

THE NEW TIMES

"Ye shall know the truth, and the truth shall make you free" - John 8:31.

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SOCIAL CREDIT OPPOSITION TO BANK NATIONALISATION

The following is a chapter from Eric Butler's memoirs, *GIVE A BLOKE A GO*, which it is hoped will be published next year during the fiftieth anniversary of the establishment of The Australian League of Rights. Eric Butler's material has been copyrighted. Students of Australian politics have been anticipating for some time the publication of the memoirs of the man described by Phillip Adams as "the most dangerous man in Australia."

When I announced that the League of Rights was going to campaign against the Chifley government's 1947 proposal to nationalise the Australian banking system, there was widespread dismay among those who had believed that Social Credit was primarily a monetary reform scheme. The dismay was soon followed by open hostility, which I experienced at the first public meeting I addressed shortly after I had announced the League's stance. The meeting venue was in Colac, my wife's hometown, and from the beginning a section of the large audience made it clear that they were extremely hostile towards me. Over the years I had attracted the support of many members of the relatively large number of Irish Roman Catholics, many of them Labor voters who had appreciated my anti-Communism and criticism of orthodox financial policy.

Almost immediately following my demobilisation from the army in 1945, I had started giving a weekly ten minute radio talk over 3CS Colac, and was reasonably well known throughout the district. I had barely started my Colac address when an interjector with an Irish brogue shouted, "*You have sold out to the bloody banks, Butler!*" Other interjectors were equally critical and it was some time before I gained enough control of the meeting to proceed with my address. It was not easy to explain to many critics of banking policies that a change in administration of the banking system would not automatically result in a change of policy. Even some professing Social Crediters felt, more hopefully than logically, that Chifley's bank nationalisation policy "might be a step in the right direction".

As R.G. Menzies, leader of the newly formed Liberal Party, discovered at the 1946 federal election, it was extremely difficult to defeat a Labor government in which Ben Chifley had been the Treasurer, and who was also assisted electorally when the mantle of the popular war time leader, John Curtin, was bestowed upon him immediately following Curtin's death. There was no hint of banking nationalisation during the 1946 federal election campaign. Those who claimed that Chifley's decision to nationalise the banks was made in a sudden "fit of pique", overlooked Chifley's background, and that at Canberra he was surrounded by bureaucratic planners like Dr. H.C.

Coombs who openly advocated the creation of the centrally planned State.

The most devastating criticism of the Chifley government's policies came from the controversial former Labor Premier of New South Wales, J.T. Lang, who had been elected to the federal parliament as an Independent at the 1946 elections. Lang correctly pointed out that bank nationalisation was but a

OUR POLICY

To promote service to the Christian revelation of God, loyalty to the Australian Constitutional Monarchy, and maximum co-operation between subjects of the Crown Commonwealth of Nations.

To defend the free Society and its institutions - private property, consumer control of production through genuine competitive enterprise, and limited decentralised government.

To promote financial policies, which will reduce taxation, eliminate debt, and make possible material security for all with greater leisure time for cultural activities.

To oppose all forms of monopoly, either described as public or private.

To encourage all electors always to record a responsible vote in all elections.

To support all policies genuinely concerned with conserving and protecting natural resources, including the soil, and an environment reflecting natural (God's) laws, against policies of rape and waste.

To oppose all policies eroding national sovereignty, and to promote a closer relationship between the peoples of the Crown Commonwealth and those of the United States of America, who share a common heritage.

logical step in an ongoing programme to destroy the federal Constitution. Lang vividly recalled that back in the Great Depression era, Chifley had, as a Minister in the Scullin Labor government, been a strong supporter of the infamous Premiers' Plan, imposed at the insistence of Sir Otto Niemeyer of the Bank of England, who was accompanied on his 1930 visit to Australia by Professor Theodor Emanuel Gregory, a member of the teaching staff of the London School of Economics at a time when one of the dominant influences at this Fabian-created institution was Dr. Harold Laski, a dedicated Marxist pro-Zionist Jew who openly expressed his detestation of Christianity. Laski had strongly influenced large numbers of students from around the English-speaking world. Numbered among these were Pierre Elliott Trudeau, Canadian Prime Minister, who openly boasted that he was taking Canada down the Fabian Socialist road; John F. Kennedy, USA President; and Dr. H.C. Coombs, who was a key adviser to both Labor and Liberal governments at Canberra. Laski said that Coombs had been one of his best students. Dr. H.V. Evatt, Australian Attorney-General, who was the major driving force behind the thrust to destroy the federal Constitution, spoke glowingly of the advice he received from Laski, who lamented the defeat of Evatt's 1944 powers referendum. Chairman of the British Labour Party during Attlee's Labour government -which was stacked with large numbers of London School of Economics products - Laski visited Moscow in 1946 to meet with Soviet dictator Joseph Stalin. Laski made the historically significant statement that he had pointed out to Stalin that while he and the British Socialists were travelling on separate roads, Stalin on the Marxist-Leninist road, and the British government on the Fabian-Socialist road, they were travelling towards the same objective, both inspired by Karl Marx's famous 1848 *Communist Manifesto*, which included Marx's ten steps for communising a State. These steps were all designed to centralise all power. Marx advocated the establishment of a State Bank monopoly.

