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

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EDITORIAL

REAPING THE WHIRLWIND

William Aberhart, the man who led the fight against the Money Power in the Canadian Province of Alberta back in the days of the Great Depression, is reported to have told one audience. "If you haven't suffered enough, it is your God-given right to suffer some more". We offer the same comment today to Australians as they feel the first gusts of the storm about to break over them under the credit policies of the Whitlam Administration. The momentum of finance-economic developments is now so great that it is now probably too late to avoid disaster greater than anything yet experienced by mankind. But it is not too late to take action to ensure that mankind emerges from the chaos and wreckage with sufficient understanding and enough substance to bring to life a new Civilisation.

The current performance of the politicians at Canberra graphically confirms what every statesman from Edmund Burke and Disraeli has said about the sickening dishonesty of party politics. Modern politicians have in general degenerated into blatant "con" men. The contenders for political power increasingly rely upon the Public Relations experts to improve their "image". Promises are made before elections and then cynically broken. Before the last Federal Elections, the Australian Labor Party strongly criticised the failure of the Liberal-Country Party Coalition to establish a Rural Bank to provide long-term, low-interest credit for the rural community. They went further and men like Mr. Al Grassby specifically promised that up to \$500 million long-term credit would be made available at three percent interest. Mr. Grassby and his colleagues have been ducking and weaving ever since on this question. But now that overdraft interest rates have been increased from 7.75 to 9.5 percent, the highest in Australia for 100 years, the moment of truth has dawned. The men, who in Opposition so strongly attacked the Liberal-Country Party Coalition for increasing interest rates, allegedly to curb inflation, now find themselves being forced to accept even higher interest rates.

OPPOSITION HYPOCRISY

But even more sickening than the performance of the Government, is that of the Opposition. Liberal Party leader Snedden warns that the Whitlam Government is imposing a "credit squeeze". This is breath-taking comment, coming from the leader of a Party, which for 23 years presided over accelerating inflation, which it tried to halt with two major "credit squeezes". The very politicians who justified increased taxation and higher interest rates, and as a consequence produced the recession which played a major part in their defeat last

December, are now criticising the Whitlam Government for doing exactly the same. Mr. Snedden in Opposition has no more constructive policy for ending inflation than he did when he was Federal Treasurer. And an Opposition led by Mr. Anthony, Mr. Malcolm Fraser, or anyone else, would do no better unless prepared to face the basic cause of inflation and take progressive steps to remove that cause. The basic cause is the accelerating expansion of new credit as an interest-bearing debt, in a frantic effort to overcome an inherent deficiency of purchasing power, and to provide "full employment". It is not a matter of opinion, but a matter of simple arithmetic, that if the burden of financial debt is progressively increased, this requiring higher rates, higher taxes, and higher industrial charges in an endeavour to meet even the interest bills, still less the debt itself, then inflation is absolutely certain. At least the god being followed by the economic "experts", the late John Maynard Keynes, frankly admitted that his policies, including deficit budgets, must produce inflation. He advocated that it be "controlled". But the momentum of the finance-economic

"PROGRAMME FOR REVERSING INFLATION"

Every actionist should have this clearly presented practical programme for reversing inflation. Preferably he should have a number of copies to pass, or sell, to others. He should always have his own copy for reference. The Treasury "experts" were asked to refute this booklet by Mr. Eric Butler, but were unable to do more than smear it and make ridiculous statements.

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system is now so great that even severe credit restrictions have little bearing upon inflation, but have a devastating effect on the economy. Thus the new "in" word "stagflation". One of the most famous of the Keynes disciples, Professor John Kenneth Galbraith, said when in Australia recently, that President Nixon had abandoned phase two of his anti-inflation policies "because they were working". The Professor omitted to say that the Nixon controls merely slowed down the inflation rate while at the same time there was the spectacle, for example, of one of the biggest chicken producers in the U.S.A. destroying newborn chicks as fast as they came out of their shells because it was unprofitable to feed them. Economic "experts" are notorious for their lack of knowledge concerning even the most elementary production processes.

