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Mr. Robert Clancy, Director
30 East 69th Street
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MONEY, BANKS & TAXES

No. 12,

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GENERAL WELFARE AND SOCIAL CREDIT

By Charles B. Mussared, P. O. Box 4349, Cape Town, South Africa

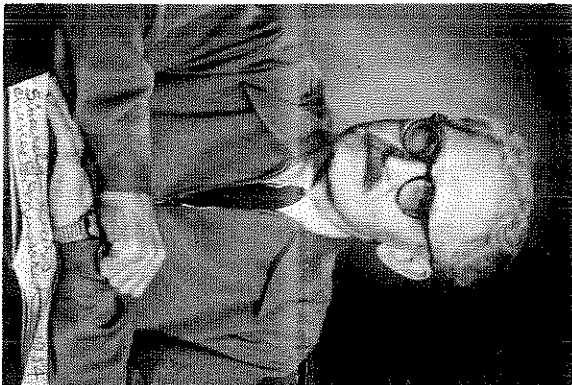
UNION OF South Africa SPEAKS

Lovers of humanity will cherish the memory of the late Bert Taylor for his wonderful achievement in bringing so many of us into touch with each other from remote corners of the earth. Our opinions may differ in regard to many proposed reforms, but there is a vast area upon which we can meet on common ground. We are all nature's children irrespective of race, creed or colour. We are entitled to participate in the common cultural heritage.

I am just a free-lance, hoping to add a modest contribution towards World Fellowship and Peace; my work has taken me to thirty-eight countries. I have met many people, some good, others not quite so good.

I believe that, in every undepraved mind, there is a deep and unquenchable desire for a state of society based on human brotherhood; every great teacher throughout history has held this ideal; they have lived and worked for it, and many have died for it.

It seems to me that, since the days of Babylon, the greatest enemy of the people has been the "Money Power." The manipulators of the credit system left evidence of their existence in those far off days, and their trail can be traced from country to country throughout Europe and on to America. It is true that their agents were once driven out of the temple, but they have been re-admitted and as Bellamy once wrote: "When America became a republic, the monarch simply passed the sceptre beyond his back to the 'Money Power,' and the churches that had previously preached the divine right of kings to rule and govern the people, now preached the divine right of the Money Power to rule and govern."



CHARLES B. MUSSARED
ENGINEER - ECONOMIST
P. O. Box 4349, Capetown, South Africa

The late Clifford H. Douglas in his book, "Social Credit," quotes the famous election speech of William Jennings Bryan:

"The Money Power preys upon the nation in times of peace and conspires against

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- And Freedom from Want and War

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us in times of adversity. It is more despotic than Monarchy, more insolent than autocracy, more selfish than bureaucracy. It denounces as public enemies all who question its methods, or throw light on its crimes. It can only be overthrown by the awakened conscience of the nation."

General Welfare is only possible by this awakening of the conscience of the people in all countries, and the Social Credit Movement is doing much to awaken it.

Our friend Louis Even of Box 27 Delorimier Station, Montreal, Canada, declares that "Social Credit offers the only sensible solution to distribute the fruits of peace and progress. A dividend to all, allowing to all their share in a production which arises from our common inheritance (progress) rather than from individual labour, while continuing the wages and salaries to such persons as are still required to maintain the flow of products. The sum of dividends would be made to increase as the sum of wages and salaries would decrease—"Full Employment" instead of full employment.

Over a period of fifty years I have read almost every book on orthodox and unorthodox finance, and I found that there is still much utter nonsense printed about the gold standard. No one knows just what the gold standard is. All that is known about it is that it has never done what was expected of it. It has been one of the stage props used on the stage by the jugglers in international finance.

As an Engineer, trained in the science of correct measurement, if the usual standards to which I worked altered from time to time, the result would have been chaos.

Social Creditiers believe that Taxation is Robbery. The fundamental difference between this belief and that of the Henry George idea of the taxation of land values, is that taxation takes money out of people's pockets, but the National Credit dividends would put money into their pockets.

MONEY, BANKS & TAXES

Vol. XX—No. 2



April 1955

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Ninth Annual Joint Meeting of the Board of Governors, International Monetary Fund and World Bank

GEORGE M. HUMPHREY, Governor for the United States
HOMER E. CAPEHART, HARRY DEXTER WHITE, HAROLD E. STASSEN
Advisor CO-FOUNDER Advisor

STATEMENT BY THE TEMPORARY ALTERNATE GOVERNOR OF THE BANK FOR THE UNION OF SOUTH AFRICA

By J. E. HOLLOWAY, Alternate Governor

Mr. Chairman, in this assemblage characterized by so much unanimity, I wish to strike a jangling and discordant note.

It has justly been stated by different speakers that international convertibility is an essential condition for the fluidifying flow of international investment. That is not in question. What I do want to say is that convertibility will be a will-o'-the-wisp and phantom which will forever remain beyond our grasp until the price of gold is brought in line with the present level of prices in depreciated paper monies. As long as political decisions insist that the trade in gold shall always be in good money while all other trade is carried out in depreciated money, the world will lack one of the essential conditions for international convertibility (converting paper money into gold).

