

# THE NEW TIMES

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

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## EDITORIAL

### CAN "FULL EMPLOYMENT" BE MAINTAINED WITHOUT INFLATION?

Speaking in the Commonwealth Parliament on February 28, Mr. C. R. Kelly (Liberal, S.A.), said that he had often asked the Government to appoint a committee to study economic problems, "the most important of which was to discover whether full employment could be maintained without inflation." Mr. Kelly went on to say that the former head of the Department of Trade, Sir John Crawford, had urged such an investigation. While Mr. Kelly's suggestion has considerable merit, may we point out that no investigation is necessary to demonstrate that inflation has taken place in every country in the world during the post-war years, and that the rate of inflation has been directly related to the rate of economic expansion.

However, because inflation has been associated with economic expansion, this does not mean that inflation is an inevitable result of expansion. Progressive inflation is beyond doubt one of the most destructive factors undermining the social and economic structure of the non-Communist world. But the overwhelming majority of Government economists, products of the Leftist teaching and theories, which have been so prevalent in Universities everywhere, preach that "controlled inflation" is the inevitable price, which must be paid for economic expansion and "full employment". This doctrine of inevitable inflation, with credit restrictions and unemployment falsely presented as the only alternatives, is in fact revolutionary and subversive and should be always described as such.

Education and events have progressively exploded many of the myths, which were accepted as the basis of Government financial policies. The severe credit restriction policies, which produced the Great Depression of the "Thirties", were first accepted as inevitable because there was little knowledge of the creation of credit through the banking system. But the facts about credit creation soon became so widely known that it became politically impossible to justify depression conditions by claiming that there was a shortage of money.

The enormous expansion of financial credit during the war to make the maximum use of both resources and manpower further drove home the lesson that the production system is controlled by financial policy. But the progressive expansion of financial credit, increasingly through Government activities, to ensure "full employment", intensified the problem of rising prices. At a time when post-war production had not completely met consumer requirements, the argument that greater production, more efficiency and harder work was the only answer to inflation, appeared to many to be true. But as we stressed time and time again, the basic cause of inflation was to be found in the sphere of financial policy, and while this policy was adhered to, neither greater efficiency nor more production would stop prices from rising. And now this truth has been demonstrated beyond all logical argument. During the period of the Federal Government's restrictive financial policies, there has been no question of greater production

or more efficiency. The basic problem was a surfeit of consumer goods, which retailers were desperately attempting to sell. The Government has been compelled by political pressure to face the facts of the situation and its current financial policy is designed basically to increase the money supply in order that there will be an increased consumer demand and that the economy will start functioning to full capacity.

Without examining the matter in detail here, it is important to notice that the Government is making extensive use of Governmental spending in its endeavours to re-stimulate the economy. One result of this must be a further extension of Government and further centralisation. If Mr. Kelly and his fellow-Liberals are really interested in halting what is a programme of creeping socialism, with the private sector of the economy depending more and more upon Governmental activities, they must come to grips with the question of whether increased economic activities by the State is the only method of ensuring that consumers have sufficient purchasing power to meet the prices of consumer goods which the free-enterprise economy can easily produce. This is one of the basic aspects of the inflation problem, because all attempts to make the economy work by increasing the production of capital equipment, by both private enterprise and the Government, merely results in the cost of this increased capital production being ultimately charged into prices. It is a senseless and destructive policy to continue increasing the volume of money in a way, which merely increases total industrial costs, which are then recovered through increased prices.

In order to make a start towards implementing a financial policy, which does not inevitably produce inflation, it is first essential to make clear that inflation is not an increase in purchasing power, but is an increase in the community's money supply accompanied by rising prices. It is a multiplication of figures without altering the relation between money to spend and prices. The core of the inflation problem is how to increase money supply without increasing industrial costs and prices.

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## NEWS COMMENTARY

**Australian Oil Discovery and Trade:** The discovery of oil in commercial quantities in Australia takes Australia a major step towards economic self-sufficiency. At a time when Australia obtains most of her oil supplies from Indonesia, a significant fact which could be partly governing the Federal Government's attitude on the West New Guinea issue, it is of the utmost importance from many points of view that Australia possess her own oil supplies. However, the main purpose of this comment is to direct attention to the significance of the view that if Australia becomes independent of external oil supplies, this will substantially reduce her spending on imports, thus assisting towards a more "favourable balance of trade."

