

THE NEW TIMES

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SIXPENCE WEEKLY.

Financial Reform or Communism

A Major Issue

The leaders of the Communist conspiracy have made it clear time and time again that their major strategy in their war to gain world domination, is based upon the belief that there are "inherent contradictions in the capitalist system" which produce conditions ideal for the furthering of the "class struggle." We have tried to warn Australians over the years that, so long as present financial rules are maintained, free enterprise, as an economic system, cannot produce satisfactory results for the individual, and that the inevitable result is increasing centralisation in all spheres. It is significant that the Communists and Socialists have bitterly and persistently opposed any proposal to modify financial rules; they know that the maintenance of these rules is indispensable for their plans.

The following report from the Melbourne *Herald* of June 13 provides alarming evidence of the fact that, because the U.S.A., the great protagonist of free enterprise, has maintained the very financial rules which resulted in the Great Depression and other disasters of the past, the Communist conspirators are winning the battle for world domination:

New York, Monday. —Western European nations fear that America's wheat policy is about to make a grand propaganda feast for the Communist nations.

The Geneva correspondent of the New York Times says that Western officials think that the Russians are really eager to sell several million tons of grain to the West this year.

But every time the Russians have mentioned that they want to help improve East-West trade, they have said, in effect, "But of course we don't expect America to permit you Westerners to trade with us, because America wants to dump her surpluses on your poor people."

Embarrassing

"The U.S. State Department has been under embarrassing criticism from the French for having supported, or at least acquiesced in the Department of Agriculture's insistence that Germans buy mainly dollar wheat under the international wheat agreement.

"This year the French are likely to have 3 million tons of wheat for export, but Germany, next door, cannot buy more than 8,000 tons until she has imported from America her full quota under the agreement.

"This is the background of some questions asked by Westerners, not yet only, on whether America would agree to a Russian-Western grain agreement.

"It is inconceivable to Western European officials that the Soviet would make a serious offer of a grain agreement if it did not expect to derive powerful propaganda from it.

"On the other hand, the Russians may be banking on a refusal by America. In that event, they would have superb propaganda, which they are already anticipating by predicting that America will say 'No' to their offer."

The most important point emerging from the above report is the fact that (1) America's internal economic arrangements make it imperative that, in order to prevent unemployment and a repetition of the old problem to poverty amidst plenty, a large export trade without any corresponding imports, is most essential; and that (2) the controllers of financial policy in America are attempting to exploit the Communist menace in order to compel those taking her exports to submit to increasing political and economic centralisation.

Trade War

Unless another military war starts shortly, in which case every country would have an unlimited "export" trade in the shape of war production to be "given" to the enemy, the battle for "favourable balances of trade" by every country in the world, must lead to vicious international trade war with results which can only favour the Communists and other totalitarians. Recent reports from Europe state that, in spite of war damage, France and Germany are now producing more than they were before the war. Not only German, but also Japanese manufacturers are keen to increase their exports in vigorous

Lord Wavell

We record with sorrow the passing of His Excellency Field-Marshal Earl Wavell, Colonel of the Black Watch, Viceroy of India.

Although originally an officer of a distinguished Highland Regiment, and claiming some Scottish blood, Lord Wavell was an authentic Englishman of the type we associate with our days of greatness.

Ave atque vale.

—*The Social Creditor*, June 10.

competition against British, American, and Canadian manufacturers. It is not surprising that there is increasing talk of higher tariff barriers being erected in all major industrialised countries.

If the war against the growing threat of totalitarianism is to be won, those countries which call themselves democratic and which believe in free enterprise and private ownership must so modify their financial rules that their peoples can obtain for themselves not only a higher material standard of living, but also greater individual sovereignty. We will willingly supply the necessary information to any individual who is desirous that the Communist challenge should be really met.

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 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.

TO THE POINT

Stalin, a Jew

The *B'nai B'rith Messenger* for Friday, March 3, 1950, in an article by David Weissman on page 5, admits that Joseph Stalin is a Jew. Always before, this has been denied when those who are alert to world affairs have called attention to the fact that Communism is Jewish. Alert students do not claim that all Jews are Communists, but they do claim that powerful Jewish organizations which determine the official destiny of Jewish groups are either pro-Communist or take an appeasing attitude toward Russia and her imperialistic ambitions.

—*The Washington Letter.*

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The Answer is a Lemon

From Federal *Hansard* of May 17: Mr. COSTA. — In view of the great success that the Government claims it has achieved in putting value back into the £1 in accordance with its election promises, will the Prime Minister take some action to prevent metropolitan daily newspapers from publishing statements about the great increase that has taken place in the cost of living since December last, particularly as such statements are causing, and are likely to continue to cause, grave industrial unrest? If the Prime Minister believes that inflation is increasing, and that the position is worse than it was five months ago when he became Prime Minister, will he arrange for the holding of a secret session of both Houses of the Parliament and indicate to it how bad and how dangerous is the country's plight because of the Government's inability to do anything to relieve the unsatisfactory position of wage and salary earners and pensioners throughout Australia?

Mr. MENZIES. — The answer is "No."

* * * *

Mr. Holt and Employment Service

Under the heading, "Minister Defends Government Employment Service," the following appeared in the *Melbourne Herald* of June 10:

"Apart from its work as an employment agency, the Commonwealth Employment Service performed many important Government functions, the Minister for Labor and National Service, Mr. Holt, said today.

