

The "New Times" is a really independent, non-party, non-class, non-sectarian weekly newspaper, advocating political and economic democracy, and opposing totalitarianism in all its forms.

Now, when our land to ruin's brink is verging,
In God's name, let us speak while there is time
Now, when the padlocks for our lips are forging,
Silence is crime.
—Whittier (1807-1892).

THE NEW TIMES

Vol. 10. No. 47. MELBOURNE, FRIDAY, NOVEMBER 24, 1944.

"NEW TIMES" SUBSCRIPTION RATES

Our charges for supplying and posting the "New Times" direct to your home or elsewhere every week are as follow:
Three months, 5/-; Six months, 10/-; Twelve months, £1. HALF Rates for Members of the A.I.F., C.M.F., R.A.N., R.A.A.F.
Payments must be made in advance and sent direct to New Times Limited, Box 1226, G.P.O., Melbourne.

What Are the Bankers So Worried About?

"Phoney" Panic in Banking Circles

(A letter to the Editor from Bruce H. Brown.)

Sir, —With the Chief Manager of the National Bank of Australasia as compeer, we are being treated to a great song-and-dance about the alleged threat of the Government to nationalise the trading banks.

The artists so ably assisting are Mr. Menzies, Mr. Fadden, Wing-Commander White, Mr. Hollway, and, of course, "the Press." The object of the presentation is to create an atmosphere of panic in the minds of the uninformed. In the past this technique has invariably succeeded, with benefit to the financiers and suffering to the community. Whether it will succeed this time remains to be seen.

Wing-Commander White indicated the trend when, in the House of Representatives on November 17, he asked the Government to make a statement on the subject "to avoid panic." As he makes so little contact with the rank-and-file of the people, it must be assumed that he referred to panic in financial circles.

Four things should be specially borne in mind about this "threat to the banks" clamour:

Firstly, all the noise is coming from the banks themselves or from politicians who speak at their instigation.

Secondly, all the channels of propaganda are being monopolised to misrepresent the facts and divert attention from the real issue.

Thirdly, those who speak of interference with the people's "savings" and of the dangers of "political control" disregard the principles of truth and of honour.

Fourthly, while a sham fight is being waged about "nationalisation," certain measures, INSPIRED FROM ABROAD, are being hurried through the Federal Parliament—measures which will subvert our democratic rights, undermine our political sovereignty, and hamstring our internal economy.

Although newspaper "space" is said to be scarce, it seems miraculously to be found when the financiers want it:

The Melbourne "Argus," which puts important letters in the waste paper basket because of "lack of space," came out one morning with a photograph and personal details on the front page of Mr. L. J. McCon-

nan, Chief Manager of the National Bank of Australasia Ltd., a double-column reprint on the leader page of a statement issued by him, and a whole column of editorial support for what he said. Since then it has published "statements" by certain "leaders," and even opened up special columns for "letters to the Editor" in support of the continuance of the present financial dictatorship. Other newspapers have responded similarly, presumably on the ground that it is more lucrative to attract advertisements than to tell the truth.

Not one of these great dailies has ever shown anything like the same interest in demanding adequate and regular incomes (irrespective of "work") for men returning from the battle areas, or a substantial increase of incomes for the aged and infirm, or really higher standards of living for workers, or incomes to ensure better care and attention for the sick and needy, or shorter hours of toil, or an earlier retiring age, or an easing of the burden on housewives—to say nothing of liberating the people from the shackles of debt, interest, and taxes.

All those things are controlled by FINANCE, and so the question to be asked about this sudden use of the press and the radio to mislead the public on the so-called banking issue is—Who benefits from this hoodwinking of the public? Who does?

In the statement issued by the National Bank, Mr. McConnan publicly admits that if the Government does what he thinks it intends doing, it would exercise "vast powers over industry and substantial con-

trol over the individual. . . . A powerful control not only over industry as a whole, but over the economic and financial ambitions of every individual."

That is an admission that that control over industry and individuals is exercised by persons outside the Government, and at long last admits what has been denied for years.

It will thus be seen that the bankers' alarm does not arise from any proposals effecting banking as such, but from the fear that bankers will not be permitted to go on controlling the community as they have done in the past. In their own words they have been exercising "vast powers over industry and substantial control over the individual," and the wicked results are round about us for all to see.

The bankers and their agents are harping on the idea that what is proposed is an attack by the Government on the people's "deposits" and "savings." And how convenient it is that certain politicians can be rushed in at the right moment to perform the function of gramophone records in this respect! These fellows, some less scrupulous than others, put forward the falsehood that the only alternative to the present system is the nationalisation of the banks, whereas the fact is that nationalisation would merely change the managers from private monopoly-control to Govern-

ment monopoly-control. There is nothing wrong with the present "management" of the banks. The men and women employed in them are undoubtedly efficient, very courteous, and good citizens. What is wrong is the POLICY, which the managers and staff are required to implement. The deposits in the banks will continue to have precisely the same sort of existence whether the banks be publicly owned or privately owned. Deposits in the Commonwealth Bank are no different from deposits in other banks, and the credit issued by Sir Denison Miller in 1920 to prevent a depression was no different from the credit then being withdrawn by the trading banks to cause a depression.

The real issue is the determination and control of financial POLICY, and one vital question that arises is whether that power should be exercised by the controllers of the private banks for their own purposes—OR by the people, through Parliament, for THEIR purposes.

That is not a question of whether credit should be issued or withdrawn at the whim of any person or group of persons, but of the application of scientific principles which will ensure that our credit resources will be used as required, up to the limit of, and in harmony with, our physical resources. Usually we have the absurd pro-

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NOTES on the NEWS

Much confusion is being caused by Press propaganda on what is described as Bankers' policy versus Labor policy. It is made to appear that the only alternatives facing the people are party-politicians' control of banking administration or bankers' control of monetary policy. Thus the real issue is concealed, because there is another alternative. It is not necessary or advisable that our money supply be subject to the whims of bankers or unrestrained politicians; it could and should be governed primarily by the people's needs, arrived at by predetermined and recognisable factors which can be readily understood by all. Supporters of reform should do their utmost to clarify this issue at all times, especially now.

VEGETABLE VALUES: Because of bureaucratic manpower and price-fixing bunglers vegetables are so scarce that many housewives are unable to obtain some varieties, and the President of the Housewives' Association states "prices are now the highest for 30 years." Of course, Prices Branch officials blame this on their stock alibi, "blank market," and say "it is almost impossible to smash the black market." Here we have a pitiable example of stupid Planners admitting failure, and, of course, blaming the people for not assisting them. The only possible good that can come from these muddle-headed socialistic Planners is that the people, from bitter experience, will learn that socialistic Planning never has worked satisfactorily and never will. The sooner this is realised the sooner will we return to sanity.

