

"All that is necessary
for the triumph of
evil is that good
men do nothing . . ."
— EDMUND BURKE



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CONTENTS

A World of Unreality – A Virtual World? By Betty Luks	1
Operation '76 - The Universal Church By W. Henry Macfarland	4
The Hydroelectric Dam as a Metaphor for Social Credit By M. Oliver Heydorn Ph.D.	7

In this groundbreaking book, (The Master and His Emmissary) based on a vast body of recent experimental research, Iain McGilchrist argues that the left and right hemispheres have differing insights, values and priorities. Each has a distinct 'take' on the world - most strikingly, the right hemisphere sees itself as connected to the world, whereas the left hemisphere stands aloof from it. This affects our understanding not just of language and reason, music and time, but of all living things: our bodies, ourselves and the world in which we live.

We need both hemispheres; but, McGilchrist argues, the left hemisphere has become so far dominant that we're in danger of forgetting everything that makes us human. Taking the reader on an extraordinary journey through Western history and culture, he traces how the left hemisphere has grabbed more than its fair share of power, resulting in a society where a rigid and bureaucratic obsession with structure, narrow self-interest and a mechanistic view of the world hold sway, as an enormous cost to human happiness and the world around us.

A WORLD OF UNREALITY – A VIRTUAL WORLD? By Betty Luks

I know that a number of readers are not quite sure why I have introduced the work of Dr. Iain McGilchrist to the columns of *The New Times Survey*. But bear with me and it will become clearer as we go along. It seems more and more people are waking up to the fact that in this electronic age we are being 'mind conditioned' without realising it. One website put it thus:

A False Reality: "The very toys we are given to play with are manufactured to control our minds. The food we are given poisons us and ensnares us in a cycle of addiction. The system around us ensures we have no choice but to learn the teachings of an elite that wishes to maintain control over us. But first we must recognise their methods. The simplest methods, such as AIDA, are used every moment of every day. It begins with A, Attention. They then keep our I, Interest and build a D, Desire and call us to A, Action. Whether it is work, play or war, these methods are employed to control us and we don't even realize it. From television to the Internet, from books to music, from groceries to energy, from politics to religion, our lives are not our own. It's time to rip our minds away from the beast that devours our souls."

As explained in the January, 2019 *NTS*, social crediters such as Elizabeth and Geoffrey Dobbs saw the dangers back in the 1980s. Elizabeth wrote of 'game books' for children:

"Others of the books, while operating the sort of exciting story in which children delight, keep to a relatively balanced cast of characters, situations and morals. Given an exciting story as a basis, the effect of the method is to imbue the reader with a fine flamboyant sense that he is positively making his own adventure: but of course he is only making tunnel-vision choices between alternatives laid on by the author in his pre-set agenda. The choices are irresponsible because the paragraphs are so short, the succession so quick, the effect, being 'magic', so arbitrary, that the reader has no chance to connect and compare choice with result."

This is not irrelevant... To corrupt the capacity to image objectives truly together with the way they may be achieved, is to alter the whole direction of our culture. To disrupt the true way of working to an end - in the belief that magic and violence really get what you want - will lead ultimately to a breakdown of society. What then nurtures the ability to imagine our objectives, for good or ill? Choosing them is usually a matter for conscious decision; but conscious decision in adult life is monitored and engaged (whether positively or negatively, and largely unrealised) by the deep subterranean flow of ideas, images, habits, attitudes, emotions, principles, beliefs about the way the world relates together, gathered in the vulnerable years of youth and adolescence, and incorporated into the very body of our growth.

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(continued from previous page) Clifford Hugh Douglas had said many years ago that for people to grasp his concepts, as outlined in Social Credit teaching, the people had to be 'demesmerised'. We now attempt that with the help of Owen Barfield in *Romanticism Comes of Age*. Barfield wrote:

"The question is, when did men first begin to think, in something like the modern manner, of 'laws of nature'? As far as I am aware, the first writer to draw the analogy in England (though it was not in the English language) was the lawyer-philosopher, Francis Bacon. Moreover, Bacon's place in the history of European thought makes it pretty certain that he was at least among the first to draw it at all. So that, in the history of thought, we have here a fairly definite point - round about the beginning of the seventeenth century - at which the concept 'laws of nature' first begins to reveal itself as working in human minds. But now, if we wish to go on from a history of thought to a history of thinking, we shall have to ask ourselves: then how did men think nature before they had acquired this concept?"