It is not too much to say that Harold Laski was one of the most influential Marxists of the twentieth century, reflecting Shakespeare's famous observation that *"The evil that men do lives after them, the good is oft interred with their bones."* When Professor Gregory, the Socialist planner and Niemeyer, the international bankers' man, arrived in Australia in 1930 they insisted that Australia had "lived beyond its means" and that a drastic reduction in the general standard of living was essential. They formulated a programme which came to be known as "The Premiers' Plan". Prominent among the economists backing the plan was Professor Doug Copland.

Copland subsequently backed the Evatt programme of trying to create the centrally planned state, urging that all major industries, including banking, should be nationalised.

As Treasurer in the Scullin Labor government, Chifley accepted "The Premiers' Plan". Chifley was extremely critical of Social Credit financial proposals, as was Professor Copland. When the massive electoral support for candidates describing themselves as Social Crediters at the 1934 federal elections resulted in the establishment of the 1934 Royal Commission into Banking, Chifley was appointed to the Commission by the Lyons United Australia party government led by former Labor member J.A. Lyons. A study of the activities of the Royal Commission, and its subsequent findings show that even in his questioning and subsequent minority report, Chifley was primarily only concerned about the financial profits of the banks, and administration, not with the fundamental question of the creation of financial credit and its ownership.

The only Labor Premier to oppose the Premiers' Plan was J.T. Lang of New South Wales, who had from the beginning of the Great Depression strongly opposed the implementation of a deflationary financial policy. Lang said that if the situation called for sacrifices, the bondholders of both the nation's external and internal debt should also bear some of the burden by a reduction in interest rates. Wild charges of repudiation were levelled against Lang. In his policy speech before the 1930 N.S.W. State elections Lang had also advocated that the existing system of currency be altered from that of a nominal gold standard to a goods standard. Making use of the N.S.W. Savings Bank, at the time the second largest bank of its kind in the British Empire, the Lang government initiated a policy of financing new homes and assisting small businesses and farmers. This expansion policy was in direct opposition to the deflationary policy of the trading banks. The Australian Royal Commission Report on Banking admitted in paragraph 93 of its Report that the Australian banks were accustomed to following the policy direction of the Bank of England. The Bank of England was firmly locked into the international banking system, and followed the restrictive financial policy initiated by the big international banks of Wall Street in 1929.

Jack Lang initially knew little about Social Credit, but was directly exposed to its financial aspects when his daughter Nell married into one of the early Sydney Social Credit families, the Budes, who ran an engineering business. On my first visit to Sydney, I was the guest of Jim Budge and his wife Nell. Lang was a product of the tough N.S.W. type of Labor politics, and

THE DEVELOPMENT OF INDIVIDUALITY

"The trend of evolution is towards individuality, and individuality demands its own unique relationship with circumstances." - C.H. Douglas in *Warning Democracy*.

At birth babies look very much the same. But as they grow individualistic characteristics start to emerge. Over a lifetime an individual's characteristics make him more distinguishable from his fellows. Individuality is something innate and for its maximum development requires maximum freedom. Such freedom is only possible when there is economic freedom and security, where the individual can make genuine free choices.

INVESTING IN THE FUTURE

The League is engaged in a long-term battle, which is going to continue over a number of generations. Many valuable limited victories have been gained in the lifetime of the League. But they must be seen as part of an ongoing strategic battle. The Social Crediter accepts that he has gained many benefits from many generations who have gone before him and that his contribution towards preserving those benefits can only survive if he invests at least some of this material substance into the future. Investment information available from the League upon request. A number have already adjusted their wills to assist with the League's investment strategy.

no angel. But he sent shock waves, not only around Australia where he split the Labor party, but through the upper echelons of international finance. The Premier of Australia's premier State was openly challenging international financial orthodoxy. This could not be tolerated. A campaign of vilification and misrepresentation was launched through the press. The Sydney *Evening News* and the country papers of October 24, 1930, stated that "Lang will confiscate Savings Bank deposits"; also that "Lang will smash the banks and seize your savings." The aim was to encourage a "run" on the Savings Bank, which Lang was using to finance his anti-deflation programme. The Bank was at the time the second largest of its kind in the British Empire, with large assets. But like all banks it was vulnerable to a "run" during which depositors demand all their deposits in legal tender - notes and coins.

Apart from the press campaign, people were employed to walk in and out of the bank, helping to create the impression that a "run" had started. The Bank put up a vigorous fight for seven months, paying out in that time all its liquid assets, amounting to £22 million. But the organised scare campaign against the N.S.W. Savings bank had the unforeseen effect of encouraging a "run" on all banks. A national crisis was developing, one which called for urgent action. Sir Robert Gibson, former Chairman of the Commonwealth Bank Board made a dramatic national broadcast on May 31, 1931, in which he made the historic admission that "The Government Savings Bank of New South Wales was forced to close its doors because the people who had deposited their money in that bank were led to believe, by the foolish statements of those who should have known better, and the statements of those who wished to bring about disaster, that that Bank was not in a safe position . . . The Government Savings Bank of New South Wales was in a perfectly sound position. There was no good reason, on account of lack of soundness, why it was stamped to close its doors." Sir Robert Gibson also said: ". . . The Commonwealth Bank had control over the note issue, and command of resources, in the form of currency, to any extent, which in the opinion of the Bank Board, it deemed necessary." In other words, if the people did continue to demand their money in legal tender, the printing presses would be set in motion.