AUSSIE'S ABILITY: Of the many new industries developed in Australia none surpasses the scientific, technical and productive achievements of the Optical Munitions industry, which, starting from scratch, produced equipment of the highest precision and delicacy; it is also responsible for certain revolutionary developments which produced quality well in advance of others. But now with "peace" on the horizon, along with pressure from certain groups, the fate of this industry is in the melting pot. It will be a sad day for Australia if pressure from other countries is permitted to stifle opportunities for creative ability, which ranks second to none.

BISHOP'S BOMB: The October issue of "The Wellochran" (S.A.) contains some interesting observations of Bishop Thomas. He asks, "Why babies now being born in hospitals are denied the privilege of being born at home?" and suggests that the prevailing practice "gave the impression that childbirth was a disease." That's an interesting question, which opens up a wide discussion, and even though most people consider hospital conveniences safer and desirable, that only commences the discussion, but doesn't conclude it by a long way. The next bomb from the Bishop is, "Parents send their children to school where, it is hoped, they would learn enough to earn a living, read the yellow Press, and buy a lottery ticket." Incidentally, he discerns the regrettable trends but does not comment on the economic causes at the back of them.

LECTURE LAG: The Chairman of the Australian Universities' Commission (Prof. R. C. Miller), attacking the "lecture system," described it as a hangover from the pre-printing days; the alternative is a much higher rate of staff to students in which the teacher welcomed questions. This would, of course, also necessitate the tutor having a real knowledge of his subject, as distinct from an academic or superficial knowledge. Although there is general agreement at the Melbourne University with the condemnation

of the lecture system of teaching, Professor Mills says, "the problem of finance will preclude any change in the system, at any rate, for several years." (Melb. "Herald," Oct. 25.) So, once more the problem is not teachers, not books, not buildings, but just MONEY.

VANSITTARTS VIEW: An appeal has been made by Lord Vansittart in the House of Lords for an assurance "that the House should have a full opportunity of examining and debating in detail any peace treaty, or provisional or partial settlement, before British interests were committed in whole or in part." The reply was, "in due course the Government would invite discussion in Parliament, the only qualification would be that such discussion must be confined to the broad lines of the peace settlement. It would be clearly impracticable to discuss and obtain approval to every detail." It is the details that make the whole, and it is to be hoped that Lord Vansittart and others will insist on deciding as many details as they consider necessary; nothing should be left to chance in this vital issue.

FOSTER'S FOLLY: The 27th anniversary of the Russian revolution was marked by eulogistic but totally inaccurate statements by Judge Foster, to the effect that "Russia alone in human history has abolished human exploitation." From many sources there is ample evidence that Russia's experiment of submitting to slavery as a means to freedom has been a ghastly failure—at any rate they have now had 27 years of it and freedom is still well around the corner! Regarding the exploitation, Professor Hayek, in his book, "The Road to Serfdom," informs us that 12 per cent. of the "tall poppies" in Russia collect 50 per cent. of the produced annual wealth. Judge Foster will be hard (Continued on page 4.)

U.C.P. District Council Seeks An Inquiry Into Alberta

At the quarterly conference of the District Council of the United Country Parry, held at Yarragon, Victoria, on October 31, it was unanimously decided that Central Council be asked to obtain a reliable report as to the "operation of social credit" in Alberta.

The following relevant extract is taken from the report of the conference proceedings published in the "Gippsland News" of November 2:-

Mr. Dineen: "Most of our troubles seem to come from the monetary system. There were 750,000 unemployed before the war. Now everyone is at work. A lot of men have been taken out of the work of production, but we seem to keep going. There could have been employment at irrigation and other works. The people are not satisfied. They will go for socialism or some other system. A modified form of social credit may be all right. In Alberta, Canada, the Social Credit Party was returned with a huge majority after nine years in office. They won 51 out of 57 seats. I suggest that Central Council be asked to enquire as to how the system works in Canada. The capitalist Press won't divulge anything. Our annual conference has twice decided to support monetary reform."

Homes For Heroes

Mr. Oswald Barnett is on the warpath against the delay in getting on with house building, and has this to say: "When hundreds of thousands of servicemen and women come back there will be nowhere for them to live. Many people are living in such appalling conditions that they could not make the grade much longer," and "thousands are sharing their homes and their all with the rats in conditions which beggar description." The war cannot be accepted as an alibi for these sordid and dangerous conditions, and politicians who prevent the position being rectified by maintaining the building restrictions are endangering the health and the morale of the people. By so doing they are, knowingly or not, undermining the war effort, and the peace.

Mr. Cumming: "The Premier did not want it, so nothing was done."

Mr. Dineen: "The people of Alberta retain the social credit system, yet it is criticised."

Mr. Young: "Our Party has been in power for nine years, but we criticise it."

Mr. Dineen: "Perhaps they are best of a bad lot." (Laughter.)

Miss Mills: "We should get a man to enquire into affairs in Alberta, one who will give a fair neutral opinion."

Mr. Young: "Monetary discussions sometimes remind me of the incompetent trying to comprehend the incomprehensible. I feel I am in that position."

Mr. Cumming: "Here in Australia we can produce everything that man needs, so why not make the money when there is a shortage?"

Mr. Dineen: "Money should not be our master. What about the lease-lend system? We can export enough goods to meet all our expenses. The present financial system is controlled by a few men, and that is wrong."

Mr. Cumming: "In Russia the Government owns everything. Notes are printed to meet the situation as it exists."

Mr. Young: "During the depression humanity was depicted as misery sitting on a heap of gold."

Mr. Cumming: "We know there is not enough gold in the banks to pay creditors."

Miss Mills: "Then they should not collect interest on money they have not got. Banks should not be privately controlled."

On the motion of Messrs. Thompson and Cumming it was unanimously decided that Central Council be asked to obtain a reliable report as to the operation of social credit in Alberta.

Parliament v Planners

Attacking the continuance of National Security Regulations, the Premier of Victoria (Mr. Dunstan) recently stated, "it was time Australia got back to government by Parliament instead of by highly paid and intolerant bureaucrats." He also stated "about 50 per cent. of the regulations are unnecessary and have not the remotest connection with winning the war."

The Chairman of the Real Estate and Stock Agents Institute of Victoria also attacked the big bureaucrats thus: "I would suggest putting some of these critics at Canberra on a block (land—not a chopping block), they would soon have it mortgaged and be back where they belong—on wages."

The propaganda halo of bureaucratic economists is becoming tarnished; that at least is all to the good; the sooner these humbugs are dumped the better.

LET US LOOK BEHIND THE SCENE!

By ERIC D BUTLER

"The world is governed by personages quite different from those imagined by people whose eyes do not see into the wings of the theatre."
—Disraeli.

