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SIXPENCE WEEKLY.

The International Debt Racket

Outspoken British Criticism

The following splendid article below, which we republish from the December, 1949, issue of the British journal, *Housewives Today*, is indicative of the great fight for British independence being made by the influential British Housewives' League. In this article, Mrs. B. M. Palmer, deals lucidly with one of the basic problems now confronting the people of the entire British Empire:

"WE CANNOT PAY TWICE, NOR FOREVER"

and yet that is exactly the task that is laid upon us.

An instance of this insane policy is, familiar to every housewife. The surplus war-stocks, furniture, bedding, blankets, no longer needed by the army, and which had already been paid for were paid for all over again when we bought them in our local shops to replace what had been worn out and destroyed through the war years. Surely in all equity, we who had already been bled nearly white in taxation to pay for the war, should at least have had a free distribution of these things, so much to every ration book in the family. Were they not our property, as we had paid the taxes? But no. Rather than this, large quantities were destroyed; while we made a loan to at least one country (Czechoslovakia)—to enable her to buy surplus war stock from us! A White Paper has now stated that this loan is unlikely to be repaid in goods.

After a certain amount of trouble, we have obtained from the U.S.A. a copy of an article from the *Times Herald* of April 15th, 1949. Backdate issues of this paper are only available for thirty days from date of publication. Our correspondent comments that generally it is very difficult to get back numbers—of many papers. "It is almost as though we were getting day-to-day propaganda, and no one is expected to remember what we were told yesterday."

Be that as it may, the article we have obtained, entitled "Capitol Stuff"—gives statistics of the amounts of loans, etc., "handed out" by U.S.A. to the rest of the world.

Rep. James E. Van Zandt, a Pennsylvania Republican, produced these figures. They are staggering. Scarcely a country in the world is free from U.S.A. indebtedness. But the British Empire tops the list.

The total distribution of United States loans, grants and aids to the Empire, including unpaid balances on World War One, amount to 44,679 million dollars.

We pointed out in October (before we had seen this article) that it was pretty certain Great Britain had guaranteed this, and that it represented about eleven thousand

and million pounds. Since devaluation the sterling value of any amounts owing has increased by nearly double.

We recommend the following question being addressed to all Members: "If it takes four year's of highly successful planning and export drive to reduce the pound sterling from 4.03 dollars to 2.80 dollars, how long will it take under the same policy to bring it to zero? And then how long will it take to pay off the American debt?"

All economists, whether planners or not, know very well that the answer is a lemon. The heinous charge against the vast majority of these Government exports is that they encourage the people of both the U.S.A. and the Empire to believe that the loans are exactly similar to loans between private, individuals, and that just as Mr. Smith who has lent a fiver to Mr. Brown will suffer if it is not repaid, so every U.S.A. citizen will suffer if we don't at some time or other fork out forty-four thousand million dollars on behalf of the Empire.

But actually the money lent never left the United States. Out of the vast funds of credit available to them, the American Banks opened accounts for those countries to which the money was to be lent, and it was then spent on goods and raw materials, which were exported to the Empire and to Europe. This prevented the average American trader from losing business when at the end of the war there was less demand from the combatants. The loans in fact delayed an American slump.

But it is not to the advantage of Economic Dictators that we should understand these things. If we believe what Sir Stafford Cripps tells us, and try to follow his advice, we shall be very easy to manage, and the Planned Socialist State will come in with a bang, and out will go for ever, individual initiative, the power of choice, the right to own private property, the right to decide the education of our own children, and everything which we have called by the name of "freedom."

No American citizen, or anyone else, will suffer materially if these loans are cancelled out. But if anyone disagrees with our point of view, ask him to *prove* exactly what loss any of them will have to bear, and we shall be ready with our answer. But Economic Dictators and Financiers

will suffer a grievous loss of power. Oh, yes. And they will go to any lengths to retain it.

There will be no prosperity, in fact no future for our Empire until we get back to the fundamental common sense principle that nothing should be exported, except in exchange for those goods which we cannot grow or produce ourselves. It is neglect of this principle which leads to the tragic situation in which the Cornish fishermen find themselves, unable to dispose of their pilchard catches, while the village shops are full of tinned pilchards from California and Japan. (Continued on page 2)

OUR POLICY

1. The preservation of Australia's sovereignty as a part of the British Empire, and the exposure of all internal and external groups which attack that sovereignty.
2. The preservation and extension of genuine local government.
3. The preservation and strengthening of all Constitutional safeguards for the purpose of protecting fundamental individual rights.
4. The encouragement of all activities designed to bring Governments under more effective control by the electors.
5. The preservation and extension of genuine free, competitive enterprise and private ownership, and opposition to all Monopoly, whether it be "private" or State.
6. The support of a financial policy which will (a) permit free enterprise to make available to all individuals an increasing standard of living and greater leisure for cultural pursuits; (b) result in no further increase in the community's indebtedness and the sound business practice of gradually reducing existing debt.
7. Recognising that the basis of any sound economy is agriculture, the encouragement of agricultural policies which will ensure the preservation and building up of soil fertility by organic farming and gardening; and the prevention of soil erosion and the protection of forests and watersheds.

Now, when our land to ruin's brink it 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

TO THE POINT

A Sinister Phrase

"This country is adept in making language the servant of policy, using soft names for harsh realities, old names for startling innovations, and new names for the revival of the oldest practices. Let anyone recall how the pill of conscription was gilded in the war of 1914, when it represented a great break with our traditions and traditional boasts. So men were 'attested' and 'deemed to have enlisted,' and so on.

"So will it be with direction, to conceal the stark reality that men will set to, and kept at, compulsory labour, and not allowed to leave it. It will be added irony for such men to watch the compulsory weekly deductions to cover their insurance against an unemployment of which there can be no question. When Labour took power in 1945, said Mr. Aneurin Bevan, speaking at Tyneside last weekend, they said there would never again be mass unemployment. But, he added, 'that was not to say that any Government could guarantee that a man would go on working at the same job. People must adapt themselves.' 'People must adapt themselves.' It is as sinister a phrase as the election campaigns are likely to bring forth."

—*The Tablet*, England, October 15, 1949.