He was replying to criticism of the Service's existence at a time when there were more than 100,000 unfilled jobs.

The fact that there was full employment meant there was a big turnover in jobs, and the Service did good work in placing people as quickly as possible in new jobs and directing them towards essential work. Mr. Holt said."

When in Opposition, Mr. Holt and his associates persistently criticised the Chifley Government for continuing the Commonwealth Employment Service. Now they answer critics of this useless section of the Federal bureaucracy with similar statements to those issued by Labor Members. Does anyone still think that there was a real change of Government on December 10 of last year?

Communist Infiltration

Speaking at Canberra, on May 18, Mr. W. E. Wentworth (Liberal, N.S.W.), raised a very interesting point concerning Communist infiltration:

"I raise the matter that I have in mind with considerable diffidence, because I have had difficulty in deciding whether I shall be in order in dealing with it on the motion for the adjournment. I came to the conclusion that, although the subject touches to some degree the fringe of a matter that is at present before the Parliament, nevertheless it imports certain new matter. I refer to reports published in the press today regarding certain occurrences in the Postal Department and the improper use of racing information, which had been obtained by telephone linemen by listening in to conversations over telephone lines. Those reports are well substantiated, but they have not, as yet, been proved. However, it has been proved that a large number of linemen have Communist affiliations. It has also been proved that the Communists maintain a racing organization that is centred on a newspaper known as the *Newsletter*, which is published in Sydney. That newspaper is owned by a man named Chandler, who has passed in and out of the Labor Party. He is a rogue and a consistent Communist, and he owns that newspaper purely as a blind for the Communist Party. Perhaps many honest people in Sydney do not know that whenever they buy a copy of that newspaper they, in fact, aid the Communist Party not only financially but also in other ways, because it has been used as a means of getting newsprint for Communist organizations and of maintaining gangs which, though nominally race-course gangs, are organized by the Communists for other purposes. I have raised this matter because I do not know whether any connection exists between the events that have been alleged to have happened in the Postal Department and those that have certainly happened with regard to the *Newsletter*. I ask the Postmaster-General (Mr. Anthony) to investigate this matter in order to see whether there is any connection between the alleged leakage of racing information to which I have referred and activities of the Communist party. Proof exists of the infiltration of Communists into the linemen staff of the department and the maintenance of a *Communist* racing organization that controls the *Newsletter* and uses it for Communist purposes in the ways that I have described.

* * * *

Naive

Mr. Hasluck, M.H.R. (Liberal, W.A.), at Canberra on April 19:

"The second point I wish to mention concerns the statements by the honorable member for Grayndler (Mr. Daly) on the Governor of the Commonwealth Bank. He referred to Dr. Coombs in a way that suggested there was some deep plot behind the decision of the Government to retain him as Governor. He referred to Dr. Coombs as a doctrinaire socialist, and he referred to him in such a way as to suggest that in his own mind he regarded Dr. Coombs as having been appointed for political reasons and as having some sort of

political function as governor of the bank. I suggest that the truth of the situation is that this Government has perhaps a higher estimate of Dr. Coombs than has the Opposition. It is prepared to accept him as a man competent in his own particular branch of finance whose services are of value to Australia. On those terms we are prepared to continue him in that office. That reflects a soundness of judgment on the part of the Government and a sense of fairness rather than indicating that there is a deep laid plot to outwit some fancied and mysterious move by people of a different political persuasion. The retention of Dr. Coombs is a tribute to his eminence in his own field of study, and to the Government's readiness to accept a man on his merits until he proves that such confidence is unwarranted." If Mr. Hasluck's Liberal colleagues are as naive as he appears to be, the Socialist planners have nothing to fear; they are certain to be able to intensify the centralisation policies leading to the centrally planned State.

* * * *

The Menace of Governments

Mr. Stan Keon, M.H.R. (Labor, Vic.), at Canberra on May 18:

"History shows that, if certain power be given it will be used when the appropriate circumstances arise and panic occurs. Very wisely, the people of the British democracies and the United States of America have framed their constitutions so as to put very severe restrictions upon the authority of the government of the day. It would be unwise to remove those restrictions. When honorable members on the opposition side of the chamber express approval of my statement that I would not trust a Labour government with these powers let them remember that they are not irremovable fixtures on that side. It might well be that, having passed this legislation, they will live to see the day when a Labour party will be administering it and regret that day. Do not trust any government. Reserve for the people their rights and freedom under the laws which have been framed on the basis of the experience of the years."

Cost of Internationalism

Australia is a member of many international organisations. The average taxpayer, although footing the bill, does not even know that most of these bodies exist, and, of course, has no control whatsoever over their actions. They exist mainly to further the Zionist Jew-Communist cause. The following is a list of the annual cost of these bodies supplied to the House by Mr. Spender.

International Refugee Organisation, £1,143,000; United Nations, £428,000; International Labour Organisation, £80,000; UNESCO, £79,600; UNFAO £62,500; World Health Organisation, £60,500; International Civil Aviation Organisation, £41,000; South Pacific Commission, £42,500; General Agreement on Tariffs and Trade, £20,000; International Telecommunications Union, £17,100. Fifteen other smaller bodies amounting to £22,700 bring the total to £1,996,962. The figures for the International Monetary Fund were not available, but it is known that Australia has contributed £125,000,000 to this financial oligarchy.

