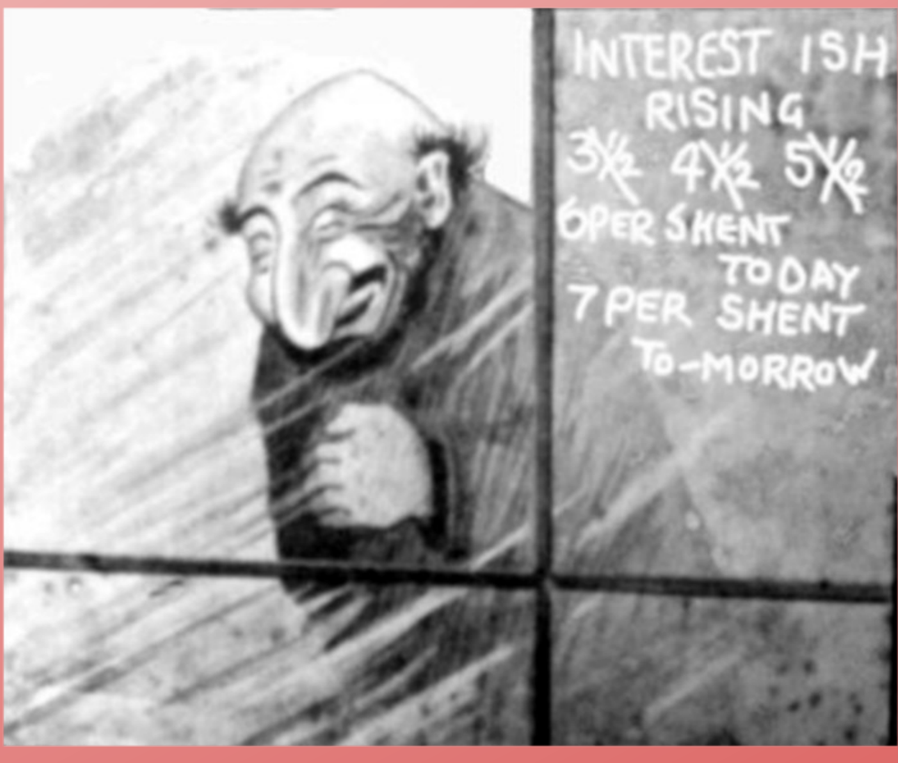
The Kingdom of Shylock

(Revised)

By

Frank Anstey M.P.




What matters the tempest.
I have my Compass
Victor Hugo
God in me dies or leaps Godward,
As I thunder my Yea or my Nay.
James Oppenheim
All great ideas, the races' aspirations,
All heroisms, deeds of rapt Enthusiasts,
Be ye my Gods
Walt Whitman
With firmness in the right, as God
gives us to see the right
Abraham Lincoln

THE KINGDOM OF SHYLOCK

By FRANK ANSTEY, M.P.

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Those Who Return

Found on the body of Sergeant Leslie Coulson—killed on the Somme (France), October, 8, 1916.

Who made the Law that Death should stalk the valleys?
Who spake the word to kill among the sheaves?
Who gave it forth that Death should lurk in the hedgerows?
Who flung the dead among the fallen leaves?
Who made the law?

Those who return shall till the ancient pastures,
Clean-hearted men shall guide the plough-horse reins,
Some shall grow apples and flowers in the village,
Some shall go courting in summer down the lanes –

Those who return shall find that peace endures,
Find old things old, and know the things they knew,
Walk in the garden, slumber by the fireside,
Share the peace of dawn, and dream amid the dew –

Who made the Law? At noon upon the hillside
His ears shall hear a moan, His cheek shall feel a breath,
And all along the valleys, past garden crofts and homesteads,
He who made the Law,
He who made the Law shall walk alone with Death

THE MONEY POWER

Plutocracy is more despotic then monarchy; more insolent than aristocracy; more selfish than bureaucracy. It accumulates by conscious fraud more money than it can use, and denounces as public enemies all who question its methods or throw a light upon its crimes. (W. J. Bryan, New York Reception, 1906).

All undertakings in the field of industry are now dependent upon the consent of the banker.

The Stock Exchange activities of the banks are becoming more and more the controlling force in every department of economic life.

Modern capitalism is the child of money-lending

Money-lending contains the root idea of capitalism

In money there is no thought of production

In money-lending economic activity has no meaning

—Werner Sombart in "The Jews and Modern Capitalism."

PRELIMINARY

"The triumphant nation of tomorrow will be that which defeats the others on the economic field, by reorganising the conditions of human toil, and by bringing more justice and happiness to mankind." —"Zola" in "Truth" Page 171.

In days of old the feudal baronage sallied forth with sword and spear to levy toll upon terrorised producers. They were masters of highways and waterways, and in the name of their overlordship exacted tribute from the toiling people. They were the self-evident personification of tyranny. To rise against them, destroy them, escape their vassalage, was to leave an open road along which the products of free men could pass untolled. Organised resentment and bloody victory were the sole essentials for the spontaneous development of industry in its primitive forms.

But the days of primitive industry and primitive Radicalism are passing. Under the freest political institutions exist financial oligarchies more rapacious than the old-time baronies. They bleed, not with sword nor spear, but by subtle processes that leave a people impoverished, they know not how or why. The mechanism of robbery is complex and impersonal. The operators are out of sight. The public only know them as benignant gentry distributing tracts or charity by the wayside.

In theory the Labor Movement is a protest against Capitalism. In practice it is its endorser and subsidiser. Legislation is enacted to make the baronage of Capitalism bearable and acceptable to democracy, but the baronage remains. Its exactions, if less outwardly brutal, are none the less extensive and complete. Not in the least do we touch its sacred edifice, impinge upon its prerogatives, or limit the unseen power which predatory wealth exercises upon the political machinery of the State, the lives of the people, and the economic future of the Nation.

We see States and Nation governed by the machinery of past centuries. We have seen a Labor Government in N.S.W. upholding the absurdity of an Upper Chamber to nullify its own proceedings. We have seen Governments of working men upholding as rigidly as the most rabid Tories all the procedures, formalities, mummeries and ceremonies of obsolete forms of government. In the midst of a flood tide of economic and scientific progression the legislative and administrative methods of Governments stand petrified in the chamber of dead ages.

The organisation of Labor upon the basis of craft is not less obsolete than all the other instrumentalities of past centuries. The members have need to think in terms of a wider brotherhood. True freedom consists in a state of mind as well as exterior surroundings. The mind must expand as well as the machinery of production. There is mental slavery as well as physical, and slavery is not abolished because men vote for their own enslavement, contented to be well fed. The Labor policy must be radical in fact as in name. It must go to the root of things or it goes nowhere.

This movement of ours talks of "The Means of Production, Distribution and Exchange." Of the first two we read much, hear much—upon the last we are silent in speech and policy. Yet in the modern world the last is fundamental in industry, in statecraft, and in war.

It is in coping with the problems of Finance that the world has got to find its regeneration. All reorganisations of industry, all social projects, all efforts to climb out of the pit of misery into which the war propels the toilers are dependent upon the first. No skin-plaster legislation, no mere policy of alleviation, will meet the position. Revolution in action and method is the one saving instrumentality, the sole alternative to a long grinding period of absolute slavery.

I make no apology for this statement. I do not stand alone, nor in poor company. I remind the men and women of Australia of the speech made last May (1917) by Lloyd George to a Labour delegation. He said:—

The whole of society is in a molten state. You can stamp upon it almost anything you like, provided you act firmly and determinedly. There is no time to lose. Unless the opportunity be seized it may pass. The post-war settlement will succeed in proportion to its audacity. Have audacity by new ways and methods, and you will get a really new world. If not, then God help the country.

This impulse, this essential action, cannot come from one man or a few Revolutions come from the miseries, the dissatisfactions, the passions of the masses. The duty of leaders is to be ready for it, and when it comes, guide it along the right channels.

It is in this spirit that I offer to the men who take an interest in the affairs of their country some facts for their consideration. It will be noticed that I do not offer them the exploded theories of the text books. I present the spectacle of the machine in operation in Europe, in America, in England, in Australia. I give them the sources of my information into which they can dive further if they wish. I present them with no academic dissertation, but with the admissions and affirmations of men who live on the game. The business is buttressed with a dead language. I endeavour to present it in a language all can understand.

Here is a summary of financial facts, of much reading through dreary records and evidences of many Commissions. Here is a record of financial buccaneering, financial legislation and capitalist methods of waging war at a profit. Here is a description of the only solid foundation upon which all policies of effective reformation and national progress must rest.

This booklet by its reference to documents and historic facts, has something more than passing value. It is a booklet, to which the holder in years to come, even if he does not agree with its conclusions, can turn to and ask, "Where is it?" To that extent, if for nothing else, it possesses some value to all students of economics, to all would-be leaders of men, and all those lovers of their country anxious to understand its problems and help in quiet ways.

It is not a question of a class or of class interests. The class struggle will disappear with the exterminated interests of the predatory cliques. It is a question of the capacity of the State to meet the rising tide of its responsibilities. It is a question of the economic reorganisation on lines that will furnish its people with an attractive existence and attract others from abroad. It is a question of how and by what means its territory shall be utilised, its resources developed, its wealth multiplied, so that by its wealth and its people—the abundance of the one and widespread ownership by the other, the essentials of a self-sustained community will be secured.

Slavish acceptance of transmitted ideas, stolid attachments to old methods and old fetishes accomplish nothing. That was society stagnates, ossifies, and becomes the prey of the first besieger. Note the helplessness of Governments, their aimless drift on the stream of events, their lack of national objective, their poverty of policy. These things provoke disaster, and Australia is moving to the crisis.

Through the Battle Smoke

FRANK ANSTEY. [Acknowledgments to Claude Marquet and other Artists—F.A.]

ERRATA: Read "supporters inside" for "supporters outside" on line 21, page 36. Read "watered" for "valued" on line 16, page 76, "to" for "by" on line 16, page 89.

Love of Country

"Romford, Essex,
"May 30, 1915.

"I look over this beautiful, delightful country, and I wonder if it is really true that there is so much bloodshed and horror in the world. Yet, last night by my window went the wounded westward, and this day, as for months past, go brave men eastward to the slaughter, and the Jews are making much money."

Mother in England to her son in Australia.

Where is the Englishman who does not love the land of his nativity. Where is the one, who, in the hour of struggle, does not forget all that is bestial in her cities, and remember only, all that is beautiful in the things left undefiled.

Hills and dales, rolling downs and valleys, woodlands and meadowland brooks and streams that yet flow untainted to the sea, daisies and primroses wild growing in the unfilled pastures, blackbirds and thrushes, finches and linnets warbling in the hedges, the lark up yonder in the sky—these pictures pass before the Men of England, "heirs of glory," wherever in the wide world they be, even as visions unfold in the passing hours of slumber. I love a country, and love it very dearly, is not to be stone deaf to the **** trump of existing facts.

Through all the centuries long lines of unnumbered and now forgotten dead have marched forth from every village, along every road and byway, do battle for this little sea-girt isle.

And amongst those men were kings. Kings in reality, not figurehead kings, who were English—not Germans. Kings who beckoned "come"—not pointed "go." Kings who said, "the place in front is mine"—not "the view from here" (a hundred miles behind) "is fine." Kings whose sceptre was the battle axe, not the golf-stick. Kings whose slogan of "Follow the King" meant follow him to the battlefield—not to the water-bottle.

PATRIOTISM.

Beside the King rode the fighting barony of England, and behind them ye yeomanry from Kent and Devon and the hills of far Northumbria. There were men, as always, too old or fat to fight, and men, even then, whose thoughts on money bent gave them no stomach for ye battle. But none escaped the sacrifice. None were permitted to dodge their share of the common burden. Those who did not contribute their bodies contributed their money. One or the other they had to give. Wealth as well as human beings were offerings upon the altar of country. No Shylock could make a profit from war—he got no interest. No trader could "engross" or corner the necessities of life—he got the hangman's knot. He was regarded as a traitor, and got a traitor's doom. And this was the law of the land for long centuries.

IN DAYS OF OLD.

Thus it was that England for over a thousand years waged war at home and abroad—wars of aggression and defence—wars by sea and land—wars on Spanish main and coasts of Tartary—wars against Armadas of old Madrid and fleets of the bold Van Tromp—wars in Normandy and Flanders—wars of Roses and of Roundheads—wars inside and outside, civil and foreign, somewhere, always—and yet she emerged from that thousand years of bloody strife free of debt, no harpies within her borders to gather interest from the blood of battle. Give your life or give your money. That was patriotism in the days when patriotism meant "love of country," and not a blood-sucking, money-lender's parody.

THE BLACK FLAG.

But times have changed. Dutch finance, a Germanised throne and capitalised industry are the marks of the transformation. Kings no longer go forth to battle, and Money no longer freely serves the Nation that protects it. Men may die, but Money makes no sacrifice. It looks upon bloody war as a rich gold mine yielding fat dividends for ever and ever without end. Human bloodsuckers, who risk neither life nor limb nor penny, wax fat on Armageddon. They constitute the "Money Power" that bestrides all countries, and makes all nations its slaves. It exercises political power under every form of government. It makes the world one wide dominion over which its black flag flies unchallenged.

The "Money Power" is something more than Capitalism. It is its product; and yet its master. "Capitalism," in its control of the great agencies of production, is observable and understandable. The other lurks in vaults and banking chambers, masquerading its operations in language that mystifies or dazzles. Industrial Capitalism may roll itself up into great monopolies in production and distribution. It cannot exist for an hour apart from the powers that hold the "Monopoly of the Instruments of Exchange."

Modern Capitalism throws ever-increasing power into the hands of men who operate the monetary machine.

These men constitute "The Financial Oligarchy." The key to power is combination and concentration. They control banks, trust companies and insurance. They control the savings of the people. They say to whom the savings shall be lent and from whom withheld. They finance industries in which they are interested, and withdraw facilities from would-be rivals.

Such is the Modern Money Power.

Profits are piled up in bank credits, reinvested, and reinvested until the field of industrial activity is exploited to its limit. Money, in the language of the market, becomes "plentiful" and "cheap." In other words, the industrial outlets are diminishing, and the rate of interest, the "reward of capital," is falling. Something must be done—it is done. International hatreds are stimulated. People prepare for peace by grinding the axe of bloody slaughter. Armaments are demanded, loans are raised and the right to levy perpetual tribute on the nation is given in return. Even this is insufficient to mop up profits as rapid as their accumulation.

THE PROFITEERS.

So war comes. Any pretext suffices. War must come. It is the product of the predacious instinct in every age and clime. But there is a difference. Under every other economic system, war placed the yoke of slavery on the conquered foreigner. Under capitalism, war is made the instrument of the enslavement of men of kindred race and blood.

It was Count Von Moltke, himself a warrior, who, in the preface to his book on the Franco-Prussian war, said : —

"The great conflicts of modern times break out contrary to the will and wish of nominal rulers. The Stock Exchange has acquired an influence so great that it is able to call armed nations into the field to fight in its interests. Blood flows in order that the demands of High Finance may be liquidated."

It was another writer of no mean repute who said : —

"The magnitude and appalling character of the influence on the welfare of the whole nation, exercised by the Stock Exchange, is entirely due to the fact that the securities dealt in on its floors represent in paper form the bulk of the business of the nation."—Frank Hirst in "The Political Economy of War."

So war comes. War borrows millions of the piled profits—interest rises. More millions of loans—higher and yet higher interest. Much rubbing of hands on the Stock Exchanges—3½ per cent, yesterday, 4½ to-day, and 5½ or 7 tomorrow. Men may rot on battlefields, but money gathers an ever-increasing harvest of rich ripe fruit.

Levy men? YES.

Levy money? NO! NO! NO! Gott in Himmel. That ish confishcation. **We will lend it to you at much interest.**

So the nation can levy men—but not Money.

Men may die.

Money lives.

Men come back armless, legless, maimed and shattered.

Money comes back fatter than it went, loaded with coupons, buttered with a perpetual lien on the toil of the fathers and mothers and sisters and brothers of the men who died, that the nation might live.

Where is the “love of country” to those vampires who batten and grow rich on the rotting carcases of the world’s humanity?

Patriots perish on battlefields
Parasites gather the harvest

The Clutching Hand

"The 'capitalisation' of private industry is followed by the 'capitalisation' of the Nation. To be in pawn, to be mortgaged and bled, to be divided into stocks arm bonds and debentures, and sold in pieces is the fate of Nations." John A. Hobson, "Evolution of Capitalism."

OLD JEWRY

There was a time in the history of the British race when the jobber pursued his gambling in Change Alley or the Jews' Walk, in the surreptitious manner of the accursed. He had one eye on the speculative customer and the other on the passing police. The Jew Medina came in the train of William the Dutchman. He gave Marlborough £6,000 a year for the first tips of victories in France or Flanders. All the tricks bound up in rising and falling prices, lying reports from the seat of war, the pretended arrival of couriers, the formation of financial cliques to work the market, cabals and connivings behind the scenes, the whole system of Mammon's Wheels—Medina, the father, knew them well, and worked them to the full. His successors have amplified his methods.

After Medina came the Jew, Manessah Lopez. He amassed a fortune in the panic which followed the false news that Queen Anne was dead. He "bought on the slump and sold on the rise." Then came Samson Gideon and the Goldsmids—Abraham and Benjamin. These were succeeded by the Rothschilds.

THE REIGN OF THE ROTHSCHILDS.

The Napoleonic wars made the fortunes of the Rothschilds. From 1797 to 1821 the British nation was on a paper currency. It was for the most part the paper currency of the private banks. They increased their note circulation from seven to 50 millions—that of the Government increased from nine to 27. The first depreciated—the last stood steadfast. With their Private notes they bought interest-bearing bonds. The notes flowed through channels commerce back to the banks, ready for the next loan. Loans were floated as low as £40 in the £100—the average £60. The nation was loaded with a bonded debt of 870 millions—dead men on the battlefields—profits for the cormorants.

The Rothschilds combined banking and brokerage. Behind the operator on the market stood the backer, the banker. He brought to the bulling and bearing and thimble rigging all the resources of deposits entrusted to his care. These were manipulated for fortune making. **"Loan floating," as distinct from lending, became a new occupation.** Come into the good thing. Subscribe to the loan. The loan is "floated." Fortunes are skimmed off in brokerage and commissions. The "money market" is tightened, scares worked, prices depressed, the public sell, the riggers buy, confidence is restored, prices rise, the public buy once more, perpetual game of depression and inflation, colossal fortunes made not by honest trade but by public deception, financial tricks and market fakes.

Here are all the instruments of the spieler and tick-tacks of the race-course, garbed in respectability, and sheltered and hossanahed by the Law and the Church.

PATRIOTS TO EVERY FLAG.

The Empire of High Finance has become intricate and extensive. Around the throne have gathered satraps and satellites, catching the sunshine. The dynasty of the Rothschilds is more powerful than ever—compatriots and puppets do its will and share the spoils. Its dominion is over nations. Its influence and its interests are as much in Berlin and Vienna as in London. Its titles and distinctions are gathered from every flag. Alfred Rothschild, ex-director of the Bank of England, partner in the firm of N. M. Rothschild and Sons, holds the Grand Cross of Austria, the first-class Order of the Crown of Germany, was, until the outbreak of war, Austrian Consul-General in London. Then he became an ardent Britisher—a welcome guest in every profit-mongering household, waxing fat on the blood of the dead soldiery of Britain.

His son, Albert Rothschild, born in Germany, educated in Germany, a member of the Imperial Yacht Club of Germany, an attache to the German Embassy in London, became an ardent Britisher as soon as war broke out. **His patriotism went with his interests.** The Majesties of the Kingdom of Finance are exempt from anti-German hostility. The nation may die—the perquisites of the parasites will be preserved. Any nation suits, so profits are undisturbed.

CAPITALISM.

When a business is floated into a company of so many shares of £1 or £10, that business is "capitalised."

Rich quick comes not from the processes of legitimate industry, but the market manipulation of negotiable shares. The actual business is a thing to monkey with; to boom or stiffen, to the spieler's needs. Shares are let out and pulled in.

Every time they come in, they come loaded with the loot of a deluded public. Between the boom and the burst, the inflation or depression, the price at which the victims buy and the price at which they are squeezed out dry the riggers of the market draw to themselves the savings of the trustful.

