

A FRANK REPORT TO SUPPORTERS See page 4

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## “THE CRITICAL MOMENT”

*“ . . . the break-up of the present financial and social system is certain. Nothing will stop it . . . the only point at issue in this respect is the length of time which the break-up will take, and the tribulations we have to undergo while the break-up is in progress . . . ”*

*“ There will probably come well within the lives of the present generation a period when the blind forces of destruction will appear to be in the ascendant. It does not seem to me to be necessary that this should be so, but it does seem to be probable.*

*“ There is, at the moment, no party, group, or individual possessing at once the power, the knowledge, and the will, which would transmute the growing social unrest and resentment (now chiefly marshalled under the crudities of Socialism and Communism) into a constructive offer for the regeneration of Society. This being the case, we are merely witnesses to a succession of rearguard actions on the part of the so-called Conservative elements in Society, elements which themselves seem incapable, or undesirous of genuine initiative; a process which can only result, like all rearguard actions, in a successive, if not successful, retreat on the part of the forces attacked. While this process is alone active, there seems to be no sound justification for optimism; but it is difficult to believe that the whole world is so bereft of sanity that a pause for reflection is too much to hope for, pending a final resignation to utter catastrophe.*

*“ When that pause occurs mankind will have reached one of those crises which no doubt have frequently been reached before, but which so far have failed to avert the fall of humanity back into an era of barbarism out of which few civilisation have slowly and painfully risen.*

*“ THE POSITION WILL BE TREMENDOUS IN ITS IMPORTANCE. A COMPARATIVELY SHORT PERIOD WILL PROBABLY SERVE TO DECIDE WHETHER WE ARE TO MASTER THE MIGHTY ECONOMIC AND SOCIAL MACHINE THAT WE HAVE CREATED? OR WHETHER IT IS TO MASTER US; AND DURING THAT PERIOD A SMALL IMPETUS FROM A BODY OF MEN WHO KNOW WHAT TO DO AND HOW TO DO IT, MAY MAKE THE DIFFERENCE BETWEEN YET ONE MORE RETREAT INTO THE DARK AGES, OR THE EMERGENCE INTO THE FULL LIGHT OF A DAY OF SUCH SPLENDOUR AS WE CAN AT PRESENT ONLY ENVISAGE DIMLY.*

*“ It is this necessity for the recognition of the psychological moment, and the fitting to that moment of appropriate action, which should be present in the minds of that small minority which is seized of the gravity of the present times.”*

C. H. Douglas in Chapter 3, *“ The Critical Moment ”*, of *“ Social Credit ”* (1924)

# Introductory Social Credit Course- Lecture 3

Prepared By Eric D. Butler

We have now studied organisation, also the difference between Policy and Administration. We shall start this lecture with the following extract from Dr. Monahan's "Introduction to Social Credit:— "The real meaning of totalitarianism is that one man, or a small group of men, are in an exclusive position to have their directives carried into effect; and the real meaning of democracy is that individuals as such shall be in a position to have their own directives carried into effect. The General problem of political democracy is to find a mechanism to give practical effect to this principle. Parliaments, Soviets, and voting systems generally are merely mechanisms which might or might not give such practical effect to political democracy. It may be said at once that the British system does not."

In his "Nature of Social Credit," L. D. Byrne writes:

"There are broadly three separate aspects of social life; although distinct, each influences the others. They are (1) the housekeeping or economic, (2) the legislative or governmental, and (3) the cultural or spiritual . . . The Economic (or Social Housekeeping) system has to do with providing the material wants of the people. Therefore its purpose is to deliver goods and services as and when and where they are required. Nothing else. That is the sole function of the economic system. "The Legislative or Governmental system has to do with the rights of individual members of society and their relationship to one another. Its function is to ensure that the collective will of the people prevails in all matters affecting the rights of individual members of society, their relations with each other, and the relations of the group with other groups. Within this function is included what is broadly termed the maintenance of law and order."

In analysing the economic system, Mr. Byrne points out that "Money is a man devised system for facilitating the production and distribution of goods and services. It is an elaborate ticket system for keeping the nation's book-keeping accounts. It is one of the most ingenious inventions of the human mind. By placing prices on goods and distributing money, people are enabled to present the claims for the particular goods they want. Money is thus . . . a method by which people are able to choose what they want. In this way money is also a voting system — it gives people an economic vote."