Those who are drawing attention to this question are overlooking the fact that if Australia reduces her import spending, she cannot expect other countries to continue taking Australia's exports. The further every nation develops towards economic self-sufficiency, and strives to overcome internal problems by feverishly seeking exports, the greater the friction between nations. The Big Idea is not to modify the policies, which compel this export madness, but to abolish nations, create new regional blocs, and to foster monopolies under the smokescreen of promoting free trade. The European Common Market is one of the first major steps to advance the Big Idea.

**Mr. B. A. Santamaria's Economics:** Mr. B. A. Santamaria has been so viciously smeared by Communists and their dupes that we hesitate to make any critical comment concerning his activities. But as Mr. Santamaria often puts forward, or supports views on economics and finance which are accepted by those who follow his crusade against Communism, but which we consider to be dangerously fallacious, we feel it necessary to comment on some of these views. One of Mr. Santamaria's latest excursions into the field of economics was his advocacy of a special tax on the earnings of teenagers, the proceeds to be placed in a fund from which they would be repaid later. The purpose of this further piece of totalitarianism was to help defeat inflation. If Mr. Santamaria really believes that the spending of teenagers makes any significant contribution towards inflation, he is sadly deficient in his understanding of the basic causes of inflation.

Even if it is agreed that many teenagers spend their money foolishly, and that they should save more, surely this matter is one for parents and not for State? It is distressing to hear anti-Communists supporting any policy, which increases the power of the State over the individual.

**Political Hypocrisy Concerning Bank Nationalisation:** Mr. Bury Minister for Air and assisting Minister to Mr. Holt, the Federal Treasurer, descended to political hypocrisy when he said at Canberra last week "a Labor Government with a majority in both Houses of Parliament would face no obstacle to its aim of bank nationalisation." Mr. Bury said, "Every Labor Member of Parliament is pledged

to this policy." The truth is that any Labor attempt to directly nationalise the banking system would have to face the same constitutional obstacles the Chifley Government failed to overcome. But a Liberal spokesman should be the last to raise the bank nationalisation issue, because the Menzies Governments since 1949 have steadily imposed banking controls, which have in fact virtually nationalised the Australian banking system. There has been Liberal-Socialism instead of Labor-Socialism. Centralised control of credit policy has made the banks little better than instruments of the Canberra bureaucracy.

Unless present policies can be halted, the complete Government control of banking is only a matter of time. The tragedy is that many bankers agree with this view privately but do little to make a fight on the issue. Mr. Bury must know much of the spate of criticism of Liberal-Socialism in N.S.W. just prior to the last elections was inspired by one of the trading banks.

**Sir Roy Welensky Fights Back:** The revolutionaries controlling the "United" Nations are attempting to carry forward their programme for Africa by the recent decision to conduct an investigation of Rhodesia's internal affairs. But Sir Roy Welensky has responded with the type of language urgently required if the revolutionaries are to be defeated. Any official of the "United" Nations who enters Rhodesia without an invitation will find himself looking down the wrong end of a gun. Unfortunately the Macmillan Government is continuing with its policies of betrayal of the Europeans in Africa and the testing time must shortly come for all the Europeans of Central Africa. If they are prepared to fight as Sir Roy Welensky says they are, this could prove one of the decisive moments in the worldwide revolution. Europeans everywhere may be faced with the question of deciding whether or not to support open warfare upon their fellow-Europeans in Africa. The "United" Nations attack upon Katanga has already caused many to revise their attitude towards the "United" Nations.

**Communism and the Roosevelt Myth:** As shown by Eric D. Butler in his booklet, *The Red Pattern of World Conquest*, President Franklin Roosevelt played a decisive role in permitting the Communists to use the Second World War to advance their strategy for world conquest. But the Roosevelt myth still lingers on, many people in the British world naively believing that he was pro-British, whereas in fact he made it very clear that he considered the British Empire a greater threat to world peace than Communism.

Mr. Khrushchev suffers from no delusions concerning the role of President Roosevelt in assisting world revolution. In a recent message to Mrs. Eleanor Roosevelt on the 80th anniversary of the birth of Roosevelt. Khrushchev said:

"We in the Soviet Union revere the memory of Franklin D. Roosevelt. He knew that businesslike co-operation was the solely reasonable form of relations between Capit-

alist and Socialist countries. We value highly the efforts he undertook to promote Soviet-American co-operation. And we consider that not only the pre-requisites for the improvement of our relations have been fully preserved, but the need for improvement has become more imperative."