Following the closing of the N.S.W. Savings Bank, Sir Robert Gibson approached the N.S.W. government concerning possible merger plans. The first set of proposals, including a refusal to have anything to do with advances for home building, or the taking over of the Rural Branch, which had been used to finance farmers, were regarded as so outrageous by the State government that it refused to accept them. In the meantime an organisation known as the Government Savings Bank Rehabilitation Committee of Depositors and Citizens had come into existence, and grew vigorously. Its activities resulted in new merger terms being offered by the Commonwealth Bank to the State government, which accepted them reluctantly. The State Savings Bank was then re-opened with an offer to pay all depositors in full if they wished to withdraw their deposits. A feature of the merger programme was the taking over by the Commonwealth of the nearly 200 branches of the N.S.W. Rural Bank division of the Savings Bank. A more restrictive financial policy was then applied throughout rural New South Wales, adding to the miseries of rural communities. Had Sir Robert Gibson made his radio address twelve months earlier, the tragedy of the Savings Bank of N.S.W. would never have occurred, and enormous human suffering

SOCIAL DYNAMICS SEMINARS

The League's Social Dynamics Seminar continues to be the basic educational and training course for the League. The standard charge for this professionally produced Seminar, conducted in three sessions over six/seven hours, is \$50. But there are discounts for married couples and groups. The League will provide a presenter wherever there is a minimum number of six in any one area. Once students have done the Seminar they can then do repeat Seminars for a nominal charge. Those who have already booked but have not yet been accommodated are requested to have patience while efforts are made to arrange sufficient numbers for a Seminar in their geographical area.

avoided. But the policy of High Finance was to remove Lang and the institutions he was using in an attempt to alleviate depression conditions in N.S.W.

State Governor Sir Phillip Game was pressured by the representatives of financial orthodoxy to dismiss Premier Lang, allegedly for his unconstitutional activities. The dismissal was accompanied by a tirade of abuse through the press, Lang being branded "the arch repudiator, swindler and thief, whose proper place was in gaol." Prime Minister Joe Lyons and members of the United Australia Party Federal government joined in the campaign against Lang, and it is fair to say that because of the campaign of hysteria whipped up against Lang, and the relatively little understanding of the realities of modern banking, a deluded public heaved a sigh of relief when Lang was soundly defeated at the following N.S.W. State elections. Newly elected Premier B. Stevens lost little time in visiting England and calling upon the governor of the Bank of England, Montague Norman. The press reported that Stevens spent two hours with Norman, who said that the credit of N.S.W. was good again and that he was prepared to do business with the new State government.

The adoption of the Premiers' Plan saw a worsening of the depression and the dramatic growth of the Social Credit movement. While the remarkable vote for Social Credit candidates in the 1934 Federal elections was strongest in middle class electorates, and relatively weak in industrial areas, it started to have an impact inside the Australian Labor party. The future Labor leader and Prime Minister, John Curtin, was influenced by the financial aspects of Social Credit when he moved to Western Australia. He became a member of a study group conducted by one of the earliest Social Crediters, a Commonwealth Bank Manager, William Bow. Bill Bow died in Adelaide in 1994 at the age of 93, a most remarkable man. Curtin was certain that the Social Credit analysis was correct, with a number of his oft-quoted statements on how the Second World War could be financed without an enormous legacy of debt, became widely quoted.

But it was in Tasmania that social Credit had its deepest impact inside the Labor party. Following the election of a Social Creditor, the Rev. G.S. Carruthers, to the Tasmanian parliament, the Tasmanian Labor party, late in 1934, established a Select Committee to investigate the monetary system. The Select Committee's report was published late in 1935, and in essence supported the Social Credit viewpoint. Prominent among the witnesses who gave evidence in favour of Social Credit was the prominent Melbourne businessman,

Mr. David Robertson, of McPherson Robertson, confectionary manufacturers.

During a world tour in 1934, Labor Premier A.G. Ogilvy had expressed complete support for Social Credit at a London dinner on July 22, 1934, in honour of the author of Social Credit, C.H. Douglas, who had just returned from his historic world tour of that year.

Premier Ogilvie pointed out that for many years the Labor party had desired to nationalise the banks, but "I am one who realises the futility of nationalisation, and the last Labor convention induced the party to abolish its banking plan and substitute one demanding community control of credit." On his return to Australia he spoke out publicly on the subject of Social Credit up until his untimely death. The impact of Social Credit inside the Tasmanian Labor party was reflected in the election of Richard Darcy, a strong Social Credit supporter, to the Senate early in the Second World War. Darcy was a Hobart jeweler and keen on playing the violin for dances. Darcy told me that during the Senate election campaign he had attended and played at every possible dance in Tasmania. I became friendly with Darcy, sharing a number of platforms with him and corresponding with him while serving in the North with the AIF. Like Mr. Alex Wilson, the Victorian Independent who had played a major role in bringing the Curtin Labor government to office, Darcy became increasingly frustrated with the failure of the government to adopt a more realistic programme of financial reform.