THE MONEY POWER.

This group of speculators (financiers) properly designated and distinguished as **"the "Money Power," controls the whole mechanism of exchange, and all undertakings in the field of industry are subject to its will and machinations.** It wields an unseen sceptre over thrones and populations, and bloody slaughter is as profitable to its pockets as the most peaceful peculation.

No nation can be really free where this financial oligarchy is permitted to hold dominion, and no "democracy" can be aught but a name that does not shake it from its throne.

Lords of Lootery

"This reckless and remorseless brutality comes from men who speak our language; who were born under the same skies and nurtured in the principles of a common faith. It comes from the cold, phlegmatic heart of avarice—avarice that seeks to paralyse labour and increase the burden of the nation's debt—avarice that refuses to be satisfied without the suffocation and strangulation of all the labour in the land." Senator James Mills, in the U. S. Senate.

If you get a grip of the pre-war scheme of the American Money Thugs, you will comprehend the operations of Mammon's wheels in every land.

THE CROSS OF HONOR.

War, fathered by greed and hypocrisy, mothered by ignorance and gullibility, brings nothing but poverty and misery to the working-class.

MONETISED SECURITIES.

In the American Republic the banks can deposit bonds in the National Treasury and draw currency notes on the basis of bonds deposited.

W. J. Bryan, in the U.S. House of Representatives, June 5, 1894, described the system thus:—

“A bank invests 100,000 dol. in 2 per cent, bonds. It deposits the bonds in the Treasury and receives 90,000 dols. in bank notes. This is a return of so much of the capital expended for the purchase of bonds, so that the bank is only out 10,000 dol. On that sum the bank receives 2,000 dols. interest, less 1 per cent. tax on circulation. If a private citizen buys bond he can only draw interest. If a bank holds the bonds it can not only draw interest upon it, but draw 90 per cent, of its value in national notes.”

In 1900 the Yankee banking corporations lobbied through Congress an amendment of the National Note Act. They secured the abolition of the 1 per cent. tax, and got an increase of notes from 90 to 100 per cent, of deposited bonds.

In 1902 the banking corporations secured a further amendment of the National Note Act.

By this amendment the banks could secure national guaranteed notes not only on a deposit of Federal bonds, but upon deposits of municipal bonds of railway stocks, bonds of Steel, Beef, Standard Oil, and other securities of specified corporations.

THE MONEY TRUST

Between 1902 and 1907 the banking corporations deposited such securities and drew notes to the extent of 250,000,000 dollars.

Armed with these and other resources, the men controlling the great trusts and the principal banks of America organised a scheme of complete dominance over the industrial and financial life of the American Nation. They waged a war of extermination against every competitor.

Against this policy President Roosevelt set his face. He prosecuted and secured against Standard Oil verdicts that loaded the Trust with penalties to the extent of 29,000,000 dol.

At once the Standard Oil banks (under Rockefeller), the Steel Trust banks (under Morgan) and the Beef Trust banks (under Armour) entered into an offensive alliance. This Triple Alliance dominated the financial world of America. It had a majority on the Clearing House Association of all the big cities.

The New York Clearing House Association commenced proceedings. It commanded every independent bank to come to heel and take orders. Those who refused were expelled from the Clearing House (October 20, 1907), on the ground that such banks were no longer worthy of public confidence Such action destroyed confidence in the blackballed banks, and caused a run.

Charles Barney, of the Knickerbocker Bank, and Howard Maxwell, of the Brooklyn, committed suicide; all others capitulated.

THE SYSTEM.

Within three days (from October 20 to 23, 1907), every bank in the United States had been brought to heel, taught obedience and mobilised for action. The representatives of banks expelled on the 20th, having duly made submission, were re-admitted to membership. Every bank received its orders, its ammunition and the hour of action.

Next day (Oct. 24, 1907), the strike of the Bank Trust against the nation commenced. Every bank, from the Atlantic to the Pacific, refused to pay out gold; refused to pay anything but a paper currency of its own creation—a currency with which every bank throughout the United States had been previously stocked—the incontestable proof of preparedness.

The paper notes of the American Money Trust were designated "Clearing House Certificates." They were of all denominations down to two dollars. Every bank at the preconcerted signal paid out in this currency. With it wages were paid and business conducted throughout the United States.

THE ULTIMATUM.

On October 25 (1907) Pierpont Morgan declared on behalf of the Banking Association of America that:—

"We will continue to trade in a paper currency, and pay no more gold, until we get from President Roosevelt the necessary guarantee against adverse legislation. The people can take paper money or leave it—they will get nothing else. The mills, mines and other industries controlled by ourselves or allied interests will slacken down or close until we get effective guarantees against anti-trust prosecutions."

This was the ultimatum of the Money Trust to the subject nation.

STAND AND DELIVER.

The banks held the country by the throat. If any depositor moved process, the great magnates could carry him from court to court for years. If the Government enforced the law of cash redemption, the Banking Trust threatened to close its doors. Only a revolutionary, seizure, that Congress was not prepared to enforce, or the press to endorse, could defeat the conspiracy of the Financial Thuggery.

PAPER CURRENCY.

Throughout the United States the newspapers of the Trusts and bank officials set out to prove that paper money issued by private bankers was as good as gold, or better. The President of the Bank of California said:

"These 'Clearing House Notes' are based on a deposit of the highest class 'A' security. Currency that represents good security is good currency. The laboring man is working for a living. These notes are available for him, if married, in the payment of household bills, rent, etc.; and, if single, for such enjoyments as he may seek. He gets value for his labor—what more can he ask? He can get no more with gold money than he can with this paper."

The banks refused to pay gold, but they enforced payment in gold. To refuse to find it was to have bank facilities withheld and be ruined. By this process every ounce of gold was bound to find its way to the bank vaults and stop there. Mercantile houses and producers were unable to meet their obligations. Immense quantities of goods were hurriedly shipped to Europe in order to secure gold.

When the banks went on strike it was not a period of falling trade or industrial depression.

"The Economist," of December 21, 1907, said: "There never had been such prosperity in the history of America."

The "Contemporary Review" (January, 1908), said: "It was a time of exceptional prosperity."

Never were the gold reserves of the banks so large as when they refused to pay out.

"The Economist" said: "There was a criminal hoarding by the banks."

Lord Welby, of the British Treasury "Contemporary," January, said: "The stock of gold in the United States is enormous."

In this last fact is the answer to those who assert that a paper currency will drive gold out of a country. "The Economist" (November 9, 1907) pointed out that, while the private banks in the United States inflated their note issues in ten years by £67,000,000, the stock of gold increased £175,000,000. The international balances had been favorable to the United States, **and gold flowed in to settle those balances, irrespective of the internal currency.**

The inflowing gold was cornered by the Money Trust, and its emission to the general community was barred.

The inability of the mercantile community to meet the gold claims of the Bank Trust, or to secure credit, brought about widespread collapse. More and more mines, mills and factories fell into the hands of the Trust at depreciated values. Hordes of men were out of work. The United States Attorney-General denounced the conspirators as—

"Pirates, whose operations are worse than those of the notorious Tweed gang-"

In these circumstances there went up from all sides, even from the Anti-Trust journals, demands and appeals, urging President Roosevelt to "come to terms."

CONQUEROR MORGAN

The London "Standard" (December 7, 1907), reported what followed. It said:—

"Mr. Pierpont Morgan is in virtual control. He has made it too 'strenuous' even for Mr. Roosevelt. Mr. Roosevelt sent an invitation to Mr. Morgan to come to White House and discuss the situation. Mr. Morgan consented to go only when Mr. Roosevelt sent him a personal letter promising a different attitude towards financial interests in the future."

The President capitulated, forwarded his apology, and made the desired promises.

Morgan met Roosevelt on November 16, 1907.

The agreement was:—

1st. That Roosevelt drop his Anti-Trust campaign.

2nd. That no effort be made to collect the Standard Oil lines.

3rd. That no further action be taken against Trusts or Combines controlled by Morgan, Rockefeller and Armour.

4th. That portion of the Sherman Anti-Trust Act be suspended.

5th. That gold previously paid into the Federal Treasury for bonds be left on deposit in the private banks.

THE TRUST MAGS.

The terms were accepted. The New York "Herald," in its issue of November 25, 1907, said:

"Roosevelt has received his lesson. We shall hear no more of his attacks on the Trusts."

The London "Daily News" (December 6) said:—

"The Trust magnates hardly seem to have moved a finger, yet they have made their power felt throughout the civilised world. They have made no sacrifice, but, on the contrary, will emerge wealthier men than before. They have brought the most powerful Government in the world to its knees; they have forced it to suspend certain laws, and made it promise to interfere with them no more."

In the Morgan-Roosevelt compact, Morgan agreed, on behalf of the banks to withdraw Clearing House Notes and resume "full and free payment of cash."

[sentence missing]

the banks there (United States) have reverted to cash payments." It expressed the hope that American financiers were about to abandon their **"marauding** tactics."

On February 3, 1908, the cables announced that Roosevelt had issued against the Banking Trust "the most impassioned and stirring document ever issued from the White House." The Morganites had refused to keep their part of the agreement.

THE REAL RULERS.

To this Morgan replied, denying any such promise. He said:—

"The banks will take their own time to resume specie payments, and will continue to use their own notes so long as it suits their convenience."

His only promise, said Morgan, "was that the banks would not tie up commercial houses with a demand for gold."

In its issue of February 13, 1908, the Melbourne "Argus" announced that the American banks were still "issuing their own paper currency in defiance of the law."

That same month Senator Aldrich, of Rhode Island, introduced and carried through a Bill to legalise the hitherto illegal operations of the banks.

In addition (May, 1908), under the Emergency Currency Act, the Government was authorised to issue to the banks Government-guaranteed notes to the extent of 500,000,000 dols., upon a deposit of public or private bonds, "trade bills or other securities."

So a capitalist Government, acting on the "advice" of bankers, can, and does, issue currency based, not upon gold, but upon bonds, bills and other securities.

A Labor Government worthy of the name could do ditto for the Nation.

As the hours pass

Mammon the Overlord

"The Money Power preys upon the Nation in times of peace, and conspires against it in the hour of its calamity. Conscienceless and compassionless, it enervates its votaries, while it impoverishes its victims. It can only be overthrown by the awakened conscience of the Nation." W. J. Bryan, Madison Square Gardens, New York City, August 20, 1906.

THE REAL RULER

The Yankee financiers, under Pierpont Morgan, have brought to their fullest bloom the germinations of Medina and the Rothschilds. A long chain of banks and insurances, the savings and premiums of the people, are their instruments.

THE MONEY MISH.

During the six years, 1910 to 1916 the Yankee banking corporations, under the triple mastery of Morgan, Armour and Rockefeller, organised and perfected an additional scheme of robbery and domination. It replaced the old Clearing House Certificate swindle, and rested securely on the legal sanction of the speaking-tubes of the Trust in politics.

The preliminary to the new move was the organisation of the Monetary Commission, under the chairmanship of Senator Nelson Aldrich.

While this commission was sitting, Woodrow Wilson, then (1911) prospective candidate for the Presidency, chanced to say in New York: —

"The greatest monopoly is the Money Monopoly. The financiers are more powerful than the nominal rulers."

Next day the "New York Times" asked Wilson what he meant by "Money "Monopoly." The following morning (June 17, 1911), the New York "World" came out and said: —

"The day the 'Times' asked Governor Wilson what he meant by the 'money monopoly,' the newspapers announced that Mr. Morgan's Bankers' Trust Company had bought from the Equitable Life Assurance society its holdings in the Mercantile Trust Company, and that by this transfer the aggregate assets of the banks dominated by J. P. Morgan and Co. exceeded 1,000,000,000 dollars. This 1,000,000,000 dollars is not Mr Morgan's money, but it is in the hands of the Morgan interests, which can say who can borrow it and who cannot borrow it.

When Mr Morgan took over the Equitable from Thos. F. Ryan, he paid more than 2,500,000 dollars for stock that can only earn 3514 dollars a year; but what he really bought was control over the Equitable's 400,000,000 dollars of assets and 80,000,000 dollars of surplus."

This control of banks and insurances by a few men constitutes the Money Trust. It is here in Australia as in America.

Morgan testified before the Pujo Committee that there was no such thing as a Money Trust; that he did not control anything; that he had no wish to control anything. Yet the committee reported that, by his control of banks, insurance and other companies, he **controlled not less that 25,000 million dollars,** could say where it should flow and from where it should be diverted.

PREPAREDNESS.

The Nelson Aldrich Monetary Commission presented its report. It was based upon an investigation of the banking and currency systems of all countries.

It epitomised the most recent innovations in banking, and the most advanced policy in currency.

It directed attention to the statement of the Japanese Minister of Finance, that "in point of the perfectness of organisation the National Bank of Belgium stands highest." It directed attention to the special discount system; to the fact that **notes** were issued, not upon **gold,** but upon all classes of securities, and to the statement of the governor of the National Bank of Belgium, that "the necessary **limits of currency are the requirements for transactions and the movement of business."**

Upon the information contained in these reports, with additions born of their own experience and interests, the Money Kings proceeded to reorganise (in their own interests) the currency and banking system of the United States.

Maurice Patron, in his report to the Commission on the Bank of France, had said:—

"It is difficult to understand how, in certain countries, an undertaking of such universal interest should be left to private enterprise."

But the Money Kings were determined that (he system should be in their hands, extending their security, power and profit. Increased facilities to trading public were merely incidental.

THE START.

Everything being ready, the new system was given a legal existence by the Federal Reserve Act of 1913.

The Act creates an overlordship of five Financial Magnates, with the Secretary of the Treasury and the Comptroller of the Currency as ex officio members.

The banks of the U.S. are grouped into 12 divisions.

In each division there is one great "Central Bank." All gold reserves must be kept in the Central.

In each "Central" there is a "Federal Agent."

Each "Central" through the "Federal Agent" or supervisor, is an issuer of paper currency to the member banks. This currency is guaranteed by the Nation.

The private banks are relieved of all responsibility to redeem their obligations in gold.

Currency is not issued against gold. It is issued upon securities of every description bonds and deeds, "drafts and bills arising out of commercial transactions"—securities previously deposited with the banks by the public as securities for loans.

The United States Treasury Report, of July, 1915, says (page 58):— "Elasticity in note issues is provided by a new form of currency based primarily upon the re-discount of commercial paper."

This is the "Re Discount System," the system that necessitates a "Central" bank to work it; the system that in varied forms exists throughout Europe; the system that the Monetary Commission was instituted to popularise and localise in America.

Paul Warburg told the Commission that: —

"The European financial system is constructed upon discounts as its foundation; the American system is constructed upon bonds and stocks as its foundation."

The American money kings seized the European system, engrafted it on their own, got a combination of both, and the advantage of both. The great "Central" is the reservoir which other banks can tap for currency on securities deposited by the public.

The immense gold stocks now held (1917) in America, have no more connection with the paper currency than wheat or cotton stocks. Gold is the bankers' dice in the international gamble—not an internal currency.

R. H. Howe, in his book on banking (1916), states:—

"The coins in America have almost entirely disappeared from circulation, with the exception of the silver coins used in retail trade."

The Yankee Money Trusts Magnates have developed a paper currency by capitalists for capitalists, buttressed by the Capitalist State.

When war broke out in Europe, the American Government brought into operation the Emergency Currency Act of 1908, and on August 4, 1914, Congress passed through both Houses an amendment raising the authorised Government Note Issue from 500 to 1,000 million dollars.

This was in addition to, and apart from the note issues of the Centrals, just as the British Government's note issue of August, 1914, of £100,000,000 was apart from and in addition to the issues of the Bank of England.

In both countries they were **issues to banks only.**

In both countries the banks could take all the bonds, deeds, liens, receipts, bills, and other securities lodged by the public as cover for loans, and upon those pledges get legal tender currency, with which to trade and make further loans.

But in neither country were these facilities available to the average citizen—they were for bankers and brokers only.

In the United States these National legal tender notes were issued to the banks on the basis of 90 per cent, on bonds 75 per cent on commercial bills, and 66 per cent on deeds.

Thus in the United States there is the cheque currency of the individual bank, redeemable in the "Reserve Note" of the "Central," redeemable in its turn on the legal tender note of the Government!

Thus a Government that functions in the interests of the great banking corporations, is an instrument of great monetary value to the capitalists who own and control that Government.

That which capitalists can do in the interests of capitalists, the democratic State can do in the interests of the Nation.

THE WAR TRADERS

In all belligerent countries the war plunder of the profiteers was measured in hundreds of millions of pounds sterling.
In June, 1917, the Mercantile Marine Company of America, declared its profits for the past year as 26,000,000 dollars.

"With the first breath of national danger the fabric of financial fakery tottered to its base. It would have tottered to ruin unimaginable had not the Chancellor of the Exchequer backed the banks with the credit of the Nation." Oswald Stoll in "The People's Credit."

"The Great War will be long remembered for other things besides the destruction of life and the reconstruction of the map of Europe. On the financial side the most notable event is the universal abandonment of the gold standard, not openly admitted, but described in the kind of language familiar from the bulletins of defeated armies." "Quarterly Review," April, 1915.

When you have read this you will know how the Financial Patriots of England worked the War for Profit.

The moment war broke loose in Europe the much-extolled "British System of Finance" fell to pieces. The bottom fell out of the "Money Market." The Stock Exchanges closed. **The banks were unable to meet their obligations.**

The "Daily Chronicle," of August 5, 1914, said:— "**Credit based on gold has come to an end.**" The "Statist" admitted a **"Complete breakdown of the banking system."**

The British Government came to the rescue.

It called together the heads of the great banks and representatives of the Stock Exchange.

It asked them to devise a scheme, whereby they might be saved at the expense of the people.

This Finance Committee consisted of Lord St. Aldwyne, Lord Revelstoke, Sir John Bradbury, Sir Walter Cunliffe, Austen Chamberlain, each one a chief of a bank tottering to ruin.

This committee instituted a process of salvation **based upon the guarantee of the British Nation.**

The credit of the State, ever powerful where gold is a failure, saved the situation.

The guarantee of the British Government gave a security which privately controlled gold was incapable of giving.

STATE AID TO CAPITALISM.

The first step of the Government was to issue to the private banks millions of £1 and 10/- notes, to enable the private banks to meet obligations to depositors.

The banks were closed four days to give the Government time to print and issue the notes essential to the salvation of the banks.

When the banks reopened they paid their obligations in notes manufactured and guaranteed by the British Nation.

The total authorised issue was £100,000,000—afterwards increased. These notes had written across their face, **"legal tender for any amount."** These notes were not "Bank of England" notes. They were issued from the Treasury. **They did not carry any promise of redemption in gold.**

Lloyd George, speaking in the Queen's Hall, London, said: —

"Have you any of those little £1 notes?

"They are only scraps of paper.

"What are they made of?

"Rags!

"What are they worth?

"The whole credit of the British Empire."

With these notes the banks met their obligations.

These notes took the place of gold, and by the end of December the notes in the hands of the public amounted to £103, 000,000. ("Times History of the War," page 264, vol. 7.)

The Government further arranged that private banks might re-discount at the Bank of England all internal bills and securities upon which they (the private banks) had advanced, and that all settlement, whether between the Bank of England and the private banks, or the private banks and their debtors, should be postponed until twelve months after the war.

"The Investors' Review" (August 22, 1914) reported that the country was operating on pure credit money with the mechanism of exchange excellent condition.

In other words, the country was working on a paper currency, guaranteed by all the resources of the British Nation.

It was a proof of the correctness of the statement made by Stoll in his book, "The People's Credit," that:–

“Banking credit is really national credit, because in every crisis it is **the Government that is compelled to step in and provide notes and discount facilities to save the banks.”**

THE GREAT CONSPIRACY

[sentence missing]

and acquiescence of the British Government they organized and perpetuated on the British race **the most gigantic swindle of modern times.**

The “Clarion” of August 7, had given warning, it said: –

“The democracy is uniformed, and without guidance, at a time when the greatest and most bare-faced piece of thimble-rigging is about to be perpetrated.”

The institutions controlled by the Money Kings held hundreds of millions of bills for goods for goods delivered to Continental houses, including Germany. These bills, as far as Germany was concerned, could not be met because of the war, and could not be met in the case of other Continental houses because the war had disastrously affected them.