Passed to the Bankers

At one of their annual meetings held back in the 1930's, the members of the Bank Officers' Guild, Great Britain, passed the following resolution: "That this annual meeting of the Bank Officers' Guild desires to direct the attention of the British banks to the increasing body of opinion that the present system of currency and credit control is unsuited to present requirements. The opinion is widespread that the present system of money and credit control is an obstacle in the way of a better distribution of commodities." The same group of bank officers also expressed the opinion that unless there was a modification in financial policy, bank nationalisation was inevitable.

Local bankers who fought so vigorously to defeat the Labour-Socialists last year should now be giving attention to the question of how the best features of the modern banking system can be retained without the present highly centralised control of financial policy. If they insist that this centralisation of control must be continued, they are merely hastening their own doom, irrespective of the label of the Government at Canberra.

Prophetic

"In whatever country Jews have settled in any great numbers they have lowered its moral tone; depreciated its commercial integrity; have segregated themselves and have not been assimilated; have sneered at and tried to undermine the Christian religion upon which that nation is founded by objecting to its restrictions; have built up a state within a state; and when opposed have tried to strangle that country to death financially; as in the case of Spain and Portugal.

"For over 1700 years the Jews have been

bewailing their sad fate in that they have been exiled from their homeland, as they call Palestine. But, gentlemen, did the world today give it to them in fee simple, they would at once find some cogent reason for not returning. Why? Because they are vampires, and vampires do not live on vampires. They cannot live only among themselves. They must subsist on Christians and other people not of their race.

"If you do not exclude them from these United States, in this Constitution, in less than 200 years they will have swarmed in such great numbers that they will dominate and devour the land, and change our form of government, for which we Americans have shed our blood, given our lives, our substance and jeopardized our liberty.

"If you do not exclude them, in less than 200 years our descendants will be working in the fields to furnish them sustenance, while they will be in the counting houses rubbing their hands. I warn you, gentlemen, if you do not exclude the Jews for all time, your children will curse you in your graves.

"Jews, gentlemen, are Asiatics; let them be born where they will, or how many generations they are away from Asia, they will never be otherwise. Their ideas do not conform to an American's, and will not even though they live among us ten generations. A leopard cannot change its spots. Jews are Asiatics, are a menace to this country if permitted entrance, and should be excluded by this Constitution."

—Benjamin Franklin.

Waking Up?

The British workers are apparently beginning to learn that increasing nationalisation means more "Jobs for the Boys." Mr. H. F. Turner, Secretary of the Eastern District Council of the N.U.R., wrote in the English Socialist weekly, *The Tribune*, of June 17, 1949: "Today the gallant who gets up to sing the praises of nationalisation in the branch or mess is met with a wry smile, or 'Are you looking for a good job, brother?'"

Taxation

A statement issued apparently as a sort of Xmas Greeting by the Commonwealth Statistician (Dr. Wilson) showed that, notwithstanding rate reductions made by Mr. Chifley, the tax collections per head of population in Australia during the financial year ended June 30 last increased by £8/2/1 over those of 1947-48, Commonwealth collections by £7/12/11 and State by 9/3 per head. Income tax collections alone, including social services contribution, increased by £4/8/3 per head, whilst customs and excise increased by £1/1/11 and sales tax by 9/2 per head.

Ten years ago the combined figure for Commonwealth and State tax collections was £17/19/5. For the year 1948-49 it totalled no less than £67/12/-, of which the Commonwealth was responsible for £62/18/8 per head.

The total Commonwealth tax collections during the year amounted to £490,800,000, which was £68,400,000 more than in 1947-48, and the State collections totalled £36,400,000, which was £4,300,000 more than in the previous year; a combined total of £527,200,000. And this takes no account

of local government taxes, estimated at £21,000,000.

In 1939 the States collected £50,507,000 in taxation and the Commonwealth £74,111,000, a combined total of £124,618,000. Then came the war and taxation soared. But the war has been over for some years now and the revenue from taxation is higher than ever.

Including Commonwealth reimbursements under the uniform taxation system, amounting to £53,488,000, the total State collections amounted to £89,878,000 for 1948-49, compared with £76,720,000 in 1947-48.

—*Canberra News-Letter*, January 7, 1949.

* * * *

Up to Mr. Menzies

Bearing the above taxation facts in mind, it is appropriate to quote the following comment on the Australian and New Zealand Election results, from the U.S.A. *New York Post*: "One of the curiosities of the Australian and New Zealand elections was Conservative promises to reduce taxation and at the same time not decrease social services. They'll have their headaches."

It is impossible for either Mr. Menzies or Mr. Holland to honour their pre-election promises unless they challenge present financial rules. Time will demonstrate the truth of this observation beyond all argument.

THE INTERNATIONAL DEBT RACKET

(Continued from page 1)

It is plain that if the Socialists are returned at the next election, it will be on the vote of ignorance. We can think of only one way to bring the responsibility home to these voters. All those who vote for nationalisation or other grandiose schemes should be willing to pay for them, and should expect to find a difference in their pay packets on Fridays. In other words the losses made by any Party should be born by the supporters of Party, and not by those who voted against those particular schemes.

The tragedy of the present position is that large numbers of *all* Parties who ought to know better are supporting Sir Stafford Cripp's economic policy; or at any rate, they have nothing to put in its place.

The "Muddled Middle"

People in England are now sufficiently conscious of the dangers of Socialism as to look critically at those men and women who are presenting themselves as candidates for the next Parliament.

They are asking are the Conservatives really conservative; are the Liberals really libertarians? Or are both so heavily pledged to the Socialism of their central offices as to be dangerous representatives of the "muddled middle?"

We are not sanguine about the probable result of the forthcoming General Election, but we believe that the candidates will learn so much at the hustings that, win or lose, they will be better citizens. That will be something.

—*London Views and Tidings*, Nov. 17, 1949.