THE DEEPENING CRISIS

The situation has now developed, just as we predicted it would, where irrespective of what is attempted inside the present finance-economic rules, there must be a chaotic and revolutionary situation. The Marxists of all groups are anticipating that as the crisis deepens, Mr. Whitlam will have to keep moving in the direction they wish, or that he can be toppled. He is regarded as the Kerensky of the Australian Revolution. If the Opposition parties are returned to office as a result of the deepening crisis, restrictive policies imposed by them would be the signal for massive Communist-sponsored strikes. The only hope of avoiding complete disaster is a grass-roots move-

ment insisting that steps be taken to reverse inflation by the use of new debt-free credits for consumer discounts. Those who oppose this change of credit policy should be charged with supporting, either consciously or unconsciously, the continuing of policies leading direct to revolution and totalitarianism.

Over the past 25 years, while the world has moved from one crisis to the next, with mounting social and environmental damage, every conceivable form of control has been applied for the alleged purpose of curbing inflation. The overall result is inflation at a higher rate than ever. All controls tried have failed. The wind has been sown and we are reaping the whirlwind. As the storm mounts increasing numbers of people are going to be prepared to join in constructive action to demand that the very credit power being used to drive mankind to destruction, must be so decentralised that the individual has effective control over what is rightfully his. Anyone who will not agree that if credit can be expanded to progressively inflate prices, it can also be expanded to reduce prices by a subsidy system has either been completely brainwashed or he has a vested interest in continuing inflation. All the totalitarians favour inflation as a means of obtaining more centralised power. But surely the majority of electors are neither completely brainwashed nor are they anti-social. The task of those who have grasped the truth is to show the majority of their fellows how to unite in the face of the storm, which now threatens them with the most frightful chaos.

BRITISH "ALERT" GROUP PINPOINTS BASIC CAUSE OF INFLATION

A British "National Alert" group has issued "A short version of the evidence concerning the conspiracy to establish a one-world Police State". After exposing the conspirators, the International Bankers in alliance with the Communists and the leading politicians of all parties, the "Alert" group proves from official figures that the basic cause of inflation is the progressive expansion of debt finance in an endeavour to overcome a deficiency of purchasing power. We quote from the final part of this most valuable report:

Wherein lies the power of the bankers?

The first point to be clear about is that when a bank makes a loan it does not lend its depositors' money. Years ago the bankers made a practice of deluding the public into thinking that they do; but that myth was exploded long ago. As long ago as July 1938, the editor of "Branch Banking" published a leader under the title "Lower Rates Associations", saying that he had been plagued with clippings from local papers sent in by readers. As it happens the writer of these pages was the National Organiser of the "Lower Rates Campaign". The clippings all pointed out that the loans which banks make credit created merely by writing figures in ledgers, that is, quite literally new money created with the stroke of a pen. The editor advised his readers not to argue the point because: "there are enough substantial quotations to prove to the uninitiated that banks do create credit without restraint and that they do create within themselves the means of repayment." The banks have always had a monopoly of this power.

The second point to be clear about is that producers

need this credit which the bankers monopolise to carry on their businesses. Obviously this in itself gives the bankers power over the producer.

The third point to be clear about—and this is the most important of all—is that, because of a defect in the money system, it is impossible for producers or retailers or Governments to repay all these loans. This is the reason why, for instance, bankruptcies rise steeply when a deflationary financial policy is pursued, and why the National Debt has risen from £700 million in 1914 to £35,000 million today. It is the fact about the money system which the Conspirators are determined shall not be known; the fact which the Press will not allow to be mentioned in their columns. It is this third point, which makes the power of the banks so devastating.

The defect in the money system causes a general deficiency of consumer purchasing power in relation to prices created at any point in time. There is more than one reason for this, but here we are only going to show the one, which is simple for everybody to grasp, if they will take the trouble to apply their mind to it.

The debate, which has raged about inflation in recent years, has resulted in making one fact crystal clear to everyone: that wage increases have to be passed on in prices if the producer or retailer is to remain solvent.

The first **fact** to be grasped, therefore, is that all wages and salaries have been paid out of the employer's working capital and are a cost item to be charged into the price of the product he sells. (We will call this product "product 1".)

The second **fact** to be grasped is that the only other source of income is profits, and that both distributed profits (e.g. dividends) and undistributed profits (profit ploughed back into the business as capital) come out of the consumers' pockets, i.e. out of their income, by charging them into prices.

The third **fact** to be grasped is that because of **facts** 1 and 2 total prices cannot be less than total income if the producer and the retailer is to remain solvent.

The fourth **fact** to be grasped is that if the consumer instead of spending all his income **as income**, saves a part of it and invests it in industry, for instance by buying shares, he is doing two things:

1. He is creating **capital** out of his **income**, and when that capital is spent on, say, wages or raw material to produce another product it is creating a new cost and a new price on a new product. (We will call this "product 2".)
2. That part of his income is no longer available to spend as income, and so there is a deficiency of consumer purchasing power to buy "product 1".