Disraeli, the gifted Jew who overcame so much opposition before attaining the Prime Ministership of Britain, was undoubtedly one of those people who had first-hand knowledge of how Governments can be controlled by men not known to the general public. Disraeli almost openly boasted in his books about the power of Jewish International Finance and International Jewry generally. As a close friend of the Rothschilds and other influential men behind "the wings of the theatre," he undoubtedly knew what he was writing about. Unfortunately, there are some people who still believe that this war came about merely because Adolf Hitler is a so-and-so. So long as people believe that events just happen haphazardly in this world, that wars and depressions are catastrophes which can only be prevented by the people giving up control of their own lives, that systems are to blame for our troubles and not individuals who control the systems, then just so long will the people continue to be increasingly organised into a world dictatorship labelled as a "World Security" plan. The groups of men responsible for the World Depression were also responsible for World War, Part One and Part Two. Those people who are so superior that they do not believe in plots, must, I presume, consider it mere coincidence that the start of military hostilities was the signal for a deluge of propaganda all over the world in favour of the destruction of national sovereignties and the establishment of a World State as a war aim. It has been proved beyond all doubt that the real instigators of World War, Part One and Part Two, were the German-Jewish financiers, who not only backed the Germany of the Kaiser, but who also were directly responsible for the coming to power of the Nazi regime. During the last war Mr. Paul Warburg, of the German-Jewish international bank of Kuhn, Loeb and Co., was financial adviser to the American Government, of which Mr. Woodrow Wilson was the President. Mr. Max Warburg, brother of Mr. Paul Warburg, was a financial adviser to the German Government. It is beyond doubt that President Wilson was unconsciously used by the German-Jews in America, who, according to Sir Cecil Spring-Rice (British Ambassador to America, during the early years of the last war), were then "capturing the principal newspapers, and bringing them over as much as they dare to the German side." Sir Cecil also said that talking to Paul Warburg and other advisers of Wilson was just like talking to the enemy. The German-Jewish internationalists did some astounding things during the last war, the elimination of Russia as a participant being carried out by sending Trotsky and other Jewish revolutionaries from America into Russia. The German High Command must have undoubtedly found Mr. Max Warburg's international associations very useful!

In view of the fact that it is being stated that the proposed International Government, which now appears to be the sole object of the present war, is an attempt to make a new League of Nations work where the old League failed, it is essential that we briefly examine the origin of the first League and the people associated with its creation in order that we can better understand the tactics of the groups behind the second attempt to create a World State. These groups are composed of many of the men connected with the first attempt to establish a League of Nations.

It is a matter of history how the international German-Jewish financiers and their associates represented both sides when the Versailles Treaty was drawn up after the last war. They completely dominated the proceedings and ensured that Germany won the peace. Although President Wilson has been blamed by some for losing the benefit of the military victory, perhaps it would be much fairer to say that he was a hopeless idealist misled by the German-Jewish groups and their tools (such as the notorious Colonel House, an arch-villain if ever there was one).

One of the most important books to come out of this war is "World In Trance," by Leopold Schwarzschild, a German newspaper editor who left Germany in 1933. Carefully documented, this frightening book, very appropriately named, reveals all too clearly how the Germans used Wilson to get the peace they desired, how they used the League of Nations to further their own power-lusting ends and the manner in which international finance helped. It is interesting to read a newspaper report that Mr. Churchill has ordered all his Cabinet to read the above book.

Schwarzschild deals in his first chapter with the manner in which Wilson was negotiating for an armistice with the Germans (through Switzerland) on the basis of his own points, alleged by many authorities to have been drafted by the Jew, Walter Lippman. Although Pershing and other American Generals were in favour of completely destroying the German armies, powerful interests behind House and Wilson opposed this idea. The following extracts from "World In Trance" reveal how the German-Jewish groups behind House were using that astute gentleman:

"Wilson's 'balance-of-power' idea concealed a clearly discernible calculation. To be sure, the German army was to be made

too weak to make another stand against its combined adversaries. Yet he wanted it to remain strong enough to threaten the Allies without the United States. Conflicts between Wilson and the others would arise in the process of realising the new world order. The Allies must be checked by the danger of America's withdrawal from the common cause, by fear of having to face German arms alone . . . Would the peace fail to impose on Germany any condition that was in the interest of any other nation? Would the treaty stipulate only conditions which Germany would find favourable to her own interests? . . . If the words had any meaning, this time the vanquished were to dictate the conditions."

One of the points put forward by Wilson and House was that Britain should forego the right of naval blockade in the "new world order." Schwarzschild continues:

"Colonel House argued, the era of wars would be over. The League of Nations, about to be founded, would protect England even without the right of blockade. If the League of Nations is so efficient, Lloyd George replied, that it will really do away with wars, no blockade will take place

"PHONEY" PANIC IN BANKING CIRCLES

(Continued from page 1.)

cedure of requiring our physical resources to be fitted into artificially limited financial resources.

Under the system now imposed by the financiers we have alternate periods of mild inflation and severe deflation. It is through this alternation of so-called prosperity and depression that the financiers control the demand for goods. By controlling demand they also control production.

What we require is a continuous EQUATION between production and the finance with which to purchase it. Whether that is done is a matter of POLICY, not a matter of administration or management.

Montagu Norman, ex-governor of the Bank of England, when asked what he thought of Government control of banks, said: "Nationalisation? I would welcome it." He said that because he knew the difference between management and policy. A good illustration of this difference is to be seen in the case of the Reserve Bank of New Zealand. That bank has been "nationalised," but it still carries out the policy of the international financiers, viz., irredeemable debts, crushing interest, and confiscatory taxes. Nationalisation of the trading banks would make no difference whatever to that. But it WOULD make a big difference if Parliament decreed the proper POLICY and altered the basis on which money is PRODUCED. At present it is created only as an interest-bearing debt to the banking system. That practice must cease.

We should notice particularly how these Yes-men talk glibly of bank deposits, but never utter a word about the way in which the deposits come into existence. Obviously they must be produced before they can be deposited, but we are not supposed to ask questions about that aspect?

It is control of the creation and cancellation of deposit-money, and creating it as the bank's property in the first instance, that gives the banker his over-riding and overwhelming power.

Such power does not come from the management or the "guarding" of the people's savings—it comes from controlling the VOLUME of them. Deposit-money is used for 90 per cent, of community activities, and it is the deposit-money that disappears in times of depression.

And what a lot is being said about the menace of "political control" of the banks. Even Armstrong, the famous cartoonist, has been used in prostitution of his ability to help to foster the silly lie that "political control" must involve the theft of bank deposits. His cartoon in the "Argus" of 17/11/44 depicts a bunch of masked and armed men sitting behind a member of the Government who is telling Parliament that

HOUSING IN GREAT BRITAIN

"Houses have been in short supply for forty years, ever since the Government first took upon itself to have a housing policy, and these businessmen who get on to the platform and explain that they can do nothing till the Government has decided what sort of nothing it will do . . . sink with the rest of a pauper-minded nation into raw material for the totalitarian bureaucrat."

—Sir Ernest Benn.

HAWTHORN M.L.A. TO MEET HIS ELECTORS

Mr. L. H. Hollins, Member for Hawthorn in the Victorian Legislative Assembly, will meet those of his electors who are sufficiently interested to attend at the Hawthorn Town Hall tonight (Friday, November 24). He will "give an account of his stewardship" and seek direction from electors. The question of higher salaries for Members of the Victorian Parliament will be among the subjects discussed, and Mr. Hollins will ask his electors at the meeting to vote on this matter.