On August 13, 1914, the British Government guaranteed all bankers, discount brokers and other holders of worthless commercial paper against loss.

It did more. It monetized those bills. It issued to the banks certificates to the extent of those bills. The certificates authorized the directors of the Bank of England to discount the useless bills and issue notes thereon.

The Bank of England, guaranteed and secured against loss by the Government, “**did not,”** so says the “Investor’s Review,” **“even draw the line against the acceptance of German firms.”** The Germans might never be able to pay, “but,” so says the same authority, “the Government acted to secure the British holder against loss.”

The Bank of England directors consisted of the Governor, Sir Walter Cuncliffe, and 24 “financiers,” who were directors of assisted institutions.

THE ROBBER’S INDEMNITY

By the 2nd September, 1914, the Bank of England had discounted waterlogged bills to the extent of ₤95,000,000.

The London “Economist” (August 29), defending the banks against a charge of harsh treatment of the public, used these words:–

“IT IS TRUE THE GOVERNMENT HAS GUARANTEED THE BANKS AGAINST LOSS ON BILLS, WHICH LOSS MAY WORK OUT AT ANYTHING FROM ₤50,000,000 TO ₤150,000,000, WHICH WILL, OF COURSE, BE ADDED TO THE NATIONAL DEBT.”

“Of course” – “added to the National Debt” – “of course.”

The “Economist,” in its issue of September 12, after saying that under “the 13th August arrangements” all bank losses will be added to the National Debt, said :–

The loss must be enormous because the Bill of Exchange Act declares that when a bill is payable after sight is negotiated, the holder must present it within a reasonable time, otherwise the drawer and endorser are discharged from obligations. The banks are the holders. The war renders it impossible for them to present ‘in reasonable time.’”

Thus, had not the Government come in to load the loss upon the British Nation, the Money Kings would have had to carry their own baby.

No Government on earth—not even a Labor Government—will guarantee the worker against loss from unemployment. Not even when that unemployment is the result of war, or drought, or pestilence. But every Government no matter what its name (that functions in the interests of Capitalism) will take active steps to save the Money Bags from loss, and this felonious practice it will justify in the name of “public interest” and “popular well being.”

But from where, it may be asked, did the British Government get the hundred odd millions to compensate the Lords of the Money Market for the losses on useless trade bills?

It could not get it from men and institutions whose credit the war had destroyed. The only credit and the only currency in Great Britain was that created, secured, and guaranteed by the nation.

SOMETHING FOR NOTHING.

The Government issued to the private banks and discount houses of England legal tender currency notes in place of unredeemable trade bills. With these notes the bankers met their obligations and renewed their trade.

When the war is over the Government will call in the non-interest-bearing notes, and issue to the Money Kings interest-bearing bonds. This they will get **for nothing** in return. This will be designated "compensation for losses." The compensation for the losses sustained by the men who fought the battle of their country will be—Nothing. The soldiers returning; from the war will be taxed to pay interest to the robbers who stayed at home, and drew "compensation for losses" while the nation was struggling for its life.

Thus British capitalists, manipulating a Government that functioned in the interests of capitalists, loaded upon the British people for nothing in return—a load of debt almost equal to the indemnity which the Germans imposed upon the French nation at the end of the Franco-Prussian War.

And these millions of loot were only part of the plunder.

Gorging the Vultures

"These are the men who, without virtue, labor or hazard, are growing rich as their country is impoverished; they rejoice when obstinacy or ambition adds another year to the slaughter and devastation; and laugh from their desks while they are adding figure to figure and cipher to cipher."

Frank Hirst. Editor of the "Economist," in his book, "The Political Economy of War."

The gigantic scoop of August 13 was not sufficient. That scheme gave the banks compensation on all "pre-war" debts. By what are known as the "4th September arrangements," a new and larger scheme of plunder was devised. Stripped of all verbiage, gloss, glamour and mystification, it amounted to this:—

All had debts contracted by banks between the 4th August, 1914, and a year after the end of the war, will be made good by the British Government, and added to the National Debt.

This dose was hard to swallow. The "Economist," in its issue of September 12, said:

"There is much to be said for compensating banks, discount and accepting houses for their losses, but in equity one person who has been ruined through no fault of his own has just as much right to be relieved at the taxpayer's expense as another person."

The result, from the standpoint of the great financial establishments, was magnificent. The gold basis upon which they traded and drew profits had failed in the hour of need, but no matter. The State had come to their rescue. The State had taken over their losses. It had given them a State-guaranteed currency. It borrowed back that currency with interest. After the war, it would add all bank losses to the National Debt, give bonds as "compensation," and pay interest thereon.

PILED PLUNDER

When the 4th September plunder scheme became known, Robert Blatchford's paper, "The Clarion," (Sept. 11) came out with this statement:—

"Other auxiliaries to the Gold trust will shortly come bobbing up and asking for the National Credit to help them on their felonious way, and these credits and guarantees will continue to be freely bestowed. That notorious highwayman, Dick Turpin, and the Heathen Chinee, were not in it with these thieves of to-day. Why, the game of 'Under which thimble the pea' becomes a standard of high and honorable conduct compared with the chicanery going on under the very

THE DOUBTING ATLAS

When he who feed and clothes and houses the world makes up his mind.........................?

eyes of the fleeced ones. The people of England have been robbed, are being robbed, and are about to be further robbed on a larger scale than any recorded in history."

The "Clarion" spoke true. Not the robber scheme of August 13 nor that of September 4 could satisfy the felonious hunger of those who stayed at home to rob while others went abroad to die. Not enough that they had loaded the living with debt and fashioned new chains of servitude for the unborn. The tigers had tasted blood. All the retainers and hangers-on of the Kingdom of Finance must come into the feast.

In the same issue of the "Clarion" Richard Temple said:—

"Having backed the shareholders in the banks, the Government is preparing, in obedience to the financial Press, to back the members of the Stock Exchange."

And it was so.

THE STOCK JOBBERS.

The "Economist" of October 3, 1914, said:— **"They are waterlogged with unsaleable securities."**

Under this new scheme the Stock Exchange operators (who gave such a jubilant reception to William Morris Hughes) could deposit their waterlogged securities in the Bank of England, and draw credit to the extent of 60 per cent, of the value of such securities as at the time of the closing of the Stock Exchange.

The credit thus secured was actually more than the money they could get if compelled to sell.

Against these credits they could draw by cheque. If till money was required, they could draw a portion of the £100,000,000 of notes issued by the British Government.

With these "credits" and Government notes, obtained by a deposit of their unsaleable securities, they were able, to resume business and patriotically lend to the Government at interest the currency that the Government had created.

THE GREATEST ROBBERY IN HISTORY

The editor of the London "Investors' Review" (September 19) stated

"Credit is being created against unexisting assets in amounts of unprecedented magnitude at a time when the ordinary uses for it are unusually restricted."

"These things are done," said the "Investors' Review," "to support the money market." It added:—

"These credits are called into being either in the form of notes or in the shape of advances by the Bank of England under Government guarantee."

Thus the British Government advanced credit to men whose credit was dead upon securities that were valueless. Then, because the ordinary channels for the investment of money were "unusually restricted," the Government for the found a field of profit for the profit-mongers by borrowing "the credit called into existence by the Government" from the very men to whom the Government had given credit upon "unexisting assets."

IN ALL THE WORLD THERE NEVER WAS SUCH A ROBBERY—THE ROBBERY OF A NATION STRUGGLING FOR ITS LIFE.

The nation needed food, clothing, guns and ammunition to carry on the war.

If a legal tender currency note was good when issued to bankers for compensation or to stockjobbers as a circulating representative of unsaleable securities, it was equally good if issued to the industrial community as a circulating representative of the nation's obligation to those who supplied the requisites of war.

But the British Government that issued legal tender notes for the salvation, use and profit of the private banks would not issue legal tender notes for the salvation, use and profit of the nation.

The Government issued interest-bearing bonds and debentures, and called upon the financiers to subscribe to the war loans.

VAMPIRE PATRIOTS.

But the "financiers" had no credit outside of that guaranteed by the Government. They had no currency outside of that furnished by the Government. How could they subscribe to the loans?

They did it by lending to the British Government the legal tender currency notes that the Government had previously given to the banks and financiers as compensation for commercially rotten bills and waterlogged securities.

As a result, there went into the vaults of the private banks debentures and bonds armed with the privilege to suck for ever millions per annum from a people struggling on the battlefields of Europe to maintain the national life. And while they were struggling, the bonds of slavery for the survivors were carefully stored for suckage in the vaults of the vampires.

There might have been some justification for saving the banks and great financiers from ruin, on the ground that their ruin would have involved all in a common disaster.

But what justification was there in furnishing insolvent institutions with a currency to enable them to loan that currency to the Government that gave it, and to make a profit from the war? It was pitiless robbery.

On December 22, 1915, Lloyd George, in reply to a question in the House of Commons, admitted that the State aid to financial institutions reached up to nigh £200,000,000.

Nobody ever heard of a Government that guaranteed the workers against loss. But the Kings of Finance must not only be saved, their power of robbery must be extended, their riches augmented, and the toiling multitude ground in the mill of financial servitude.

The New Bondage

This war will make bondsmen of us all, and the economic rule of the bondlords—the greatest oligarchy the world has witnessed—will become absolute. Henry Slobodin, in the "International Socialist."

The most important lesson of modern warfare is the fact that a knot of men, financiers, politicians and profiteers, can capture the mind of a nation, arouse its passion, and in the name of patriotism impose a policy of slavery. John A. Hobson, "Evolution of Capitalism."

NATIONAL CREDIT.

The London "Observer" of September 26, 1914, said:–

"The Government is proved to be the ultimate supporting influence of credit."

PROFIT: "Beware, beware, Madam; it's your blood he wants!"

In its issue of October 3, 1914, the "Economist" pointed out how utterly futile gold "The Reserve is useless as the basis of credit. The proved basis is the credit of the Government—i.e., of the country."

Yet that Government paid interest for a credit that was not only inferior to its own, but incapable of existence without the vitalising power of national sustenance.

EGYPTIAN BONDS.

On October 7, 1914, the London press announced that, as it was not possible for the banks to follow usual practice and ship gold to Egypt to finance the cotton crop, the British Government had come to the rescue. It had authorised the Egyptian Government to accept from the banks deposits of Egyptian bonds, and issue to them a note currency based on bonds. With this currency the cotton growers were paid.

Yet this, that a Capitalist Government could do for capitalist banks, this issue of notes on the security of national bonds, a Labor Government and Labor party in Australia (in 1915) rejected as absurd, as impossible of application for the benefit of a nation.

PAPER MONEY FOR LOANS.

The "Economist," of October 10, 1914, said:—

"Funds wherewith to subscribe to the War Loan can be obtained by pledging" investments for paper money"

This privilege was for the great financial houses only. The Bank of England is a bank for banks, and not for the general public. The average citizen could not lake his securities' to the Bank of England, draw notes, and with these notes subscribe to a new loan.

The "Investors' Review," of October 24, 1914, said:—

"Out of this great mass of credit, created under Government guarantee, the means comes with which to subscribe to national loans."

The "Round Table," of November, 1914, said:—

"The British Government has given the private banks most generous aid. It has liquidated their bills and securities by giving them credit on the Bank of England. Upon these credits they tan draw, and with these credits contribute to the War Loan."

The "Round Table" went on to say:—

"One can observe, therefore, the curious process by which the Government lends its credit."

And it might have added:—

"Yes! and the curious process by which it borrows it back, with a perpetual blister of interest upon the struggling masses."

MORE PLUNDER.

But another plunder scheme was in process of hatchment. Through all the early months of the war the great banks and loan agencies were putting the screw on the public, refusing banking facilities to men with undoubted securities, and compelling the general public, in urgent need of currency, to sell their holdings on a falling market.

Thus, amongst others, vast millions of British Consols, in which the thrifty had invested their savings, fell into the hands of the market riggers.

The schemers knew that, because of the thousands of millions of inevitable war debt, low priced Consols would not be redeemed in their time and generation. They did not buy to hold for redemption. They bought to make Consols earn from the bleeding nation a higher rate of interest.

FIRST WAR LOAN (1914).

The Financial Houses, having inside knowledge of the conditions under which the £350,000,000 loan was to be floated, got their corner on 2½ per cent. Consols. They were forced below £60. At that price they were bought by the riggers. Then they jumped to £65. At that price they were converted into 3½ per cent, war loan, worth £66/13/4, with the right of conversion into higher-priced loans at a later date. The clear profit on this deal was measured in millions.

A writer in the "Nation" said:—

"For a country that had no hope of redeeming its loans for long years, it was a barefaced confidence trick, and the Government was a fraudulent trustee of the public interests."

SECOND WAR LOAN (1915).

Then came the big float of £600,000,000 patriotic loan, at 4½ per cent. The first loan performance was repeated.

There was the same withholding of bank credits to the public, the same organised depreciation of Consols, the same organised purchase, the same inflation after possession, the same conversion after possession into high-priced securities. The process of public robbery was repeated on even a more gigantic scale than on the first loan.

The general public, who had not already been gouged out of their Consols, could not convert unless they possessed means to subscribe to the loan floats. They could not pledge Consols for credit at the Bank of England. This could only be got after they had sold to the spielers in the ring. Bank of England facilities were for bankers and brokers only—not for the general public.

The "Fortnightly Review," August, 1915, said:—

"Advantage has been taken of the opportunity for nimble stock exchange dealing by a class of men who do not think it unpatriotic to utilise a great patriotic occasion for their own sordid ends."

Dealing with this second loan float, the "Economist" (June 26, 1915) pointed out that the patriotic robbers had added another 20 per cent, to the interest rate on Consols, and that "holders of the 3½ per cent, loan will now receive interest at the rate of £5/4/9 per cent."

And for this crowd of harpies men were rotting on battlefields.

In this case the previous loan bonds were deposited in the Bank of England, and upon these deposited securities credit was given to the extent of 95 per cent, of par value.

It was a paper cheque currency based on bonds, and with this cheque currency the subscriptions were made to the loan.

The "Financial News" reported that:—

"The Bank of England lent 95 per cent, of face value against deposit of bonds."

The "Quarterly Review" said:—

"The war loan bonds are made the basis of the most easy borrowing from the Bank of England."

With currency based on previous war bonds the financiers contributed to the 600 million loan.

Oswald Stoll, in his book, "The People's Credit," said:—

"Three banks and two insurance companies answered for £100,000,000. They were able to invest such an amount because the Government had backed them by the credit of the whole people. Saved from bankruptcy, they were permitted to place a tax of millions per annum upon the nation that had saved them."

"The 'Times' History of the War" (page 251, vol. 7), says that the joint stock banks (saved from ruin a few months previously by the paper currency of the nation) subscribed over £200,000,000 to this June loan.

And upon this currency, issued by the nation, they draw interest in perpetuity.

And, as the war went on and the rate of interest rose, so were all previous loans raised to the higher price, as a premium and a bonus to the Loan Floating Profiteers.

FINANCING 1916.

After the exhaustion of the proceeds of the second loan, the war was financed by the banking houses to the extent of nearly 1000 millions, on short dated loans—Treasury Bills and Exchequer Bonds. For these the Government paid interest up to six per cent.

The "English Review" (March, 1917), in an article entitled, "Lesson of the War Loan," said:—

"Mr. McKenna was merely a puppet of the Bankers. He did whatever he was told."

THIRD WAR LOAN (1917).

Then came the "Equality of Sacrifice" Government, under Lloyd George.

From this "Equality of Sacrifice" Government came the "Great Victory Loan" of 1917—£1,000,000,000.

Under this all previous financial swindles were outclassed and eclipsed. All previous 2½, 3½, 4½ per cent. loans were converted into 5 per cents.

The holders were under no obligation to subscribe to the new loan. They simply gave notice of their intention to convert at 5 per cent.

For every £100 of second loan they got £105/5/3on the third loan, so the actual interest was 5¼ per cent.

Conversion (apart from new money) covered the first and second loans, and reached close up, to 1000 millions.

"Stead's Review" said: "That means the Government will have to pay stockholders £10,000,000 more a year additional blood money—upon old loans."

BACK TO SLAVERY.

Thus the schemes of the plunderers grew. Every day some new device. Take useless German bills to the Bank of England, get credit, draw notes, invest the notes in British bonds, deposit the bonds in the Bank of England, draw 95 per cent currency, make this the basis upon which to issue fresh supplies of credit, and grant additional loans to the Government. Transfer loans at 2½, 3½, 4½, 5½, into 6 and 7 per cent, as the war goes on. Get richer and richer. Pile up the burden of the people's bondage.

That's High Finance.

Never had the Lords of High Finance gathered such a harvest. Their loot surpassed in its immensity the greatest scheme ever evolved from the cutest group of Yankee grafters. Never in the wildest dreams of avarice did they imagine that they could get a British Government to function so heartily, extensively and exclusively in their interests. With them, as with the German Junkers, the toast was "To the Day," and their day, the day of speculative opportunity, was while the nation bled on battlefields.

"Poor Soul! Lost your only son at the war, hey? Well we must all be prepared to make sacrifices. Think of me!"

The Dawning Slavery

"A tremendously powerful financial oligarchy is developing in the shadow of the war, the like of which has never been known in the world before—possessing more wealth, more power, more control over the destinies of the human race than any class or caste ever possessed. Beside this oligarchy, the old Roman Senate and the Venetian Council of Ten fade into insignificance. After the war the attitude of this oligarchy towards the workers will be ruthless and terrible." T. Quelch, in "London Justice," March, 16, 1916.

The great financiers are running every Government—irrespective of party labels. In every country they devise "ways and means"; they "advise," and Governments are their executors. In every land, under every party, the shackles of the most degrading slavery are being rapidly forged. In every land the leechery of the bondholders becomes an increasing drain on the vitality of the people. "What use," said Chaumette, "is a constitution to a nation of skeletons?" And what, use is democratic power, when its only result is the elevation of men who complacently walk in the footsteps of their predecessors, aping the manners, using the language, and pursuing the methods of the men they have derided, denounced, supplanted, and slavishly imitated? Thus we are faced with the fact that the ruling political party in every land is a mere instrument of the Money Bag, devising for Money Bag interests a national currency to be lent back at usury to the nation that created and sustained it. Such are the Morals of Robbery and the ethics of the political jugglers.

Great Britain is now (1917) spending £3,000,000,000 per annum on the war. Yet the more the banks lend the stronger grow their resources. They can lend ten, fifty, a hundred times the amount of gold in their vaults, and yet the gold remains—**the only limit on "loans" is the capacity of the people to carry the load of interest.**

The currency created by the nation for the salvation of the banks is loaned back to the nation at perpetual and ever duplicated interest.

The "Round Table," in its article on "How Wars Are Financed" (June, 1915), said:—

"There must be sufficient time between the instalments of loans to allow the proceeds of the first to be expended by the Government, to pass into the hands of private persons and to filter back to the banks before the next instalment is called. If this condition be fulfilled, the nation go on fighting for ever, as far as finance is concerned. In other words, if these conditions be fulfilled, the banks can go on lending for ever."

Thus currency goes out in wages to soldiers and makers of requisites of war passing along the channels of trade back to the banks for the next installment. Thus the circle is complete. To the onlookers, there is a never-ending procession of cash. It is financial legerdemain. By it nations are deluded, defrauded and enslaved. Thus thousands of millions are loaned, yet as much remains in the vaults of the great banks as before the first penny was floated. With every new war loan the "rate of interest," the rate of blackmail, upon the struggling nationalities, is increased.

Thus in 1917 all previous 2½, 3½, 4½ Per cent, blood loans were convertible into 5 per cents, to all subscribers to the "Great Victory" Loan Float—ever rising patriotism of the Parasites.

AFTER THE WAR.

The war over, and the people under the burden of millions of interest, profits flow once more into the channels of industry at the higher rates of interest created by the war.

Out of the war will come for ever annual dividends in the shape of interest upon the money invested in blood. For this the people must toil.

Out of the war will emerge two classes—Bondholders and slaves to the Bondholders.

Lord Inchcape, President of the National Provincial Bank of Great Britain and London director of the Australian Sugar Shipping and Banking Combine, known as the Burns, Philp Company, said: —

"The heavy taxation in which Europe is involved to pay the interest on the money already borrowed, and on the hundreds of millions yet to be raised, will press heavily on the people. Their purchasing power will be reduced and their standard of life lowered."