Dealing with the Governmental system, Mr. Byrne writes:

"In the sphere of economic democracy we considered how the mechanism of money can be used as a voting system whereby the dynamic of the collective will of the democracy at the circumference can be effective in deciding who shall be the administrators at the centre, and in ensuring that administration shall conform to the demands of democracy—that is, give democracy what it wants. The money vote

is used to demand results—a particular kind of food, a particular form of car and so on. In the economic sphere democracy is concerned only with what shall be done and who shall do it . . . If democracy wants a particular type of car—that is, a particular result— and if Mr. Spink undertakes to provide it, then Mr. Spink is responsible to democracy for producing what it wants. The method he employs to get the result is his personal responsibility.

". . . just as in economic democracy people are provided, through money, with an effective voting system to enforce their will in regard to economic matters, so it is necessary in political democracy that they should have an effective voting system to enforce their will in the domain of government. Such a system confers upon the members of the community—THE PEOPLE—sovereign power in all matters concerning the social life of the community, for it is in the sphere of government that all questions affecting the rights of the members of the community are dealt with. And if the social body has such an effective mechanism for ensuring that the dynamic of its collective will prevails within the sphere of government, there will be effective administration of the entire social organisation—in accordance with the will of the people . . . This would constitute a true democracy — a Social Credit Commonwealth.

"It should be clear that a question of priority arises. The Social Credit order can be described as true democracy in all aspects of social life by the organisation of society in accordance with the principles of Social Dynamics, The purpose of the organisation is to enable society to gain its objective. First and foremost in order of priority, its objective is personal security and freedom for its individual members. While the reality of this personal security and freedom can be established only in the domain of the economic system, the right of the individual members of the community to this can be established only in the domain of the governmental system. Thus political democracy must be established as a means of securing economic democracy."

Now, in the light of our investigations of the two types of organisations, we can see

that the economic vote is the most important vote for getting the individual what he wants. That is, his every day wants. It is quite impossible for the political vote to be used to decide such matters. It is the wrong use of the political vote that has resulted in the increasing destruction of the value of the economic or money vote. All socialisation schemes, whatever their label, are an attack upon the economic vote. Whereas the economic vote, under a system of free, competitive enterprise is a flexible device permitting the individual to have an "election" every five minutes of the day if he so desires, the political vote can only be used for laying down general rules under which the economic vote can be the most effective. We might say that the true function of the political vote is the laying down of a Rule of Law which permits the individual the greatest possible freedom to look after his own affairs—so long as he does not interfere with the legitimate rights of other individuals.

In his great book, "The Road to Serfdom," Professor Hayek defines the Rule of Law as follows:— It "means that the government in all its actions is bound by rules fixed and announced beforehand—rules which make it possible to foresee with fair certainty how the Authority will use its coercive powers in given circumstances, and to plan one's individual affairs on the basis of such knowledge . . . within the known rules of the game the individual is free to pursue his personal ends and desires."

We can examine this matter by giving one excellent example of the Rule of Law. We all know and understand our road laws—travel must be on the left-hand side of the road, etc. There are lights at certain cross roads. Sign boards indicate where different roads go. Every individual is free to go where he likes on the roads so long as he obeys the rules laid down. He knows that if he crosses a main intersection against a red light, he will have action taken against him. It will be noted that this Rule of Law is not restrictive. It is designed to protect every individual. It increases his freedom of action and makes for greater individual security. Now it is obviously quite legitimate for individuals to use their political system to obtain a Rule of Law for their roads—but it would be an interference with the individual's rights if the political system were used to try and compel individuals to travel on the roads only at a certain time, to lay down where the individual could go, and what route he could take.

The political system can be used to get a reduction in taxation but it cannot be used to decide how the individual's increased purchasing power which might result from reduced taxation, can be spent as desired by the individual. It is impossible for any individual or planning board or other group to decide in advance all the detailed desires of millions of individuals. The result can only be serfdom. It is the manipulation of the

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# Introductory Social Credit Course

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political vote that is being used to introduce serfdom today. And the tragedy is it is being done in the name of democracy. We have therefore got to use the political vote—i.e. obtain genuine political democracy—to ensure that we get economic democracy.

Having now studied the comparatively restricted use we can make of the political vote as compared with the economic vote, we can see why so many people say it is very hard to get the people united on any political issue, as different people want different things. It will generally be found flat the different results people want are not capable of being provided by the political system, but only by the economic system. The genuine function of Government is not to pass a never-ending stream of laws for the purpose of controlling individuals, but to lay down general simple rules under which individuals can live their own lives—so long as they do not interfere with other individuals.