Anyhow...Colonel House became threatening, unpleasant. . . . Very well, he said, if the gentlemen refused to accept the twenty-seven points as the basis of peace, the negotiations with Germany, which declared herself ready to negotiate only on that basis, were thereby cancelled. . . . But then an entirely new question would arise. "The question would then arise whether America would not have to take these matters up directly with Germany and Austria," . . . Clemenceau asked the question without mincing words, "That would amount to a separate peace between the United States and the Central Powers?" "It might," replied House. . . . At this session he repeated his threats of a separate peace more distinctly and with great detail, adding the threat of historic scandal. . . . But it was unnecessary to promote the cause of the new world order with coercive means. The threat of the separate peace had a magical effect."

Although House said this was a great victory for his diplomacy, it would be more truthful to say that it was a great victory for the German-Jewish groups, who did not desire the destruction of Germany. They achieved their ends; the League of Nations idea, which was well understood in Germany before the German-Jews in America "sold" it to Wilson, being used to overshadow the fact that the war criminals in Germany were to be forgotten and that the way was left clear for the Germans to escape the payment of all reparations. Such was the power of International Jewry!

(To be concluded.)

SMITHS WEAKLY?

The above brief query has been put to the "New Times" by a few wide-awake farmers at Clarinda, Victoria, in the following letter to the Editor:—

Sir,—Prompted by an article by Brian Fitzpatrick appearing in a recent issue of "Smith's Weekly," and written, as usual, "Without prejudice to 'Smith's,'" the Clarinda Study Group wrote to the editor of "Smith's" asking for publication of a statement of its policy on national finance. "Smith's" promptly obliged with an editorial entitled, "A Little To Go On With." We read it—several times—and we are not much wiser.

For instance, the editorial says (inter alia): "We are all aware that we are piling up a deadweight of debt. That's inevitable in war. But we detect the fallacy in accepting the finance of war and waste as applicable to peace and prosperity." And: "Whether it be individual or collective debt, it's much the same, except that national indebtedness has what consolation is derived from misery in company."

Now, is "Smith's" criticising the financial system, which has obtained ALL ALONG? Is it having a stab at the political punting of the Labor Party, which has already fastened a stranglehold upon the Australian people with its continuance of the borrow-bust policy, and placed scores of millions of THEIR credit-worthiness in pawn to private banking interests?

Or, since it has ceased firing upon Douglas Creditors pro tem, is its inference that we poor cockies of Clarinda are "repudiationists" to be taken as meaning that we are interested merely in monetary reform, without reference to governing factors, such as monetary POLICY? We still don't know. What we do know, however, is that in spite of the "freedom of the press," the pie-crust promises of ALL political parties, and the four penny-worth of somersaults which emanates from "Smith's" undeclared policy, Australia's social credit is rapidly being converted into social debt whilst "Smith's Meekly" I have deliberately substituted an M for the W, Mr. Editor) talks of the "consolation derived from misery in company," it might be better for "Smith's" if its editorials were transferred to its funni-osities section, and the "POLICY" made to read: "Astray-lia."

"Smith's" continues: "However, we see no way of suddenly banishing debt. . . ." Then: "For most of the debt is owed to ourselves."

If this be so, why don't we re-pocket "most of" the interest charged upon "most of this colossal indebtedness"? Why, in fact, does "Smith's" together with the rest of the sup-press continue to back the stupid practice of borrowing from ourselves, charging ourselves interest and taxing ourselves to death in a mathematically impossible attempt to repay ourselves? To the "something for nothing" Clarinda "cranks," at least, it isn't logic! Perhaps those few figures in private ledgers, those added noughts, etc., are responsible for the "mith" in "Smith's," after all? We who pour the milk to the pigs, dump the spuds and discard the carrots still retain enough energy to ask publicly, "will 'Smith's' oblige?"

That champion of comic cuts tells us that: "Thus our credit at all costs must be preserved."

Why it's cooked already! And as far as we can see we are going to have it re-hashed by a bunch of irresponsible socialists and pseudo-intellectuals, via an international "authority," and dishd up to the unsuspecting (?) public with "democratic" dressing and a coating of socialistic sugar—UNLESS we do even more than we are doing to get the facts to the people. ("We deem our mission to be to ring a warning bell where we see shoals ahead," as "Smith's" put it when it put Clarinda into the picture somewhere between a "trade cycle" and a "primrose path down which we can't see very far.")

May we remind "Smith's" that on May 6, 1939, with world war impending, it published the following under the caption, "Commonwealth Bank Menaced by Big Interests":

"Control of the Commonwealth Bank is in danger of passing into the hands of powerful financial interests whose identity may be concealed from the public, if a Bill at present before the Federal House is ratified during the coming session."

At rather a late hour, "Smith's" played safe with its readers by joining in the exposure of Casey's Commonwealth Bank Act Amendment Bill, with the following as concluding words: "If the new Federal Government continues with this legislation, it appears on the face of it that a wonderful investment is being created for financial corporations and wealthy persons. AT A TIME WHEN IT IS UNNECESSARY FOR THE NATION'S BANK TO BORROW MONEY AT ALL." (My emphasis.)

Well, thanks to the prompt action of the Australian electors (all they did was to tell their individual Members of Parliament that if they didn't wholeheartedly oppose that Bill they would be looking for jobs after the elections) the Bill did not go through, and for the second time at least in Australia's political history democracy asserted itself.

Of course, "Smith's" got a pat on the back. But (and I think it only fair to mention the fact, Mr. Editor), the acknowledgments received by "Smith's" at the time were for reproducing almost to a word the facts concerning the plot as published by the "New Times" in its issue of February 24—some ten weeks previously! The time was short, and my friends and I (Continued at foot of next column.)

THE TENNESSEE VALLEY AUTHORITY'

By GEOFFREY DOBBS (Continued from last issue.)

Although the aims of the Tennessee Valley Authority, as described in the preamble to the Act, which constituted it in 1933, are many and various, the navigation system "forms the logical and constitutional basis of all other activities of the Authority;" flood control and navigation alone being inter-State matters. The powers given to the Authority under Section 22 of the Act are given directly to the President of the U.S.A., and apply not only to the Tennessee basin but to such adjoining territory "as may be related to or materially affected by the developments consequent to this Act." The spread of control from water to almost everything else makes an instructive study of the totalitarian nature of Planning.

The first important Federal interference with the area took place during the last war, when a dam and power plant for the production of nitrates for munitions and fertilisers was constructed at Muscle Shoals. After the war the plant stood idle. In 1928 and 1930 Congress declarations in favour of Government operation were blocked by the Presidential veto. Nevertheless, for ten years before 1933 War Department engineers were busy carrying out a survey of natural resources and "basis engineering and economic data" in the area.

It would be interesting to know through what channels they received orders which clearly coincided with the policy of the President's successor, which resulted in the building up of large power resources just in time for the next war.

