

# THE NEW TIMES

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*"Ye shall know the truth and the truth shall make you free"*

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## EDITORIAL

### FINAL STEPS TO ESTABLISH COMPLETE WORLD CREDIT MONOPOLY

One of the Rothschilds has been credited with the statement that so long as he was permitted to issue the credit of a nation he did not care who made its laws. Control of the creation and issue of financial credit means control of a nation's real credit, which is its productive capacity. This century has seen the progressive centralization of credit power with many landmarks on the way to what now threatens to become a complete world credit monopoly, which would mean the destruction of the last remaining vestiges of national sovereignty. There was the establishment of the American Federal Reserve Board just prior to the outbreak of the First World War, while the Great Depression was used to establish the system of Central Banks to control those trading banks, which survived. Then during the Second World War came the establishment of the International Monetary Fund and the World Bank. Now with the proposal to create a new international currency termed "paper gold", the final steps are being taken in the drive to establish an international credit monopoly as an essential part of the plan for the World State.

During the Great Depression years and up until the outbreak of the Second World War there was a determined campaign to keep from the public knowledge of credit creation and control. But with the revolutionary changes made possible by the Second World War it was progressively admitted that financial credit constitutes most of a nation's purchasing power and that this is created by the banking system. So long as effective control of credit was maintained by progressively centralising it, what did it matter how many people knew? And now even a journal like *U.S. News & World Report*, in its issue of April 15, writes, "This new money ('paper gold') is to be created by the billions of dollars' worth out of thin air." The article goes on to stress in answer to the question, is this a substitute for real gold "to be created by the stroke of a pen"? That "the new money will be backed by the full faith and credit of nations." All new money is issued in the form of financial credit against the credit of the community. If the creation of financial credit is now to be controlled by the policy makers of the International Monetary Fund, then every nation's resources will be increasingly controlled from an international source.

#### Loans Mean Control

The *U.S. News & World Report* makes it clear that the "paper gold" will only be loaned to nations. Those accepting loans will of course have to accept the conditions attached. The Americans are being told that they have to make a "painful adjustment" in the form of higher taxa-

tion. This and other financial restrictions are allegedly necessary to overcome inflation and America's "balance-of-payments" problem. Primarily as a result of America's enormous overseas expenditures on "foreign aid", defence and the war in Vietnam, enormous sums of American dollar credits have come into the possession of other nations. It has been the demand that these dollars be met in gold, which has caused such concern in the U.S.A. From a realistic point of view the only way in which the Americans, like the British, can meet their overseas deficits, is to export goods and services to their creditors. If their creditors will not accept goods and services, then they cannot be realistically paid. But it is now suggested that "paper gold" will be used to solve the problem. The nation with a balance of payment problem will be granted "paper gold" loans -- and of course, will accept the conditions imposed as part of the price.

Just prior to the news of the "paper gold" plan, former American Minister for Defence, Mr. Robert McNamara, was moved to the World Bank. Since arriving at this new centre of power Mr. McNamara has made it clear that he supports Robert Kennedy in the American Presidential contest. This is not surprising as he was first brought into Washington by the late John Kennedy. Many Americans see Robert McNamara as a sinister figure, the man responsible for one disaster after another in his position as Defence Minister. But others point to his meteoric rise after he had been made President of the Ford Company

for a short time, and suggest that he is being used. He certainly indicates that he will be the right type of man to be used as the control of the international financial system is progressively centralised. He indicates that he favours massive welfare as a solution to the world's problems. This means that America and the other industrialized nations are required to make more of their real wealth available to the "under-developed" parts of the world. Most of this wealth is already being wasted. But this does not matter so long as the programme for creating One World moves forward.

#### **Oppose All Centralization**

The one safe rule to apply to all proposals in the present

convulsed state of the world, is to resist vigorously all proposals to take power any further away from the people. All policies of centralising power should be attacked. State and Provincial Governments should be encouraged in their resistance to Federal Governments. And Federal Governments should be told that no more power should be relinquished to international institutions, all of them staffed by internationalists who are subversive in the sense that they are not concerned about national interests. Only by nations maintaining control of their own affairs can world sanity be produced. For this reason alone the "paper gold" madness must be exposed for what it really threatens.