England must recover herself in the markets appropriated by neutral nations, by nations upon whose industries sit no war burden. Whatever goes to the bondholders, must come out of the flesh and blood of the workpeople. So

"The standard of life must be reduced,"

The arms of Britain, France and Russia may be as triumphant as those of Rome in the days of its greatest glory—yet the workmen of all the combatant nations will emerge from the war steeped in such awful poverty, such abject slaves of Mammon, that they will wish they were dead.

All who come out of the war alive must be bled dry that interest mongering vampires within the nation may extract from the products of toil hundreds of millions per annum.

Lloyd George, speaking in the House of Commons (May 12, 1915) said: —

"Distress, Misery, and Wretchedness always follow a great war."

The English financial journal, "The Economist," commenting on the Lloyd George speech, said:—

“The standard of life must be reduced.”

In Australia interest and other charges, arising out of the war will increase the burden of taxation fourfold.

Productive and distributive costs will be augmented, prices will rise to the level of the increased costs, purchasing power will be correspondingly diminished. The returned soldiery, thrown suddenly upon a depressed and dislocated labor market, will engender amongst the wage-earners an agonising struggle for existence.

“Distress, misery, and wretchedness always follow a great war.”

Awful is the price the workers must pay, so that Shylock may get his bloody “shentage.” He will draw blood from sweating brows and hungry mothers all the days that God gives them life. This war weakens the workers and strengthens the Money Bags. This war means misery for the toiler, and “much monish” for the bondholder.

This war makes the living worker a slave, and fills the treasury of Shylock to overflowing.

Workingmen! You shall eat less—have poorer food—shabbier clothes—scantier furniture—fewer pleasures—and know more hardships than ever you knew in all your days and generation.

You want to know “Why?”

Is it not plain? If every year Shylock is to draw hundreds of millions more in interest from his investments on wasted lives and bloody slaughter, you who remain alive must slave for it and pay for it? All your days shall be “made bitter with hard bondage.” That is your future, workingmen. That is what they mean when they say “the standard of life must be reduced.”

The workers come back from the war doomed to toil and pay annual tribute, not to a foreign conqueror, but to a small exclusive moneyed clique within the nation—the Kings of the Kingdom of Shylock.

These are the “conquerors”—these “Lords of Finance.” Beneath their yoke must men of all the nations tread.

“The hapless producer of wealth goes forth into a night illuminated by no star—he travels in a desert where the ever retreating mirage makes his disappointment a thousandfold more keen.

The Profiteers’ Program

“The banking system as it now stands is a disgrace to civilised communities. It places in the hands of a small committee, the Bankers’ Association, a power greater than that of Government—without its responsibility to the country.” Gilmour Brown, Victorian State Commission on Banking, 1895.

TORYISM.

In 1893, during the Australian banks’ smash, the Governments of the various States rushed eagerly to the assistance of the afflicted corporations.

In Queensland, the Government, of which a majority were bank directors, substituted a State Note Issue for the discredited notes of the private banks. The new issues threw the responsibility of redemption upon the Government, and relieved the banks from the necessity of keeping a corresponding amount of gold.

In Victoria the Government guaranteed the private note issues.

The “Argus” urged the Government to go further. It said (May 16, 1893) that the Government should issue notes upon the security, of deposit receipts. In its issue of June 9 it stated that banks should be allowed Government notes to meet liabilities. It buttressed its arguments with the statement that the Bank of England issued ₤16,000,000 in notes outside any gold basis.

When the Federal Labor party came into power in 1910, the Government, under Mr. Fisher, introduced the Australian Notes Bill, This was an application to all Australia of the Queensland note scheme, as originated by the Tory Government of that State in 1893.

But the adoption of the Queensland Tory expedient of '93—the expedient whereby legal tender currency, is given to private banks for the temporary use of gold that flows through the channels of trade back to the banks—that was no part of the Labor programme. **It could not be, it cannot be, else between Tory policy and Labor policy there is no difference.**

The only justification was that of emergency—the emergency existed The Labor Party of 1910 was confronted with an empty Treasury and it half a million deficit. It needed to raise money quickly. Instead of interest it paid the price to the banks in a Government guaranteed note, legal tender for all their obligations.

LABOURISM.

The emergency measure was good, provided it was a measure to give the Labor party time to put its declared banking and currency principles into operation.

But those principles were put in the dustbin.

The note issue scheme, as devised by the Queensland Tories in '93 was put into force as the accepted permanent policy of the Australian Labor Party.

I said (June 23, 1910) :—

"The issue of notes by the National Government to the Associated Banks of Australia is neither a step forward nor a decent substitute for the sixth item of the programme of our party; it is a side-step and a subterfuge. It will not diminish the power of monopoly, but strengthen it. It will put behind the private banks a credit they do not now possess. It will rid them of their obligation of note redemption, and place it upon the Government. It will make the notes legal tender for the Associated Banks, but not for the National Government—the Government must redeem in gold. It is a device acceptable to the Money Power, but for Democracy it is a deception."

For that statement I was denounced as a "disgruntled member of the party," and was told that "Labor outside is confident that the Government will fearlessly do its duty if their supporters inside will permit them."

The Labor movement let its principles go by the board, and to-day is paying the penalty.

The clearly understood basic principles of the Labor movement are those of public ownership.

Those principles applied to banking, imply a system of public ownership superseding all private traffic in the instruments of exchange.

The programme distinctly declares that the Commonwealth Bank, amongst other functions, shall exercise the functions of issue and reserve.

Without those powers it is an emasculated institution. It is not the reservoir of the national gold supplies. It is not the tap from which flows legal currency available to all upon conditions common to all. It is not the Bank of the Nation, endowed with supreme powers. It possesses no more power than any ordinary trading bank.

It is a mere addition to the list of banks enrolled beneath the peculent banner of the Associated Banks. It is as much a part of the Capitalist System of Exchange as any private institution in the land.

STATE CAPITALISM.

I stated in 1910, and I re-state the fact now, that the banking corporations in every country are favorable to a national note issue. In every country where they exercise influence they get the Government to issue notes, not upon gold, but upon bonds, bills and other securities.

The banks thus shift the onus of redemption from themselves to the Government, secure for themselves a legal tender currency, and the mass of gold previously non-productive in their vaults is made available for export and profit. For a gold-producing country exportation is always profitable.

The transformation in the methods and mechanism of exchange, like the transformation in the methods and mechanism of production, constitutes an economic revolution. The development of the cheque system has made the old "non-legal" lender notes of the individual banks obsolete. They are no longer a speculative utility.

The banking world seeks a new base, and it gets it in Government guaranteed notes—instruments of redemption for all their obligations.

Under this new system—seen in Japan, Germany, France, and America—gold ceases for internal currency. It is held for international traffic only. This economic progression should be a Nation's Benefit, not a Burglar's Kit.

In every country where financial capitalism wields political power, and where its dynastic dominion is apparently assured, it has established for this end a "Central" Bank, designated in many countries a "National" Bank, operated, in some cases, by the Government; functioning, in every case as an instrument of State Aid to private banks; re-discounting the bills of private banks for their gain and their salvation.

BANKING COMMISSION.

In 1895 we had the Victorian State Commission on Banking. There was a Bankers' Conference to consider proposals to be put before the Commission. There were preliminary suggestions, but the eighth clause stated that if notes issued by the Government to the banks under the preliminaries were not sufficient, then the banks were to get notes upon a deposit of 20 per cent, gold and 80 per cent. Government securities. Their ninth clause stated that, when gold and Government securities were exhausted, the Government should be empowered to issue to the banks Government guaranteed legal tender notes upon the security of ordinary trade bills.

Mr. Gyles Turner, on behalf of the Bankers' Conference, told the Commission that:—

"Paper money issued by the community on good security is as sound as the Bank of England."

Mr. Turner did not mean that the Government should issue currency to every citizen who had good security. He meant issued to the banks—the banks would do the lending.

Amongst those who appeared before the Commission was Mr. Gilmour Brown. He had been a bank manager for 22½ years Apart from the statement that appears as a text to this article, he told the Commission that:—

"A small irresponsible body reigns over the whole community, pays its own debts how and when it likes, while it makes all its debtors' obligations payable at call.

"They (the Bankers' Association) levy direct taxes on the enterprise, industry and production of the community greater by far than that levied by the Government. They control our reserves, our rate of interest, our credit, and possess a more absolute jurisdiction over out livelihood, our savings, our monetary future, than the Government."

Hon. N. Levi: "It is a trades union."

Gilmour Brown: **"It is a currency monopoly—a corner in credit."** Gilmour Brown, amongst other things, told the Commission that the Bankers' Association was **a close corporation bound together by the cohesive power of plunder.**

Things have changed since then. Later on we had it on the authority of Labor Treasurers that the banking corporations were patriotic institutions deserving the undying thanks of the community. These glowing testimonials were got without influence, solicitation or reward.

RUSSELL FRENCH.

Ten years after the Commission of 1895 Russell French, general manager of the Bank of New South Wales, put forward in the "Insurance and banking Record" proposals for a Federal Bank of Issue (April, 1905).

This "Central" was to issue legal tender notes to other banks.

There was to be no deposited security. Without security the banks were to get notes equivalent to 40 per cent, of their capital

If a bank failed, the Government was to have first lien on the assets.

If a bank wanted notes in excess of 40 per cent., then, and then only, was security to be deposited.

These securities were to be such as the Commissioners might approve—bonds, bills, deeds, etc.

Not an ounce of gold was to be supplied by the banks to the issuing institution. Banks were to pay out notes—estimated profits 3½ per cent. Of these profits the banks were to allocate 2 per cent to meet expenses of the Federal bank of Issue.

For these privileges the banks would consent to the Federal Bank issuing to the Government a volume of notes equal to that drawn by the private corporations, but the Government was to provide a gold cover of 40 per cent.

Against the total mass of issues to banks and Government there was to be a gold base of 20 per cent. If the Government did not avail itself of the privilege to draw notes, then against the notes issued to the private banks there would be **not one ounce of gold.**

PRIVILEGED MONOPOLY.

Thus, with the bankers in Australia, as with those in America, England and elsewhere, gold is a non-essential, and legal tender notes of the nation are excellent and desirable, so long as issued under terms and conditions that treat the banking corporations as a privileged class. Even a National Bank of Issue is a favored institute of the corporations, provided it be made a fortress for the defence of the great monopolies.

Once again we see that the value of an institution is to be measured, not by its name, but by getting to see in whose interest it functions. State Aid to Capitalism is too often imposed upon us in the name of Labor and the Common Good.

The Australian Money Trust

"Control of banks, trust companies and insurances by a small group of Financiers means their ability to lend a large part of those funds to industries in which they are interested. They appropriate an ever-increasing proportion of the products of industry. They dominate the economic situation, and become more powerful than the nominal rulers." Louis Brandeir, "The People's Money."

THE ONE SHALL GIVE – THE OTHER LEND

Australia is a country in bondage, nor merely to the foreign bondholder, but to a small local group financially powerful, and every day becoming **richer and richer and more powerful.**

These men control the great industries. They are behind every pool, scheme, ring, compact and combine. They control the banking system of the continent, and all the depository agencies of the people.

They control the insurances and investments of the people.

They control the market upon which are bought and sold the securities in which a large part of savings banks' deposits are invested.

The savings banks are collecting agencies for the peculative "Money Power."

All liquid savings of the people flow in rivulets to the reservoirs of the private banks.

The States of Victoria, South Australia, and Tasmania constitute an economic unity. The economic centre is Melbourne.

The Metal Gang constitute the Economic Junta ruling these three States. Their names are:—W. L. Baillieu, H. C. Darling, Harvey Patterson, F. C. Hughes, James Harvey, M. C. E. Muecke, Ed, Miller, Frank Snow, Kelso King, R. G. Casey, W. M. Jamieson, Edward Fanning, J. L. Wharton, Bowes Kelly, H. H. Schlapp (of Knox, Schlapp and Co.), and D. E. McBryde.

These men control the lead, tin, silver and copper output of the mines at Broken Hill, Mount Lyell, Cobar, Cloncurry, Chillagoe, Moonta Wallaroo and Mount Morgan; control Tasmanian copper, Pioneer tin and all smelting and refinery works in connection with the metallic products of this continent.

These men, either directly or through their associates and business dependents control every bank that has its headquarters in Melbourne, and nine tenths of the Life, Fire, Loan and Trustee agencies of the three Southern states. They dominate, in conjunction with the Sydney section, every loan deposited in Australia, and every institution that operates a loan.

These men, through their interlocking system of directorates, are the Brewery Combine, Timber Combine, Dunlops, Amalgamated Zinc, Dalgety's, Goldsbrough Mort's, Emu Rails, Electrolytic Smelting, Elder Shenton, Elder's Metal and scores of others.

The control by this group over the banking, insurance and mercantile loan agencies of the Southern States is every day drawing nearer to unlimited and unrestricted monarchy.

This group, in conjunction with the Sydney section, constitute the financial backbone of every ring, trust, combine and price-raising monopoly on this continent. Their control of a long chain of banks, of currency, of the people's savings in every form, furnisher them with facilities to "finance" every industrial depredation, every market manipulation, every glittering confidence trick of which the multitude are victims.

They control savings, insurances, investments and industrial capital in the States of Victoria, South Australia and Tasmania to the extent of some ₤200,000,000.

They are the economic masters of those three States.

The States of New South Wales and Queensland constitute an economic unity.

The economic centre is Sydney.

Sugar and Gas Monopolists constitute the Economic Junta ruling those two States.

Their names are : James Burns, Robert Philp, Adam and James Forsyth, J. T. Walker, J. R. Fairfax of the Burns, Philp Combination; Levy, Cohen, Moses and Myles, of the Sydney Gaslight Monopoly; W. C. Watt, Knox, Kater, Mackellar, Binnie, Buckland, Cowley, Black and Onslow Thompson of the Sugar Squeeze.

These men control the 250 branches of the Bank of New South Wales, the 200 branches pf the Commercial Banking Company of Sydney, the A.B.C. Bank, the Bank of North Queensland, the A.M.P., and nine-tenths of the Life, Fire, Trustees and Loan Agencies that operate in the two States of New South Wales and Queensland.

These men, by their control of a long chain of banks, insurance and mercantile loan agencies, are masters of the whole economic life of the people. They control savings, insurances, investments and industrial capital of over ₤200,000,000 in those two States,

The Sugar and Gas Gang of the two Northern States, and the Metal gang in Melbourne, stand in the same relation to the democracy of Australia as Standard Oil, the Beef Trust and the Steel Trust stand to the people of America.

No nation can be really free where such a financial oligarchy controls the savings and investments of the people.

Yet it was to these mining magnates and market-riggers, to these, manipulators of banks and insurances, to these dear friends of Beer, Sondheimer and Aaron Hirsch, that a Government of Labor in 1915 went to for "advice."

It was to these men that the Labor Government of 1915 went for ideas on how to save the nation.

Salvation through the pawnshop.

And when you have mortgaged your soul, and assigned your offspring to bondage, you are asked to console yourself with the reflection that you have stimulated in the pawnbroker “the most lofty sentiments of patriotism.”

At £4/14/4 per cent.—patriotism.

Plus a remission of taxation equal to another ten shillings per cent., making £5/4/4 per cent.

That’s patriotism.—mit interest.

It was a Labor policy so “patriotic,” so “national,” that the “Argus” in its issue of July 16, 1915, gave it its sweetest blessing. It said:—

“The fact that the Federal Treasurer (Mr. Fisher) has conferred with the leading bankers, and others versed in financial operations, is a guarantee of sound finance.”

That’s “sound finance”—because it was born of the “advice” of the bitterest enemies of Labor and of everything for which the Labor movement stands.

Why not go to land monopolists for advice on a land policy? Why not go to the slum landlord for advice on housing?

Why not consult sweaters on sweating, pickpockets on honesty, prostitutes on purity—and establish codes of virtue, honesty and decent standards of life, according to their ideas and their “advice”.

THE MARKET RIGGERS.

Yet to men who traffic in money, as sweaters in sweat, and monopolists in monopoly, the Labor Government of 1915 went for advice on how to finance a continent; on their “advice” the Labor Party acted.

You could understand these things being done by a gang of Tories.

But, what the Labor Government did financially was exactly what W. L. Baillieu, Bowes Kelly, John Grice, Harvey Patterson, Ed. Miller, Jim Harvey and the rest would have done if they were in power.

They had no need to be in power. The Labor government of 1915 acted on their advice.

The Unseen Grip

“They are a financial absolutism. They levy direct taxes on the enterprise, Industry and production of the community. They control our reserves, our rate of Interest, our credit, and possess more absolute jurisdiction over our livelihood, our savings, our monetary future, than the Government.” Gilmour Brown, Victorian Banking Commission, 1895.

FINANCING A WAR.

When a Government—no matter where placed or how labeled—is permeated by capitalist conceptions of finance, the first thing it does is to call into its councils the representatives of the Stock Exchanges and the Banks. The second tiling it does is to act in the manner directed by those whose advice it seeks.

A political party is to be gauged not by its name, but by getting to know in whose interests it functions.

In Great Britain, when the war cloud burst, the administrators of the capitalist State hastily called into its councils the representatives of the great, banks and Stock Exchanges.

In Australia the Government did ditto.

The representatives of the Australian banks and the presidents of the Stock Exchanges of Sydney, Melbourne, and Adelaide were called together to draw up a financial policy for the people.

The bankers and brokers were constituted a behind-the-curtain government.

From that date, the financial conduct of the Commonwealth has been in accordance with the advice, directions and interests of the Stock Exchange presidents and bank controllers of Australia.

And for those services "the people of Australia," in the words of Andrew Fisher, "are under an undying debt of gratitude."—(London, March 2, 1916.)

The Labor Manifesto of 1910 had referred to private controlled banking as one of the frauds by which Capitalism bleeds the people.

Yet, in 1914, it was to these bleeders—not to Labor principles—that a Labor Government turned for light and guidance.

And the doped organisations made no protest.

The new Government—the real Government—the Government of Brokers and Bankers—laid down the law.

It acted in anticipation of a loss of public confidence, of a run on the banks, on the collapse of the banking system similar to Great Britain. It assumed the liability to borrow either abroad or at home. It did not foresee the almost immediate collapse of German sea power, but it did anticipate a difficulty in getting away our surplus produce. It assumed, as a consequence, "a serious outflow of gold," in addition to the internal drainage arising from a loss of public confidence.

Upon these anticipations and assumptions the Brokers and Bankers drew up the scheme.

SELF-PRESERVATION.

The scheme provided for the Banks, States and Commonwealth. It became an endorsed document, an agreement between the banks, the brokers and the Commonwealth.

It was as under:—

1st. The Banks.

Banks were to get a supply of notes to meet their own obligations, on the basis of three notes to one of gold. Where they had only one million of gold to meet calls they were to be provided with three millions of national guaranteed notes, legal tender settlement for all their debts and obligations.

The "Economist," commenting on the position in Australia, said (Oct. 10, 1914):—

"There is to be a sufficiency of paper money to advance to the private-banks such paper money as they may require. The banks welcome the scheme as one calculated to relieve any pressure on their resources. It makes it easier for the stronger banks, as it relieves them of the responsibility of coming to the support of their weaker brethren."

Thus the sustaining power of the banking corporations in Australia, as desired by their own representatives, was to be not gold, but the credit, the guarantee, of the Australian Nation through its Government.

Finally, all Commonwealth Notes held by the Banks were to be redeemed in gold at the end of the war. On the other hand, any indebtedness of the Banks to the Government was not to be paid until **twelve months after the war.** In this case no mention of gold payment.

For these concessions to the Banks, the Bankers and Brokers made gracious concessions to the States and Commonwealth.

2nd. Commonwealth to issue notes to States on the basis of four notes to one of deposited gold. As the States could only get gold from the Banks, one-fourth of such notes to go to Banks for gold deposited in the Treasury, and the other three-fourths as credit to the States.