The first duty of the Tennessee Valley Authority was the rehabilitation of Muscle Shoals and its co-ordination with the wider plan. The next step was the building of other vast dams and the creation of immense reservoirs, the eventual aim being that "When the system is completed very little water will normally reach the sea without passing through turbines . . ." and hence coming under the control of whomever, at any particular time, controlled the sluice gates. The Norris Reservoir, for instance, is stated to have a shoreline of 775 miles.

Interference with the earth's surface on this scale brings with it, besides centralised control of water and electric power, many "problems" which can be dealt with only by extending the interference still further . . . There is the employment of thousands of workpeople, the development of towns and camps to house them, the resettlement of the people displaced from the obliterated land, the diversion and rebuilding of roads (over 100 miles in the case of the Norris reservoir alone), and the problem of malaria control arising from the creation of huge sheets of water.

To prevent the silting up of reservoirs, the Authority is empowered to purchase such land as it thinks necessary around them. It 'co-operates' also with the farmers, encouraging terracing associations, in which the manufacturers of terracing machinery co-operate with the T.V.A. . . . The farmers themselves pay the cost of the terracing programme, including the necessary equipment." It also co-operates with the State Agricultural Colleges in moving some thousands of farmers out of the eroded areas. "Anyone knowing the Southern hill farmer," writes P.E.P., "with his Anglo-Saxon and Scottish traditions, will realise that this was not the least of the engineering problems encountered."

The prevention of soil erosion by the use of fertilisers, is one of the aims of flu-Authority. The fertilisers in question are, of course, of the chemical type largely blamed for the impoverishment of soils all over the world.

The soil, like the Public in a Planned State, must take what it is convenient to produce, in this case the chemical by-products of "national defence," and of phosphate-bearing lands near Muscle Shoals. "Research" is being busily carried on into the best way to use these, and the cheapest way to transport them, and the development of new industries and various dodges for "taking up surplus labour." There are "some interesting experiments in housing" in the new town of Norris, built by the Authority, also in "highway construction, amenities and land planning." Indeed, the whole business is most "interesting"—for the Planners! First, where the labour may live, then how the labour may live, and what it may labour at, and what sort of hut it may live in, and what sort of road it may walk on, and what sort of bath, and sink and lavatory it may use, and how it may poison the already dying soil most cheaply, and how it may amuse itself, and finally how and what it may think. "The whole T.V.A. enterprise has been visualised from the outset not just as a great public works scheme, but as an immense and significant programme of education."

The number of books, articles, pamphlets, brochures, radio talks, etc., all over the world, boosting the Authority, appears to be legion. There seems to be a certain similarity about their style, and about the sort of people who approve of them and spread them about.

The latest example I have come across in England is a book by Dr. Julian Huxley of P.E.P., the B.B.C. and the Zoological Gardens. It has lots of shiny photographs of planned dwellings and interiors and electrical gadgets, and it does not make use of capital letters, so you will realise what

SMITH'S WEAKLY?

(Continued from page 2.)

lost a lot of meal-times rushing around the countryside telling the erstwhile gullible public what a wonderful thing public opinion is when it gets THE FACTS.

I write this, of course (as Brian Fitzpatrick puts it), "without prejudice to Smith's."

—Yours, etc., NORMAN F. ROLLS, for Clarinda Study Group.

it is like. The broad impression, which it drives home, is that of the utter uniformity of planning everywhere. There is nothing in it, which looks like Tennessee, rather than anywhere else. Nothing which has a recognisable character such as that of a Cotswold, or a Norwegian, or a Dutch village; and yet I had always understood that Tennessee was one of those parts of the U.S.A. which had a definite character of its own. It is a horrible thought that there is nothing about the work of the Tennessee Valley Authority which could not be copied anywhere; and it was intended from the first to be copied everywhere. In fact, one of the directors has stated that "every step taken, every project set up, every result, is weighed from the point of view of its possible application to other parts of the country" and, it is made clear by P.E.P., to other countries, particularly ours.

Probably the best "selling point" of the Authority so far has been the generation and distribution of relatively cheap electric power, which has been possible through the use of a privileged financial position to force policy upon privately owned companies, and local distributing agencies.

This the Authority does by charging municipalities, etc., "only slightly less than wholesale prices through the country generally," but, as the price usually charged to the consumer is only one-sixth to one-tenth of the cost of generating, it insists upon a very much reduced retail rate, which greatly stimulates consumption. The local concern makes a loss, which, however, is soon made up.

This is the price-cutting stage, which is essential to the establishment of every monopoly.

While it lasts it brings obvious benefits, but also more and more complete dependence upon the monopoly in the details of living. "The social results of increased electrification are illimitable," and include "a revolution in conditions of life and work." Running water, electric light, bathrooms, plumbing systems and radios become necessities of life where they were formerly unknown, and electricity brings additional income to the farmer, enabling him to branch out into small-scale, semi-industrial operations—"employing more labour, and raising the standard of life of the whole area."

What is nowhere even hinted at is that this increased prosperity could have been built upon a broad and secure foundation of de-centralised water power, instead of being balanced very cleverly upon the point of a single Monopoly owing its allegiance outside the area, which is about as safe as having your child suckled by a tigress. In this way every advance is fraught with greater danger, and every benefit is used

"THE BRIEF FOR THE PROSECUTION"

By C H DOUGLAS (Continued from last issue.)

(In view of the urgency of the situation with which they deal, chapters from Major Douglas's forthcoming book are being printed in abridged form in the "Social Creditor," whose publisher's Australian representative has given us special permission to reprint them in this country.)

CHAPTER XII. *

On the declaration of war in September 1939, and more especially, on the entry of the Labour Party into the Government in May 1940, it was clear that the carefully prepared Socialist State for Great Britain was about to be inaugurated. The ordinary law was abrogated; by Regulation 18B the mere opinion of the Home Secretary was sufficient to procure the arrest and indefinite incarceration of a British subject, a power which was almost exclusively exercised against the political opponents of the Labour Party and its shadowy allies. A savage attack on private property and privacy itself was inaugurated by the evacuation and billeting regulations, whose horrors were only equalled by their complete collapse—a collapse that did not occur without many terrible and completely unnecessary tragedies. It is safe to say that the ordinary citizen, during 1940 and 1941, came to dislike his own Government only less than that of Hitler.

It would be absurd to deny that the immanence of modern three dimensional, mechanised warfare renders drastic inroads upon civilian comfort inevitable.

But the legislation which was imposed upon the country under the threat of war was precisely that referred to in the P.E.P. statement that no British Government would accept it under conditions less compelling.

Perhaps, amongst many, the provisions of the Agriculture (Miscellaneous War Provisions) Act, 1940, form an example of the combination of measures clearly justified by a state of war, and measures intended to alienate property rights, and powerless to assist in a victorious outcome of the conflict.

To understand the situation it must be realised that both landowning and agriculture had been penalised in every possible way in the armistice years, both to enable

"The extracts are published with a view to the existing situation, not in the sequence or detail in which they will appear later."

as a bribe for the acceptance of further control.