Dr. Monahan writes in his "Introduction to Social Credit":—"The more important aspect of government is that of a general committee. It is concerned with the general framework within which the multitudinous functional activities of Society are conducted. The first consequence of this position is that the emphasis immediately passes from law-making. No club committee is forever adding to the number of rules. Now Society in the course of some thousands of years has evolved a quite sufficient number of laws to provide for the general conduct of Society. It is only when some new development, such as the introduction of some major new invention, disturbs the general equilibrium, that new laws may be necessary. The appearance of the motor car and the aircraft, for example, clearly need integrating into the existing possessions of mankind in such a way as to enhance rather than reduce the real credit. Apart from this, it is a proper function of the Government to revise the laws with a view to removing unnecessary restraints on the freedom of the individual. As the physical conditions which limit the individual are overcome, so artificial restrictions should be eased and, so far as possible, abolished."

Hewlett Edwards, writing under the heading "Common Sense and the Vote," says:—. . . in principle, the only subject matter Proper for legislation is the establishment and preservation of an agreed rule of law. That is to say, law relating to the conservation of Rights and their adjustment as between individuals (JUSTICE) and provisions against external aggression (DEFENCE), for it is such law that lays down the 'rules of the game' within which 'a man is free to live, by no man's leave'."

Major Douglas has placed on record a very profound observation to the effect while the end of man may be unknown, he will make the most

rapid progress towards that end when he is allowed the greatest power of self-determination. Those people who advocate what is termed a Planned Society take it upon themselves to say that they know the end of man and can therefore plan in advance for that end. They conceive of a fixed, rigid Society, controlled by central planning authorities who know what is "good for the individual." Social Credit is opposed to the conception of rigid planning from above, planning imposed upon the Individual, and conceives of life as an unfolding process — or what is termed Organic growth. The Social Crediter says that it is impossible to predict how the individual will develop, but that the rules of Society should be framed to allow him to develop organically.

It is those people who have no faith in the individual, who are apparently afraid of development which has no fixed end, who are advocates of planning of all description to fix the end of man. These are the people who have made the political system an instrument of serfdom.

Man is a spiritual being, not raw material to be planned. The fundamental ideas of Social Credit are concerned with a rebirth of those spiritual realities which have been the basis of our Western or Christian civilization.

## QUESTIONS ON LECTURE 3

1. What fundamental difference, if any, is there between the political voting system in Australia and that used in Soviet Russia or any other Communist country?
2. Under what circumstances is the money vote rendered ineffective?
3. Can central planning operate without compulsion of the individual?

Readers are again reminded that Mr. Butler will correct and comment upon all answers to questions forwarded to him.

## Liberal Party President On Federal Bureaucracy

Mr. L. H. Moore, Federal President of the Liberal Party, said some very necessary things about the growth of the Federal bureaucracy when he recently addressed the Federal Council of the Party. But Mr. Moore is fooling himself and misleading the electors if he believes that the "excessive" influence on Government thinking by the bureaucrats is going to be curtailed in any way by the Government's proposed review of Departments.

We have heard all this before, on numerous occasions since the present parties took office. But the bureaucracy has continued to expand. This expansion is inevitable until there is a Government determined to start to decentralising control of financial policy. Centralised control of finance means a bureaucratic despotism. We suggest that Mr. Moore give this matter some thought.

## SOME SUGGESTED BOOKS FOR CHRISTMAS

"The Hungry Sheep," by Sir David Kelly Price 28/-, post free.

We cannot recommend this book too strongly. It is particularly valuable as an introduction to the present phase of our work. A famous British diplomat of wide and varied experience, Sir David Kelly works on a big canvass. This is one of the most important post-war books we have handled. It deals with the central problem of our times. Present your clergy man with a copy.

\* \* \*

"The Iron Curtain Over America," by John Beaty. Price 31/3, post free.

A great American classical scholar, and a key member of the American war-time military intelligence, John Beaty exposes the nature of the conspiracy against Western Christendom, particularly as it operates in the U.S.A.

\* \* \*

"The Struggle for Europe," by Chester Wilmot. Price 36/-, post free.

This has been described as the most important book written about the last World War. The late Chester Wilmot famous Australian writer, not only tells in graphic language of how Hitler was defeated, but of how the Communists emerged as the real victors of the struggle. The author shows how because the American policy-makers accepted Communist predominance, both in Europe and Asia in preference to the survival of the British Empire. A great work judged by any standard. It will be studied for years to come.

\* \* \*

"You Are Wrong, Father Huddleston," by Alexander Steward. Price £1, post free.