Whatever John Curtin's personal inclinations were, his Treasurer Ben Chifley represented those who had rejected Social Credit. While in government, it is important to stress that Curtin had the awesome responsibility of trying to fit in with General Douglas MacArthur's strategy for defending Australia and directing the Pacific War against the Japanese. During the campaign to have me and other Social Crediters interned, as dealt with elsewhere, there was one rumour that MacArthur wanted me arrested for advocating a too radical method of financing the war. As I will be revealing, this rumour was extremely unlikely to have any substance. During the period that Sir Edmund Herring, Chief Justice of the Victorian Supreme Court and Assistant State Governor of Victoria, was quietly supporting my work and that of the League of Rights, Sir Edmund told me that in working together with General MacArthur, he had been both surprised and impressed with MacArthur's understanding of the deeper aspects of the international conspiracy against Western Christendom. If Sir Edmund had known of the association between MacArthur and the famous American Christian National leader, Gerald L.K. Smith, he would have understood the source of many of MacArthur's statements. According to his detractors, Gerald L.K. Smith was a "racist", "anti Semitic" and a "bigot". None of this prevented Douglas MacArthur, after his return to the U.S.A., from entertaining at his New York apartment Gerald L.K. Smith and his wife. A report of that discussion makes most interesting and revealing reading. My personal association with Gerald L.K. Smith is dealt with elsewhere.

Curtin was not only leading a Labor party which was far from united about the type of financial policies it should be pursuing, it was also surrounded and advised by doctrinaire planners who saw the war as the means of advancing their concept of the centrally planned state. Writing in his popular weekly, *Century*, of July 21, 1944, J.T. Lang said, "It was Copland who told the Scullin government that it had to reduce wages, pensions and social services. It was Copland's

committee that formulated the policy of credit deflation. Treasurer J.B. Chifley was a Premiers' Plan Minister in the Scullin government. He took Copland's advice in 1931. He is swallowing it hook, line and sinker today . . . Professors Mills, Giblin and Melville all signed the Wallace Bruce Report (which called for greater sacrifices by the people) . . . Today Professor Mills is also a member of the Curtin Government's Advisory Committee on Financial and Economic Policy . . . Professor Giblin is chairman of the Curtin Government's Advisory Committee on Financial and Economic Policy. As a Premiers' Plan Professor, he, too, is today in a position to determine the Curtin government's financial policy . . .

"Another Premiers' Planner was Professor Brigden, also representing the Curtin Government at Washington and at the International Monetary Conference." (Professor Mills was the Federal government's Director General of Education. He was also a London School of Economics man.)

Old London School of Economics boy, Dr. H.C. Coombs, was also most influential, working closely with Dr. Evatt. Naturally he supported Evatt's 1944 referendum campaign asking for greater powers for the Commonwealth. Coombs expressed his vision of post war Australia with a statement at the Melbourne University on June 11th 1944: "People could not expect complete freedom after the war . . . It would be necessary for some individuals to be given the right to say what was best for the community." It was the wide publicising of these kinds of statements, which played a major part in the successful campaign against Dr. Evatt's 1944 referendum proposals. Political observers felt that it was significant that John Curtin played only a minor role in a Referendum campaign heavily promoted by the communists, and strongly backed by the planners dominating the Federal bureaucracy. Dr. Evatt was the major figure representing the Federal Labor government.

The defeat of the 1944 Referendum did not prevent Evatt and his colleagues from attempting to further the campaign to centralise power. Evatt was already looking at the possibility of using the external powers section of the federal Constitution to sign international agreements, which would enable the Commonwealth to override State rights.

This concept of subverting the federal Constitution was grasped by relatively few at the time. People like myself who tried to warn about what could happen were derided. When I attempted to raise the matter after the Second World War during Dr. Evatt's 1946 referendum, the comment was made that "*poor old Eric Butler must have become troppo in the Islands. He is asking people to believe that the time could come when the federal government could be able to vastly increase its powers without reference to the Australian people.*" It was nearly half a century later before it started to become clear to the Australian people that the external powers of the Constitution had been exploited to advance programmes of centralising power, which the people would have rejected at a referendum.

The potential of advancing the centrally planned State by use of banking powers was not overlooked. Early in 1945 Evatt was pleased to assist Federal Treasurer Chifley with banking legislation designed to assist the centralists. Even though I and other prominent Social Crediters were warning about the dangers of the Chifley legislation, prominent members of the non-Labor Opposition were -making foolish allegations that the legislation was designed to further Social Credit. Liberal Party member T.W. White said on March 22, 1945 "*We have*

heard the theories of the advocates of the Douglas Credit system, who now masquerade under a number of other titles. If the Minister for Post War Reconstruction (Mr. Dedman) had happened to be one of the disciples of Major Douglas, he could not have presented a better case than he has for Social Credit."