The world had convertibility before the war. It seems to have been forgotten that convertibility was only maintained by the transfer to the United States of America of more than \$1 billion worth of gold annually during that period. That is what bridged the gap. The price of gold then was in line with the general price level and it had, therefore, a substantial bridging effect. The gap is there still, and so is the problem of convertibility. The powers that be, however, have ordained that every unit of this material for bridging that gap must bridge only half the gap that it bridged before. The further shore, therefore, remains forever beyond our reach. The consequence is that other bridging material has had to be improvised. At great and continuing cost to the taxpayers of the United States of America, billions of dollars in foreign aid in various forms had to be thrown into bridging the gap.

I ask you to ponder two questions. First, are the taxpayers of the United States of America going to give away their dollars forever and ever, amen? For, if not, I ask you the second question: In what sector of

the U. S. economy are you going to find the markets where you can earn the wherewithal to fill the gap caused by this artificial restriction to which I have referred? This restriction is the bridging power of the instrument ready to your hand—the instrument of gold. Are you going to find it in raw materials? The United States are already buying more raw materials than they use. They are stockpiling. Will they even stockpile upon stockpile until the summit reaches the skies?

In foreign travel, its citizens are maintaining more and more troops in foreign areas. Can anyone calculate an increase in this windfall accretion to the supply of dollars of foreign countries? Is it going to be found in increased imports of your manufacturers to the United States of America? I will not comment on this. That subject is constantly in your thoughts. Search your own soul on this question.

Well, what else? What have you to make up for rejecting the bridging material which lies ready to your hands, for refraining from action which is available to you? The answer is, the process of bringing the price of gold into line with the general price level and, therefore, bridging the portion of the gap which is defeating you now.

Mr. Chairman, I do not ask any of my fellow Governors to accept my views in this matter. I do not even ask some of them to reject the imagery that has, no doubt, been forming in their minds while I have been speaking, the imagery of words flowing through hats. I ask them something much less. As in succeeding months and years they become perplexed at the small success which is being achieved in the process of rolling the Sisythian rock uphill, I ask them to remember that they heard at this meeting a man talking through his hat, a man so foolish as to do this in the presence of the assembled multitude.

IMPORTANT ANNOUNCEMENT!

by the CONGRESS OF FREEDOM, INC., Box 165, Colorado Springs, Colo.

ATTEND THE CONGRESS OF FREEDOM — APRIL 30, 1955
IN SAN FRANCISCO

Theme: "An American Appraisal of the United Nations." — Be there!

WHAT'S HAPPENING IN AMERICA?

(A BOOK REVIEW)



AUSTIN F. HANCOCK
Chairman, American Heritage
Protective Committee
P. O. Box 2187, San Antonio, Texas

This Is An EMERGENCY CALL FOR HELP!

All our Members and Contributors will receive a free copy of our Most Timely, Educationally, Truth-telling Booklet, as provided in last inside page of our booklet.

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Abramham Lincoln's warning: "If America is ever destroyed, it will be from within, not from without."

Our booklet warns you about this Indebted, Borrowed, Dangerous Prosperity, Federal Debt, Federal Deficit, Federal Guaranteed Obligations which have been increasing at the rate of \$50 millions daily or \$1 million hourly, since 1933.

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Remember the address: P. O. Box 2187, San Antonio, Texas.

ECONOMIC WELFARE CONFERENCE

PROCEEDINGS—OCTOBER 30 - 31, 1954
SHERATON HOTEL, CHICAGO, ILLINOIS

FIRST SESSION — Continued from March Issue

It seems there must have come, among those of us who endorse this idea, a complete trust in the good that is in the heart of all men, in the core of all things, and that this definitely is a means for a relationship in which each will do his best to create a peaceable, progressive and prosperous society. It is necessary, however, that the cooperative relationship be extended to include the interests of society as a whole as well as labor and management. We can only achieve our ideal when men are working and producing together with the general good of the public in mind. I will close by saying that I am 100 per cent for a cooperative relationship between management and labor that will take the real objective in view—the general welfare.

Dr. Donnelly: I hope and believe that ultimately we will arrive at cooperative production universally. At present I accept the various degrees of human evolution, and also that there are less evolved beings who tend to be negative, destructive and harmful. I believe too that there must be some way of overcoming their negativity and speeding up their evolution. The solution is at hand, and I expect to see the cooperative method in world-wide operation.

Chairman Sznak: I am sure, Dr. Donnelly, your intuition is correct, and that your confidence in the development of man to a higher stage of progress is forthcoming.

Mr. Muller: I was in industry for approximately forty years, and I knew during that time there were many prevailing ills. I am engaged in a work that leads towards producing anything that will abolish the ills and bring about a more abundant life through greater economy for creating happier relationship among mankind.

I have just returned from Europe, where I spent several months touring different countries and endeavoring to understand their people. I learned more about the European situation during that time than through all I had read about it previously. There is nothing like working with our fellow-man, endeavoring to understand him and getting his point of view, to bring about a better relationship.

I am satisfied that sooner or later we all have to work from the same basis as did the Founder of Christianity. The fundamentals of Christianity must be incorporated in all human endeavor. Utilizing the principle of the Golden Rule in your teachings impresses me very much. To practice the Golden Rule, to love our fellow-man as we love ourselves is man's mission on earth. Anything that tends in that direction is bound to bring peace on earth.