He purposely avoided saying, how did they think of nature, because to think of nature, as we do today, the concept of 'law' must to some extent have been already absorbed by the thinker at first or second hand.

HISTORY OF THINKING AND NEED TO 'UNTHINK'

For a history of thinking he (Barfield) wrote that we have to be much more conscientious; and, once having perceived that such a concept as 'law' in its application to nature only entered into human consciousness at a certain period, we must try for all previous periods, as it were, to unthink that concept together with all its intellectual and psychological implications and consequences. This requires a very real effort of the imagination, besides a fairly intimate acquaintance with the customary processes of our own intellects.

Now one of the most significant passages in which Bacon makes this strikingly novel use of the word *lex* (for he was writing in Latin) runs as follows :

"It may be that nothing really exists except individual bodies, which produce real motion according to law; in science it is just that law, and the enquiry, discovery, and explanation of it, which are the fundamental requisite both for the knowledge and for the control of Nature. And it is that law, and its 'clauses', which I mean when I use (chiefly because of its current prevalence and familiarity) the word 'forms'."

Bacon has just been vigorously condemning the scholastic science of his day, which consisted almost entirely of efforts to discuss and expound these 'forms' of which he speaks. It will thus be seen that he actually

substitutes the meaning of the word 'law' for the meaning then commonly attached, in philosophical circles, to the word 'form' (*forma*) and only refrains from substituting the word itself because of its unfamiliarity.

WE ARE 'PLUNGED' INTO THE WORLD OF GREEK THOUGHT

Thus, there is some reason to suppose that, if we wish to grasp imaginatively the way in which men thought, before they had this transferred concept of 'law' both to help and to hinder them in their mental processes, it may be worth while to investigate the old meaning of the term for which, in effect, it was substituted - the word 'form'.

As soon, however, as we attempt to do this, we find ourselves plunged into the world of Greek thought, for the meaning attached to the word 'form' in the Middle Ages was a definite relic of Greek philosophy. And in the kind of history which I am attempting to sketch Greek thought takes its place as the result, or product, of Greek thinking. We must consider the latter, therefore, first. The pervasive quality of Greek thinking, and of Greek consciousness as a whole - the characteristic which distinguishes it most from our own and most delights us - is that it was in a certain sense alive. As a thinker or knower, the Greek tended to be at home, as it were, in the coming-into-being, or becoming; whereas our own thought, built as it is on the secure but rigid framework of logic, (which the Greeks did not succeed in evolving for us until Aristotle's day), can only deal with the 'become', the finished product - except, of course, where it is willing to bring in the aid of poesy, metaphor.

It is quite legitimate to correlate 'alive' with 'is-becoming' and 'dead' with 'become'; and it is in this as appear more clearly, that I characterise Greek thinking as alive, when compared with our own.

One casts about for a way in which one could try to convey this living quality of Greek thinking to those who had not had the opportunity of discovering it for themselves; and it must be confessed that it is not altogether easy. To take, however, a very homely example: the man of to-day knows quite well, of course, whether his hair is long or short; but if he examines this knowledge more closely, he will find that it is only knowledge of a result. Thus, he may look in the glass, he may see the snippets lying on the kind of surplice in which barbers envelop us, he may find that his new hat is now large enough to include his ears, or he may feel cold round the back of his neck as he goes out into the street. On the other hand, he may feel the heat or weight of long hair.

THINKING INVOLVES THE WHOLE CONSCIOUSNESS

But if we try to imagine that, instead of this way of knowledge, we could actually be conscious in the growing of our hair, could feel it as a movement in

something the same way that we still feel our breathing as movement, we should be making an approach towards the difference between Greek consciousness and Greek thinking, and our own. Consciousness and thinking are practically interchangeable here; this is true of the average modern European, whether or no he is really capable of thinking with logical accuracy. There is all the difference in the world between the illogical and the pre-the point is that he thinks in the logical mode.

