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"Ye shall know the truth and the truth shall make you free"

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EDITORIAL

Increasing Debt or Individual Dividends?

Mr. Menzies has now openly confirmed our view that the present Federal Government has submitted completely to the economic "advisers" and is accepting high taxation as a permanent policy. Mr. Menzies no doubt feels that the Victorian Election results indicate that it is extremely unlikely that the Government will be defeated at the next Federal Elections, and that there is no necessity to make even a gesture towards the electors concerning possible tax reductions.

In his "man to man" broadcast on 11th June, Mr. Menzies said that the Government would have to raise next year at least the same amount from personal income tax as this year - - £465 million. And the Prime Minister held out no hope of any reduction in other forms of taxation. One of the main "arguments" Mr. Menzies advanced to support his view that high taxation must continue, was that the last war still had to be paid for. Under "sane finance" the war can never be paid for financially. The present system operates with increasing indebtedness of the whole community. Instead of industrial development resulting in a dividend for future generations, it provides them with an interest-bearing debt. It will be pointed out, of course, that war is sheer economic waste. But no more so than much of the economic activity being imposed upon the community today. The war actually resulted in the industrial potential of the community being increased enormously. The Nation's assets were actually increased. This increased industrial potential could have helped provide genuine economic independence for all individuals. It could have provided more leisure and financial dividends to all Australians as their rightful share of a heritage built up by past generations and expanded rapidly during the war years.

But Mr. Menzies will have none of this. He is a slave to the abstraction of "sane finance" which postulates that the nation's financial bookkeeping system should show assets as debts against the individual instead of credits. From a realistic point of view, the last war was paid for as it was fought. Most of the financial credit necessary to make the war effort possible was created for the purpose. Mr. Menzies says that £1000 million pounds came from taxation to help finance the war. But even Mr. Menzies must be aware that Australians were only able to have this amount of taxation taken from them because of the

increased monetary incomes they were obtaining as a result of the tremendous expansion of new credits to finance the Government's activities. One Minister in the Curtin Government actually said that there was no difficulty in financing the war without high taxation, but that high taxation was necessary for psychological reasons. We would also suggest that another reason was to try and ensure that individuals did not build up large financial reserves out of the money they were obtaining from war spending.

Mr. Menzies points out that for the financial year 1957-58, the total amount of revenue in respect of expenditures directly produced by the last war is £164 million. This means 7/- in every pound contributed by taxpayers in personal taxation, goes towards alleged debts owing on the war. Part of this amount does go to those drawing war pensions and to various repatriation activities, but the main item is the financial debt created against the war effort. As most of the debt arose out of the creation of new financial credits against the real credit, the productive capacity of the nation, it is morally wrong that the individual members of the nation should be saddled with a permanent interest-bearing financial debt because their real credit was used to enable them to fight a war. And it is false bookkeeping. Under present financial rules neither war nor any other debts can be reduced — unless, of course, further debts are created.

The system can only continue without a major breakdown by increasing credit expansion for expanding economic activities. Under present rules this means increasing indebtedness and increasing interest bills. This is used to help justify higher taxation. If it is true, as is often claimed, that the national debt is owed to the people of Australia, then it does not make sense that individual Australians should be taxed to

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NEWS SECTION

Inflation Continues in U.S.A.: One of the features of the American recession, which the orthodox economists are baffled about, is the fact that price levels have continued to rise. The fact that the orthodox economists are baffled by this fact clearly indicates that they do not know how the present financial-costing system works. Under present financial-costing all costs must be recovered through the price system. In the U.S.A., where the development of semi-automatic industry powered by solar energy has proceeded further than anywhere else in the world, it is inevitable that prices continue to rise under present rules. C. H. Douglas showed this clearly early in the twenties. Events have confirmed his predictions.

President Eisenhower on Automation: At President Eisenhower's news conference on April 2, he said in answer to a question concerning mechanisation: "Whatever saves the time and the effort of humans does give them greater opportunity for self-development in their moral, their intellectual and cultural sides." Unfortunately President Eisenhower did not follow up this excellent statement by explaining how the individual is going to develop himself unless he can obtain an income in the free time which mechanisation makes possible. To insist that unnecessary economic activities should be organised in order to provide the individual with an income is to rob him of free time and the opportunity to develop himself along the lines suggested by President Eisenhower.

The Victorian Elections: One of the most important aspects of the Victorian Elections was the fact that the Democratic Labor Party was able to hold the vote, which it obtained at the last Victorian Elections. While we have been critical of many of the policies of the D.L.P., we suggest that there is something to be learnt from the fact that a minority of electors, most of them members of the Church of Rome and inspired by the outspoken views of their clergy on Communism, stood firm and denied the Evatt Labor Party votes which it must have to defeat the present Liberal and Country Party Governments. Suppose Church leaders of all communions started to insist that all political, economic and financial policies must conform to the Moral Law; that they related this Moral Law to specific issues, and urged Christian electors to withhold their votes from all candidates who refused to accept the application of the Moral Law to these issues. If only ten percent of the Australian electors dedicated themselves to following Christian

leadership of this type, they could play a decisive role in Australian politics and the creation of a genuine Christian society.