INTERNATIONAL FOOD SWINDLE

Three of the greatest dangers, which threaten the liberty of the individual, are centralised control over credit, communications and food. It matters little from what specific source such a threat may arise, it must be resisted. This newsletter has studied the activities of international bodies in this light for many years; we were amongst the first to point out the movement towards a world monopoly of food under the supra-national organisation. During the closing stages of the war it became obvious that what was then termed the International Emergency Food Council, was making use of the confusion of war to condition the western world to accept the need for permanent rationing. We noted how readily the British Government of the day co-operated with that body, and we recalled the statement made in October, 1938, by P.E.P., "only in war, or under threat of war, will a British Government embark on large scale planning." The activities of the I.E.F.C., in which our own Lord Boyd Orr, the harbinger of gloom, played such a prominent part, are history; though it will do no harm to remind you that this body was instrumental in giving wide circulation to an entirely false story of a world food shortage in the immediate post-war years. Indeed, so successful was this propaganda that most of the European nations continued to endure food rationing long after the normal channels of distribution had been restored, and the last pretence for rationing had been removed. Many people in this country still believe that the Ministry of Food and the cumbersome and costly mechanism of rationing are necessary, and that a food shortage actually exists.

Lies, Damned Lies and Statistics

Only last week the Labour Party press and publicity department put out a statement to the effect that "there is a global shortage of meat. To say that it does not exist is untrue." We will only comment by observing that there are lies, damned lies and statistics; and by dismissing the Socialist statement under the last category. Yet whilst the muddled mathematicians of the Welfare State attempt to excuse the policy of malnutrition upon statistical grounds, there is to be a formidable meeting in Washington next week, when the unhallowed child of the I.E.F.C., christened the International Food and Agriculture Organisation, opens its fifth session. This supra-national body decides just how little food an Englishman shall eat; though its power in the face of growing attacks from such groups as the British Housewives' League is weakening, it still exerts an unhealthy control over the bulk of the food consumed between the Atlantic and the Iron Curtain. The significant thing about the coming meeting is that it has to do with food surpluses, and not with alleged shortages and the proposals, which will be put forward, will be dangerous in the extreme. They will propose the creation of yet another supra-national body to be called the International Commodity Clearing House. Under conditions of free enterprise, of course the accumulating surpluses of food throughout the world would quickly be distributed to the poorest people at low prices. BUT since this would mean the end of all food rationing, and unemployment

for that costly army of drones in the Ministry of Food who exist by withholding food to their fellow countrymen, it is proposed to accumulate the surpluses in a sort of "Food Bank," to be doled out at the discrimination of the F.A.O., and at prices, which will always remain far above the free market prices. It is also proposed to tax the participating nations to raise the money to finance this new racket. If ever we heard a pretty piece of swindling, this is it!

World Food Monopoly

There have been many examples in the days of free enterprise of over-adventurous merchants attempting to "corner" the food markets of different countries. Always they have failed, for no one group can beat the free market. But here is an attempt, in the most barefaced manner, to corner the food of the whole wide world, and thus to enable the F.A.O. to become the supreme international rationing authority. Should our Food Minister, Mr. Strachey, become party to such a swindle upon behalf of his Majesty's Government, he will deserve to go in fear of his life from the concentrated anger of British housewives—especially those from the poorest families in the land. There is in the proposal of the F.A.O. for the creation of a "world food bank" another danger; the threat of financial sanction which is so skilfully interwoven with the plan. The F.A.O. will propose that the member nations put up not less than £125,000,000, 000 of their taxpayers' money to "capitalise" the proposed International Commodity Clearing House. From the Briton's point

of view, therefore, this latest plot against his roast beef acts two ways. The Ministry of Food, on the one hand, will be constantly running to Washington for a few extra bushels of wheat; whilst Sir Stafford Cripps, or some subsequent Chancellor of the Exchequer, having devalued the pound to aid the export drive, will have so prejudiced our credit with the "food bank" that we shall be told we are overdrawn! There will not only be dollar gaps, and export gaps, but adverse balances in terms of actual bread and meat. Conditions could actually arise in which home produced food would have to be exported to make good our "overdraft" with the International Commodity Clearing House. Without a doubt the coming conference holds the most unpleasant possibilities for the British housewife. We must submit the actions of the British representatives to the F.A.O. at Washington to the closest scrutiny.

—*London Views and Tidings*, Nov. 17, 1950.

A Correction

HERE'S THE SECRET OF THE ROLLING STRIKE

By Dr. LLOYD ROSS

formerly secretary of the New South Wales branch of the Australian Railways Union.

The above is the heading of a featured article in the "capitalist" *Herald*, Melbourne of Jan. 11. We have an important correction to make by interpolating before the word secretary, the qualifying adjective, Communist.

FINANCIAL DYNAMICS

There can be no doubt that the subject of Finance is, in many senses, guarded by Black Magic. Intrinsicly, nothing could be simpler. You bake a loaf of bread; you give someone a white pebble; next day the white pebble is offered to you, and you accept it in exchange for the loaf, and everyone is happy. A more complex system is demanded by a more complex economy, but the fundamental principle that money ought to be simply an accounting demand system never changes, but is, never observed.

After years of controversy, the A +B theorem, which indicated the necessity for a national dividend in some or several forms, was grudgingly admitted. But, said the cavillers, it is a matter of little importance; hardly worth attention. That a price-drop of 2 percent over the whole range of consumable goods is a national dividend of 2 percent, on a capital of about twenty thousand million pounds is just something they cannot grasp.

Either "the progress of the industrial arts" is a colossal delusion: or the present price level is a colossal fraud. Anyone who cannot see that there is no other alternative has not even learnt the elements of financial dynamics.

The Plymouth Brethren (we think it was) used to have a saying that any religion short of absolute conversion was like unto filthy rags. It has been proved to demonstration in the last few years that anything short of a comprehensive grasp of financial dynamics is far more dangerous than complete ignorance. Witness the

deadly nonsense regarding the "sole right of the State to issue Money."

The *Times-Herald* (Washington, D.C.), in its leading article of November 30, exhibits that sense of financial reality, which appears to have deserted the London press. Its technical arguments are far from flawless; but it does state quite clearly that "fiat money," the American term for a managed currency, is worse, far worse, than what was correctly termed "a fraudulent standard" i.e., one which claimed to pay gold currency on demand.