M.P.s AND STATISTICAL QUESTIONED

We know of chartered accountants, as you might expect, who, of course, agree with this. But in order to remove any doubts anyone else might have about them being facts, we recently put them to three tests:

1. We put them to a random selection of M.P.s and asked them if they could say that any of the statements set out below were incorrect:
 - (a) That capital spent as capital (and not as income) always **creates** costs and prices.
 - (b) That income spent as income **liquidates** costs and prices.
 - (c) That income converted into capital and spent as such always leaves costs and prices unliquidated, while at the same time creating a fresh set of costs and prices. That is each £1 of income converted into capital and spent as such has created £2 of costs of prices, while leaving not more than £1 of income to meet (liquidate) £2 of price.

Although all the M.P.s wrote personal letters in reply, not one denied the correctness of the statements.

2. We put the same questions to a random selection of chartered accountants. Not one of them came forward to say any of the statements were incorrect.
3. We checked the facts with the Cabinet Office of the Central Statistical Office. We obtained the latest Blue Book on national income and expenditure, which was

the one covering data for the year 1971. It consists of 119 pages of tables and explanations. So we exchanged a number of letters with the Central Statistical Office to make quite sure that we got the facts right. For the sake of brevity we show only sufficient excerpts from these letters to confirm the facts. From the Cabinet Office of C.S.O. to John Mitchell, dated February 27, 1973: "The estimate of £47,746 million does relate to the value of goods and services at factor cost produced in the UK and is arrived at by deducting taxes on expenditure less subsidies from the estimates of expenditure at market prices (£55,520 million)".

From the C.S.O. to J.M. dated April 3, 1973: "The national income after deducting taxes on expenditure and savings was £36.777 million". From the C.S.O. to J.M. dated February 27, 1973: "The figure for saving (£10,994 million) is the amount available to finance investment". From the C.S.O. to J.M. dated March 21, 1973: "The savings in 1971 were out of the income of 1971". From the C.S.O. to J.M. dated March 2, 1973: "If we take a hypothetical case (and for simplicity ignore taxes) of a company which finances its capital expenditure out of its own savings (i.e. undistributed profits) it will, in theory, fix the price of the product it sells so as to provide an **income** sufficient to cover

R. H. WELLER

It is with the deepest regret that we record the recent passing of one of our most outstanding pioneer supporters, Mr. R. H. ("Sam") Weller. Mr. Weller was one of the prominent Victorian Social Crediters back in the thirties who readily grasped the significance of Douglas's advice concerning the futility of orthodox party politics to advance Social Credit, and was one of those who helped ensure that Social Credit in Australia was not perverted. He became prominent in the early Electoral Campaign activities. Later he joined the Board of Directors of New Times Ltd., where he played a vital role in the administration of the company.

Mr. Weller was actively associated with the formation of the League of Rights and played a vital role for many years. He was also closely associated with the organic gardening and farming movement and was for many years Secretary of the Victorian Compost Society.

R. H. Weller's passing further thins the ranks of those pioneers of Social Credit in Australia whose adherence to principles ensured that the Social Credit message of hope for mankind has been passed to another generation. On behalf of old and new supporters we extend our deepest sympathy to Mrs. Weller and family, John, Michael and Brian, in their sad loss.

the cost of materials, etc., that it has to buy, to meet its wage bill, and to provide a surplus for profits. Out of these profits it will pay a dividend and **the balance** will be used to purchase **capital** equipment." (Our emphasis.)

From C.S.O. to J.M. dated March 21, 1973: "I am afraid we find your suggestion that income converted into capital must appear twice as a cost determining prices difficult to follow. Perhaps you could illustrate the argument with a numerical example." From John Mitchell to C.S.O. dated March 23, 1973: "If Brown and Co. use £1000 of their capital to pay wages to their employees, two things happen:

1. The £1000 must be charged as a cost item, which appears in the price of their product, which we will call 'product 1'.
2. Their £1000 **capital** has now become the **income** of their employees.

Now, let us suppose that the employees spend the whole of the £1000 income to buy Brown and Co. products. Note two things:

1. No extra cost is created, and no extra price.
2. Brown and Co. get their £1000 capital back, and a cost and price to that amount are cancelled.

