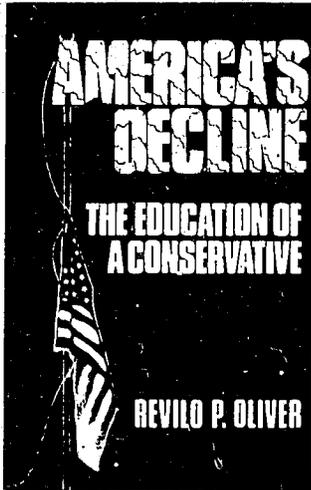


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defacement of our civilization, Dr. Oliver has long insisted that the fate of his countrymen hangs on their willingness to subordinate their doctrinal differences to the tough but idealistic solidarity which is the prerequisite of a Majority resurgence.

SOME QUOTABLE QUOTES FROM "AMERICA'S DECLINE"

On the 18th Amendment (Prohibition): "Very few Americans were sufficiently sane to perceive that they had repudiated the American conception of government and had replaced it with the legal principle of the 'dictatorship of the proletariat,' which was the theoretical justification of the Jews' revolution in Russia."

On Race: "We must further understand that all races naturally regard themselves as superior to all others. We think Congoids unintelligent, but they feel only contempt for a race so stupid or craven that it fawns on them, gives them votes, lavishly subsidizes them with its own earnings, and even oppresses its own people to carry their favor. We are a race as are the others. If we attribute to ourselves a superiority, intellectual, moral, or other, in terms of our own standards, we are simply indulging in a tautology. The only objective criterion of superiority, among human races as among all other species, is biological: the strong survive, the weak perish. The superior race of mankind today is the one that will emerge victorious—whether by its technology or its fecundity—from the proximate struggle for life on an overcrowded planet."

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Modern Taxation is Legalised Robbery

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George P. Dietz, Editor & Publisher

Should The FED Be Dethroned?

by
Allan Callahan

*"Nothing but money counts nowadays; it wins honors,
it wins friends; everywhere the poor man is down."*

— Ovid

THE *Tennessee Professional Builder*, for its Jan.-Feb., 1982 issue, had for its cover a WANTED poster of Chairman Paul Volcker and the other six governors of the Federal Reserve System. This construction-trade publication charged "THE MALEFICENT 7" with "premeditated and cold-blooded murder of millions of small businesses" and "kidnapping (and holding for ransom) the American dream of home ownership."

Ever since its birth, under rather mysterious circumstances, in 1913, the Federal Reserve System has been controversial, and there have always been a few voices raised in favor of abolishing it altogether. But with our economy in its present condition, and our alarmingly increasing debt structure, the voices are now increasing in number. "A great counterfeiting ring," is the way it is described by some critics. Others say it is nothing short of legal plunder at the point of law, with the fountain pen replacing the gun. And not a few have pointed out the fact that it has not lived up to the thing most expected of it—the prevention of "business cycles." And though public feeling against the Fed has not turned into a groundswell, it is quite possible that this may happen, and result in Congress doing away with the Fed entirely. Although it was given autonomy at its birth, still it was created by Congress, and whatever Congress creates it can also destroy. It should be remembered that the First and Second Banks of the United States bit the dust when their charters expired. And a modern President of the U.S., should he become sufficiently wrathful, might behave as President Andrew Jackson once did. Old Hickory, sorely provoked by the machinations of the big bankers of his era, roared in outrage: "You are den of vipers and thieves. I intend to rout you out, and by the eternal God, I will rout you out!"

It should be noted that the Federal Reserve is really not "federal" at all. The Federal Reserve Banks are *private stock corporations*. It is true that Congress handed over to them the power to manage our money, but that still does not make them "federal." A private dry cleaning establishment, if given the job of cleaning the robes of the Supreme Court Justices, would not thus become the "Federal Dry Cleaners;" nor would a private car wash, delegated to washing government limousines, become the "Federal

Car Wash."

In the beginning, supporters of the Federal Reserve said that, if this system were put into effect, there would never be another depression; but if one did begin, the Fed, with its great powers and efficiency, would quickly nip it in the bud. Yet, sixteen years later, the greatest depression in our history began, and it was not "nipped in the bud" either. In fact, the Great Depression went on for more than ten years, not really ending until the military spending (and debt-building) of WW II laid it to rest. Until the war came along, the puny efforts of the Fed were like "pushing on a string." They were fruitless.

Of course, the Fed still has many who more or less defend it. Some think it is doing a tolerably good job. Others allow that it is doing a poor job, but believe that it is still a better job than Congress could do, if it took over the creation of money itself, as is called for in the Constitution. Their feelings could be summed up in the comment of Senator Jake Garn: "I'll be darned if we are going to put Congress or the Administration in charge of monetary policy. I don't think we want people who so badly mismanaged the fiscal policy of this country to manage the monetary policy." Those who share his views fear that, if Congress—pulled this way and that by special interest groups—were to take over the printing of money, it would quickly bring down the roof, and they are grudgingly willing to let the independent Federal Reserve continue to create our money, and exact its "pound of flesh" as tribute.

But what of its "successes;" our periods of "prosperity" that have occurred since 1913? Can the Federal Reserve take credit for these? Possibly, if you call prosperity built upon debt a good thing. And if we examine these periods, we will see that this is more or less what has happened. Now, how can debt-building be good for a nation, if it is risky for an individual? If a man with no assets goes out and buys a new car, a new wardrobe, and a bunch of other things, all on credit, can we say that he is "prosperous?"

Of course, we had debts in the nation before 1913, but they were small compared to what we have had since the Federal Reserve System came into being. Since then, debts have become institutionalized. Still, some economists profess not to be worried by our gigantic debt structure, saying it is not out of line when compared to our Gross National Product. But the Fed itself must be at least a little bit worried, because it has brought on all of our recessions by restricting credit. To appreciate the irony of this, we should understand that the Federal Reserve is trying to prevent the economy from running amuck by hamstringing it.

One question that has never been satisfactorily answered, as far as I know, is why the Fed was established under so much secrecy to start with? If the big money men, who originally set it up, were such great public benefactors, then why all the *bush-bush*? Spies in an enemy country would hardly have acted differently.

On the night of November 22, 1910, Senator Nelson Aldrich (himself a big money man) prepared to surreptitiously board his private railway car,

with some other magnates, at the station at Hoboken, New Jersey. However, the newspapers had been tipped off that something big was about to happen, and a crowd of reporters were waiting at the station. But Aldrich would not answer a single question asked by the reporters, nor would any of his companions. They brusquely pushed on through them and boarded the train. They left, with shades drawn, on a secret 1,000-mile journey to Jekyll Island, Georgia. With Aldrich were Frank Vanderlip, Henry P. Davison, Charles D. Norton, Paul M. Warburg, Benjamin Strong, and several lesser lights. Vanderlip was president of National City Bank of New York, which represented the interest of Rockefeller and Jacob Schiff. Davison represented J. P. Morgan, and Warburg represented Kuhn-Loeb. Norton was president of Morgan-owned First National Bank of New York, and Strong was a Morgan lieutenant. These money moguls stayed nine days at a secluded hunting club owned by J. P. Morgan.

The charge of great secrecy in planning the Federal Reserve System is no loose charge, but was admitted by Vanderlip himself, although many years elapsed before the admission came. In an article in the *Saturday Evening Post*, in 1935, he admitted that he was "as secretive, indeed as furtive, as any conspirator" in his role in the affair, and, of course, so were the others. Furthermore, Vanderlip stated in his autobiography, *From Farmboy to Financier*, that "our secret expedition to Jekyll Island was the occasion of the actual conception of what eventually became the Federal Reserve System."

The secrecy was carried to extremes. When the men arrived at Jekyll Island, on the estate of J. P. Morgan, they gave the regular servants at the club two weeks vacation, and brought in new ones for the occasion. They allowed no visitors, and were so anxious to keep their identities secret from their temporary servants that they made a rule among themselves that they would call each other by their first names only.

Twenty-five years later, in the aforementioned *Post* article, Vanderlip did make a brief attempt to defend the secrecy when he said that it would have been "fatal" to Senator Aldrich's plan to have it known that "anybody from Wall Street" was there to help him with his momentous work. But this lame explanation is both unsatisfactory and unconvincing, and leaves still more unanswered questions. If the public didn't trust Wall Street, then why not? Was this distrust justified? We can also ask why these big money manipulators didn't *first* present their plan to open debate in the House and Senate? Why didn't they take their case directly to the people, who stood to be so directly affected by the whole thing? There is little doubt that these moguls knew full well that, if the truth were known, the public wouldn't buy it. Henry Ford once said: "If the people of this country knew how their money was being handled, there would be a revolution tomorrow morning."

Up until 1913, Vanderlip had gone on record as favoring greater publicity for the affairs of corporations, yet, here he did a complete flip-flop. There are only two plausible explanations: either he thought the

American people were too dumb to understand the thing he and his partners in crime intended to create, or else they had something to hide. It doesn't take any great genius to figure out that their creation was designed primarily to benefit their own banking crowd, rather than the public.

Who actually owns the FRS? As already pointed out, the Government does not. Nor do the member banks own it; at least not in the usual sense. They do have stock in it, but their stock carries no proprietary interest—and thus no vote. McChesny Martin, a former Chairman of the Fed—in response to a question put by Congressman Wright Patman of the Banking Committee in 1956—said, “The Banks do not own the Federal Reserve System.”

If Martin knew what he was talking about (and he should have), then the *real owners* of the Fed make up an esoteric group whose existence is one of the best kept secrets around. A few who have pried into the matter have come to the conclusion that about 300 people actually own our central bank; most are known to each other, and are said to comprise a world-wide banking cartel of wealth and power that would boggle the mind. Many are foreigners [*Foreign Jews, to be exact. —Ed. LB*]. These Masters of Money control the principal banking houses in the West, and operate an interlocking system. Listed are: Warburg Bank of Amsterdam and Hamburg; Rothschild Bank of London and Berlin; Lehman Brothers of New York; Lazard Brothers of Paris; Kuhn-Loeb Bank of New York; Israel Moses Sief Banks of Italy; Goldman-Sachs of New York, and the Rockefeller Chase Manhattan Bank.

Of course, the FRS spokesmen deny this. But if it's true, one can see why they would not want the facts to become known.

Another thing they tell us is that the Federal Reserve Banks are not operated for a profit, and they return to the U.S. Treasury all earnings in excess of operating and other expenses, plus statutory dividends paid on stock owned by member banks. This all sounds fine, until we remember that the excess money returned to the Treasury was all created out of thin air, and at no cost other than the cost of the paper and ink used in the printing process, to start with, and that the Treasury could just as well have created the money itself.

Fed spokesmen also maintain that their banks “generate their own income primarily from interest earned on government securities that are acquired in the course of Federal Reserve monetary policy actions.” What they do not make clear is that these securities are also created out of thin air, just as are Federal Reserve Notes and “checkbook money.” When one is using air for building materials, along with a bit of paper and ink, one can afford to be generous and return a little to the Treasury.

If the Fed was really doing a bang-up job of managing our money and was staffed with financial geniuses, we might not begrudge its skimming a little cream off the top for expenses and even making a small profit, but obviously this is not the case. Instead, we have had one depression, a number of recessions, and now are saddled with a staggering national debt

continued on page 61

The Liberty Bell

The Brutal Truth about Inflation and Financial Enslavement

THE FEDERAL RESERVE BOARD

The most Gigantic Counterfeiting Ring in the World

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by Ben Klassen

How to Steal the World With Worthless Paper

IF YOU WERE to rack your brains to find the most direct, fastest means of acquiring a monopoly of all the wealth in this world, by fair means or foul, undoubtedly the idea of setting up a gigantic money printing press would cross your mind. In short, go into the counterfeiting business on a massive, worldwide scale.

What is quicker than having such huge printing presses spewing out millions of ten dollar notes, twenty dollar notes, fifties, hundreds, even thousand and ten thousand dollar notes? It is all profit, except for the ink and paper, which, incidentally, costs less than half a cent per note, whether it is a one-dollar bill or a thousand-dollar bill.

There is only one catch, supposedly. Counterfeiting is illegal, and governments crack down hard on violators and the penalties are harsh. In fact, the Founding Fathers of the United States, realizing the AWESOME POWER that is INHERENT IN THE ISSUANCE OF MONEY, clearly reserved these rights to Congress and Congress alone. Article 1, Sec. 8, Par. 5, of the Constitution of the United States says, “Congress shall have the power to coin money, and regulate the value thereof.” But what if you and your gang were so highly successful that once you got going you not only owned the presses, but you had ample money to have a monopoly of the news media, and, subsequently, own the government as well? Having

done so, your captive government could then make it legal for you to own and run the printing presses at will. They could then spew out the money for you by the carload. Not only that, but you could insure your great good fortune by having the printing presses run for you under the legal auspices of the established government itself and hand over all the printed money to you, free of charge, except, again, for the insignificant cost of the paper and the ink. Not only would your captive government make it legal for you to be in the counterfeiting business in a huge way, but you could even have them give you a legal MONOPOLY, thereby keeping all other competitors out of your racket. Wouldn't that be great?

A wild idea, you say? Perhaps. But not at all impossible. Not only is it possible, but it is an accomplished fact. It is, in fact, a harsh, cold reality, much to our detriment. Those crisp green bills you are now carrying in your wallet are the product of such a counterfeit ring. The International Jewish Bankers accomplished that wild dream back in December, 1913, when they inveigled Congress to pass the FEDERAL RESERVE ACT and thereby created the Federal Reserve System, a private (not government) corporation, for themselves.

This Jewish gang of criminals has rapidly been accumulating unto themselves, not only the wealth of the United States, but of the world, ever since. Strange, you say? Not at all! It is not really so strange that they would try to do so. Being a rapacious, piratical tribe for the last several thousand years, and having manipulated the money of the world for the same period of time, it is not at all strange that the Jews would try to monopolize the creation and control of money, the most powerful tool in the world. IT WOULD BE STRANGE IF THEY HAD NOT ATTEMPTED TO DO SO. They have been monopolizing money and the financial control of White nations for millennia. The thing that is strange is that the White goyim has not caught on and realized that the Jews have captured for themselves the money-creating machinery of the United States, and also the rest of the world.

Federal Reserve — A Private Jewish Mafia

There is not one American in ten thousand that doesn't believe and take for granted that the Federal Reserve System is a government agency. But nothing is further from the truth. THE FEDERAL RESERVE BANKS ARE OWNED—LOCK, STOCK AND BARREL—BY A CRIMINAL GANG OF INTERNATIONAL JEWISH BANKERS, a gang that hasn't the slightest interest in serving the best interests of the American people. On the contrary, this scurvy gang of criminals is viciously intent on destroying the White Race that built America, despite the fact that the White Race is the only element that can keep America (and the world) from collapsing into chaos.

The Federal Reserve System, the Federal Reserve Banks, and its many branches and adjuncts, can be considered as a unit. For the sake of simplicity, we will simply refer to it as the FEDERAL RESERVE.

Not only does the U.S. Government not own the Federal Reserve, it is,

in fact, the other way around. THE FEDERAL RESERVE OWNS THE U.S. GOVERNMENT and manipulates it like a puppet, solely for the interests of this avaricious international gang of Jewish jackals, who control the world, its money, and its economy.

To most Americans, this comes as a major shock. Unbelievable, they say. Ask any banker as to who owns the Federal Reserve and they will lugubriously explain that the Federal Reserve stock is owned by the member banks, divided into twelve districts, that the President appoints members to the Board of Governors of the Federal Reserve, etc.

All this is partially true—as far as it goes, but it is pure window dressing. The few details about the Federal Reserve that are known are widely disseminated. Their sole objective is to act as a smoke screen for the real ownership, the real control. What little is known to the public (and very little is known about the Federal Reserve) is very selective non-information, fed to the local bankers in order to confuse them rather than inform them. Even most local bank presidents are so ignorant about the real nature of the Federal Reserve that they believe it is a government-owned agency rather than a privately-owned corporation solely for profit.

