

THE NEW TIMES

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ONE SHILLING & NINEPENCE FORTNIGHTLY

RECORD ATTENDANCE AT ANNUAL DINNER

Social Credit Seminar an Outstanding Success

Although Social Crediters do not stress unduly the importance of numbers, the fact that there was a record attendance at the tenth Annual Dinner of "The New Times" clearly indicates the growing vitality of our cause. All past dinners have been successful, but the general consensus of opinion was that this year's dinner created an atmosphere which mere words could not describe. The second Social Credit Seminar, held on the Saturday following the dinner, was also an outstanding success, reflecting once again the present excellent spirit of our movement.

In welcoming guests to the Dinner, the present Chairman, Mr. J. R. Johnstone, expressed his pleasure at presiding over such a large gathering. He specially welcomed at the Dinner the Rev. Norman Hill, Vicar of St. Mark's, Fitzroy, and Rev. Fr. T. P. Lynam and Rev. Fr. John Carson, both from New South Wales. Warm applause followed Mr. Johnstone's statement that the attendance of Christian clergy of different denominations was undoubtedly visible evidence of the fact that the approach to the Christian Church was being successful.

Mr. Johnstone also extended a special welcome to Mr. John Macara, of Sydney, one of the fathers of the Social Credit Movement in Australia.

After the Rev. Norman Hill had said Grace, guests then proceeded to enjoy the excellent Dinner. Messages to the Dinner, published elsewhere in this issue, were read out by the Chairman and Mr. Eric Butler.

TOAST TO "NEW TIMES"

The toast to "The New Times" was proposed by Mrs. Lucille Quinlan, of Ballarat. It is always a treat to listen to this charming Christian lady. She traced the history of "The New Times", pointing out how the late Tom Moore launched the paper because pressure had been brought to bear to prevent the publication of his articles on the financial problem in the Catholic "Tribune". Mrs. Quinlan paid tribute to those who followed Tom Moore. Mr. Hal Allsop, Mr. John Weller and Mr. Butler. Referring to Eric Butler's work, she said that at a recent meeting at her home in Ballarat, he had been asked what he expected to "get out of his activities", and that he had replied, "Nothing. I am doing what I am doing because I believe it is right to do it". Mrs. Quinlan said, "That was the remark of a great man".

In supporting Mrs. Quinlan, the Rev.

Norman Hill urged his listeners to approach their clergy helpfully in an endeavour to get their support for an open stand against all political policies, which violated the Moral Law. He instanced his own case to demonstrate that the majority of the Christian clergy are so busy that they have insufficient time to discover the truths, which "The New Times" makes available. He was deeply indebted to the Social Credit Movement for the valuable information they had given to him. This had enabled him to speak out authoritatively on various issues.

The Rev. Fr. T. P. Lynam also supported Mrs. Quinlan, pointing out how deeply indebted he was to "The New Times". He was only a comparatively newcomer, but already he had learnt to appreciate the great value of the work being done by Mr. Eric Butler and his associates.

The three addresses, by Mrs. Quinlan, the Rev. Hill and Rev. Father Lynam, blended beautifully and were perhaps the finest addresses yet heard at a "New Times" Dinner. They created a very deep impression upon those present.

REPLY TO TOAST

In replying to the toast to "The New Times", Mr. Johnstone made a special appeal for more volunteers. He stressed the fact that the paper had survived in spite of the inflation, which had in recent years destroyed a large number of journals of opinion throughout the world.

In previous years there had been a special toast to the voluntary workers, but this toast was being dispensed with as it always created some embarrassment. Some volunteers did not know whether to drink the toast, or sit down and be toasted. This year the Chairman proposed to thank all the volunteers, particularly those who regularly wrapped "The New Times". He also wished to thank Mr. Jim Marsh, un-

fortunately not present, who regularly did "The New Times" wrappers.

Although he had been threatened if he said too much about the matter, he was determined to draw attention to the great service rendered the paper by Mrs. Eric Butler, who had come forward voluntarily and taken over the office when Mrs. Phillips had to leave early this year. He hoped that supporters would make it possible for Mrs. Butler to be relieved as soon as possible. There was a limit to what one family could do.

(Continued on page 2.)

OUR POLICY

1. The preservation of Australia's sovereignty as a part of the British Empire, and the exposure of all internal and external groups which attack that sovereignty.
2. The preservation and extension of genuine local government.
3. The preservation and strengthening of all Constitutional safeguards for the purpose of protecting fundamental individual rights.
4. The encouragement of all activities designed to bring Governments under more effective control by the electors.
5. The preservation and extension of genuine free, competitive enterprise and private ownership, and opposition to all Monopoly, whether it be "private" or State.
6. The support of a financial policy which will (a) permit free enterprise to make available to all individuals an increasing standard of living and greater leisure for cultural pursuits, (b) result in no further increase to the community's indebtedness and the sound business practice of gradually reducing existing debt. Recognising that the basis of any sound economy is agriculture, the encouragement of agricultural policies which will ensure the preservation and building up of soil fertility by organic farming and gardening; and the prevention of soil erosion and the protection of forests and watersheds.

Now, when our land to ruin's brink is verging,
In God's name, let us speak while there is time!
Now, when the padlocks for our lips are forging,
Silence is crime.

WHITTIER.

INSPIRING MESSAGES READ AT DINNER

"Mountains Can Be Moved", Says Mrs. C. H. Douglas

Once again a large number of inspiring messages were read at the Annual Dinner. They came from most parts of the English-speaking world, including one from the U.S.A. Limitations of space has forced us to condense some of the messages.

The first message read was from Mrs. C. H. Douglas, who said:

"You know what a pleasure it is to me to be with you in spirit on the 21st and to know you are all enjoying a gay, interesting evening. It is good to hear that you are so energetically at work and that your first Social Credit Seminar was so successful that you are making it an annual event.

"It is particularly good to know you have some sound young helpers coming along, such as Michael and Jean Weller. It was a pleasure to meet them, though I saw them for such a short time as I was on the sick list then. My kind regards to them. We do indeed need many young folk to give fresh life and vitality to the truths of Social Credit.

"We suffer so much from the adulteration of everything. Food we take as a matter of course. Indeed the shops are so lined with things in tins that it would seem few are able to obtain the lovely fruits of the earth (or even the fruit juices) and enjoy them. But tonight I think of the adulteration, of thought, the subtle misrepresentation of truth to the intelligent as well as to the little man of the streets and factories, and the materialistic miseducation of our children.

"Mr. Mitchell's forceful and gifted pen has been engaged, as you know, in moving mountains. (If the Bishops will forgive me!) It is indeed mountains we Social Crediters have to move. There is that dreadful leveler, the Welfare State, determined apparently to revolutionise the elemental condition of humanity, with its many schemes to drag down the real movers and shapers of the world and frustrate their work. I do not wish to belittle the common man or anyone. But, as I think I quoted last year, 'it is a mistake to suppose that the man who hews the marble out of the mountain is more highly gifted than the man who carves the statue, and, but for whose creative ideas, the marble might have remained in the quarry'. It is hard to keep creative ideas in the quarry. Scientific destruction. What encouragement and research it receives. Chemical horrors, yes. But when it comes to the possibility of a leisure life, which 'the goodness and simplicity and inner glory in the nature of the small man' may develop and grow, then the difficulties arise. Automation versus the bogy of unemployment are mixed together, fear is en-

gendered and scattered. Confusion results. "But mountains can be moved, and we can do it. The best of good wishes to you all and to your work this coming year."

