for granted as mere "commonsense". Now, that can no longer be taken for granted, and it has become necessary consciously to distinguish the policies at work in our Society, and to relate them to the fundamental beliefs which gave rise to them. In this sense, therefore, "Social Credit" is the social policy of a Christian "philosophy"; and before the end of his life, its founder made this explicit, rather than, as in its beginnings, implicit.