In this quiet and carefully reasoned book a South African who has lived amongst the South African natives all his life, answers the world-wide campaign against South Africa's native policy. He deals particularly with Father Huddleston's widely publicised book, "Naught for Your Comfort".

The factual information given in this book will shake even the most emotional idealist who has uncritically accepted the propaganda campaign against South Africa. An excellent gift for the Christian clergy.

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"An Agricultural Testament," by Sir Albert Howard. Price 25/-, post free.

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## *A Frank Report To Supporters*

*When the "Draw-the-Line" Campaign was launched several months ago, it was stressed that one of the major purposes of this campaign was to ascertain if there is a line beyond which responsible electors would refuse to retreat under pressure from Governments and their agencies. Although many supporters have not co-operated as was desired, nevertheless sufficient work has now been done to come to certain definite conclusions. The Truth alone shall make us free, and supporters must therefore face the fact that the philosophical climate of opinion in which they are now operating is not generally favourable to the policies of freedom and independence which we advocate. The situation of the fifties is far worse than the situation of the thirties.*

*This does not mean that our battle is lost; far from it. But it does mean that we must realise, as Douglas told us in those famous words quoted on the front page of this issue, that the outcome of the battle will be decided, not by mere numbers, but by quality. Thousands of "Draw-the-Line" brochures have now been distributed, a large number of letters to the press on this issue was published, selected sections of the community such as the business community and the clergy were circularised in some areas, and in Melbourne personal canvassing has been undertaken by a small team of enthusiasts. The central fact to emerge from all this effort is that there is only a very small minority with both the capacity to understand fully the issues presented, and the will to take any kind of effective action. We would not like to state exactly how small this minority is. But we can say with certainty that it is less than one per cent, of electors. One of our most urgent tasks is to locate this minority and equip it with knowledge.*

*Time and time again it has been demonstrated that when an event, or proposed event, moves the majority of people to take an interest in that event, it is the small number with access to necessary factual information who know what to do and how to do it, that is decisive in any action. But just as important is the fact that it is the minority which brings an understanding of the truth. Majorities have never in man's long history created an understanding of fundamental issues. If supporters realise this fact they will not despair because they appear to be failing to make their movement "popular". They will also appreciate the urgent importance of concentrating most of their attention upon those members of the community who possess sanctions and influence — the clergy, the teachers, the local newspaper editor, the local councillor, etc.*

*The experience gained in the past few months of intensive work has now been fully assessed. The "Draw-the-Line" campaign and associated activities will go forward, but it is certain that new techniques are urgently required. These techniques are now being devised, and in our next issue we will make an important statement concerning our proposals. The task ahead is formidable, but not impossible if every supporter fully accepts that responsibility which is his by virtue of the understanding he possesses.*

## That Banking "Reform"

Whatever merits the Federal Government's banking legislation may have, the Federal Treasurer, Sir Arthur Fadden, made it very clear that the basic powers of the Central Bank were not going to be weakened, particularly the power "to regulate the total volume of bank credit." There is no evidence that the creation and cancellation of credit is going to be related to the facts of production and consumption. Control of credit is to be just as arbitrary as ever, with the individual in the position where he can only get access to money on terms imposed upon him by the central controllers.

## Eric Butler Visits

### Wimmera Next Week

Mr. Eric Butler leaves Melbourne tomorrow night, Saturday, November 2, for a week's tour of the Wimmera. Mr. Butler will address a public meeting at the Central Cafe, Horsham, on Monday, November 4. On Wednesday, November 6, he will speak in the Wesley Hall, Nhill. Details of other public meetings were not available as we went to press. Apart from addressing public meetings, Mr. Butler will be busy personally interviewing clergy, local Councillors, business men and other responsible citizens. He will also give a special address at the Longorong Agricultural College.

## Trade With Communist Countries

The true purpose of exports should be to pay for necessary imports. But under present financial and economic policies, export markets are regarded as a means of disposing of local "surplus" production. At present the policy makers in the U.S.A. are keenly supporting huge dollar loans to the "National" Communist countries. As America imports little from these countries, the export of American food surpluses to these countries is in reality a gift.

Mr. McEwan, Minister for Trade, now advocates a similar policy of helping the Communists. At a recent Australian Primary Producers' Conference he said that "Australia had no fundamental objection to trade with Communist China." We have not the slightest doubt that the Chinese Communists would be delighted to have their internal food problems solved by imports from Australia. Neither the present Australian Government nor any non-Communist Government can make any fundamental stand against Communism while present financial policies force them to try and solve their domestic problems by exporting "surpluses."