What seems so difficult to get into the heads of all these centralisers, conscious or unconscious, is that when a nineteenth century Englishman had ten golden sovereigns in his pocket, he was a tiny centre of credit. The fraud was not in the gold currency; it was in the stealthy setting up of a second, but much more extensive, credit system which filched the credit by raising the price-level. The virtue was not in the gold currency either; it was in the ability of the ordinary man to break the bank.

The whole conception of a managed currency is both fundamentally dishonest and pragmatically deceptive. The late Lord Keynes rendered some service to the cause of so-called monetary science more particularly in his earlier writings; but this service was more than cancelled by his lip service to a conception with which he cannot have been in intellectual agreement.

—*The Social Creditor*, Dec. 31 1949.

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PUTTING THE SHILLINGS INTO THE POUND

One of the most definite pre-election promises made by Mr. Menzies was that his Government would restore the purchasing power of the pound. Any Government, which can implement policies, which will increase the purchasing power of the individual's money, will initiate action, which could lead to the complete destruction of the menace of centralisation. Do Mr. Menzies and his associates propose to take this action?

At least Mr. Menzies has not tried to evade this major issue of rising prices since his election success. In his first broadcast to the nation as Prime Minister he stressed the vital importance of reducing prices. Following the first Cabinet meeting of the new Government, it was stated by Mr. Menzies that "consumer subsidies" (his own term) would be used where necessary to prevent further increases in the cost of living. It was agreed that the subsidy on butter should be continued, and a subsidy paid on cheese. We endorse the principle of consumer subsidies as the only method of dealing with the problem of ever-increasing inflation.

The current controversy concerning the increased price of milk, a basic protective food, which every family should be able to obtain at a reasonable price, cannot be resolved on a consumer versus producer basis. We believe that the milk producers have demonstrated beyond all argument that increased costs of production make it imperative that they receive an increased price for their milk. But if they merely receive this increase at the expense of the consumer, the final result can only be further demands for increased wages to meet the increased cost of living. But increased wages in turn also increase costs in industry, which eventually wipe out the milk producers' increased price. And so the vicious spiral goes on and on, dividing the community into warring groups and destroying the independence of an increasing number of individuals.

The milk problem in Victoria provides Mr. Menzies, in collaboration with Liberal Premier Hollway, the opportunity to apply the subsidy principle in a really constructive and effective manner. The subsidy should only be paid on milk actually bought by the consumer, thus ensuring that the subsidy is paid on production genuinely desired by the consumer and that there is no subsidisation of inefficient production. But Mr. Menzies must do more than this; he must also take steps to finance price-subsidies, not out of taxation, which he has promised to reduce, but by new credits. Surely the application of new financial credit to a policy of benefiting both producers and consumers by price subsidies is preferable to a continuation of using new credits to extend the inflation menace?

Unless the Menzies-Fadden Government faces up to the necessity of a general policy of price subsidisation financed and of new credits, it can do nothing effective to honour the promise of increasing the purchasing power of the pound.

N.Z. Elections

Mr. Sidney Holland, the leader of the victorious National (Conservative) Party in New Zealand and the probable Prime Minister, is quite possibly correct in observing that the defeat of Labour in New Zealand is a landmark in history.

It has been fairly obvious for some time that Professor Laski's "historic right of the Left to victory" is one of those "Manchester" sayings which can be relied upon to lose money for those who take them seriously, much as when the Government broker goes into the market to support a falling stock. With the aid of Mr. Nash and his Wall Street friends, in New Zealand, and Dr. Coombs and Professor Copland in Australia, the London-School-of-Economics-Chatham-House Gang have "played-through" to the Cahmon Man in the Antipodes very successfully for the last twenty years. There is a factor involved, however, which the Gang has either overlooked or failed to deal with—the much greater relative size of an economic Middle Class both in Australia and New Zealand, particularly the latter, as compared with European countries. The major strategy of the Gang is to play both ends against the middle, leaving a half-witted proletariat to be dealt with at leisure. It is far from being a negligible plan; but speed is of the essence of it. And there has not been *quite* enough speed. To what extent this situation is paralleled in Great Britain, where the Middle Class has been attacked with the maximum ferocity which their functional indispensability would permit is not certain. But it is significant that a keen and qualified observer, M. Bertrand de Jouvenel, remarks there is no doubt that the Middle Class has completely reversed its attitude to the Labour Government . . . the bitterness rising between the middle class and the Government brings out into the open an as yet unperceived problem." - You had better hurry, Messrs. Laski and Sieff.

— *The Social Creditor*, Dec. 17, 1949.

Air Monopoly

The Commonwealth Government has approved a new air service between Australia and Ceylon.

The service, which will be regular, will be operated by Air Ceylon Ltd., in which Australian National Airways has a large interest.

The Minister for Civil Aviation (Mr. White) recommended to Cabinet that authority should be given Air Ceylon Ltd. to start the new service.

It is believed a condition will be laid down that the service must go beyond Ceylon.

The Government will not allow the service to compete with Qantas Empire Airways on the Sydney-London run.

-*The Age* Melbourne, Jan. 11, 1950.

Well! Well! We thought the new government was committed to a policy of free competitive enterprise.

You Have Been Warned

By NORMAN F. WEBB

It is twenty-eight years since 1922 in which year Major Douglas wrote this:—

"Before breaking up the wonderful machine of civilisation and industry as we know it . . . it is well to remember that there is *prima facie* evidence that, considering simply as a machine, it is deserving of a high degree of respect . . . An organisation which permits a coolie in India to grow rice and jute in the certain knowledge that cotton fabric from Manchester will accrue to him as a result, is a good organisation *per se*, and there is absolutely nothing in the published plans of any Socialist body which offers the slightest prospect of replacing effectively the arrangements which at present enable such a co-ordination of effort to function."*

Some of us really attended to what he said, but relatively speaking, only a few, and how many of the implications of that, and a host of other warnings, did even we grasp at that time? It is a question of vision and standpoint; imagination and a knowledge of our own real needs and the nature that cries out for them. And those who have "stuck it out," as well as those who have since had the perspicacity to achieve and hold on to this "glimpse of reality," can congratulate themselves (even if the net result has been apparent failure) on their enlightened resistance to the deliberate and general debasement of values that has, and is still, unfortunately taking place. Because debasement of value is the crux of the matter. The point at which the drug begins to operate, as it were, is the individual's sense of Value; his appreciation, from the highest standpoint and the widest point of view of what, *for himself*, is the best thing—that, and having the will to choose it. As Douglas says further on in this short, but prophetically enlightened essay: "There are only two Great Policies in the world today—Domination and Freedom. Any policy which aims at the establishment of a complete sovereignty, whether it be of a Kaiser (Prussia of course was a *Monarchy* in the sense that England never was, even under the Tudors), a League, a State, a Trust, or a Trade Union, is a policy of Domination, irrespective of the fine words with which it may be accompanied; and any policy which makes it easier for the individual to benefit by association, without being constrained beyond the inherent necessities of the function involved in the association is a policy of Freedom."