That is, 'product 1' is sold.

However, note this: if the employees save £200 of that income, convert it into capital and invest it as shareholders in Brown and Co.:

1. When Brown and Co. spend that £200, say to pay wages, it creates an extra cost and price to that amount, which appears in the price of 'product 2'.
2. The employees are left with only £800 of income to spend **as income** on 'product 1'.

So, £1200 of costs and prices have been created, but only £1000 (£800 + £200) is left **as income** to meet that £1200 price of 'product 1' and 'product 2'. So income converted into capital has appeared twice in costs as soon as it has been spent as capital."

From C.S.O. to J.M. dated April 3, 1973: "Total income (generated as wages and salaries) is £1200, of which £1000 is spent on consumption (£800 worth of product 1 and the whole of product 2) and £200 is saved (that part of product 1 which has not been consumed (sold) but is held as stocks by Brown and Co. and against which it has a liability to its shareholders)." To which we would say: Quite, Q.E.D.—case proved.

If we now transfer this same argument to the national scene and use the figures supplied by the C.S.O. quoted above, we find that, because of the double-charging of one set of costs, **the British people** in the year 1971 had only £36,777 million left as consumer purchasing power to buy the product which **they** produced, priced at £47,746 million. The £10,994 million taken out of **their** income as savings and invested had been charged twice into costs. **They** had produced the **whole** of the product, but **their** income available to buy it was short by

£10,994 million.

But, the money to buy this part of the national product had to come from somewhere. Of course it did; it came from the banks in the form of loans. It will be obvious from what is written above the only source from which the producer could theoretically get the money to repay these loans to the banks is the consumer, and that in practice the consumer had insufficient income to provide it. As a result the producers and retailers' assets become progressively mortgaged to the bankers. A proportion of producers and retailers **must** go bankrupt, and then the bankers acquire the assets.

THE BASIC CAUSE OF INFLATION

It will be noted by the reader, also, that not only is the double charging of one set of costs the wholly unjustifiable source of the power of the bankers, but it is one of the **basic** causes of inflation. Clearly, if the wage earners, because of insufficient income to buy the products, which **they** have produced, are unable to do so (if the national income is insufficient to meet the total prices created), there must be pressure for income to catch up with prices. The British people are being cheated out of what they produce; so there is industrial action for wage increases.

The conclusion is obvious: that the British people are entitled to the whole of the product they produce and they must be given the income to buy all of it.

If the banks can create the credit to provide **irrepayable loans** to producers, retailers and Governments, they can also provide **irrepayable financial credit** to consumers to enable them to buy the real credit (goods and services), which they, the consumers, as workers in industry have produced. It must be provided as a credit, not as a loan. It is a pure convention, and a wholly unreasonable

FLUORIDATION BATTLE FLARES IN VICTORIA

The Hon. R. Hamer's "trendy" Liberal Government in Victoria pays much lip service to conservation, the protection of the environment, and individual rights. But now it proposes to deprive the individual of the right to have a say about whether he wants his public water supply used to dose him indiscriminately with fluoride. The philosophy is similar to that of Mr. Whitlam's Government, which would like to change the Federal Constitution if possible without giving the electors a choice at a referendum.

Actionists who wish to campaign against the Victorian Government's totalitarianism may obtain supplies of literature on fluoridation from our office. Some of this was issued in the past, but is still relevant. Supplies available upon request at no charge, but please send a small contribution to cover postage. Write to: Box 1226L, G.P.O., Melbourne 3001.

one, that banks can only provide credit as a loan. The public have been brainwashed into accepting it. Of course the **financial** credit must have a backing of **real** credit. As has been seen the backing in 1971 was provided by the £10,994 million of national product for which the consumer had not the purchasing power. That sum should have been returned to the consumer as a credit by the banks.

It will have been seen that the £10,994 million of invested savings amounted to about 23 percent of the

national product. One way in which this £10,994 million could have been paid back was by arranging for all retail prices of goods and services to be discounted, i.e. lowered, by 23 percent; all retailers so applying a discount being compensated by a payment of bank credit. Compared to the reverse exercise now being carried out, i.e. the value added tax, as an administrative procedure this would be child's play. As this procedure would actually lower prices, not only would it end inflation, it would put it in reverse.

PERSECUTION OF CHRISTIANS IN ISRAEL

Some facts about Israel strangely ignored by so-called Christian leaders

By John Mitchell Henshaw in the September 1973, "American Mercury".