The Brutal Facts

The real facts are somewhat different from what the average banker thinks. The are as follows:

1. The real ownership and control of the Federal Reserve is vested in the Class A stock. The names of those owning this stock are impossible to obtain. Ask your local bank president and he'll be much surprised to find out there is a Class A stock. He will not have the slightest inkling as to its ownership. He is not alone. Those names have never been divulged, not even to the President, or the Congress of the United States. Nor has any Congressional Committee ever had the nerve to honestly investigate the question of that ownership. This should give us some indication of the Federal Reserve's power, and raise a red alert.
2. Its inception, formation and dovetailing with other such institutions in foreign countries indicates that without a doubt it is owned by a powerful clique of International Jewish Bankers, most of whom are not even citizens of this country.
3. To further indicate what absolute power this monster exercises over our government and economy, the Federal Reserve has pre-empted unto itself some unusual and highly illegal privileges. For instance, it pays no income tax as do other corporations, nor does it pay taxes of any other kind.
4. The Federal Reserve has never been publicly audited since its inception in 1913.
5. The Federal Reserve, by having the power to issue money, can "create" money as easily as any other counterfeiting gang with a printing press, the only difference being that it can and does do so on a massive scale and has "legal" sanction to do so. The tremendous profits

from this counterfeit operation all accrue to the International gang of Jewish Bankers, at the expense of the working people.

6. America, a little over a generation ago, owned nearly half the gold of the world. In 1934, Roosevelt, a shabbas-goy, a willing stooge for the Jews, made it illegal for American citizens to any longer own gold, although any foreign swindler, horsethief, or government could, and still can, exchange their dollars for American gold. He made statutory criminals out of American citizens for owning gold, a privilege our government willingly grants to any foreign horsethief.

Thanks to such discriminatory policies, neither the American Government nor the American citizen any longer own any significant quantities of gold. We have been fleeced clean. What was originally sold to the American people as a policy to back our paper money with gold, has ended up with America, its people and its government being robbed clean of its precious metal, although we are the most productive country on the face of the earth. The gold in Ft. Knox is rapidly being shipped to foreign shores, especially Switzerland, which the Jews have built up as a private "neutral" haven.

Even what little is now left in Ft. Knox is now heavily overpledged for foreigners and to the Federal Reserve.

After having completely stripped clean the American people, in 1975, the Jew-controlled government of the United States again made it "legal" for the ordinary citizen to own gold. Americans could now buy back for \$175.-\$195. an ounce, what had been taken from their ancestors at \$20.50 an ounce 40 years earlier. Those who fell for this trap and now bought were further fleeced by speculation and falling prices, all of which further enriched the Jewish speculators.

So, in 1976, very few Americans own gold, or care to own it, being wary of being fleeced again and again.

This is no accident. It was planned that way. The Jews have accomplished what they set out to do—accumulate unto themselves, among other riches, all the gold on the face of the earth.

Origin of the "Fractional Reserve" Gimmick

In the foregoing we have said that the Jews have a monopoly on printing counterfeit money and have also fleeced us of the huge gold reserves once owned by America, and Americans as individuals. To most gullible, uninformed Americans, this seems shocking and incredible. Yet, it is true. How did they accomplish such an astonishing feat, such blatant piracy?

It is a long story. In this treatise we can only carve out the rough outlines of this sinister conspiracy that has had such a disastrous impact on the fortunes of the White Race. It is a story that must give credit to the astounding possibilities that can be accomplished by meticulous planning, patience, and tenacity. All this the Jews have put forth in ample measure.

The beginnings go back to the early ancestors of the present-day Jewish bankers, back as far as medieval Europe, and even further back to ancient

Rome, when the Jewish "goldsmith bankers" already predominated in the money market. They still do today. Gold has been a medium of exchange and used for coinage from ancient times. The Jews, especially, have been wildly fascinated by gold and have undoubtedly *promoted the idea that it had mystical and intrinsic values for beyond its real value*. In any event, in the old days, people who acquired gold took it to these certain (Jewish) goldsmiths for safekeeping. The goldsmith then gave the depositor a receipt or a "claim check" for the gold received. The "claim check" could be used to reclaim the gold by anyone who had it in his possession, and not necessarily the same person who deposited the gold. Thereby, these receipts were transferrable and, in actual practice, these receipts for gold began to circulate as paper money. Supposedly, the receipts were as good as gold since whoever had them in their possession could claim the gold from the goldsmiths at any time they wished.

So far, so good. The next step was that people learned they could carry on trade and commerce by passing these goldsmith's receipts without ever bothering to draw out the gold itself. Their "faith" in the value of the paper was based on the idea that it was, after all, redeemable in gold at any time.

The third step was a discovery by the Jewish goldsmiths themselves of what has been the KEY PRINCIPLE (and a very profitable one) of banking ever since.

It is called "FRACTIONAL RESERVE."

The Jewish goldsmiths made an amazing discovery. They found that with receipts circulating as money, few people came in to claim their gold. They conceived the idea that they could "loan out" the gold, at interest, gold that really did not belong to them, but was only in their "safekeeping."

What they did was write out receipts, or "claim checks," to borrowers, and charged interest on the gold they were loaning at the same time. These "claim checks," or receipts, created out of thin air, then, too, passed into circulation, the same as the others that had been given to actual depositors of gold. The Jew, in actuality, was writing out and passing *claim checks on several times as much gold as he had available*, and nobody, it seemed, was the wiser.

The goldsmith was lending out gold that was really not his to lend. But with the calls for the actual gold by the original depositors being so infrequent, he felt relatively safe that with his "fractional reserve" of gold that he could cover any day-to-day withdrawals. He could do so, provided, of course, there was not a "run" on the gold supply that was not his, but only given to him for "safekeeping." The goldsmith, in other words, was writing receipts for perhaps five or ten times as much gold as he had actually on deposit, betting on the theory that most of his depositors would not come to claim their gold at any given time. But the interest he was collecting on the gold he had "loaned out," but did not really have, was very real indeed. For instance, if he charged 10% interest a year, and loaned out (via "receipts") ten times as much gold as he had for

"safekeeping," he could acquire for himself, in only a year's time, as much gold as was entrusted to him for "safekeeping."

And thus, even in medieval Europe, these Jewish shylocks acquired a monopoly of gold and money in Venice, in Amsterdam, in London, Paris, Vienna, and all other financial centers of Europe.

Throwing the money monopoly and control of gold into the hands of the Jewish Shylocks was strongly aided and abetted by the Christian Church itself. During the Middle Ages (better known as the Dark Ages, when spookcraft ran rampant), the Catholic Church forbade Christians from engaging in the loan business and called "usury." Since lending money was usurious, and usury was a sin, Christians were shut out, leaving the field wide open to the usurious and pecuniary Jew. Added to this was the stupid Christian Doctrine that "money is the root of all evil."

One further European practice of the time helped drive the Jews into the money manipulation monopoly. Many countries, cities and principalities had laws prohibiting Jews from engaging in a number of trades and businesses, because they were aware of how, because of his rapacious nature, the Jew soon monopolized and ruined those trades and businesses. But, foolishly to the key, the *nerve center of business-money*, they left the gates wide open for the Jew to monopolize, and he had a field day. He has to this very day, and today he not only has unchallenged control of the money markets of the world, but because of it, the Jew has a monopoly of every other meaningful and worthwhile business as well.

Often these Jewish goldsmiths charged their clients both ways. They charged the depositors "fees" for "safekeeping" their gold, and they collected interest from the borrowers of gold that did not belong to them; often, as we have stated before, lending out in the form of paper receipts five or ten times as much gold as was actually on deposit in their vaults.

From this "fractional reserve" trickery, discovered by these early Jewish goldsmiths, all modern banking principles have evolved, albeit with thousands of variations and refinements.

The modern banker still fears, as did the ancient goldsmith, a "run" on his bank, a time of panic, or rumor, regarding their integrity or stability that sometimes caused all depositors to rush in and withdraw their deposits at the same time. When this happened to the early goldsmith, and happen it did, the enraged depositors, finding their gold was not there, usually hanged such Jewish manipulators from the nearest tree. In old Amsterdam, a Jewish goldsmith proposed a law making it a hanging offense for anyone starting a "run" on a goldsmith. This immediately alerted his depositors and precipitated just such a "run" on him, the very thing he feared. Of course, this Jewish shylock had far too many "receipts" out and could not pay. The depositors ended up hanging the goldsmith.

Needless to say, those Jewish goldsmiths that were not hanged became fabulously wealthy by trafficking in gold that (a) was not theirs, and, (b) did not exist. As time went on, through fees, interest and usury sometimes as high as 30% to 50%, they acquired most of the gold that had been

earned and owned by their Gentile clients. They soon became the Shylocks and money lenders, not only to individuals in all the civilized countries, but also to their governments. They have vigorously and aggressively maintained, enhanced, and strengthened that position to this very day. They have now, as we said in the beginning, acquired absolute monopoly of all banking, issuance of money, financing, money lending, stock markets, and the gold of the world. It is their most powerful weapon. With it, they have acquired their remaining weapons with which to enslave the gullible goyim. Through monopoly of money, they easily acquired monopoly of the means of propaganda, and every other nerve center of power, including government itself.

President Wilson, U.S. Congress Combine in Treachery

We now want to get back to the last part of our story—namely, how the Jews acquired "legal" control and monopoly of printing the money of the United States, by setting up the Federal Reserve System. We can see from the foregoing that the foundation for this financial grab was laid many centuries before that fateful day in December of 1913.

It is a fascinating story, permeated by treachery, deceit, bribery, trickery, and, above all, long, patient, and intricate planning on the part of the Jews. It is also marked by stupidity and betrayal by members of our own race.

The International Jewish Bankers, mainly based in New York, already had a tight monopoly over the money supply of the United States. The House of Rothschild, long ago, had established their tentacles in the industrial countries of Europe, especially England, France, Germany, and Austria during the 19th century. In each of these countries (as well as the smaller nations), they had organized a Central Bank System, such as the Reichsbank in Germany, or the Bank of England in Britain. Basically, a Central Bank meant that it controlled the country's banks, using the full credit of the government to issue money. All the while it had the legal sanction of that same government whose people it was fleecing by having a monopoly on issuance, i.e., printing money.

In the United States, prior to the passage of the Federal Reserve Act in 1913, whereas the Jewish bankers had had control of the nation's money almost from its inception, that control was still fluid amongst its own rivals and could be wrecked by an aroused people and/or Congress. In fact, during the Civil War, in a temporary lapse, Abraham Lincoln invoked the legitimate powers of Congress and issued 356 million dollars in printed currency, later called "GREENBACKS," that did not derive through the hands of the International Jewish Bankers, and no interest was paid on this money. This single act so enraged the Jewish Bankers that they had Lincoln assassinated by one of their agents, namely Botha, alia John Wilkes Booth, a Jew.

In any event, after the Civil War, due to the manipulations of these Jewish bankers, who had artificially created the financial panics of 1873, 1893, and the severest of all, in 1907, there were serious rumblings from

the people, and from some uncontrolled members of Congress, threatening that the Jewish power might be broken.

To ward off such a possibility, they decided to "legalize" their unconstitutional shenanigans by Federal Law — all in the name of "reform against New York Bankers." This was reverse psychology at its best.

To lay the ground work for such a law, a small clique of bankers, headed by Paul M. Warburg, a Jew, recently arrived from Germany, met secretly on Jekyll Island, Ga., at a plush hunting club. They left in a private railroad car from Hoboken, N.J., on Nov. 22, 1910. So secretive was the meeting, no news about it leaked out until six years later.

With this small gang of New York bankers was one Senator, Sen. Nelson Aldrich [an uncle of the late Governor of New York, Nelson Aldrich Rockefeller], himself entangled with the Jews in vast holdings and monopolies. Paul M. Warburg had come from Germany only eight years earlier. He represented the Banking House of M.M. Warburg Company of Hamburg, which controlled the Reichsbank in Germany, and, in turn, was a branch of the Jewish Banking House of Rothschild.

It was Mayer Amschel, the patriarch of the House of Rothschild, who arrogantly stated, "Give me control over a nation's money and I care not who makes its laws." The Jewish House of Rothschild has made good that boast and now controls the economies (and the law-making) of the world.

Under Paul Warburg's leadership, the small clique at Jekyll Island hammered out the main draft of a bill that would secure for themselves the legalized and privileged monopoly of banking, based on the same systems as the Central Banks of Europe. At the heart of it all was the unrestricted printing of money, and having sole monopoly.

It was introduced into Congress as the Aldrich Plan by the senator whose name it bore, under the auspices of the Republican Party. The bill was roundly attacked by opponents of Wall Street as being a bill favoring the New York bankers.

In the elections of 1912, the Republicans made the Aldrich Plan (all in the name of reform) a part of their official platform. An unknown university professor by the name of Woodrow Wilson, suddenly, out of nowhere, became the Democratic candidate for President. He and the Democratic party roundly attacked the Aldrich Plan and offered in its place a piece of legislation that (supposedly) was "for the people" instead of the bankers. It was called the Federal Reserve Act. Although Congress and the people were too stupid to realize the situation, the "opposition" plan was in essence the same Aldrich Plan, as hammered out by Jew Paul Warburg and his henchmen, at the secret meeting on Jekyll Island. There was some honest opposition to the bill by such stalwarts as Congressman Charles A. Lindbergh from Minnesota, and Senator LaFollette of Wisconsin, and others. Passage of either the Republican version or the Democratic version was precarious, despite loading the coin on both sides.

But the treachery and cunning of the Jews is almost infinite. They bided their time. On December 23, 1913, when most of the Congressmen

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LOUIS EVEN

The Money Myth exploded

Modern Taxation is Legalised Robbery



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The Money Myth exploded

Louis Even

Translated from the French by Earl Massecar

1. Shipwreck Survivors

AN EXPLOSION had blown their ship apart. Each one grasped the first bit of wreckage that came to hand. And when it was over, there were five left, five huddled on a raft which the waves carried along at their will. As for the other victims of the disaster, there was no sign of them.

Hour after long hour their eyes searched the horizon. Would some passing ship sight them? Would their make-shift raft find its way to some friendly shore?

Suddenly a cry rang out: "Land! Look! Over there, in the direction the waves are carrying us!"

And as the vague silhouette proved itself to be, in fact, the outline of a shore, the figures on the raft danced with joy.

They were five, five Canadians. There was Frank, the carpenter, big and energetic. It was he who had first cried, "Land!"

Then Paul, a farmer. You can see him, front and left in the picture, on his knees, one hand against the floor, the other gripping the mast of the raft.

Next is Jim, an animal breeder; he's the one in the striped pants, kneeling and gazing in the direction of land.

Then there is Harry, an agriculturist, a little on the stout side, seated on a trunk salvaged from the wreck.

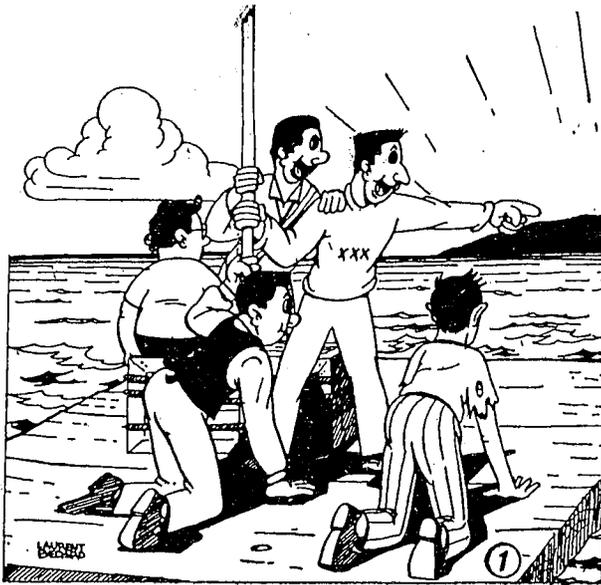
And finally Tom, a prospector and a mineralogist; he is the merry fellow standing in the rear of the picture with his hand on the carpenter's shoulder.