Yours sincerely,
EDITH DOUGLAS.

FROM DR. BRYAN MONAHAN, CHAIRMAN OF SOCIAL CREDIT SECRETARIAT

"In wishing the 'New Times' Dinner its usual success, I should like those present to reflect that in these days, when events continue to confirm Major Douglas's analyses and prophecies, Social Credit seems to offer the one visible hope of a better order of Society. The 'New Times', and those associated with it as producers and consumers, have a very special place in the history of the Social Credit Movement; and that special place implies a special responsibility — a responsibility arising from the better insight into affairs, which any consistent reader of the 'New Times' must have. Let them take every opportunity of exerting pressure on those opposing a fuller and freer and more meaningful life."

FROM MR. JAMES GUTHRIE

"Mrs. Guthrie and myself are very sorry we are not breaking bread with you tonight. At the last 'New Times' dinner we enjoyed that good fellowship and profitable communion which one finds among those who have shared a great adventure together. From that meeting we left strengthened and refreshed, and we had hoped to repeat the pleasant experience this year. However, it was not to be.

"I am satisfied that the work you are engaged in, in testifying to the Truth, is so important that nothing I know is more important, and nothing should be permitted to interfere with it—nothing at all.

"We are offering people a choice between a society based on Christian principles and a society based on an ant-heap. I do not believe any human being wants the latter; on the contrary, I believe everyone from the highest to the lowest is in protest against it, and that the majority are behind us—the tragedy is that they don't know it. Between the people and Reality is a barrier of words, cunningly deceptive words, but words that are much more familiar than such words as freedom, leisure and abundance.

Annual Dinner

(Continued from page 1)

PRESENTATIONS

Three presentations were made during the evening, to Mr. Walter Carruthers, former Chairman of "The New Times", to Mr. John Browne, former Organising Secretary of The League of Rights and Secretary of "The New Times", and to Mrs. Phillips, formerly in charge of the office until illness compelled her to seek a rest. Both Mr. Carruthers and Mr. Browne were presented with a drink tray. Mr. Butler made the presentation to Mr. Carruthers and Mr. E. Rock, a member of the Board of Directors, made the presentation to Mr. Browne. Mr. Butler also presented Mrs. Phillips with a small cheque from "The New Times".

EXCELLENT ENTERTAINMENT

Once again the entertainment for the evening was most enjoyable. Mr. Brian Fitzgerald was at the piano, while Mr. and Mrs. George Miller delighted all present with their musical and vocal numbers. The Movement is deeply indebted to the service freely given at our Annual Diner by Mr. Miller. Mr. Miller not only entertains, but also arranges to obtain other artists. This year he engaged Miss Audrey Davis, who gave two items.

As usual the Dinner went on to the latest possible hour, and guests only reluctantly left when the lights were turned out as midnight approached. Many who had attended their first Dinner said they would never miss another Dinner.

SECOND SOCIAL CREDIT SEMINAR

In spite of the most unfavourable weather possible, the second Social Credit Seminar left no doubt that this new development in Social Credit activities will continue to grow. There was a much larger attendance than at the first Seminar, and there were many more new faces.

The Seminar was officially opened by the Chairman of "The New Times", Mr. J. R. Johnstone, who said that the Seminar was designed to encourage a serious study of the vast subject of Social Credit. The high standard of three papers was widely commented upon and there were many requests that the papers be published for wider distribution. Arrangements have been made to do this. Portions of each of the papers are published in this issue.

Inspiring Dinner Messages

(Continued from page 2.)

"The question is, can we break through this barrier of words? Well, we have got to try.

"Wishing you all a very happy and profitable evening."

Yours sincerely,

JAS. GUTHRIE.

FROM MARY H. GRAY

Dear Friends,

"At this critical time in world affairs there is little sense in handing you platitudes and fine phrases, so I won't waste words.

"Crisis follows crisis. At the moment we have a double crisis: the inflationary crisis at home and the trouble over the Suez Canal.

"In all humility I claim that our Movement knows the solution to the first, and it is the solution—the Christian solution—of the world's economic (and most other) troubles.

"As for the political, we know our Enemy. His net is tightening upon free speech. It is becoming harder for any of us to get letters accepted by the press that in any way reflect upon his activities.

"Therefore we must have papers of our own. The 'New Times' is our own and it stands for free speech.

"So my message is an exhortation: Support the 'New Times' for all you are worth; make it known as far as it can reach, and rejoice that you are helping to spread enlightenment and hope in the prevailing confusion and darkness.

"With all good wishes from Scotland."

MARY H. GRAY.

CABLE FROM LOUIS EVEN, QUEBEC

"Wishing 'New Times' Dinner full success. Your paper informative, your activities inspiring. Our Movement here with 27 full time and 3,000 leisure time active Social Crediters resolute building from below for real durable results. In spite of dirty campaign on youth and the lavishing of electoral funds by the party in office, at the recent Quebec elections 42 percent of the electorate backed the Social Credit motion in the Liberal Party platform."

FROM MR. JOHN MITCHELL

Mr. Mitchell founded the Christian Campaign for Freedom in England.

"... the big need, and the big tactical problem is to get more Social Crediters challenging their clergy, and persisting in it. It is the only way to make these people really think about the subject, and this I am convinced they are not doing properly yet ... I hope you have a good gathering for the Annual Dinner. Most hearty congratulations on the splendid effort you are all making, and best wishes for an even

more successful year. It is my belief that if we keep on pressing, but not otherwise, a way will open to avert disaster. And I also think that what is especially needed in Social Crediters at this time is a challenging spirit. It is a monstrous thing that the Church, having Christian origin and claiming a Christian mission, should be the lacquy of a materialistic power system."

MR. T. V. HOLMES, ENGLAND

"Douglas has told us that 'the evils which have arisen from a defective use of the credit system are without exception due to the use of it as an instrument of policy and not as an accounting and distributive system. This is the financial embodiment of the basic cleavage between Socialism and Social Credit, between Judaism and Christianity.' He has also told us that this state of affairs is nothing new, but has been with us 'these last two thousand years at least'. ('Programme for the Third World War.')

"It is no five-day, nor five-year, nor even fifty-year 'Test Match' in which we are engaged. But with our generation, and for the first time in history, so far as knowledge is concerned, the rival policies and philosophies of Judaism and Christianity meet on equal terms. Indeed, believing that truth must prevail, the credit-worthiness of our gospel must ever rise as the lies and false policies of our socialist opponents are progressively exposed for the evil they embody.

"There was no possibility of Christendom ever winning its 'Test Match' before the arrival of our great captain Douglas upon the field of history. For who, before Douglas, had conceived what should be the 'correct use' of the credit system, or the 'correct means' for securing that use? Who, before Douglas, had revealed the way by which the present credit system provides the perfect, indeed 'automotive' 'instrument of policy' for concentrating international, i.e., world power, and thereby the fulfilment of Judaic policy and philosophy? Christendom before Douglas was forced to 'play', as it were, 'with a cloth untrue, and a twisted cue and elliptical billiard balls'.

"Therefore be of good cheer. The two thousand years of Christendom-lost 'Test Matches' are as nothing. Armed with the knowledge that Douglas has given us, with the truth that Christ has vouchsafed us, and the keenness, determination and devotion to that knowledge and truth displayed by all concerned with 'The New Times' and 'League of Rights' movements, under your indefatigable vice-captain, Eric Butler, the final 'Test Match' must be ours. And with that final victory will be recovered those 'Ashes' of our cultural faith, our civilisation and way of life from which we have been so especially separated these last three hundred years.