Doubts About De Gaulle: In our last issue we said that if General De Gaulle came to power in France he would be in the position to atone for some of his disastrous actions of the past. While it is yet too early to express a definite opinion, developments since the way was cleared for De Gaulle's return suggest that he is not prepared to challenge the internationalists. Already the Generals in Algeria, whose revolt precipitated the crisis, which brought De Gaulle to power, are uneasy. They point out that many of those in De Gaulle's Cabinet have been partly responsible for the state of France.

A realistic assessment of De Gaulle will only be possible when it is known what he proposes to do about the proposed European free trade scheme. There has been considerable opposition in France to this scheme. If press reports can be believed, there appears to be reason to believe that the Dollar diplomats are not as anxious concerning De Gaulle now as they professed to be several weeks ago. Was some arrangement made with him before his election to power?

Mr. Macmillan Advocates Leninism: Mr. Macmillan lost no time upon his arrival in the U.S.A. to let the policy-makers there know that he can be relied upon to do his best to advance the Leninist principle of centralising power. Economic and political centralism are urgently essential, according to Mr. Macmillan. "Interdependence" is the latest god, which the West must worship. Only by "integrating" their economic systems can the non-Communist world possibly compete with the Communists in the field of economic warfare. Mr. Macmillan's thesis is simple: Only by becoming more like the Communists can we prevent the Communists from defeating us!

Mr. Macmillan's close association with Mr. Israel Moses Sieff's Political and Economic Planning (P.E.P.) has been noted in these columns before. We are indebted to *Candour* for the revealing information that there is a close association between P.E.P. and the big American Foundations, now openly working for the European free market scheme. It quotes an advertisement from the London *Times*, which states: "P.E.P. requires staff for study of European

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common market and free trade area. Project, on a grant from Ford Foundation, covers trade and tariffs, economic and social policy, industry, agriculture, institutions." The salaries offered are most liberal. The fact that the American Foundations are supporting P.E.P. is more evidence of the fact that Leninism is financed by liberal supplies of dollars.

Another Attack On Uniform Taxation: It is encouraging to note that attacks upon financial centralism are growing in volume and intensity. One of Australia's leading taxation experts, Mr. J. A. L. Gunn, in addressing the recent Fifth Annual Conference of the Taxation Institute, pointed out that unless the present system of Uniform Taxation was abolished it would completely destroy the Federal system. This, of course, is just what this taxation policy is designed to do. And although Mr. Menzies periodically bewails the growth of centralised bureaucracy and the destruction of the Federal system, he does not abolish Uniform Taxation.

Mr. Gunn was correct when he stressed the fact that the States today had limited power without corresponding responsibility, a situation that must inevitably lead to the State Governments becoming inept and irresponsible Departments. Those who realise the importance of preserving and strengthening the Federal system are awaiting with interest the recommendations of the Committee, which has been investigating the workings of the Federal Constitution. It is possible that these findings will be the signal for another direct assault upon the Constitution.

Upper Houses and the Party System: When it suits their main purpose, which *is* to gain power and hold it, the party politicians, particularly those of the non-Socialist Party, talk about the necessity of the Senate and the Upper Houses to keep limit power. But in fact the present day party politicians have no use for Upper Houses as institutions to review, and possibly, to reject their legislation. Mr. Bolte demands a mandate in both Houses of the Victorian Parliament. He blatantly admits that he wants no check upon his Government's legislation. If this is the official Liberal attitude towards the Legislative Council, why don't Mr. Bolte and his associates cease the hypocrisy and openly advocate the abolition of the Upper House. Unless an Upper House can check and genuinely review legislation, it is a waste of time and money. Unfortunately the Liberals paved the way for the destruction of the Victorian

Legislative Council as a check on legislation when they agreed to have the Council elected on the same electoral franchise as the Legislative Assembly. They succumbed to the Socialist nonsense concerning "one vote, one value". The fact that it is generally accepted that every vote can possibly have the same value, is one of the symptoms of the deep-rooted disease destroying Western Civilization.

Creeping Socialism in the U.S.A.: "The current international crises around the globe, and the Russian challenge that lurks somehow behind each of these crises, disturbs America emotionally far less than the growing tendency of thoughtful men here to wonder aloud whether the sacrosanct "American way of life" can meet the challenge. The U.S. has resigned itself to a difficult economic war with Russia; witness the Senate resolution stating that legislators consider the success of India's Five-Year-Plan as being essential to U.S. security . . . More and more people are being pushed reluctantly to speaking the ugly word 'controls'. But controls are Socialism, and Socialism is sin—thus runs the national myth in this country . . . This nation, like all others, cherishes its myths. Like all others it has been abandoning them progressively, but never out of design, always because events have overtaken people's thinking. The gnawing question now is whether this essentially slow process is fast enough in the face of Russia's urgent challenge."

—Philip Deane, Washington correspondent
in *The Age*, Melbourne, June 10.