It was left to several Labor members to point out that the legislation had nothing to do with Social Credit. Senator Grant, N.S.W. Labor Senator, said on June 27th, 1945, "*The Bill and what it stands for are the exact antithesis of what the Douglas Credit propagandists advocate . . . There is no connection between Douglas Credit and what is proposed under this measure.*"

Labor Senator Aylett, who had some knowledge of Social Credit, said, "*I hope that in the next thirty years, Australia will go forward and provide for the defence and development of the country without imposing huge burdens of debt on succeeding generations. This Bill does not make provision in that direction.*" (Vide Federal Hansard, June 28, 1945.)

In my 1946 booklet, *The Truth About Social Credit*, I wrote "*There is not the slightest doubt that in this country there has been a conscious plot by the economic planners to further centralise control of the banking system on behalf of the international planners. Don't forget the periodical visits of Professor Copland to America and other countries, where he has met the real controllers of international banking policy.*"

"*The plan to 'reform' the Australian banking system in order that the economic planners can put into operation their basic policy was undoubtedly in being long before the Referendum of 1944. Professor Copland outlined the idea at the Australian Institute of Political Science Summer School early in 1944. Let us examine his exact words:*

"*To promote mobility of resources, it will be necessary to ensure that credit supplies are available where and when they are needed, in accordance with the general policy of development decided upon, and the judgment of the central banking authorities as to the demands of equilibrium in the economic structure. For this purpose a strong central bank, supporting in its financial policy the policy of the government, will be required as the directing force of banking policy.*"

I went on to quote the key clause, 27, of the Banking Bill, which stated that "*. . . the Commonwealth Bank may determine the policy in relation to banks to be followed by banks and each bank shall follow the policy so determined.*" Clause 40 of the Banking Bill provided that all banks must record in schedule form statements of loans, advances, and the industries in which the borrowers were engaged.

One of the most significant aspects of the legislation was that it revealed how the Commonwealth government was starting to surrender to internationalism. Mr. Clayton Burns, Canberra representative of the Melbourne *Argus*, on March 26, 1944, reported on Prime Minister John Curtin's short intervention in the debate on the banking legislation. Burns reported "*Mr. Curtin surprised most listeners by pointing out that there was an international aspect of the banking legislation which made it necessary for the government to control the national credit and monetary policy. Australia had no choice but to take part in international agreements, not only of a military character, but agreements about trade, economic planning and monetary arrangements. Such agreements could be entered into and carried on only between governments.*"

"*To participate in such agreements Australian governments of the future would need to prove to other powers that they had*

INSPIRING START TO BASIC FUND APPEAL

Approximately one quarter of the 1995-96 Basic Fund appeal for \$60,000 has been provided. A relatively few supporters have set an inspiring example by contributing just over \$15,000. As the national and international crisis deepens, the role of the League is going to be decisive, not because of numbers but because of the quality of the information and advice it can make available.

We are confident that a large number of Australians are still basically sound. The sheer intensity of the anti-League campaign is resulting in a steady stream of people seeking information. One person made the observation, "When I saw how you were being smeared by the A.B.C., I automatically felt that your organisation must have a lot going for it."

What genuinely baffles some of the critics of the League is how it manages to be so effective with such a relatively small financial income. The answer is, of course, that the spirit of Social Credit permeates the League. The volunteer principle dominates.

All donations should be sent to Box 1052J, G.P.O., Melbourne. Receipts sent only on request, this to help minimise postal charges.

control of the internal economy and monetary policy."

The Liberal and Country party opposition, with the exception of a few members, basically accepted the general thrust of the 1945 Labor Party's banking legislation. The Bank Nationalisation proposals of 1947 were an extension of the philosophy underlying the 1945 banking legislation. With the Second World War concluded, Prime Minister Chifley and his advisers undoubtedly felt, in a way, that they could afford to move towards complete nationalisation. One of the first acts of the British Attlee Socialist government was to nationalise the Bank of England. When the nationalisation of the Bank of England was first suggested, Governor Montague Norman commented that it could have "*been much worse.*" Lord Catto, who succeeded Montague Norman as Governor of the Bank of England, supported the nationalisation Bill in the House of Lords.

By the time the Chifley government had announced its 1947 bank nationalisation proposal, the League of Rights was firmly established in Victoria and South Australia, with considerable support from Social Crediters in other States. In Victoria and New South Wales the League entered into a loose association with a Sydney organisation, The People's Union, created and directed by a former top business executive, A.G. Hebblewhite. Hebblewhite had managed to recruit the support of a former senior Communist, Mr. T.C. McGillick, who had visited the Soviet Union prior to the Second World War.

I subsequently developed a close association with Tony McGillick, whose autobiography, *Comrade No More*, is essential reading for the student of Australian politics. Hebblewhite periodically came to Melbourne to call upon major business organisations, raising funds for his movement. Hebblewhite was a strong proponent of the concept of profit sharing in industry, with wage earners being given shares, as a means of achieving industrial harmony. I was very much

Hebblewhite's junior, but he paid me the compliment of always treating me as an equal.