## **"THE JEW IN AMERICAN POLITICS"**

**BY ERIC D. BUTLER**

**In what I regard as one of the most important books of the post-war years, "Judaism and The Vatican", the author Leon de Poincins reveals of how just before the outbreak of the Second World War he had made an appeal to the heads of State all over the world that an international commission should be established to study the Jewish question with a view to finding a peaceful solution to a problem which had continued over forty centuries. De Poincins suggested that "Competent and representative personalities, Jewish and non-Jewish, hostile and favorable to Judaism . . . would collaborate . . ." The war put an end to this endeavour, while the Nazi attack on European Jews left an atmosphere in which rational discussion has been extremely difficult. However, a recent publication, "The Jew in American Politics", by the distinguished American scholar, Nathaniel Weyl, himself a Jew, does examine with comparative objectiveness some aspects of the Jewish question, and makes some important points.**

There are major deficiencies in the Weyl study, which glosses over many vital aspects of the problem, while the author's objectiveness deserts him when he deals with "anti-Semitism". He also propagates the myth that the crushing of Arab military power last year by the Israelis "check-mated Soviet attempts to obliterate the State of Israel." As Weyl has established a reputation as an expert on Communism, it is difficult to believe that he is not aware of top Soviet directives concerning Israel. These directives, published in the Communist press, make it clear that the Soviet does not wish the Arabs to destroy Israel. Such destruction would remove the main ingredient being exploited by the Communists in their Middle East strategy. Should it be argued that the Communist press should be ignored, then we can turn to the Jewish press. *The South African Jewish Times* of February 25 carries a three-column story under the heading "U.S.S.R. Would Never Support Nasser in a War on the Jewish State." The story underneath concerns talks in Moscow between four representatives of the Israeli Communist Party and Mikhail Suslov and Boris Ponomarev, Secretaries of the Central Committee of the Russian Communist Party. The Israeli Communist leaders were given firm assurances that the Soviet did not support a policy of destroying Israel.

Enough of the truth about the Arab-Israeli war of last year has been disclosed to reveal that the Soviet leaders deliberately planned for an Arab defeat, which they could exploit. So far from the Soviet suffering "it's most serious diplomatic defeat", as Weyl maintains, the situation enabled the Soviet to move large naval forces into the Mediterranean, where they still remain, and to penetrate even more deeply into the whole Arab world. It does not appear to be sufficient to suggest that in spite of his clear intention to be as objective as possible, that Weyl, as a Jew, has a blind spot, because Jews like the anti-Zionist expert on the Middle East, Alfred M. Lilienthal, have pointed out the real situation developing from the Israeli-Arab war on 1968. But in spite of these criticisms, and Weyl's view that the most "significant charge" in the Anti-defamation League's 1966 Report on the John Birch Society was that *American Opinion* "had published articles by Eric Butler, described as a notorious anti-Semite . . ." I believe that *The Jew in American Politics* is a valuable contribution to a study of the Jewish problem. I say this even though Weyl describes C. H. Douglas as "a noted monetary eccentric" who developed a Canadian movement, which became "at least semi-fascist."

## The Paradox

In his first chapter Weyl comes immediately to the problem—also described as a "paradox"—he is concerned about examining: "The American Jewish community is overwhelmingly middle class and upper middle class. American Jews are more highly educated than any other national or religious group in the U.S. population . . . Their income is much higher than the national average. Their contribution to the economic, political and creative leadership of the nation is much greater than their numerical strength would indicate. Yet, in their political attitudes, they are overwhelmingly liberal-to-radical . . ." Here, clearly, is a question of the greatest importance: Why should so many Jews, including some of great wealth and financial power, be attracted to anti-conservative movements? Weyl assembles an overwhelming case to prove Jewish opposition, with few exceptions, to conservative movements.

Weyl shows the dominant role of Jews, considered either as a race or as a religious group, in the Socialist and Communist movements in the U.S.A. But he unfortunately makes no reference to the role of prominent international financiers like Jacob Schiff and the Warburgs of Kuhn, Loen & Co. Perhaps Weyl felt that this would take his investigations into deeper waters than he cares to investigate! He observes that "One reason for the strong Jewish component in American Communism . . . is the simple fact that the Jews of the United States are concentrated in the great cities, very strongly concentrated in the professions and even more massively represented in the intellectual community."