Against Monopolies

The following article by Mr. Kerrod Burt, in the *Victorian Young Liberal* for May 1950, reveals that some Liberals are starting to question the policy of a State Monopoly of Electricity under the control of the State Electricity Commission:

There is a tendency among many people to approve of government ownership of any semi-monopoly, which is a public utility.

But is there any evidence that the public is any better served? Does such a system ensure more supplies of the service or commodity at a reasonable rate? In fact, does such a system ensure efficient service?

The answer is *no*. And the prime example is the S.E.C., which is a government corporation, free of government control and able to raise and control its own finance within the limits of the enabling act.

Lack of foresight on the part of the S.E.C. engineers and the Commission itself is responsible for the present unhappy position. Generating plant, more of which has been ordered to be manufactured in 1952 and be in operation by 1956—both steam and hydro—is not sufficient to cope with demand and new generating plant seems to be impossible to obtain in sterling areas. Plant could be obtained from the U.S.A. if it was not for the dollar drought, and it is to be hoped that the new Federal Government will assist in this matter.

And so we reach the absurd position that Melbourne, with fewer built-in heaters than any other city in the world, is denied the use

of radiators in offices at all times, which state of affairs should not be tolerated in any civilized community. This is a matter, which should be treated as a war emergency. If it is not, then the edict will come into force that no electric hot water services will be allowed after 1951! And all this after a persistent campaign for people to use more electricity. The Liberal and Country Party Government in 1949 had to shake the S.E.C. out of its lethargy to get some positive action.

The only glimmer of hope at present is the increased briquetting facilities, which are under construction at Yallourn; however, this is but a slight alleviation. With the approach of winter, power restrictions once again loom ahead; the apathy, which is so apparent on the part of the public and the S.E.C., must be dispelled and positive action taken at once.

One solution would seem to be the formation of a chartered company, which would have some regard to the profit motive, with a ratio established between rates and dividends, so that efficiency will be the standard set for operation and the consumer will be served.

The Right Line

The *Australian Jewish News* of May 19, 1950, publishes the following information:

"Israeli's first Minister to Australia, Mr. Joseph Isaac Linton, was born in Poland. He went to England as a boy, and was educated there at a Grammar School and London University, and is a graduate of the London School of Economics."

The *English Jewish Chronicle* states that there are three candidates for the post of Israeli Minister to Great Britain — Dr. Moshe Smoira, Mr. Isaac Olshan and Mr. Zvi Swartz. Both Mr. Justice Olshan and Mr. Swartz are products of the London School of Economics. At the London School of Economics, Mr. Olshan was a contemporary of Mr. Shertok, Israeli Foreign Minister.

The following facts are the only necessary comment upon the above items: The London School of Economics was created by the Fabian Socialists, and financed by Jewish financiers like Sir Ernest Cassel. One of its principal instructors was, for many years, the Zionist Professor Harold Laski, who, after seeing Stalin late in 1946, said that he was convinced that Socialism was merely another road to the same objective being sought by the Communists in Russia. In *From Smoke to Smother* (1948) Douglas Reed, the famous English publicist, writes: "I found it (the London School of Economics) to be well known to Communists in Berlin, Vienna and Prague before the second war, and some of these young men did not disguise from me their belief that it could be used by Communists who wish to pursue their political activities in England under the respectable mantle of 'economies' and studentship."

"Voluntary" Serfdom

If the people of the Western world wanted to preserve peace and economic stability, they must make voluntarily the same sacrifices, which had been forced on the Russians, Commander R. G. A. Jackson, secretary to the Ministry of National Development, said yesterday.

Commander Jackson was speaking at an English Speaking Union luncheon in Melbourne.

Peace could be preserved by the strength of the Western world, he said. There was no future in the policy of materialism.

We must be clear-headed about Russia.

She was making the most effective use of materials and manpower she could conceive. Her direction of manpower was the most ruthless in the world.

—*The Argus*, Melbourne, May 19.

To put the above clearly, we are to voluntarily submit to centralised serfdom at home in order to obviate it being imposed from abroad.

We can understand the Commander holding these views, as he is one of the principal "commissars" in our present "voluntary" progress towards the servile state.

For the information of the Commander and others, the spread of Communism throughout the world is a direct outcome of a policy of centralisation. If the so-called Western Democracies continue to support their present policies, the only *raison d'être* for the third world war will be, who is going to wield the big stick, Washington or Moscow?

What is wanted is, first, a forthright statement by Empire leaders that we intend to paddle our own canoe; and second, through a policy of maximum possible decentralisation of power, set an example to the world of genuine freedom in association of both individuals and nations.

ERIC BUTLER'S BOOKS

The Enemy Within the Empire, 10d

Over 30,000 copies of this book have been sold in all parts of the English-speaking world. Carefully documented, it is essential for those who desire to understand the background of the present world situation. The policy of the International Financiers in using the Bank of "England" to cripple the British Empire while helping Hitler is dealt with in detail. The origin of what is now known as the "Financier Socialist" plot is revealed. This book is generally regarded as one of the author's finest works,

The Money Power Versus

Democracy..... 10d.

Well worth having if only for the comprehensive selection of statements by various authorities concerning the "Money Power." The main thesis of this book is to show how the "Money Power" has prevented the introduction of genuine political and economic democracy. The author shows how the electors must unite to bring their political institutions under control for the purpose of obtaining the results they desire.