Even the control of domestic details has not been forgotten. A separate body, the Electric Home and Farm Authority, was set up, at first with the same directors as the Tennessee Valley Authority, with an initial capital of a million dollars, and a credit from the Reconstruction Finance Corporation of ten million dollars. Its aim is to supply electric appliances on easy credit terms, and to standardise them by means of a badge "for use upon those types which meet its requirements in design and in value for money."

In this connection it should be noted that the Authority advertises its belief in "a greater decentralisation of industry, scientifically planned and organised." The word should, of course, be delegation of centralised powers, a process without which no monopoly can operate, but which at the outset sufficiently simulates real decentralisation to secure its acceptance by a majority.

It should not be supposed that the Authority has been allowed to swallow the whole of its allotted prey without some opposition from among the smaller carnivores, which had formerly made their happy hunting ground in the area. The Power Companies, in particular, very naturally attacked it, and the Authority received the heaviest available supporting fire, including a statement by President Roosevelt himself, which began "Crafty managers . . ." and ended with "rife with corruption and bribery." The Alabama Power Company succeeded so far as to get a favourable verdict in a District Court, but when the appeal was taken to the Supreme Court the Authority won by eight votes to one. We note the statement that "The large funds known to be behind the T.V.A. . . . give it, however, an immensely strong bargaining position."

Great care has been taken to represent the Authority as non-political, impartial, and untouched by corruption. The Board has to consist of three "persons who profess a belief in the feasibility and wisdom of the Act"—i.e., they must be politically "New-Dealers." Examples given of its "nonpolitical" behaviour are: equal pay and opportunities for Negroes—"a conspicuous victory over racial prejudice in one of its best-known strongholds"—and the encouragement of trade unionism; both actions against which the strongest political feeling exists in that part of America.

Finally we note the unlimited prospects for the expansion of this plan-infested area: "When more comprehensive plans come to be made, the T.V.A. will have to face the problem that, while the valley is an appropriate area for flood control and hydro-electric generation and so forth, its boundaries are meaningless for electricity supply, for transport, for industrial development and other purposes. This problem of the overlapping of optimum areas for different purposes is again a universal one. At present the T.V.A. system of having a defined territory as a nucleus, with power to go outside it where necessary, may be the most practical solution. Encouraged by the T.V.A.'s achievements, other regions are putting up schemes on similar lines,"

(To be continued.)

ERIC BUTLER'S ACTIVITIES

During the latter part of his leave, Mr. Eric D. Butler addressed four excellent country meetings in the Colac (Victoria) district. Attendances were good, and comprised leading citizens, who displayed keen interest in what the speaker had to say about Alberta, and social credit generally. Reports in the Colac "Herald" gave prominence to the information concerning Alberta. Mr. Butler reports that he is particularly impressed with the type of citizen now coming forward and asking for information.

On Wednesday evening, November 15, he addressed an excellent meeting at the home of Mrs. Searle, in Surrey Hills, Melbourne. This was his last meeting before going back to the Army. Nearly fifty people attended and enthusiastically endorsed his analysis of the present political situation—particularly his emphasis on the danger of the Socialist money-reformers. The necessity of immediate and correct action was stressed and many of those present made arrangements for positive action to be taken.

INSIDE INFORMATION

"The whole of the Communications Service between S.H.A.E.F. and the Continent is supervised by David Sarnoff, the American Jew financier."

"The Social Creditor" (England), September 16, 1944.

session is dependent on something notoriously difficult to define, "the war period."

But the injustice goes much further. "The Minister" may spend indefinite sums of money for his own purposes, and when the land is given back, the owner, who has not been consulted, and whose opportunity to benefit by the expenditure has passed, is called upon to repay these sums! And for this purpose "The Minister" is placed by statute in the position of a mortgagee, so that he advances money to himself as tenant, without effective check, on the security and credit not of the tenant, but of the owner who cannot control him! Clearly, that is not a war measure—it is a political manoeuvre of a far-reaching nature, involving a complete body of powers expressly repugnant to English Common Law, as well as equity.

That the policy pursued is not a war-time necessity but is an instance of the use of a public emergency to abrogate the principles of the Constitution in the knowledge that Parliamentary powers could not be obtained for the measures desired, is proved by the use made of "delegated legislation," against which so masterly a protest was made by the Lord Chief Justice of England, Lord Hewart, in his book, "The New Despotism," published some years before the declaration of war in 1939. The technique, described by Lord Hewart as "administrative lawlessness" is to pass an Enabling Bill so widely drawn that it will include practically anything, while at the same time giving no information to the Parliamentary representatives of the people affected; and subsequently, to issue Orders in Council, having the effect of law, which are not debated in Parliament; i.e., the anonymous civil servant in the background, who is immune from responsibility, becomes at once the lawmaker, the judge, and the executioner.

More than two thousand of these Orders in Council were issued in the first three years from the resumption of hostilities. Many of them created new crimes with ferocious penalties, many of them were contradictory and quite a large number were unintelligible.

The body of legislation proposed or enacted under the general cliché of "social security" is even more obviously inspired by revolutionary rather than military activities. The much advertised Beveridge Plan, to which is ancillary the proposal to nationalise the medical profession so that the medical certificate can be "controlled," is a lineal descendant of Bismarckian Germany.

The comment on the evolution of German mentality under Bismarck, "He instituted for the working classes a model system of social insurance, but at the same time deprived them of . . . all right to liberal or revolutionary opinions or activities" ("The Germans and the Jews," p. 196), is directly applicable to the Beveridge Plan, an instance of the use of socialistic doctrines to entrap the dupes of it into an ir-retrievable position.

That this criticism is not unduly harsh may be verified by anyone who will take the trouble to observe the omissions in the abridged explanation of the Plan officially issued, or who listened to the broadcast recommendations of it as a novel and notable advance in civilised organisation.

It is perhaps unnecessary to recall that Sir William Beveridge was from 1919-1937—the dates are significant—Director of the London School of Economics, the institution endowed by Sir Ernest Cassel, the German Jew, "to train the bureaucracy of the future Socialist State," and a member of the Royal Commission on Coal to which reference has been made.

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NO CONSCRIPTION CAMPAIGN

TEMPERANCE HALL, RUSSELL STREET, MELBOURNE.

SUNDAY, NOVEMBER 26, at 7.45 p.m.

MR. FRANK A. PARKER, B.A., WILL SPEAK ON—

"DEMOCRACY AND MODERN TRENDS TOWARD COMPULSION."

"New Times," November 24, 1944—Page 3

THE INTERNATIONAL MONETARY PLAN

Attitudes of Sundry Federal Politicians

An Adelaide correspondent recently wrote to a number of Federal politicians, pointing out the dangers of the International Monetary Agreement and urging them to oppose its ratification. Relevant extracts from their replies are quoted hereunder:—

From the Prime Minister: "The position of the Australian Government, therefore, is that it has neither accepted nor rejected the resolution of the Conference. The Government considers that on a matter of such importance a decision can only be made after it has been considered by the Australian Government and the Commonwealth Parliament."