The Degradation of Value

Could anything be more clearly or simply put than that! All the factions cry Freedom today; in the historic phrases of Mr. Arnold Toynbee denying with their lips what they do with their hands, which is helping to pile up the restrictions about the unfortunate individual. How do they do it? What is the secret of their power? The answer to that is, they do it by the degradation of Value; by confusing and disintegrating the individual's slowly and painfully built-up sense of value where he himself is concerned—what Jeremy Bentham so aptly termed "enlightened self-interest"—his responsible view of what is best for himself in the reasonably long run, and having due and decent regard for the reasonable needs of his associates. And so quickly has this obliteration of painfully acquired standards been accomplished, with the help of the Industrial Revolution—the impact, really, of rapidly expanding series

production on a faulty price-system—that we who are no longer young have personally witnessed a considerable part of the actual submerging process from the precarious mental elevation to which Douglas called us. Standing there, we have noted the invidious attack on the preoccupied individual's judgment, till his very commonsense, and finally the very posture of his thought became inerted, until now he can be got to accept the grossest tyranny under the label of Democratic Freedom. There would be no profounder point of difference between, say, the Twentieth Century Londoner and the Londoner of the Sixteenth and Seventeenth Centuries than that between their respective judgments of Value where their real interests were concerned.

Stability of Environment

The basis of sound judgment, as Douglas says further on, is independence of mind, and the only soil in which it can be successfully cultivated is a freedom based on stability of environment implying ultimately stability of mental values. Environment may be as harsh as you please, as devoid of amenities as a log cabin in a forest clearing; but as long as an individual knows his environment for what it is, and is reasonably assured of its stability, its predictability, he is relatively free to exercise and cultivate and enlarge his independence and judgment, to develop himself and his surroundings, in short to live. That is the only freedom we really desire, or can have. Nineteenth Century "laissez-faire," as it is called, may have been, indeed was, terribly harsh; but in Mid-Victorian Britain men had not sufficiently lost reverence for the Natural Law and its operations as to be able seriously to consider tampering with it, or rather, ignoring its potency in their social and constitutional organisations. That puerile idea came in with the theories of Marx, and grew up with the assistance of Bernard Shaw and the Fabians. The working-man—the Lower orders, so-called—may have been hedged in from proper access to economic independence which as Douglas says, is one of the first prerequisites to independence of judgment; but what he had not yet been entirely robbed of—and without which there can be no individual judgment whatsoever—was a more or less common respect for the Natural Law, as something operating irrespective of persons, and ultimately applying to, and inescapable by, high and low, rich and poor, governor (Government) as well as governed. Even in the darkest pre-Shaftesbury days of the Industrial Revolution, that faith, or knowledge, had not entirely disappeared. The individual "sinner" erred, if he did err, inside a known and commonly

allowed frame of reference. Absolute, ethical Value still retained an appreciable luminosity, against which men's deeds were silhouetted, regardless of any wire-pulling. There was still sufficient light to distinguish between the right hand and the left. Treason was still treason, and a basis still existed upon which a man could be impeached for it. It took all the impish and frivolous Shaws, and the irascible and embittered Wellses and the doctrinaire and reformatory Webbs, and their international friends, working like niggers under the jealous and perverted inspiration of two North Germans of alien faith, Karl Marx and Ernest Cassel, to reduce that glow to its present expiring glimmer. They it was, through their instrument, the London School of Economics, who directly and deliberately nursed to maturity the present practically valueless Labour Government, and who have so debauched Tory thought as to leave Parliament almost without opposition to the avowed and wholly treasonable dismemberment of the British Empire.

Natural Law

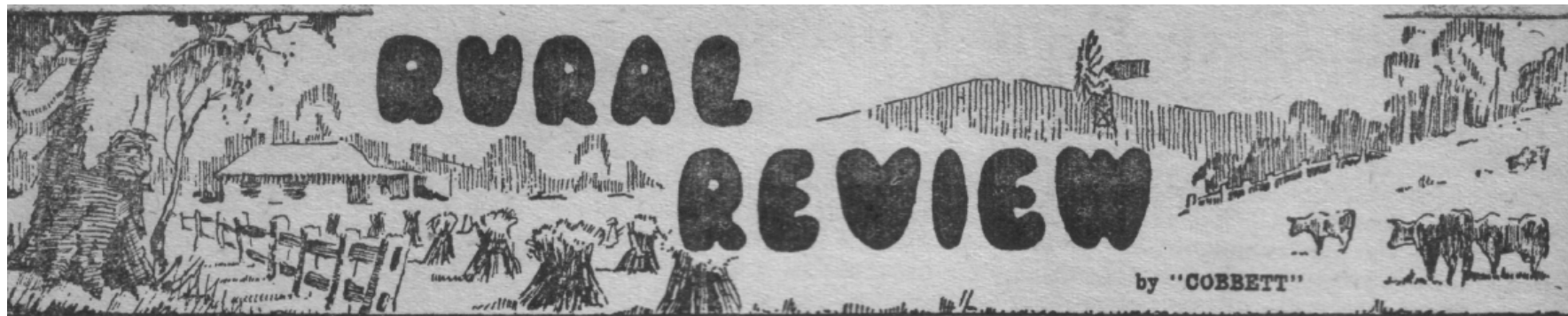
Again, how was it done? How is it done? And again, quite simply; by destroying standards, which is the inevitable and diabolical mission of all who play with dialectical materialism. Almost the only superiority left to us Britons is our blessed lack of facility in carrying out the operation of destroying ethical standards as ruthlessly and quickly and effectively as the Germans and Russians. First and last, it is done by education, both juvenile and adult, employed to spread the anti-Christian falsehood that there are no natural inexorable laws, and therefore no wholly dependable Law, above and beyond, and outside the human individual. The inescapable inference being that this universe is a flux of Personality, or personalities, and nothing else; and that there can be no such thing as a common ground of understanding on which two human entities can meet and agree, or even differ decently. Because the ground must always and inevitably be that of the materially stronger party, of his choosing. In these circumstances, therefore, there can never be more than two parties to a dispute—the Value or common standard representing the original third party, or estate (the trinity of interests to which their respective demands should be referable) having been destroyed—so that the issue can only be decided on a basis of superior strength, numerical or physical; counting, or breaking heads. Under these debasing conditions of so-called Democracy, knowledge becomes a matter solely of publicity and propaganda, at the discretion of him whose hands are strong enough to keep a hold of the "mike"; and Justice (the verdict) is to him who controls the national credit and pays the judiciary. Once all that has been achieved, as is practically the case today in Russia, you will have completely destroyed all Value, and consequently all values, and so rendered existence valueless.