"My very heartiest congratulations and

best wishes to the Melbourne contingent of our British 'Test Match' team at their Annual Dinner!"

T. V. HOLMES.

FROM CHARLES KEEPING, U.S.A.

Dear Mr. Butler,

"The Members of the Social Credit Associates of The United States . . . send Greetings, across the vast waters, with sincere appreciation for the efforts of all Social Crediters — throughout the Dominions . . .

"May Australia show that it can take the lead, and urge that you get behind the 'NEW TIMES' in its effort to implement a sane social and economic order — the time is now."

FROM REV. R. D. M. MCKINNON METHODIST MINISTER FROM BRISBANE

"I write to rejoice with you in what you have been able to do through the year and to wish the dinner every success. I hope 'THE NEW TIMES' will reach an ever-widening circle of people bearing witness to those things which matter so much to all of us. I wish that I could send you a contribution but at the moment my pension is stretched to the utmost in helping get a house. Later on I hope that I shall be able to help this worthy cause. Meanwhile I accept the privilege and responsibility of being a witness as well as a reader of your most excellent paper. I hope that the coming year will bring new triumphs to the cause. Best wishes to all the stalwarts as well as for the Dinner."

In a footnote to his letter, Mr. McKinnon said that he had re-read the appeal for regular subscriptions and enclosed his self-assessment form, pledging himself to pay 10/- per half year as a token of his faith and goodwill.

FROM THE CHRISTIAN DEMOCRATS, W.A.

Dear Sir,

"My organisation has requested me to write to you, expressing our best wishes for a very successful annual dinner, and to express our regret that we are unable to send a representative, owing to the vast distance.

"We would like to convey our appreciation of the splendid leadership shown by your paper on various matters such as fluoridation, planning, and pasteurisation, just to mention a few.

"We feel that we are very fortunate in having a national paper to show us the way that sane people should follow. We hope that your supporters will see that your financial problems are taken care of, lest we who live so far away should lose your inspiring leadership....."

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The Increment of Association

Because Social Crediters often stress the fact that organisation can be used to enslave the individual, one of the charges levelled against them is that they are some kind of anarchists. But Social Credit is the very opposite of anarchy. Social Crediters believe that all associations should produce some increment, which the individual could not obtain by refraining from associating with his fellows. The essential thing is, of course, to ensure that any association or organisation does serve the genuine requirements of the individual. And this brings us to our Annual Dinner and the Social Credit Seminar.

Ever since its inception after the last war, the Annual Dinner has developed so successfully that there is no doubt that it has met a very genuine requirement. It is not only a pleasant social event; it does result in an increment of association, which benefits considerably all those who attend. It would be impossible to define this increment in exact terms. But the increment is very real and does produce tangible results. Year after year many who attend the Annual Dinner admit that they go away with their faith increased and the inspiration to try and do more for Social Credit over the next twelve months. Social Credit is concerned with releasing reality. It is part of reality that man is a social being, that self-development depends to a very large extent upon man living in society. Social Crediters should not, therefore, create the impression that the individual can live completely unto himself. The Annual Dinner provides Social Crediters with an environment in which they not only get to know their fellows in the social sense, but one in which they can exchange viewpoints and information concerning Social Credit activities. The test of whether any form of association is judged beneficial by the individual is whether the individual continues voluntarily to support that association. The fact that the attendance at the Annual Dinner continues, in spite of inflation, to grow larger every year is striking proof that it does serve a true purpose. And the manner in which it has developed indicates that it is an organism rather than an organisation.

The second Social Credit Seminar also demonstrated that the increment of voluntary association is a very real thing. After the last period on Saturday evening, September 22, groups continued to discuss the Seminar until the arrival of midnight forced a retreat on to the footpath outside the Hotel Federal. Those who attended the Seminar went there for the purpose of applying themselves to understand serious matters. They did not go there to be entertained. And because they participated in the increment of association we have no doubt that the majority will attend next year's Seminar.

We have no hesitation in saying that both the Annual Dinner and the Social Credit Seminar are now firmly established in the Social Credit calendar and that year after year they will progressively increase the increment of those Social Crediters who attend.

Dinner Messages

(Continued from page 3.)

"We wish your dinner well, and suggest that somebody act on our behalf and say a few words of appreciation for the leadership of Mr. Eric Butler, for whom we have the highest regard."

Yours faithfully,

N. GLIDDON.

President.

FROM MR. RON GOSTICK

Mr. Ron Gostick, well-known Canadian crusader, a militant Christian, sent greetings to all those assembled at the Dinner and expressed the hope that the inspiring work of "The New Times" would continue.

FROM A. K. CHESTERTON AND EMPIRE LOYALISTS

Messages from Mr. A. K. Chesterton, editor of "Candour", and from the League of Empire Loyalists, were very warmly applauded.

OTHER MESSAGES

Telegrams conveying best wishes for the Dinner and Seminar were received from the Douglas Social Credit Movement, Perth, M. Mongan, Yackandandah, Victoria, Jim Langtry, Barellan, N.S.W., Michael and Jean Weller, at present in Canada, and from Mr. and Mrs. A. Hedley, Melbourne.

JAMES GUTHRIE'S ARTICLES

Mr. James Guthrie's current series of articles on The Industrial Revolution will be continued in our next issue.

To All Volunteers

All those actionists who desire to help further our expanding activities are requested to note that volunteers will meet at the "New Times" office every Thursday, starting on Thursday of next week (October 11) at 8 p.m. There is a tremendous amount of work to be done, and the more supporters who attend the greater will be the progress of our cause.

We would also request that any supporters, particularly women, who can visit the office during the daytime, even if only for a short period, could assist with various tasks such as the wrapping and dispatching of books.

Donations To Annual Dinner

Will all those who have not yet forwarded their donation to cover cost of their Annual Dinner tickets please do so immediately in order that all accounts connected with the Dinner can be finalised immediately.

SOCIAL CREDIT AND CHRISTIAN PHILOSOPHY

Part One of Eric D. Butler's Seminar Paper

"We say ... that Social Credit is applied Christianity, and it is therefore especially necessary to be able to give an intelligent answer to an enquiry for a definition of Christianity in everyday life ... Socialism, Communism, and Atheism are all of a piece, as are Christianity, private, decentralised property, and respect for family tradition as part of respect for the individual. There is no compromise possible — either there is no Christ, or Socialism and Communism are of the Devil. The essence of them, without exception, is that the group giveth, and that the group taketh away; blessed be the name of the group. Anyone with experience of life knows that the group giveth; yes, in exchange for the soul."

—"The Social Crediter", November 10, 1945.