2. A Providential Island

To our five men, setting foot on land was like returning to life from the grave.

When they had dried and warmed themselves, their first impulse was to explore this little island on to which they had been cast, far from civilization.

A quick survey was sufficient to raise their spirit. The island was not a barren rock. True enough, they were the only men on it at the moment.



But judging from the herds of semi-domesticated animals they encountered, there must have been men here at some time before them. Jim, the animal breeder, was sure he could completely domesticate them and put them to good service.

Paul found the island's soil, for the most part, to be quite

suitable for cultivation.

Harry discovered some fruit trees which, if properly tended, would give good harvests.

Most important were the large stands of timber embracing many types of wood. Frank, without too much difficulty, would be able to build houses for the little community.

As for Tom, the prospector, well, the rock formations of the island showed signs of rich mineral deposits. Lacking the tools, Tom still felt his ingenuity and initiative could produce metals from the ores.

So each could serve the common good with his special talent. All agreed to call the place Salvation Island. All gave thanks to Providence for the reasonably happy ending to what could have been stark tragedy.

3. True Wealth

Here are the men at work.

The carpenter builds houses and makes furniture. At first they find their food where they can. But soon the fields are tilled and seeded, and the farmer has his crops.

As season followed season, this island, this heritage of the five men, Salvation Island, became richer and richer.

Its wealth was not that of gold or of paper banknotes, but one of true value; a wealth of food and clothing and shelter, of all the things to meet human needs.

Each man worked at his own trade. Whatever surpluses he might have of his own produce, he exchanged for the surplus products of the others.

Life wasn't always as smooth and complete as they could have wished it

to be. They lacked many of the things to which they had been accustomed in civilization. But their lot could have been a great deal worse.

Besides, all had experienced the depression in Canada. They still remembered the empty bellies side by side with stores crammed with food.

At least, on Salvation Island, they weren't forced to see the things they needed rot before their eyes. Taxes were unknown here. Nor did they go in constant fear of seizure by the bailiff.

They worked hard but at least they could enjoy the fruits of their toil.

So they developed the island, thanking God and hoping for the day of reunion with their families, still in possession of life and health, those two greatest of blessings.

4. A Serious Inconvenience

Our men often got together to talk over their affairs. Under the simple economic system which had developed, one-thing was beginning to bother them more and more; they had no form of money. Barter, the direct exchange of goods for goods, had its drawbacks. The products to be exchanged were not always at hand when a trade was discussed. For example, wood delivered to the farmer in winter could not be paid for in potatoes until six months later.

Sometimes one man might have an article of considerable size which he wished to exchange for a number of smaller articles produced by different men at different times.

All this complicated business and laid a heavy burden on the memory. With a monetary system, however, each one could sell his products to the others for money. With this money he could buy from the others the things he wanted, when he wished and when they were available.

It was agreed that a system of money would indeed be very convenient. But none of them knew how to set up such a system. They knew how to produce true wealth—goods. But how to produce money, the symbol of this wealth, was something quite beyond them. They were ignorant of the origin of money, and, needing it, they didn't know how to produce it. Certainly, many men of education would have been in the same boat; all our governments were in that predicament during the ten years prior to the war. The only thing the country lacked at that time was money, and the governments apparently didn't know what to do to get it.

5. Arrival of a Refugee

One evening when our boys were sitting on the beach going over their problem for the hundredth time, they suddenly saw approaching a small boat with a solitary man at the oars.

They learned that he was a refugee from war-torn central Europe. Along with other emigrants, he had boarded a ship bound for Australia. A storm had driven their ship on to a reef. He was the only survivor of the wreck. His name, Oliver Glucksterlingmann. They could remember only his first name.

Delighted to have a new companion, they provided him with the best they had and took him on an inspection tour of the colony.

"Even though we're lost and cut off from the rest of the world," they told him, "we haven't too much to complain about. The earth and the forest are good to us. We lack only on thing—money. That would make it easier for us to exchange our products."

"Well, you can thank Providence," replied Oliver, "because I am a banker and in no time at all I'll set up a system of money guaranteed to satisfy you. Then you'll have everything that people in civilization have."

A banker! . . . A BANKER! . . . An angel coming down out of the clouds couldn't have inspired more reverence and respect in our men. For, after all, are we not accustomed, we people in civilization, to genuflect before bankers, those men who control the life-blood of finance?

6. Civilization's God

"Mr. Oliver, as our banker, your only occupation on this island will be to look after our money; no manual labor."

"I shall, like every other banker, carry out to complete satisfaction my task of forging the community's prosperity."

"Mr. Oliver, we're going to build you a house that will be in keeping with your dignity as a banker. But in the meantime, do you mind if we lodge you in the building we use for our get-togethers?"

"That will suit me, my friends. But first of all, unload the boat. There's paper and a printing press, complete with ink and type; and there's a little barrel which I exhort you to treat with the greatest care."

They unloaded everything. The small barrel aroused intense curiosity in our good fellows.

"This barrel," Oliver announced, "contains treasure beyond dreams. It is full of . . . gold!"

Full of gold! The five all but swooned. The god of civilization here on Salvation Island? The yellow god, always hidden, yet terrible in its power; whose presence or absence or slightest caprice could decide the very fate of all the civilized nations!

"Gold! Mr. Oliver, you are indeed a great banker!"

"Oh august majesty! oh honorable Oliver! great high priest of the god, gold! accept our humble homage and receive our oaths of fealty."

"Yes, my friends, gold enough for a continent. But gold is not for circulation. Gold must be hidden. Gold is the soul of healthy money, and the soul is always invisible. But I'll explain all that when you receive your first supply of money."

7. The Secret Burial

Before they went their separate ways for the night, Oliver asked them one last question.

"How much money will you need to begin with in order to facilitate trading?" They looked at one another, then deferentially towards the banker. After a bit of calculation, and with the advise of the kindly

financier, they decided that \$200 each would do.

The men parted, exchanging enthusiastic comments. And in spite of the late hour, they spent most of the night lying awake, their imaginations excited by the picture of gold. It was morning before they slept.

As for Oliver, he wasted not a moment. Fatigue was forgotten in the interests of his future as a banker. By dawn's first light he dug a pit into which he rolled the barrel. He then filled it in, transplanting a small shrub to the spot about which he carefully arranged sod. It was well hidden.

Then he went to work with his little press to turn out a thousand \$1 bills. Watching the clean new banknotes come from his press, the emigrant-turned-banker thought to himself,

"My, how simple it is to make money. All its value comes from the products it will buy. Without produce, these bills are worthless. My five naive customers don't realize that. They actually think that this new money derives its value from gold! Their very ignorance makes me the master."

And as evening drew on, the five came to Oliver—on the run.

8. Who Owns the Money?

Five bundles of new banknotes were sitting on the table.

"Before distributing the money," said the banker, "I would like your attention."

"Now, the basis of all money is gold. And the gold stored away in the vault of my bank is my gold. Consequently, the money is my money. Oh! don't look so discouraged. I'm going to lend you this money and you're going to use it as you see fit. However, you'll have to pay interest. Considering that money is scarce here, I don't think 8% is unreasonable."

"Oh, that's quite reasonable, Mr. Oliver."

"One last point, my friends. Business is business, even between pals. Before you get the money, each of you is going to sign a paper. By it you will bind yourselves to pay both interest and capital under penalty of confiscation of property by me. Oh! this is a mere formality. Your property is of no interest to me. I'm satisfied with money. And I feel sure I'll get my money and that you'll keep your property."

"That makes sense, Mr. Oliver. We're going to work harder than ever in order to pay you back."

"That's the spirit. And any time you have a problem, come and see me. Your banker is your best friend. Now, here's two hundred dollars for each of you.

And our five brave fellows went away, their hands full of dollar bills, their heads swimming with the ecstasy of having money.

9. A Problem in Arithmetic

And so Oliver's money went into circulation on the island. Trade, simplified by money, doubled. Everybody was happy.

And the banker was always greeted with unfailing respect and gratitude. But now, let's see . . . Why does Tom, the prospector, look so grave as

he sits busily figuring with a pencil and paper? It is because Tom, like the others, had signed an agreement to repay Oliver, in one year's time, the \$200 plus \$16 interest. But Tom has only a few dollars in his pocket and the date of payment is near.

For a long time he wrestled with the problem from his own personal point of view, without success. Finally he looked at it from the angle of the little community as a whole.

"Taking into consideration everyone on the island, as a whole," he mused, "are we capable of meeting our obligations? Oliver turned out a total of \$1000. He's asking in return \$1080. But even if we bring him every dollar bill on the island, we'll still be \$80 short. Nobody made the extra \$80. We turn out produce, not dollar bills. So Oliver can take over the entire island since all the inhabitants together can't pay him back the total amount of capital and interest.

"Even if a few, without any thought for the others, were able to do so, those others would fall. And the turn of the first spared would come eventually. The banker will have everything. We'd better hold a meeting right away and decide what to do about it."

Tom, with his figures in hand, had no difficulty in proving the situation. All agreed they had been duped by the kindly banker. They decided upon a meeting at Oliver's.

10. The Benevolent Banker

Oliver guessed what was on their minds but put up his best front. While he listened, the impetuous Frank stated the case for the group.

"How can we pay you \$1080 when there is only \$1000 on the entire island?"

"That's the interest, my friends. Hasn't your rate of production increased?"

"Sure, but the money hasn't. And it's money you're asking for, not our products. You are the only one who can make money. You've made only \$1000 and yet you ask \$1080. That's an impossibility!"

"Now listen, fellows, Bankers, for the greater good of the community, always adapt themselves to the conditions of the times. I'm going to require only the interest. Only \$80. You will go on holding the capital."

"Bless you, Mr. Oliver! Are you going to cancel the \$200 each of us owes you?"

"Oh no! I'm sorry, but a banker never cancels a debt. You still owe me all the money you borrowed. But you'll pay me, each year, only the interest. If you meet the interest payments faithfully each year, I won't push you for the capital. Maybe some won't be able to repay even the interest because of the money changing hands among you. Well, organize yourselves like a nation. Set up a system of money contributions, what we call taxes. Those who do have more money will be taxed more; the poor will pay less. See to it that you bring me, in one lump sum, the total of the amount of interest and I'll be satisfied. And your little nation will thrive."

So our boys left, somewhat pacified but still dubious.

11. Oliver Glucksterlingmann Exults

Oliver is alone. He is deep in reflection. His thoughts run thus:

"Business is good. These boys are good workers, but stupid. Their ignorance and naivety is my strength. They ask for money and I give them the chains of bondage. They give me orchids and I pick their pockets.

"True enough, they could mutiny and throw me into the sea. But pshaw! I have their signatures. They're good Christians. They're honest. They'll honor their pledges. Honest, hardworking people were put into this world to serve the financiers."

"Oh great Rothschild! I feel your banking genius coursing through my entire being! Oh, illustrious master! how right you were when you said: 'Give me control of a nation's money and I won't mind who makes its laws.' I am the master of Salvation Island because I control its money.

"My soul is drunk with enthusiasm and ambition. I feel I could rule the universe. What I, Oliver Glucksterlingmann, have done here, I can do throughout the entire world. Oh! if only I could get off this island! I know how I could govern the world without wearing a crown.

"My supreme delight would be to instill my philosophy in the minds of those who lead society; bankers, industrialists, politicians, reformers, teachers, journalists,—all would be my servants. The masses are content to live in slavery when the elite from among them are constituted their overseers."

And so the entire philosophy of banking, that spawn of Rothschild, was summed up in this ecstasy of Oliver Glucksterlingmann.

12. The Cost of Living Unbearable

Meanwhile, things went from bad to worse on Salvation Island. Production was up, bartering had dropped to a minimum. Oliver collected his interest regularly. The others had to think of setting money aside for him. Thus, money tended to clot instead of circulating freely.

Those who paid the most in taxes complained against those who paid less. They raised the prices of their goods to compensate for this loss. The unfortunate poor who paid no taxes lamented the high cost of living and bought less.

If one took a salaried job with another, he was continually demanding increases in salary in order to meet the mounting cost of living.

Morale was low. The joy went out of living. No one took an interest in his work. Why should he? Produce sold poorly. When they made a sale, they had to pay taxes to Oliver. They went without things. It was a real crisis. And they accused one another of wanting in charity and of being the cause of the high cost of living.

One day, Harry, sitting in his orchard, pondered over the situation. He finally arrived at the conclusion that this "progress," born of a refugee's money system, had spoiled everything on the island. Unquestionably, all five had their faults; but Oliver's system seemed to have been specifically designed to bring out the worst in human nature.

Harry decided to demonstrate this to his friends and to unite them for

action. He started with Jim, who was not hard to convince. "I'm not a genius," he said, "but for a long time now there's been a bad smell about this foreigner's system."

One by one they came to the same conclusion and ended by deciding upon another conference with Oliver.

13. Interview with the Enshackler

A veritable tempest burst about the ears of the banker.

"Money's scarce on the island, fellow, because you take it away from us! We pay you and pay you and still owe you as much as at the beginning.. We work our heads off! We've the finest land possible and yet we're worse off than before the day of your arrival. Debts! Debts! up to our necks in debts!

"Oh! now boys, be reasonable! Your affairs are booming and it's thanks to me. A good banking system is a country's best asset. But if it is to work beneficially, you must have faith in the banker. Come to me as you would to a father . . . is it more money you want? Very well. My barrel of gold is good for many thousands of dollars more. See, I'm going to mortgage your latest acquisitions and lend you another thousand dollars right now."

"So! Now our debt goes up to \$2000! We are going to have twice as much interest to pay for the rest of our lives!"

"Well, yes—but I'll lend you more whenever the value of your property increases. And you'll never pay anything but the interest. You'll lump all your debts into one—what we call a consolidated debt. And you can add to the debt year after year."

"And raise the taxes year after year?"

"Obviously. But your revenues also increase every year."

"So then, the more the country develops each year because of our labor, the more the public debt increases!"

"Why of course! Just as in your Canada—or in any other part of the civilized world, for that matter. The degree of a country's civilization is always gauged by the size of its debt to the bankers."

14. The Wolf Devours the Lamb

"And that's a healthy money system, Mr. Oliver?"

"Gentlemen, all sound money is based on gold and it comes from the banks in the form of debts. The national debt is a good thing. It keeps men from becoming too satisfied. It subjugates governments to the supreme and ultimate wisdom, that which is incarnate in bankers. As a banker, I am the torch of civilization here on your little island. I will dictate your politics and regulate your standard of living."

"Mr. Oliver, we're simple, uneducated folks, but we don't want that kind of civilization here. We'll not borrow another cent off you. Sound money or not, we don't want any further transactions with you."

"Gentlemen, I deeply regret this very ill-advised decision of yours. But if you break with me, remember, I have your signatures. Repay me everything at once—capital and interest."

"But, that's impossible, sir. Even if we give you all the money on the island, we still won't be square with you."

"I can't help that. Did you or did you not sign? Yes? Very well. By virtue of the sanctity of contracts, I hereby seize your mortgaged property, which was what you agreed to at the time you were so happy to have my help. If you don't want to serve willingly the supreme authority of money, then you'll obey force. You'll continue to exploit the island, but in my interests and under my conditions. Now, get out! You'll get your orders from me tomorrow."

15. Control of the Press

Like Rothschild, Oliver knew that whoever controlled the nation's money, controlled the nation. But he also knew that to maintain that control it was necessary to keep the people in a state of ignorance and to distract them by a variety of means.