Chairman Sznak: I particularly appreciate your statement about bringing the Golden Rule into operation. The Golden Rule philosophy is not a new one, but the Golden Rule psychology is in its early stages and much remains to be learned about how to distribute all wealth as well as a good philosophy. When we speak of the Golden Rule philosophy it must also be supported by the Golden Rule psychology to achieve physical benefit or reward.

The method of putting the Golden Rule into practical operation must of necessity take into account the mathematics of the Golden Rule, known as the proportion formula. This formula is being used and applied extensively in our every-day practices. Unfortunately, however, it has not been applied to the distribution of profits for all the workers who produce the wealth. We have adopted this formula in the distribution of dividends to all workers under the cooperative production system. Mr. Sinclair, of the Journal of Commerce will express his views on cooperative production.

Mr. Sinclair: The concept of what I might refer to as "enlightened self-interest" is not a new one, of course. Mr. Sznak's remarks with regard to distribution of the profits are not new to me, although I have never before heard them formally expressed. The thing that has always bothered me whenever I have been confronted with this problem lies in the fallibility of human beings. It occurs to me, however, that with the best of management and intentions it is possible to have a shortage. Distribution of profit is fine. What happens if there is no profit, if at the end of an operating period you wind up with liabilities or with fewer assets? Can you get people to go along on that basis? Anyone who is going to share in the profits of an enterprise must of course share the losses as well.

Chairman Sznak: You have raised a point of interest to those who are practicing cooperative production, and also in the minds of others who might wish to distribute dividends instead of wages. There are many ways of overcoming the low income or shortage periods. One method is by reserves from profit periods. Another way is through stabilized employment by coordinating the cost of living to current income.

Mr. Lickert: We withheld some of the profits over a period of three years so that there would be a backlog of accumulated profit for distribution during periods of loss. Fortunately, we never came into a loss period.

(Continued in May issue)

GUILTY OR NOT GUILTY?

WHO FAILED THE UNITED STATES AT PEARL HARBOR?

On the 13th anniversary of the Pearl Harbor attack Rear Admiral Husband E. Kimmel openly came out and called FDR, George C. Marshall "criminals." He laid the blame for the "surprise" attack on Pearl Harbor on FDR and his administration. He charges them with negligence in not relaying to him advance warnings of Japan's imminent attack. This failure of warning him Kimmel writes "must have been in accordance with high political discretion . . .

"Surely, I was entitled to know of the intercepted dispatches between Tokyo and Honolulu which indicated that a Japanese move against Pearl Harbor was planned in Tokyo . . . Had we had so much as two hours' warning . . . the element of surprise would have been denied the Japanese . . .

"Gen. George C. Marshall's warning, belatedly at . . . 6:22 a.m. Pearl Harbor time (one hour, 33 minutes before the attack) . . . was sent in nonpriority status by commercial circuit when he had on his desk a telephone with a direct connection to the headquarters of the commanding general in Hawaii . . .

"I cannot excuse those in authority in Washington for what they did. And I do not believe that thousands of mothers and fathers whose sons perished on that tragic seventh day of December, 1941, will excuse them. They will be judged at the bar of history. In my book they must answer on the Day of Judgment like any other criminal."

With such evidence before it why do Sen. Knowland, Jenner, McCarthy and others not institute a new investigation, order a court martial and bring before the bar of the U.S.A. those guilty of "collaborating with the enemy" at Pearl Harbor?

PEARL HARBOR CRIMINALS?

In his 425 page book, entitled "PEARL HARBOR, the Story of the Secret War," George Morgenstern, Author (Devan-Adair, Publishers, New York) plainly states on page 269 and 270, in these quoted words:

"If Marshall did not get this vital information, it was because of the strange apathy displayed by Col. (now Lieut. Gen.—1947) Walter Bedell Smith as secretary of the general staff.

"The Army Board of Inquiry which investigated Pearl Harbor makes clear in its report that Gen. Smith was indifferent or derelict in the handling of the thirteen-part Jap message the night of the 6th. Smith's behavior was the more incomprehensible, the board emphasized, because it

was utterly clear to all responsible officers of government and the services by December 6 that war was close at hand.

"The report states, in part: ' . . . When decoded Jap messages indicating hostilities reached (5-2 of the War Department not later than 9 o'clock the evening of December 6; the report further states, 'it was Smith in whose hands they were placed.' This intercepted information was transmitted at once to Smith by Col. Bratton with a warning as to its extreme importance. What did Col. Walter Bedell Smith do? He did nothing . . .

"In the light of this disastrous failure, Gen. Smith's remarks before the British Service Institution on October 10, 1945, are of more than passing curiosity. Smith said that American headquarters were 'a bit short on planning' and declared that if he were organizing another headquarters again he would get 'any intelligence officers and my planners from the British War Office, if they would let me have them.' . . .

"Four years later Smith is found to have been installed in one of the top jobs of the Army as Gen. Eisenhower's chief of staff, and given the further distinction of being assigned to a diplomatic post requiring the highest degree of judgment, tact, and ability—that of ambassador to Russia . . . There are mysteries here that shout for clarification. Was Smith promoted because he withheld the warning until the blow had fallen?"

Editor's further comment: Isn't it stranger than fiction that Walter Bedell Smith was chosen as our Under Secretary of State, under John Foster Dulles, and only recently was left in full charge of representing our State Department in Switzerland in the Indo-China crucial conference? Can anyone explain the reasons for Walter Bedell Smith's sudden resignation to go in to private business for himself only a few months ago? We ask our readers this question: Should not our congress call for a complete investigation of Pearl Harbor and reinstate, with full honors, Rear Admiral Husband E. Kimmel and General Walter E. Short, provided these officers are allowed to prove their innocence of neglectful duty in the Pearl Harbor disaster? Why delay it any longer?