In a world where Truth is obscured by all the evil power of centralised mass propaganda, and where the philosophy of materialism and collectivism finds increasing expression in policies which progressively centralise all power into fewer and fewer hands, it is not surprising that a Movement devoted to furthering policies designed to produce a society based upon an alternative philosophy, the philosophy of Christianity, is given either what is termed the "silent treatment", or, when it is mentioned, there is deliberate perversion. Judged by the treatment Social Credit has received from those who control centralised power in this world, it is obvious that it is regarded as a serious, practical challenge to policies which rob the individual not only of his material heritage, but also of the freedom to increasingly personalize his life by the development of his most divine attribute, individual initiative. Molotov may or may not have made the remark attributed to him, that the Communists knew all about Social Credit and that it was the only thing of which they were afraid. But because they do understand the fundamental importance of striving persistently to integrate both policies and their philosophy, the Communist leaders have by their vicious opposition to Social Credit made it clear that they recognise it as a deadly threat. And so do their fellow-worshippers of the State, the Socialists. When the originator of Social Credit, the late Major C. H. Douglas, discussed the subject personally with the famous Fabian Socialist, Sidney Webb, and after Douglas had dealt with every objection raised concerning the practicability of his proposals, Webb finally said that he did not like their purpose. And he did not like the purpose because he recognised it as contrary to his own views concerning the purpose of man. He saw that Douglas's monetary and other proposals were rooted in the Christian philosophy, a philosophy that he rejected. However, the enemies of Social Credit, when they do mention the subject, always endeavour to create the impression that Social Credit is just one more theory of monetary reform.

It is unfortunately true that many monetary reformers calling themselves Social Crediters have furthered this false idea.

The Great Depression of the early thirties, caused by the restriction in the rate of credit expansion, naturally attracted a large number of people to Social Credit. But the overwhelming majority of these were only interested in monetary proposals, which they hoped would alleviate their desperate material conditions. The unemployed, or those threatened with unemployment, wanted an expansion of new financial credits in order that work, and wages, would be provided. The businessman threatened with bankruptcy because consumers had insufficient purchasing power to buy his goods, saw in the expansion of the community's money supply the prospect of increased business. It is not surprising, therefore, that when material conditions did improve as a result of the expansion of financial credit; many lost all interest in Social Credit. They never really understood the true nature of Social Credit.

Douglas continually directed attention to this lack of understanding. Even in 1932, when the depression was resulting in a tremendous upsurge of interest in monetary reform, Douglas wrote that

"There is too great a tendency to assume that the question of credit is the only subject on which we hold views of practical importance. So far from that being the case, the principles of organisation which are discussed in the earlier part of 'Economic Democracy' vital to an effective understanding of the credit problem."¹

Although there are barely 25,000 words in "Economic Democracy", Major Douglas's first book, a close study of it today, thirty-seven years after it was first published, reveals that Douglas touched upon, either fully or in principle, every aspect of the vast subject, which was subsequently developed more fully. There are twelve chapters in "Economic Democracy", but only three of these are devoted to any examination of finance, and this primarily

(1) In a letter to the Editor of "The New Economics", Melbourne Social Credit Journal.

in relationship to the principles of human association dealt with in the other chapters. "... the first book on what has since come to be called social credit, 'Economic Democracy', ... was concerned almost wholly with the proposition that centralisation of power over initiative as opposed to individual freedom is a persistent and conscious policy ... every effort has been made to obscure this fundamental issue, and to represent the Social Credit Movement as concerned with 'a discredited monetary scheme, which has been tried in Alberta and has failed'.²

The statement in "Economic Democracy", that "Systems were made for men, and not men for systems, and the interest of man, which is self-development, is above all systems", clearly indicates that Douglas accepted implicitly the Christian philosophy. The fact that Social Credit was first presented as a Policy before any comprehensive effort was made to deal with its philosophy, can be attributed to the fact that up until "Economic Democracy" was written, it was reasonable to assume that the Christian philosophy, although misrepresented and obscured, was still widely accepted. The progressive attack upon this philosophy has made it essential to face the fact that until there is a re-clarification of the true purpose of man in relationship to his environment, it is waste of time to discuss policy.

Douglas never tired of stressing the connection between every policy and its philosophy. In one of his most important addresses, "The Policy of a Philosophy", Douglas said:

"In a great many people's minds, Social Credit is a scheme of monetary reform, and the explanation of why any scheme of monetary reform at the present time is having such heavy going is, of course, because we are all suffering under a wave of so-called 'prosperity'; and, obviously, if your conception of Social Credit is that it is merely a scheme of monetary reform, you will follow the curve of monetary reform ... Social Credit is the policy of a philosophy. It is something based upon what you profoundly believe ... to be a portion of reality. It is probably a very small portion, but we have glimpsed a portion of reality, and that conception of reality is a philosophy, and the action that we take based upon that conception is a policy, and that policy is Social Credit." In the same address, Douglas also said: "In the sense that I am going to use it, and, I think, correctly, the word religion has to do with a conception of reality. It is the binding back either of action, or of policy — particularly of

(2) C. H. Douglas in "Whose Service Is Perfect Freedom".

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Social Credit and Christian Philosophy

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policy in the sense that I am going to use the word policy — to reality. In so far as it means to bind back, to bring into close relation again, and in that sense I am going to use it, religion is any sort of doctrine which is based on an attempt to relate action to some conception of reality. It does not necessarily mean—that your conception of reality is a correct one, but it does mean that you are postulating that there is something to which we refer as real, and you are basing your policy upon that reality."³

In the same address Douglas warned about the futility of arguing with people about the technics of Social Credit when they do not agree with the philosophy underlying these technics. The first essential is for individuals to be definite in their beliefs concerning the true purpose and nature of man in relationship to the universe.

In the attempt to "release reality", to use one of Douglas's penetrating observations, it is essential to repudiate the absurd claims of those materialists who talk loudly about "the age of reason", and who claim that truth can be demonstrated only by logic. Logic, like algebra or any other form of mathematics, is only a mechanism, an instrument. Like the slide-rule, it can only produce a result based upon all the factors fed into it. Truth must be discovered. And our conception of Truth, or reality, is widened by revelation. Social Credit is such a revelation. It embodies certain truths, which Douglas was, as far as we know, the first individual to reveal. For example, he revealed the truth that the true cost of production is consumption. The fact that prices continue to rise in spite of the obvious fact that the true cost of production has been progressively reduced as man improves his production methods and introduces labour-saving devices simply means that present financial rules are based upon a lie and not upon the truth. Douglas accepted the Christian view that all man-made systems should be based upon Truth that they should reflect rightness. Unlike many monetary reformers who, having realised the power which centralised control of the credit system gives the controllers, seek their own particular brand of reform in order to impose their own conception of Utopia upon other people, Douglas pointed out that this conception in practice could only mean totalitarianism. Social Credit is not a scheme to make all people materially wealthy. Seeking to establish Truth in all spheres, Social Credit policies are designed to place the individual in the position where he can freely choose what type of

(3) Address given at a Social Credit Conference in London on June 26, 1937.

life he prefers. Douglas expressed the view that in a stable society, in which the individual knows that his basic requirements and his liberties are assured, most people would probably develop more simple habits of living.

In an address termed "The Pursuit of Truth", (4) Douglas clearly indicates his genuine Christian humility in endeavouring to discover Truth as a basis for any political, economic, or financial proposals:

"Now it is my own belief . . . that there is running through the nature of the Universe something that we call a 'canon'. It is the thing, which is referred to in the Gospel of St. John as the 'logos', the 'word' . . . The engineer and the artist refer to it when they say that they have got something 'right'. Other people mean the same thing when they talk about absolute truth, or reality. Genuine success only accompanies a consistent attempt to discover and to conform to this canon in no matter what sphere our activities may lie. For instance, I have no doubt whatever that there is one single test which can be applied to any financial scheme which is put before you for consideration, and that is, whether it represents reality, just as we know that the fundamental falsity of the present financial system is that it distorts and perverts reality. . .

"I am confident . . . that just as departure from the canon has produced the appalling condition of the world at the present time so the existence of a growing body of people who are aware of the situation, and singly devoted to bringing back understanding into relation with reality, constitutes not only the great, but the only certainty that eventually a world system founded upon lies will give way to one which is formed upon truth."