3rd. Commonwealth to be permitted to issue legal tender notes to meet military expenditure. For expenditure in England, where Commonwealth Notes were not currency, Commonwealth to borrow on the London. The intimation that the Credit of the Nation stood behind the Banks that legal tender currency of the Nation would be, if necessary, issued in liquidation of the called-up obligations of the banking corporations, was sufficient for the public. There was no lack of confidence, no run, no collapse and the Commonwealth Notes, drawn by some of the Banks in accordance with the scheme, in anticipation of a run, were not needed.

THE RESERVE.

The notes issued by the Government for industrial wages and soldiers' pay filtered through the channels of trade to the reservoirs of the Banks. The cheques paid by the Government to contractors and suppliers went to the Banks, who presented for collection at the Commonwealth Bank, and drew more notes. Thus the **"legal tender reserves"** of the Banks began to grow.

THE RATIO.

In proportion as the stocks of legal tender currency accumulated in the bank vaults, so did the old-time necessity of maintaining a ratio of gold to liabilities diminish. Commonwealth Notes performed the function. They were legal tender. They met all obligations. They acted for the Banks as if they were "gold in reserve," and **upon this basis—upon the paper notes of the Nation—the Banks erected an additional superstructure of credit for loans and profiteering.**

Thus it came about that the original scheme—the scheme whereby the credit of the Government, and the Nation behind it, was pledged to uphold the credit of the private corporations—was no longer needed. The Bankers no longer feared runs and collapses. They no longer needed protection and preservation. The national instruments, **"the instruments by which credit could be sustained,"** had become their property—a vast accumulation in the vaults of the financiers. Henceforth they wanted interest-bearing loans floatable on the notes previously issued by the Government.

Thus, on the "advice" of the Bankers and Brokers, the "men whose services we should, never forget," the original scheme—the agreement between Bankers, Brokers and Government—was, bit by bit, nullified, modified, and varied, until nothing of the original remained.

THE RING.

Thus, under the Money Ring in Australia, as under Pierpont Morgan in America, and the Rothschilds in England, the currency no longer rested on gold, but on the guaranteed notes of the Nation. These were to the bankers as "gold in reserve." As such they were used. Upon these as a basis they piled their credits and financed loans to the people at ever-rising interest-

The Labor party Manifesto of September, 1914—the manifesto William M. Hughes claimed to-have drawn up, contained these words:—

"The Labor party, THROUGH ITS NOTE ISSUE, had created the very instruments by which credit could be sustained and the wheels of industry kept moving."

That being so, what need was there for the Commonwealth to borrow from, and pay interest to, institutions and persons whose credit was not only inferior to the Commonwealth, but whose credit was so sustained by the instruments which the Labor Party had created?

That question was put to Andrew Fisher in the National Parliament. It was not answered. It never has been answered.

The entire production and exchange of wealth is controlled by a few men who control the banks and money of this continent. They are the Metal Gang and Sugar Trust Gang rolled into one.

Their exclusive dominion over the trade and savings of the people is inimical to the national interests. It is the Black Hand on all the productive agencies of the land; its power should be broken.

State Aid to Robbery

"The issue of national currency, instead of being utilised for the benefit of the Nation, has been made an instrument of profit for the financial corporations, irrespective of the effect on the general national position." Edsall, in "The Coming Scrap of Paper."

TALKING OF BIG ADVANCES

"Tho' we're far too fat to fight.
We are 'out for blood', all right;
And when we think we've 'done out bit'
When you come to think of it

"We have 'charged' and we have won
And we're proud of what we've done;
Never mind a tinker's cuss
What the country thinks of us!"

The war largely increased the note issue in every country. Nevertheless, notes constitute only a fractional portion of the currency. Even before the war the governor of the Bank of England told the U.S. Monetary Commission:—

"Our currency, except for small change, is in the form of bank credits, transferable by means of cheques." Government notes, whether in England or other warring nationalities, are to the Banks "as good as gold." They constitute the "reserves" of the Banks, as if they were actual gold. The "Economist," of July 10, 1915 said:—"The greater part of this extra paper currency is held by the Banks as additional "liquid assets," and on the strength of these extra reserves they have extended their loans and discounts."

Notes issued by the Government—not gold—had become the basis of all War Loans.

The London "Economist" (October 10, 1914), said:—

"War Loans are facilitated by placing abundant supply of paper money at the disposal of the Banks."

THE ENDLESS CHAIN.

The Government in England, like the Government in Australia, came on the market for loans payable in instalments. The notes must be given to complete the circle. They go out to pay the soldiers, to feed families, to pay the Armament Trust for guns and ammunition. They out in wages, in payment of goods. They circulate through all the channels of trade back to the reservoir of the great Banks, ready for the next instalment or the next loan. Then out they go again—the same circle, an endless chain, the self-same notes performing an ever similar duty, piling up an ever enlarging debt, eternal tax for the people, eternal tribute to the cormorants.

In Australia, the expanding loans, cheque currency and profits of the private banks are not based upon or derived from their diminishing ratio of gold. **They are based upon and derived from the notes created, issued and guaranteed by the Australian Nation.** Upon these notes the vast superstructure of private banking credit in Australia mainly rests, and upon the basis of these notes the financial corporations can proceed to finance the Australian Government—at interest—for ever and for ever.

At the end of March, 1917, the notes issued from the Treasury totaled £47,303,000

This meant an increased issue since the war of £37,450,000.

Of this increase £23,000,000 consisted of notes of £1000 denomination.

These £1000 notes are not, and never were, in circulation. They are merely I.O.U.'s given by the Government to the private Bankers—to the Bankers as good as gold for all loan float operations.

In addition, the Banks hold notes of smaller denominations to the extent of £9,000,000—total holdings, £32,000,000.

As War Loans were raised in installments—not more than 30 per cent, at one time—the Banks had sufficient Government notes to finance every loan.

Whatever notes went out came back through the channels of trade ready for the next installment.

When the Banks finance loan alter loan, until the war is at an end, the banks will still hold the notes, and these notes can only be redeemed by an issue to the Banks of interest-bearing bonds.

By this subterranean method the Commonwealth notes were made the incubators of national impoverishment. With every "loan" float they went out buccaneering, and came back to the harborage of the Banks, towing in their rear another pile of interest gouged from the vitals of industry. These piratical voyages were repeated again and again.

And for this financial fakery, and because it is the accepted fakery of our time and country, and because we had not the courage to break with it, the Nation is looted of millions.

At the end of two years of war (June, 1916), the Banks, after paying £4,000,000 in dividends, and placing large amounts to various reserves, held in addition increased undivided assets to the extent of **over fourteen millions.**

Surplus of Assets over Liabilities, June, 1916.. .. .. £19,330,000

Surplus of Assets over Liabilities, June, 1914.. .. .. ..£5,071,000

Increase.. .. ..£14,259,000

And, if you ask why one section should give its life, another be perpetually taxed, and another not only free of tax, but draw perpetual bloody interest from the toil of the survivors, you are told you do not understand, that you are a crank, an erratic, a "luny," that the loan loot is "popular"—"democratic"—subscribed to by all classes—old maids, widows, etc., etc.

These be brought in to give an air of generosity to robbery. Everybody can come along, but the few big vultures will tear off more in one bite than a million flies.

And we went to vultures for advice. Good business—for the vultures.

The financial editor of the "Herald" (August 9, 1915), worked out the value of the War Loan to big investors as worth £5/10/- per cent. He worked out the bonus (given to bondholders in excess of interest) as equal to an annuity of 4/2 per cent.—the exemption from State Income Tax at 4/-

in the £ on £2000 as worth 4/6 per cent., and exemption from the Federal Income Tax at 2/6 in the £ as equal to a gift of 11/3 per cent.

Note the process of a loan. **It must be popular. Everyone must subscribe.** Many have credits in the Bank. The credits are not in gold, nor in notes. They are figures in a book. There is a patriotic response. Cheques are sent in. Credits are transferred from the names of many to the name of one—the Government. **Should the Government demand redemption, it will get its own notes.**

If people have not a credit balance for bond-buying purposes, the Banks will provide them with one—on security.

Suicide.

If people have credits loaned to the Banks on "fixed deposit" for one year, or two, at 3 or 3½ per cent., reloaned by the Banks at 5 or 6 per cent., the Banks will permit the fixed depositor to draw **cheques against credits which the Banks have already loaned.**

Every facility must be given to enable every good patriot to come in and "Win the War" with his savings.

Later on the Stock-jobbing Section will knock the bottom out of these securities. They will buy at £50 what is now sold at £100. By this process they will transform 4½ per cent, into 9 per cent., and when the market is pumped up they will sell at £100 what they bought at £50. The financiers fake the market, and scoop the cream of the people's thrift.

They float higher and higher on "the instruments the Government has created."

And the Nation sinks deeper and deeper into the mire of debt.

So trammelled, so shackled—with this burden of usury on all its production—does Australia face the future.

A Nation's Credit

"Capitalism has adopted a paper currency in the form of cheques, and these to-day are redeemable, not in gold, but in the paper notes of the Nation." Edsall, in "The Coming- Scrap of Paper."

The Labor party elected in 1914 had got as far as it was prepared to go.

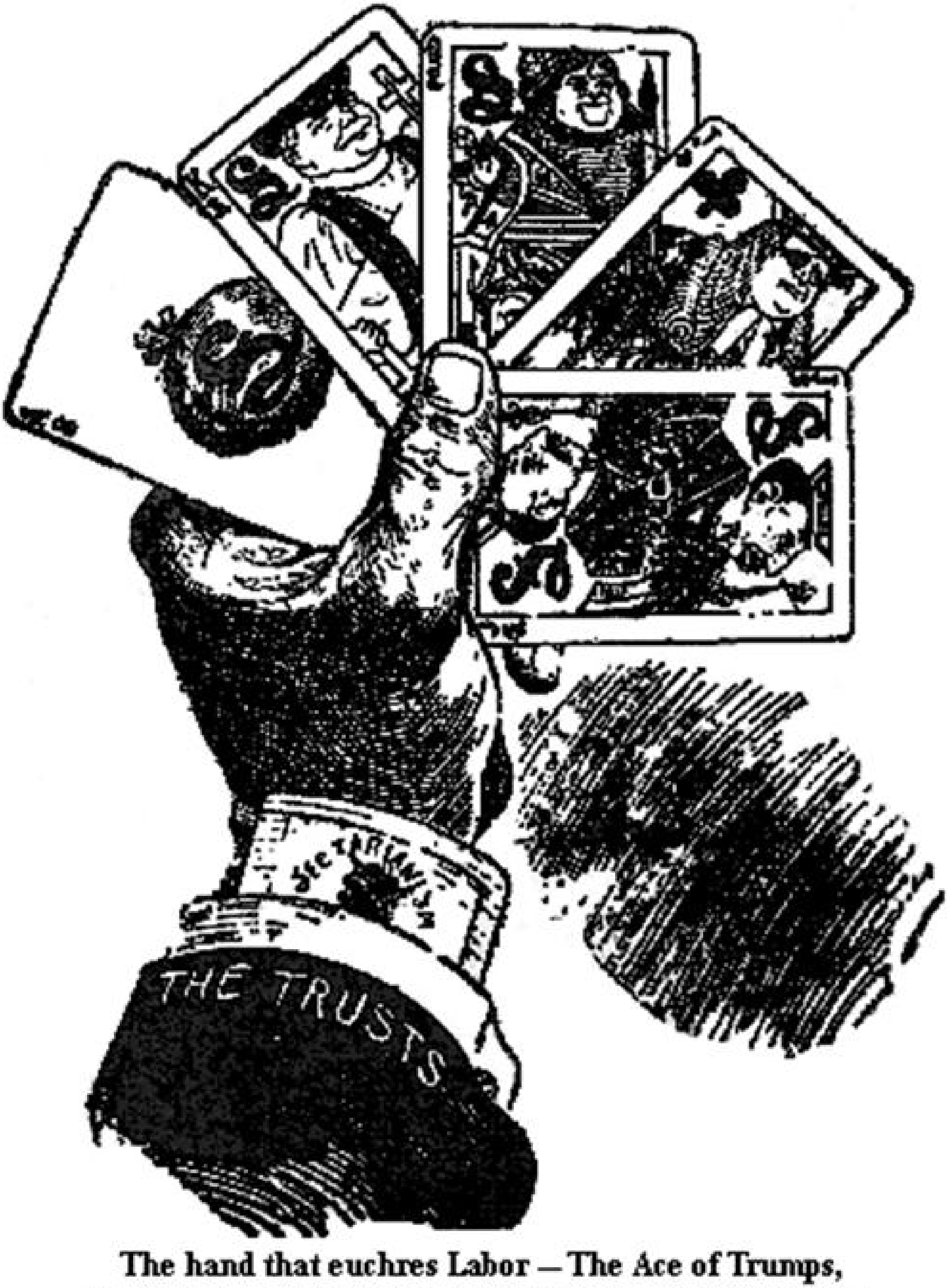
The political leaders, steeped in Imperialism and softened by nose-rubbing with gentry of social and financial distinction, had become Liberals in action.

They were not prepared to put into operation even those items of the-Labor programme that came within the scope of the Constitution.

And the political chiefs, substituting their own inclinations for the principles of the Labor movement, followed the lines mapped out by every reactionary Government in the world at war.

When the War Loan of 1913 was under discussion in the House of Representatives it was proposed as an alternative to the scheme of perpetual annual robbery:—

"QUIDS" ARE TRUMPS



The hand that euchres Labor — The Ace of Trumps, the Church, the Press, the Law Courts, and the Politcal Knave (to say nothing of the superfluous card)

This gave the Commonwealth Bank security for currency issued. **Blood money, in the shape of interest, would be avoided.**

Australian industries and Australian workmen would be saved from the annual indemnity to Shylock.

All that would remain would be the net cost of the war.

This cost could be spread over 30 or 40 years by annual repayments to the Bank in gradual redemption.

The currency would be a cheque currency, and the further issue of notes would be unnecessary.

Note issues would not exceed the needs of circulation; the balance would be Bank credits.

Bonds in the Commonwealth Bank would enable the Governor to deal with existing Commonwealth notes in the most effective and economical manner.

BONDS AND NOTES.

When "money" was "plentiful" and seeking investment, bonds could be sold at the higher price. When money was "short" and security-holders anxious to realise, bonds could be bought at the lower price.

The Bonds would only carry interest during the period and to the extent that they were held by the public, and even that cost would be minimised, if not obliterated, by the profits made at the buying and selling ends.

Thus, not only would there be a financial advantage to the Bank and to the Nation, but the public convenience would be served, the market steadied, and note depreciation made impossible.

Thus, the Commonwealth Bank would be what a great national Bank should be—the supreme Bank—the Bank to which all others are subordinate—the regulator and controller of currency—the agent of national benefit and not of private gain.

Only three men voted for this proposition. The other Representatives stood solid for the measure that meant a never-ending annual indemnity to the bondholders, a never-ending tax upon industry, a never-ending pressing down of the means of life for the men who toil.

Labor and Liberal were welded together in the holy bonds of political and financial matrimony.

Both factions were dominated by the Capitalist conception of Finance. It was akin to two parties, apparently opposed, having identical ideas on the blessing of land monopoly.

MASSEY GREENE.

The man who put up a solid argument against the proposition was Massey Greene, from Richmond (N.S.W.).

He admitted, in reply to a query from J. H. Catts, that **the proposition was sound if there** was **one great nationally** constituted **banking** system.

But he went on to say that we were faced with existing facts, and he alleged that, under the conditions with which we were confronted, the emission from the Commonwealth Bank of a **cheque currency,** based on Commonwealth Bonds, would be unworkable and end in disaster.

He said: "The bonds will be deposited, the credit will be given, the Government will draw cheques on the Commonwealth Bank, the persons to whom they will be given will deposit them to their credit in private banks, the private banks (through the clearing house) will present the cheques, the Commonwealth Bank will be unable to pay, it will go insolvent, and the end will be disaster."

The answer is:—

All that the Commonwealth Government, needed to do was to place the Private banks in the same relationship to the Commonwealth Bank as are the private banks in England to the Bank of England.

THE WILL AND THE WAY.

The relationship is set forth in the reports of the U.S.A. Monetary Commission. It is stated in the words of Sir Walter Cunliffe, Governor of the Bank of England, in his evidence before the Commission, It is as follows:–

"Private banks holding drafts on the Bank of England must present such drafts direct to the Bank of England to be **paid to the credit of their account in the Bank of England."**

IT'S MARVELLOUS WHAT WE CAN DO WHEN WE PULL TOGETHER

Every private bank in England is compelled to accept whatever is owing to it by the Bank of England "in the shape of a deposit receipt on the debtor institution.

Every private bank can settle its adverse balance with other banks by a transfer of its credit in the Bank of England, but in the Bank of England the credit remains.

The liability of the Bank of England to other banks is diminished by its holdings of cheques and drafts on other Banks. But the Bank of England can draw off gold and Bank of England notes from other Banks by presenting such cheques and drafts for payment. Thus gold hoarding by other Banks can be made impossible, the supremacy of the Bank of England over other Banks is rendered absolute, and the power of private Banks to cripple, trammel, or make insolvent the Bank of the Nation is made impossible.

In England this practice has been evolved, and is applied by Bankers for Bankers, for their mutual protection, to prevent one private Bank getting to the Central Bank to the detriment and undoing of other Banks.

That which capitalist-controlled Banks can do for mutual protection, a Bank of the Nation can do for national advantage.

In every country the Central Bank, no matter by whom owned, exists as an essential part of the capitalist structure. It is the agency by which State aid and national credit is secured for private institutions whenever required.

In Australia, the Commonwealth Bank is a mere addition to the private banking system. It should be made the great Central Bank. All others, so long as they exist, should be subsidiary to it. It should be the Bank of the Nation in fact as in name. It should be a financial fortress for national advantage. In this direction the National Parliament has unlimited powers.

For sixty years the American Treasury issued currency to capitalists Banks upon the security of deposited Bonds.

The original Enabling Act (February, 1863) used these words:—

Act to provide a national currency, secured by a pledge of United States stocks and bonds.

The U.S. notes on bonds were issued for the benefit of the Banks. In Australia we could have done it for the benefit of the nation.

The German Reichsbank has for years advanced currency on Government bonds and private securities. In France it is the accepted that a Bank is merely the holder of securities pledged for the return circulating medium.

In France deposited securities arc the basis upon which notes are issued by the National Bank. If notes are not wanted cheques are drawn and credits transferred.

THE U.S.M.C.

The United States Monetary Commission of 1910, reporting to the American Government the result of its investigations, said upon this point: —

"Bank notes on the continent of Europe are issued mainly against discounted bills. Notes so issued mean elasticity based on the changing demands of commerce and trade."

The essence of a sound currency is that every note issued shall be based upon deposited securities, upon bills that represent products, deeds that represent property, and bonds that represent the taxable wealth of the community.

Under the existing system the owners of capital—of the loom, the mill, the plough, of the instruments of production in all their variety, and of wealth in all its forms have to pay interest to private traffickers for a currency that represents nothing beyond the deposited security.

MONEY TRUST GOSPEL.

The Bankers of the world no longer believe that a national currency, sound and solvent, need be convertible into gold, or that it can be so converted. They only want the public to believe it. They only want Governments to trade in their interest on the general superstition. They know full well that a currency convertible into all the commodities that gold will buy is good currency and sound money.

The Bankers know that an adequate currency backed by gold alone is impossible. They know that the solid assets of the nation constitute an adequate backing for any medium of exchange largely in excess of any that could be required for national or private commercial purposes.

"Capitalism has adopted a paper currency in the form of cheques, and these to-day are redeemable, not in gold, but in the paper notes of the nation."

This system should be administered for national advantage, not private gain.

When the nation controls the monetary system it controls every industrial monopoly in the land.

The Capitalist Arsenal

"The structure of modern capitalism throws an ever-increasing power into the hands of men who operate the monetary machine." John A. Hobson, "Evolution of Capitalism."

"The principles which it is necessary for the Nation to courageously apply are used every day by the capitalist bankers for private gain." Oswald Stoll, "The People's Credit."

In all the principal countries the great financiers have instituted central depositories for gold. In many countries the "Central" is named after the country of its location—Bank of France, Bank of England, etc. In some cases the "Central" is a private corporation controlled by the directors of allied interests, or it is a private corporation controlled by the Government, or it is both owned and controlled by the Government. But, no matter how owned or controlled, in every country, the "Central" exists as a buttress to the private banking system. Behind the system, behind the "Central," stands the capitalist dominated State, ever ready at the word of command to furnish State aid, pledge the "credit of the nation," and issue additional currency manipulated by the capitalist controllers of the system.