Mahatma Gandhi said: The hungry millions ask for one poem — invigorating food. They cannot be given it. They must earn it. And they can earn only by the sweat of their brow.

Mahatma Gandhi said: Do not say you will maintain the poor on charity . . . The iniquitous system of giving dols to the able-bodied idle is going on to our eternal shame and humiliation.

E PLURIBUS UNUM

THE MANY ARE ONE
MULTAE SUNT UNA

POLLAI EISI MIA
VIELE SIND EINS

By Jesse B. Horning

The motto of the United States of America is e pluribus unum. As we are about to discuss this motto, let us have a formal definition. Webster says: e pluribus unum (L.) One out of many; one composed of many;—the motto of the United States, as being one government formed by uniting many States . . .

In Latin, unus is masculine, una is feminine, and unum is neuter. If Ovid, or any other, wrote e pluribus una and without anything to alter the natural meaning, the meaning would be that she of whom he wrote was designated as exceptional. To many who have written or who have not written there is one who was exceptional; and una can be used as and is used as a proper name, not merely proper in the formal grammatical sense, but exceedingly appropriate as a designation for her who is to him who writes the exceptional one; to him she is one out of many, e pluribus una. Una is the name of a lovely lady in Spenser's Faerie Queene. Unum being neuter, e pluribus unum is one thing out of or selected from many things. The fact is that many by unum became one. To interpret the motto as meaning one composed of many is unnatural, very artificial, and can be considered to be really erroneous. There is, however, a wonderful solution.

The one valuable feature of e pluribus unum as being the motto for the United States is that it is composed of thirteen letters. The thirteen letters uniting to form one motto is a perfect symbol of thirteen States uniting to form one Nation. From the moment of the union, it has continuously been that the many are one . . .

STATUTE LAW

By JACK GREENHILL
Member of the California Bar

By weight of the law, the land and the mine, The tools that we use, the water and food, Our hopes, our aims and love's treasured shrine Are taken and kept from the multitude; From cradle to grave we're hampered by rules,

Wherever we turn we're faced by a law, The foisting of henchmen, knaves and fools Who empty their heads to fatten their maw.

The law is power that bolsters the throne, That entrenches the rich more and still more,

That answers the call for bread with a stone, That names one a wife, the other a whore; The law is a mask for raiders to wear, To cover the face that laughs at despair.

Was Congress Dumb or Dishonest?

DUMBARTON OAKS BIRTHPLACE OF UNITED NATIONS "ONE WORLDISM" FOUNDED AT YALTA

(Reprinted from a Condensed
Commentary)

The New York Times, Feb. 13, 1945
UNITED FOR PEACE AS FOR WAR
Our meeting here in the Crimea has reaffirmed our common determination to maintain and strengthen in the future to come that unity of purpose and of action which has made victory possible and certain for the United Nations in this war. We believe that this is a sacred obligation which our governments owe to our people and to all the peoples of the world.

Only with the continuing and growing cooperation and understanding among our three countries and among all the peace-loving nations can the highest aspiration of humanity be realized—a secure and lasting peace which will, in the words of the Atlantic Charter, "afford assurance that if the men in all the lands may live out their lives in freedom from fear and want."

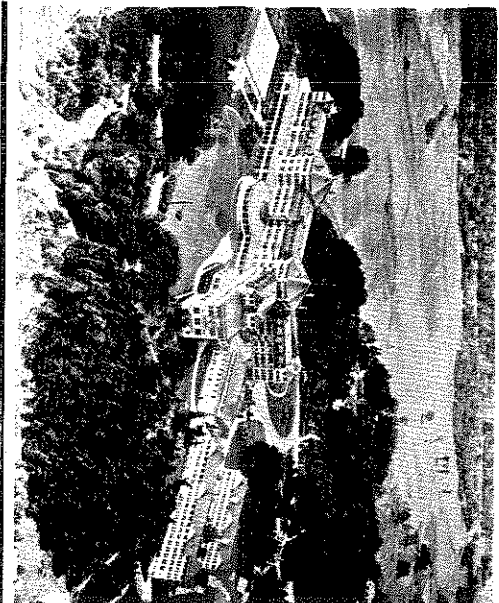
Victory in this war and the establishment of the proposed international organization will provide the greatest opportunity in history to create in the years to come the essential conditions of such a peace.

February 11, 1945.
WINSTON S. CHURCHILL
FRANKLIN D. ROOSEVELT
J. STALIN

THIS EDITOR SAYS:

"All Americans, please"—
I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands: one Nation, under God, indivisible, with Liberty and Justice for all.

"A LITTLE HISTORY MAKES A BIG SUBJECT"



THE HIDE-OUT

View of Mount Washington at
Bretton Woods, New Hampshire

WHERE

"DR." HARRY DEXTER WHITE
(of U. S. Treasury Department)

— AND —

"LORD" John Maynard KEYNES
(of Great Britain fame)

"HATCHED THE EGG"

for Internationalism in "BANKING POWER" to make dollars available in exchange for Yuan, Drachmae, Sterling, Franc, Rupee, Peso, Krone, Markka, Lira, Guilder, Sol, Pound, Dinar, Dollar, Colon, Lempira, Suere, Schilling, Quetzal, Koruna, Boti Cruzeiro, Bolivar, Cordoba, etc.