For thinking, in this living sense, differs from thought, in it is not merely an intellectual operation connected with the brain, but involves the whole consciousness. Thought is only the result of this consciousness. For this reason, history of thinking is often better revealed by the meaning of individual words (the study of which has been called Semantics) than by the parallel history of literature or philosophy. For the individual word is, in a sense, the point at which thinking becomes thought. Like thought, it is the product or result of thinking, and literature (apart from its redemption by poetry) and our thought, too, in so far as we have to think in words, is a kind of synthesis of these products.

GREEK MANNER OF THINKING AND DIRECT EXPERIENCE

Thus, if we try to enter imaginatively into the meaning of many Greek words, comparing them with apparently similar words in our own language, we get all sorts of interesting results. In the case of long hair, for instance, we find that, besides the static, analytic method of statement, which arises from a knowledge of results only - 'to have long hair', the Greek language in its early stages actually had a single verb to express this physical condition, a verb which is ex hypothesi untranslatable in modern English, and to which the nearest approach would perhaps be 'to become long as to the hair', 'to bristle', etc.

The important thing is to realise imaginatively the kind of underlying consciousness which would have expressed itself in such terms. I mention these few words less as evidence than as examples of the fact that the Greek manner of thinking was determined by direct experience of *natura naturans*, whereas our direct experience is always of *natura naturata*.

The Greek youth of Homer's day, as he approached manhood, did not 'have a beard', he did not even 'grow a beard'; he did not require a substantive at all to express what was happening - he 'foamed'! And again, in order to attribute youth, the Greek language did not require, as we do, the static, logical mode of copula (and predicate) "So and so - is - young"; it could say "So and so 'blossoms' or 'blooms' ", using the same word as it is used for the flowers of the field.

It cannot be too often insisted that this was not a poetical metaphor, but a bedrock element in the Greek language; it is we, when we use such expressions today, who are trying to get back, via poetic metaphor, into the

kind of consciousness which the Greek had and could express quite naturally and straightforwardly. Nor is it merely a poetic fancy to connect in one's mind the whole flavour and freshness of Greek thinking with a blossoming flower - a flower that is still moist, alive, in movement, becoming; and our own thought (again, in so far as it is not redeemed by the poetic) with the withered leaf and stalk of Autumn, the hard rind of the seed, the motionless, the dead, the 'become'.

We can even take the connection in its most literal sense, when we find that the popular names of so many English wild flowers - anemone, daffodil, bryony, celandine, cherry, etc. - the names by which we instinctively call them when we see them blowing in the field, are traceable to a Greek origin, while the same flowers only acquire Latin labels, when they begin to appear, as dead, dried up specimens, in the botanist's scrap-book. In the same way one could consider all the medical terms that have come to us from Greek, or again the unsurpassed vitality and perfection of living form which breathes to us from the Elgin marbles, as revealing the manner in which Greek consciousness as a whole tended to be at home in the physically living, in the process of becoming.

It is only as a natural growth from this pre-existing soil, this instinctive kind of thinking, that the world of Greek thought proper can really be understood. Philosophy may be defined as the most wakeful part of age/'people's consciousness. We find, accordingly, early Greek philosophy concerned precisely with this problem of 'coming into being' or generation. The kind of question which the first philosophers set themselves to solve would be expressed by us somewhat as follows: where, they would ask, is the flower's 'form', the shape and beauty which our eyes will see clearly enough when it blossoms, now that they can see nothing but the bare earth or the dry seed?

Whilst once reading the parable of the Lilies of the Field, I came to the realisation that I hadn't 'considered' the lilies as Jesus said we must do. As I 'consider' the lilies that God 'clothes' I realise that I can see them 'coming into being'. Life is dynamic, not static!

Luke 12:27-40 King James Version

Consider the lilies how they grow: they toil not, they spin not; and yet I say unto you, that Solomon in all his glory was not arrayed like one of these. If then God so clothe the grass, which is to day in the field, and to morrow is cast into the oven; how much more will he clothe you, O ye of little faith? And seek not ye what ye shall eat, or what ye shall drink, neither be ye of doubtful mind. For all these things do the nations of the world seek after: and your Father knoweth that ye have need of these things. But rather seek ye the kingdom of God; and all these things shall be added unto you. ***

OPERATION '76 - THE UNIVERSAL CHURCH c.1970 By W. Henry Macfarland

The fantastic plan to turn the church into an instrument of communist conquest would be unbelievable if we did not see it all happening before our eyes

INTRODUCTION: For the past several decades the Communist Party and its domestic front groups have made common cause with the Liberal Establishment in seeking to expunge data pertaining to race and religion from the public records of federal, state and local government, including law enforcement agencies whose ability to maintain social order can seriously be impaired by an informational void in this area.