Oliver had observed that of the five islanders, two were conservatives and three were liberals. That much had evolved from their evening conversations, especially after they had fallen into slavery. And between the conservatives and those who were liberals there was constant friction.

On occasions, Harry, the most neutral of the five, considering that all had the same needs and aspirations, had suggested a Union of Electors. Such a union Oliver could not tolerate; it would mean the end of his rule. No dictator, financial or otherwise, could stand before a people united and educated.

Consequently, Oliver set himself to foment, as much as possible, political strife between them.

The refugee put his press to work turning out two weekly newspapers, THE SUN for the liberals, and THE STAR for the conservatives.

The general tenor of THE SUN was: "If you are no longer master, it is because of those traitorous conservatives who have sold out to big business."

That of THE STAR: "The ruinous state of business and the national debt can be traced directly to the political irresponsibility of those unmentionable liberals."

And the two factions wrangled ferociously, forgetting the one who had forged their chains, that money master, the banker Oliver.

16. A Priceless Bit of Flotsam

One day, Tom, the prospector, discovered on a small beach, hidden by tall grass at one end of the island, a lifeboat, empty except for a trunk in good condition lying in the bottom of it.

He opened the trunk. Among the articles within a sort of album caught his eye: "Première année de Vers Demain." Between the covers he found the first volume of a SOCIAL CREDIT publication from Canada.

Tom could read French. Curious, he sat down and began to read the volume. His interest grew; his face lit up.

"Well, just look at this!" he cried out loud. "This is something we

should have known a long time ago.

"Money gets its value, not from gold, but from the products which that money buys.

"Simply put, money should be a sort of accountancy, credits passing from one account to another according to purchases and sales. The sum total of money will depend upon the sum total of production.

"Each time production increases there is a corresponding increase in the amount of money. Never at any time should interest be paid on new money. Progress is marked, not by an increase in the public debt, but by the issuance of an equal dividend to each individual . . . Prices are adjusted to the general purchasing power by a coefficient of prices. Social Credit . . ."

But Tom could no longer contain himself. He got up and set off at a run, the book in his hands, to share this glorious discovery with his four comrades.

17: Money—Elementary Accounting

So Tom became the teacher. He taught the others what he had learned from that God-sent Social Credit publication.

"This," he said, "is what we can do without waiting for a banker and his keg of gold or without underwriting a debt.

"I open an account in the name of each of you. In the right hand column are the credits which increase your account; to the left are the debits which subtract from your account.

"Each wants \$200 to begin with. Very well. We write \$200 to the credit of each. Each immediately has \$200.

"Frank buys some goods from Paul for \$10. I deduct \$10 from Frank leaving him \$190. I add \$10 to Paul and he now has \$210.

"Jim buys from Paul to the amount of \$8. I deduct from Jim \$8 leaving him \$192. Paul now has \$218.

"Paul buys wood from Frank for \$15. I deduct \$15 from Paul leaving \$203. I add \$15 to Frank's account and it goes back to \$205.

"And so we continue; from one account to another in the same fashion as paper banknotes go from one man's pocket to another's.

"If someone needs money to expand production, we issue him the necessary amount of new credit. Once he has sold his products he repays the sum to the credit fund. The same with public works; paid for by new credits.

"Likewise, each one's account is periodically increased but without taking credits from anyone, in order that all may benefit from the progress society makes. That's the national dividend. In this fashion money becomes an instrument of service."

18. The Banker's Despair

Everyone understood. The members of this little community became Creditors. The following day, Oliver, the banker, received a letter signed by the five:

"Dear Sir, without the slightest necessity you have plunged us into debt and exploited us. We don't need you anymore to run our money system. From now on we'll have all the money we need without gold, debts or thieves. We are establishing, at once, the system of Social Credit on the island. The national dividend is going to replace the national debt.

"If you insist on being repaid, we can repay you all the money you gave us. But not a cent more. You cannot lay claim to that which you have not made.

"We have nothing against you as a foreigner. We respect every human being. But we reject your mentality and philosophy. And we will not permit anyone to regiment and exploit us."

Oliver was in despair. His empire was crumbling. His dreams shattered. What could he do? Arguments would be futile. The five were now Creditors; money and credit were now not more mysterious to them than they were to Oliver.

"Oh! esteemed Rothschild! What will become of your disciple? These men have been won to Social Credit. Their doctrine will spread far more quickly than mine. Should I beg forgiveness? become one of them? I, a financier and a banker? Never! Rather, I shall try and put as much distance between them and me as I can!"

19. Fraud Unmasked

To protect themselves against any future claim by Oliver, our five men decided to make him sign a document attesting that he again possessed all he had when he first arrived on the island.

An inventory was taken; the boat, the oars, the little press, and the famous barrel of gold.

Oliver had to reveal where he had hidden the gold. Our boys hoisted it from the hole with considerable less respect than the day they had unloaded it from the boat. Social Credit had taught them to despise gold.

The prospector, who was helping to lift the barrel, found it surprisingly light for gold. If the barrel was full, he told the others, there was something in it besides gold.

The impetuous Frank didn't waste a moment; a blow of the axe and the contents of the barrel were exposed.

Gold? Not so much as a grain of it! Just rocks—plain, worthless rocks!

Our men couldn't get over the shock.

"Don't tell us he could bamboozle us to this extent!"

"Were we such muttonheads as to go into raptures over the mere mention of gold?"

"Did we mortgage all our possessions for a few pieces of paper based on a few pounds of rocks? It's robbery compounded by lies!"

"To think that we sulked and almost hated one another, all because of such a fraud! That devil!"

Furious, Frank raised his axe. But already the banker had taken to his legs in full flight towards the forest.

20. Farewell to Salvation Island

After the opening of the barrel and the revelation of his duplicity, nothing further was heard of Oliver Glucksterlingmann.

Shortly after, a ship, cruising off the normal navigation route, noticed signs of life on this uncharted island and cast anchor a short distance offshore.

The men learned that the ship was en route to America. So they decided to take with them what they could carry and return to Canada.

Above all, they made sure to take back with them the album "The First Year of Social Credit," which had proven to be their salvation from the hands of the financier, Oliver, and which had illumined their minds with an inextinguishable light.

All five solemnly engaged themselves to get in touch with the management of this paper, once back in Canada, and to become devoted and zealous apostles of the cause of Social Credit in Canada.

Why We Demand Social Credit

We ask the establishment of Social Credit in order to free society from financial tyranny.

Farmers have an abundance of food to place on the market. But our existing system of finance does not give the consumer sufficient purchasing power to buy, at a reasonable price, the farmer's produce.

We have space, materials, and workers to build a solid and spacious house for every family. But the present financial regime does not place at the disposal of the family the means to pay for the construction of such a house.

Industry finds it hard to keep its products moving; its employees are threatened with unemployment; and all because consumers haven't sufficient money to buy the products of industry.

When the capacity to pay does not conform to the capacity to produce, then finance is out of step with existing possibilities. Produce is easier to come by than money.

Individuals and families are constantly harassed by financial worries and the insecurity of the future. These worries and this insecurity are at complete odds with the realities which are tremendous; they are a result of the shortage of means to make payments and of the continual threat of losing these means completely.

The soil doesn't threaten to become sterile; there is no danger of the sun and rain refusing their bounty; nor is it laziness on the part of the workers, because their distress is only too evident when they become partially or totally unemployed. The problem is, always and uniquely, one of money.

So then it would seem that the present-day system of finance is one prejudicial rather than beneficial to the people.

For this reason, we demand that it be changed in favor of a system which is one of service, a system of finance proposed by Social Credit.

Social Credit makes of money a constant and exact reflection of

realities. With the birth of produce, money comes into being; and the total purchasing power of the people is constantly readjusted in order to equvalate the total sum of produce offered to the people. Furthermore, each citizen receives a monthly dividend in recognition of the fact that each citizen has a right to live and to share in the fruits of progress, which fruits are the heritage passed on by previous generations.

We demand Social Credit in place of the present false and vicious system because no other financial system has been proposed which serves man in place of tyrannizing him; no other financial system has been proposed which distributes the products of machines as they should be distributed, and guarantees to every individual a share in temporal wealth.

The most urgent and pressing item in any program of temporal reform must be the liberation of society from financial despotism. When this is done, it will be an easy matter to bring an end to the struggle between men to tear from one another the means to go on living; such a struggle is unworthy of intelligent humans in a country where good things abound, or will abound when we have removed that artificial obstacle, the financial obstacle.

A Dividend For Everyone

Social Crediters demand a dividend for everyone. This is a sum of money paid periodically to each individual regardless of what revenue his labor brings him. It is exactly like the dividend the capitalist gets even when he is vacationing.

This is a monthly dividend for everyone; for the new-born infant, for the child learning to read, for the adolescent seeking to find himself amid his studies, the young man and woman preparing for the future, for the mature man, be he bachelor or breadwinner for a family, for the mother laboring in her home, for the old folks whose thoughts more and more turn towards the homeland awaiting them—to all, to each, from the cradle to the grave.

Canada is a country rich in fertile soil, in forests and running streams and waterpower; abounding in minerals of all sorts, rich beyond measure with the techniques of applied science and furnished with industries equipped with the most up-to-date machinery and, most important of all, endowed beyond words with strong arms, stout hearts and clear minds.

Social Crediters judge that, in a Canada so richly endowed, it is senseless and idiotic, criminal even, to force multitudes of Canadians to live in constant fear of the morrow, (when it is not a question of worrying for today). Each family, each individual dwelling in this rich land should be guaranteed at least the necessities of life and an easy access to an honest living, not as a privilege, but as a just due.

A monthly dividend for everyone, this is the most illuminating economical and political theory that has ever been proposed to a world where the chief problem is not how to get produce but how to distribute it.

From parable to reality

A debt money system

Translated from the French by Guy Thibault

THE DEBT MONEY SYSTEM introduced by Oliver into the Salvation Island made the little community sink into financial debt in proportion as it developed and enriched the island by its own work.

This is exactly what happens in our civilized countries, is it not?

Canada of today is certainly richer, in real wealth, than it was 50, 100 years ago, or in the pioneer's age. But compare the national debt, the sum of all public debts of Canada today with this sum of 50, 100 years, three centuries ago!

Yet, the Canadians themselves produced this enrichment by their labour and their know-how. Then why should they be collectively indebted for the result of their own activities?

As examples, consider the schools, the municipal aqueducts, the bridges, roads and other fabrics of public character. Who build them all? Builders of the country. Who supply them with the needed materials? Manufacturers of the country. And how come they can be employed in public works? Because there are other kinds of workers who produce food, clothes, shoes, who supply all the things and services required for the wants of the constructors and manufacturers.

Thus, the whole population of Canada, by its work of different kinds, produce all those developments. If we must obtain goods from abroad, we send other goods abroad in counterpart of them.

Now, what do you see? Everywhere the citizens are taxed to pay those schools, those hospitals, those bridges, roads and other public works. The Canadians, as a collectivity, are thus compelled to pay what they produce as a collectivity.

Yo Pay the Double Price

And this is not all. The population is made to pay more than the price of what is produced. Their own production—a real enrichment—has become for the Canadians a debt burdened with interest. When years add to years, the sum of the interests can equal, or even exceed, the amount of the debt imposed by the system. It happens that the population may have to pay two, three times the cost of what its members produced.

In addition to the public debts, there are industrial debts, also loaded with interests. They compel the manufacturers and contractors to increase their prices beyond the cost of production, in order to reimburse the capital and the interests; otherwise they would become insolvent, bankrupt.

Both, public and private debts, are paid, plus interest, by the Canadian population, to the financial system. We pay taxes for the public debts, and a surplus of price for the industrial debts. Prices are swelling while the purse is flattened by taxes.

A Tyrannical System

These and many other facts are indicative of a money system, a financial system, which controls instead of being a servant; a system to dominate the people—as Oliver dominated the fellows of the Island before they rebelled.

And if the money masters refuse to lend, or if they make their conditions unbearable for the public bodies or for the manufacturers, what happens? It happens that the public bodies give up many projects, no matter how urgent; and the manufacturers give up development or production plans that would answer to real needs of Canadians. This is a cause of unemployment. And those who still have something, or who earn a salary, must be taxed to prevent the unemployed from starving completely.

Can you imagine a more tyrannical system, with so baneful effects on every Canadian?

A Bar to Distribution

And this is not all. Not only the money systems indebts the producers, or paralyzes the production it refuses to finance, but it is a wretched financial tool for the distribution of the goods.

Notwithstanding the fact that stores, shops and warehouses are full, and that everything is at hand for an even greater production, the distribution of the goods already produced is stinted.

You can obtain only what you can pay for. In face of an abundant production, there should be an abundance of purchasing power, of money in the wallets of the people. Such is not the fact. The price of the finished goods is always higher than the amount of money distributed as purchasing power in the course of their production. This is inherent to the accountancy of the present system of finance which has no mechanism to fill the gap.

The capacity to pay is not made to equal the capacity to produce. Finance and reality do not work at the same rate. Reality means an abundance of goods easy to produce. Finance means a lacking money hard to obtain.

To Correct What is Wicked

Thus the present money system is truly an oppressive one, when it should be a system of service.

This does not mean that we must do away with it, but we must correct it. The application of the financial principles known as Social Credit would make this correction magnificently. (Do not confound Social Credit with the political party which usurps that name while pursuing other ends and practising an adverse policy.)

The principles of Social Credit, when applied, would make the money system a servant instead of a master. They were discovered and enunciated by a genius, C. H. Douglas (deceased in 1952). His first writings on this subject were published in 1918.

Modern Taxation is Legalised Robbery

LOUIS EVEN

Translated from the French by Earl Massecar

Taxes, a Social Scourge

Taxes Universally Detested

No one really likes taxes. Certainly not those who are obliged to pay them. And those who have to collect them do not do so in order to increase their popularity.

No matter what devices the government may employ from year to year—taking off a tax here, decreasing one there, increasing another, increasing or decreasing the dosage—it will never succeed in satisfying all the vast multitude of taxpayers. The proof of this can be found by reading the comments of the various newspapers (excepting those which are obliged to sing the party line of government) after the Minister of Finance has brought down the annual budget.

Such hostility towards the tax system is not confined to Canada. All civilized countries have adopted taxation as the means of financing administration and public services. And in all civilized countries you will find this general complaint against it. No reform of the taxation system can ever give complete satisfaction.

Pierre Berton writes in a weekly Paris revue (*La Grande Relève*):

“And whether anyone is aware of it or not, it is the system of taxation which everyone is condemning with complete unanimity. The best and most popular way to effect its reform would be to abolish it.”

Condemnation Well Merited

The manner in which taxes are condemned is in no way an exaggeration. On the contrary, they would be more heartily detested if the little people, who do not pay out too much in taxation, were fully aware of the repercussions upon themselves of the taxes which others pay.

Mrs. X, for example, is not rich. Her husband's salary is too small to be effected in any great way by the income tax rates. Mrs. X pays only the sales tax when she goes shopping for the family. She fumes at the 8 percent sales tax which the merchant charges her. But she says nothing

against the 40 percent which she pays because of the taxes paid by the producer, the trucker, the warehouse people, the wholesaler, etc., etc.

Tell Mrs. X that the cost of living is very high. She will be the first one to agree with you. But she won't think of blaming anyone but the merchant, or at very most, the manufacturer.

Mr. Y, who is a worker, also fulminates against the high cost of living. The cost of goods and services is practically taking the shirt off his back! But all he can think of blaming is the greed of his boss. It is his salary which is at fault! Neither he nor his union think for a moment of blaming taxation which bears down on the employer just as it does on the worker. The criticism which is levelled at the employer would be better directed against the Government!

Decrease in Purchasing Power

The first ill of taxation is the diminishing of purchasing power. This is something which needs no demonstration to the individual who is affected by the personal tax, such as that on revenue.