### Consistent Support For Socialists

The chapter dealing with "Jewish Voting Behaviour, 1932-1967" is extremely valuable. The study of the pattern starts with the mounting Jewish support for Roosevelt, which was massive. Truman did not obtain quite the same support, while Henry Wallace, the eccentric pro-Communist was given a strong Jewish vote. In 1952 about 75 percent of the Jewish vote went to the disastrous Adlai Stevenson. In studying the Stevenson case Weyl observes how Stevenson had been scathingly attacked by Senator Joseph McCarthy. "The extent of hostility towards McCarthy among Jews was amazing." But was it amazing when one recalls that many Jews and friends were being criticized by McCarthy in his searching campaign against Communism? The fact that McCarthy had Jews on his staff did not save McCarthy from being smeared as "anti-Semitic."

Coming to the late John Kennedy, Weyl observes, "Despite some misgivings about his Catholicism, his Irish origin, and the alleged anti-Semitic tendencies of his father, John F. Kennedy got the overwhelming endorsement of Jewish voters." But, "Despite the fact that Barry Goldwater was half Jewish and 'proud of my heritage', American Jewry voted overwhelmingly against him . . . Some Jewish secular and religious leaders attacked Goldwater with a violence and disregard for truth

that were shocking. Thus, Rabbi Joachim Prinz gave a political harangue . . . in which he alleged that 'a Jewish vote for Goldwater is a vote for Jewish suicide'. Prinz was not an obscure rabbi, but a man who had been president of the American Jewish Congress . . ." Based upon voting patterns in the 1964 primary contests, when it was thought that Governor George Wallace of Alabama might be a presidential candidate, Wallace can expect massive Jewish opposition in this year's presidential contest. Weyl observes that by opposing Wallace, the Jews were, in fact, supporting integration of Negroes and Europeans, not only in the schools, but also through integration in residential areas, and were, therefore, against their own best material interests. Weyl confirms a widely held view in the U.S.A. at present, that in spite of their considerable financial and other support for the "Civil Rights" movement, large numbers of Negroes are now becoming anti-Jewish.

### Philosophical Cleavage Basic Issue

Commenting on the overwhelming Jewish opposition to the war in Vietnam, an opposition which President Johnson has bitterly complained about, Weyl offers the explanation that it was not a case of the Jews failing to understand "the significance of human freedom" but "the fundamental distortion related to a psychic need to prettify and embellish authoritarian systems of the left, a propensity to view them as the result of idealistic efforts to better the lot of the common man and a chronic blindness to the basic similarities between Nazism and Soviet Communism." If, as Weyl is saying, his fellow Jews cannot distinguish between different labels for the same philosophy, they, in fact, embrace the same basic philosophy, which may express itself in policies, which only differ in name and in degree. The eminent Jewish writer, Dr. Oscar Levy, attempted to point this out, labelling Nazism as merely a form of "Jewish heresy". Needless to say, Dr. Levy was badly smeared and termed an "anti-Semite"!

I am often asked the question, "Why do obviously intelligent people become Communists?" the suggestion being that intelligence as such is the be-all and end-all in life. I do not think that Lenin, for example, suffered from a lack of intelligence. The police assure us that the most dangerous criminals are not the dolts, but those with a high I.Q. Just as important, in fact more so, than intelligence is the **purpose** to which it is put. And a discussion of purpose is impossible without reference to the underlying philosophy. In another of his books, *The Geography of Intellect*, Weyl demonstrates quite convincingly that the Jews are, according to the conventional methods of measuring intelligence, the most intelligent people in the world. But Douglas raised the question of whether a group or race, which had repeated the same basic mistakes over such a long period of time, bringing repeated disasters and hatred upon itself, was really intelligent. Again we must come back to purpose and philosophy. Weyl does attempt to come to grips with this question in the final chapter of *The Jew in American*

*Politics*, where he stresses that in their own best interests Jews should support conservative movements which seek to decentralize power so that there are no all-powerful States to crush minorities and elites. Weyl concludes his book as follows: "Perhaps the essential difference between conservatives and liberals is the difference between those who believe in elites and those who believe in masses, between the uncommon and the common man, between those who favour freedom and those who uphold security, between those who have roots and respect continuity and those who are flotsam and restlessly seek change, between the unique man and the mass man."