(AT U. S. TAXPAYERS EXPENSE.)

CONGRESSMEN!

Do you know that the Constitutional rights of American citizens' representative government, including the three branches—"The Executive, the Legislative and the Judicial"—have been all abandoned and your right to take "Legislative action" is denied? Read the "IMMUNITY" written into this WORLD BANK DOCUMENT at bottom of this page . . . Read: "Why Go Down In History."

BRETTON WOODS BIRTHPLACE OF INTERNATIONAL MONEY BUSINESS COMPLETED A "ONE WORLDISM"

(Reprinted from a Condensed
Commentary)

The New York Times, Mar. 6, 1945
EXPLANATION BY STETTINIUS
(Text, condensed, of an explanatory statement by Secretary of State Edward R. Stettinius, Jr., follows:)

Today, March 6, 1945, with the issuance of the invitations to the San Francisco Conference, there have been made public the provisions of the text on voting procedure in the Security Council of the general international organization proposed at Dumbarton Oaks . . .

The practical provisions, in effect means . . . that no nation, large or small . . . should be above the law . . . no nation, large or small, if a party to a dispute, would participate in the decisions on questions like the following:

(A) Whether a matter should be investigated.

(B) Whether the dispute or situation is of such a nature that its continuation is likely to threaten peace.

(C) Whether the Council should call on the parties to settle a dispute by means of their own choice.

(D) Whether, if the dispute is referred to the Council, a recommendation should be made as to methods and procedure of settlement; . . .

UNANIMITY OF "PERMANENTS"

ASKED

Where the Council is engaged in performing its political functions of action for maintenance of peace and security, a difference is made between the permanent members of the Council and other nations for the practical reason that the permanent members must, as a matter of necessity, bear the principle responsibility for action.

WHY GO 'DOWN' IN HISTORY?

WHY NOT KEEP U. S. ON THE "LEVEL"?

Congressmen: Here are excerpts from "Articles of Agreement," "International Monetary Fund," and International Bank for Reconstruction and Development (Authentic)

(Official Report by U. S. Treasury Department, Washington, D. C.
and printed by U. S. Government Printing Office—531268-45-2)

"IMMUNITY FROM JUDICIAL PROCESS"

INTERNATIONAL MONETARY FUND:
The Governments on whose behalf the present Agreement is signed agree as follows:
Article IX states, Immunities and Privileges.

Sec. 3: Immunity from Judicial process.
Sec. 4: Immunity from Other Action.
Sec. 5: Immunity of Archives.
Sec. 6: Freedom of Assets from Restrictions.
Sec. 8: Immunities and Privileges of Officers and Employees. (i) shall be immune

from legal process with respect to acts performed by them.

Sec. 9: Immunity from Taxation. 9(c) No taxation of any kind shall be levied on any obligation or security issued by the Fund, including any dividend or interest thereon, by whomsoever held.

Done at Washington, D. C. (Agreement signed by Harry S. Truman in December 1945) in a single copy which shall remain deposited in the archives of the Government of the United States of America, which shall transmit certified copies to all governments whose names are set forth in Schedule A, and to all governments whose membership is approved in accordance with Article II, Section 1(b). (THAT'S IT.)

RUSSIAN GOLD REACHES LONDON IN THREE PLANES

By United Press

LONDON, Nov. 30.—Russia mysteriously shipped 17 tons of gold worth more than fifteen million dollars by plane to London today amid reports the Soviet Union is short of foreign exchange.

A cordon of police surrounded the three planes that brought the gold to London airport from Moscow by way of Prague.

The London bullion market believed the shipments, which were top secret until the last plane landed, went directly from the airport to the Bank of England under direction of customs.

Only the bank could have facilities to measure such a large amount of gold.

Czech airlines flew the consignments from Moscow to Prague, where they were picked up by Dutch KLM airlines and flown into London.

Officials and bullion traders in London believed Russia was short of sterling. Russian silver and some platinum began appearing in European markets last month and there were reports of increased gold sales.

QUESTION: Does Uncle Sam buy these "Hammer & Sickle" marked Gold Bricks from England for our surplus war implements to be shipped to London and thence shipped to Soviet Russia?

Two Ways to Make a Million

Number One Way—Honest

1. Swap one apple for 10 oranges in Florida.
2. Swap the 10 oranges in Canada for 100 apples.
3. Swap the 100 apples in California for 1000 oranges.
4. Swap the 1000 oranges in Canada for 10,000 apples.
5. Swap the 10,000 apples in Florida for 100,000 oranges.
6. Swap the 100,000 oranges in Canada for 1,000,000 apples.

Thus you make an honest million profit and please both the Cannucks and the Yanks.

Number Two Way—Dishonest?

1. Banker swaps One Dollar Reserve for 10 Credit Dollars.
2. Banker swaps 10 Dollars Reserve for 100 Credit Dollars.
3. Banker swaps 100 Dollars Reserve for 1000 Credit Dollars.
4. Banker swaps 1000 Dollars Reserve for 10,000 Credit Dollars.
5. Banker swaps 10,000 Dollars Reserve for 100,000 Credit Dollars.
6. Banker swaps 100,000 Dollars Reserve for 1,000,000 Credit Dollars.