Now, in the wake of the promulgation of 'Operation 76' at the 18th National Convention of the Communist Party, U.S.A. in New York City last June (*See Winter, 1966 The American Mercury, page 46*), Party leaders and agents active in both Leftist and liberal organizations the length of the Country have been ordered to reverse their stand and work most diligently for the racio-religious identification of every man, woman and child in the Nation as part of a 'personal inventory' which key officials of the U.S Census Bureau wish to have incorporated in the 1970 nose-count. The about-face was required by the most sinister aspect of the Party's new and final 10-year plan for taking the United States into the Soviet-oriented World Government dated for consummation on July 4, 1976. This aspect is that of the Party's assigned role in giving impetus and direction to an amalgamation of organized religious bodies which Moscow has blueprinted to emerge, in the early 1970's, as a universal 'Church of World Brotherhood.'

The Party's altered position on the propriety of completing an up-to-date racial and religious census arises from the need for statistical data on which to chart the vast church merger and is paralleled by a similar shift in Party policy with respect to its traditional hostility towards religion itself. Since the 1920s trained Red agents have indeed infiltrated both the clergy and the laity to subvert the basis of faith in a Divine Creator and re-direct church and church-allied activities into purely social channels of a nature less hostile to Communist goals. This infiltration resulted in the operational capture of the old Federal Council of Churches during the 1930s, which has been maintained and apparently rendered permanent insofar as its successor, the National Council of Churches, [NCC] is concerned. This control veered the 'mainstream' of Protestantism inexorably to the Left, giving those denominations and individual churches which remained faithful to traditional Christian precepts a 'stigma' similar to that which like methods employed in the political sphere imparted to those remaining loyal to fundamental constitutionalism.

For the most part, the Catholic Church was unaffected by these borings into the body of world Christendom—or at least seemingly so—until the passing of Pius XII in 1958, after which there was evidenced a most

marked and rapid deterioration in the Vatican's anti-Bolshevist resolve which, in less than a decade, has seen that Church transformed from an implacable foe of Communism into an active and quite powerful advocate of coexistence both with Moscow and Red China. At the same time, revolutionary changes in its centuries-long teachings have moved Rome closer and closer, not to traditional Protestantism as many Catholic laymen suppose, but to that humanistic neo-paganism of the National and World Council of Churches.

God Is The Enemy

And, coincidental with this 'dechristianization of Christianity' which is working to syncretize the tenets of Protestantism and Catholicism in what amounts to a new 'gospel', there has come from the Kremlin what to many appears to be a reciprocatory 'Softening' in the classical Marxist hatred of and for religion. Those who are being deceived by this are missing the point of attack upon which all Communist theoreticians, from Marx and Lenin onward, have based their anti-religiosity. The assault has always been against the concept of Deity—of God as an entity above and beyond the vicissitudes of mundane existence and human frailties, to whom individual man owes his first allegiance and to whom he may and should entrust his fate both in life and in death. Such a concept, whether held by a Protestant, a Catholic, a Jew, a Muslim or the communicant of any other faith, poses an insurmountable obstacle to Marx's doctrine of economic determinism—the 'class struggle' theory of history—which is the basic rationale of modern-day 'textbook' Communism.

For this reason, the World Communist Conspiracy has nothing to fear from a 'religion' based on a social gospel which is itself the product of thinking in terms of the individual's helplessness in the face of mass economic forces. Indeed, Communism can find in such religions invaluable allies in its quest for global empire, and if they feel the necessity for transforming 'God' into an invisible earthly comrade prepared to lead 'the masses' in battle against their 'capitalist oppressors' and keeping him as such, the Reds rightly judge that this profanation of Divinity is itself most useful to the Marxist cause.

At the 18th National Convention of the Communist Party U.S.A., the Red faithful found 'Godless Religion' incorporated in 'Operation 76' as an instrumentality, co-equal with the racio-political modality reported in Newsletter No. 72, for effecting our Country's surrender to a Soviet dominated World State by July 4, 1976.