The Truth About Social Credit, 1/1

An excellent introduction to the subject of Social Credit for the beginner. It shows how Social Credit is far more than a "funny money" scheme. The author makes it clear that bank nationalisation and "State control of the issue of credit" has got nothing to do with Social Credit. Social Credit financial proposals are outlined clearly and simply. The 1945 Banking Legislation is revealed as a major part of the policy of totalitarianism being imposed upon Australians. This valuable book must be in the armoury of every Social Credit warrior.

Democracy Flouted..... 7d.

The full text of a radio script prepared by the author while a member of the Armed Forces. Although the A.B.C. considered the script one of the finest submitted by a member of the Army, a Communist in a key position in Army Education had the talk banned after all arrangements had been made for its broadcast.

A Defence of Free Enterprise

and The Profit Motive... 7d.

A brilliant exposition of the control of the production system by the money "vote."

Constitutional Barriers To Serfdom

7d.

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No. 25

SUBSIDIES OR ELSE

In spite of his off-hand replies to questions on inflation, Mr. Menzies is obviously starting to realise that some action must be taken to honour the pre-election promise "to put the shillings back into the pound." Thus the special full Cabinet meeting at Canberra the weekend before last. But, after considerable discussions — to which the economic "experts" like Dr. Coombs were invited from time to time—consumers have received the chilling intimation that no constructive policy was to be applied for the purpose of reducing prices.

Newspaper reports of the Federal Cabinet meeting on inflation suggest that the major topic of discussion was whether or not the Australian pound should be revalued in relationship to the pound sterling. If the Cabinet Ministers of the present Federal Government really believe that the exchange rate is the only major factor to be considered in relationship to rising prices, it is clear that they have no understanding whatever of the problem confronting them; they are doomed to disaster. But we feel that the Price-Subsidy idea is being advanced by some Members of the Liberal and Country Parties. It is significant that the Melbourne "Herald" has been conducting a vigorous campaign to try and debunk the Price-Subsidy idea. Perhaps it is felt that sheer political desperation may drive the Federal Government to try Price Subsidies.

Across the Tasman New Zealanders have been badly affected by the recent abolition of Price-Subsidies, a fact which has no doubt been noted by some Members at Canberra. It is important to bear in mind that very shortly the Menzies Government will be compelled to make what may be an irrevocable decision on Price-Subsidies when it has to decide whether it is going to continue Price-Subsidies on butter, tea, and several other items. Now is therefore a most appropriate time for electors to press their Liberal and Country Party Members to advocate the implementation of a scientific Price-Subsidy system which would operate in such a way that the benefits of free, competitive enterprise, would be preserved.

The Canberra Bureaucracy

Army of Occupation Now 200,000

CANBERRA, Wednesday. —For the first time in the nation's history, the number on the Commonwealth Government payroll is believed to have passed 200,000.

Exact figures will not be available for several weeks.

Despite promises of economy the Federal payroll has been rising month by month since the Menzies Government was elected.

For the first three months the Menzies Government was in office, there was a net increase of 3037 in the number of Commonwealth employees, and at the end of March the total was 199,692.

The increase in Commonwealth employment in March alone, according to the Commonwealth Statistician, was 1400.

Commonwealth employment has continued to increase despite the liquidation of the Department of Post-war Reconstruction and the Department of Information, and the abandonment of petrol rationing.

Most of the rulers of these departments were absorbed into other Commonwealth activities.

About half the Department of Information staff was transferred to the new information sub-branch of the Department of the Interior and most of the remaining members were found jobs with the short-wave division of the Broadcasting Commission.

The net reduction as a result of the decision to wind up the department was only about 10 percent of the original staff.

—*The Herald*, Melbourne, June 7.

Obituary

It is with deep regret that we announce the death of Mr. O. B. Heatley. Old New Times readers will remember the pithy and hard-hitting Notes on the News, which "O.B.H." did for many years. He was one of the pioneers of the Social Credit idea in Victoria, and, right up until the time of his sudden and unexpected death, was endeavouring to further, in his customary unobtrusive manner, the ideas for which this journal stands. "O.B.H." was an individualist in every sense of the word, and our community will be the poorer as a result of his passing. But the numerous seeds of ideas, which he planted during his life, have and will continue to bear fruit. On behalf of our readers we offer our sympathy to Mrs. Heatley and two daughters.

Exports to Russia

When in Opposition, Members of the present Government rightly asked whether Australian wool being given to Czechoslovakia as portion of this country's Unrra contribution, might not be used to help strengthen the Communists in their bid for world domination.

During debates on the Anti-Communist Bill, attention has been directed to the fact that Australia has been exporting large quantities of wool direct to Russia. As it is reported that Australia for the current year will sell approximately £14 million worth of wool to Russia, but will only import £600,000 worth of Russian production, it would be interesting to know what use, if any, is being made of the credits established as the result of wool sales. Or is this another example of giving away — in this case to an enemy country — a large amount of production without receiving any production in exchange — and, of course, in the process further the inflation menace by increasing the volume of financial credit without any increase in goods for sale?

Keep This Date Free

New Times country readers in particular will be pleased to know that this year's *New Times* Dinner will be held during Show Week. The date is Friday, September 29. We feel confident that having the Annual Dinner during Show Week will result in a very large attendance. Plans are in hand to make this year's Dinner an outstanding success in every way. No *New Times* supporter should miss it. Details will be announced later. At this stage we merely draw our supporters' attention to the date and ask them to reserve it.