On June 27, 1947, I was invited to present a Paper to the Melbourne Junior Chamber of Commerce, critically examining a Paper on the Profit Motive by a Professor Barker, which had appeared in *The Textile Journal of Australia*, on January 20 of that year. Barker had argued that, "*it is obvious that government control of financial operations along modern reasonable lines is inevitable.*" Hebblewhite enthusiastically suggested that my Junior Chamber of Commerce Paper should appear in booklet form under the auspices of the League of Rights and The People's Union, stating that as a senior business manager he had been exposed to concepts, which were completely new to him. Hebblewhite had initially contacted me on the recommendation of a veteran Sydney Social Crediter, Mr. Les Bull, who had some association with The People's Union in Sydney.

Although relationships between the League of Rights and The People's Union were ruptured as a result of the League refusing to join with Hebblewhite to campaign for the Menzies government's 1951 referendum to ban the Communist party, the League continued to offer some co-operation up until the time of Hebblewhite's death. His organisation soon faded away.

Hebblewhite arrived for a planned visit to Melbourne on the eve of the national storm created by Chifley's announcement that he was proposing to pass legislation to nationalise the banks. This was the logical extension of his clear philosophy concerning banking and the growing resistance to his policies. The League of Rights was one of the first organisations to announce publicly that it was going to campaign against the Chifley proposals. Shortly afterwards arrangements were made for me to meet with the Managing Editor of the Melbourne *Argus*, Mr. Errol Knox. I was introduced by Mr. Frank Fitzgerald, the motoring editor for the paper. It was Frank Fitzgerald's brother, Mr. Jim Fitzgerald, manager of Austral Bronze, a division of Broken Hill Pty. Ltd., who had been responsible for introducing the then editor of the Melbourne Roman Catholic Weekly, *The Tribune*, T.J. Moore, to Social Credit. The Fitzgeralds were a devout Roman Catholic family.

Sir Errol Knox was sufficiently impressed with what I had to say about bank nationalisation as I saw it, that I was invited to submit an article. Under the heading *Bank Nationalisation And the Constitution*, this article was featured in the *Argus* of October 10, 1947, prior to the Victorian State elections. I wrote, "*Nationalisation of banking is designed to crush the States. All Victorian electors must put aside their party and sectional politics and rally to defend the Constitutional safeguards which now bar the path of the totalitarians.*" The article created widespread interest and I was invited to submit another article, which appeared on October 25, entitled *The Menace of Omnipotent Government*. This was followed four days later by another article on bank nationalisation, *The Policy Behind Bank Nationalisation*. The Bank nationalisation issue resulted in the defeat of the Victorian John Cain government.

My *Argus* articles resulted in an old Army colleague, a member of the organisation formed by bank officers to oppose bank nationalisation, contacting me. While serving together in the islands north of Australia, Wilbur Chapman and I had long discussions about economics and politics. We became reasonably good friends. Wilbur Chapman had some understanding of why a Social Crediter would be opposed to

bank nationalisation. But he wanted to discuss in depth my objection to bank nationalisation. The result was an invitation to meet with some of the members of the Bank official anti-nationalisation Committee, and to outline my thinking. This ultimately led to my meeting with senior bank officials and directors. During my association with prominent bankers during the Bank Nationalisation controversy, I learned that they had been most apprehensive about the long-term implications of the Labor government's 1945 banking legislation, and that they had little faith in the Liberal opposition. They recalled that senior Liberal members had indicated that they also favoured a strong central bank, responsible for the volume of financial credit to be made available to the community. The bankers were naturally concerned merely with their own selfish short-term interests without any understanding of long-term implications.

People's memories of the Great Depression, and how it had only come to an end with the liberal spending of money for the war, which they associated with the Curtin government, were still fresh, and the banks had every reason to fear the re-election of a Chifley government, with a mandate to nationalise them. The Great Depression had hit the rural communities particularly hard, and a strong anti-bank psychology had taken deep root. Some of my biggest public meetings on the eve of the Second World War had taken place in rural centres. The greater rate of financial credit creation under the Curtin government had permitted almost immediate financial relief to be extended to the hard-pressed wheat industry. The overall result of this was that the Labor party was able to consolidate the electoral advances it had made into rural Australia during the 1940 federal elections. Generally overlooked by many critics of the banks was that many bank managers were also victims of the Depression. Even though the banks adopted a policy of trying to move bank managers around, many had the unpleasant task of inflicting deep suffering on rural families they had come to know socially and as members of local community organisations. Many bank managers went grey overnight, and during the bank nationalisation campaign I met some senior bank officers, products of the Great Depression period, whose opposition to bank nationalisation was based primarily on their concern as to how this would affect them personally, not because of any deep loyalty to the organisation which employed them. Some had actually become Labor party sympathisers.

Although the banks' first reaction to the nationalisation threat was to initiate legal action in the courts, action, which eventually led to a decision in their favour, the directors quickly perceived that their future depended upon appropriate political action. In a number of frank discussions with senior bank directors I made it clear that they would have to seriously modify some of their previous attitudes. The result of these discussions was that I was asked to outline the type of campaign, which I felt was necessary. A major feature of the strategy was a regular on-going programme of lunch hour factory meetings, stressing that the League could put forward arguments, which the banks couldn't. There was a look of sheer amazement when I said we were going to make use of some of Jack Lang's material. Along with Lang, we were stressing that Ben Chifley had played a major role in the Scullin government's implementation of the disastrous Premiers' Plan. I outlined the type of literature, which was required. In Victoria I suggested special attention to provincial centres, where the Labor party was vulnerable to any swing against the government. On their own initiative the banks asked me to

submit a financial costing of the type of programme I believed we could carry through up until the next federal elections. My estimates included the purchase of a reliable and economic car. The banks were pleasantly surprised at what was regarded as a most conservative figure. They eventually came to realise that we could only do what we proposed because we had a team of Social Credit volunteers whom we could draw upon.