# The Political and Economic Consequences of the Defect in the Financial-Price System

## Mr. John Haywood's Seminar Paper. Part II

Now let us give some consideration to the significance that the defect in the financial-price system has in the lives of those who form the overwhelming majority of the population of industrialised nations, the wage and salary earners.

As we have seen, the existence of this defect in the price system creates for industry a selling problem. If this problem is not dealt with by the methods outlined earlier, a number of results follow: one of which is that the wage and salary earners lose their employment as a consequence of the slowing down of production.

In "Economic Democracy" Douglas has written: "the individual only possesses inalienable property of the one description; potential effort over a definite period of time."

If, therefore, the wage or salary earner is prevented from making use of this property under present, conditions the lives of the great majority of the population are in the virtually complete economic domination of finance.

The slaves of old may at times have laboured under the whip: but they certainly didn't labour under a delusion. To-day, vast numbers of the world's population, excluding of course, those living in considerable portions of the northern hemisphere, believe they enjoy the benefits of liberty.

If liberty is the freedom to choose or refuse one thing at a time, then enforced unemployment brought about by a managed money system is as much an objectionable infringement of individual liberty as its opposite, the artificially necessitated imposition of full-employment.

### THE DISPLACEMENT OF HUMAN LABOUR

With the ever-present necessity of lowering the costs of production, labour-saving devices are being constantly introduced into the productive process with the object of reducing direct labour charges.

Confronted with the decreasing need for employment of human energy in production is the application of the discoveries of science to industry makes available enormous and ever-increasing amounts of non-human energy, the experts in one field persistently seek to find use for this unnecessary human labour in the same productive system from which experts in another field are just as persistently, and with greater success, discovering new means of displacing it.

From the contemplation of this mad hatters' tug of war let us take a glimpse at a small part of the great amount that the original genius of Douglas

has contributed to a question, the solution of which seems to have baffled every other thinker on the subject.

Writing on the introduction of power driven machinery into the production system, Douglas states in "The Monopoly of Credit," the physical effects of this replacement (of human labour by machine power) are not difficult to apprehend. If one unit, of human labour with the aid of mechanical power and machinery will produce ten times as much as the same unit working without such aids, it is obvious that there will either be ten times as much production or only one-tenth the amount of labour will be required.

The productivity of a unit of human labour has increased somewhat irregularly over the whole field of production. In some cases the increase in a hundred years has amounted to thousands per cent, in some cases the increase per unit has become much less. It is however, broadly true to say that general economic production which may be defined as the conversion of existing materials in a form suitable for human use, is proportional to the rule at which energy of any description is used in the process, and this line of attack is probably closer to reality than any method in which financial units are employed.

And again in "Warning Democracy" — "Now, if you will consider the fact that the general output of goods of all descriptions per unit of mechanical labour employed, is, at least proportional to the total energy put into the productive system, and that this energy has increased in the last 100 years by at least 3,000 to 4,000 per cent, you will see that one of three things must happen. Either everyone must consume thirty or forty times as much as he did before, and increase the amount as the amount of energy put into production increases, or (2) we must get rid, by exportation or otherwise, of an increasing amount of production (in competition with every other industrialised country) in the remaining markets of the world, which are decreasing in size owing to continued industrialisation, or (3) we must recognise that the so-called unemployment problem is something that arises out of the advancement of science applied to industry, and we must profoundly modify our system of distribution."

The big objective fact of life for the great part of the population is that they must never be out of a job.

No work, no money; no money, no goods.

It is not taught in our compulsory education system that this means that, no matter how great is the quantity of goods produced they cannot be used unless everyone is employed, at least forty hours a

## Important Book by British M.P.

### Exposes America's Anti-British Policies

In these days when the peoples of the British Empire are expected to accept the carefully fostered myth that the policy makers of the U.S.A. are the loving friend and allies of the British peoples, it is refreshing news when a member of the British Parliament, and a Conservative member at that, writes a book designed to show that the present desperate plight of the British world is primarily the result of anti-British policies imposed from the U.S.A.

Mr. John Biggs-Davidson, in "The Uncertain Ally", shows convincingly and in most moderate language that the policy-makers in the U.S.A. have consistently used financial policy since the first world war to destroy the economic independence of the British peoples everywhere. Mr. Biggs-Davidson reveals how American "aid", both during and after the war, was in reality designed to further the economic domination of the British.