The London School

"The more I think of the London School of Economics in the early nineteen-hundreds the harder I find it to believe that any such place can ever have actually existed. So I shall blame no one who chooses to take my account with as big a pinch of salt as he likes. I should have done the same, if I had not been there. *Credo quia impossibile* . . . What struck me most forcibly about these young men was their capacity for combining an extreme intransigence of revolutionary theory with the utmost docility of mind.

"What they got in the lecture-room they swallowed as meekly as that which they got in the 'Defectory.' The whole of the rather woolly abracadabra that passed for economic and sociological science was as much infallible dogma for them as that of the Church to a peasant of Old Spain . . . Of education, apart from the specialised or technical information that directly subserved the purpose of qualifying for a living, few of them had or even desired to have, the least smattering . . . After you had been a little time among them, you could get to know almost exactly how any fair sample of the species would react verbally to any given stimulus.

" . . . The School was to all intents and purposes an ideological annex of the Fabian Society."

"Mrs. Sidney Webb, unlike the official Director, took the utmost possible pains with individual students. She had soon drawn me out enough to sense a political bias rather different from that in fashion at the School, and she at once began to confide in me — or so she flattered me by letting me imagine — that the Fabian

Prices Referendum Refused

The A.C.T.U. demand for a Federal referendum on price control had been refused by the Prime Minister, Mr. A. E. Monk, A.C.T.U. president, said last night.

Mr. Monk said that the A.C.T.U. executive had asked Mr. Menzies to hold the referendum "to determine if a return to Federal price control should be introduced."

"It is clear that the Federal Government does not appreciate the difficulties confronting the Australian housewife," he added.

Mr. Monk said that State price control had proved to be "a complete failure."

—*The Argus*, Melbourne, June 6.

Neither Federal nor State control of prices will protect the community from price inflation. Whilst we do not doubt that both Mr. Menzies and Mr. Monk do "appreciate the difficulties confronting the Australian housewife," we do doubt their method for dealing with these difficulties. Both of them support a policy designed to implement the Work State, i.e., full-employment via public works, capital expansion and the export drive. This policy makes price inflation inevitable. Until these gentlemen pursue a policy of consumer credit through price-subsidies, their activities will only intensify the difficulties of the Australian housewife.

standpoint was essentially that of enlightened Toryism; and added that the efforts of the Trades Unions to set themselves up as independent Powers within the State were, between ourselves, disruptive reaction.

"Almost, in fact, she ended by persuading me to enlist myself as a Fabian. Fortunately. . . I had seen something of other Fabians; and theirs was a galley in which nothing would have induced me to pull an oar."—Esme Wingfield-Stratford, D.Sc. *Before the Lamps went out.*

We have the highest regard for Dr. Wingfield-Stratford as historian and assessor of social and political phenomena. With this in mind we would ask our readers to consider in all seriousness:

(1) The arch-plotter of the Edwardian Era, the German-Jew Sir Ernest Cassel, left £475,000 to the London School of Economics "to make this institution a place to raise and train the bureaucracy of the future Socialist State." A large proportion of the teaching staff consisted of Russian and other revolutionary Jews.

(2) "I am told that at least 90 percent of the Members of the Government are on the rolls of the (Fabian) Society, and that contrary to regulations, so are many highly placed Civil Servants."—*Evening Standard*, November 1, 1930.

(3) P.E.P. (First Chairman Israel Mose Sieff) is a direct offshoot of the Fabian Society, and has dominated (for reasons which are difficult to prove) "British" Government High Policy since 1931.

The Crimean War (Palmerston) was the beginning of the use of the British as cannon fodder in the Plan, which developed through the Egyptian War of 1882, ("Capitulations"; Loans), the South African Gold War of 1899-1902, and the two World Wars of 1914-18 and 1939-45 to bring Great Britain under the rule of "International Finance." We have lost the flower of our manhood, our pre-eminence in world affairs, our standard of life and our political and economic liberty as the result of "our policy" for which the product of the London School of Economics, the quality of which Dr. Wingfield-Stratford has correctly assessed, has been a major administrative agency.

Every traitor has prospered in his degree, and none is so mean that he should do reverence to the native-bred.

And we couldn't care less.

—*The Social Creditor*, May 27.

The Lost Empire

"As I travelled the vast imperial hinterlands, I was astonished to discover how much of the world's hard work, the dirty work, was done by a handful of British. It used to depress me on my return to Great Britain to find that this magnificent effort was by all too many taken for granted. The British Empire as it stands today is a radically different community from the one whose outer marches I tramped only a quarter of a century ago. The thought occurs to me that I was the last British King to have seen it all intact."—H.R.H. The Duke of Windsor.

The Works Of C. H. DOUGLAS

In a review of his latest full-length work, *The Brief for The Prosecution*, the *English Truth* states that C. H. Douglas is undoubtedly one of the greatest minds of this century. In his various works he has provided a penetrating analysis of finance, government, philosophy, constitutionalism, &c. Those responsible members of the community who are concerned with the present increasing plight of the world must study Douglas if they desire to know what must be done to save our civilisation.

The following list of Douglas's works are available:

Social Credit 6/6
Written in 1924, this is one of Douglas's earlier works.

Credit, Power, and Democracy, 6/9
An analysis of certain aspects of the credit system.