Thus the first Dollar now begets \$94.58 interest per year. Banker pleases himself and fellow bankers.

HOW MUCH IS IT?

One of the big reasons for high federal taxation is the Government's huge debt. The Government has a big debt because in the past a large part of the money it spent was borrowed money. Until the debt is paid off, the Government has to pay interest.

In 1931, the interest on the national debt was \$5,615,246,850. But how much is that? Most of us just figure it is a whale of a lot of money, much more than we can understand.

The Tax Foundation, which does a good job of analyzing Government expenses, has worked out an illuminating description of just what \$5,615,246,850 means. Here it is:

Take—

All the money spent to see college football games.

All the payments made on account of railroad dividends.

All the income from broiler sales in Arizona, Louisiana, Oklahoma and Texas.

All the wages paid workers in the attractive mining industry.

All the life insurance in force in Idaho. All the sales made by department stores in Los Angeles County.

All the sales of electric current in Oahu, Hawaii.

All the income realized from Mississippi's cotton crop.

All the estimated value of California's avocado crop.

All the money spent for classified advertising (personal).

All the sales of concerns in pipeline transportation.

All the wages paid in the motion picture industry.

All the money spent for construction of religious buildings.

All the money realized (after taxes) of real estate firms.

All the money spent by students as fees for medical care.

All the money spent for railroad commutation.

All the money spent in furnishing meals to servants and domestic nurses.

All commercial building construction (warehouse, office, etc.) values.

Add them together—

And you have the amount of the interest paid in 1931 on the federal debt!—\$5,615,246,850.

P. S.—The interest on the public debt for the year ending June 30, 1933, was \$6,520,000,000.

Mahatma Gandhi said: I draw a sharp distinction between economics and ethics. Economics that hurts the moral well-being of an individual or a nation are immoral, and therefore sinful.

THIS IS NO BULL

City Guest: Oh my how do you raise such beautiful flowers?

Farmer: I use a lot of old cow manure.

City Guest: How interesting. How old does the cow have to be?

PRIVATE DEMAND FOR GOLD

From 1930 through 1933 about \$3 billion of gold was absorbed by private holdings outside the Soviet Union. This estimate is derived as the difference between \$18.6 billion added to monetary reserves during the period and \$21.1 billion of new production together with sales of \$0.5 billion by the Soviet Union. Of the \$3 billion absorbed by private holdings, about \$840 million was accounted for by uses in industry and the arts in the United States; the remainder represented largely additions to private gold holdings in all forms in a few countries of Western Europe.

The private demand for gold in this period has fluctuated in response to a variety of factors. In the years 1931-33, the decline in world raw material prices and the depreciation of sterling provided a profitable opportunity to shift from gold to different types of investment, and Eastern holders may have liquidated about \$1.5 billion of gold during these years, while private holders in other areas acquired nearly the same amount. Eastern liquidation declined to about \$0.5 billion in the period 1936-40, while liquidation of private holdings in Western countries rose sharply, to over \$1.0 billion, as holders attempted to shift into overseas assets that seemed to afford greater security from government controls and from the effects of war. In addition, in the later years various governments required the surrender of gold held by their nationals. In 1941-43, there was some further liquidation in the West but a revival of private demand in the East. The Allied and Japanese Governments sold gold during these years in the Middle East, India, and Chinese markets to finance military operations.

HEAR YE THE COURT!

A Dramatic Poem . . . (A Book Review)

SHODDY JUSTICE

By JACK GREENHILL

Member of the Bar of California

Author of *September Leaves*, *On the Emerald Wheel*, *Lights Along the Road*, *Mythology o Psychology*, and *Confessions of an Industrial Insurance Agent*, etc.

A worm is housed within the very core Of our modern justice, and soon will come The final bite, the settling of the score In taking leaves and handing out a crumb that counts in their crass ignorance to quell,

Produce the more the greater of all crime

Like shoddy firms that deal in cheap misfit And look upon their patron as their prey; The premiums of the Court are based on wits

For values do not count,—convictions pay The law is blind and as an aftermath, Poor equity must follow that same path.

SINGLE TAX VERSUS SOCIALISM

By Henry George

Single Tax would do away with all temptation to monopolize land. There would be no tax upon land, only upon value of land. (Question from audience: "What is the difference?")

Here is the difference: that land of itself has no (exchange) value. Land never has any value until two men want to use it. The prices that are charged for land on the



(1833) HENRY GEORGE (1897)

its skirts of a city are a speculative value to the anticipation of what it will be worth when the population crowds out. Under our system the employment of labor could be facilitated in every direction. Laborers would not be merely saved from paying rent, but would get employment during times when they were not engaged in their trades.

The trouble with Socialism is its superiority. The socialistic view is the view of industrial relations as they appear on the face in those centers where they have summed their most complex and most highly developed form—as where pavements secure the ground and tall houses obscure the stars,—the prominence into which the fishing processes of industry are brought, secures the absolute dependence of man on all his works on mother earth.

What we propose is not a mere fiscal change; not a mere clever scheme of equalization—it is a conforming of the most important and most fundamental of all human adjustments to the supreme law of justice; recognition of that natural right of property which exists irrespective of what laws or emperors or parliaments or legislatures may enact and which is attested by the clear perceptions of the moral sense. **Let us seek by a simple change in taxation to put all men on the plane of equal opportunity.** We would not take from one to give to another; we would not beg one to relieve by their alms another class.