#### **Decentralization Of Power The Answer**

The Social Crediter can agree with Weyl's statement except on the point that freedom and security are incompatibles. Genuine freedom requires at least a basis of security, however small it may be. But having made his statement, Weyl concludes by claiming that "The social position, character, and capacity of American Jews

place them unequivocally in the first category." That is the conservative category. But as Weyl himself demonstrates, the great majority of American Jews oppose conservative policies, which has led many to the conclusion that while the majority of Jews accept the concept of an elite for themselves, they visualize this as elite controlling the rest of mankind. And so we have powerful Jewish influence directed against any loss of Jewish exclusiveness while the same influence is directed towards the integration of all other groups. At bottom, as C. H. Douglas suggested in *Social Credit*, the Jewish problem is one of freeing the individual Jew from that domination of the group which enables him to be used for furthering policies which in the long run will be disastrous to all individuals. If Nathaniel Weyl can prevail upon his fellow Jews to start supporting policies for decentralizing all power, financial, economic and political, he will have made an outstanding contribution towards averting the growing threat to what is left of Civilization.

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## **'HOW TO TURN 80 MILLION WORKERS INTO CAPITALISTS ON BORROWED MONEY'**

The above is the title of a book published in the U.S.A. last year, in which the authors, Louis O. Kelso and Patricia Hetter develop economic and financial proposals originally put forward by Kelso ten years ago in "The Capitalist Revolution." The fact that Kelso's ideas are being increasingly discussed in the U.S.A., and to a lesser extent in Canada, is of some importance. There are flaws in both Kelso's analysis and proposals, but he does grasp the truth about the deadly fallacy that "labour produces all wealth." And his concept of every individual being a shareholder in an industrial society, from which he draws a dividend, correctly indicates the direction in which Civilization must move if it is to avoid complete Socialism and loss of all freedom.

The following are extracts from an analysis of "How To Turn 80 Million Workers Into Capitalists On Borrowed Money" by the authors:

Endemic poverty in a world, which has all the physical, managerial and engineering pre-requisites for producing general affluence, is only one symptom of the wealth concentrate on syndrome. Less obvious, but just as casually connected, are misuse of technology, resource waste, despoliation of the environment, declining personal freedom, increasing lawlessness and civil disorder, the waning of liberal education, the civil rights impasse, the youth revolt, urban concentration, rising public and private debt, public loss of confidence in leadership, and the seemingly irreversible advance toward a totalitarian society.

Although the specific mechanisms that concentrate wealth are easily correctable, the problem of economic malfunction goes deeper than mechanics. It is necessary to ask why society has so long tolerated, and indeed remained officially oblivious to, institutional defects that were brutally apparent even in the earliest years of the Industrial Revolution. Why have we ignored the solid facts and so desperately clung to the straws of illusion? Why, for example, are we still pretending to believe that labor's productivity is rising? That technology creates toil? That we have legitimate "full employment" in the United States today, or in any other industrial economy, or that full employment is a possible, or even a desirable, economic goal?

The explanation for such massive intellectual dishonesty, believe Kelso and Hetter, is to be found in a simple but ancient misconception about how wealth is produced in the real physical world. Transmitted through generations of economists like a defective gene, the misconception has kept economics from developing into a rational science — very much as the doctrine of spontaneous generation kept medicine from developing into a science until Pasteur's experimental researches crumbled organized resistance to the germ theory.

#### **Fallacy Of Labour Theory**

What the doctrine of spontaneous generation (the [hypothetical] production of living things from inanimate matter) was to 19th Century medicine, the labor theory of value and its offspring, the idea of full employment as an economic goal and a pragmatic solution to the problem of income distribution, are to 20th Century economics. The notion that labor is the only, or chief, factor of production is the keystone of the conventional economic wisdom. Laissez-faire, Marxian Socialist and Keynesian theoreticians all treat the physical things that are factually the chief producers of wealth in an industrial economy — tools, machines, structures and increasingly productive land — as if they were extensions of the worker himself (the hammer, an extension of the hand; the wheel, of the

foot; the computer, of the brain), or as if they were magic helpers that miraculously increased **labor's** productivity, or as if they were natural resources functioning gratuitously like the sun to raise **labor** productivity.