During the post-war years Douglas dealt more extensively with the various attacks upon the Christian philosophy, stressing time and time again that every policy must be traced to its philosophy. "We are engaged in a battle for Christianity," he said. Now I think I have said sufficient to demonstrate that Douglas was not just another reformer, a man with preconceived ideas and purely materialistic objectives who believed that with a few financial reforms man would automatically enter the millenium.

"Notwithstanding a mental stature unusual in any society, Douglas's outstanding characteristic was a profound humility—a humility which was reflected in his writings and in his life . . . Where others viewed the world in terms of mankind's struggles and achievements, and society as the creature of man's brain and behaviour, with the realism of the engineer and the penetrating spirituality of a Medieval theologian, Douglas saw the Universe as

(4) "The Pursuit of Truth," Address to "New Age" Dinner, March 18, 1933.

an integrated unity centred in its Creator and subject to His Law.

"It was the basis of Douglas's philosophy, of which Social Credit is the policy, that there is running through the warp and woof of the Universe the Law of Righteousness — Divine Law — which he termed the Canon. Because of the higher intelligence and free will accorded to him, Man cannot rely on instinct to guide him in his adherence to the Canon. He must seek it actively, and to the extent that he finds it and conforms to it, he will achieve harmony with the Universe and his Creator. Conversely, to the degree that he ignores the operation of the Canon and flouts it, he will bring disaster upon himself.

"It was inherent in Douglas's writings that he viewed society as something partaking of the nature of an organism which could 'have life and life more abundant' to the extent it was God-centred and obedient to His Canon . . . Within it (this organism) the sovereignty of 'God the Creator of all things visible and invisible' being absolute, there must be full recognition of the sanctity of human personality, and, therefore, of the individual person as free to live his life, and within the body social, to enter into or contract out of such associations as, with responsibility to his creator, he may choose. And no person may deny to another this relationship to God and his fellow men without committing sacrilege.

"This concept, reflecting the ideal of Christendom as the integration of Church and Society which was the inspiration of European civilization for centuries, involves adherence to a policy in every sphere of social life, economic, political and cultural. This is the policy, which Douglas termed 'Social Credit'.

"Looking out upon the world with a clarity of vision which was unique in his time, Douglas saw a doomed civilization committed to the opposite policy, stemming from a conflicting philosophy, a philosophy which deified Man and sought to subjugate the world to him."⁵

(5) L. D. Byme, Fellow of the Social Credit Secretariat, in "The Fig Tree", a Douglas Social Credit Quarterly.

RARE BOOKS AVAILABLE

The Heritage Bookshop has recently imported a few copies of rare works by the American anthropologist, Lothrop Stoddard. Titles available are:

"The Revolt Against Civilization" (18/-).

"The Rising Tide of Colour" (18/-).
"Re-Forging America" (10/-).

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THE TRIUMPH OF THE SPIRIT OVER THE FLESH

Eric Butler's Dinner Address

In his address at the Annual Dinner, Mr. Eric Butler said that the success of Social Credit demanded sufficient individuals with the faith that ultimately truth must prevail. Major Douglas had always made it clear that Social Credit was a religious movement in the sense that it was trying to bind action, or policy, back to philosophy. If we accepted the materialist's conception of the universe, we could join with the pessimists who contend that Western Civilization was, on all the evidence before us, "inevitably doomed."

But the building of Western Civilization, a Christian Civilization, was the triumph of the spirit over the flesh. If Social Crediters accepted this conception, if they persistently sought first the Kingdom of God, then he had no doubt that sufficient faith made real in militant Christian action, would eventually open a way towards salvation. Faith alone can save us, Mr. Butler said in a striking appeal to all those present.

In introducing Mr. Butler, the Chairman said that during the past twelve months he had, apart from numerous other activities, given 106 addresses, an average of approximately two per week. The variety of his audiences may be gathered from the fact that he addressed public meetings, various Christian groups, Rotary Clubs, private gatherings, Chambers of Commerce, and study classes. He also gave nearly 100 radio talks.

Mr. Johnstone said that before introducing the principal speaker for the evening he would like to stress the fact that Mr. Butler was a man with wide and varied interests. He felt that he should stress this point because it was often charged against Social Crediters that they are rather narrow fanatics interested in nothing but politics.

Apart from directing "The New Times" and "The League of Rights", Mr. Butler is a practical farmer intensely interested in organic farming principles, which, with the aid of his wife, he is applying on his own farm at "Runnymede", Panton Hill. He strongly believes that Social Crediters, with their organic approach to life, should not attempt to isolate themselves from their society. Mr. Butler not only participates actively in local life; he is a member of the Eltham Council, where he has already made his mark. Not even these

activities exhaust our speaker's time and energies. During the summer months he delights in his favourite sport, cricket, captains his local team, and, judging by the number of trophies he has won in recent years for batting, bowling and fielding, it is apparent that his interest in cricket is as balanced as his interests in other spheres.

Briefly surveying the activities of the past twelve months, Mr. Butler said that they confirmed the prediction he made at the previous year's Dinner, that the Movement was on the eve of a new and fundamental advance. That advance was now well under way. There was loud applause as he dealt with the numerous activities taking place on all fronts. He said that the success of the £2,000 special financial appeal proved the growing vitality of the Movement. He appealed to all supporters to help keep a regular flow of finance coming in so that there would be no check to present expansion programmes.

He was particularly pleased to congratulate Mr. W. Manifold (Mr. Manifold was present) on his recent success in being elected to his Local Council. He would now have an able ally in the field of local government. Relating his activities in this field, Mr. Butler said that there was tremendous scope here for Social Crediters with the time and ability.

There was a special round of applause for Rev. Fr. Lynam when Mr. Butler related how his work had been responsible for the Maitland Council rejecting water fluoridation. Much more individual action like this was urgently required. Social Crediters must dedicate themselves to making themselves competent and to meeting the enemy on all parts of the battlefield. "This is no academic business in which we are engaged," he said, "It is a fight to the death with the forces of evil. We must win this fight or our children will grow up as slaves."

ACTS OF FAITH

Following Mr. Eric Butler's address at the Dinner, one woman approached the official table and said that she wanted to accept Mr. Butler's challenge concerning the urgent necessity of Social Crediters to make acts of faith. She donated £50, asking that her name not be published. Although we respect our supporter's request, we do point out that her act of faith means considerable self-denial, as she has no other income apart from her weekly wage.

Mr. John Macara, of Sydney, also contributed generously after the Dinner. His donation was £25, and he trusts that it will encourage others to continue supporting financially in order that our work can go forward without financial obstacles.

We are also deeply moved by the act of the anonymous donor who gave £85, his full annual part-pension, to last year's special financial appeal. On the eve of the Annual Dinner he gave another £85 as his annual contribution to our recently launched self-assessment scheme.

Although a number of supporters have already sent in their self-assessment forms, we have not yet heard from the overwhelming majority or our supporters. Please keep a regular flow of financial support, however small, coming in. Faith without works is not enough.

Earthworms

"Darwin on Humus and the Earthworm"..... 17/7

A description of the original investigation of the habits of earthworms and the role they play in soil building.

SOCIAL CREDIT PUBLICATIONS

The Use of Money, by C. H. Douglas (1/1).

Money and the Price System, by C. H. Douglas (1/1). -

The Planners and Bureaucracy, by Elizabeth Edwards (1/1).