The chairman of the League in Victoria was a senior executive, W.J. Carruthers, Managing Director of Cottees, assisted by other businessmen and a number of professional men, all with Social Credit backgrounds. We were able to expand the small full time League team, including an extremely young Mr. John M. Browne, who later went on to become the Administrator for Monash University. In the twelve month period prior to the 1949 federal elections, in Victoria over 1000 factory meetings had been addressed by League speakers, their main opponents being Communists, whom League speakers charged with being anti-worker and "lackeys of the international money power" because of their support for Australia supporting the Bretton Woods agreement, and the creation of the International Monetary Fund and the World Bank. It was later disclosed that the principal architect of the Bretton Woods agreement, which took place in the USA late in the Second World War, was Harry Dexter White of the American Treasury Department, later exposed as a top Soviet agent in the USA. Other secret communists played key roles in the establishment of the International Monetary Fund and the World Bank. The nexus between Big Finance and the International Marxist movement was a reflection of both sharing the same philosophical root of a belief in the virtue of centralised power.

With a basic financial fund guaranteed by the banks, and the *Argus* providing support by publishing my feature articles and other League statements, the doors of many prominent business organisations were readily open, and fund raising was relatively easy. Mr. Latham Withall, National Director of the Associated Chambers of Manufacturers, based in Canberra, and a long time Social Credit sympathiser, was a powerful ally. A young and energetic Secretary of the Victorian Chamber of Manufacturers, Noel Cenfly, was sympathetic, and kept himself informed on national and international affairs. I was able to meet with some of Melbourne's most prominent business and industrial leaders.

In South Australia the goodwill generated by my conduct of the 1946 *Vote No* campaign, out of which the League of Rights grew, continued and grew during the bank nationalisation campaign. Prominent business leaders like Sir Arthur Rymill and Sir James Irwin provided valuable support. A close relationship was developed with prominent banker Eric Issachsen of the Bank of Adelaide. During one conversation we recalled with good humour past controversies between the banks and Social Crediters. On another occasion we discussed a letter, which had greatly impressed Issachsen and his banking colleagues. It was from a Dr. Bryan Monahan of Canberra. Early in the conversation I said, "*Dr. Monahan is one of the leading Social Crediters in Australia; in fact he represents the Social Credit Secretariat.*" The reaction was, "*We are starting to form a completely new perception of Social Credit.*" The son of banker Issachsen, Mr. Eric Issachsen, a prominent Adelaide businessman, associated with the South Australian Brewing Company, subsequently became a League supporter and personal friend, featuring in the famous 1994 campaign against the politically short-lived federal Liberal leader, Alexander

Downer. Eric Issachsen had invited Alexander Downer to present a paper at a South Australian State League Seminar, and had actually chaired the Downer address.

With a strong financial base being developed, the League was able to help finance a senior Social Creditor, originally from New South Wales, Mr. Arthur Chresby, to direct the League in Queensland. Chresby was also assisted financially by the local Social Credit Electors' Association, developed by a retired police officer, A.W. Noakes. Later to become the Liberal Member for Griffiths, Chresby had a remarkable flair, as a layman, for constitutionalism, and through my contact with the *Argus*, was able to have a number of his statements published.

Early in my association with the Melbourne-based bank officers anti-bank nationalisation committee, it became obvious that their effectiveness was going to be strictly limited by their lack of understanding of the basic issues involved. My offer to conduct a training programme was readily adopted, and for a period I conducted a weekly education programme. Several economists attended, one of these grasping the importance of the Consumer Discount mechanism used with such success to offset inflation during and after the Second World War. As outlined elsewhere in this work, the concept had been taken direct from C.H. Douglas's concepts, but without any reference to the author. It was following the defeat of the 1949 Prices Referendum that Prime Minister Chifley and his advisers started to dismantle the Consumer Price Discount system, and immediately prices started to rise.

Through League influence, Liberal leader Menzies and Country Party leader Sir Arthur Fadden, made the restoration of the Consumer Price Discount system a major feature of their 1949 pre-election policy. "*Putting the shillings back into the pound*" became a central theme of the campaign. With the backing of the banks the League inserted an expensive full-page advertisement in *The Women's Weekly*, on the theme. Both Arthur Chresby and I had direct contact with Fadden on the question, also with other prominent Liberal and Country party members and candidates. Although the Chifley government had lost the constitutional battle in the courts, I warned that the Canberra planners had plenty of means available to apply controls over the banking system in order to advance the concept of the Centrally Planned State. I constantly developed this theme in my educational programme with the bank officers. The Labor Party public relations directors tried to "play down" the bank nationalisation question, stating that the court decision had made it irrelevant.