Prices and Freedom

To get a clear idea of at least one aspect of all this, let us return to this essay of 1922—written almost a quarter of a century remember—before Aneurin Bevan acquired control of the Building Industry and

* *These Present Discontents*, by C. H. Douglas.

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Mineral Relationships Between Soil and Plants

E. L. PFEIFFER, M.D.

From *Organic Gardening*, U.S.A.

To describe the relationship of plants to the minerals in the soil merely as a direct feeding process would be inadequate and perhaps even erroneous. Of course, roots absorb minerals from the soil solution, and it is well known that plants require potassium, nitrogen salts, calcium salts, phosphates, etc. Potatoes and beets need a lot of potassium, legumes need calcium, grains and cabbage require nitrogen. So we learned in school and our agricultural chemistry is more or less adjusted to the principle: "Give what it needs."

When considering the dogma of the purely chemical equivalent, this writer received his first shock when, shortly after he had left the University, he was asked to make a study of tobacco. Tobacco is evidently a potassium-eater, it wants a rich soil. It has also been observed that tobacco leaves rich in potassium salts burn better. The logical conclusion therefore was to try to improve the quality by increased applications of potassium fertiliser. Then, however, it was discovered (in Macedonian tobaccos) that the richest potassium leaf grew in soil, which is poor in potassium. When more potassium was added the leaves did not contain it—the plant did not use the additional fertiliser. Careful investigation revealed that the best quality of tobacco grew where the goat manure was used. (Goat manure was in use in these older days in Macedonia with the old-fashioned, peasant methods of production). Curiously enough these leaves were rich in potassium although goat manure is poor in potassium, and yet of all the manures it is the one rich in magnesium. Evidently the tobacco plant needed magnesium in order to be able to make use of potassium. And there we open one of the most interesting, often paradoxical and exciting chapters of mineral and plant inter-relationship, which up to the present has been but little investigated and understood; the chapter of selective and biocatalytic properties.

Selective Properties

What is a selective property? A plant does not take at random any salt, which is fed to it in the soil but selects certain salts in certain quantities. Some plants take what they get, others do not. Many of our cultivated plants are weakened in this respect, while wild plants have frequently preserved their selective appetite. Perhaps we can compare this with the pig. It eats everything it gets, and will gain weight on garbage, distiller's mash, and such things. But if we want the prime

Virginia ham of earlier times—our time has really lost the art of fine eating and can no longer distinguish—we will prefer ham from a pig which, at least in its youth, has pastured in oak woods and eaten some acorns. Nothing else can produce that tender, fine structure of the savoury meat of a Virginia ham. A plant with selective properties can demonstrate remarkable properties of survival, and can withstand inadequacies of soil and climate. There is buckwheat, "poorest soil farmer's grain," which grows on sandy and acid soils and is very rich in calcium. Its value for green manuring lies in the fact that it collects calcium. If you give it a lot of lime you do not improve its intake of calcium. There are the oak trees, which collect a lot of calcium and deposit it in their wood and bark, sometimes up to 66 percent of the ash content. The highest content of calcium is found in oak woods growing in sandy, calcium deficient soils, while in the Jurassic mountains (limestone) the calcium content of oak is much lower. We marvel at this paradoxical situation. Where does the calcium come from? Our clever chemists will perhaps answer this some day. How does the reverse proportion come about, for instance, that on the poor soil grows the rich plant, rich in calcium, potassium, etc.?

A New Field for Research

Here we can observe a peculiar manifestation of the life process itself, which is an active property (compared with the pig in the woods and not with that on the garbage pile). An entirely new, thus far neglected, field opens for biological research; the study of the biological selective relationship of plant and soil. Plants likewise produce their own types of humus. They also create typical and characteristic mineral situations in the soil. The humus around an oak tree is entirely different from that of a birch or a spruce. The oak collects calcium to an extent of which no other tree is capable. When the leaves and decaying bark return to the soil they form an important supply of that element which stimulates earthworm activity, and

all kinds of seedlings will grow there. We cannot say that the oak tree depletes the soil of calcium for its roots grow very deep into layers which otherwise would never be accessible to plant life (they have been found penetrating caves 150 feet beneath the surface).

Iron

In other cases we find depleting effects but in a favourable sense. There is the iron-decreasing effect of the nettles. These plants collect iron to an extent of which very few other plants are capable. Iron is very important to plant life for its "presence" enables the plant to produce its biocatalyst, the transformer of light into chemical energy, namely chlorophyll. Chlorophyll itself contains magnesium, but no iron. It is, however, not manufactured by the plant unless iron is present. Not much is needed, only a concentration of one to one hundred thousand is necessary. Too much iron in the soil has a destructive effect, which marches hand in hand with acidity, stagnant moisture and a gradual obstruction of the porous structure of the soil. The formation of a hard pan of bog iron ore underneath the surface of old, wet and low pastures is a well known and feared phenomenon caused by the oxidation and calcification of iron. Once this process has started it will continue, the pasture will gradually die out and turn into worthless land unless expensive measures are taken. Only Hermann Goering could still find a value in these deposits when he suggested in 1938 that they be mined, and farmers in Eastern Germany got more for their iron deposits than for their farm produce.