OPERATION LOOT!

(Second of a Series of Ten Articles Which Will Appear in This Publication.)

By J. C. STAFFORD

Staff Correspondent from Ohio

(Continued from March issue)

START THE PRESS!

As we had no space in March issue for all of this article we begin with:

Conspiracies to "jam-up" supply and demand; conspiracies to arrange monopolies; conspiracies to eliminate small business competition; conspiracies to downgrade, dilute and adulterate any and every type of goods and services; conspiracies to cut three inches off shirt tails to save a few cents per shirt; conspiracies to hog-tie labor; conspiracies to frustrate social and economic investigations; conspiracies to befuddle and misinform the public; conspiracies to aid and abet gambling, vice and dope peddling; conspiracies of five-percenters; conspiracies of "Washington, D.C." milk coats and ice boxes; conspiracies of automobiles and under-the-table "cuts" for political favors and for services; conspiracies to promote wars; conspiracies to keep war going; conspiracies to translate the blood and guts of such wars into cash in the bank; conspiracies to "tax and tax and spend and spend and elect and elect," conspiracies by and between law enforcement agencies and big town mobs, especially if these mobs can control a block of votes; conspiracies to seize and control our circulation media; conspiracies of banking moguls to get and hold a death grip on the nation's banking facilities; conspiracies among bankers to actually manufacture money out of nothing at all, and conspiracies to periodically engineer inflation to be followed by deflation and depressions, and an interminable list too long to enumerate here.

The Federal Reserve Board, which is the privately owned control mechanism over our money supply manipulated by the top-flight bankers of the nation, and thru which they can and do manufacture money at will, has just (July) increased the amount that can be put into circulation thru bank loans for each dollar of deposit money on hand, from \$4.50 to \$5.00.

Some writers on the subject insist that a ratio of \$30 of bank loans for each dollar of actual assets, more nearly coincides with the common practice, but for present purposes, we will stick with the publicly announced figure of a ratio of five dollars loaned out for each dollar of assets on hand.

This enables the banks involved to create about \$9,700,000,000 of new money out of nothing. With this new money created out of a vacuum now available, they can, and doubtless will, buy Government Bonds, or they can loan the additional "money" out at interest. If they elect to purchase bonds, they will thus get, and then own, the bonds for nothing. These will become an added asset against which to loan further amounts

of money at a ratio of \$5.00 for each dollar on hand, thus creating more money yet because of the original transaction, which will result in something like this:

The \$9.7 billions they first created will provide them with an additional asset against which they can loan money or insure credits up to five times \$9.7 billions. The new money they loan becomes an account receivable, and they still have the bonds in the vault against which they can write further checks at the ratio of five to one, since both the bonds and the accounts receivable are considered assets, enabling them to loan at "five to one" TWICE from the original creation of imaginary money, out of nothing. This means that now, as a result of changing the ratio from \$4.50 to \$5.00, they now have \$96 billions out at interest they didn't have before, and in fact that nobody had, and which, in further fact, is a pure fiction and non-existent. Let us suppose that the \$96 billions they have been able to loan was loaned to the government. The government then hands the bank a sheaf of bonds and the banker hands the Treasurer a check for the amount. The bonds are then considered as an added asset for the bank, and the check is considered an added asset in the treasury, thus increasing the wealth of the nation by this simple transfer of a dollar's worth of paper by \$192 billions, or twice the face value of the transfer of "funds." The banker now has \$96 billions in bonds in his vault as an asset, against which he can again loan up to a ratio of five to one, it can be readily seen that this process can be repeated time after time, ad infinitum. These figures are merely used to illustrate a principle and are not intended to be accurate as to amounts. No matter what figures emerge from such a series of progressive transactions in banking *hocus-pocus*, the acquisition of all the thus acquired series of bonds cost the bankers involved exactly nothing, yet these fantastic sums when entered on books of accounting to their credit become wealth described in terms of United States Dollars, and drawing interest. And, at 5% interest, the amount of interest will equal the principle every twelve years or so. All of which came out of nothing at all other than the imagination of the banker in co-operation with officials, and the gullibility of the public.

(To be continued in May issue)

Advance Reading

may be had by ordering this book:

"OPERATION LOOT"

Two books for \$1.00

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1948 48th Avenue, Oakland 1, Calif.

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Plain Talk FROM OUR Readers

RE: "CALIFORNIA OIL REVENUES,"
Hollywood 27, Calif., March 1, 1955
5107 Sunset Boulevard

Hon. Goodwin I. Knight,
Governor of California,
Sacramento, Calif.

Dear Governor: Enclosed you will find an editorial from MONEY, BANKS & TAXES, which we of this Foundation would like very much to have some member of your staff investigate.

If the article is correct in its contention that there is a LAW on the books that is not now being enforced, we are sincere in feeling that you would like to correct this matter and do so at once. We have a high regard for the Editor of the above mentioned paper, Mr. Lester O. Wisler, and we would not wish to see it shaken or impeded.

With kind personal regards, I am
Yours sincerely,
Wm. R. Peeler, President
Keystone Foundation Inc.