In the pre-industrial past, where labor was the principal factor of production and nature had endowed every individual with the power to labor, the labor theory of value was at least half a truth; the events that would expose the other, and most important, half had not yet occurred. But with the invention of the spinning jenny, the Newcomen engine, and the power loom, and hundreds of other non-human producers, the non-human factor of production moved explosively into the forefront and began its rapid conquest of the economic environment. Unnoticed and uncomprehended, reality swiftly outgrew one-factor economic thought and the economic institutions erected upon it.

Technology was the momentum behind the Industrial Revolution, but the pre-industrial labor centric concepts were not able to provide a rational philosophy of technology; hence, enlightened, realistic human goals logically consistent with the tendency of technology were impossible to formulate. In the humanistic medieval world, toil had been only a means. Now in an industrial age where technology was eliminating toil, means became elevated into end. Instead of toiling to live, man now found himself obliged to live to toil. Under one-factor economic thought, technology itself must function to create toil, and the enormous evidence of the absurdity of this contention must be ignored, falsified, or rationalized away.

### **Reality Obscured**

For the past thirty years, the public economic policies of the Western industrial nations, and the public philosophy advanced to justify them, have demonstrated the theoretical inadequacy of one-factor economic thought. As expedients are grafted on to expedients, the official explanations of reality become more and more contrived, finally, the bonds of credulity are reached and overreached; the practitioners of the conventional wisdom are obliged to sidestep reason entirely and resort to open intellectual fraud. In the United States, where advancing technology has created the widest gap between reality as it is and reality as it is interpreted through defective one-factor theories, the Federal Government spends an incalculable amount on man hours and money to persuade an increasingly sceptical and suspicious public that policies and goals which are irrational, dangerous and destructive are rational, effective and sound. (Associated Press recently estimated that government agencies, including N.A.S.A. and the military spend \$425 million per year on "public information, news reviews, and self-pleadings." This is an amount double the combined outlay of the two major U.S. news services, the three major television networks, and the ten biggest American newspapers!)

When an intellectually false theory persists against all evidence, it must be drawing sustenance from a live, powerful, non-rational source. Kelso and Hetter believe that

the viability of the labor theory of value, the full employment goal and the Procrustean institutions built upon it can be traced to the Puritan ethic — the idea that "If any would not work, neither should he eat." In essence, the Puritan ethic is a production ethic. Its meaning is that human beings ought to produce the wealth they wish to consume. This injunction is philosophically, economically, and morally sound. Experience shows that men hate being objects of charity just as much as they hate being the victims of parasitism; it is economic incentive both for men to produce the wealth they consume, and to receive the wealth they produce. **In a pre-industrial world**, where labor was the only active factor of production, it was natural that production was interpreted as synonymous with toil. The Marxian ethic is based on the identical assumption; it and the Puritan ethic are indistinguishable.

### **Puritan Ethic Requires New Interpretation**

But what was practical common sense and moralistic-ally sound in a pre-industrial economy becomes nonsense in an industrial one, **not because the principle has changed, but because the environmental facts have changed.** The simple rhetorical statement of the rationale of the Puritan ethic for a one-factor economy simply will not suffice in a two-factor economy; it does not accommodate itself to changed facts. Indeed, a principle of unquestioned justice becomes a source of woeful injustice. In attempting to impose a one-factor ethic on a two-factor world, older generations are unconsciously seeking to make new generations suffer the same hardships that pre-industrial life forced on them and their predecessors. The poet Robert Frost understood the intent, if not the mechanics, of conventional economic policies that uncomprehendingly exhort toil and self-denial in an age where technology has shifted most of the burden of production on to machines, and where mass consumption is essential to support the mass production which is the point of an industrial economy. Thus, a one-factor interpretation of the Puritan ethic threatens the very source of general affluence.