If this oxidation and calcification of iron has only just begun, the stinging nettle and others absorb iron, sweeten the soil with their humus and counteract the damaging process. Of course, we may not be able to not want to grow a crop of nettles, but we may marvel at nature's self help. We may now look along the roadside, in a ditch or around (not on) a compost heap with understanding, instead of disgust. We know now why they grow there.

An Interesting Relationship

Another interesting relationship between soil minerals and plants is shown by the fact that certain minerals are absolutely essential to the development of starch and protein though they do not enter the molecular formulae of starches, sugars or proteins. For instance, starch is produced in direct relationship to the availability of potassium. Only soils rich in potassium will produce good potatoes, corn or grain. But in the very cells of the plants where starch is produced the potassium disappears and starch and sugar, of course, do not contain potassium. The potassium acts as a biocatalyst, directing and influencing

(Continued on page 7)

BUILD HEALTH AND IGNORE GERMS

S. E. NEEDHAM, in "The Farmer" (England), Summer, 1949.

It was suggested by a member of the Howard Foundation at one of their meetings that we should actively oppose the pasteurisation of milk. A doctor member present said "over his dead body," and pointed to the reduction in bovine tuberculosis, which had followed the wholesale pasteurisation of milk in the London area. The meeting was steered from this controversial issue, but it is not so divorced from the Foundation's tenets of faith as some might suppose.

Disease is as much a censor of malnutrition in human beings as in plants. Just as our object must be to adopt methods of husbandry, which grow plants resistant to pests and diseases and not need poison sprays, so we must aim to produce human children resistant to disease rather than to attack germs. Whatever we do we cannot prevent children coming into contact with millions of inimical germs. They imbibe more in a normal day from dust-laden-air and sucked pencils than from a pint of milk. We cannot sterilize their environment.

Germ only determines Symptom

Most probably children who contracted bovine tuberculosis, had they had no milk would have succumbed to some other germ. The ill health was there; the germ simply determined the symptom.

Positive health, which is synonymous with maximum resistance to disease, will be built up by whole foods including raw as opposed to pasteurised milk. There can be no question raw milk is the better food; calves cannot be reared on pasteurised milk. Pasteurised milk does not ever produce inferior calves; they die.

Experiments with children at Dr. Barnardos Homes showed that children having raw milk had less tuberculosis and other diseases than those having pasteurised. (Since McCarrison's classical researches on nutrition have been discounted by contending he used the wrong number of rats; doubtless Dr. Mackenzie will be said to have used the wrong number of children.)

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More T.B. in London

Children in London, when nearly all milk was pasteurised, suffered a higher incidence of bovine tuberculosis than country people drinking milk straight from the cow. This was to be expected. Reduce a child's resistance by devitalised food such as pasteurised milk and then on one occasion give it milk containing the germs of tuberculosis and it may well contract the disease although its country cousin can drink the germs in raw milk with impunity.

Now, all the hundreds of thousands of children in greater London are forced to drink pasteurised milk, except the few whose crank parents pay 6d. a pint for certified T.T. and bovine tuberculosis is almost eradicated. Had this been achieved through clean, raw T.T. milk we should cheer. The tragedy is we cannot produce statistics to show how many thousands of children, thanks to reduced resistance as a result of their milk being pasteurised, have suffered or died of other diseases in order to spare a few from contracting bovine tuberculosis instead of some other complaint.

Sick Soil

So much of our food is produced on sick soil or denatured by processing and preserving that the deficiencies of pasteurised milk cannot be made up elsewhere in the diet. Our aim should be clean, raw T.T. milk not wholesale pasteurisation. Pasteurised milk suits the distributor who can store it like whitewash and still sell it when putrid. It is supported by the orthodox medical fraternity because it fits in with the incantations about germs necessary to frighten the public into believing the current medical superstitions.

The modern witch doctors have banged the drum and shouted "germs, germs" so often they are now terrified themselves. Whilst they drink pasteurised milk, eat white bread, tinned foods and tired vegetables grown with sulphate of ammonia, perhaps they have need to be.

Contrasts

We congratulate the Dundee *Courier and Advertiser* for placing in apposition, without comment, the victor's song of the British Socialist Attorney-General, Sir Hartley Shawcross, representative of the impartiality of the Law, and the dedicatory words of Mr. Sidney Holland, Leader of the New Zealand Conservative Party, in similar circumstances:

"We are the Masters now." (Sir Hartley Shawcross.)

"We are called not to dominate, but to serve" (Mr. Sidney Holland.)

c.f. "The judicial system is the arm of the workers . . . who use it to further their own interests against other classes."—Vishinsky.

—*The Social Creditor*, Dec. 17 1949.

Mineral Relationships

(Continued from page 6)

the upbuilding process in plant tissues up to the moment when starch and sugar are deposited. This process is usually completed when the fruit or seeds begin to form or when the leaves of the trees turn multicoloured in the fall. Young leaves are richer in potassium than older leaves. If we want to "improve the potassium content of the soil we should, therefore, use green manure crops or compost made from mowing down and composting green crops such as mustard, legumes, vetch, rye, etc. One of the important features of using garbage, leaf and weed compost is that it is rich in potassium as is all decaying plant material.

Phosphates stimulate the processes of protein formation and cell division. They develop toward the maturing period of the plant. Certain seed proteins, in the germ, contain a high amount of phosphorus. However, the roots of germinating seeds are very sensitive to phosphates of which they can use only the most minute quantities.

"Substituting" Properties

Still many seeds are formed on soils, which are poor in phosphates. How is this possible? In such cases the effect of the phosphates is taken over by silicates. Wild plants, in particular, can make use of silicates with the same results as many cultivated plants can only obtain from the presence of phosphates. Our cultivating has spoiled some of the selective substituting qualities of natural growth. This is what we pay for in alienating plants from their natural habitat and breeding them for higher production. It may well be that future biologists will pay more attention to these as yet little known properties and breed plants with stronger "substituting" properties in order to overcome deficiencies in the soil. Until such time the use of natural resources, like rock and phosphate and bone meal or oyster shells will help to bridge over a phosphate deficiency. If we want good seeds from garden crops we should make sure that our compost contains phosphates.