Gold has disappeared as an internal currency. It is no longer money. It is a stored product—stored for international traffic.

Baron Brencard told the American Monetary Commission that the Bank of France is the Bank of Gold Reserve for all companies and corporations throughout the Republic, and "the" gold of France is mobilised, ever ready for international economic service."

Lord Swaytheling told the Commission that the difference between the Bank of France and the Bank of England was that the former could pay out silver instead of gold, could refuse gold for export, or export heavily, and extend the note, issue for internal purposes, and by these means **directly control international financial and economic relations.**

GERMANY.

The Germans had a Monetary Commission in 1908. Von Wangenheim, President of the Bund der Landwirte, said :—

"Geheimrat Reisser declares that he is as much opposed to the individualist system as he is to the system of State Socialism. Very well! Between those two systems there is the possibility of public ownership in the means of exchange with maintenance of the private ownership of the means of production."

The German Imperial Act of June, 1909, brought the Reichsbank, the "Central" Bank of Germany into line with those of France and Belgium.

The Commission reported that as a consequence of the powers conferred upon the Reichsbank, all gold flows to the Reichsbank, and added :—

"It holds the gold reserves, out of which at all times foreign obligations can be settled."

Since 1909 great changes have taken place in the policy, powers, and prerogatives of the Reichsbank—the "Central" Bank of Germany. The desire to supplant Britain in the markets of the world led to the adoption of methods that in other countries would be designated "revolutionary." The Reichsbank acts as "Central" for existing private Bankers, but private Banks are prohibited from establishing new branches. The Reichsbank has 500 branches, and in many provinces is the only giver of credit in important spheres of economic life—retail trade and agriculture. The Reichsbank advances currency notes on houses and other forms of immovable property. Where the credit is desired for extension, the charge is nominal—no more than sufficient to cover bank expenses. The Reichsbank advances currency to the Government on a deposit of bonds.

The Reichsbank issues currency for bills on London and elsewhere. This makes it the almost exclusive holder of credit in foreign States, and gives it a dominant power over the character and quantity of its imports.

JAPAN.

The National Bank of Japan is established on similar lines. It is the Japanese Gold Store. Gold does not go into circulation. Against general exports the Bank issues Bank credits. It buys foreign bills and takes the power of collection in foreign capitals. The "Age" of July 25, 1916, reported:—

Japan's gold hoard continues to increase. The latest total is £56,000,000. Of that sum, only £17,000,000 is kept in Japan. About £27,000,000 is deposited with Bankers in London, and £10,000,000 in New York,

Thus Japan places its gold reserves" wherever they will be of the greatest economic service. By these means it builds up credits in the countries of its principal operations. By these means it enables the importer of the raw material of Japanese industries to purchase on the favorable terms that such credits permit, and on the other hand it refuses credit in foreign countries, or grants it only on terms that amount to prohibition, to all importers who would import into Japan products and manufactures regarded as inimical to the internal economic development of that country.

This is a proof of how an internal paper currency permits gold to be put to its best economic use. It is made an instrument of credit in the buying market, instead of rust in local storage. It is a service that should be a profit to the nation that has made it possible—not an advantage for purely predatory interests.

Thus we see how Financial Capitalism dominates all the industrial operations of the nation. The Japanese method is the German method, and is now under recent developments the Yankee method.

It was because of this industrial mastery by Financial Magnates that Wagenheim told the German Monetary Commission that the public ownership of the instruments of exchange was a national need and that: —

The banking system should not be treated from the standpoint of private economics. It is growing further and further out of the sphere of legal regulations. A Bank to-day is not merely a business—it is a public office.

Marquis Katsura (Finance Minister for Japan) told the American Monetary Commission:—

Without a National (a "Central") Bank authorised to emit currency, to control the gold resources and collect foreign bills, national finance and the economic system cannot be consistently developed.

But when the Financiers and their political agents speak of a National Bank, the most they mean is a great "Central" to function in the exclusive interests of the Financiers. When they speak of an "economic system consistently developed" they mean the development of a system in which the financial magnates are the Unseen Caesars and Czars.

AMERICA.

The American Money Trust in 1913 engrafted the latest developments in finance on to their own system. They have their twelve regional "Centrals." The New York "Central" is the principal "Central," and within its grasp is mobilised the gold supplies of the United States—mobilised for the international economic conflict.

The object of gold mobilisation by the financial capitalists of America is identical with that of Germany and Japan—to secure immediate favorable credits in any country desired

The American Monetary Commission justified this policy on the following grounds:—

The chief medium of exchange in civilised countries is the cheque.

For counter change and wages either gold or notes must go into circulation.

Gold in circulation renders effective mobilisation impossible.

Gold mobilisation is imperative if America is to hold her own in the international trade struggle.

Therefore gold must come out of circulation and be replaced by a note currency.

Thus in America, as in Japan, Germany and France, gold has been withdrawn from internal circulation, not as a war measure, but as an essential economic process.

In all those countries gold passes to the "Central," and against it nothing is issued except a credit in the books of the "Central."

To the extent of that credit, the "Central" settles the foreign obligations of the individual Bank, or its obligations to other Banks.

In not one of those countries does the "Central" issue notes against a deposit of gold.

If the individual Bank desires note currency it deposits bonds, deeds, commercial bills or other acceptable securities.

In October, 1915, Alexander Noyes, writing in the "Yale Review" on "The Economic Aftermath," said:

"Equipped as American finance now is with an elastic and a scientific currency New York will hold the financial prestige, which it has gained, and London lost, in the period of war."

Australia is making no preparation for the "economic aftermath." It could if it would, have a banking system, an elastic and a scientific currency owned and controlled by the Nation, for the salvation of the Nation.

National Currency

"The evolution of the means of exchange which we are witnessing is leading us to a system of mere clearing of balances." U.S. Monetary Commission, Document 494.

"A national currency—a currency controlled by the Nation, and not by private corporations—is the most powerful agent a civilised country can possess; both for the stability of its internal affairs


TROOPS IN GOOD FORM

and for the equitable and guarded conduct of its international trade."

Edsall, in "The Coming; Scrap of Paper."

On March 16, 1916, Mr. Dennison Miller, Governor of the Commonwealth Bank, stated in the New Zealand "Evening Post" that—

"Banking has its own language, not understood by the people, and not intended to be understood by them."

Mr. Frank Hirst, editor of the "Economist," told the American Monetary Commission (document 579) that the Bankers not only mystified the public, but obfuscated themselves with obsolete terms.

Sir Edward Holden, of the London and Midland Banking Company—one of the men selected by the British Government in 1915 to negotiate the 500 million dollars loan in New York—lectured before the Bankers' Institute of Liverpool (December 18, 1907). He said:—

Banking is little more than a matter of bookkeeping—the transfer of credit from one person to the other.

Securities create credits on the books.

Currency is credit in circulation. Currency is money. Money consists mainly of cheques. Notes are only a fraction of the currency.

Money is redeemed every time it is exchanged for commodities or services. It is finally redeemed when it returns to the issuer in payment of services.

These admissions were made, and these facts made public in order to buttress the end in view. Sir Edward Holden stood for the private cheque currency of the private Banks, backed, sustained, and redeemed by legal tender notes of the Nation issued to the Banks for securities deposited. Sir Edward Holden argued, as Pierpont Morgan has argued in America, that legal lender notes **issued to the Banks** on the basis of securities, is sound money. It is. And **a national currency-issued from a National Bank upon deposited securities for national purposes, or the development of the national resources, is not only equally sound, but is an imperative national necessity.**

In 1913 Sir Edward Holden urged the appointment of a Royal Commission to devise means whereby the Bank of England may be empowered to issue to subsidiary banks legal tender paper money guaranteed by a deposit of securities."

On February 7, 1914, in a circular letter to the London press, Sir Edward Holden urged that:—

"the backing of such an issue should be bills of exchange, such as are dealt in by bankers every day."

When the war broke out (August, 1914), all pretence of a gold basis disappeared, and the scheme described in previous chapters was put into operation. In principle it was identical with that outlined by Sir Edward Holden.

THE GOLD FAKE.

Sir Robert Giffen, the author of "Financial Essays," said:—

"As long as the attention is rivetted on, not the real currency paper, but upon its assumed basis—gold—**correct conclusions upon currency questions are impossible."**

The writer on "Currency" in the "Encyclopedia Britannica," said: —

"The idea of the intrinsic value of money is discarded by all persons conversant with the working of the modern mechanism of exchange."

Professor Atkinson is reported in the "Sydney Morning Herald" (Aug. n, 1914), as saying: —

"It is a fallacy as common as it is vicious to assume that the world's credit is based upon gold." The London "Economist" (May *22,* 1915) said:—

"Cash at Call" is a fallacy, and the outbreak of war proved it." In short, the investment of gold, with an economic halo, is one of the tricks by which Financial Capitalism deludes and exploits the people.

THEORY v. PRACTICE.

Sir Felix Schuster, president of the Smith s and Union bank of London said:–

"The theory of banking is one thing – the practice is quite another. Banking has evolved far beyond the theory on which it is supposed to be conducted."

And in a speech, reported in the "Banking Record" (September 21, 1914), he said:–

"The currency of a country is supplied by cheques instead of, as the Bank Act intended, by Bank of England notes."

The financial writer, McLeod, says:—

"Cheques are currency in the same way as notes."

Hartley Withers, in his book on "War and Lombard Street, said:–

"Modern currency is the 'cheque' which can be multiplied to an extent which is only limited by the security which customers may be able to provide."

Frederick Temple, in "Interest, Gold and Banking," says:—

"The growth of the cheque system has had the effect of transforming the character of banking."

Oswald Stoll, in "The People's Credit," says:—

"Modern currency takes the form of cheques, with Government notes for wages and small change."

The £1 Note is the unit of general circulation.

A paper currency is to-day an economic necessity. It exists. We cannot do without it. It is issued by private Banks. Its convertibility into gold is a fiction. Yet upon that fiction the Banks trade, charge interest, and declare their annual dividends. Modern money is not capital, not property. It is a convenient circulating representative of wealth in all its forms. When the manufacturer, the owner of capital, goes to the Bank for money, he mortgages his capital, and pays interest for a circulating representation of his own properly.

SECURITY AND CREDIT.

The "Round Table," in its article on "Lombard Street in War," says:—

"The amount of securities deposited in British Banks are worth over £1,000,000,000. Against these securities cheques are drawn. Behind these cheques there is not one ounce of gold—**the only security is the security deposited by the drawer of the cheque."**

In Australia the amount of securities deposited in the Banks is worth £140,000,000. Against these securities cheques are drawn. In addition to floating mortgages upon the gold in their possession, the Bankers have issued—at interest—rights to draw cheques upon the Banks to the extent of over £100,000,000 Behind these cheques there is not one ounce of gold—the only security is the security deposited by the drawer of the cheque

"LOANS" are given by means of credits.

Credits are given in the books of the Banks to those who deposit.

Cheques are the paper instrumentalities by which credits are transferred and wealth monetised. Every transaction is a transfer of claim on deposited security.

Notes are cheques of fixed denomination guaranteed by Government, used for wages and counter purposes.

That's Modern Banking.

Modern Credit is based on the assets, fixed and liquid, of the whole nation.

Value of total assets in Australia is over £1,000,000,000.

The Commonwealth Bank can, and should, issue currency upon the securities of private citizens and upon the bonds and securities that, represent the taxing power of the Nation over all the wealth of the Australian continent.

THE MONOPOLY.

The Private Banking Monopoly is the greatest monopoly on this continent. It is the fortress and buttress and financial arsenal of every industrial and commercial ring, trust, combine and price-raising conspiracy on this continent.

It should not be permitted to exist.

It possesses the power to give or withhold credit. It can withhold or withdraw credit from men whose securities are beyond question. It exercises autocratic control over the products and properties of the people of a continent. It is the "Unseen Power." It should be dethroned. Its powers, prerogatives and perquisites should be the exclusive privilege of the organised Nation, acting through the agency of its own instrumentality—the Bank of the Nation.

The Red Feast

Aye, fight,

And spill your steaming entrails on the field;

Serve well in death the men you served in life,

So that to them the war a profit yield.

In peace.. to your toil,

In war.. to the teeth of death.

So will they smite your blind eyes till you see,

And lash your naked backs until you know

That wasted blood can never make you free

From utter thraldom to the common foe.

Then you will find

That workers' interests, world-wide, are the same,

And ONE the ENEMY they must resist:

National Redemption

"The battles of the nations (sometimes followed by the battles of the national armies) are to-day fought on the financial field of the great credit banks. Such vital processes, which may be decisive of the existence or non-existence of the State, and of the distinctive

"You've done very well. What is left of you can go back to work."

civilisation of its people, ought not to be committed to the dividend interest of private banks." Von Wangenheim, German Monetary Commission, 1908.

"A National Bank, supreme over, and ultimately absorbing, all private institutions, represents the most powerful bulwark for our credit, the security of our people, and the resources of our country." M. R. Comtesse, Swiss Minister for Finance.

"A National Bank, if it is to be a truly 'national' institution, must control credit or fail in its duty."

Document 494, U.S. Monetary Commission.

FRANCE AFTER SEDAN.

The Franco-Prussian War of 1870-71 was short and sharp. But it laid waste a large part of French territory and crippled her industries. Apart from ordinary war costs and diminished revenues, France was loaded with a £200,000,000 indemnity to the German conqueror. Defeated and disgusted, France swept out the Third Napoleon and established the Third Republic. On a higher plane she re-enacted the financial and economic principles of the Revolution of '89.

From the Bank of France there was issued a paper currency, during first year after the war, of £65,000,000—the next year another £65,000,000. Money was lent to the peasants to rebuild their homes, retill the soil, restock their farms—to manufacturers to rebuild and restart the destroyed factories—to returned soldiers to start new enterprises or re-establish the old. The disbanded army of destruction became an army of production, poured forth from field and factory and mine-prosperity returned.

Against the exportable surplus products of her people, France issued an internal currency, and took the right of collection in foreign States. Direct export to Germany totalled £47,000,000. The Bank of France collected and paid off the indemnity to that extent. Exports; to England £27,000,000, invested in bills in Germany (or short-dated German loans raised in London), remitted to Germany, had been paid to the last penny. The balance was £26,000,000 of French gold shipped across the border, replaced by paper currency for internal use.

By September, 1873, the indemnity to Germany had been paid to the last penny. By that means the annual interest of many millions was saved, and the debt was transformed from a foreign to a local one. Thereafter that which otherwise would have gone abroad in interest was used in redemption of obligations to her own people.

AUSTRALIA.

The basic policy of a reconstructed Australia must he the transformation of all interest-bearing obligations into non-interest-bearing obligations.

Only by the removal of this annual suckage of interest from its industries can Australia hope to ultimately, recover from its existing condition of financial serfage.

The Commonwealth Bank must be made the Supreme Bank, the Great Central, to which all Private Banks, while permitted to exist, shall remain subordinate. This Supreme Bank must be the only operator in foreign bills. International financial operations must be exclusively in its hands.

Against general exports this Bank, made in reality a "Bank of the Nation," must issue internal credits, drawable and transferable in cheques or notes.

It must lake the exclusive power of collection in foreign States, and build up an Australian National Credit in the capitals of its principal operations.

Thus it will be in the position to dominate the character and quantity of its imports, and occupy the most favored position in dealing with the financial obligations of State and Nation.

BANK OF ISSUE.

The Commonwealth Bank, if it is to properly perform its national and economic functions must be a "Bank of Issue." "Issue" will consist of book credits transferable by cheque, or drawable in "notes." **"A Bank is the holder of security pledged for the return of a credit medium," drawn and used.**

The Government, like the individual, must deposit securities for credit furnished and currency supplied.

Bills that represent products, deeds that represent property, bonds that represent the taxable wealth of a country, constitute a sound base for a sound currency.

The bank of a Nation must advance a currency to Nation, States, and subordinate Governments upon deposited bonds—to the commercial community on its trading bills, and to the industrials on homes, farms and factories.

The consolidation of debts and the securement of one Australian operator on the English market should be deemed imperative.

To that end the Commonwealth should refuse to renew the subsidy to the States, except upon conditions.

It should condition that the States be financed from or through the Commonwealth Bank, that the States withdraw as borrowers from oversea markets, so that the sole negotiator with England be Australia as a Nation.

A "Bank of Issue" is the sixth declaration of the Labor party's programme.

The Labor Government under Fisher declared in the Bank Act (8th clause) that the Bank **should not** be a Bank of Issue.

Thus the programme was flouted, and the utility of the Bank diminished.

BANK OF RESERVE.

The Labor Platform declares that the Commonwealth Bank shall be the "Bank of Reserve"—the storeroom of the Nation's gold.

The traffic in gold and the exportation of gold should not be left in private hands—the days of private traffickers should end.

There should be an immediate abandonment of free trade in gold.

The mobilisation of gold for international purposes is an economic necessity.

Mobilisation should be the exclusive privilege of the Commonwealth Bank. It should be the only buyer, the only exporter.

Mobilised for action, the gold stocks of Australia would be placed wherever they were of greatest economic service.

That which the financial magnates of America, Japan and other countries have established for their own protection, should be established in Australia for the service of industry and the progress of the Nation.

The Commonwealth Bank would operate State and National securities at home and abroad, and become the most important factor in the settlement of international balances.

The Commonwealth Bank would become the Financial Arsenal of the Nation. It would be the agency whereby all foreign interest-bearing obligations would be transferred into internal non-interest-bearing obligations, interest abroad would become redemption of principle within Australia, exhaustive expenditure abroad would become reproductive expenditure within our own borders.

"Only on those lines can National Finance and the economic system be consistently developed."

Trophies of civilisation

National Instrumentalities

No party can long be credited with sincerity if it condemns the trusts with words only, and then permits the trusts to employ the telephonic, telegraphic and postal instrumentalities of the nation in the carrying out of their nefarious plans. W. J. Bryan, April 30, 1906.

There is ample power within the Commonwealth Constitution to deprive monopolies and combines of their power to exploit.

There is ample power to make them serve the Common Good.

There should be a Commonwealth Licence Law.

Every company and combine engaged in inter-State trade should be required to take out a Commonwealth licence.

The right to carry on inter-State or oversea trade should be conditioned by compliance with the terms of the licence.

The licence should carry the right, of public fixation of prices, public inspection of accounts, prohibition of valued stocks, of hidden reserves, of excessive profits, or discrimination between purchasers.

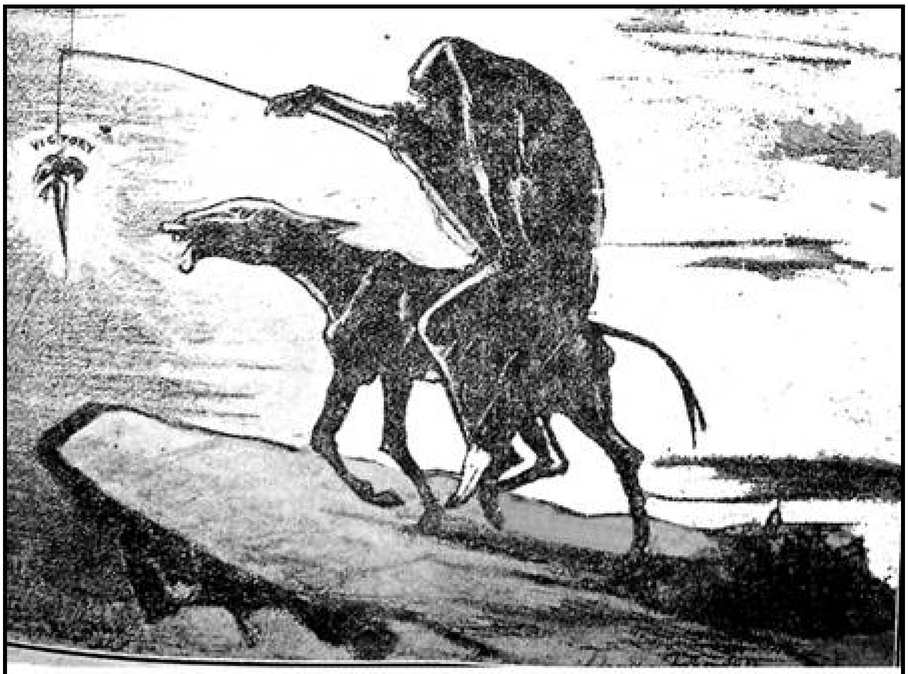
The law under which the licence is issued should prohibit the use of any Commonwealth instrumentality—telegraphic, telephonic or postal—by any company or combine engaged in inter-State traffic attempting to trade without a licence or in contravention of the terms of the said licence.