The money which you send to the Government, or which the Government taxes out of your pay envelope before you even have a chance to see its colour, this money you no longer possess as your own. You cannot use it to buy something.

Nor is any demonstration needed of this bad effect when you pay the sales tax at the retailer's counter.

A Montrealer who buys a suit priced at \$80.00 must pay \$86.40 because of the 8 percent sales tax.

With this extra \$6.40 in his own pocket he could probably have bought a few pairs of socks. But the sales tax took away from him the purchasing power which he needed in order to buy the socks.

A Poison, Bloating Prices

The housekeeper who protests against the sales tax which is added on to the bill handed her by the merchant is perhaps not aware that a number of other taxes, much larger than the sales tax, are hidden away in this bill.

These other taxes manage to avoid their just share of blame because they are invisible. But they cause much more harm than the exposed sales tax at the retailer's counter.

Take the case of the federal sales tax of 12 percent which is charged at the manufacturer's level. 12 percent is already a mighty big tax. But since this tax is imposed at the top of the hill, it gains in size as it rolls downwards towards the level of the ultimate consumer.

If a manufacturer sells a \$100 worth of goods to a wholesaler, the latter must pay \$112. That is, \$100 for the manufacturer; \$12 for the federal Government.

The wholesaler doesn't raise too much of a hue and cry over this because he is simply going to include the \$12 in the price which he will charge the retailer for these same goods. Then, too, the wholesaler will add on his margin of profit, say 20%. So, instead of 20 percent being added on

to \$100, it is 20 percent added on to \$112. That makes \$22.40 additional. Total price: \$134.40.

The retailer then must pay the wholesaler \$134.40, whereas he would have paid \$120 without the federal tax. The \$12 has already become \$14.40.

Reaching the consumer, after the addition of a succession of percentages, what was \$12 at the beginning can very easily wind up being \$18 or even more.

But in the bill which is passed to the purchaser this tax never shows. There is only the "price." And where the word "price" is concerned, the purchaser grows only at the merchant. "Tax" would make him think of the government; "price" makes him think of the merchant.

Everyone Is Hit

When the little people ask that the burden of taxation be transferred to the shoulders of the big, they think they will be protecting themselves. This is a pure illusion. The big set the prices for the little. And make no mistake about it, they include in their prices whatever they are obliged to pay out to the Government.

Even when the tax is to be paid only after the sale of the goods—like the tax on profits or the tax on the revenues of business men—it is not too difficult for these men to foresee the volume of sales for the coming term and to calculate in advance what price to set in order to make sure that the Government will get its share without depriving them of their net profit.

For example, if the Bell Telephone Company wishes to have 14 millions more of profit in order to provide for expansion and improvements, it will calculate its rates in order to have 25 million more instead of just 14 million. Why? Because it knows that on 25 million the Government will take 11 million in taxes, which will leave the company the 14 million it wants. The result: 14 million for the company, 11 million for the Government, and 25 million paid by the subscribers!

Do you believe that the Government could sincerely oppose such an increase on the part of the company? The more the company pumps out of the people, the greater the Government's share.

But the subscriber only looks at the rate and throws the blame on the company.

When the big fellows increase their prices by including the tax, the worker does not see the tax. He is not outraged by the tax but rather by the price. And so he asks for an increase in wages. The strength of the union will guarantee such increases, but the increase will be included in the price by the employer and so it is the consumer who ultimately pays. He pays for everything. What the worker gains as an employee, he loses as a consumer. The spiral is without end.

The solution lies somewhere else. It lies in correcting the financial system which is responsible for generating such taxes.

Bureaucracy Fostered

Tax collection is not restricted to the employees of the Ministry of Revenue or the Ministry of Finance. It reaches down and conscripts as bureaucrats the manufacturers, employers, merchants, restaurant owners, hotel keepers (for the tax on meals), and even the farmer.

And it causes a considerable waste of time for all in that all are obliged to do considerable accounting work for the Government. Each becomes a government tax-collector whenever he sells goods or services to his clients inasmuch as he collects the sales tax for the Government.

Taxes on salaries, at the source, makes of the employer a tax-collector for the federal Government.

The provincial sales tax, which is in force practically everywhere now, makes of the retail merchant a tax-collector for the provincial Government or for the municipal Council.

The tax on meals makes of the restaurant and hotel owners collectors of taxes for the provincial Government.

This extra work—and it is extra work as any of them will assure you—takes them away from more useful occupations which might increase the value of their services or products. It is as if these poor business men didn't have enough cares and worries from their own business, let alone being charged with the Government's duties!

The elimination of taxes and the institution of another means for financing public works and services and other obligations of the various forms of Government will free the individual business men from the annoyances, the paper work of collecting Government taxes. They will be rid of the prying by bureaucrats of the Government's tax departments. What a blessing this will be for them! What advantages it will bring to the service they can give the public! One has only to discuss this possibility with these business men to be convinced of this.

Reasons Given for Taxation

Three principal arguments are proffered in support of the existing system of taxation:

1. The Government needs the money for the administration of the country, for the financing of public works and public services. It has to take the money where it can find it.
2. Taxation helps to correct the unjust distribution of wealth by taking the money thus raised from those who have it and giving it to those who have not, in the form of pensions, allowances and other types of social security.
3. Taxes help to prevent inflation by skimming off the surplus of money when there is too much of it in the country.

If taxes are so universally detested, if each one strives to shove them over on the shoulders of the other, if they reduce our already insufficient purchasing power, if they add to already too-heavy prices, then why does everyone put up with them?

They are endured simply because, while undeniably painful, they are considered absolutely necessary.

The reasons given above for justifying taxation seem, at first glance anyhow, to be quite logical and beyond any argument.

Necessary to Finance Government

The Government needs money for administration purposes, to pay those employed by the Government, to finance public works and public services, for national defence, etc., etc. But the Government has no money of its own. So it is, allegedly, obliged to tax those who have money—or at least to borrow today and tax tomorrow.

This, then, is the first reason given in justification of taxes. All the Governments keep insisting, with an insistence which has become almost a rivalry, that they are penniless unless they get their money by one of the following means:

Taxes;

Borrowing;

Royalties;

Sale of natural resources;

Profits from businesses run by various ministries or by Crown companies.

The latter brings in very little in the way of monetary profit. Probably the only exception is the liquor commissions which profit from a human passion which these days is little subjected to restraint. Other Government businesses, for the most part, are more likely to show losses rather than gains. Moreover, a Government which sets itself up as a boss in business, or as a merchant, is a Government letting itself in for something for which it was not designed.

Selling natural resources brings in only a temporary profit—while it results in the loss of national capital. It is probably one of the worst ways in which a Government can raise cash.

Royalties are simply another form of taxation, paid by companies or individuals for the privilege of exploiting a country's natural resources.

Borrowing is simply delayed taxation. In order to repay such loans, it is necessary to tax later. And with the interest charges included, taxes are higher than the value of the services or goods obtained through the original loan.

So it is beyond any dispute that the chief means the Government uses for raising money to meet the demands of public works and public services, and to administer the country, is taxation.

But, then, a certain question begins to present itself to anyone who reflects even a little on this situation: if the Government has no money other than that which it gets from others through taxation; if we, the

citizens, have no money other than that which we receive from someone else, then where does the money originally come from? Who makes the money or sets it into circulation in the first place? If the Government does not make it, if we, the private citizens of the land, do not make it (and heaven help us if we even try!), then, who does make it?

Corrects an Unjust Distribution

The second reason put forth in the attempt to justify taxes is that such taxation helps, in a way, to adjust the imperfect distribution of wealth. The Government takes purchasing power away from where it exists and places it where there is none. Taxes make possible family allowances, pensions, grants, and other forms of Government largess.

This is an admission that wealth is improperly distributed in the first place. An attempt is made to smooth things over with the plaster of taxation. But since there seems to be no end in view to taxation, it is quite definite that this maldistribution of wealth has become a permanent fixture in the economy.

Would it not be more logical to cure the evil at its roots through a more just distribution of wealth at the beginning, rather than to attempt, through the palliative of taxes, to make the evil a little more bearable? A tablet will relieve a headache temporarily, but it will not cure the weak eyes which cause the headaches.

Removes Excess Money

And, thirdly, the Government, following the same reasoning as the banks, estimates that it is necessary to remove a certain amount of money from the hands of the people, otherwise there will be too much in circulation. We find this excuse being offered most often in times of inflation.

We have noted above that taxes raise prices—which is not difficult to understand.

And yet, the Government is advised by so-called financial experts who maintain that heavier taxation is going to bring prices down! Prices cannot go up and down at the same time.

Their reasoning goes something like this: if the people are taxed to the limit, if they have no money with which to buy, they will not purchase the merchant's stocks. The merchants will thus find themselves running after the purchaser, fighting for the small amount of purchasing power which is left. Thus they are eventually forced to lower their prices more and more if they want to move their stocks. They may descend to the very brink of bankruptcy—and, indeed, some are liable to fall into it.

That, in fact, is what happened in 1930. And prices rested on bedrock for years after. But who benefited? The bankrupted merchant? The consumer with no purchasing power?

What possible benefit can there be for anyone when, in order to bring prices down, it is necessary to deprive the community of purchasing power?

Here, then, are the principal reasons given in support of the system of taxation:

Supply money to the Governments;
Correct the maldistribution of purchasing power;
Skim off surplus money.

At first glance, we repeat, these reasons may seem very plausible, logical, and unassailable. And yet, we must still put forth the question:

Are taxes truly necessary?

Taxes Could Be Abolished

Can We Dispense with Taxes?

Is the system of taxation, such as it exists today, really necessary in order that the community may have those public services which it demands of its Government?

— Yes, reply the orthodox economists without any hesitation. And what is more, they add, taxes are becoming more and more necessary everyday. Why? Because the people are demanding more and more public works and services; because they are asking more and more of their Governments.

— No, answers the Social Credit school. There is another means than that of taxation. And this other means is becoming more necessary, and is imposing itself, in spite of all resistance, simply because taxation is becoming so heavy that it is threatening to strangle the life out of our economic body.

Taxes, assert Social Crediters, paralyse rather than help.

They discourage production rather than stimulating it.

They deprive the people of more purchasing power than they redistribute.

They obstruct the normal flow of goods from producer to consumer.

They deprive, without any good reason, private consumption of goods, and this in spite of the fact that the country's production is nowhere exhausted.

They take away money that has been honestly gained, and they despoil the taxpayer of the fruit of his toil.

They also take away from the individual his right to draw upon the production of his country to his own choice and in keeping with the productive capacity of the country.

The taxation system is, finally, one of the worst headaches of modern society, for it absorbs, quite uselessly in the final analysis, the time and energies of a multitude of civil servants, while causing the utmost in irritation to those who are being taxed.

One Means, But Not The Only

Taxes are one means of putting resources to work to meet the public

needs of the people. That much can be admitted. But there are other means which can be thought of and put to work.

For example, the country needs a road. For the road to pass from the planning board to reality it is necessary to utilize materials and men or machines.

So we see that what is necessary to produce the roads is materials and machines and men — the natural resources of the country. Not taxes.

Taxes have never physically built one foot of roads. They have never been anything more than a method to mobilize men, machines and material to build the road.

If there should be another method, less expensive, less troublesome, a method which does not engender economic hardship, then there is no reason why this other method should not be chosen in preference to taxes. It would be sheer waste to persist in a procedure which requires more time, more effort which upsets the whole well-balanced system of production.

The Social Credit school has never hesitated to qualify the method of taxation as being completely obsolete. Perhaps such a method had certain qualified benefits at a time when the capacity to produce was very limited, or at a time when it was believed necessary to have gold in the hand before merchandise could be exchanged. Such a time has passed. The productive capacity of the country awaits only the command to produce, to turn out all that is needed, to fill the needs of individuals, families and public bodies. And we are living in a society where more than 90 percent of business transactions are carried on with no other sign of credit except that which is contained in accounts existing in banks.

A Question of Adapting Finance

Taxes are necessary just so long as society continues to hold to those outworn rules and regulations of the existing financial system which say that they are necessary. But such rules and regulations were not handed down to men along with the Ten Commandments. Men are perfectly free to modify them, to change them or do away with them completely.

The Social Credit school affirms that we can advantageously do away with the existing tax system without having to forego public works and services, without either inflation or deflation, and at the same time, assuring an adequate and just share of purchasing power to every member of the community. But this can be done only on one condition. Certain modifications must be made in the existing financial system.

What modifications? Modifications which can be summed up in a proposition whose validity no one yet has been able successfully to challenge:

Make finance the exact reflection of realities—make it a mechanism which will obey and serve, instead of a monster which dictates and enslaves.

But the existing financial system is not a faithful reflection of economic realities. Our financial system ignores realities, it does violence to them,

cripples, contradicts them in every way possible. It comes forth with such absurdities as, "impossible to finance," when there exists a very real possibility to achieve. It expresses the wealth of the country in terms of public debt. It makes us work and toil today to pay for wars fought and won a generation or more ago. Finance has become a tyrant instead of the servant it ought to be.

Finance Contradicts Facts

We Can Build But Can't Pay

Taking into consideration only the field of public finance, is it not obvious to anyone who cares to see that, day in and day out, there is complete discord between physical possibilities and financial possibilities such as they exist?

The community asks for a road, a bridge or a water system. The road, the bridge or the water system are all physically possible. We have, physically, at hand all that we need in order to build these things—material, men, machines. We have, also, the clothing, the food, the housing materials which the workers on such projects will need for themselves personally. But do we go ahead and build such urgently needed project? Not at all! We wait. These projects are pigeon-holed because, according to the rules of our financial system, WE CANNOT PAY!

The community can built but it cannot pay. Physical capacity, financial incapacity.

Is such a finance a true reflection of the real, physical facts of our economy?

Physical Enrichment, Financial Debt

What was there in Canada when the first settlers came here from old France? There were no farms, no roads, no buildings, no social organization. Nor were there any debts. The redskins hadn't yet discovered our financial system.

The centuries have passed—now, look at Canada today. There are farms, villages, cities, factories, many wonderful forms of transportation, a multitude of public services, schools, universities, laboratories.

But then we see what finance has accomplished: federal debt, provincial debt, debt weighing down the municipalities, debts on the shoulders of other public corporations, debts on private enterprise, debts on the individual.

Physical enrichment, financial indebtedness.

The country which is materially the richest in the world today is the United States of America. It is also the nation which has the largest public debt.

Does finance reflect realities, or does it deform them?

Working for Wars of the Past

The First World War ended in 1918. The Second in 1945. Physically, then, and in terms of reality, these wars are completely over with. But financially they are still continuing.

Just for the Second War Canadians are taxed every year 325 million dollars more than before, without this financial slavery in any way diminishing. (This was the amount at the time *Pourquoi taxer?* was written, 1953. —Ed.) To get the 325 million dollars, Canadian taxpayers have to work. So it happens that Canadians are working today for a war that was finished in 1945!

And the English, no doubt, are still working to pay for the war fought against Napoleon!

Wars are won by sweat, by fatigue, privations, spilt blood, lives sacrificed, widowed wives, orphaned children, sorrow—yes, these are what won two world wars. In reality! But the financial system says that we are indebted to Finance, and each year we must labor and sweat again in order to pay the tribute which it exacts of us for having fought and won the war.

Is such a finance the mirror of realities?

Sovereign Power Must Beg

The Government declares, and frequently repeats, that the only money it has, or can have, is that which it gets from those who have it. Even when it wants to bring into being new wealth such as roads, airports, etc., it must seek and find the money where it already exists. If not, then it must do without the new development. Or, as a last resort, make do with new money which it gets from a private institution, the bank.

Money certainly takes its beginning somewhere.

There is more money in Canada today than there was fifteen years ago. Where did it come from? What gave the money in circulation its increase?

If the Government is incapable of putting one single new dollar into circulation, it can only mean that someone else is doing so—some agency other than a public organization.