One significant feature of the bank nationalisation campaign was the early reaction of the New South Wales Labor government. Early in 1948, while the Chifley government's nationalisation legislation was still before the federal parliament, the NSW Labor government, some of whose members had some understanding of banking and credit creation, rushed a very short Bill through the State parliament in one day. This Bill was designed to change the constitution of the State Rural Bank from being a Savings Bank to one of credit issue. Under section 51 of the Federal Constitution there is no doubt that the States have the constitutional right to establish, or permit to be established, trading banks with the power to create financial credit. Within a few short years, there had been a dramatic expansion in the assets of the bank, including the establishment of over 100 new branches.

Many years later, when the Liberal Party was in office in N.S.W., and was having financial problems, I wrote to Premier

Askin recalling what had happened as a result of changing the constitution of the Rural Bank, and asking him would it not be constitutionally possible for him to make greater use of the Rural Bank to fund the State's requirements. The Premier responded by saying, yes, it was constitutionally possible to do what I was suggesting, but that this would mean a direct conflict with the Federal government, and that he was not prepared to initiate such a conflict.

Within a few months, the Menzies-Fadden government was running into problems, and progressively retreating from pre-election promises. The new government was clearly having problems with bureaucratic planners it had inherited from the Labor government. Eventually it collapsed completely on its major pre-election policy of using consumer discounts to "put the shillings back into the pound." Inflation coupled with industrial unrest, much of this fomented by the Communists, was taking its electoral toll. Menzies met the situation by calling the 1951 Federal elections and introducing a referendum to make it constitutionally possible to ban the Communist Party. There was grave concern among sections of the manufacturers, and I was invited by Latham Withall to attend a conference of manufacturers in Brisbane. I flew up, staying at Lennon's Hotel, where the conference was being held. I met there with Arthur Chresby and Mr. Jim Killen, at this time Queensland president of the Young Liberals. It was at this meeting that Killen was persuaded by Chresby that the proposed increase in the Commonwealth's powers was a major threat to the Constitution, and that some future Federal Government would have enormous powers for unspecified purposes. I was already convinced that the referendum was a dangerous and shortsighted approach to the Communist problem. Leading manufacturers were of the same view, and had made it clear they were not prepared to support this referendum.

On my way back to Melbourne from Brisbane, I stopped off for a short visit to Sydney, where I informed A.G. Hebblewhite that we would have to part company on the referendum issue. He was dismayed. I well recall the heated argument with W.C. Wentworth on the question. I had met him on several previous occasions and had agreed to meet with him in Sydney. Against my better judgment, I was persuaded to stand as an Independent during the 1951 federal elections, primarily in an attempt to get some pressure on the Coalition government to start implementing its 1949 policy promises, particularly the promise to restore the consumer discount system. There was no real expectation that I could win the seat of Deakin, held by the Liberals. But I polled a sufficiently respectable vote to force the sitting Liberal Member, Mr. Frank Davis, to rely on my preferences for his re-election. As an exercise, a group of Melbourne University students surveyed the Deakin electorate only weeks after the election, revealing

THE CITADEL OF THE MIND

"The citadel which is under attack is in our own minds. It is from that citadel that the attack must be repelled. Only there can it be fought with the weapons of truth telling in the face of the world, even though all besides were prepared to tell falsehood.

-Enoch Powell, "Minds Under Attack", 1970.

that a big percentage did not know the name of the successful candidate.

BRITISH SMALL BUSINESSES OPPOSE "EUROPEAN UNION"

We are indebted to our British contemporary *On Target* of the 8th and 22nd of July 1995, for a report on how the British Federation of Small Businesses, with a national membership of 71,000, at the Annual Branch Conference carried a resolution urging the British Government to withdraw from the European Union.

Reporting on the conference, Donald Martin said that while there was "a very lively and passionate debate", the only real point of difference was with those who believed that the evils within the European Union could best be fought by continuing membership of the Union. But the majority felt that enough was enough, that the European union was incapable of reform and that the only solution was to leave the Union as soon as possible.

One of the speakers supporting the motion to leave the union quoted from a 1970 issue of a European Movement Speakers' Manual, which stated, "*The unique European experiment of pooling national sovereignties is already being copied in other parts of the world and could ultimately provide a blueprint for the establishment of World Government by consent instead of conquest.*"

Not one speaker spoke in favour of the philosophy undergirding the European Union.

The British Small Businesses conference decision received widespread media coverage through the United Kingdom. When contacted about the Small Businesses decision, Prime Minister Major was reported as saying that he was "disappointed".

The world scene is increasingly dominated by growing resistance to the centralisation of power and the attempt to impose uniformity. C.H. Douglas warned that the drive to centralise power had no hope of achieving the objective of establishing a World State, but that it could plunge mankind back into a New Dark Age.

RE-WRITING CHRISTIAN HISTORY

Writing in the Melbourne suburban paper, *Southern Cross*, of August 21, prominent Zionist Peter Isaacson provides a glimpse of the new politically correct version of the New Testament: "*Among the major misconceptions addressed by the guidelines (of the Council of Christians and Jews) are those which related to the trial and death of Jesus and the wrongful blame for the tragedy being attributed to Jews instead of to the major culprits, the Romans, the denigration of the Pharisees and the bitterness created....*"