The Brief for the Prosecution, 11/
Douglas's latest full-length work. A brilliant exposure of the international groups, which worked to destroy the British Empire between the two world wars.

The Big Idea 3/2
Exposes the forces working towards World Domination.

The Programme for the Third World War 2/2
This book is particularly appropriate at the present time.

The "Land For The (Chosen) People" Racket, 2/2
Deals with the politics of the land.

The Tragedy of Human Effort 1/1

One of Douglas's most outstanding addresses on the principles of human association.

The Policy of a Philosophy, 11d.
An address dealing with the definition of Social Credit.

Realistic Constitutionalism, 1/1
A special address given to the Constitutional Research Association, London. This address must be read by every individual concerned with the protection and extension of constitutional safeguards of Individual rights. .

The Realistic Position of the Church of England . . . 1/2
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Floods, Their Cause and Prevention

In June 1949, the Hunter River, N.S.W., overflowed and 1,600 homes in Maitland were under water. Seven people were drowned whilst trying to escape the floodwaters and enormous damage was done. Two months later, Kempsey, N.S.W., was flooded, owing to the Macleay River inundating the business portion of the township. Thirty-five homes were swept away by the turbulent waters and 200 square miles of dairy country were flooded. Four people lost their lives and damage estimated at millions of pounds was the result.

Admittedly, the winter of 1949 was a very wet one, the worst for many years, but to what extent has man himself contributed to these flood disasters, and how may they be avoided in future?

In *The Rape of the Earth*, the joint authors, Jacks and Whyte, authorities whose opinions we must respect, say:

Deforestation

"Widespread floods are unusual in regions undisturbed by man . . . But when man cuts down the mountain forests and destroys the sponge-like properties of the forest floor, flood after & thaw or heavy rain is almost inevitable, as the forest was an essential part of the natural drainage system. Deforestation, with or without perceptible soil erosion, of mountain watersheds is, indeed, the commonest cause of recurrent floods the world over. The most costly works of mountain flood control are hopelessly inefficient in comparison with actual forest.

"The ultimate and permanent control of floods can only be effected in the forests and fields where they originate . . . Costly, and seldom fully effective 'downstream' flood control works, which do not touch the cause of the flood, have to be constructed because . . . the prevention of the excessive run-off and erosion which cause the floods—has been neglected . . . The reduction of run-off will mean that more water is passing into the soil and to the water table; that streams will have a steadier supply . . . and thus the vicious cycle of denudation, erosion and flood, changes to the beneficent cycle of re-vegetation, water storage, soil retention, and reduction in the number and height of floods."

Excessive Run-off

These views are confirmed in the U.S. Department of Agriculture handbook, entitled *Soils and Men*, which states:—

"Floods are concentrations of water in excess of stream-channel capacity, and since eroding land sheds water in greater volume and with greater velocity than non-eroding land, erosion adds to the danger and damage of floods. Moreover, erosion results in the deposition of abnormal quantities of

silt in the smaller stream channels, further increasing the possibility of floods by decreasing the water-carrying capacity of the channels."

Soils and Men proceeds to show how silt, which is deposited in riverbeds from eroded land, raises the level of riverbeds, thus increasing their likelihood of overflowing after heavy rain. The examples are quoted of the Rio Grande, a Mexican river, whose bed rose 5 feet in nine years, and of the Arkansas in U.S.A., whose bed rose 5 feet within 45 years.

Comparisons

As indicating the stabilising influence of forest or other vegetative cover upon water run-off, *Soils and Men* reports that between 1/7/1933 and 30/10/1936, the average maximum flood flow from forested watersheds in the Appalachian region, near Asheville, North Carolina, U.S.A., was 6 cubic feet per second per square mile. From abandoned agricultural land, the flow was 403 cubic feet per second per square mile, and from eroded and gullied pasture land, 785 cubic feet per second per square mile. Observations in the Santa Clara Valley, California, show that the run-off may increase from 12 to 20 times when the slopes have been stripped of vegetation, by fire.

The silt from eroded lands not only raises the level of riverbeds, but reduces the carrying capacity of dams built to impound water. "Unless the headwaters which supply the dams are entirely forested, silting is certain, bringing with it an inevitable loss of storage capacity."

Dam Silting

This is why the Austin Dam in Texas, U.S.A., lost 72 percent of its storage capacity within seven years, and the Guthrie Dam, Okla., U.S.A., was reduced in capacity by over 15 percent in 15 years. This is why the Elephant Butte Dam, U.S.A., which controls an irrigated area of two million acres, is expected to reach the end of its useful life in 80 years.

In Australia, the Eildon Reservoir, Victoria, already contains 5,000 acre feet of silt, and the Laanecoorie Reservoir has had its capacity reduced from 14,000 to 6,000 acre feet, owing to siltation.

At Cunningham Creek, near Harden, N.S.W., a dam was built in 1912 with a concrete wall 42 feet in height. By 1929

the dam was completely filled with a million cubic yards of silt. Thus in 17 years, the dam was rendered useless. Another storage dam at Werris Creek, N.S.W., was filled with silt from an eroding catchment area, in even fewer years.

How foolish to expend vast sums on reservoirs, if they finally succeed in storing, not water, but silt. Is it not clear that "downstream engineering" is futile, unless the catchment from which the water flows is protected by trees or other adequate vegetative growth, and carefully safeguarded against bushfires, overstocking, rabbit infestation, and ruthless clearing?