*Pravda* also added its testimony: "Roosevelt tried to keep a policy of reason. We have not forgotten his wonderful words about 'the happy tradition of friendship' between our peoples. We wish to revive it." Mrs. Khrushchev attended a "Russia-Soviet friendship rally" in Moscow, where she talked to the American Ambassador, Mr. Llewellyn Thompson. In Washington President Kennedy and his wife took the opportunity of Roosevelt's anniversary to invite Khrushchev's son-in-law, Alexei Adzhubei editor of *Izvestia*, and his wife, to lunch. All the signs indicate a new era of appeasement, during which the Communists will consolidate their present positions and prepare for future offensives when they consider the time opportune. President Kennedy appears willing to continue the Roosevelt tradition.

## WHAT WE ARE ABOUT

From time to time we are asked questions concerning the policy of *The New Times* while such questions are dealt with as adequately as possible in personal letters, it may be opportune to state briefly in our columns just what we are about at this critical time in human history.

*The New Times* supports that policy known as Social Credit. Unfortunately Social Credit has been misrepresented, not only by its enemies, but by many who term themselves Social Crediters. Social Credit is a policy designed to incarnate a particular philosophy. It is not a monetary reform scheme for making all men wealthy, happy and wise. It is a policy rooted in reality, designed to free individual initiative and to enable the individual to obtain the full fruits of co-operation with his fellows in the use of the industrial arts, these being largely a legacy from past generations.

While agreeing that it is physically possible to have an immediate vast expansion of freedom for the individual, we also believe that a sudden increase of such freedom could prove disastrous. The growth of a Civilisation is a slow process, and the question of freedom cannot be considered separately from the metaphysical values, which are the basis of any Civilisation. This fact is overlooked by many sincere people who support the worldwide revolutionary programme for "freedom" for primitive people.

Social Credit strategy and tactics are necessarily flexible, being governed by the situation confronting Social Crediters. The situation of 1962 is vastly different from the situation of 1932, and to continue concentrating on financial issues to the exclusion of more immediate funda-

mental questions is a clear sign that those doing so are out of touch with reality. Knowledge of finance and economics is still of great importance, and adequate literature is available for those who desire to study it. In fact such a study is essential for a more complete understanding of the world situation. But Social Credit as a policy cannot possibly be introduced at a time when the very foundations of our Civilization have been all but destroyed. Some modifications of financial policy might be affected to help prevent the complete collapse of our society and, as witnessed by our editorial in this issue, we do on appropriate occasions make tentative suggestions concerning a re-orientation of financial and economic policies. But Social Credit strategy and tactics are at present directed towards a clarification of the fundamental philosophical cleavage in the world. Social Credit activity today is directed towards enlisting the support of those who possess such sanctions that might help bring the present hellish state of the world to an end and open the way for the rebirth of Civilisation. Because we believe the ultimate sanctions are metaphysical, we direct much of our attention to those who still call themselves Christians, particularly to those of influence within the Christian Church.

While International Communism is not the only manifestation of materialism and collectivism in the world today, it is certainly the most extreme and must be regarded as providing the shock troops for the complete eradication of the values, which gave rise to Western Christendom. The defeat of International Communism is, therefore, a necessary pre-requisite for the re-birth of Civilisation. This conspiracy must be defeated at every level, and this can only be accomplished by a regeneration of understanding and faith concerning Christian values.

Social Credit tactics today are an attempt to meet "the enemy" at every possible point on a long battlefield. It is because we believe that the real Social Crediter grasps more completely the nature of the world struggle that we feel that the individual Social Crediter is a type of catalyst in society, bringing together a variety of different individuals whose faith in basic values has not been completely perverted, and helping them to take constructive action.

We are sometimes charged with being "negative". But we recall the story of the Gadarene swine as they rushed towards destruction, and the pig that decided that there was no future in continuing with his fellows. By pulling out he was certainly "negative", and didn't immediately get anywhere in particular. But at least he preserved himself from the destruction of his fellows and could consider something "positive". Our immediate task is basic: to survive. Every effort must be directed towards that end. We are not moved by the prospect of discussing financial techniques in Communist Communes. *The New Times* publishes information and comment, or directs attention to valuable sources of information, for the service of those who want to make a real fight in the battle between those who seek to enslave the individual and those who believe that freedom is the most precious thing in the world.