Institutional renewal and reform, believe Kelso and Hetter, must begin with the Puritan ethic. If its moral essence is not that men and women should toil for toil's sake, but that they should produce for production's sake, the question becomes: How are people to be economically productive in an age when wealth is chiefly produced by things? An updated Puritan ethic would hold that individuals produce just as legitimately through their ownership of productive things as they do through their personal toil (i.e., through their privately and personally owned labor power). In the economic sense, the owner of an equity interest in a modern steel mill is immeasurably more productive than the most skilled and industrious blacksmith in a pre-industrial village. Modern institutions must recognize this **physical** fact, and modern ethical and philosophical concepts must deal with it. Our reverence for toil is purely hypothetical — what sane man, in real life, seeks to toil for the goods of subsistence? Much closer to reality is the historical fact that human slavery partially origina-

ted in man's revulsion for toil, and that moral sentiment was incapable of abolishing slavery until technology provided us with machines to take the place of the slave. Also much closer to reality than our pious affection for "full employment" is the historical use of hard labor as punishment for crime.

Until we understand the modern implications of the Puritan ethic, we shall not be able to design a rational economic system for a two-factor world. We shall continue to misuse, misdirect and waste technology; to squander resources, talent and human lives; to throw away man's opportunity for peaceful, affluent leisure in our attempt - futile, absurd and monstrously hypocritical — to re-create the pre-industrial state of toil that management, engineering and technology constantly seek to destroy.

### **Leisure And Plenty, Rational Goals**

Not toil, but leisure; not the pinnacle affluence which has characterized all Western industrial societies to date, but general affluence—these, maintain Kelso and Hetter, must be the goals of a rational industrial economy. Moreover, once recognized and acknowledged, they are goals that are easily achievable.

Since affluence is not the product of the human factor, but the non-human factor, it is necessary to structure the economy so that a growing proportion of families, and eventually all families, produce an expanding proportion of their income through their private ownership of the tools, machines, structures, facilities and productive land that produce wealth.

New productive power is an absolute requisite for general affluence, simply because — the assertions of politicians and economists to the contrary — no economy in the world today is physically capable of providing an affluent stream of goods and services to all the people in it, although the potential physical capacity to do so through accelerated growth of new capital formation is present in most of the world's economies. The "affluent

economy" of the United States, Kelso and Hetter flatly assert, is illusory. But the United States, Canada and most of the Western economies have or have access to the physical ingredients necessary to produce general affluence within a space of three decades. The limitations that bind them now are not physical, but institutional. What is lacking is an economic system built on the rationale of two-factor concepts that would build the economic power of the people to consume simultaneously with building the industrial power of their economies to produce general affluence.

### **Wide Appeal Of "Second Income Plan"**

*How to Turn 80 Million Workers into Capitalists on Borrowed Money* appeals to the three executive powers of modern society — business, labor, and government — to begin now to plan an economy in which every family has the opportunity to produce wealth in a way compatible with a technologically advanced economy: through employment (to the extent that legitimate demand for employment has not been technologically eliminated) and through its private ownership of the non-human factor of production. This is what the techniques of the Second Income Plan are designed to accomplish. Through updating the Puritan ethic to conform to the technological facts of production, we would be renewing our institutions in the spirit of the American ideal, rather than seeking, as do the proponents of the Negative Income Tax, the Guaranteed Annual Income, and similar schemes, to repeal the underlying ethical law. For American political institutions assume a citizenry which is economically independent and productive. The Founding Fathers knew that freedom is inseparable from property. On that premise they designed political institutions that were an inspiration to all mankind. It is now our duty to underpin our political heritage with economic institutions designed to provide effective economic opportunity to the many in an industrialized world — and to do it before time and hope run out.

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## **THE BRITISH BUDGET**

### **PRAISED BY 'HIDDEN GOVERNMENT'**

**BY G. K. TAVENDER**

Churchill, Disraeli and others, spoke of a 'hidden government'—a power above the nominal government, but concerned only with legislation, which affects the centralizing of world control of economic and financial POLICY under International Finance. This force presses for any Acts, such as the recent British Budget which reduce the people's control of their own affairs, and, 'spends' millions to quash proposals along the lines of C. H. Douglas's of the 1930s, which would de-centralize economic POLICY, i.e., permit consumers to 'vote' for the kind, and volume, of goods they favour.