Are we thus to conclude that Governments are no longer sovereign in the countries which they presume to govern?

No, they are not sovereign. And those who create true, physical wealth, the farmers, the miners, the lumbermen, the workers in the factories, neither are they sovereign in the land for which they create wealth.

As Mackenzie King expressed it so well, democracy is empty, sovereignty of Government or Parliament means nothing, as long as the control of money is not in the hands of the country but in the hands of the banks which operate for private interests.

The sovereign government is a beggar. Industrialists and business men are beggars. The nation which labours is a beggar. For they must go begging at the doors of the banks if they wish to live, even though they may be able to produce the things necessary to live.

Tyranny in Place of Service

We have only money which is rented to us. We have money at the whim of those who have the power of life and death over money. They are the ones who fix the conditions governing the birth, life, and death of credit. At the time fixed by them, money must be returned to them, swollen by the interest charges which they set when the money is issued. We are thus obliged to ask them for money to replace that which they have recalled. And the new issue, like the previous one, is condemned to the terms of existence which they set, saddled with the same interest charges.

Since money is needed to finance developments, it is not difficult to see how debt can accumulate as the country is developed.

Governments are the foremen over all the other beggars. They tax these beggars in order that the rent on money may be repaid to the true masters of the nation.

A terrifying thought, but true!

The servant has become master—and what a tyrannical master! Finance is in no way the true reflection of the physical realities of our society. It has become the tyrannical dictator over those who produce real wealth.

Try and get five cents for the unemployed living in misery! But there is no problem at all finding the millions necessary to finance the butchery we call war. And once the guns are silent and production is turned to the things of peace, these masters demand the repayment to them of the billions which they created freely to finance the mass slaughter of humanity.

It is obvious that finance of such a nature can well demand a taxation system which holds the people in a sort of slavery, rationing them the things necessary for life even in the face of a superabundance of wealth, of true wealth.

How different the picture would be under a financial system which was in conformity with the facts, with reality!

For Finance to Reflect Facts

The abolition of taxes cannot be accomplished within the framework of a financial system which is not in accord with realities. But when finance faces up to realities and suits itself to realities, taxes can be dispensed with; that is to say, when a financial system is constructed about Social Credit principles. One must therefore have some knowledge of these principles before being able to understand the possibility of doing away with the present system of taxation.

Economic Realities

The two important facets of economic realities are: on the one hand, human needs; on the other, the goods and services which will meet these needs and satisfy them.

The goods (and when we speak of goods we also include services) which

will satisfy these needs, constitute wealth. Whether it is a question of goods destined for private consumption, like, food, clothing, etc., or a matter of goods destined for public consumption, like roads, schools, water systems, etc., the production of such goods constitutes true "enrichment," while the destruction of such goods in any manner constitutes true "impoverishment," in the strictest sense. A country then becomes richer when it produces more goods than it destroys. This is normally the situation in countries which are well advanced and are equipped with the most up-to-date methods of production. Modern countries today will normally produce more durable goods (roads, plants, etc.) than it will use up—as long as they are not afflicted with the cataclysms of war or of the forces of nature. And as far as consumer goods are concerned, they cannot for long consume more than they produce.

The Issuance and Cancellation of Credit

Our modern society has learned to make use of a very simplified form of money, the money of accounting by which credit is exchanged by means of cheques which transfer this credit from one account to another. It is true that paper and metal money have not been entirely suppressed, but they form only an insignificant percentage of the actual monetary dealings of the business world today.

Money and credit are interchangeable. It is only necessary to stand before a wicket in a bank for a few minutes to be convinced of this fact. Consequently, we use the term "credit-money" in setting forth the following financial principle which stems from a system which is in harmony with realities:

All new production should be financed by new credit-money. And this credit-money should not be withdrawn or cancelled except in the measure that the wealth produced is destroyed or depreciates.

So we see that with a system of finance which is healthy and which conforms to the reality of facts, it is production—or the capacity and the will to produce—which determines the flow of credit-money. It is not money which should determine production or its rate.

Whatsoever is physically possible of production, in answer to the needs of the population, should also, automatically, be financially possible. Otherwise, finance is no longer in accord with realities. It becomes an obstacle instead of an aid.

So it is manifestly absurd for a community of human beings to abstain from producing goods which it needs, wants and can produce, simply because of a lack of financial means. To do so would be to submit to a system of finance which falsifies realities and penalizes men instead of serving them.

Since, from one year to the next, the production of true wealth, in a country which possesses modern equipment and techniques, is greater than the consumption of such wealth, the public accounting of such a country should show a growing national capital rather than an increasing public

debt.

And since the wealth of a country exists for the people of that country, it follows that a country which has thus an ever-increasing national capital should issue to its citizens a dividend for each one, rather than diminishing, through taxation, the right of the citizens to share in the production of their land.

If finance were a true and faithful mirroring of realities, financial credit would be simply financial expression of real credit.

The real credit of a country, the true base of the confidence which is had in that country, is that country's ability to produce and deliver the goods which are called for by needs. The greater a country's capability to satisfy, quickly and easily, the expressed needs, the greater the confidence placed in that country by those who live or contemplate living there. In other words, the greater is its credit.

The financial credit of a country should be nothing else but the expression, in credit-figures, of this real credit.

So, again, how absurd to measure the credit of a country by this country's ability to furnish dollars to the financiers. The world was not created for the financiers.

If finance were a true and exact reflection of facts, and if finance were a true servant of the community, any and every capacity to produce would be expressed by the capacity to pay.

With a financial system conforming to reality, the problem of paying does not exist as long as the problem of producing does not exist.

In the Service of Human Needs

But finance should also be something more than an expression, in accounting, of production; it should also be a mechanism for the distribution and sharing of the goods necessary to fill the needs of men. It should provide purchasing power to those who have needs. Otherwise, there can be no conjunction between needs and goods.

And here we touch upon the social. It is not outside the limits of the matter under consideration to recall that the riches of the earth were created for all men, and that each and every individual, in one way or another, should have sufficient of these goods in order to be assured of a decent living.

In our modern society, the only way to insure to each one that minimum of goods is to insure and guarantee to each an amount of purchasing power which will enable him to procure this minimum of production. No individual can, by himself, produce for himself all the goods he requires to satisfy his needs. Each one has need of the goods produced by others. And in order to obtain the goods produced by others, each one must have that with which to pay for this production, purchasing power.

A financial system in conformity with reality must, then, not only issue new credits for all new production, but it must also distribute purchasing power to each and every individual.

Thus purchasing power cannot be distributed exclusively through the channel of wages and salaries since not everyone is in receipt of wages and salaries. In fact, less than half of the population receive an income from employment in production.

Social Credit foresees the distribution of purchasing power through a periodic dividend issued to each and every individual.

Progress is making it possible to produce more and more with less and less need of direct human intervention; that is, with less need of "employees." Progress is thus tending to disassociate production from employment. That is why, in a system of finance in conformity with reality, the right to goods, that is purchasing power, should be in the same measure be disassociated from employment. The greater the decrease in the number of those working for wages and salaries, because of progress, the greater should be the increases in the dividend.

The Adjustment of Prices

A finance working in harmony with realities would also have the function of adjusting the sales price with the true cost price.

What is the true price of a product? It is everything which it is necessary to make use of in order to produce it. It is everything which, as such, disappears, or is consumed, because of the manufacture of this thing which has been produced.

For example: we build a bridge. The wood, the iron, the cement, etc., all cease to exist as things apart by themselves. They become one with the bridge. Other things likewise disappear because this bridge was built. All the consumer goods—the food, the clothing, the medicines, the little luxuries and entertainments—bought by the men who received salaries or wages as a result of working on the construction of the bridge, these likewise are part of the physical cost of constructing the bridge. So we might say, with complete accuracy, that the true cost of the things is the sum total of goods which were consumed through the construction of this bridge, because the bridge was built.

It is in this sense that we say: the real cost of production is consumption.

So we see that, for finance to be in accord with realities, the total sales price which the consumers of a country will pay for the total production of that country in a given period, should not exceed the total value of what is consumed in the country for that same period. If, for example, the country produces 30 billions of dollars worth of goods in one year, while the citizens of the land, during that time, have consumed only 20 billions of dollars of produce, then the citizens should be able to procure the 30 billions worth of new produce for 20 billions of dollars. Yet, the producers must recover their 30 billions of dollars. If they do not, they will go into bankruptcy.

We can see then how it becomes necessary to adjust constantly the sales prices of goods to the true cost price of these goods. And we see, too, that the producer must be compensated for that amount which is not paid by

the consumer.

Claims upon Production

Drawing Upon the Productive System

When I buy a pound of meat, a piece of furniture, shoes, etc., I make a demand upon the productive capacity of my country. Even if the particular product has been imported, I still make a demand upon that capacity, because imports are balanced off by the exporting of goods or services which have been contributed by the production system of my country.

When the Government builds a bridge, or some other public work, it, likewise, draws upon the productive capacity of the country.

In both cases it is the producing community which must meet these demands. Hence, every demand, whether public or private, is really an order to be filled by the producing community.

When it is a private demand, it is limited by the amount of purchasing power held by the individual. With one dollar I demand from the production system whatsoever is of the value of one dollar. And I am limited by the number of dollars which I possess.

A public drawing upon the productive capacity of the country comes from the Government under the authorization of Parliament. Parliament represents the community. So that in such a case it is really the community which makes a demand upon itself.

Individual Claims

The individuals of a community in which Social Credit had become a reality would obtain the credit necessary to draw upon production:

1. Through a dividend which would be issued to each individual periodically from birth to death;
2. Through salaries, profits and dividends from industry, as is the case at present, in the measure that it is still necessary to issue such forms of credit in order to maintain and, if necessary, increase the flow of production.

The Government's Claims

How will the Government pay for the public goods and services which it must undertake to provide and maintain if it does not obtain such money through taxing those under its jurisdiction?

Once again, the Government is the mandatary of the community. If the community, through its Parliament, decides to draw upon the productive capacity of the country, it is simply deciding to draw upon its collective good for a collective purpose. The community then may just issue and deliver the claims to whomsoever will be entrusted with this mobilization of its own resources, its productive capacity. Such claims are the means of payment, the financial credit reflecting the real credit of the community.

Government and citizens alike thus draw upon the same productive capacity. The citizens do so by presenting their money; the Government by presenting the decision of the representatives of the community.

Obviously, the capacity of the production system must be capable of meeting such demands. It would be useless for the community to demand of itself something which it was not capable of producing.

* * * * *

The example of a public work realized without taxation which we are going to describe, supposes the existing of a financial system which is in conformity with reality, a Social Credit system. It supposes the issuance and cancellation of credit-money according to facts.

So we must, in spirit, place ourselves in an economy which is completely Social Credit if we wish to understand the functioning of public finance without taxation.

Public works without taxation, a bridge built without taxes; such will not be found in our existing financial system, where finance commands, conditions, limits and straitjackets realities.

But under a Social Credit system finance would be nothing but a mirroring, through accountancy, of realities. We produce and we express, in terms of financial credit, the value of that which we produce. We consume and we express, in terms of financial debit, the value of that which is consumed.

A Bridge Built Without Taxation

From Whence the Program of Public Works?

Let us suppose that the community needs a bridge. The only question to be considered is: "Are we physically able to build the bridge?"

There is no longer any question of, "Can we pay?" or, "How are we going to pay?"

"Physically able to build" means having the materials, the engineers, and the workers necessary to realize the project without weakening the production of goods wanted for private needs.

If the bridge in question is for the province, then it is up to the minister of Public Works to submit the project to the provincial Parliament. The Parliament, then, in the name of the community, either approves the project, refuses it or puts it off until later. In order to arrive at a decision, the Parliament is not obliged to bring into consideration the question of finance. The Parliament has only to consider whether or not this project corresponds to the desires of the people, and whether or not there exists the physical possibility of realizing the project.

The bridge can certainly be evaluated in dollars, according to the quality of the materials to be used, the cost of labour and materials needed. But you don't need a single dollar in hand to evaluate something, to measure its value.

And, wisely, the construction of the bridge can be confided to that

group of contractors who have tendered the lowest bid—always providing they are competent. For if you consider that finance is a reflection of realities, a lesser cost means a lesser consumption of time, labour, and material; and a country adds to its wealth when it can produce finished goods with a minimum consumption of labour and raw material.

From Whence the Finance for Public Works?

Let us suppose that it is John Smith who gets the contract for the building of our bridge. He is asking \$500,000.

Where is the Government going to get \$500,000 with which to pay Mr. John Smith? —The Government does not have to worry itself about this, For, remember, finance is not a matter of government but merely an affair of accounting.

The functioning of a Social Credit financial system presupposes the institution of an accounting body for this purpose.

Let us call this body the Office of Provincial Credit since we are here dealing with provincial public financing.

In case the system would be instituted federally for all Canada, it would be a National Credit Office.

The accountants to run the system would be appointed by the Government (Provincial or Federal, according to case). But once the officials have been chosen, the Government will not have to interfere in their operations.

The Government, in the name of the community, defines the objectives. These objectives are set forth in the same legislation which created the official credit body. However, once the body has been set up and the objectives defined by the Government acting in the name of the community, it is then up to the accountants engaged by the body to determine and effect the financial operations necessary to attain the objectives set, with respect to the realities of production and consumption.

This is somewhat along the line in which our judiciary system operates. The Government enacts the laws. The Government appoints judges. But the Government does not interfere with the judgment of judges. The judges are bound and guided by two things: the law (which they did not create), and the facts (which they did not posit). Under our judiciary system, judges can even pronounce against the very Government which has appointed them.

In such a manner will the accountants of our official credit office act. They will not dictate what is to be produced or what is to be consumed, but they will simply record the bare facts of production and consumption. When a record has been compiled of these realities resulting from the free acts of citizens, the accountants then make the necessary mathematical deductions from these facts and the consequences, following the lines laid down by the law which instituted this credit body:

1. Create and cancel financial credits according to the production and disappearance of true wealth;
2. Credit, periodically, each citizen with a dividend which will

guarantee him a share in the wealth of his country.

3. Adjust, periodically, the prices to be paid by purchasers of retail goods; such adjustments to be made according to the existing ratio of overall consumption to overall production from one period to the next.

Getting back to our bridge: it is not the provincial credit office which decides whether or not the bridge is built, nor the cost of such a bridge. But it is this office, and not the Government, which has the duty of seeing to the financing of the bridge, as it is built. For under an adequate financial system, finance is nothing more than accounting.

The Advance of Credits

The contractor who is going to build the bridge, John Smith, may need advances of credit in order to pay for materials and labour. He makes his own arrangements with his trading bank, as is done presently for all loans or all overdrafts needed by those engaged in commerce and industry.

The trading bank, however, has lost the privilege to create new credits, but obtains such credits from the National (or Provincial) Credit Office, kind of Reserve Bank whose financial assets reflect the physical assets of the country.

The trading bank obtains such credits interest-free, but is bound to refund them entirely to the Credit Office. As its loans to industry and commerce incur risks, and as it must meet its costs, the trading bank charges interest to its borrowers, in this case to Mr. Smith. This has been foreseen and computed by Mr. Smith in preparing his tender for the contract.

Mr. Smith spends his overdraft money in the purchase of material and in payment of wages, etc.; and when the job has been completed, or soon afterwards, all of that money which he has paid out will have returned to the only source where it came from (the Credit Office). It will have returned there through the general price system and the trading banks system, the money going from the buyers to the retailers, and from these to the banks which financed the production, and from these banks to the Credit Office where-from they obtained all financial credit.

In a way, we can say that the whole community has paid for the construction of the bridge: paid in material, in labour, paid in food, clothes, etc., which were used up by the builders.

At this point, however, the contractor, Mr. Smith, owns the bridge and is in debt with his trading bank for the amount of his overdrafts, both principal and interest. And the trading bank is in debt with the Credit Office for the amount of the principal.