The World Council of Churches and all Catholic and Protestant religious denominations have ignored the persecution of Christians in Israel. And not one prominent clergyman has spoken out against the persecution. Moreover, the world news media has been strangely silent about the mistreatment of Christians in the Holy Land.

In Jerusalem recently there have been two arson attacks on the Mount of Olives Bible Center and the Mount Zion Press, and a third attack, the bombing of an apartment occupied by a leader of the "Jews for Jesus" movement, which was founded by the Rev. Moishe Rosen, in July 1970. He was reared as a Jew, converted to Christianity, was ordained a Baptist minister, and later worked for the American Board of Missions to the Jews.

Rosen has actively sought converts to his position that it is possible to accept the divinity of Jesus while being a practising Jew. His missionary work has drawn strong reactions from Jewish religious leaders in the U.S. as well as in Israel.

A few weeks ago, Rabbi Mordecai Simon, executive director of the Chicago Board of Rabbis said bluntly: "He distorts the significance and the meaning of Judaism, its heritage, its history, and the traditions by maintaining his platform that Jesus is an extension of Judaism. The Rev. Rosen is not only perverting Judaism, but he is misleading the public."

Rosen's "Jews for Jesus" and other missionaries are making inroads in Israel. Since 1967 6000 Jews have become Christian converts, despite strong opposition. The Israeli government has become alarmed and is going to crack down. Israeli Prime Minister Golda Meir and her cabinet have recommended to the Knesset (parliament) a proposal to enact legislation banning the work of some 1000 missionaries now active in Israel. With the power the National Religious party wields in Israeli politics, the adoption of such a proposal is almost a foregone conclusion.

The mal-treatment of missionaries is exemplified by the following case: On last Yom Kippur (Day of Atonement), Arnold Butler, a Christian missionary from San Jose, Calif., was handing out free copies of the New Testament near the Wailing Wall when he was arrested,

jailed, subjected to brutal police third-degree inquisition, heavily fined and imprisoned. Very recently Butler was released from prison and expelled from Israel. What will be the fate of all Christian missionaries in Israel when the Knesset enacts the new law against missionary activities?

ACTS OF VIOLENCE

Rabbi Meir Kahane, leader of the notorious Jewish Defense League, and his armed thugs committed acts of violence against Arab missions at the United Nations in New York. Rabbi Kahane has set up a JDL storm-troop unit in Israel, which is conducting a reign of terror against Christians; Holy Christian shrines have been desecrated, Jewish Christian converts have been beaten and no arrests were made. But when the Mount of Olives Bible Center was burned, eight members of Kahane's organization were arrested but quickly released. "Jews for Jesus" converts are a special target of Rabbi Kahane's mobsters.

As of this writing, Kahane has held a one-day hunger strike at the Wailing Wall, in protest against missionary activity. He preached: "I don't like soul-snatching. If you lose a Jew in Auschwitz or through conversion, it's still a lost soul to our people."

Jewish converts to the Christian faith are not the only victims of religious intolerance. The shameful degradation of the Christian Maronites is a dirty blot on the escutcheon of Israel. The Maronites are one of the oldest Christian sects in the Middle East, dating back to the 5th Century. There were more than 10000 Maronites in Palestine under the British Mandate. There are now less than 5000 of them left in Israel in spite of their high birth rate. Their ancestors first came to Palestine at the time of the Arab invasion of Syria in the 8th century and especially after the Crusaders came to the defense of Christians against the Saracens. The Maronite com-

"ENTERPRISE" NEXT MONTH

We apologise for the non-publication this month of our quarterly "Enterprise". Unfortunately the Editor has had family health problems. The September issue of "Enterprise" will now appear next month.

munities of Ikrit and Baram, near the Lebanese border, were "temporarily" evacuated during the 1948 Arab-Zionist war. The then Prime Minister David Ben-Gurion promised the Maronites that they could re-occupy their villages and farmland as soon as law and order could be restored in Israel. Moreover, the Israeli Supreme Court ruled that the Maronites were the legal owners of their native properties from which they had been illegally evicted. The villages of Ikrit and Baram remained vacant for four years, while the Maronites squatted in hovels a bare two miles away. And then in 1952 Israel soldiers dynamited the houses while the dispossessed Maronites watched in horror from a nearby hill and wept.