The plan of action is quite precise. It is geared to the creation of a single Church of World Brotherhood seated in the Holy Land by the mid 1970s. The ultimate goal is a Global State Religion which the political and

church powers are one and the same, but this objective extends beyond the terminal date of Operation 76, whose blueprint in this area is restricted to fostering a domestic inter-faith union of the 'mainstream' of Protestant, Catholic and Jewish denominations in an expanded National Council of Churches, which by a series of 'guidelines' to be laid down by several agencies of the Federal Government, and later to be sustained by decisions of the U.S. Supreme Court, will by force of law, come to include all churches, denominations, sects and individual clergymen and evangelists legally recognized as having the right to function in the field of religion!

All seeking to operate outside either the Council or the guidelines will, in the earlier stages of the plan, be subjected to crippling economic disabilities, and later be included under statutory and prosecutable offenses.

The immediate target is the interfaith union within the expanded NCC (paralleled by a similar union within the World Council of Churches) on the basis of a broadened social gospel which will encompass (1) collaboration of Church and State in fostering racial and religious integration, massive federal-state-private 'anti-poverty' and regionally-based urban renewal programs, and the coordination (and later outright control of all private secular and religious charitable and educational activities with (and later by) the Federal Government, and (2) the 'reform' of religion, itself, to identify social 'Commitment' and the new 'morality' of unrestrained gratification of the physical senses with the actual worship of God.

Collaterally, all concepts of God as Divine Creator, Savior or Intercessor in the affairs of men are to be systematically 'nominalized' and finally eliminated within the Council affiliated religious bodies, with a series of Council pronouncements on the new faith and morals evolving as Council dogma which will come to be binding on all member organizations. At the same time, the Council, in collaboration with the political arm of 'Operation 76', will undertake to intensify the assault upon churches and individual clergy and evangelists who remain outside the Council and faithful to fundamental tenets which fail to yield to the secularizing of God and His forms of worship. The assault will take two approaches: one frankly political, the other psycho-sociological.

In the first, resisting churches, missions and individuals religionists will be identified with the 'lunatic fringe' in the political area—the so-called 'far-right' the 'extremists', 'fascists', et al.

In the second, the resistors will be portrayed as 'sick,' 'paranoid,' 'escapist' and a menace to the 'mental health' of both the local community and the Nation.

Satanic Religion Official

As these twin onslaughts, perpetuated by the liberal-oriented mass communications media, are determined

by professional opinion surveys to have sufficiently isolated the non-ecumenicals from the sympathy, and even the toleration, of the conditioned mass public, the Federal Government will move into position, first to circumscribe and then to render virtually unlawful the formal propagation of those religious teachings to which the National Council of Churches has objected.

The Federal action will follow the twin formula which 'Operation 76' will have applied beforehand. Politically, the Internal Revenue Service will be pressured to establish 'guidelines' for determining the tax status of religious organizations and practicing clergymen, evangelists, and their contributors. These guidelines will precisely duplicate the official stand of the NCC with respect to the permitted teachings of its member groups, so that, for taxing purposes, a 'church' or 'religious body' or 'religious practitioner' will be defined in terms of the NCC's 'creed' of a secular God, the social gospel and the new morality.

Bodies and individuals deviating from this 'creed,' whether NCC affiliated or not, are to be excluded from the exemptions granted their income and property in previous years, and contributors to such nonconformists will be restricted and taxed (or denied deductions) on the monies and property which they give or bequeath to the same. It is proposed that such 'guidelines' shall extend to privately-endowed charitable, educational and social service organizations and institutions whose purposes or practices embrace religious, ethical, moral or social pronouncements or activities at variance with the developing State Religion.

At the same time, the NCC's psycho-sociological thrust will be reinforced by the Federal Government through another executive agency, the U.S. Department of Health, Education and Welfare, under which is operated the National Institute of Mental Health.

The latter body is the one which was exposed nationally in 1959, as having considered granting \$29,000 in Federal tax money for untested drug experiments on ninety normal children to be hand-picked from the Montgomery County (Pennsylvania) Public School System!