The bridge, of course, is of no use for Mr. Smith. He built it, may we say, to sell it to the Government, at the overall price of \$500,000.

Where will the Government take the money to pay Mr. Smith? —The Government will obtain this money from the Credit Office, from the revolving fund of the community. It will be obtained interest-free, because the completed work is a new physical asset, a new production to be paid

for by new financial credit.

The Government then pays Mr. Smith. Mr. Smith pays his due to his trading bank. The trading bank returns the principal to the Credit Office, wherefrom it came in the first instance.

The bridge has been built without taxation.

Does this mean that the Government is free from all obligation towards the Credit Office for the \$500,000 obtained from that source? —Not exactly so, and we must elucidate this point.

Surely, the community does not owe a bridge which is collectively the fruit of its resources and labour. But the community will have to pay for the depreciation of the bridge. This will be done on a number of years, by instalments, up to a total of \$500,000, the estimated financial value of the bridge. Not one cent more, because the bridge cannot be depreciated for more than its value. (The nonsense of the present system makes the population pay twice or more for bridges, schools, etc., that cannot be used up—consumed—more than once.)

If the period of depreciation of such a bridge is estimated to average 25 years, this means that, to reflect facts, a financial yearly return of \$20,000 will have to be made by the community to its Credit Office, for 25 consecutive years.

This might be thought to be a kind of deferred taxation. But not so. It would in no way be money taken from the community for building an asset, but rather money taken from the community for the gradual destruction (depreciation) of an asset. And this is reflecting facts.

However, as production of new physical assets is greater than the destruction of same (except, perhaps, in time of war or in case of a huge catastrophe), the community would not suffer a financial impoverishment. The less so, as it would at all times be assured of collective cash credits (purchasing power) equal to the collective cash prices of the consumable goods for sale in the country.

This in implementation of the first three Social Credit principles enunciated by C. H. Douglas:

The cash credits of the population of any country shall at any moment be collectively equal to the collective cash prices for consumable goods for sale in that country, and such cash credits shall be cancelled on the purchase of goods for consumption.

This is done through the compensated price and the periodic dividend to every individual, which have been but briefly mentioned in this treatise on taxation.

In What Country First ?

Who Can Inaugurate This New Finance?

Any country would find it greatly to its advantage to inaugurate within it a financial system in conformity with economic realities—a system such as has been partly described in this article.

It is not necessary that the entire world adopt such a system before a single country can introduce it into its own framework. In fact, every innovation which has finally become a part of the whole society, usually begins in one country or even with a part of one nation. The metric system is an example.

Moreover, a country adopting the Social Credit financial system would reap great benefits for itself, without causing any harm to any other country, and without in any way throwing out of gear the wheels of international commerce. In fact, it would aid greatly in getting rid of many of the grindings and creakings which are today issuing forth from these wheels. For example, those countries benefiting from a Social Credit finance would gladly accept, instead of barring, imports from other countries in return for exports from themselves.

But the richest countries, those with an abundant and varied production, or who have much to offer to others for what they should receive from others, are in an especially privileged position as far as meeting their own public and private needs is concerned. These should be the first to adopt a system of finance which would make it possible for them to take advantage of their wonderful opportunities.

Such is the case in North America, The United States and Canada.

In Canada, Federally or Provincially?

And inside Canada, the peoples of the provinces of Quebec, Ontario, British Columbia and Alberta, occupy favorite positions, since their provinces are the richest in Canada from the point of view of natural resources. Their economic possibilities are far above the average for Canada.

But, then, who can bring forward and pass the necessary legislation to bring into being a finance conforming to economic realities? It can come from, and be passed by, any authority which has the power to make laws, it being understood that such should be accomplished within boundaries of its jurisdiction.

In our country of Canada, such power lies within the hands of each Provincial Government as far as that Province is concerned; and within the hands of the Federal Government as far as the whole of Canada is concerned.

Thus, the change can be brought about:

1. either by a government of a Province within the limits of that Province;
2. or by the Government in Ottawa for the entirety of Canada.

A Province like Ontario, for example, has no need to obtain the approval of other provinces, any more than the Government of Canada has need of the approval of other countries before it passes such legislation.

And what we have said of a nation which adopts Social Credit, in relation to other countries, applies equally to a province which would adopt Social Credit within its borders, in its relation to other provinces. It can in no way, by such a step, cause any harm or inconvenience to the

economic systems of the other provinces. It in now way excludes the others from its life, it impoverishes no other province, neither does it refuse to have economic relations with the others.

Municipal administrations, on the other hand, have no legislative power. They have only that power which is delegated to them in the charter which is granted by the provincial government. The municipal agglomeration, moreover, does not constitute an economic entity. Thus, each municipality must obtain from the province any such facilities which will permit it to operate financially by another system than that of taxation and borrowing.

But, can a province, in fact, proceed with such legislation as we have described, in order to realize Social Credit? Is there not a constitutional obstacle to such a step? Is it not a fact that Article 91 of the British North America Act confers upon the Federal Government exclusively the right to legislate in matters pertaining to banks, the monetary standards and the issuing of money?

To those whom such an objection might cause worry, or who might make use of it to justify their doing nothing, we submit that:

1. In 1867, there was no question of Social Credit principles since these date only from 1918;
2. The Federal and Provincial Governments can very easily get together and come to some agreement on a change in the text of the Act, especially when such a change would hurt no one who is a party to the Act;
3. There is no need for a Province, which wishes to implement Social Credit, to strike new money or issue bank charters, which are acts particular to the Federal Government. All that is needed is a provincial accounting organ;
4. If the Province has the right to turn its credit into money through the intermediary of banks in Boston or New York, then it has the right to do so directly without having to pass through such institutions, which are purely private concerns;
5. Regardless of the situation, no authority in the world has the right to impose upon any Province, or upon any sovereign country, a private institution endowed with a power which is greater than the power of that Province or that country.

It is not incredible that the money monopoly would resist strenuously any attempt by the Province to pass legislation which would free it from this money monopoly. And the same would be true if the Federal Government attempted to strike the chains of financial slavery off the country as a whole. For it is this group, or these groups, who control money and make of it a monopoly of their own, who are the true adversaries of any genuine reform, because it is they who hold the power and they who profit.

No reform, as laid down by the principles and propositions of Social Credit, can go ahead except in a Province, or in a country, where the people have exercised sufficient pressure upon their government to force it

to move against the men who presently hold the power of credit.

We believe further that when the day comes that a major Province, like Quebec, or Ontario, stands up and shrugs off these financial chains through the establishment within its boundaries of a financial mechanism conforming to economic realities, it will have the approval and support of all the other Provinces, even though the Federal Government may not have moved a finger to help.

The Social Credit of the movement carried on by the Pilgrims of Saint Michael, under the guidance of the Institute of Political Action, understand full well that most powerful force, that one and only irresistible force which alone makes true democracy, the will and action of a people sufficiently enlightened. And it is to arouse and direct this force that the Pilgrims of Saint Michael are dedicating all their energy and zeal.

ADDITIONAL LITERATURE ON MONEY AND FINANCE

Henry Ford, Sr., On U.S. Finance	\$2.00
Money Questions and Answers, Father Coughlin	\$5.00
Money Creators, Gertrude Coogan	\$5.50
Lawful Money Explained, Gertrude Coogan	\$3.50
The Magic of Reserve Banking, Peter Cook	\$6.00
History of Monetary Crimes, Alexander del Mar	\$2.00
The Federal Reserve Conspiracy, Eustace Mullins	\$4.00
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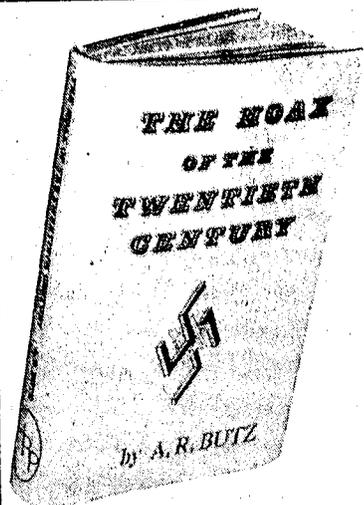
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THE FEDERAL RESERVE BOARD, continued from page 12

and Senators had already left the capital for the Christmas holidays, their select henchman stayed and rushed the bill through Congress. Their paid stooge, Woodrow Wilson, signed the bill immediately. The Jews had their Central Bank—European style. For the American people, who understood little of all the confusion, it was a day of infamy, a disaster of much greater magnitude than a dozen Pearl Harbors.

Key to Federal Reserve — Treachery, Deceit and Counterfeiting

Stripped of all window dressing, how does the Federal Reserve work? Basically, it works on deficit spending and the same principles of "fractional reserves" as practiced by their Jewish goldsmith ancestors.

The Jews are constantly and deliberately pushing the Federal Government deeper into debt, because every billion dollars more debt means a billion dollars into their own coffers, plus interest.

Supposing the Federal Government in Washington needs another ten billion dollars. Where do they get it? They go the Federal Reserve, a private, criminal gang of International Jewish Bankers. The Federal Reserve makes the loan.

Where does the Federal Reserve get all this money? In order to make the loan, the Federal Reserve first asks the Bureau of Printing and Engraving to print up a new batch of 10 billion in dollar bills of various denominations, tens, twenties, hundreds, etc. These then are turned over to the Federal Reserve Bank FREE OF CHARGE, except for the cost of the paper and the ink for printing them, which amount is insignificant. The United States Government then prints up ten billion dollars in U.S. Government Bonds and turns these over to the Federal Reserve also as "collateral." The U.S. Government Bonds are an I.O.U. and HAVE TO BE REPAID, WITH INTEREST. The Federal Reserve then issues the U.S. Treasury Department credit to the amount of ten billion dollars on which it can write checks.

A cursory inspection of this transaction reveals:

1. The Federal Reserve has contributed nothing but Paper and ink, a minimal sum.
2. Riding on the credit and prestige of the United States Government, it has "issued" (created out of nothing) ten billion dollars worth of new money.
3. The Government gets to spend this money, but has to pay it back to the Federal Reserve, with interest.
4. The Federal Reserve is immediately ten billion dollars richer—plus the eternal interest it will accrue from this account receivable.
5. The United States Government and its people are ten billion dollars deeper in debt to the Federal Reserve and have to pay it back with interest.
6. If Congress did its duty and invoked its constitutional right and obligation, it could and should it could and should have printed the

same ten billion in dollar bills on its own for the cost of the paper and the ink, as did Abraham Lincoln, without owing the Jewish Bankers a cent. This is what the Constitution of the United States authorizes it to do and obligates it to do.

As far as I know, in modern times, outside of the \$356 million in "Greenbacks" that Abraham Lincoln had printed, the only country that defied the Jews and printed its own money was Adolf Hitler's Germany between 1933 and 1945. Before Hitler, the Rothschild-owned Reichsbank had Germany so tied up, bankrupted and in debt, that the German people were virtual slaves to their Jewish masters. Every business, every industry, every farm, was either owned by the Jews or hopelessly in debt to them. Millions were unemployed and starving. The country, totally ravished by the Jews, was in worst possible straits, financially, morally, and practically every other way anyone could possibly imagine.

As soon as Hitler came to power, he wrested the money printing privileges out of the hands of the Jews. Instead, it was printed by the legal authority of the German Government itself, backed by the productive strength of the nation. There was no interest paid on it, and the Government was not in debt to any Jews or anybody else for each and every Mark that was printed.

The immediate financial and industrial recovery in Germany that followed was a marvel to behold. While much richer countries, like the United States, were wallowing in depression, unemployment and despair, the Germans were busily building new factories, super highways, houses, cars, ships, etc. Unemployment disappeared in short order. Everyone was working and building. By breaking the Jewish financial stranglehold over the German people, the Germans, during Hitler's short 6-year period of peace, were more productive and prosperous than they had ever been in their previous history.

The United States, being a much richer country, due to its land and resources, could be fabulously wealthy if and when we break the Jewish stranglehold here. This we must do—and we will do!

Instigated Wars & Deficit Spending—The Jewish Program

Although the Federal Reserve Act, passed in 1913, violated the Constitution (and still does), which says under Article 1, Section 8, CONGRESS ALONE "has the power to coin money, (and) regulate the value thereof," the Jews now "legally" had the power to print all the money they wanted, to control, fleece and manipulate the finances of the wealthiest country in the world. They have done so with a vengeance. They were now ready to use those powers. Within less than a year after passage of the Federal Reserve Act, the Jews had World War I in full swing. By 1917, they had the United States inveigled in it, although we had not even a remote national interest in entering that war.

But the Jews did. In Germany, the Jewish outfit of M.M. Warburg Co. was helping the Kaiser "finance" the war. In the United States, Paul Warburg of Kuhn, Loeb and Co., and their now functioning Federal

Reserve System, was "selling" war bonds to the "American" war effort. Both Central Banks, in Germany and the United States, were owned and controlled by the same Jewish House of Rothschild. While the cream of young manhood of the White Race was dying in the stinking trenches and the mud of the battlefield, the Jewish printing presses on both sides of the Atlantic were rolling out money and propaganda. The White nations of the world were sinking deeper and deeper into debt and the Jews were getting fatter and fatter.

The Federal Reserve System is, of course, an unmitigated evil, and the poisonous breath of a monster that is choking the American White people to death. With unlimited control of the money and finances of the world, the Jews can deliberately instigate manipulated wars, depressions, debts and taxes, at will. Through the power of money, they have accrued unto themselves the television networks, the news media, the stock exchanges, the banks, the industries, and, in fact, the Government itself. The Jewish controlled Government is now slowly enslaving the White Race here and abroad through a deliberate program of destruction.

What can we do about it? It is pointless to wage single wars against the Federal Reserve or the United Nations, or the many other tools the Jews now control in order to more rapidly destroy us. We are not going to win scattered battles. We can ONLY WIN A TOTAL WAR in which is united the White Race against the Jews and the mud races. Our best and only program is to organize RACIALLY around the creed of THE CHURCH OF THE CREATOR. We must totally drive the Jews from power and totally grasp into our own hands our own future and destiny. Only an organized, united White Race can do that, and do it we will. Our books, NATURE'S ETERNAL RELIGION, THE WHITE MAN'S BIBLE and SALUBRIOUS LIVING, spell out the creed and the program.

Once these books, the White Man's Bible, is the universal property of the majority of the White People of the United States, we are well on the way to having broken the terrible power of the parasitical Jews and the diabolic Federal Reserve.

Check It Out for Yourself

Should you doubt the accuracy and veracity of my story about the Federal Reserve Rip-Off, be my guest and check it out for yourself. There are particularly a few vital questions to which you must get straight answers:

FIRST, and the most vital: To whom does the benefit accrue each time a new dollar bill is printed? Certainly not the public, and certainly not the U.S. Government. If the Government got the benefit of all the printing press money, it would not be 1,000 billion dollars in debt and have to tax the people another 700 billion a year to try to shore up their deficit budget. THE BENEFIT CLEARLY ACCRUES TO THE INTERNATIONAL GANG OF JEWISH COUNTERFEITERS who own the Federal Reserve.

SECOND: Who owns the Class "A" stock in the Federal Reserve? Don't let them tell you there isn't any.

THIRD: Why does the Federal Reserve pay no taxes, when every other private corporation and individual does?

FOURTH: Why has the Federal Reserve never been audited?

There are many more questions we should ask, but the above will suffice.

In order to get answers, you may want to write to your Congressmen, or perhaps half a dozen Congressmen and Senators, and see what a disparity of answers they come up with. Don't expect to get honest answers from them. Nor can you expect your bankers, nor the news media, to come up with any straight answers. The bankers, because they don't really know; the news media, for the same reason, but even if they knew they would lie to you, because they are owned by, and are part and parcel of, the same International Jewish Conspiracy.