PLIGHT IS IGNORED

While the world news media blithely ignored the plight of the Maronites, two of the largest circulation Hebrew newspapers in Israel, *Haaretz* and *Yediot Ahronot* surprisingly reported the persecution of the Maronites. *Haaretz*, on June 30, 1972, in an article by Amon Rubenstein, Dean of Law at Tel-Aviv University, wrote:

"The inhabitants of Baram and Ikrit, who responded positively to the request of evacuating their villages for a short while, found themselves, all of a sudden, homeless refugees. The temporary evacuation turned out to be a permanent expulsion. Their lands were expropriated according to an Israeli law which itself violates the basic notions of the rule of law. Jewish settlements were established on their lands and, thus, we can see how the village evacuees became hired agricultural workers on their own land."

Yediot Ahronot, on July 28, 1972, wrote: ". . . those evacuees of the Maronite village near the border of Lebanon are working on their own lands as wage laborers, hired by Kibbutz Baram and Moshav Dovev, . . ."

On July 14, 1972 the same newspaper wrote: "... it seems to me that most of the Maronites in the Galilee and Lebanon are the survivors of Jewish villages whose inhabitants converted to Christianity in the oppressive period of Byzantine rule. The inhabitants of Baram and Ikrit have very Jewish eyes, and the Aramaic language in which their prayers are written also strengthens this supposition. Finally, all my spiritual motivation whispers to me: they must be treated well and returned to their inherited land. But here I find myself in painful conflict with my Zionist conscience. My Zionist conscience whispers to me: when the settling of the Jews in the inherited land of Eretz Israel is spoken of you must not be sentimental. You, in fact, must adamantly reject the Biblical command to exterminate the Canaanite, the inhabitant of the country, and abstain from carrying it out."

STRUGGLES WITH CONSCIENCE

Apparently other Jewish writers also have their struggles with their conscience. According to *Haaretz*, August 11, 1972, 20 of the most prominent Israeli journalists convened at the home of Prime Minister Golda Meir to plead the cause of the dispossessed Maronites "to return to their villages, which were extorted from them

by means of cheating and violence in that week of 1948 in which they welcomed the Israeli soldiers with bread and salt. The explanations sounded to us so hollow that, realizing our bewilderment. Minister Galili, who sat in at the conference, noted that apparently he and I were living on separate planets. . . . There were among the writers men of the whole land of Israel, the New Left and all that is between; at times the discussion reached the intensity of entreaty on our part that justice be done to the oppressed. The Prime Minister was as immovable in her stand as the Northern Star. And there she stayed. The problem of Ikrit and Baram is no longer a Maronite problem. It is a Jewish problem. The Prime Minister is unresponsive not only to Archbishop Raya, who speaks on behalf of the inhabitants of Ikrit, but also to ourselves and our words are worthless to her. As a typical and even an outstanding Bolshevik personality, she simply believes we do not have enough divisions. The defenseless, the weak are superfluous in her eyes, if she sees them at all."

We have quoted extensively from those two leading newspapers of Israel because they are authentic first-hand information sources.

How long can we continue to delude ourselves, after 26 years, that Israel is not a police state? —Even while the Israeli Government continues to multiply its restrictive laws and increase police and military authority.

While the Zionists are blatantly persecuting the Christians in Israel, they are ever prone to hurl epithets like "bigot", "racist", "fascist", "nazi" and "Hitlerite" at anyone who dares criticize the imperialist expansionist schemes of World Zionism.

COMMON MARKET MADNESS

Some features of Common Market developments are absolutely hilarious. "Harmonisation" is one of the "in" terms. It is almost impossible to picture grown people seriously working on proposals, for example, "harmonising" the brewing of beer inside the E.E.C. Anyone who has travelled in Europe knows that there is an infinite variety of beers, brewed quite often in accordance with local customs. "Harmonising" water supplies is a formidable task with which the Eurocrats must grapple.

But the Eurocrats are having the greatest difficulty in "harmonising" themselves. Believe it or not, British civil servants going to Brussels have been provided with a formal memorandum from the Department of Trade and Industry on "Do's" and "Don'ts". Shaggy dog stories must not be told, because they are virtually untranslatable. Punctuality must not be expected. The Whitehall guide says that meetings scheduled to start at 10 a.m. "usually begin at 10.15 or deplorably even later". Neither does Brussels appreciate the British reputation for getting to the point quickly. The Whitehall guide advises: "While conciseness is a valuable quality in committee work in London, it would be a positive handicap at a Community meeting. British civil servants are advised quite seriously to help their fellow Eurocrats by plenty of padding. In-

stead of saying "I think that . . ." why not try "I think on the whole it is very probable that . . ." Or say the same thing twice in slightly different ways!