Humus and Silicates

Silicates, which are abundant in most soils, play another important role. The silica content may not be great in muck land, fine silt loam and loess soils. In the plant, silicates migrate to the cell walls, the epidermis. Cell wall and epidermis rich in silicates are more resistant to fungus diseases and parasites. In oats and barley, silicates reinforce the action of phosphates. Experiments have shown that one part of phosphate plus one part or even less of silicates had produced as much growth as three parts of phosphates alone (one reason why we like to interlayer a compost heap or even a manure heap with thin layers of earth.) It has been observed that plants, which grow in a soil rich in silicates but poor in humus, contain less silicate (SiO₂). In other words: the presence of humus increases the beneficial effect of the silicates, which in turn increase the effect of the phosphates. Again we see that humus is the basis of all life, even of the mineral exchanges between soil and plants.

"New Times," January 20, 1950 — Page 7

YOU HAVE BEEN WARNED

(Continued from page 5)

House Agency Business through the Ministry of Health and Housing, and before the general public, or Major Douglas himself or the doctors and dentists for that matter, had heard his seductive arguments. "As to every-day practical, individual freedom, it will no doubt be granted that any man or woman who at present time is in possession of a stable income of the 'unearned' description, of, say £1,000 per annum, is economically free, i.e., such a person is sure of a reasonably high standard of life, even though his opinions may be highly distasteful to a large number of people.

"This statement is only true, however, so long as the general level of prices of those articles which are actually used to make the standard of living, i.e., ultimate commodities, remain as at present. But let us imagine that the control of all housing came into the hands of one man, who bought each house at ten times the present market cost, obtaining the (no doubt fabulous) sum of money required by means of an overdraft at the banks, based on his ability under the circumstances, to make the rents of houses ten times what they are now, then this statement would no longer be true. Our hypothetical freeman would once again have become a slave because his necessities would force him to obtain more 'money' on any terms imposed by those in control of it. The essential thing which would have happened is that a Housing Trust would have come into possession of the whole of the credit-value attaching to the demand for houses, and would have been able to make any price for a house, so long as that price enabled the Trust to retain the bank-credit with which the house was bought."

In a sense it is a shame to take that from its context, a context that posits the whole case for Douglas's Compensated Price, and shows clearly that failure to adopt something of the kind will mean the final degradation of the credit-value, not only of houses, but actually of "money" itself—the simple belief, similar to that which we all have in the foot-rule, in its impartiality and inexorability—and must lead ultimately to Bolshevism, which is no more than the Twentieth Century name for what the Victorians called Nihilism, or the destruction of all values . . . "not to the Bolshevism of the idealist," says Douglas, "probably including in that category M. Lenin, but the Bolshevism which the policy of the destruction of credit attaching to money has forced on M. Lenin, which replaces inducement by compulsion, the bank note by conscription of labour." And don't let us forget that when that was penned, Joseph Stalin was a name as generally unknown as Aneurin Bevan.

A Function of Government

It is, or should be the function (almost the sole one) of Governments to uphold value by means of the preservation of the Common Law of the land, which itself is the mundane reflection of the Natural or Ethical Law. Society, individuals in association, can be trusted to administer their own functions and hammer out their own means of co-operation, and evolve their

own forms of cultural self-expression, if Government guards, so to speak, the ethical context or metaphysical frame of reference, in which society operates. But with the destruction of Value and the sense of form (and so, conformity), we see that Government tends to vacate its seat of authority and merge itself as a super-Trust in this battle of Trusts which concentrated and unbalanced functional society comes more and more to resemble. Armed with "executive power" and the discriminatory weapon of taxation, and with the Services under its control, governments seek to compete as a rival in the game of Big Business; with the rules and their administration entirely under their control. That is Statism, dictatorship, and to perpetuate itself it must liquidate all rivals and all independence and consequently it is the enemy of inalienable property which is the ultimate basis of Value. Individual independence of thought, we have seen from Douglas, derives from the possession of a portion of unalterable Value, i.e., private property, which in its turn, is "the last enemy" of would-be economic and political dictatorship. And so we read the last paragraph of this first section of this essay:

"The only essential to the complete ascendancy of the hypothetical Trust (which might, and probably would, be not only economic, but moral and intellectual), is that it should centralise the credit [nationalise the Bank of England] and retain the power of price-making [i.e. trustify all production under the Board of Trade]. In order to make the analysis of any value, however, we have both to ascertain whether such a centralisation of credit is probable, whether the function of price-making is indissolubly attached to it, and whether, in the first place, our economic freeman had any 'right' to be in possession of 'unearned' income (and so may be the prototype of the New Citizen), or whether it was merely obtained at the expense of someone else, as the orthodox Socialist would have us believe."

Unfortunate that the lapse of twenty-eight years has gone to prove the more-than-probability of "such a centralisation" of credit. While the right to own private property is within short distance of being abolished. But who can say that the English-speaking world was not warned!

—*The Social Creditor*, Dec. 17 1949.

Pertinent Comment

We are much less impressed by the political and Cabinet-making gambit of Mr. Menzies in Australia, than by that of his opposite number in New Zealand, Mr. Holland. Labels do not mean much in party politics nowadays; but there is a suspicious "Liberal", i.e., Whig flavour about the immediate adumbration of a Ministry of Development. Whether the purchase of the Melbourne *Argus* by allegedly Israel Moses Sieff interests is a portent of the transfer of the major activities of P.E.P. to Australia, we have no means of knowing; but we are confident that the setback of Dr. Evatt and the Chatham House-London-School-of-Economics gang is, up to now, more apparent than real. It can be made real; but only by constant, unremitting vigilance and effort.

—*The Social Creditor*, Dec. 31, 1949.

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British Meat Supplies

LONDON, Monday.—Britain, even in the brightest days of peace, never had so much meat in cold storage as now—but Britons are not eating it.

Meat prices have gone up, so that the 1/6 ration still provides only two skimpy meat meals a week, while the cold stores are so full that 13 ships are being used as floating stores for meat from the Dominions and Argentina. —*The Herald*, Melbourne, Dec. 6

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