THE VERY FACT THAT IT IS SO DIFFICULT TO GET STRAIGHT ANSWERS TO THE ABOVE VITAL QUESTIONS SHOULD ALERT RED FLAGS IN YOUR MIND ABOUT THE SINISTER NATURE OF THE CONSPIRACY THAT DEVOURS ALL.

Next let us look at the roster of Jews that surrounded and engulfed the Jimmy Carter Administration. For the names of the scurvy crew that ran "our" country under Jimmy Carter, please study the listing elsewhere in this booklet. Scary, isn't it?

Now, if you think this is new and an unusual set of circumstances, think again. The same situation [exists now under President Reagan in the 1980s —Ed.] existed with the Ford Administration, the Nixon Administration, on down through the decades. **THE CAST OF CHARACTERS MAY CHANGE, BUT IT ALWAYS REMAINS A JEWISH CAST!**

The Impact of all this Jewish Thievery on You Personally

What does all this mean to you, the average, hard-working White tax-payer? What does it mean to you, the average White American, who has to work and scrimp and save to make ends meet and earn a decent living for himself and his family?

It means plenty to you! The impact on the working White middle-class American is devastating. It practically makes him a galley-slave in the so-called Land of the Free, the America that the White Man built from a wilderness.

So, you had better listen and listen real well. The nefarious swindle known as the Federal Reserve means the following to you.

1. It means you have to earn every dollar you work for at least five times over.

(a) You first earn the dollar that supposedly you get in your paycheck or in your business.

(b) You have to pay for it again BY BORROWING IT from the Federal

Reserve swindlers.

(c) You have to pay interest on that dollar forever and a day to the Federal Reserve. Thus you may wind up paying two dollars in interest for every dollar received (borrowed).

(d) You have to pay more than half of what you earn back in in a multitude of taxes, all of which finally ends up in the hands of the same Jewish swindlers whose counterfeit dollars you had to beg for in the first place.

2. It means also, since these treacherous Jews have the fraudulent means of printing themselves unlimited wealth, that they can buy up the total means of propapganda—newspapers, magazines, publishing houses, book distribution, radio and T.V. networks, etc. This they have done a long time ago and they are in total control. They have ruthlessly used this to control the minds and the thinking of the people of the world, including the confused and confounded thinking of the White Race.

3. By means of thought-control and mind manipulation they also control the governments of the world including our own in the United States of America.

4. By means of their tremendous financial power they can also buy, sell and manipulate those government officials that are not persuaded. In short, they can and do buy, sell, own and control our Government.

5. Since the program of the Jews is the total mongrelization and destruction of the White Race (which they are accomplishing at an accelerating pace), you, my dear White Racial Comrade, are the target of their destruction. Whether you like it or not, you are in the frying pan.

6. Because of their insatiable avarice and greed, the Jews, by means of confiscatory taxation, are looting the White Man of even that little which he has left after years of hard work and scrimping and saving.

7. The small sum total of the White Man's savings is further decimated by spiralling inflation. And what causes inflation? The unlimited printing of counterfeit paper dollars by the corrupt and sinister Jew, as manifested by the Federal Reserve.

* * * * *

So, think about it, White Man. You have a lot at stake as to whether or not you continue to allow the venal and perfidious Jew to continue his fraudulent racket of printing worthless paper dollars and passing them off to you as being "legal tender."

You had better wake up and do something—and do it now! "But," you ask, "What CAN I do?"

Nature's Eternal Religion the Key to Recovery

What can you do, indeed? A good question and we will answer it only briefly here, but we will show the way.

The White Man, in small numbers, has been aware of the sinister Jewish menace for a long, long time. The persistent mistake he has made in his feeble efforts to fight this cancer has been to fight the SYMPTOMS of that cancer, not the cause.

The Federal Reserve is one of those symptoms, albeit a mighty powerful symptom. The real underlying cause is the Jewish network, the Jewish race itself. (Other symptoms of Jewish malignancy are the United Nations, the corrupt, race-mixing Supreme Court, inflation, crime, integration, confiscatory taxation and a host of other Jew-concocted problems bedevelling the White Man.)

The Church of the Creator has the creed and the program to destroy this malignant evil and wipe it from the face of the earth. We cannot destroy the powerful Jewish plague by chopping at its tentacles. Only by martialling and organizing of the awesome might of the total White Race can we ever hope to get the parasitic Jew off our back. AROUSED, INFORMED and ORGANIZED, the White Race is ten times as powerful as all the Jews and mud races combined. Our program gets down to the basics of the Laws of Nature, the survival of our own kind, the great White Race.

In our White Man's Bible, NATURE'S ETERNAL RELIGION, THE WHITE MAN'S BIBLE and SALUBRIOUS LIVING, we have THE TOTAL PROGRAM, the FINAL SOLUTION, the ULTIMATE CREED.

Need we say more? If you want to join the White Man's fight for SURVIVAL, EXPANSION and ADVANCEMENT of our own race, then avail yourself of a copy of these books today.

After you have read our Bible, thoroughly digested and studied it, then you are ready to become a member of the finest religious organization on the face of the earth, THE CHURCH OF THE CREATOR. You are then ready to become a CREATOR—the cream of the elite.

What You Can Do . . .

Now we come to the most important part of this analysis—ACTION—what you can do, WHAT YOU MUST DO!

The White Race must awaken from its lethargy and slumber or it will be destroyed. The Jews, in their own secret enclaves, have passed the death sentence on the White Race. They are brutally but successfully carryin out that death sentence of extermination. Did you know that in 1920 the White Race was outnumbered only two to one, while today it is outnumbered twelve to one? Did you know that the (Jewish) United Nations gleefully predicts that in another generation the White Race will be swamped in a ration of 49 to 1 by a flood tide of mud races?

So, wake up, White Man! We must sound the alarm and organize ourselves. Informed, aroused and organized, the White Race is ten times as powerful as all the Jews, niggers and mud races combined.

So, to get started:

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**THOSE WHO WILL NOT READ—HAVE NO ADVANTAGE OVER
THOSE WHO CANNOT READ!**

SHOULD THE FED BE DETHRONED? *continued from page 4*

to boot. If the design of a building is faulty, doesn't one always blame the architect?

As for the directors who run the day-to-day operations of the FRS, part of them are appointed by the President and confirmed by the Senate; the others are elected by the regional Federal Reserve Banks.

The idea behind making the FRS independent was to keep monetary control free from political control, or at least this was the idea Congress supposedly bought in 1913. But if this idea is sound, why not extend it? How about having a military establishment free from political control, or an independent State Department? And the Fed is actually not as independent as it might seem. This is because large commercial banks are continuously lobbying the President to select persons of their choice for positions on the Federal Reserve Board. These big money men want FRB Governors who will favor their own financial interests. So, while the new appointees may be independent of government, and thus not accountable to the President, Congress, or the American people, it does not necessarily mean that they are not accountable to the big bankers who helped them get their job on the FRB.

It is generally conceded that in the field of religion myths are more tenaciously clung to than anywhere else. However, economics has its share of tenacious myths, also. Currently, one of the more popular ones is that we must tolerate high interest rates as a necessary evil in combatting inflation. Those who cling to this notion ignore the fact that, *in the long run*, high interest rates push up the cost of everything, thus raising prices and causing *more* inflation, not less. If anyone doubts this, let him calculate the total cost of a \$70,000 home mortgage at 6% for 20 years, and then let him figure the cost of the same priced home with a 15% mortgage over the same length of time.

The 1920s are instructive in more ways than one, but the best lesson for modern economists to learn from them is that interest rates were low. But these low rates did not stimulate inflation; on the contrary, prices actually *declined* a little. Except for the beginning and end of the decade, the 1920s are often considered to have been the most prosperous era in our history. During these good times we had a lot of credit inflation without a corresponding price inflation, because the increase in the money supply also increased the production of goods and services to about the same extent, so that the two factors more or less balanced. But in the end, along came 1929 and the Great Depression, the worst on record.

What we should bear in mind, however, is that this depression, and all of our subsequent recessions, need not have happened at all; there is nothing written in the stars that makes these things inevitable; they are primarily the result of faulty monetary policy. And although the Fed is not solely responsible for everything that is wrong with the nation's economy today, it must certainly bear the blame for a great deal of it, and from this fact there is no escape.

To sum up, let it be said that the Treasury, an agency of a sovereign U.S. Government, could create our money as a credit, without any obligation to forever and a day pay interest on the country's credit to the International Banking crowd, just as well as the Fed creates it out of thin air, as a debt, enslaving our sovereign government and its people through atrocious interest payments; and if the Treasury would keep the increase in the money supply in harmony with the increase in the supply of goods and services in the nation (which is not a difficult task!), then the worst of our financial problems would be over.

The Fed may be abolished—eventually, but I would bet against it happening soon, unless, of course, the President and Congress are made to feel the wrath of the people in no uncertain terms. The Masters of Money naturally do not want to relinquish their power and profits, and they have great influence in our Government and nation; indeed in the whole Western world.

Let us rise up to the task of making this country a SOVEREIGN COUNTRY once again; let us dislodge these enshacklers of mankind by demanding of your Congressmen and Senators that the Federal Reserve Act be repealed—NOW! □

Rechtsextremist „bedauert“

Terrorist Manfred Röder rückt von „Auschwitz-Lüge“ ab

Von unserem Redaktionsmitglied Norbert Leppert

FRANKFURT A. M., 12. November. Zur Überraschung seiner Anhänger im rechtsextremistischen Lager hat sich der als Rädelsführer einer terroristischen Vereinigung verurteilte Manfred Röder (53) von der Behauptung distanziert, die Morde im Konzentrationslager Auschwitz seien nur eine Lüge. Wie Röder vor dem Frankfurter Landgericht in einer am Freitag bekanntgewordenen Erklärung zu Protokoll gab, „weiß ich heute, daß in Auschwitz Juden in großer Zahl getötet wurden, allein weil sie Juden waren“.

Gegen den ehemaligen Bensheimer Rechtsanwalt und Vorsitzenden einer „Deutschen Bürgerinitiative e. V.“, der Ende Juni dieses Jahres vom Stuttgarter Oberlandesgericht zu 13 Jahren Freiheitsstrafe verurteilt wurde, war in Frankfurt wegen Volksverhetzung verhandelt worden. Dabei ging es um Röders Vorwort zu Thies Christophersens Broschüre „Die Auschwitz-Lüge“, in dem unter anderem behauptet wurde, die Vergasungsanlagen von Auschwitz seien ausschließlich „Erfindungen krankhafter Hirne“.

Nach eingehender Rücksprache mit seinem Verteidiger sagte Röder vor Gericht, er sei „jetzt überzeugt, daß in Auschwitz eine Massenvernichtung der Juden stattgefunden hat“. Deshalb bedauere er, das Vorwort zur „Auschwitz-Lüge“ geschrieben zu haben; „Niemals mehr werde ich einen Beitrag zu einer derartigen Schrift leisten.“ Christophersens, so Röder wörtlich, „ist nicht Historiker, sondern Landwirt. Wie er berichtete, habe er während seines Aufenthalts in Auschwitz nicht beobachtet, daß Juden in Gaskammern getötet worden seien. So kann es sein, daß ihm das entgangen ist...“

Auf Grund der Röder-Erklärung zeigte sich das Landgericht mit Zustimmung der Anklagevertretung bereit, das Verfahren wegen Volksverhetzung als eine „unwesentliche Nebenstrafat“ einzustellen. Einen entsprechenden Antrag hatte der Angeklagte selbst bereits zu Beginn des Prozesses gestellt; doch hatte die Staatsanwaltschaft die Einstellung von einer Distanzierungserklärung abhängig gemacht.

Zum Motiv des Widerrufs erklärte der Frankfurter Staatsanwalt Volkmar Schneider, vielleicht zeige Röder nun „doch so etwas wie Einsicht“. Möglicherweise habe der Angeklagte auch seine Chance verbessern wollen, bereits nach Verbüßung von zwei Dritteln der in Stuttgart verhängten Strafe entlassen zu werden. Nach Einschätzung Schneiders muß Röder aber nunmehr damit rechnen, „daß die Spenden seiner Anhängerschaft ausbleiben werden“.

Die „Auschwitz-Lüge“ war 1973 herausgegeben worden. Die Broschüre erfreute sich großer Beliebtheit in der neofaschistischen Szene; sie erreichte die fünfte Auflage. Mehr als 25 000 Exemplare dürften verkauft worden sein. Christophersens, der eigenen Angaben zufolge als „Pflanzenzüchter“ in Auschwitz war, wird nach Auskunft der Staatsanwaltschaft derzeit per Haftbefehl gesucht.

Frankfurter Rundschau, 13.11.82

RADICAL RIGHTIST HAS "REGRETS"

Terrorist Manfred Roeder recants "Auschwitz Lie"
Reprinted from *Frankfurter Rundschau*, 13 Nov. 1982

Translation from the German by T.F.

by Norbert Leppert, Editorial Staff Member

FRANKFURT/MAIN Nov. 12. To the astonishment of his Radical Right supporters, convicted terrorist Manfred Roeder, 53, has dissociated himself from the claim that it is a lie that murders were committed at the Auschwitz concentration camp. In a deposition to the Frankfurt Regional Court made public this Friday, Roeder declared: "Today I know that great numbers of Jews were killed at Auschwitz, simply because they were Jews."

The former Bensheim attorney and Chairman of a "German Citizens' Initiative," whom the Stuttgart Superior Court sentenced to 13 years imprisonment in June of this year, was on trial in Frankfurt for incitement to public mischief. The charge stemmed from Roeder's forward to Thies Christophersens's booklet "The Auschwitz Lie," which claims, among other things, that charges about gas chambers at Auschwitz were "invented by sick minds."

After a lengthy consultation with his attorney, Roeder stated in court that he is "now convinced that a mass extermination of the Jews did take place at Auschwitz." He regrets that he wrote the forward to "The Auschwitz Lie." "Never again would I contribute to such a publication." In Roeder's own words, Christophersens is "an agronomist, not a historian. Perhaps, as he reported, he did not see any Jews being killed in gas chambers during his stay at Auschwitz. Maybe that escaped his notice..."

On the basis of Roeder's deposition, the Regional Court, with the agreement of the Prosecution, indicated that it was prepared to drop the charge of incitement to public mischief as a "minor offence." At the start of the trial, the defendant filed a petition to this effect, but the Prosecution made dismissal of the charge contingent on his repudiation of "The Auschwitz Lie."

Explaining the motives behind Roeder's disavowal, Frankfurt District Attorney Volkmar Schneider said that Roeder may be "displaying something like insight." It is also possible that the defendant is trying to improve his chances of being released after serving two-thirds of the

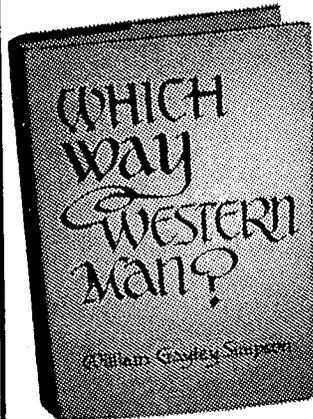
February 1983

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sentence imposed on him in Stuttgart. In Schneider's estimation, Roeder must now count on "his supporters withholding their contributions."

Published in 1973, "The Auschwitz Lie" has enjoyed great popularity on the neo-fascist scene. It went into five editions, with more than 25,000 copies sold. According to the District Attorney's Office, a warrant is out for the arrest of Christophersen, who has claimed he was at Auschwitz as a "nurseryman."

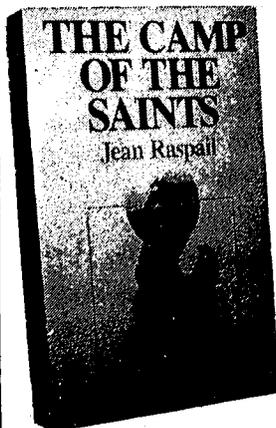
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