On Planning the Earth, by Geoffrey Dobbs (9/-)-

Elements of Social Credit authorised by the Social Credit Secretariat (10/3).

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THE HIDDEN ROLE OF MONEY IN HISTORY

Extracts From Noel Stock's Seminar Paper

"The history of money is one long, unbroken history of fraud . . ." C. H. Douglas, in an address, "Money: An Historical Survey." "After draining and pillaging one country after another, the international money power . . . has in the past left bemused or subsidised historians to explain that, like the rise and fall of the Roman Empire (almost completely a monetary phenomenon due to 'silver inflation'), all nations have their day and that prosperity is bad for them . . ."

—C. H. Douglas in "Programme For the Third World War."

At the close of the Middle Ages Spain was chief among the nations, which were determined to increase their money supply by increasing their gold supply. With regard to the power of gold it is worthwhile, I think, to note the words of the German historian and scientist, Von Humboldt, who, in his work "Fluctuations of Gold", dated 1838, wrote, "America was discovered, not as has been so long falsely pretended, because Columbus predicted another continent, but because he sought by the West a nearer way to the gold mines of Japan and the spice countries of the South-West of Asia". Such a statement, from such an historian as Von Humboldt, pleads, I believe, for a more careful examination by historians of the identity of the men who backed Columbus.

Turning to England we find that both Mary Tudor and Elizabeth had as financial adviser a shady gentleman by the name of Thomas Gresham. In the words of Alexander Del Mar, Gresham, a mercer and financier "was applied to by the ministers of Edward the 6th of England for a loan of money . . . Gresham was unable to comply with the ministers' request, but said he thought he could raise the money in Antwerp. Accordingly, he was commissioned to proceed thither and affect the loan. He remained in Antwerp until after the death of the king and fall of the ministry, meanwhile advising them what he had not ventured to set forth in London, namely, that bad money will drive away good; and that before he could procure the needful loan in Holland, it was necessary for Edward to reform his monetary system".

The English commercial literature of this period, Del Mar tells us, was full of suggestions that England follow the policy of the Dutch.

According to the "Jewish Encyclopedia" and Werner Sombart's "The Jews and Modern Capitalism", Cromwell also was in close touch with usurers in Holland. These sources say he was paid large sums by

Manasseh Ben Israel. Another Jewish financier was chief contractor for the New Model Army. The Jews, banished from England in 1290, were allowed back in the sixteen-forties, while the nation, once known as "Merrie", was undergoing Cromwell.

It is said that many of the vilest pamphlets against James II were printed in Holland and, to quote Captain Ramsay, in his book "The Nameless War": "The chief figures amongst those who deserted James at that crucial juncture was John Churchill, first Duke of Marlborough. It is interesting to read in the Jewish Encyclopedia that this Duke for many years received not less than six thousand pounds a year from the Dutch Jew, Solomon Medina."

William and Mary arrived from Holland and in 1694 the Bank of England was brought into being under, to put it mildly, extremely suspicious circumstances.

The Act of Parliament establishing the Bank was called the Tonnage Act, and the preamble reads: "A Bill for granting to their Majesties several Rates and Duties upon tonnages of ships, vessels, and upon Beer, Ale and other Liquors: for securing certain Recompenses and Advantages, in the said Bill mentioned, to such persons as shall voluntarily advance the sum of Fifteen hundred thousand pounds towards carrying on the War against France." What was really proposed is outlined by Hilaire Belloc in his Shorter History of England. He says a group of rich men "proposed to lend the government one million two hundred thousand pounds . . . This was the beginning of what later came to be called the National Debt, for its special character was not merely the lending of the money to the government . . . but the novel proposal that the interest should be strictly guaranteed on the security of the national taxes, while immediately afterwards a privileged institution was called into existence, a central bank which should have the handling of the loan and interest and the right to issue notes

of credit on the security of the government".

Here, after prodding which seem to have stemmed mostly from the direction of Holland, we have the beginning of the modern debt system, under which banks create money out of nothing — which money is charged as a debt against the useful person, producers and others whose main aim usually is to work in collaboration and exchange products.

As to the power of the Bank of England, we have the classic case of 1795, when it dictated to Pitt in the following letter:

"It is the wish of the Court of Directors of the Bank that the Chancellor of the Exchequer would settle his arrangements of finances for the present year, in such manner, as not to depend upon any further assistance from them, beyond what is already agreed for."

This letter was sent at a time when England was in trouble both at home and abroad. Thomas Hart Benton, speaking in the American Senate in the early eighteen-thirties, pointed out that after receipt of the letter Pitt became in reality the Minister of the Bank. In 1797 he finally obtained approval for the Bank's notes to become the lawful currency of the land.

In England's North American colonies, the settlers believed that there was no local freedom without local control of local purchasing power. Therefore, they issued their own money, according to the needs of local production and consumption. In 1652, October 19, the province of Massachusetts defied the Royal Authority and struck its now famous "Pine Tree" shillings.

The mint was suppressed by William and Mary, but the farmers of Massachusetts went ahead and issued bills of credit. In 1727, urged on by the Bank, the British Government began the series of repressive measures against the colonists, which ended in the American Revolution. These repressive measures consisted largely of unwarranted contractions of the currency. In 1744, for instance, "prices fell, trade became stagnant, securities depreciated and loans were recalled; debtors were sold out by the sheriff; 'many good families were brought to poverty'; and cries of distress arose on all sides".

These repressive measures did not benefit either the people of England or the colonists in America. They served only the usurers. After the American Revolution this money war continued in the United States. Wars and revolutions do not upset the usurers. The Money Power reaches across borders and under or over wars and revolutions.

SOCIAL CREDIT AND "COMPETITIVE COEXISTENCE"

Part One of John Weller's Seminar Paper

"Shortly, the characteristics of inflation are: enormous increase in production fantastic rises in prices, speculation, submergence of the professional and so-called cultured classes, centralization of economic power, and industrial serfdom. There is little unemployment, at any rate for a time, but if you are unemployed, you starve immediately. Your immense output cannot be internally absorbed ... the urgent necessity of markets means certain war, sooner or later, and the greater the inflation the sooner the war must come. In the meantime, however, you become more capable of the immense output which war demands; and your centralized industrialists who do not expect to line the trenches, regard the prospect with complacency."

—C. H. Douglas, in "The Breakdown of the Employment System."

There is a Mark Twain story, which Douglas liked to repeat concerning the time the famous humourist broke his leg in a lonely mountain district. There were, so Twain alleged, only two medical practitioners who could be reached. One was a Christian Scientist, who, under the circumstances, did not appear to offer a practical solution while the second was a horse doctor who sent a message that the patient was to drink two gallons of hot turpentine, into which two pounds of bran had been mixed, and he would be along presently. When he did arrive, Mark Twain, who had delayed the preliminary treatment, enquired as to its utility as a cure for broken legs. "Waal," said the expert, "I ain't so much of a leg healer, but that thar mixer would 'a give you blind staggers, and I kin cure that."

This simple anecdote illustrates, I think, a vitally important concept, which those who are concerned to defend Western Christian civilisation ignore at their peril. The financier-chain store magnate, Mr. Israel Moses Sieff, expressed the idea in terms of political objectives when he stated in 1938:

"Only in war, or under threat of war, will the British Government embark on large-scale planning."