Canadian Prime Minister's Defection: The Canadian Prime Minister, Mr. Diefenbaker, has apparently forgotten about his pre-election attacks upon American economic domination of Canada. He now urges greater economic co-operation between the U.S.A. and Canada. As part of this economic co-operation he suggests joint action by the U.S. and Canada to combat unemployment. He also suggests the appointment of reciprocal legislative committees to discuss economic moves affecting both nations. Mr. Diefenbaker thus emerges as one more advocate of an increase of centralised power. If Mr. Diefenbaker and his associates cannot solve Canada's internal problems without consulting with committees from the U.S.A., they should not talk about national sovereignty. Perhaps there is some significance in the fact that Mr. Diefenbaker has sold bonds for Israel.

THE PRINCIPLES OF SOCIAL CREDIT

The financial system in its control over production stands to the works or factory system of the world, considered as an economic unit, in the same relationship as the planning department of a modern factory does to that factory. The distribution side of the financial system exercises a function not dissimilar to that of the progress department of a factory. No discussion of the financial system can serve any useful purpose, which does not recognise—

- (a) That a works system must have a definite objective
- (b) That when that objective has been decided upon it is a technical matter to fit methods of human psychology and physical facts, so that that objective will be most easily obtained.

In regard to (a) the policy of the world economic system amounts to a philosophy of life. There are really only three alternative policies in respect to a world economic organisation: The first is that it is the end in itself for which man exists. The second is that while not an end in itself, it is the most powerful means of constraining the individual to do things he does not want to do; e.g., it is a system of Government. This implies a fixed ideal of what the world ought to be.

And the third is that the economic activity is simply a functional activity of men and women in the world; that the end of man, while unknown, is something towards which most rapid progress is made by the free expansion of individuality, and that, therefore, economic organisation is most efficient when it most easily and rapidly supplies economic wants without encroaching on other functional activities. You cannot spend too much time in making these issues clear to your minds.

—C. H. Douglas

ERIC BUTLER IN SYDNEY

Sydney supporters are asked to note that Mr. Eric Butler will speak in the Adyar Hall on Wednesday, July 2, at 8.15 p.m. This is a meeting for Social Crediters and friends. The reason for the meeting starting at 8.15 is that Mr. Butler will be addressing another meeting at 6.30 p.m.

Local Government Campaign Extended

Although it is impossible for us to provide reports on all aspects of the intense 1958 campaigning, we would like to make special mention of the house meeting held at the home of Mr. and Mrs. W. Joseph, of Oakleigh, on Sunday afternoon, June 8. This meeting indicates what is being done and what can be done. Amongst those present to hear Mr. W. J. Carruthers speak on behalf of the League of Rights on the campaign by Local Government to obtain greater financial sovereignty were a prominent local Councillor, the local Federal Member, a headmaster, a representative of a ratepayers' organisation and the Democratic Labor Party candidate at the recent Victorian elections. Mr. Carruthers maintained complete mastery of the meeting, particularly at question time. It was made clear to the Federal Member that electoral pressure was being directed behind him personally, and it was expected that he would, if necessary, carry the fight for decentralised financial control into the party room and on to the floor of the Federal Parliament.

Many similar activities to the above are now taking place. But a greater intensity of action is urgently necessary. Everyone can do something. Those who require advice should contact headquarters.

IT IS TIME TO THINK ABOUT THE ANNUAL DINNER AND SEMINAR

Although *The New Times* Annual Dinner and the Seminar are approximately three months away, supporters are requested to give immediate thought about attending. The Dinner will be held on Friday, September 19, and the Seminar on Saturday, September 20. There is no necessity to inform supporters who have attended past dinners what an inspiring social event the Annual Dinner is, but we do suggest that all those who have not attended make a decision now to be present this year.

The subject of Leisure will be the theme of this year's Seminar. Papers will be given by Mr. John Fitzgerald, Mr. Dave Purcell, and Mr. Eric Butler, and will deal with the physical basis of potential leisure, the relationship of leisure to the development of Christian Civilization, and the psychological and other obstacles to the acceptance of the Leisure Society. Full details will be provided later and made available in an attractive brochure for circulation amongst non-Social Crediters most likely to attend the Seminar.

IMPORTANT NEW BOOKLET

The publication of the booklet *Social Credit and Christian Philosophy*, by Eric D. Butler, will be welcomed by all Social Crediters who are interested in advancing the present phase of Social Credit activities. This booklet has been required for some time, and will be of tremendous value. It is now being published and advance orders are required to help pay for the printing of the booklet. It will retail at 2/- per copy, postage extra. Wholesale rate for orders of more than one dozen will be 16/- per dozen, post free. A special rate can be allowed for those desirous of obtaining large numbers for special mailing campaigns to the clergy.

Order now from The Heritage Bookshop, Box 1226L, G.P.O., Melbourne.

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pay interest on a debt which they owe to themselves. As Major Douglas pointed out, the National Debt should be distributed to its individual owners in the form of a dividend. But the economic "experts" are opposed to any suggestion of individuals obtaining dividends, which are rightfully theirs. The dividend principle would be a reflection of Truth. For this reason it must be persistently put forward as the alternative to the debt and high taxation policy, which reflects Falsehood.