The author frankly discusses the contribution which American financial and economic policy made towards starting the Second World War, the hatred of President Roosevelt for the British Empire, how Roosevelt forced the Japanese into the war, and thus provided Roosevelt and his backers with the opportunity to bring America in at a suitable time. Some revealing factual material concerning the relative contributions made by the British and Americans during the last war, is given. Mr. Biggs-Davidson shows that the American policy-makers have consistently worked to undermine the British in the Middle East, robbed them of their Persian oil industry, and used the threat of economic sanctions, to defeat the British attempt to retake Suez.

Reference is made to Mr. Bernard Baruch's plan for international control of all atomic power; also to other policies for centralising power. In many ways this book leaves much to be desired, and with some of the conclusions we would disagree. But within the framework the author has decided to write this book, he has revealed the major vital aspect of the real international politics of 1917 until the present time. Needless to say, "The Uncertain Ally" has received no press references in Australia—as far as we know—good or bad.

The Heritage Bookshop has imported a limited number. This book would make an excellent Christmas present. Price £1 post free.

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## DEFECT IN FINANCIAL PRICE SYSTEM

(Continued from page 5)

week, in acquiring money by making the quantity even greater still. Hence the absorption of us all, in working constantly to keep ourselves in constant work.

There is not a political party which does not insist that Full Employment is the great necessity of our times and which does not declare its determination to maintain that Full Employment. To turn from this unthinking acceptance of present conditions as something inevitable in the natural order of things, to the following words of Douglas is to emerge from darkness into light. "Certain sedulously propagated theories simply must be cleared out of the way. The first, of course, is that it is the business of the government to put the people to work. Perhaps the shortest way with which to deal with this is to say that, if the facts of the case require that an individual must work before it is possible for him to obtain those things of which he has the need or desire, then he shall in no case be prevented from working by artificial restrictions. But if, without injury to others, he can be provided with these things without working, the fact that he has not worked for them shall be recognised as a matter of no consequence whatever."

### THE FINANCIAL SYSTEM AND SOCIAL AUTHORITY

Let us now turn to a consideration of the effects of the present financial system in the domain of Social Authority.

To-day governments of whatever form or party are without exception in enormous debt.

No government can carry on for a month without money and some idea of the amounts they spend is indicated by the size of their national debts.

The process by which the money representing this debt is created and destroyed has been reported on by the Cunliffe Commission and at some length by Douglas in "Social Credit."

Put shortly it amounts to this: The money needed to meet the ordinary running expenses of government is provided by the creation of new money by the Commonwealth Bank through the bank discounting of short term government security; for instance a treasury bill. When the government redeems the bill an equivalent amount of money is destroyed. If the government obtains the money for this redemption, from public loan and not from the proceeds of taxation, the short term debt is transformed into a long-term debt, the debt being transferred from the Commonwealth Bank to another set of bondholders. The vital point to note is, that such a process re-

sults in the extinction of the money representing the debt but not in the extinction of the debt itself for which interest charges and provision for sinking fund payments will continue in perpetuity to be made against the general public in taxes.

When it is further remembered that the more considerable part of these bonds is held by banks and financial institutions and not by individuals, it will be seen that the taxation necessary to meet these debt charges is a transference of the individuals' purchasing power to the banks and other financial institutions.

The process of Government Finance highlights the banks' claim to the ownership of the public credit and exposes the complete indefensibility of their claim.

It is true to say, that in circumstances such as these no government is in control of its policy and no people is in control of its government; and it is difficult to conceive anything more in conflict with the Christian conception of social authority, than this irresponsible and all-pervading power by the monopoly of financial credit over all social authority from the municipality to the State.

### THE ECONOMIC SYSTEM AND THE POLITICAL SITUATION

What is the nexus between the defects of the economic system and the political situation of the world to-day. If no nexus exists between the major defects of the financial-price systems and the larger political problems confronting civilisation, it might with reason be said that consideration of the former is of academic interest in face of the terrors of to-day. But such a nexus does exist, and it is resident in the control of finance. It is sufficiently clear even from a superficial examination of the matter that the money system includes more than the function generally attributed to it. Money is not merely a distributive mechanism, and its functional defects in this respect are not inherent in money as such (which is probably one of the most marvellous and perfect agencies for enabling co-operation, that the world has ever conceived—C. H. Douglas), but are due to its subordination to policy. Whose policy and what policy.