Under the present plan as conceived in 'Operation 76', the National Institute of Mental Health will receive and accept recommendations from the World Health Organization, a Specialized Agency of the United Nations, setting forth 'standards' for 'healthy mental attitudes on religion and moral conduct.'

It is projected that these 'standards' will parallel the 'creed' of the National Council of Churches with respect to such matters, and that such concepts as Divinity, Salvation, 'literalism' in Bible interpretation, chastity before marriage, abstinence from homosexual and perverted heterosexual relationships, etc., will be spelled out as latent signs of actual or potential 'mental illness.'

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(continued from previous page) As the Communist Party's 'Lincoln Project' did in drafting a 'Voting Rights' Bill which was enacted by Congress nine years later, 'Operation 76' fixes an advance date for the introduction of legislation supplementing, these 'standards' in the United States. The year chosen by the Kremlin's blueprint is 1973, and the legislation (presently drafted by top Communist legal experts) provides for compulsory 'observation, custodial care and such treatment as may be indicated by the patient's condition and prescribed by competent medical authority' in cases involving individuals 'whose behavior, demeanor or public utterances as an individual religious practitioner shall be such as to impair the emotional well-being of the community as defined in Article II of this Act.'

True Religion Outlawed

The projected legislation will be known as the 'National Community Health Act', with provisions extending to all phases of federal-state health services. It is planned as an omnibus bill, re-codifying and tightening by both new and amended provisioned laws to be enacted in the same area during the years prior to its introduction. The Act, in its provisions dealing with 'individual religious practitioners,' would render it totally impossible for any individual religionist to continue a public ministry outside the secularized 'creed' of the National Council of Churches, since impairing the emotional well-being of the community is defined in Article II as anything done 'in the name or on the behalf of any religious body, sect, teaching or 'personal revelation', or in the pursuit of any organized or individual political objective, including election to party or public office or nomination therefore, which creates, or is calculated to create, public mistrust, fear, alarm or panic, or which propagates social mistrust, hostility or hatred of, toward or for any other religious and or political body, belief or conviction, when such shall result from appeals to the superstitious, the supernatural or un-validated interpretations of religious experience of an occult order, or when otherwise unsupported by accepted religious or political usage as established by law'.

Included in the usages 'established by law' will be a number of strenuous religious and political restrictions imposed upon both organizations and individuals resisting both the World Church and World State which are the interrelated objectives of the Kremlin's 'Operation 76'. The restrictions, imposed by a series of Federal 'guidelines', supplemental legislation and supporting Supreme Court decrees buttressing the assault upon our religious and political freedoms, include the psychological testing and screening of both religionists and contributors outside the NCC orbit; and one particular legal restraint on which we should spend a paragraph.

At this writing, agents operating within the world

ecumenical movement have initiated the preparation of an 'authorized version' of the Holy Bible which, by 1972, is to supplant the *Douay* Version in all Catholic (Roman) churches and the *Revised Standard Version* in all Protestant pulpits allied with the NCC. This will be the First Edition of an 'evolving World Bible' which will 'ultimately come to engage and reconcile the religious beliefs of all rational Twenty-First Century Mankind'. **In the First Edition, marking the 'reunion of world Christendom,' all Divinity is to be stripped from the Second Person of The Godhead, with The Nazarene emerging as the 'historical Christ,' the teacher and social reformer who met his death at the hands of the Roman political power, which viewed his work among the poor and socially oppressed as a threat to its retention of the Province of Palestine!**

That is the 'story' of the crucifixion which 'World Church' Protestants and Catholics will be obliged to accept by their highest prelates, and which all churches, denominations and individual evangelists and communicants will be compelled by law to acknowledge when, again in 1973, it is made an offense punishable by imprisonment to publish or preach the crucifixion account related in the *Douay* and *King James Versions* of the Scriptures!

At this writing, the legislation to ban the crucifixion passages of these Bibles from print, from the pulpit and from all other forms of communication is being agitated by the organization assigned this task—the notorious Red front, the Anti-Defamation League.

The legislation itself is already in draft form prepared for introduction into Congress well in advance of the publication of the First Edition of the 'evolving World Bible' in which the ADL is also taking an active interest. **Postscript:** This document was first published c.1970 forecasting the direction of communist subversion in 'free-world' societies. Sadly The Christian Institute for Individual Freedom no longer functions but its work lives on in this article.