UNITED STATES SENATE
Committee on Appropriations
21 February 1955

Mr. Lester O. Wisler,
1948 48th Avenue
Oakland 1, California

Dear Mr. Wisler: Your letter of February 15, with enclosure, has been received and is greatly appreciated.

Your comments on the wretched allotment program were read with interest and I am looking into the matter. I shall keep you advised of further developments.

With best regards, I am
Sincerely yours,
William F. Knowland.

Mr. Lester O. Wisler
Executive Director
Grand Jury Association of California
1948 48th Avenue
Oakland, California

UNITED STATES SENATE
Committee on Public Works
March 7, 1955

Dear Mr. Wisler:

Thank you very much for your letter of March 4 in which you enclose material outlining a suggested procedure for financing highway improvement. I appreciate your making this material available to me. I will be glad to bring it to the attention of the members of the Public Roads Subcommittee.

Sincerely yours,
Albert Gore.

LISSEN, YOU'LL ALL!

Mr. President and Members of Congress: I am shore you all knowed Mark Twain was a great teller for crackin' jokes. He once said he crimed to live within his income. Then he had to borrow the money to do it. Never, then, he'd see the day the gov't would pay him out. Einstein couldn't do it, let alone, as good as he is at figures. How long do you reckon the gov't will be a finish out that Mark was just a yokan?

Then the gov't cant keep out of the hole, how's it ever gonna get itself out of the hole? Primin' the pump forever with borrowed money without findin' out what the heck ails the pump, ain't never gonna do hit. Who's got that \$275 Billion that's been poured into it already, and why ain't they a payin' taxes with hit, instid of locum'n it back to the gov't to prime the pump agin?

Then you all cant fix the pump, and if hit's gonna have to be primed ever so often, you orta try primin' hit and not with lawful money. There orta be a heap of hit in the US Treasury cause the gov't garmies to redeem all this federal reserve money at the treasury in LAWFUL money. Maybe if you did, that pump would put out aintin instid of the debts, borrowed money and inflation which it has bin doin, up to now. If then the gov't has got the lawful money to redeem all this federal reserve money why in the heck don't the gov use hit instid of borrowin the money hit has to garmies? Maybe you'd all have overlooked the fine print on the federal reserve money that tells you hit's only legal tender but the gov't will give you LAWFUL money for hit at the US Treasury. Hit's in such fine print you'd think they didn't aim for nobody to read hit.

How come the gov't ain't the one to lend money instid of borrowin, but if then the gov't has to make all money good? Looks like the tail has bin weagin' the dog so far.

We must forget to remind you we air still sellin' and makin' feed for every purpose, and cleanin' seed.

PHONE 150 INCEHART'S MILL
FRUITA, COLO.

A POINT OF INSANITY (How crazy can we get!)

A recent report reveals that three of our biggest and best bloated Billionaires blew their bugles at New York's Stock Club a few evenings ago.

The conversation between them ran something like this:

Billionaire No. 1: "Boys, let me pay this check and I'll deduct it from my Income Tax."

Billionaire No. 2: "No, no, Jim, let me pay it. I can use my 'foundation' grants and give-aways, thereby save my own personal money."

Billionaire No. 3: "O, you pikers! I'm going to pay this bill, because I can get it all back, with a profit, from Uncle Sam on my 'cost-plus' government contracts."

—By Reporter, "Loophole" Tax Availer.

SECRETS OF SATAN

By Sam Evans Hayes

"THE TRUTH ABOUT MONEY,
BANKING, AND TAXATION."

Five Copies for \$1.00

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"TAX THE FARMER"

Tax the farmer, tax his fowl!

Tax the dog, tax his howl!

Tax the hen, and tax her eggs,

Let the poor old farmer beg.

Tax the pig and tax his squeals,

Tax his boots run down at heels;

Tax his plow and tax his clothes,

Tax his rags that wipe his nose.

Tax his home and tax his bed,

Tax the bald spot on his head;

Tax the ox, tax the ass,

Tax his "Henry," tax his gas.

Tax the road that he must pass,

Make him travel on the grass;

Tax his cow, tax her calf,

Tax him if he dare to laugh.

He is but a common man,

So tax the poor cuss all you can.

Tax the laborer, but be discreet,

Tax the shoes right off his feet.

Tax his bread, tax his meat,

Tax him for walking on the street;

Tax the payroll, tax the sale,

Tax all his hard-earned paper kale.

Tax his pipe, tax his smoke,

Teach him government is no joke;

Tax the coffins, tax the shrouds,

Tax the souls beyond the clouds.

Tax all business, tax all shops,

Tax all income, tax all stocks;

Tax the living, tax the dead,

Tax the unborn before they're fed.

Tax the water, tax the air,

Tax the sunlight if you dare.

Tax them all, and tax 'em well,

And do your best to make life hell!

—Exchange.

BEST BOOKS

(Send your order direct to Liberty Press, 1948 - 48th Ave., Oakland 1, California.) One year subscription or renewal for every order of \$4.00 worth of these books listed; pursuant to postal regulation.

TITLE	Price each
Money Kings & The Unemployed (Betts)	1.00
Progress and Poverty (Henry George) 1954 Deluxe Edition	5.00
Progress and Poverty, cloth bound	1.50
Freedom in America25
The Art of Contrary Thinking (Neill)	1.00
Our Enemy, the State (Nock)	2.50
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