Surely the only effective answer to this new twentieth century madness is healthy laughter. Serious comment is virtually impossible.

Another farcical feature of the E.E.C. is what the Marketeers are pleased to call the European Parliament, which meets at Strasbourg, West Germany. This is yet one more example of double-talk. What meets at Strasbourg is an Assembly. It has no power at all, the so-called debates being merely window-dressing for the reality. This was clearly demonstrated earlier this year during a

debate on food price increases. It is true that the Treaty of Rome states that the Assembly must be "consulted" before a final decision on farm prices. But the Assembly's lack of power was brutally described on April 7 by E.E.C. Commissioner Lardimoire. Referring to a particular amendment the Assembly had before it, this top Eurocrat said, "The Commission strongly advises parliament not to accept the amendment. If the amendment is accepted by the parliament, the Commission will not abide by it, heed it, or accept." This is typical of the arrogance of bureaucrats everywhere. If World Government is ever established, the real power will be in the hands of an International Bureaucracy, not the people of the world.

THE LESSONS OF THE ALBERTAN CHALLENGE TO CENTRALISED POWER

We publish a further extract from the notes of a Paper presented at a Social Credit Seminar on Sunday, April 1, 1973, by Mr. Eric Butler. In our last issue Mr. Butler had introduced the main figure of the Albertan challenge to centralised finance, Mr. William Aberhart. He continued:

A most versatile boy, William Aberhart in spite of size was a brilliant athlete, could readily play all available musical instruments and loved singing. A confident student, he demonstrated exceptional powers of concentration. Significantly, mathematics was his favourite subject. Aberhart's family has been described as good, sober, church people without being over-devout. As in so many other fields, William Aberhart was not long demonstrating his individuality even in the field of religion. He became a Bible student and dismayed his teachers with some of his searching questions. By the time he was 27 he was Principal of an Ontario High School. By now he was a dynamic evangelist Bible teacher, a brilliant schoolteacher and a genius for organisation. In 1910 William Aberhart joined the large flood of Canadians moving Westwards to the Prairie Provinces. He was taking up a teaching position in Alberta. It was in Calgary that William Aberhart established himself, not only as a most outstanding High School Principal, but as the director of Calgary Prophetic Bible Institute. His Sunday afternoon radio broadcasts quickly resulted in a large Provincial audience. He was a first class radio orator and, if television had been available at the time, would have had an even greater impact. His type of theology was particularly impressive to the Western Canadian farming population of that period. Aberhart had reached 50 years of age when the Great Depression struck Alberta in full force. A chemistry teacher at an Edmonton High School, Charles M. Scarborough, had attempted in previous years to interest Aberhart in Social Credit. Scarborough had known Douglas personally. He told Aberhart, "You are the man who could launch a really effective educational programme on monetary reform. You already have the audience, your radio listeners, and you have the powers of persuasion." Previously Aberhart had shown little inclination to listen but the tragedies of the Great Depression were pressing upon him. As a Christian he could not

believe that disastrous economic conditions were God's will. He was challenged by Scarborough to read Maurice Colbourne's popularisation of Social Credit, *Employment or War*. He read far into the night. In fact the sun was coming up over the prairies on a July morning in 1932 when William Aberhart was satisfied that Social Credit was what the people of Alberta needed for salvation. He was now 54 years of age. With his amazing versatility he had soon sufficiently mastered the subject of finance to launch a Provincial-wide educational campaign destined to produce in 1935 a political event, which captured the world's headlines. Originally Aberhart had no intention of going into politics. He felt that a grass-roots educational movement would force the existing United Farmers' Government to act. As Douglas observed, "It would not be possible to claim that at any time the technical basis of Social Credit propaganda was understood by him, and, in fact, his own writings upon the subject are defective both in theory and in practicability; but he did grasp, and his audience grasped that in the provision of effective monetary demand lay the clue to the salvation of their difficulties".