The Berlin Wall has crashed down and many people believe the communist threat to the 'free-world' died with the collapse of the Wall but the threat to individual freedom morphed into something else as it donned another guise of socialism.

Most churches are more liberal today as they proudly proclaim their support for 'marriage equality' and many other perversions detrimental to a stable family life. The mainstream churches have liberalised their views on almost everything. An issue that once was 'Restricted' is now 'Respectable'! All done in the name of 'diversity' or 'inclusivity' and perverted forms of Christian Love, which accepts almost any form of human behaviour as long as it conforms to prevailing 'political correctness' of the day ... absolutes are OUT!

'Political correctness' is 'Cultural Marxism!'

THE HYDROELECTRIC DAM AS A METAPHOR FOR SOCIAL CREDIT By M. Oliver Heydorn Ph.D.

In a recent paper entitled “The Scales and the Dam: Static and Dynamic Conceptions of the Economy”, Arindam Basu has introduced a brilliant metaphor that can be adapted in various ways to explain both how the economy functions under the existing financial system and how it would function under Social Credit:

“A typical run-of-river hydroelectric dam, which uses a flow of water to generate a flow of electricity, may serve quite well as a metaphor for an economy that converts a flow of money into a flow of goods and services.”¹ As Arindam notes, this analogy can be developed further in a variety of ways.

There is a particular adaptation of it which I wish to introduce for the purposes of illustrating the Social Credit approach to finance and to economics in a way that is perhaps clearer than has hitherto been possible.

So let us imagine that yes, just as the hydroelectric dam employs a flow of upstream water to generate a flow of electricity, the economy employs a flow of money, in the form of producer credit, to generate a flow of goods and services. The hydroelectric dam itself can be likened to the productive capacity of an economy and the flow of water issuing forth from the dam and flowing downstream could be likened to the flow of consumer incomes (wages, salaries, and dividends). Further, just as a flow of costs and hence prices is attached to the electricity that the dam generates, so too is there an invisible flow of costs and hence prices which is attached to the goods and services that are produced by the physical economy.

Using this metaphor as a point of departure we can easily explain in picture form both the Social Credit diagnosis, i.e., what is wrong with the current financial/economic system, and the Social Credit remedies, i.e., what should be done to fix it.

Social Credit’s 1st Criticism – artificial limitations on production (the artificial limit on producer credit)

Imagine the case of a hydroelectric dam in which the flow of water entering the turbines from upstream, perhaps due to drought or to man-made interventions, is only sufficient to produce 50% of the electricity of which the hydroelectric dam is capable. In other words, the dam is not operating at full utilisation capacity because the relatively low flow of water is limiting the production of electricity.

Social Credit observes that something similar can and often does happen in the case of the economy under existing financial conventions, that is, there are often artificial limitations on production in the form of a lack of producer credit.

Consider, for example, the many instances where there is, on the one hand, the raw material, labour, machinery, technological know-how, etc., to meet, on the

other hand, a real need on the part of the population for some good or service ... and yet money, in the form of producer credit, is not issued to initiate and catalyze the desired production ... simply because it is not created and made available for that purpose.

This is how things stand at present. Because of purely financial reasons, we run our productive capacity at only a fraction of its total possible output, all the while there are people who are doing without needed goods and services.

Social Credit’s 2nd Criticism – the production of waste (economic sabotage and inefficiency)

Let’s us imagine further, and which is often actually the case, that some of the electricity which is produced by the hydroelectric dam is wasted, either in transport to its final destination, or by the end users themselves (such as lights left on when no one is using them).

In the same way, Social Credit observes that a significant proportion of the artificially limited quantity of what we do produce in the form of goods and services, and hence a significant portion of our economic activities themselves, can be rightly qualified as waste in one form or another, i.e., in terms of quantity, quality, or both. They are things that people really do not need and which don’t profit them efficiently. Goods and services which contribute effectively and efficiently to human well-being are wealth; anything falling short of that involves waste to the extent that it falls short.

Under the existing financial system, many things are produced and consumed because people are in some way forced, or at least heavily pressured, by artificial financial circumstances to produce them and use them. That is, our economic activities are not just artificially limited, they are often misdirected away from fulfilling our authentic needs in the easiest, most direct fashion.