We see, then, that flooding is linked up with loss of forest areas on catchments, which feed streams and rivers. Australia has the lowest proportion of land under forest of all the countries in the world, a mere 19½ million acres, or one-hundredth of the total area of the Commonwealth. Trees are vital for the preservation of catchment areas, not only to prevent flooding, but to conserve water, which is so precious in this arid land with its solitary snow-fed river (the Snowy).

Importance of Forests

In his book, *Soil Erosion and Its Control*, the Director of the Soil Conservation Service of N.S.W. (Mr. E. E. S. Clayton) says:

"Forest is the controller, par excellence. No matter how heavy the rain, the canopy of treetops breaks its fall. The ground litter absorbs a great quantity of water; also the soil beneath the forest floors can absorb water at a faster rate than any other. When at last all is saturated and water flows over the forest floor, the ground litter furnishes millions of tiny dams to delay the run-off, causing more and more water to soak into the ground and at the same time reducing erosion to an absolute minimum."

Forest destruction not only gives rise to floods, but ultimately leads to the formation of deserts. The ancient Greeks knew this, for they had a saying: "Forests precede man, but deserts follow him."

A Deplorable Condition

The Hunter River Flood Mitigation Committee reported in 1948 that after 100 years of misuse, the Hunter River and its catchment area were in a deplorable condition. Over the major portion of the catchment the country had been largely denuded of trees, and due, also, to over-grazing by stock and rabbits, there were great areas of active erosion. The result was a rapid run-off, and the waters carried a very high percentage of silt.

It was estimated that the total soil loss from erosion in the Hunter Valley was in excess of one million cubic yards per annum. As long as erosion continued at this rate, there would be a corresponding reduction in the productivity of the Valley. It is significant that the flooding of the Hunter Valley is occurring more often, and with

(Continued on page 7)

Floods, Their Cause and Prevention

(Continued from page 6)

greater severity than hitherto. This feature of flooding has been observed in other areas also.

A Conservation Scheme

The Hunter River Flood Mitigation Committee therefore proposed that steps be taken to restore the Valley, more or less, to its original condition by means of re-forestation and soil conservation measures on the catchment of the Hunter River and its tributaries; the construction of holding reservoirs to retain portion of the flood waters; the improvement of the river channels by stabilising the banks in the upper and middle reaches, and by the enlargement of the existing channels between Maitland and Newcastle. The overall plan is estimated to cost £10 million.

Work is now well in hand on the construction of the Glenbawn Dam, which is estimated to cost £3 million. This dam, which is about seven miles upstream from the town of Aberdeen (67 miles north-west of Maitland), is the first of five major conserving dams to be constructed in the Hunter River basin, the most extensive river basin along the N.S.W. coast.

The Macleay River

The Kempsey floods owe something of their severity to the location of this town, the principal portion of which is built on river flats within a sharp bend in the Macleay River. As this part of the town is surrounded on three sides by the river, a serious rise is followed by a tendency for the Macleay to shorten its course, when it sweeps across the town on its 20-mile journey to the sea. This is what happened last August.

The Macleay River is fed by four streams, two of which have their source near the Dividing Range, about 80 miles west of the town. The headwaters of the Macleay are at present timbered, but trees are being removed by saw-millers, while the land nearer Kempsey, and which is low-lying, has already lost most of its trees.

First Things First

The prevention of future disastrous flooding calls for prompt action, for it is an urgent and vitally important matter. It involves major works far beyond the financial capacity or engineering skill of small local authorities.

Reafforestation, the prevention of soil erosion, the safeguarding against fire of forests on catchments, the building of dams to intercept and impound floodwaters, the straightening of river channels and dredging of their beds, the construction of flood by-pass channels — all these works are costly and should be sponsored by the Commonwealth.

As the Commonwealth Government; under powers conferred upon it by the States, and which powers are implicit in the Loan Council Agreement, virtually controls the finances of the State Governments, it is the duty of the Commonwealth to initiate and finance flood prevention works.

The State Governments, with their superior local knowledge, their skilled professional staffs and their possession of engineering equipment, are best fitted to carry out the various works, which should be undertaken in the closest co-operation with the local government bodies concerned.

O. B. Heatley

It was with shock and deep regret that I heard of the sudden and unexpected death of my friend, Mr. Heatley. He was one of the most remarkable and likeable characters that I knew. For some time past it was his habit to drop into my office about once a fortnight for a cup of tea and a yarn. His homespun, down-to-earth wisdom was always a refreshing antidote to the over intellectualised rubbish that today passes for wisdom.

To readers of this journal he is perhaps best known as O.B.H. Under these initials he contributed for a long period his pithy "Notes on the News." O.B.H.'s services to the spreading of our ideas were great. Always shunning the limelight and mainly working as an individual, he was indefatigable in his efforts. His delightful character and inimitable approach made him a great ambassador for our ideas. In a society, in which the individual is being increasingly forced to conform, the loss of a rare character like O.B.H., with so many good years to go, is tragic.

The best epitaph to his memory, and in this I believe O.B.H. would have concurred, is to press on more vigorously than ever with our task of bringing into being a new civilisation based on the individual.