Mr. Aberhart's organisational genius brought into existence an amazing grass-roots movement which exerted enormous pressure on the United Farmers' Government, some Members of whom were sympathetic but who believed that Social Credit financial policies could only be implemented on a national scale. As a sidelight on this point, it is worth recalling that at Douglas's London meeting already referred to, one of the guests was the Labor Premier of Tasmania, Mr. A. G. Ogilvie, who publicly pronounced himself in favour of Social Credit. One of the immediate results of this was the appointment on November 2, 1934, of a Select Committee to report on the Australian Monetary System. One of the most prominent witnesses to appear before this Committee was one of Melbourne's leading businessmen, the late Mr. David Robertson. The favourable findings of the Tasmanian

Committee from a Social Credit viewpoint are ignored by the critics of Social Credit. Interest in Social Credit in Tasmanian Labor persisted until in 1947 the Cosgrove Government sent Mr. K. J. Binns, Government economist, to report on what was happening in Alberta. The Binns Report is what might be anticipated from a man steeped in Keynesian economics. Mr. Binns believed in the "multiplier" theory, and dogmatically stated "Monetary reform is no more possible in Alberta than it is in Tasmania". Mr. Binns lists trade as the major barrier. Taken to its logical conclusion, this means that growing international trade makes it impossible for nations to implement major internal changes in monetary policy. This is exactly the type of advice the international credit monopolists like to hear from the Socialist economists! Social Credit lectures packed halls throughout Alberta. One of Aberhart's most able speakers was Mrs. Edith Gostick. Her son, Ronald, was one of Mr. Aberhart's Calgary High School students. Today Ron Gostick is National Director of The Canadian League of Rights. Although not convinced that it was seriously threatened by the rapidly growing Social Credit movement, by 1935 there were well over 1000 study groups, most meeting in private homes, or local schools—the United Farmers felt it wise to take precautionary action by cabling Douglas an invitation to give evidence when travelling through Alberta after his 1934 tour of Australia and New Zealand, Douglas was asked in particular to give evidence concerning Mr. Aberhart's policy, the basic feature of this being a payment of a dividend of \$25 monthly to each adult member of the community. Douglas said that he had no doubt that by suitable methods this promise could be validated. By February 1935, Premier Reid of the United Farmers' Government had cabled Douglas suggesting that he accept the position of Official Adviser to the Government of Alberta. A contract was drawn up making Douglas Chief Reconstruction Adviser. While the appointment was obviously designed to take some of the mounting Social Credit pressure off the UFA Government, Douglas has said that at no time was pressure applied to him to modify his views to serve party politics. But unfortunately neither Mr. Aberhart nor his supporters, who were basically sound on Social Credit **policy** and had united strong public support for that policy, felt that Douglas was allying himself with party politics. In answer to a number of correspondents' visit to Alberta in May of 1935, Douglas wrote that "My services are at quite irrespective of the **personnel** and party which controls the Government . . ." Douglas drew attention to the basic difference between democratic policy making and technical administration. Failure to grasp this question was a basic source of misunderstanding between Douglas and Aberhart, and was responsible for the near-disaster which threatened the first Aberhart Government. In spite of the fact that Douglas told the Reid Government in response to a request that he comment upon one of Mr. Aberhart's broadcasts, that "It appears to me to

be quite reasonable to assume that a popular leader, as distinct from a scientific exposition, is chiefly concerned with presenting an understandable picture rather than with great accuracy in detail", Mr. Aberhart and his followers remained concerned about where Douglas stood. They found it difficult to grasp that as an expert he was adopting a completely detached attitude towards Alberta party politics. He subsequently expressed the opinion that the Reid Government might well have worried the credit monopolists just as much as their successors.

Having convinced himself that the UFA Government would not move towards adopting any Social Credit policies, the decision having been reached after the UFA Conference on January 16, 1935, had after a stormy debate rejected Social Credit (although many delegates abstained from voting). Aberhart made his dramatic decision to take the Social Credit League into politics. On the radio he called for "100 honest men", and asked study groups to submit names. The old politicians refused to take the move seriously. But they failed to grasp the strength of this grass-roots movement. In the latter stages of the election campaign a massive barrage of anti-Social Credit propaganda was unleashed as it became obvious that Aberhart was having a real impact. On August 22, 1935, the dramatic results came in. The UFA was completely destroyed, losing every Member. Social Credit candidates numbered 56 out of a total of 63 Members of Parliament. The news rung around the world, providing Social Credit movements everywhere with an increased hope that at least one Government in the Free World was about to engage the Credit Monopolists. As Douglas has observed, it is one thing to get a set of politicians elected on a popular mandate, but it is a formidable task to have that mandate implemented in the face of skilled opposition by those who have power they do not wish to relinquish. This truth soon became obvious in Alberta.

(To be continued)

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