This phenomenon of waste cannot be properly understood, however, without first examining the third major criticism which Social Credit levels against the existing financial system and economic order. To that third and, in some ways, most basic of criticisms we now turn our attention.

Social Credit’s 3rd Criticism – artificial limitations on consumption (the artificial limit on cost-liquidating consumer income)

Imagine once again our hydroelectric dam. Let’s assume that, of the water coming from upstream and flowing down through the turbines, a portion of it is diverted after it has done its job of producing the electricity.

Let’s say that some of it is absorbed into fissures in the rocks at the bottom

(continued next page)

(continued from previous page) of the gorge and ends up in the water table, while some of it is collected in huge subterranean reservoirs.

In this case, the water flowing downstream will be flowing at a far lower volume than the water coming from upstream and entering into the dam. Just as an example, it would be as if for every 100 m3 of upstream water flowing down through the dam per minute, only 50 m3/minute is being released as downstream flow into the gorge below.

Again this provides a perfect ready-made image for conceptualising the third problem with the existing financial system which Social Credit identifies: the chronic lack or deficiency of consumer income.

You will recall that the flow of consumer income was likened to the flow of water issuing forth from the dam and travelling downstream.

Well, Social Credit claims that because only a portion of the flow of producer credit expended by productive organizations – whether private or public – is converted into consumer incomes (the rest being used to transfer capital and/or intermediate goods from one stage of production to another) there is a disparity or a gap between the rate of flow of costs and hence prices and the rate of flow of consumer incomes.

You see, while all of the money expended by producers must be recovered in prices from the consumers (who alone can liquidate costs) in order for them to avoid bankruptcy, the system of production under existing banking and cost accountancy conventions, does not automatically distribute sufficient income to consumer to offset the costs and prices that are simultaneously being generated.

In our metaphorical dam of the economy, if 100,000 dollars are being expended on a particular productive programme, it is as if only 50,000 dollars are being released as income, in which case producers will be looking to recover 100,000 plus profit from consumers when the consuming public has only be given 50,000 in incomes. There is therefore a gap or a deficiency of consumer buying power to the tune of 50,000 dollars.

The primary reason for the gap in the metaphorical dam is the same as with our hydroelectric example.

Just as some of the water, in the physical dam, is being diverted in our imagined example, into the water table and into reservoirs, so too, some of the producer credit is being diverted into other channels during the process of production such that, while it enters into the flow of costs, it is not being transformed into consumer income either at all or not at the same rate that it is being put in.

In other words, some portion of producer credit is being withheld, either permanently or temporarily from the consumer market.

The water being absorbed into the water table is equivalent to producer credit that is used to pay off

a capital loan or Capex expenditures and can thus never contribute to the flow of consumer incomes in the same period (money used to pay off bank loans is destroyed and money used to repay other forms of capital investment will only end up in consumer hands if they are invested in a separate project with its own costs), while the water collecting in the reservoirs is akin to the producer credit which ends up collecting in the depreciation and maintenance reserves of the various companies in the chain of production and is only transformed into consumer income at a slower rate than it is collected ... and even then it is only ever re-injected into the economy alongside a new and separate flow of costs.

The Core Problem: “Finanz Über Alles”

Such is the nuts and bolts of the Social Credit diagnosis. Now, you will notice that both at the level of production and of consumption the existing financial system artificially limits and/or misdirects our physical economic activity.

In essence, this means that as far as the relationship between the real, physical economy on the one hand and the financial system on the other is concerned, the financial system and its commodity, money, is in the driver’s seat. The physical economy and our desire to make use of it thoroughly subordinated to financial control.

But this is an inversion of the due order, of the order which should obtain between finance and the real economy if the latter is to fulfill the true purpose of economic association: the delivery of goods and services as, when, and where required with the least amount of resource consumption and of human labour.

Instead of wagging its financial tail as, when, and where required – which would be the due or proper relationship between finance and the real economy, the ‘dog’ of the physical economy is ‘wagged’ as, when, and where required by the financial tail. Instead of being a mere accounting medium, an adjunct of the physical economic activity, a neutral tool, money has become the driving or determining force of what and how and whether we do things. *(to be continued in next month's NTS)*

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