## " FULL " EMPLOYMENT AND INFLATION

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If increased money can be placed in the hands of the consumer *without going through industry*, then there would be no increase in costs and consequently no need to raise prices to recover increased costs. We would suggest that Mr. Kelly and those who think like him should consider two approaches to a solution of the inflation problem: (1) To use new financial credits to pay a much more liberal pension rate to all those members of the community at present drawing pensions of various kinds, thus immediately stimulating consumer demand, and (2) to apply further new financial credits to subsidising of all retail prices. This could be done without interfering with the free economy and without Government controls. Following a reduction in the price level, by say 20 percent, thus immediately increasing purchasing power, an approach could be made to the Trade Unions for a reduction in wages and salaries of, say, 5 percent. This would immediately reverse the inflationary trend in industrial costs.

The practicability of the foregoing proposals cannot be disputed. But it will be claimed that they suggest a form of social dividend for every member of the community—"something for nothing." Our short answer to this is, if the supporters of the free economy, based upon private ownership, cannot adjust their thinking to grasp the truth that every individual is an heir to a rich heritage, and that a heritage should produce some form of dividend (with responsibilities), then inflation with all its corrosive influences will continue to help pave the way for Communist conquest.

## COMMUNISM AND FLUORIDATION

In a letter in *The Medical Journal of Australia*, December 16, 1961, Dr. Alan Finger, prominent South Australian Communist, contributes a very clever letter on the fluoridation issue in which he states that although he understands that the Soviet health authorities recommend the use of fluoride according to individual needs. "This Soviet attitude does not necessarily support the case against fluoridation of Australian water supplies..." Dr. Finger then works in a little propaganda concerning Soviet health services for children, and goes on to express his totalitarian philosophy by claiming that because Australia is not equipped like the Soviet "for the mass application of the principal of dosage", "I think that until such time as we develop the necessary health organisation to deal properly with child health, fluoridation of water supplies . . . would be of great benefit."

The latest brochure issued by the Australian League of Rights, *Communism and Fluoridation*, shows convincingly that there is a relationship between Communism and fluoridation, both being rooted in the same philosophy. This explosive little brochure will be of great assistance to those

engaged in resisting the attempted imposition of a policy of mass medication. Supplies from The Australian League of Rights, Box 1052J, G.P.O., Melbourne, are available upon request. A small donation should be sent to help cover cost of postage and printing.

## TRAGIC DEATH OF "NEW TIMES" SUPPORTER

We were deeply shocked when the tragic death of Mr. John Dale, 46 years of age, who was found dead in a research laboratory, was recently announced in the Melbourne press. Mr. Dale was a son of the late Dr. John Dale, former Melbourne City Health Officer, and a founder of this journal. Mr. Dale was a keen supporter of "The New Times" and did much good work in Church circles. He was a very strong churchman. Mr. Dale was a brilliant scientist with an international reputation, and as stated by the Hon. A. Fairhall, M.H.R., at Canberra last week, his death is a big loss to Australia. We extend our deepest sympathy to Mr. Dale's wife and young family.

## FOURTH EDITION OF "THE RED PATTERN"

The big demand for Eric D. Butler's book, *The Red Pattern of World Conquest*, has necessitated the publication of another edition, the fourth. The author has written a short preface to the new edition.

Heavily documented, this booklet has been widely acclaimed as the best of its type yet produced. It is now selling in all parts of the English-speaking world, including the U.S.A.

The following are some of the matters dealt with:

- How the Communists worked to produce the Second World War.
- The decisive role of the Roosevelt Government heavily infiltrated with Communist agents, in helping to start the war in Europe.
- Pearl Harbour was planned in Washington! The booklet should be read if only to study how Roosevelt's advisers, some secret Communists, deliberately provoked Japan to strike in order to bring America into the war.
- How Stalin dominated the wartime conferences with the aid of Roosevelt's advisers.
- The United Nations as a Communist instrument. The real significance of the retreat of the Europeans in Africa.

Order from The Heritage Bookshop, 273 Little Collins Street, Melbourne, 3/6, post-free. 12 copies, £1, post-free.