W. J. Carruthers

Inevitability

"The enemy is further kind enough not to wound your feelings; you are comforted with the doctrine of inevitability of the demise of individuality as part of the process of industrialisation. Centralisation and a corresponding reduction of individuality are declared to be inescapable, no matter if lamentable or otherwise. The enemy has definite convictions; while would-be individualists dare not have convictions, for fear of offending somebody."—Lewis G. Anderson in *Human Events*.

We are pleased that someone beside ourselves has noticed it.

—*The Social Creditor*, June 10.

Against Positive Eugenics

"The vigour of a race and its adaptability to changing circumstances lies very largely in its genetical variability. Any processes which, like the stockbreeding of animals, encourages some desirable qualities at the expense of increasing uniformity must be regarded as dangerous."—*The Lancet* (reviewing Dr. Lionel S. Penrose's "The Biology of Mental Defect.")

The allocation of costs could subsequently be arranged by the three bodies concerned, viz., the Commonwealth and State Governments and the local authorities.

Flood prevention is far more important than, for instance, the standardisation of railway gauges, for which the Commonwealth Government was prepared to spend £200 million in co-operation with the State Governments. *The soil is the basis of the Nation's wealth.* When our topsoil is eroded and carried by floodwaters into rivers and thence into the sea, Australia's productive capacity is lowered. This can reach dangerous limits. Let first things come first!

—*Farm and Garden Digest*, June 1950.

Contracting Out

Observation of the events of the past few years has confirmed our opinion that the only legitimate power (and properly exercised, it is immense) of a democracy as such, is negative—it is almost comprised in the power to contract-out. We say almost, because such criticism of the present Government mentality as that of the Dean of Chichester, Dr. Duncan-Jones, is of immense value, although negative in form "Positive" politics cannot possibly be democratic — the idea of obtaining a majority for a specific policy which is comprehensive and sound, is on the face of it ridiculous. But an educated minority can reject a fallacious policy and, in so doing automatically provide a demonstration which will ultimately be effective in forcing the substitution of something better.

It is with great satisfaction that we notice the growing body of negative criticism of totalitarian Governments, Viscount Cecil's Motion on the Power of the Cabinet being symptomatic. That way, and, we think only that way, will the poisonous growth, which have stifled us for much too long, be eradicated. There is an organic connection between "inevitable and automatic progress" and "positive," Planned Legislation. The difference between the statesmen of England's great days, and the Aneurin Bevens and Shinwells is that the former knew their limitations; the latter cannot conceive that they could have any.

—*The Social Creditor*, June 10

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Policy. Function and Power

There appears to be a tendency (which we have done our best to discredit), to suggest that the Social Credit Secretariat should mould its activities on those of the American statesman who concluded his electioneering address with the words, "Them's my principles, gents, and if you don't like 'em, I'll change 'em." So far from complaining of this attitude, in moderation, we recognise that it represents a degree of confidence for which we are grateful.

But, in fact, the idea that there is some magic word, which if discovered and pronounced would transform the situation, can be very dangerous. At some risk of being platitudinous, may we repeat what in effect we have been proclaiming for thirty years—that policy, function, and power, are all different, and that the fundamental "sin" of our present era is that we allow policy and power to be dependent on function. To put it in the simplest manner, to our

orthodox philosophy, there's nothing like leather.

It is from this fundamental fallacy that we derive such fatuous ideas as the "right" of "Labour" to do this, that, and the other, e.g., "Full Employment." "Labour" has no rights whatever except the right of the individual labourer not to function — to contract out.

If this situation is clearly grasped, and it is surely not too difficult of apprehension, it should be obvious that the best of policies (and it must be remembered that we can only impinge upon ideas which go to form policy) is quite powerless without function and power. We commenced our crusade by emphasising that finance controls policy, and (because we have a fraudulent financial system) our policy in fraudulent.

Finance is part of our Constitutional system (more so than ever since the "nationalisation" of our Central Bank) and to rectify Finance, we have to rectify our Constitution. We have made consistent suggestions, alone amongst contemporary movements to embody these policies. They have not so far been pushed very hard (that is neither our business, nor within our competence), but we have no bright ideas to offer which will make the walls of Jericho fall down even without trumpets.

"Them's our sentiments, gentlemen, and if you don't like them, we're sorry."
—*The Social Crediter*, June 10.

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Why Prices Are Rising

In his article on how to put value back into the pound (*The Herald*, June 7), Mr. Maurice C. Hare says, "The consensus of economic thought is that the solution is crystal clear—greater production. And the way to bring this about is equally clear. It is to give the worker incentive, plus security."

Increased production of certain goods is urgently required. Incentive schemes in industry have much to commend them as a means towards greater production, and greater production would have some effect upon rising prices. But increased production and incentive schemes will not by themselves reduce prices, or even prevent prices from rising. A report from America, as reported on page 6 of the same issue, states, "Boom conditions are again breaking out in most sections of the U.S. economy like a summer rash.

"Economists are anxiously asking whether costs are again getting out of hand. Steak costs around 10/- lb., and rubber has shot up 60 percent in the past month. Houses priced at £5,000 a month or two ago now cost an additional £500. Wool is now at the highest level in history, and a grey market in steel has developed with some types commanding premiums of £20 a ton."

The basic cause of inflation is that all modern Governments are supporting inflationary credit expansion policies, which must, if persisted with, lead to the very disaster the Communist conspirators so confidently anticipate.

—ERIC D. BUTLER, Campaign Director, Victorian League of Rights.

—*The Herald*, June 8.

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