In the absence of any demonstration that the general dissatisfaction with the results arising from existing economic arrangements is due to the general population experiencing such dissatisfaction, it must be concluded that the same population is not in effective control of policy. And this is the core of the problem posed by the control of money. "It is essentially a mechanism of administration, subservient to policy, and it is because it is superior to all other mechanisms of administration that the money control of the world is so immensely important." C. H. Douglas, "Social Credit."

Now it is self-evident that the general population of the world does not control the money of the world; therefore it lacks control of the most superior of all forms

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## THE NAMELESS WAR

*The Nameless War*, by Captain A.H.M. Ramsay (8/- post free). Captain Ramsay who died last year, was the British patriot and Member of Parliament who almost succeeded in getting to Mr. Neville Chamberlain information which might very well have changed the course of history. Captain Ramsay enjoyed the confidence of Mr. Chamberlain during the critical months between Munich and September, 1939. They discussed the trans-Atlantic power group which was trying to force England to get the Second World War started. Captain Ramsay was to have provided Mr. Chamberlain with certain information—but the War Party intervened. Before he could get to Mr. Chamberlain with this information, Captain Ramsay was thrown into prison, without trial, and was kept there until September, 1944. After his release he was still bound not to reveal certain facts regarding documents which passed between President Roosevelt and Mr. Churchill, BEFORE Mr. Churchill became Prime Minister.

"The Nameless War" contains a great number of important quotations, many of which are not easily accessible elsewhere. One of the main virtues of this book is that one can disagree with some of Captain Ramsay's forthright opinions, but at the same time thank him heartily for an abundance of factual material of first-rate importance.

## Heritage Bookshop

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## DEFECT IN FINANCIAL PRICE SYSTEM

(Continued from page 6)

of administration to subserve its policy and consequently that policy is ineffective. And ballot-box democracy in various places and over varying periods has not proved a substitute.

But that control of money is exercised from some source, is as obvious as the fact that the policy it serves, is not the policy of the general population. The conclusion seems inescapable therefore that the general dissatisfaction with its results is the consciously willed policy of the source that does control the money mechanism.

Unless it be contended that a perpetual state of discontent and frustration is good for mankind, an idea akin perhaps to that which prompted the late Lord Snowden, Labour Chancellor of the Exchequer, to describe the Bank of England as a great moral force, it would seem that the only valid defence against the foregoing grave charge is the honest mistake plea. But against this plea it could with justice be urged, that if those in control of money are fountains of sweetness and light, and honest blundering their only fault, how explain their implacable opposition to any effective rectification of the results of their human fallibility.

Not to see money as the perfect tool to enable co-operation and administer policy, is to miss in great part the explanation of the success of the conspiracy of evil. It is difficult to believe, that of the material instruments at his disposal, the intelligence of Satan would overlook the peculiar adaptability to his purposes, of the money system. And if properly understood, the history of the past few hundred years to go no further back, is witness to an inversion of right order in the whole social sphere on a world-wide scale, brought about by the preponderatingly decisive role that control of the money system has played in moulding the type of economics and politics that afflict mankind to-day.

If one thing is more certain than another, it is that no large scale undertaking can be initiated, much less continue to flourish, without considerable financial resources; and this applies with equal truth to the production of those things economists include in production and term services, as it does to the production of more tangible goods. The great media of publicity and propaganda—reading, listening, viewing, compulsory education—all going to the formation of a public opinion, spurious for the most part because manufactured in the interest of control of purpose—remain in being by the fiat of finance. If the practical experience of centuries—he who pays the piper calls the

tune — be imagined to be inapplicable to these spheres of activity, the matter can be made the subject of a simple test: try enlisting the support of such media for the wide and continuous presentation of Truth, without the aid of unlimited financial credit and a cheque-book. Whence comes the financial energy of subversive movements with world-wide ramifications; why is their expansion never hampered by funds incommensurate with the success they attain and the immunity they enjoy?

### CONTROL OF FINANCE AND ANTI-CHRISTIAN ACTIVITIES

The incessant propagation of the lie, made all the more influential and well-nigh impossible to combat because of its almost sole possession of access to the means of making itself heard, is deceiving millions everywhere. The spectacle of the press printing barely sufficient to justify the charge of its being the upholders of the evils of capitalism, whilst simultaneously conditioning the public mind by a skilful build-up in favour of the very forces levelling the charge and popularity supposed to be capitalism's deadly enemy, a mistaken idea which the same press does nothing to dispel, passes almost unnoticed by the compulsorily educated; if the forces of communism represented a threat, however remote to the controllers of the money system, Russia would not be spelt U.S.S.R.