From Mr. Chifley: "On page two of your letter you make reference to the Constitutional power possessed by the Commonwealth to create and issue its own currency and credit. I think it should be clearly understood that the Monetary Conference had nothing to do with the question of the use of internal credit. It only deals with the matter of making balances available to enable countries to make purchases from other countries, or to meet other commitments from such countries."

From two S.A. Labour Members (Mr. T. N. Sheehy and Mr. C. Chambers): (1) "You can rest assured that we will not allow Australia to be a pawn on any international monetary organisation, but we will guide the destinies of Australia and its economic life." (2) "... all members of the Labour Party are determined that Australia shall not be placed in pawn by an International Monetary Organisation, and I give you my personal assurance that I for one am determined that never again will Overseas interests control our economic life."

From two S.A. Members of the Opposition (Senator Jas. McLachlan and Mr. Archie Cameron): (1) "... until I am fully conversant with, as you term it, 'some agreement,' I am not at present prepared to state definitely what I propose doing." (2) "Your ideas on finance are obviously not mine, but I can assure you that the Agreement will be studied carefully. I am not keen on International commitments as a rule, but we are faced with the Russian declaration for a return to gold. Our currency is still tied to gold. The present Government, through the Commonwealth Bank, has issued hundreds of millions of 'credit.' That is one of our most serious financial problems."

Mr. J. J. Redman is true to form: "I feel we should recognise that Australia cannot be independent of world policy in this or any other field. Australia is not self-sufficient; she must export the majority of her primary products, and must import a wide range of manufactured goods and raw materials. Any arrangements that promote stability in the international sphere are clearly in Australia's immediate interests, therefore, if no such arrangements were made, the field would be left largely open to international speculations of the kind you mention; and no doubt international disputes possibly leading to war might result. For these reasons it seems clear that the nations of the world must come together and work out a system of world finance that will work for the benefit of the people of all countries, and not for the private profit of a few. It is my sincere belief that the world monetary conference at Bretton Woods... was moved by objectives of this kind. I think you will agree that the establishment of a world monetary authority, composed not of representatives of the old interests, but of representatives appointed by the democratically elected Governments of the different countries, would be of great benefit to Australia if it pursued these objectives."

Mr. E. J. Ward: "I... agree with you that the questions involved are of very great importance to the future of this country, and you may rest assured I am watching the position very closely. It is my conviction that it would be a tragedy of the greatest magnitude to this country, if we ever permitted questions affecting our domestic policy to be determined by an authority outside this country."

In the above extracts note the child-like trust (or is it?) of the Treasurer, the dogmatic assertiveness of the Minister for W.O.I., with his Socialist ideas, and the general ignorance of most on the subject. The problem for us is how to avert a national disaster. Can we rouse public opinion on the matter in time?

THE TYRANNY OF WORDS

It would be difficult to find a more astonishing example of the tyranny of words as well as methods than is furnished by the U.S.S.R. If Stalin were called Czar of Russia, which is what he is, our Leftists would cry to high heaven of the brutal aristocrats. If a Managing Director of England or America employed the methods of a Soviet Industrial Commissar, he would be hanged. If an Employer paid an average wage of £7/6 per week, which is what Sir Walter Citrine found the average wage of the Soviet citizen to be, the whole country would be on strike. If the private employer charged the prices and made the profits the Soviet Government charges, he would go out of business in three months. And on top of this, forced labour, daily risk from the OGPU, and permanent deprivation of the right to travel or to communicate, unsupervised, with foreigners.

But because this is labelled, and is, Socialism, a very numerous body of hypnotised dupes believe that Russian organisation spells the Golden Age.

The unanswerable criticism of Socialism is that if it is so superior as a mode of life to our admittedly faulty democracy, why doesn't the Russian Government give every possible facility to its happy citizens to travel free and return thankfully? And why does it threaten any Soviet citizen whom circumstances require to travel on strictly Soviet business (the only excuse for travel which is valid) that if he doesn't return, his family will suffer for him?

To which the local Communist, who says he abhors militarism, replies: "Look what a wonderful army the Russians have."

—"The Social Creditor."

SOUTH AUSTRALIAN NOTES

From The UNITED DEMOCRATS' Headquarters, 17 Waymouth Street, Adelaide.

FREEDOM FROM WANT CAMPAIGN: The Prospect Branch of the Pensioners' Association is still working on this campaign, which aims to secure for pensioners a minimum of £3 per week without reference to the Means Test. Recently Mr. J. Fitzgerald and a team of pensioners manned tables in the Adelaide Central Market, in a drive to secure signatures. Several hundred demand letters were signed by the public, and have been forwarded to the appropriate Members of Parliament.

BOOKS TO READ: We have available, and can recommend the following: "The Enemy Within the Empire," a short history of the Bank of England, by Eric D. Butler; price 9d. "The Answer to Socialism," by C. Barclay-Smith; price 2/6. "Social Credit Text Book," A new publication setting out the philosophy and technique of Social Credit, by Wm. Stones; price 2/- (All plus 2d postage.)

—F. BAWDEN, Hon. Secretary.

Notes On The News

(Continued from page 1)

put to square this with his non-exploitation assumption.

STANDARDISATION: The Melbourne "Herald" of October 10 informed us of a Federal Bureau of Standards which was to operate if the people had been gulled into a "Yes" vote at the recent Referendum. This plot was to standardise measurements and qualities of clothing, but the report said, as the defeat of the Referendum rendered this impracticable, Canberra would consider approaching State Governments to legislate on this matter. Although the people rejected the Dedman suits and shirts, the Planners are determined to foist their ideas of regimentation on the people. One only has to observe the infinite variations of human physique to realise the stupidity of standardisation in clothes; but, to overcome this natural barrier, the Planners would probably ordain that babies be compelled to develop within the prescribed sizes by the use of specified moulds, similar to those used by certain Orientals in moulding women's feet.

SLOW STRIKES: The go-slow type of strike is being applied to sections of the building trade to restore the "10-minute rest period." According to the secretary, the Building Trades Federation ordered the strike, not the men; from which it appears that the men concerned are being pushed around by their paid servants, whose pay goes on irrespective of stoppages. There was a time when men were independent enough to quit a job if they were not satisfied with it; they did not cause dislocation and did not interfere with other men or coerce them; but since then unionists have become the slaves of political adventurers and union gangsters. Individual financial security, which permits freedom-of-choice in the matter of jobs is the only effective substitute for strikes imposed by union gangsters.

BUDGET BLOWS: The Melbourne "Herald" of October 25 contained a curious form of war-loan propaganda; it pointed out that the lag in loan subscriptions was not unexpected, and that a substantial falling-off in loan revenue can be expected in future. The article then postulated that, as a consequence, taxation concessions would have to be either postponed or reduced. The argument reduces to this: "less loans means more taxation." That may be good loan propaganda, but it lacks sense, since most adults realise that the more loan money is spent, the more taxation must follow, so that the Government can pay the interest on the loans. Experience has shown that as loans fall due they are simply converted into new loans, but the interest burden keeps piling up, and, of course, taxation must increase to pay the interest. The only answer is debt-free and interest-free money for public purposes.