The Commonwealth exercises this power against lotteries and against proscribed persons or firms alleged to be engaged in selling or trading in material or information alleged to be inimical to the moral or physical well-being of the citizens of the Commonwealth.

What the Commonwealth cannot do by direct legislation it does by the use of its instrumentalities.

The Commonwealth not only exercises this power against lotteries and gamblers, and traders in noxious matter, but it extends the refusal of services to all persons and firms declared to be acting as agents, or aiders and abettors to the firms or persons alleged to be acting in a manner detrimental to the public interests. The Commonwealth refuses to pass through its Customs the products of any firm upon which it lays its ban. It can interdict all goods Government, or its appointed authority, declares to be manufactured, transmitted or sold under conditions injurious to the public. The Nation exercises its right to grant the use of its services to those who comply with its conditions.

The Commonwealth can exercise its powers and use its instrumentalities as much against monopolies and combines as it can against lotteries and traffickers in noxious matter.



The Great Illusion: Europe 1917.

Moreover, all private banks are directly subject to Commonwealth law, to its dictates and its penalties. The Commonwealth has unlimited power to penalise any bank that, after notice, grants banking facilities to any monopoly or combine declared to be acting without a licence or in contravention of its licence.

With a complete nationalised banking system the public control of the industries and transport monopolies would be absolute without the use of other instrumentalities. Without banking facilities their predatory practices would come to an abrupt end.. By the use of the licence system and its control over banking, the

Commonwealth can compel every monopoly and combine to seek the law, secure its licence, and conform to its directions.

FROM

MANIFESTO

Issued by

Russian Council of Workmen and Soldiers to the Workers of all countries

(May, 1917:

The Imperialists of all countries are everywhere victorious. The war has given them, and is giving them, fantastic profits, is gathering in their hands enormous capitals, and is endowing them with unheard-of power over labour and over the very lives of the workmen. For this **reason** the workers of all countries are defeated and are making on the altar of Imperialism numberless sacrifices in life, health, well-being and liberty.

PART II

Historic Note Currencies

“The days are long past when notes were anything more then the fractional part of the paper currency of a state.” **Paul Warburg, Monetary Commission, USA.**

The evolution in the mechanism of exchange is as great as the evolution in the methods of aerial flight and submarine navigation.

There was a time when notes were the only proper currency, but the banks have evolved a currency of their own in the shape of cheques.

At the period of the most of the much quoted note currencies, cheques were unknown. They did not come into much use in the United States until after the civil war.

Notes are more used on the continent of Europe than in England, simply because they are more popular.

The Governor of the Bank of England told the Monetary Commission that the reason so few notes were used in England as compared with the continental countries was because cheques were more widely used.

Notes in the past were the entire paper currency.

To-day they are only a fractional part of the currency.

If all arguments against past note issues were sound and correct, they would have no application to present day conditions. Civilisation is the reflex of the triumph of progress over past errors.

PRE-REVOLUTIONARY CURRENCY

Amongst the quoted examples of currency failure is the case of the early colonists of America. Those people led a very primitive existence. They had to struggle against warlike tribes. Banking methods were crude. They were crude everywhere. Gold was scarce. A medium of circulation had to be secured. The system varied in different colonies. In some colonies there was failure – in others, unqualified success.

The colonies of New York, New Jersey and Pennsylvania were on a paper currency. Their credit stood undiminished. Pennsylvania currency was based on deeds, bills and warehouse receipts. It enjoyed the highest degree of prosperity on a paper currency.

In 1773 the British Government prohibited a paper currency in the colonies. This suppression was one of the causes of the revolution that broke out in 1775.

CURRENCY OF THE AMERICAN WAR OF INDEPENDENCE.

Fought under the greatest difficulties. The so-called Congress was not a Government. It had no Constitution, no assets, no taxing power. It issued a currency to carry on the fight. The ultimate redemption of that currency depended on-the issues of war. The currency served the purpose. It fed and clothed and armed the soldiery. The struggle for independent was successful. Every penny of the paper currency was honored by the American Government.

EARLY UNITED STATES CURRENCY.

Some States established State-owned banks. Some were failures, some were successful. The State Bank of South Carolina, established in 1812 lasted 58 years, and went out of existence because of the Federal note tax of 10 per cent.

For the most part banking was conducted by private corporations, with right of unlimited issue of their own notes. Many of them had no capital, and repeatedly went insolvent. There were 1700 private banking companies, and the notes were poor in make up and easily counterfeited. The money of these banks got known as "Wild Cat," "Red Dog," and "Stump Tail" money.

It was against the unrestrained paper issues of these banks that Daniel Webster (1837) made his much quoted statement about the evils of paper money.

It was in September of that year (1837) when J. C. Calhoun and Webster were raising in Congress the question of the United States Bank Charter vetoed by President Andrew Jackson—that Calhoun made the following statement in the presence of men conversant with contemporaneous facts:

Never in normal times, never when received for all debts, dues and obligations to the Government; never when associated with a bank kept free from the manipulators of institutions hostile to its existence has a paper currency depreciated. That statement went uncontradicted.

In that same debate Daniel Webster said:

I have ever been the enemy of those banks that force their own paper money into circulation.

John C. Calhoun described the system in existence thus:

The right of making money, an attribute of sovereign power, a sacred and important right, is exercised by private banks, not responsible to any power whatever for their issue of paper. Yet this chaotic private system is quoted nearly a hundred years as a proof of the failure of a nationalised currency.

THE ASSIGNATS OF THE FRENCH REVOLUTION.

When France rose against monarchy and proclaimed her First Republic, the nations of Europe fell upon her like wolves. Gold disappeared—a paper currency had to be created. The notes were based upon the forfeited estates of the nobility and of the religious houses. Those notes bought food and clothes and arms for the soldiery of France, sustained them in

[sentence missing]

helped them to defend the Republic and defy the world. With that money the soldiers brought land from the Government, bought material for home making, and laid the foundations of the power of France.

The Assignats were first issued in 1790. England kept factories turning out counterfeits, as she did during the American revolt. In 1796, when the Assignats were replaced by Mandats, there was a counterfeit circulation to the extent of £600,000,000. Yet the industries of France expanded, her soldiers conquered, her mothers gave birth to children more rapidly than the battlefield could devour them. Every paper note was redeemed in land or products. The long Napoleonic war did not add one penny to the interest burden of the people of France.

ENGLAND AND PAPER MONEY.

1694. — Bank of England started.

1696. — Bank failed.

1697. — Bank re-started.

1698. — Co-operative Banks started.

1708. — Co-operative Banks suppressed.

1715. — John Coleman Bank issued notes on security at 3 per cent.—principal repayable at 5 per cent, per annum.

1741. — John Coleman Bank suppressed.

1793. — War against French Republic commenced.

1797.— Bank of England suspended gold payments. Bank of England notes increased under Government guarantee from 9 to 27 millions.

Doubleday, in his "Financial History of England" (page 137), says that the Pitt Government lent several millions of this paper currency on goods or personal security, the whole of which was faithfully repaid.

There being no law against private note issues, the private banks increased their notes from 7 to 50 millions.

These notes depreciated—Government guaranteed notes did not.

Allison, in his "History of Europe," says that the non-interest bearing irredeemable notes issued under Government guarantee, receivable in Government revenues, remained at par with gold, and that the purchasing power the Government guaranteed notes was twice that of notes issued from the joint stock and proprietary banks.

England was on a paper money basis for 24 years (1797-1821), and on this basis she conducted 18 years of war.

GREENBACKS (AMERICAN CIVIL WAR.)

War declared April, 1861. Federal Government unable to borrow either in America or Europe

December, 1861, private banks suspended gold payments but **enormously increased their note issues.**

December, 1861, Government issues ₤12,000,000 "Demand Notes." They were receivable for all debts due and obligations due to or from the Government. These notes remained at par value during the whole period of their existence.

First issue of United States Notes (Greenbacks), March 1862 Banking opposition in the Senate refused to permit Bill to pass unless interest pre-war loans was made payable in gold. To meet this the Government had to collect import duties in gold. Merchants with greenbacks had to deliver to bank at depreciated value to get gold to pay the Government for duties. The Government gave it back to the banks as interest. On third issue further restrictions imposed on paying power of greenbacks. Value further declined. Depreciation was the result of a conspiracy on the part of the financiers. Yet greenbacks kept the armies of the North in the field, fed, clothed and armed the soldiery. When the war was over the Government accepted greenbacks as full payment for all debts, dues and obligations, and they at once went to a parity with gold. The total issue of greenbacks amounted to ₤90,000,000, of which ₤70,000,000 are yet in circulation. They are no more legally redeemable in gold to-day than when first authorised. The original Act has never been cancelled or amended. The United States used a paper money base for 17 years (1862 to 1879), and on that base conducted years of war.

FRENCH PAPER CURRENCY OF 1871.

This issue was so successful that it is never mentioned by the critics of a national currency. Their objection is not to a paper currency. It is an objection to a paper currency nationally controlled. It is a defence of the existing private control of currency.

Details of this issue are given on page 66.

AUSTRIA-HUNGARY.

Since 1866 Austria-Hungary has had a legal tender paper which does not profess to be redeemable in any particular commodity. It carries a promise on its face that the Government will receive the paper for all taxes and debts due to it, and as such it circulates. It has not fallen in value. (See Mulhall's "Dictionary of Prices.")

PRIVATE NOTE ISSUES.

"Age," Aug. 10, 1910: "Times have been known in this State when bank notes were being sold at 12/6 in the pound." One member said that he had seen them sold at a shilling apiece. We know that the English banks, in the early part of the last century, caused great loss to the public through the depreciation of their notes. In America, in 1837, almost all the banks in the country closed, causing enormous loss through their notes. Again in 1857, just 20 years later, the same thing occurred. The American Congress then stepped in to protect the public against this ruinous private note is the banks."

COMMONWEALTH NOTES.

Commonwealth notes are not redeemable at any bank, private or public: nor are they, since the war, even redeemable at the Commonwealth Treasury. The notes now in existence are in excess of the total gold supply of the country, and, relative to population, are three times in excess of the greenback issues of the American Civil War.

War Values

In times of war private property that is liable to be destroyed by the enemy, and public securities resting for redemption on the existence of a Government liable to be swept away, will both diminish in value in 'portion to the proximity of the danger, and will recover value in proportion as the danger retreats.

As the enemy takes on the role of invader, so all fixed irremovable forms of wealth, public or private, begin to depreciate, while gold, jewellery and other easily removable forms of wealth rise in value. When England feared the Napoleonic invasion gold rose to £5/15/- per ounce. On the day of Waterloo it was £4/13/6. After the victory it receded to the Mint price of £3/17/10½.

In wartime gold is a deserter. It is the first to get out of the war zone. It is the first to seek neutral territory or a dug-out. It can only be kept in the firing line by the strong arm of the Government, and then seeks devious ways of escape. European statisticians estimate that when war broke out in 1914 over 100 millions of gold went into hiding. All countries in times of national stress are driven to resort to paper currency. The crime is in the fact that banking corporations are permitted to turn national issues into instruments of public robbery and bondage. In several war periods, as in England during the Napoleonic war and in America during the first two years of the Civil War of the sixties, the unrestricted note issues of the private banks were far in excess of any issued by the Government.

Standard of Value

"VALUE, like hate, love, esteem and ambition, is a pure abstraction. It is vague, indefinable and indeterminate. It is an attribute of the mind. It is not a substance. It cannot be fixed, or measured or standardised."

"Value, being the accidental varying relationship of one article to another, no single article can be a standard."—Professor Bowen.

"A standard of value is impossible in the very nature of things. If a quantity of gold were placed beside a number of other things, no human sense could discern their value."—McLeod.

Writers who have abandoned the 'standard of value' theory still cling to the term, 'measure of value'. Value is an ever-varying relationship, and therefore cannot be measured. —Walker.

Values are ideal and can only be expressed in terms of numbers.

"'One dollar' or one pound' is the unit of calculation or comparison. It is a number."—Kitson.

See Hong Kong currency, under heading "Asiatic Exchanges."

Money Trust Armies

In every country there is a powerful group of capitalists, firmly entrenched in society, well served by politicians and journalists, whose business it is to exploit the jealousies of nations and practice the alchemy which transmutes hatred into gold.

Diplomacy is the tool of the vast aggregations of capital in oil trusts, steel trusts and money trusts. Where-ever combinations of capital are competing the reactions are exhibited in the relations of their Governments. For the service of the rival monsters the working classes are regimented in conscript armies—armies and fleets are the material arguments behind financial diplomacy.
Finance is the arbiter of war and peace, the master of despotisms, the unseen power in democracies.

Brailsford, in "War of Steel and Gold."

Unscrupulous speculators see pilfering opportunities in their country's trouble. They wish for war as the piratical wrecker on his rocky shore wishes for fogs or hurricanes. —General W. T. Sherman.

Foreign Exchange

The words, "foreign exchange," form one of those meaningless phrases which have filtered down to us through the dust of antiquity. W. F. Spalding", Associate of the Institute of Bankers, in his book, "Foreign Exchange in Theory and in Practice."

Merchants import goods and pay the banker to pay the foreigner, merchants export goods and sell their collecting orders to the banker.

The banker is the money merchant. He buys from the exporter his right to collect foreign money, and sells to the importer a promise to pay his debts abroad in return for cash here.

The banker's charge to the importer is the "Rate of Exchange."

"UNFAVOURABLE" EXCHANGE.

When a country imports more than it exports, the balance is said to be "unfavorable."

It means that the banker has contracted to pay more debts in a foreign capital than he has orders to collect on the money of that capital.

He is short of credit in that capital.

Foreign credit can only be secured by the exportation of products—wheat, wool, metals, manufactures—or by foreign borrowing. The banker, short of credit abroad, stimulates exports by paying the exporter a higher price for his bills. Thus the exporter gets the invoiced price of his bills, plus the premium granted by the banker.

The banker loads this premium on to the importer, by increasing the charge for the settlement of the importer's foreign debt.

The importer is in the position of a man who has to pay more for his goods.

Thus "unfavorable exchange" means **unfavorable to the importer.**

FAVOURABLE EXCHANGE.

When a country exports more than it imports, the balance is said to be "favorable."

It means that the banker has more to collect in the foreign capital than he has debts to pay in that capital.

He has an excess supply of credit in that capital. He will, therefore, give the exporter a lower price for his bill to collect. The banker wants no more oversea funds—he has plenty. In theory, he will settle the importer's foreign debt for a smaller fee.

Spalding, in his "Foreign Exchanges," says it is only in theory that "favorable exchange" means favorable to anybody but the banker. He states:—

"In theory the importer gets the advantage of the cheaper rate at which the exporter sold his bill. **In practice** a proportion or the whole of the premium goes to the banker."

But, whether the importer or banker gets the benefit, it is designated "favorable."

"Favorable" means unfavorable to the exporter. He may get £99/10/- for £100 due in the foreign market.

"Unfavorable" means favorable to the exporter. He may get £100/10/- for £100 due in the foreign market. The terms "favorable" or "unfavorable" are only used in their relation to the importer. The market has no distinctive jargon for the reverse action on the exporter.

FOREIGN EXCHANGES ON LONDON. (Cabled each day to London from Foreign Capitals.)

	Price July 16,	**Price May 17,**
Par Values.	**1914.**	**1917.**
Paris — Francs and cents to £1= 25.22..	**25.17**	**27.25**
Berlin — Marks and pfennigs to £1= 20.43	**20.50**	**No quote.**
Vienna — Kronen and hellen to £1= 24.02	**24.16**	**No quote.**
Amsterdam — Florins and cents to £1= 12.10.	**12.12**	**11.59**
New York — Dollars and cents to £1= 4.86	**4.87**	**4.76**
Montreal — Dollars and cents to £1= 4.86.	**4.87**	**4.78**
Russia — Roubles and kopeks to £10= 94.57	**95.75**	**172.25**

The quotations show how much a citizen of a foreign capital must pay to secure a credit of £1 in London.

Rising rate of exchange is designated "unfavorable" to the foreign country favorable to London.

Falling rate of exchange is designated "favorable" to the foreign country unfavorable to London.

In the above tables the rates since the outbreak of war have gone against England in Holland, United States and Canada.

They have gone in favor of England in France and Russia.

RUSSIA.

Russia is the extreme example; 94½ roubles is the parity of ten English sovereigns. Before the war a Russian could for 95¾ roubles get £10 sterling paid in London. On May 17, 1917, he would have to pay in Petrograd 172¼ roubles for an order to receive in London, or to be paid on his behalf in London ten of Lloyd George's inconvertible notes.

But the Russian could only get his order from some bank or individual in Petrograd possessing credit in London. His 172¼ roubles remained in Russia in exchange for something in London. The seller in Russia was the gainer. For his £10 in London he got 172¼ roubles, against 95¾ roubles before the war. Russia was neither richer nor poorer.

As a matter of fact, Russia's foreign trade is at an end. The exchanges have practically ceased to operate. The present abnormal rates (May, 1917), represent the anxiety of the Russian monied classes to sell out local credit for credit in London. The moment war is over, and wheat pours out of Russia, exchange in London will fall rapidly to pre-war rates (95 roubles for £10 in London). In other words, the so-called depreciation of Russian currency will disappear.

[By the end of June the Russian rate of exchange had gone to over 200 roubles for London.]

Sir George Paish, editor of "The Statist," told the American Monetary Commission (Document 579): —

"Apart from sudden catastrophes—such as crop failures, war, etc., which temporarily reduce a nation's exporting power—no country can have an adverse balance of trade, except for a short period."

But the catastrophe of war is here. For Russia it means no trade. For England it means trade at a sacrifice.

America has exported to England munitions and foodstuffs far in excess of England's repayment in products.

The American bankers have, therefore, more credit in London than they have debts to pay.

Therefore, they give the American exporter less American money for his London order. For a 100 dollar invoice on London they give 98 dollars in New York.

The exporter makes up his two dollar loss on exchange by adding that amount to his bill and making it 102 dollars.

The British importer must buy additional dollars at the higher price, but the men who make the profit are the men and institutions in England, who, having credit in New York, sell out at the higher prices offering in London.

Under non-war conditions, English buying orders would fall to the level of her capacity to pay in products.

But American munitions and foodstuffs are essential to England. She is driven to sell to American capitalists her holdings in American industries, and thus disposes of a century of peaceful accumulation. She pays by draining her dependencies of gold to send to the United States, the Argentine or other agreed upon destination. She pays by mortgaging the future of her own people to American financiers at high rates of interest. She becomes, in short, an oversea possession of the American Money Power.

Only by these heroic acts and by these sacrifices does England get what she wants from America, and only by these means does she prevent the further depreciation in the buying power of the English sovereign, as compared with the Yankee dollar.

SOUTH AMERICAN EXCHANGE ON LONDON.

(Cabled each day to London.)

The process of comparison is the reverse of that between European capitals—except Lisbon.

Lisbon is calculated on the South American plan.

The varying methods tend to confuse the student anxious to penetrate the mysteries.

In Buenos Ayres they say one peso will buy an order on so many English pennies in London.

	Price July 16, 1914	Price May 17, 1914
Buenos Ayres, Nominal, gold peso 47½	47d	57d
Actual, paper peso 20¼	----	----
Monte Video, Nominal, gold peso 51d	51d	55¾
Actual, silver peso 50d	----	----
Valparaiso, Nominal, gold peso 18d	9¾d	----
Actual, silver peso 10d	----	12d

If the Buenos Ayres rate is 48 pence, then 5 pesos (237½d) will buy an order for £1 in London (240d.).

If the rate rises to 50 pence, then 4 pesos 80 centavos (230d) will buy an order for £1 in London (240d.).

Rising Rate of Exchange is designated "favorable" to the South American republic—unfavorable to London.