We hold no brief for Mr. George Brown who resigned from the Foreign Secretaryship the day before the Budget was detonated; however, this quote from his explanation

is significant: "Power can very easily pass, not merely from Cabinet to one or two ministers, but effectively to sources quite outside the government". His listeners guessed he was referring to British financial interests. He **was**, in our opinion; but only the small section in league with International Finance, which does not include the thousands of courteous, efficient, officers who attend to clients. Reports from London say that, "International bankers were almost unanimous in praising the budget". We recall that Montagu Norman of the Bank of England did not think it was good for people to be prosperous, and to help bring his ideal about, accepted a salary **increase** which surpassed the total **earned** incomes of several workers. The reaction of the more enlightened of the victims

is perhaps best summarized by Sir Donald Stokes, head of the Leyland Motor Corporation; he said: "It really breaks your heart and I don't know what we are going to do. Knocking the props from under the home market is a very poor way of encouraging a major exporting industry."

### **Buying Money With Goods**

The 'official reason' for the savagery of the Budget is to 'dampen consumer demand so that more may be exported'. Now, exports are a loss of wealth unless balanced by wanted goods (imports) of equal value. If Britain has over-imported the kind of goods she can produce at home, the sane course is to stop those imports and instead produce the goods herself. This would enable her further, either to reduce the import of raw materials that go into exports to pay for imports, or, to apply those raw materials to manufactures that will raise the standard of living at home, and export no more than is necessary gradually to pay off the debt.

The root cause of 'balance of payment' troubles, not only in Britain but in all countries, is psychological. The natural, or scientific, method of trade between countries is to **buy goods with goods**. Since the records are in monetary terms a truly 'favourable balance' would show no debt either way. Mr. Henry Ford, senior, was right when he said: "In international trade we **buy money with goods**." Had he realized the enormity of the resultant damage, he, no doubt, would have financed research into the cause of the phenomenon. As it is, the only research is done by self-propelling truth seekers.

### **A Problem Of De-hypnotization**

C. H. Douglas wrote ("Whose Service is Perfect Freedom", page 158) ". . . it has become clear to me that the difficulties which confront the world's miserable struggles towards sanity, are not in the main intellectual difficulties; they are almost wholly problems of de-hypnotization". Then, on page 190, of virtually hypnotized people unwittingly approving the power centralizing policy of International Finance, he said: "I feel sure they are perfectly honest, and that they reach positions of comfort and authority, not by saying what they do not believe, but **by being able to believe almost anything, even if all experience contradicts it**, and to put their beliefs into such a form that the absurdity of them requires a little more analysis than most readers have the time and inclination to give to them."

Few employers, or employees, would admit that they regard money (goods tickets) as being more desirable than wealth, yet they act as if it were. Conditioned over the years to acceptance of the up side down picture as being irreversible, they miss the absurdity of 'devaluation' and, or, the Budget, both of which require Britain, internationally, to **pay more goods for the same money**. This is the reverse of the professed aim of efficiency—maximum production (the purpose of which is consumption) for the minimum expenditure of time and effort.

Some Australian businessmen, who claim to be cham-

pions of individual freedom, have voiced approval of the Budget. On analysis, their reasons are that the International Financiers will continue to progress towards their ideal of the world slave State under their absolute dominion! But, of course, they (the businessmen) believe the inverted picture is right-way up. As they see it, it's quite in order for all nations to compete for money, which flows from the banking systems at a slower rate than prices of production are generated. True enough, Britain had to make a move, but not into the worse state chosen by her government (hidden or nominal). Is a similar fate being planned for Australia?

### **Threat To Australia**

In a recent leader, the Adelaide "Advertiser" referred to the professed humanitarian aims of all political parties and went on to say: "Given unlimited money they could be within reach now." The writer seemed to be unaware that 'taxation' is not the source of money but merely a stage in its brief lifespan. We have pointed out ad nauseam that 'unlimited money' is not necessary. Even the creation of money for destructive war does not exceed the essential volume. For constructive peace it is only necessary to increase the flow of money to match the flow of production. This, done by the non-cost-inflationary means which we are ever ready to explain, would enable the people of the country concerned, to buy the whole of their own production, which would include imports in place of exports of equal value.

### **Helping Britain**

With the 'experts' de-hypnotized and the economic picture turned right-way up it would be seen that the only sane purpose of production is profit—that is, consumption, but not wastage. The absurdity of trying to increase the money supply at home by producing goods for the purpose of, not beneficial exchange, but, buying money internationally, would be obvious. Advocates of 'capital inflow' (they mean money) would be astounded on awakening to the fact that, by the artifice of faking our international trading account, future 'balance of payments problems', insoluble within the present 'system', are being piled up.