—O.B.H.

POST-WAR RECONSTRUCTION POLICIES

(Continued from last issue.)

Hereunder we publish a seventh instalment from the Report of the Post-War Policy Committee of the Vancouver Board of Trade. This continues the analytical section entitled "Defects of the Economic System":

There is a wealth of authoritative information on the operation of the monetary system for students of the subject. What we are concerned with here are the broad principles involved in its operation.

Broadly, the manner in which the monetary system operates is as follows:

(1) The Bank of Canada purchases gold or securities with cheques drawn against itself.

(2) These are deposited with chartered banks. The chartered banks have a claim on the Bank of Canada for cash. This the Bank of Canada supplies in the form of printed bills or coins in the denomination required.

(3) Industrialists, merchants and others obtain money to finance their activities by credit loans from the chartered banks. In this manner production is financed stage by stage from raw material to the finished products coming on the market.

(4) In the process of production and distribution, incomes are distributed to individuals. These constitute production and distribution "costs" which are included in prices.

(5) When the final products are sold, money is recovered from the public equivalent to their prices, the bank loans are repaid and, until reissued to finance a new cycle of production, the money is with drawn from use.

The implications, which emerge from the foregoing necessarily brief summary are startling:

(a) The limitation of currency by the volume of gold and securities held by the Bank of Canada, automatically limits the money supply available to the nation, thereby limiting its ability to utilise its productive resources. Your committee considers that there can be no justification whatever for denying people sufficient food, coal, or any of the other necessities available in Canada, because somebody has failed to dig up a comparatively useless metal in one part of the country to be buried again in the vaults of the Bank of Canada. As a basis for the national economy such an arrangement borders on stark lunacy.

(b) Because the nation is absolutely, dependent for its money supply upon obtaining loans from the chartered banks, which enjoy a sole monopoly right in this respect, and because the people

—though constitutionally the supreme authority—have no effective control over these institutions and their policy:

(i.)—The people are subservient to the banking institutions in the economic sphere. They have no effective control over their credit resources—i.e., their ability to produce goods and services for their use.

(ii.)—The banking institutions, by virtue of their authority to create and issue most of the nation's money, and because this is issued on terms and conditions they can dictate, for all practical purposes exercise potential ownership of the national resources. They control the extent to which production can be carried out, the nature of such production and, through their power to issue or withhold credit facilities; they are in a position to control every aspect of economic activity.

(iii.)—The manner in which purchasing power is distributed solely for work in the economic field, runs counter to the trend of industrial progress. While industry on the one hand is improving its processes of production and systematically eliminating the need for human labour, by means of power-driven machinery, the monetary system penalises the people for every such advance by withholding purchasing power from those whose places are taken by machines.

Thus, while industry is increasing potential security and freedom for all, the operation of the monetary system is creating insecurity.

(iv.)—Another factor which must receive consideration, when the economic structure is examined, is, that no provision is made in the operation of the system for savings and investment. Under present conditions, all savings and investment are automatically withdrawn from the total purchasing power or effective demand for consumer goods (even if only temporarily), and consequently lowers the total volume of money (or credit) in its equation to available goods and services.

If all money must reach the people as loans repayable to the banking institutions, and these loans are made for short periods (as is the case), then to the extent people save, the goods in respect of which such money was distributed cannot be bought, and the corresponding loans cannot be paid.

However, there is an even more serious defect in regard to financing capital goods production. As the nation has no other source of money supply, the construction

SOCIALISM AND SOCIAL CREDIT IN CANADA

From the "Social Creditor" (England) of September 16, 1944:—

In the Provincial Elections in New Brunswick, which have just been decided, the C.C.F., which "The Times" has now decided to call Labour, contested 41 seats, and sustained 41 defeats. No flowers, but condolences sent to the London School of Economics would no doubt be appreciated. The next-of-kin in New Zealand (Mr. Walter Nash), and in Australia (Dr. Evatt), have been notified.

"The Times" published a leader dealing with the Alberta Elections—without mentioning Social Credit! Fifty-one out of fifty-seven Members elected are Social Credit, and forty-six out of forty-seven of what "The Times" calls "Labour" (C.C.F., International Socialist), were defeated.

of capital goods (factories, plant, etc.), must, generally speaking, be financed by bank loans in the first instance. However, these are made for short periods and the public is required to purchase this type of production by "saving and investment." Individuals save part of their incomes and buy shares. Thus the money distributed in producing capital goods is, in the aggregate, collected from the public, the bank loans are repaid, and the money withdrawn. (It will be issued again to finance new production with the same results.) When the factories or other capital goods are used to produce goods for consumption, a portion of their cost will very properly be reckoned as a cost of production and will be carried into prices. But the public has no purchasing power to meet this cost.

Therefore, as the relative capital costs increase with the progressive introduction of power-driven machinery, this factor in prices will increase, while wages will diminish.

Thus, we find that the system generates a chronic and increasing shortage of purchasing power in relation to the prices of goods coming on the market.

(v.)—Finally, because the private banking institutions exercise the sole monopoly right for issuing money and financial credit, governments are obliged to resort to taxation and borrowing in order to obtain revenue. As the extent to which revenue can be obtained from these sources depends upon the policy of the money-issuing institutions, this arrangement places constitutionally sovereign democratic governments in a position of subservience to those private institutions.

(To be continued.)

A HIGHLIGHT FROM "HANSARD"

"With respect to the raising of loans, many complaints have been made to me of a practice on the part of officials of the Taxation Department, which must have a very detrimental effect upon subscriptions. I am informed that when certain people subscribe to war loans, they are interviewed subsequently by an officer of the Taxation Department, who cross-examines them as to the source of the money they invest. As the Treasurer (Mr. Chifley) has urged the people to invest every spare penny in war loans, this practice on the part of officers of the Taxation Department of badgering, browbeating, and cross-examining investors is very strange. If the complaints which I have made are based on facts, I advise the Treasurer to keep his bloodhounds on the chain."

—Mr. Abbott, M.H.R. (Federal "Hansard," Sept. 22).

NOT EXTERMINATED!

The following item from the Melbourne "Herald" of November 18 indicates that yet another "big-shot" Jew is quite safe in German hands, and is even actively furthering the policy of his kind:—

NEW YORK, Friday.—The former French Socialist Premier, M. Leon Blum, whose fate has been the subject of conflicting reports, is now said to be alive and well, living with his wife under house arrest in a tiny German village.

His daughter-in-law, now living in Paris, maintained contact with him until September 30.

M. Blum was allowed to write two letters a month, in which he disclosed he had written a book during his imprisonment in France entitled "Human Ladder."

It will soon be published in Paris, as the manuscript reached safe hands before the Germans removed M. Blum from a French fortress prison.

M. Blum advocates a "United States of Europe" and a powerful League of Nations.

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