Falling Rate of Exchange is designated "unfavorable"' to the South American republic—favorable to London.

Since the war commenced, all South American exchanges have gone against London and in favor of the South Americans.

The currency of the South American republics is nominally a gold peso, but the actual peso of circulation is paper or silver.

The paper peso of Argentine is said to be depreciated because 2¼ paper pesos are calculated as equal to one gold peso. On that basis the conversion office will issue notes for gold, or gold for notes. On that basis the Caja de Conversion will change an English sovereign into local paper, or back into gold, as may be desired.

In the majority of the South American States gold is practically nonexistent, but exchange is expressed in terms of gold. Argentine is at present (1917) building up stocks of Australian gold in return for meat supplied to England, and Australia gets from England paper credit in London for gold shipped to Argentine.

The peso of Uruguay, local nominal value 51 pence, will (May, 1917) buy an order on London for 55¼ pence, and the English importer or Uruguayan wheat and cattle must pay 55¼ pence in London for an order on a 51 penny peso in Montevideo. It is not the value of the local currency, but the ratio of exports to imports that affect the relations of nations.

ASIATIC EXCHANGE ON LONDON.

(Cabled each day to London.)

The method of comparison and calculation in the two currencies is similar to that with the South American.

The exchanges have all risen against London and in favor of the Asiatics.

	Price on July 16, 1914	Price on May 17, 1914
Bombay – Pennies to one rupee, 16	**15¾d**	**28½**
Honk Kong – Pennies to on paper dollar, 22½	**22¾**	**28½**
Shanghai – Pennies to one silver tael, 29½	**29¾**	**42¼**
Yokohama – Pennies to one silver yen, 24½	**24¼**	**25½**

Exchange in favor of Japan has been kept down by returning the coupons for interest falling due, and returning for sale certificates of Japan's indebtedness to England.

In India the Mints issue 15 silver or paper rupees for £1 in gold. Silver in normal times is kept on a fixed par in relation to gold, by **Government control of foreign exchange**. Since the war the disparity in trade balances has been so favorable to India, that exchange favorable to India has been kept down close to par by London paying Indian interest and pension bills due in London.

China's currency varies with each province. The Chinese tael is a Chinese ounce of silver; but even the tael weight varies between provinces. The Shanghai tael is the base of North China calculations. It is designated worth 2/6, English money. In May, 1917, the exchanges were so favorable to Shanghai that the Shanghai tael would buy an order for 3/6 in London, or, vice versa, the London merchant would have to pay 3/6 in London for an order on the 2/6 tael in Shanghai.

The Hong Kong dollar quoted in the exchange rates is that represented by the **notes issued by the British banks established in Hong Kong.** They are calculated at 1/10 each. Spalding, in "Foreign Exchange" (page 131), says:—

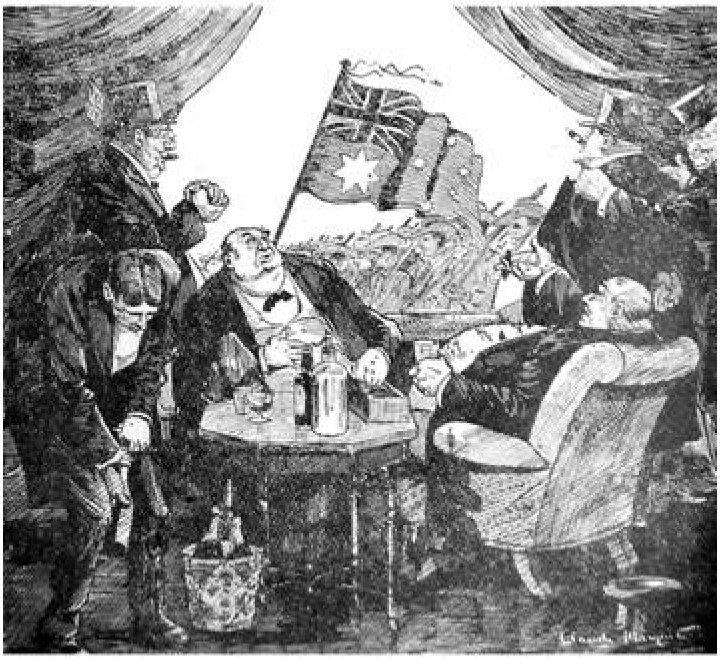
"The equivalent of these notes in terms of gold is, in fact, the basis of all foreign exchange settlements in Hong Kong."

Before the war one sovereign in London or Melbourne would buy an order for 11 paper dollars in Hong Kong. In May, 1917, only 8½ dollars. The Chinese merchant, who, before the war, had to give 11 Hong Kong dollars for an order for £1 on London, can now do it for 8½ paper dollars. The course of trade has been favorable to Hong Kong, and that is the fundamental fact in foreign exchanges—not local currency.

Australia is not quoted on the Foreign Exchange list. Canada appears, but not Australia. Canada is a part of the American continent, Australia is an appendage of financial London. Throughout 1917 Australian banks held enormous credits in England. According to theory, rates should have fallen—Australians should have been able to buy a settlement of their London debts at a cheaper rate. In actual practice the banks charged as if no such credits existed. Theory was one thing, practice the very opposite.

As a matter of fact, bank charges in Australia for debt settlement in London in no way reflect the financial and commercial relations of the two countries, nor do they furnish any basis of comparison with any other country. Australia, by its isolation from other financial centres, is absolutely at the mercy of its bankers, and these control all local and foreign relations, and fix the charges.

"Oh, My Country!"



There they go! OUR boys. The best in the world – Eh what?

Foreign Exchanges and Gold

Sir George Paish, editor of the "Statist," told the American Monetary. Commission (Document 579) that:—

"Only in countries where banking is in a relatively backward condition do the precious metals play any great part either nationally or internationally."

Frank Hirst, editor of the "Economist," told the same Commission (same document) that:—

"Even among those who actually deal in money—bankers, brokers, etc.—and especially amongst speculators on the Stock Exchange, many peculiar notions and superstitions are entertained on the subject of the relationship of nations, more particularly as regards the influence of gold movements and gold production upon the money market."

That is to say, the export of values—be they wheat, wool or gold—have the same effect on the international exchanges.

What then, it may be asked, is the need of the great "Centrals"—the capitalist gold arsenals?

It is because foreign exchanges are expressed in terms of gold. Therefore, international capitalist rivalry makes it unsafe for any one gang of financiers to be caught "short." Thus we see the development of the "Central" gold pool.

Stocks of wool or coal could be stored to meet "adverse" balances, but they are bulky, slow in movement, subject to depreciation in quality and variation in value. Gold occupies small space, can be silently and rapidly shifted, and is accepted at an agreed upon value in all countries.

And a gold-producing country is in the most favorable position, and the most susceptible to mobilisation, for national economic defence.

The less gold used for internal purposes, the more is available for establishing a gold fortress for international operations.

In theory, gold flows out of a country when the rate of exchange is higher than the cost of shipping gold. The war has blown the bottom out of that theory. England pays the higher rate of exchange in American and Asiatic capitals rather than ship the balance of her gold from England. She drains her dependencies, Australia, New Zealand and South Africa.

In theory, Commonwealth notes are exchangeable into gold. The war has blown that theory to pieces.

In theory, the export of gold from Australia is prohibited. In secret practice, ships of war transport it to Japan, Argentine and the United States. From the outbreak of war to June, 1917, not less than £40,000,000.

Foreign Exchange and Local Currency

The internal currency of a country has nothing to do with "Foreign Exchange."

Fluctuations in "Foreign Exchange" are caused by the balance of trade, and not local currency.

"Foreign Exchange" does not increase or diminish the wealth of a country, or increase or diminish the totality of its income. If you want a claim on Hour stocks in London, or want a debt paid in London, and the cost is 20/- where it was previously only 10/-, then the "rate of exchange" has gone against you. In other words, prices have risen, and around this plain fact the financiers have built a shelter of mysterious words.

"Foreign payments" are not made in money, but goods—local money takes no part. Gold sovereigns, dollars or pesos are not accepted on their face value anywhere outside their own territory. They go abroad as metal, worth so much per ounce, and on that basis credit is secured in the currency of the country in which they are sold.

Exchange rates rise and fall under a gold standard, according to the relationship of imports to exports.

They rise and fall between London and New York with the same standard, and between London and Melbourne with not only the same standard, but the same monetary unit.

The "Encyclopedia Britannica" says:—

"A paper currency does not interfere with the movement of produce or the profits of those engaged in international exchange."

D. A. Wells, in "Recent Economic Changes," cites the testimony of members and directors of English Chambers of Commerce to the effect that there is no difficulty in negotiating exchange or conducting trade with countries on a silver or paper currency base.

Foreign Loans

When the Commonwealth borrows £20,000,000 in London, to carry on works in Australia, that amount is left on the books of London banks, acting as branches or agents of Australian banks.

The banks in Australia finance the Commonwealth with local money to the extent of £20,000,000.

The London banks owe the Australian banks that £20,000,000.

When Australian merchants import goods from London, they pay the. Australian banks local money to pay their London debts.

With these local monies the banks reimburse themselves for the £20,000,000 advanced to the Government.

The debts owing in London for goods sent to Australia are paid out of the £20,000,000 credits in London.

Shifting Foundations

In the New York "Tribune," of April 1, 1917, John Rovensky, Vice-President of the National Bank of Commerce, pointed out that during the war 1000 million dollars of gold had been drawn from other countries, increasing the gold stocks of the United States to 1900 million dollars. He

Fat Patriot (?) : "It was a glorious victory."

Old Soldier : "You seem to be doing all right out of it, anyhow"

said that "upon this gold base there rested a credit structure of 28,000 million dollars." In other words, there was 26,000 million dollars of circulating credit in the United States that had no gold behind it—nothing beyond the deposited security of borrowers. If this was the position in America, upon what does credit rest in the countries from which gold has been drawn?

Mr. Rovensky states:—

"The credit structure of each country rests upon the gold reserve held, by the banks of that country."

Yet every country at war is an evidence to the contrary. **In every belligerent State, including Australia, the credit structure is rising upon diminishing gold reserves.**

Currency—Notes and Cheques

Under the modern cheque system there is no need to issue notes beyond the counter change and wage requirements of the public.

When cheques or notes are issued from a "National" Bank, and such issue is based upon deposited security, the currency returns to the bank in redemption of such security as it does with private banks.

So far as the securities consist of State or Commonwealth securities the "National" Bank has not only the remedy against depreciation, but a profit at its disposal. When money is "cheap" and plentiful, securities can be sold and the currency contracted. When money is short and securities are being offered for currency, the bank can buy, expand the currency, incidentally make a profit, 'and automatically regulate the market. Notes issued from the Treasury have no such method of automatic redemption.

Vultures Fatten on Death

It is not possible to make notes circulate in excess of public requirements. You cannot make gold circulate in excess of public requirements. Whatever of gold or notes be not required for circulation will be left on credit with the bank. Therefore, excess coinage of either gold or notes is a waste.

American Banks

(Read this in connection with article, "Mammon, the Overlord.")

It is not a fact that private banks in America must redeem in gold.

They can redeem in silver dollars, United States Notes (greenbacks), Federal Reserve Notes or cheques on the "Centrals" (Federal Reserve Banks).

The 1915 report of the United States Treasury, entitled "Paper Currency and Coin," says:—

"Silver dollars are legal tender at their face value in payment of all debts, public and private, without regard to the amount…Silver dollars are not redeemable."

Page 59 of the "Treasury Report" says that Federal Reserve Notes can be redeemed in "lawful money." "Lawful money" is silver or "greenbacks."

There is no legal obligation to redeem greenbacks in gold. Page 36 of the "Treasury Report" says:—

"The law of non-redemption has not been repealed."

Federal Reserve Notes are guaranteed redeemable in gold at the Federal Treasury in Washington, but this guarantee is conditional by the terms "if available." This problematical redemption means, for the vast majority of the citizens of the United States a train ride of over 1000 miles to Washington.

Page 48 of the 1915 United States Treasury Report states that the National Bank Notes, Federal Reserve Notes, United States Notes (greenbacks), Silver Certificates, Gold Certificates in circulation total 2752 million dollars, against a gold reserve in the Treasury of only 209 million dollars. The bulk .of the gold stocks in the United States are held by the private reserve banks, while the nation is pledged to guarantee all notes, public and private.

In law the Federal Reserve Banks must hold 40 per cent, of gold against their note issues.

But this is conditional by the fact that "lawful money" (silver or greenbacks) may be regarded as gold reserve. Further, that "Gold Certificates" (the American ^5 note) may also be regarded as gold reserve. Neither the individual member banks nor the "Centrals" (Federal Reserve Banks) are under any obligation to pay in gold.

Further, the Federal Reserve Banks are not limited to note issues. They may issue to member banks unlimited credit and cheque currency upon general securities, without reference to gold basis. The American financial writer, Alexander Noyes, says:—

"The Federal Reserve Banks furnish credit to member banks on securities previously deposited with member banks by the borrowing-public. The currency, whether furnished by the member banks to the public, or by the Federal Reserve Bank to member banks, is in the form of cheques. Note issues are only a fraction of the total currency issued by Reserve Banks. Cheques and notes are the circulating representative of deposited security."

The modern American financial system recognises deposited security as a sound basis for currency and holds gold in the great "Central" pools for international emergency.

Australian Banks

During the year ending June, 1917, the bank returns showed a remarkable reversal. Apparently liabilities had increased by £17,351,000, while assets decreased by £7,230,000—an apparent reversal of £24,581,000.

The explanation is that the banks only disclose to the Government Statistician their liabilities and assets in Australia.

During the year the total gold production was sent overseas—to Argentine, Japan and United States. Gold reserves in the Treasury were depleted for a like purpose. Gold holdings of the private banks were depleted and exported to the extent of £5,000,000—a total gold exportation of £15,000,000 for the year. For their share of the exportation the private banks received credit in London, and to that extent their local assets disappeared.

In addition, the British Government agreed to buy 3,000,000 tons of Australian wheat for £26,600,000. In reality the deal was financed by the local banks. The farmers' deposits grew, and the local liabilities of banks to depositors correspondingly increased. The banks were repaid with British money, put to the credit of the banks in London. Bank assets correspondingly increased in London.

The surplus of bank assets over liabilities in Australia and overseas were:

June 30, 1917	£26,447,000
June 30, 1914	5,071,000
Increase during three years of war ..	£21,376,000

Of these increased assets, £14,640,000 was represented by increased local holdings in Commonwealth, State and Municipal securities, and the balance in Imperial War Loans held in London.

During the three years ending June 30, 1917, the banks increased their holdings of Commonwealth notes by £25,910,000—total holdings, £30,947,000

The total issue from the Treasury to that date was £47,202,000.

The gold in the Treasury on that date was £15,245,000, and in the private banks £22,855,000—total, £38,100,000.

In June, 1914, the banks held in Government securities, £7,377,000. In June, 1917, apart from Imperial War Loans held in London, the local holdings in Government securities were £22,016,000.

Bank Capital

The capital of the Bank of England consists of bank notes guaranteed by the Government of England.

The £5,000,000 capital of the Bank of Prussia consists of Government bonds. Against these securities the bank issues notes.

The National Bank of Argentina was established by an authorisation to issue 50,000,000 paper pesos. With this currency land was bought, material purchased, labor employed, and premises erected free of interest. To-day the bank has 150 branches, and its operations are more extensive than even that of the First National Bank of New York.

The Commonwealth Bank was started without capital, but under the amended Act of 1914 the bank, if it needs credit for extension, must float bonds and load its operations with interest to private capitalists. This Act has not yet been put into operation; but, if it is, the bank will have to earn £350,000 for private investors before it earns a penny for the nation. If the bank cannot earn it, then the money will have to be made up out of public funds.

Compare this act of a Labor Government with the favored position of the Bank National of Argentina, the State Bank of Prussia, or the Bank of France.

SECURITIES FOR CURRENCY.

Money has the quickest return in commerce. The money invested is brought back immediately by the disposal of the merchandise, and is again used for other goods, with the result that the term of credit is not long. In commerce the term of fixed capital is shortest, renewal being necessitated on sale of goods.

In manufactures the capital becomes fixed in machinery, factories, etc., and suffers steady depreciation, requiring additional increments of capital to maintain the value of the security.

In agriculture the capital is mainly fixed in land that, under the ordinary growth of population and improved cultivation, will increase in value. The return of capital in agriculture is more uncertain than in commerce or manufactures, owing to the fluctuations of the seasons, and the regularity of the return can only approximate to a surety when small and spread over a long period.

In most countries there are commercial banks, industrial banks, agricultural banks. In a country like Australia, where the population is sparse, there should be, for economy of management, one bank with three departments.

Bankers' Agreement

Speaking before the Incorporated Accountants' Society, on February 28, 1917, Mr. J. R. Butchart, of the London Bank of Australia, made this statement:—

"Soon after the outbreak of war the chief bankers of Australia **agreed among themselves** to abandon the principle of convertibility of credit documents into gold, and to effect settlement in paper money."

Read this in conjunction with article "The Unseen Power," page 14.

The "Age" newspaper (November 16, 1911) said:—

"The banks have an understanding of their own. It is useless to appeal from Caesar to Pompey for relief."

Read this in conjunction with article "Profiteers' Programme," page 38.

The War Profiteers

The New York cables of August 24, 1917, reported that the United States steel and eleven other corporations made 470,000,000 dollars profit for the year ending June.

The war profiteers in Great Britain made war profits of over £200,000,000, while Bonar Law admitted that £200 invested in one ship gave him £1000 in insurance when the ship was submarined.

The total war profits in Australia are unknown, but 1600 persons and companies in the State of Victoria increased their incomes by 3½ millions, while 263 persons and companies increased by 1½ millions—enough to keep 10,000 men and their families for a year at £3 each per week.

That in return for this product and other services, the British Government supplies Australia with credit in London, and advances for wool and other products that cannot be transported for lack of shipping. That the fact Australia is a producer of an easily exportable product like gold has been an advantage; and any system of paper currency permits a product to go where it will be of most service is a good currency. The crime is in the fact that it becomes an instrument of private instead of being an exclusive national advantage.

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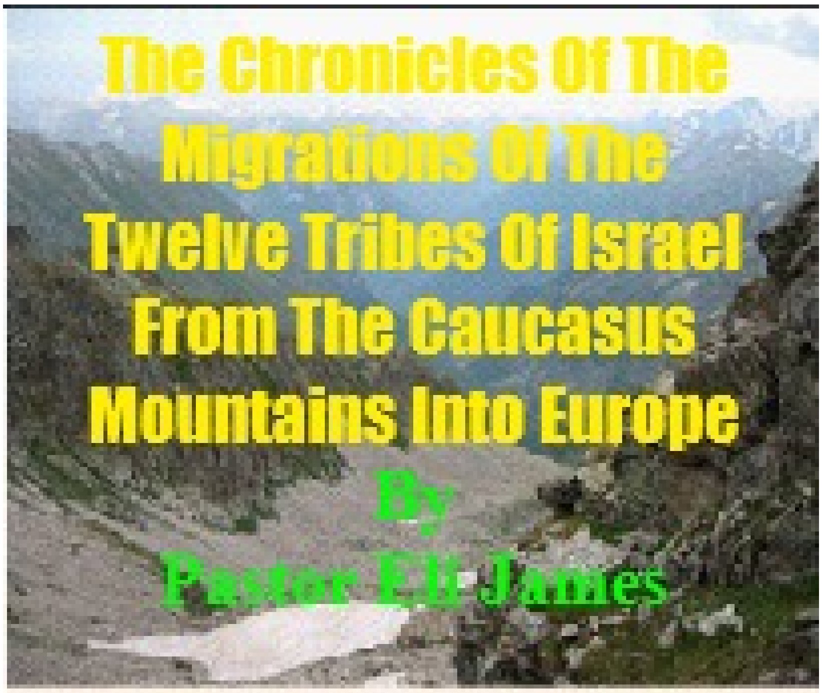
The End

Profit—and Loss



The above PowerPoint presentation is available at Pastor Eli's website:

www.anglo-saxonisrael.com

Parts 1 - 6 plus a short introduction can now be viewed or downloaded - the latest addition part 6 covers the German people in relation to the migrations of the Tribes of Israel.

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