Australia is best situated for turning the picture right-way up. A demonstration by us is the only way effectively and permanently of helping ourselves, Britain, and the rest of the world.

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## ERIC BUTLER SCORES OFF MASSIVE CANADIAN SMEAR

Our regular readers will recall Mr. Eric Butler's incredible 1964 Canadian tour, when he and Mr. Patrick Walsh were subjected to some of the most violent opposition seen in Canadian political history. On at least one occasion they faced the threat of physical attack. It was subsequently discovered that this campaign was masterminded by Communists, working either with or through Jewish organizations, to prevent the establishment in Canada of the type of organizational structure Mr. Butler had been invited to Canada to outline to Canadian patriots. Those responsible for the 1964 campaign apparently assessed their failures and in subsequent years have been much more circumspect in their campaigning. But on Mr. Butler's visit to Winnipeg this year a new and much more sophisticated campaign was attempted. It not only was defeated, but produced a backlash which gave the Canadian League of Rights a tremendous lift.

The following is an extract from a Canadian League of Rights report issued on April 16.

The highlight of Mr. Butler's programme to date was the highly organized campaign to deny him platforms in Winnipeg, and to smear him and the Canadian League of Rights off the scene. But he skilfully lead "the enemy" into a trap which closed with devastating results at a special conference of all the news media called at the Winnipeg Press Club on the eve of his departure, Tuesday, April 9. Facing a battery of television cameras, recorders and journalists, Butler exposed the source of the campaign, charged the main spokesman, the Rev. Desmond Kimmitt, with having borne false witness in printed screeds and of having either consciously or unconsciously used Communist-inspired material against him. Mr. Butler had invited Rev. Kimmitt to be present to hear the charges and to ask any questions he cared to put. Rev. Kimmitt appeared with an adviser from a local Jewish journal, and he was forced to admit the source of his material and to confess that his "evidence" was only second-hand. After an hour and a half of confrontation, Mr. Butler thanked Rev. Kimmitt for having provided the League of Rights with such widespread publicity. One well-known journalist, asked by a fellow newsman what he thought of their colleague, Mr. Kimmitt, was heard to say that Kimmitt was like a popgun clashing with a battleship. The general consensus afterwards was that Kimmitt, who had campaigned as the spearhead of two organizations—the Manitoba Human Rights Association, and the Canadian Council of Christians and Jews—had done himself and his organizations irreparable damage in the eyes of the public.

The anti-Butler campaign opened as soon as he arrived in Winnipeg and went to tape a 30-minute television programme with the CBC. Butler's impressive performance on this same programme last year, which the local Jewish Congress had attempted to stop, resulted in the organizers of the programme bringing in two

university professors, who would question Butler, so it was thought, searchingly but intelligently in what promised to be an excellent session. But the academics soon made it clear that they were there to do a hatchet job. They thought that they had been well briefed, but they did not count on Butler's handing them out some treatment which caused mounting excitement in the CBC studio, with the producer exclaiming that it was the finest piece of television he had ever seen, and requesting another 15 minutes. But the professors, who had lost their tempers and made wild accusations they could not substantiate, had had enough. One of them, unable to prove an allegation, with hatred flashing from his eyes called Butler a liar. In spite of appeals from the CBC staff, the professors would not continue. Even when Butler offered to have the last ten minutes of the session "scratched" and refilmed because the professors had made such fools of themselves, they refused the invitation and left. Apparently they later realized the seriousness of their performance before the cameras, because we understand that tremendous pressure was applied from Ottawa not to have the programme shown. The local CBC withstood the pressure.

The Winnipeg programme demonstrated that "the enemy" can be routed when a man of knowledge and experience not only stands up, but takes the offensive.



**Mr. Pat Walsh testifies before the H.U.A.C. in Albany, N.Y., July 1953. Mr. Walsh will lecture in Australia in August and September for the League of Rights. He will also be the guest of honour at the New Times Dinner on Friday, September 6. A complete expose of Mr. Pierre Trudeau, the Marxist Prime Minister of Canada, is to be found in the May edition of Intelligence Survey.**

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