The open and stealthy filching of power from the individual to the institution, on the plea that such transference is necessary in the interest of the common good; the engineering of situations calculated to arouse widespread discontent, with the purpose of exploiting such discontent in obtaining general agreement to a remedy designed to place the individual still further under the control of the institution; the making it increasingly difficult for the individual to effectively protect by exercising his right to contract out—the very essence of democracy—these are but a few manifestations of the infringement of the natural law, non-compliance with which carries its own automatic penalty, as witness the state of the world.

The capital sins of the socially powerless individual leave their mark; but the continuity of a policy of evil over hundreds of years, and the universality of its application to so much of the populated globe, calls for more than a human wickedness of will and more than a human intelligence in its so-long successful direction. Anti-Christian activities derive and will continue to derive success, through centralised control of that superior mechanism of administration which, giving to its controllers the power to "create the means of payment out of nothing." (Encycl. Britt.), enables them to purchase, most assuredly not the best men, but certainly the best that money can buy, to further the purposes of Satan.

## WITNESS

By Whittaker Chambers

Price 27/6, post free.

It was the evidence of ex-Communist secret agent, Whittaker Chambers, before the House Committee on Un-American Activities which caused top Communist espionage agent in the U.S.A., Alger Hiss, to be indicted and convicted on a charge of perjury. Not only the American people but many people in other countries were startled by the disclosure that the official who advised President Roosevelt, helped draft the disastrous Yalta Agreement in 1945, and who was the first Secretary-General of the United Nations Organisation, was a Communist agent.

Before being finally convicted, Alger Hiss, aided by some of the most influential people in America, fought back against Chambers, who was subjected to a whispering campaign described by one prominent American writer as "one of the most repellent in modern history". Chambers replies to this campaign in one of the most important autobiographies of our times. Not only does this book deal exhaustively with the Hiss-Chambers battle before the Committee on Un-American Activities and the Courts; it is a moving human document which explains how Chambers first became a Communist, his work in the secret Communist apparatus, how he met Alger Hiss and worked with him, and how eventually he came to repudiate Communism.

Near the conclusion of his book, Chambers makes one of the most important observations yet made on the Hiss-Chambers case: "No feature of the Hiss case is more obvious, or more troubling as history, than the jagged fissure, which it did not so much open as reveal, between the plain men and women of the nation, and those who affected to act, think and speak for them. It was, not invariably, but in general, the 'best people' who were for Alger Hiss and who were prepared to go to almost any length to protect and defend him. It was the enlightened and the powerful, the clamorous proponents of the open-mind and the common man, who kept their minds shut in a pro-Hiss psychosis, of a kind which, in an individual patient, means the simple failure of the ability to distinguish between reality and unreality, and, in a nation, is a warning of the end."

"Witness" must be read and studied by those who want to know the truth about Alger Hiss and his part in the Communist conspiracy in the U.S.A. Every student of Communism and international affairs must have this work on his shelves. No one with an unbiassed mind can read it without realising that Hiss was undoubtedly guilty of the charges made against him.

## VITAMINS FOR HEALTH

It is generally recognised that most of the ill health of present-day society exists because we eat de-vitalised foods. Foods that are processed, homogenised, cooked, canned, and presented in their most saleable form, Nutrition experts agree that the milling of flour has produced a crop of diseases due to the loss of many essential vitamins. The city dweller, dependent upon the transport of market produce, consumes foods often weeks old and lacking in full vitamin content. It is not surprising that most people suffer from a mild form of one or many deficiency ailments. Whilst we cannot remedy these matters entirely, we can safeguard our health by taking a safety dose of vitamins daily. Concentrated vitamins in tablet form are scientifically recognised and cost only a few pence daily. The Biovitamin Co. specialise in all vitamins and post free anywhere in A'asia.

Price list and literature from the Biovitamin Company, 3rd Floor, 296 Pitt Street, Sydney.

## DIET DOES IT

By GAYELORD HAUSER . . . . 19/8

This is the latest book by this famous author, and will be a valuable acquisition by those who desire to maintain their health by natural dietary methods.

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Rather than give your friends books for Christmas, you may prefer to give them an annual subscription either to "The New Times" or to the League of Rights' monthly "Intelligence Survey". Special gift subscriptions for both publications are £1 per year. A gift of a subscription will ensure that your friend will think of you at least once every fortnight—and appreciate a gift which comes right throughout the year.

We can post out all gift books direct from our office together with a suitable card from the Heritage Bookshop. Please note in this issue the list of books we specially recommend as ideal Christmas presents. A more comprehensive list is being prepared and is available upon request.

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