This is a key statement, which needs the most careful examination. An understanding of the full implications of this remark provides the observer with the clues that reveal the clear-cut pattern of events behind the apparent contradictions in the morass of international politics. Douglas has commented:

"Now the simple fact is that the world does not want large-scale planning, and does not need large-scale planning in the sense the planners want it. There never in history has been a greater swindle than the propaganda, which has been poured out to suggest (a) 'The world must have more economic efficiency'; (b) 'The inevitable trend of evolution is to large and larger units'. The object of this propaganda has nothing to do

with what the world wants or needs. It is precisely similar in origin, nature and object to the idea behind a comment made to me 20 years ago in New York by one of the leaders of Big Business who had not quite grasped my views: 'What we need to do is to squeeze out all these little fellows, and then we can run things as we want them . . .'

In one of the most important of his later works, "Brief for the Prosecution", Douglas has written:

"It is frequently observed, by those who have given only superficial attention to the matter, that it is perverse to object to planning. Much play is made with 'the necessity of regarding the problem as a whole'. The implication is that the planning to which reference is made is the alternative to what is commonly called 'muddling through'. The fact that practically every article we use, from a teaspoon to a motorcar, is the result of skilled, intensive planning is apt to escape notice, yet we do not plan teaspoons and motorcars 'as a whole'."

"The planning which results in a teaspoon or a motorcar, however, is the outcome of a desire to produce a teaspoon or a motorcar of a particular pattern, and in a free economy the pattern is conceived in the hope that it will appeal to the individual, and will be bought in competition with alternative patterns. But the planning of the Fabian Society and its colleague, P.E.P. is and must be precisely the opposite. It is the 'planning of whole peoples on the model of Germany by a totalitarian State which is designed as a whole to be the best instrument of war, the national objective of Germany. The teaspoon and the motorcar alike have to fit into this conception. Comprehensive planning requires one single objective which never varies and to which the individual is subordinate; and comprehensive planning is only justifiable on the assumption that

military war is merely one aspect of continuous war. To repeat the dictum of Clausewitz, 'War is the pursuit of policy by other means'. Whose policy, and to where it leads, is undisclosed.

"Once this conception is grasped, it is not difficult to realise that, 'only in war or threat of war' could the social and political economy of Great Britain, the great barrier to World Dominion, be remodelled in the Hierarchical pattern of the Germany Army.

"That there is no contradiction between practical Socialism (Planning) and extreme militarism was fully recognised in Germany fifty years ago. In 1892 August

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Heritage Bookshop

Here are some more titles available at the Heritage Bookshop, Box 1226L, G.P.O., Melbourne. All prices quoted are post-free.

The Struggle For Europe, by Chester Wilmot (36/3). Masterful work which shows how the Americans, towards the end of the Second World War, accepted Russian predominance in Europe and Asia. Wilmot claims that this anti-British attitude of the Americans provided Russia with the greatest of her victories.

Searchlight on Britain, by Thorburn Muirhead (21/9). An examination of the poorhouse Britain has become under the present political party setup. The author believes Britain can once again become great. That she has the resources, if only the British people will be roused from their present sleep.

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"New Times," October 5, 1956—Page 9.

Social Credit and Competitive Co-Existence

(Continued from page 9)

Bebel, a leading Social Democrat (Socialist) told Bismark that the Imperial Chancellor can rest assured that German Social Democracy is a sort of preparatory school for militarism. It could not be anything else and remain Socialism . . ."

Since Mr. Sieff's significant remark, we have been involved in a devastating war during which the maximum in bureaucratisation and regimentation was imposed upon us. And from the time World War II officially ceased, every effort has been taken by Mr. Sieff and his friends to ensure that the "threat of war"—a gigantic and ghastly Sword of Damocles—is kept hanging over us. By the dynamic of fear, in the form of a gruesome picture of total nuclear destruction, whole populations are being stampeded into the acceptance of policies they would not merely question, but abhor, under other circumstances.

With this background in mind, we can turn to a consideration of the latest phase of Mr. Sieff's policy, camouflaged in the beautifully ambiguous slogan of psychopolitical "emotional engineering": "competitive coexistence" with the Communist world.

It may be noted that since 1945, we have traversed the phases of "Cold War", "Containment" and "Massive Retaliation"; undergone, at Mr. Dulles' insistence, an "Agonising Reappraisal" and been advised to put our faith in "Peaceful" — albeit "Competitive"—"Coexistence".

T. V. Holmes, a prominent English Social Creditor, has commented on what he has described as our latest "ordeal":

"World Power politics, in its endeavour to reach world monopoly power, has subjected mankind in general, and European man in particular, to many an ordeal and tyranny these last fifty years. And "ordeal" is the mot juste. The "ordeal", in mediaeval legal process, was the favoured way of establishing a man's innocence or guilt, worthiness or unworthiness. Thus the ordeal by water, and later by battle. Today, the ordeal is no longer used to establish a person's innocence or worthiness, but nevertheless has become almost universally accepted as necessary proof of a nation's supposed innocence and worthiness to survive.

"Consider the last fifty years. 1914-18 saw the European nations subjected to the ordeal by world war, 1918-29 the ordeal by industrial rationalisation, 1929-32, the ordeal by financial poverty, 1933-39, the ordeal by re-armament, 1939-45, the ordeal by world hot war, and 1945-56, the ordeal by world cold war. 1956, apparently, has inaugurated

the ordeal by "competitive co-existence", has persisted, for the individual, the ordeal by unemployment, by taxation, by expropriation of property and currency depreciation.

"The 'New Statesman and Nation', in a recent issue, informs us that: 'Sir Winston Churchill's speech at Aachen was a keynote speech; it affirmed the first light of co-existence just as authoritatively as, ten years ago, his Fulton speech declared cold war. His suggestion that Russia should be invited into Nato makes nonsense of all the cold war assumptions on which Mr. Dulles and Dr. Adenauer continue to base their policies . . .' (A 'keynote speech', incidentally, might be described as one authorising a change of ordeal, and is not unlike the announcement by the M.C. at the village whist drive declaring a change of trumps.)

"And so 'competitive co-existence' is now the ordeal-call, and it therefore behoves us to understand the full meaning of the term, its rules and conventions . . ."

Behind the veil of political sloganising in the West, the constant policy of power centralisation has steadily proceeded. We are being communised under other labels. The Chinese word for "Peaceful Co-existence" is "K'ung Ch'an-chui", meaning the victory of communism. The pure Communist policy, of course, is clear enough. It has never deviated. To quote the familiar dictum from Stalin's textbook, "Foundations of Leninism":

"Objective: to consolidate the dictatorship of the proletariat in one country, using it as a base for the overthrow of imperialism in all countries. The revolution is spreading beyond the confines of one country; the period of world revolution has commenced."

Of the Russian Revolution, Stalin has written: ". . . it constitutes the first stage of world revolution, and a mighty base for its further development."

We have recently been blandly assured by Mr. Krushchev that behind the current Kremlin smiles, the fundamental policy of Communist Russia remains unchanged.

Andrew Rothstein, a leading Communist authority and journalist, who—among other intriguing activities—has served his time with the London School of Economics, has graphically shown the Communists long-term attachment to the grand stratagem of (so-called) "Peaceful Coexistence" in his book of that title.

As Mr. Rothstein is quick to point out, Lenin emphasised the importance of this question as far back as 1920, when in a carefully worded public relations statement, he said: "Our plans in Asia? The same as in Europe; peaceful coexistence with the peoples; with the workers and peasants of all nations." You see, the phrase is by no means new.

In November of the same year, Lenin surveyed the new international scene. This post-revolutionary period was, he said, no longer a mere breathing space, but "a new period in which our basic international existence in a network of capitalist states has been won". Conditions had been secured in which "we can exist side by side with the capitalist Powers, who are now obliged to enter into trading relations with us". Note the vital phrase: "who are now obliged . . ." As Comrade Rothstein remarked, this was a "most tremendous factor" which Lenin "repeatedly underlined".

In 1927, Stalin recorded the statement: "I think that the existence of two opposite systems, the capitalist system and the Socialist system, does not exclude the possibility of agreements . . . Exports and imports are the most suitable ground for such agreements. We require equipment (raw cotton, for example), semi-manufactures (metals, etc.): **while the capitalists require a market for their goods...**" Again and again this latter point was underscored by the Communist leaders.

Rothstein writes:

"By 1933, in desperate straits, the Governments assembled in London for a World Economic and Monetary Conference. Here once again the Soviet delegation proposed a pact of economic non-aggression, pledging 'peaceful co-operation of all States in the economic field, irrespective of their political-economic systems'. Litvinov also announced that the Soviet Government, given credit terms, was prepared immediately to increase imports of metals, engineering material, rubber, and consumer goods of various kinds, to the value of 1,000 million dollars. These imports would have absorbed 100 percent of the world's output of ships in 1932, 100 percent of the world stocks of some consumer goods, one-third of the world's yearly exports of machinery, and from 25 to 60 percent of world stocks of non-ferrous metals. While the Soviet offers were not accepted as such, in fact Soviet imports of such goods went on increasing, though not on the scale international endorsement would have brought about." That orthodox economists of the West were not unaware of this policy, is clearly demonstrated by Barbara Ward's summing up of the Communist viewpoint in her book, "Policy for the West":

"The answer lies in the Communist view of history . . . In the long view, history will do Communism's work for it, since the seeds of destruction are self-sown in the capitalist order of society. Its own 'inherent contradictions' will bring it down. Its structure of class and property will not permit the full of the

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Social Credit and Competitive Co-Existence

(Continued from page 10.)

new methods of production made possible by capitalism. The power of the poor to purchase will never catch up with the power of the machine to produce. Gluts will appear at regular intervals, gluts of so-called over-production, during which men will go workless and goods will be destroyed. Markets, too, will become more and more hotly contested as the productive power of each national economy increases without corresponding increases in the people's ability to earn and buy..."

Now C. H. Douglas had pinpointed the core of this economic paradox—the frenetic struggle for export markets, epitomised in the phrase, "export or die" which characterises every modern industrialised economy—in his very first authoritative article on the subject of Social Credit, published in December, 1918, under the penetrating title, "The Delusion of Super-Production". The orthodox financial system was inherently non-self-liquidating, i.e., sufficient purchasing power was not distributed to buy goods produced, with the result that the manufacturer had to desperately seek markets overseas to take up a "surplus" which the home market was financially unable to acquire.

Douglas has written:

"Technically the point at issue was 'Is the orthodox financial system self-liquidating, or not?' No reputable economist would now contend that in everyday language no cycle of production could be carried through by accepted accounting and banking methods without creating a debt, which can only be liquidated through the creation of a still greater debt. The practical effect of this is that although a unit of production is physically cheaper than ever before, prices, at the best, do not fall, and at the worst rise continually. In order to keep the system going, continuous inflation is a necessity and continuous inflation is a continuous fraud upon the public differing only in its greater magnitude from the coin-clipping visited by the severest penalties in the Middle Ages."

To the Communists, of course, this flaw in the financial system was simply exploited to strengthen the Communist State and weaken the West, an undeviating policy that was ruthlessly pursued behind the grinning facade of "Peaceful Co-existence"—a policy that the American ex-Communist, Louis Budenz, has recently described as "instalment plan suicide".

Since the Revolution of 1917 an obliging and insistent West has pressed upon the Communist regime the fruits of their in-

dustry. The factories of Britain and the United States were put to work for Communism.

Technological progress only aggravated the problem. The more economic "efficiency" was achieved, the more goods were produced with less labour, the greater became the gap in purchasing power, and the more intense became the search and fight for export markets. Meanwhile, however, every serious attempt to find a workable solution was suppressed in every possible way. "Economists of Repute" emphasised the complexity and insolubility of the recurring economic crises, while the fallacy of the export drive was smothered behind a welter of London School of Economics jargon.

In his article, "Coal, the Key," Douglas has torn aside the veil of mystery surrounding the export mania:

"When our collusive broadcasting system (the B.B.C.) announces that the month's exports were so and so, and the month's imports were thus and such, it is saying exactly what it intends to say, i.e., words which have no value whatever to anyone and give no information which would assist anyone to form an opinion as to our business position. What we want to know and never do know is: What have we parted with, can we spare it; what did it cost us in labour and material; could we have employed the labour and material better from the point of view of an understood policy? And, on the other hand, what have we got in return; is it any good to us; or, could we have got it better otherwise; how much has it cost us; and does the complete cycle show a profit? Fortunately there is an exception to this general lack of information.

"Where the selling-price to the ultimate home consumer of an article is little above the direct cost of production as, for instance, in the pre-war price of coal, the items which go to make production-cost are the dominant consideration. Most coal exports were a loss. One of the difficulties in assessing the real effect of export trade lies in the absence of true cost figures, and it is therefore most helpful to be provided with a case, that of Scotch whisky, in which true cost is so small a percentage of selling price to the consumer that no great error is introduced by taking the F.O.B. price (4/9d.) as the cost, although in fact the true cost is probably not one quarter of that figure. The price to the consumer of somewhat weaker whisky than that shipped F.O.B. at 4/9d. is nominally

25/9 but more nearly averages £2/10/-. (There is more whisky sold in the Black Market at £3/10/- per bottle than at the controlled price. Why not? Vive les rackets!)

"But we will take the controlled price as a basis. Imagine for a moment that the amorphous bulk figures of exports given by the "B".B.C. did reflect something amorphous—that all "production" is whisky or can be accounted for as whisky; that the country to which we export the whisky lives solely on whisky, as above defined, imported from us, paid for in dollars, which are used by us to buy the raw material for more whisky. Then, on the premises we are using, the standard of living of the country to which we export is to ours as the inverse of the bulk prices—i.e., 25.75 to 4.75, and that standard is brought up to its high level by free subsidies from us. The extent to which this example corresponds with fact simply depends on the ratio of capital and export goods to home-produced consumable and imported consumable goods on sale, measured in a common unit of account.

"This somewhat tricky process is clearly a matter, not of absolutes, but of ratios. For a given amount of 'production', you can maintain any standard of living by exchanging a portion of it for an excess value—a profit. And conversely, you can have a falling standard of living quite irrespective of how much you produce, if you export more and more for the raw material of further exports. And since your 'production' is not production at all, but is simply changing one thing into another by the application of energy, you can use more and more coal, labour and material for less and less satisfaction. This is, of course, what we are doing, and have been doing in this country for a century at least."

If the argument so far has been clearly grasped, it should now be obvious that as work is increasingly being transferred on to the backs of machines, human energies—instead of being released for the development of initiative individuality, i.e., voluntary self-employment as opposed to state enslavement, i.e., the official policy of "full employment"—are being transferred and harnessed to the pursuit of policies over which the individuals concerned have no control. "Only in war or under threat of war . . ."

Which brings us to the frightening "double-think" world of George Orwell's "1984".

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