

# THE NEW TIMES

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

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## D. J. KILLEN, M.P., AND ERIC D. BUTLER FOR BRITAIN

### INSPIRING RESPONSE TO LEAGUE OF RIGHTS APPEAL

Mr. D. J. Killen, M.P., and Mr. Eric D. Butler, National Director of the Australian League of Rights, leave for Britain the week after next, to campaign against Britain's proposed entry into the European Common Market, and to appeal for a consideration of economic policies which will enable the British nations to preserve their independence. Mr. Butler will leave a few days prior to Mr. Killen.

### FOUR WEEKS IN BRITAIN

Mr. Killen and Mr. Butler have been assured of a warm welcome in Britain by anti-Common Market groups. They anticipate heavy speaking programmes, which will enable them to reach a big section of the British people, and to convince them that the peoples of the Dominions are just as concerned about the political and constitutional implications of the Treaty of Rome as they are about economic issues. Mr. Killen and Mr. Butler will be in Britain for just over four weeks.

### ERIC BUTLER TO VISIT CANADA AND NEW ZEALAND

The League of Rights has arranged for Mr. Butler to return to Australia via Canada and New Zealand, where he will help anti-Common Market groups. The League is confident that an upsurge of Commonwealth-wide opposition from the peoples of the Commonwealth, as distinct from Government opposition, can have a decisive effect on the decisions made at the Prime Ministers' conference early in September.

Mr. Butler also anticipates a short visit to the U.S.A. to meet leaders of the growing conservative anti-Communist groups. Mr. Butler considers the upsurge of activity by these groups as one of the most significant developments in the mounting world drama.

### MORE FINANCE URGENTLY REQUIRED

Although there has been a most inspiring response to the League's financial appeal, sufficient to justify the sending of Mr. Killen and Mr. Butler to Britain, it is most necessary that all those who have guaranteed contributions forward them immediately. Those who have not yet contributed are requested to consider what they can do. Every penny contributed can be spent effectively. A special appeal is made to all those who can only make a small donation. The League would like to see as many supporters as possible associating themselves with the biggest and most important campaign the League has ever undertaken.

### LEAGUE PLANS BIG CAMPAIGNS

The Commonwealth-wide campaign by Mr. Butler will not only consist of a heavy lecturing programme; he will be furthering other activities which the League is sponsoring in association with other patriotic organisations. A petition to the Queen is already being organised. Details of other activities, in which every individual can participate, will be announced as the campaign proceeds. Immediate physical help is urgently required by the League to meet the growing demands. The situation calls for a maximum contribution by every supporter. Our enemies have been confounded by the unsuspected strength of the main arm of our cause, the League of Rights. The League has emerged as the most significant political organisation in Australia. It has demonstrated the power, of faith and dedication.

## **" A NEW BRITANNIA IN A SOUTHERN LAND "**

### **ERIC BUTLER'S PAPER AT WINTER POLITICAL SCHOOL**

Because of its great importance at the present time, we are devoting this issue to an outline of a policy for survival should Britain join the Common Market. This policy was presented by Mr. Eric Butler at the recent Winter Political School held by the Queensland Young Liberal Movement, and created intense interest and discussion.

Mr. Butler prefaced the delivery of his Paper, which he entitled, "A New Britannia in a Southern Land", by making it clear that he opposed the whole concept of the European Common Market, and that he did not subscribe to the view — taken by his fellow-speakers, Mr. Denys Jackson, M.A., and Sir Wilfred Kent-Hughes, M.P. - - that it was inevitable that Britain would accept the Treaty of Rome. However, he felt it urgently necessary that immediate consideration be given to a policy necessary to give Australia any chance of survival in the perilous years ahead.

In the first part of his Paper Mr. Butler stressed the importance of Australians seeing themselves as part of a flow of history to which Asia had contributed nothing. The British heritage must be maintained in Australia.

After outlining a number of constitutional and political proposals, which included the strengthening of loyalty to the Monarchy, genuine political decentralisation by the return of the sovereignty of the existing States and the creation of new States, a big drive for British migrants in those British industries which will be most affected by the Common Market, and in those parts of Africa from which the British are retreating, Mr. Butler stressed the necessity of facing economic realities as a preliminary to introducing financial and economic policies which would be necessary for defence against Communist aggression. The following are extracts from that section of Mr. Butler's Paper dealing with economics.

#### **THE "FAVOURABLE BALANCE OF TRADE" DOGMA**

We now turn to the economic question uppermost in the minds of many people as Britain debates whether she should join the European Common Market. That question is, what happens to the big volume of Australian primary exports, which will quickly be deprived of their favoured treatment in the British market? A realistic assessment of this problem requires that we first clear away a number of dangerous, although widely held, dogmas concerning economics and money. The continued blind acceptance of these dogmas enable the Communists to exploit the results they produce to their own advantage. In spite of the enormous productive effort, which the Western nations are pouring into military preparedness, they are at present increasingly engaged in a frantic search for export markets, it being claimed that these export drives are a matter of life or death for the nations competing to establish what is described as a favourable balance of trade. Now the first thing to be said about this favourable balance of trade dogma is that it is surely elementary that every exporting nation cannot have a favourable balance. If some have this favourable balance, then clearly some must have an unfavourable balance. It is significant that as the economies of the Western nations—and the Japanese too—progressively expand, and production is increased as the result of every development in the industrial arts, including automation, the necessity

for export drives allegedly become greater. The result is a growing trade war, with increasing friction between the non-communist nations, as every nation blindly worships the favourable balance of trade dogma.

From a realistic point of view, any nation with a favourable balance of trade over any given period has sent more production out of the country than it has imported. It suffers a physical loss. One of Australia's leading certified economists was asked at a public meeting in Melbourne prior to the last war whether he believed that Australian prosperity would increase if the nation's favourable balance of trade could be increased by 25 per cent. The learned gentleman agreed that it would. "Well, suppose we could send 50 percent more production out of the country than we imported, would that improve the position still further?" asked the questioner. Once again the answer was in the affirmative. "Then," persisted the questioner, "if we exported all our production and imported nothing, we should according to your theory have reached the millenium." I regret to say that at this stage the economist lost his temper and made a rude remark.

#### **THE TRUE PURPOSE OF EXPORTS**

In order that we better understand this question it is essential that we ask ourselves the question, what is the true purpose of exports? And the answer is that exports should be regarded as genuine surplus national production, which can be exchanged for necessary imports. Britain, for example, cannot produce all her own food, and so must export secondary production and capital machinery in order to pay for the food imports required. Australia at present imports her oil requirements, and exports are necessary to pay for this oil. But carefully note that recent oil discoveries in Queensland have led to public men discussing the possibility of Australia producing her own oil requirements, thus making the nation more self-sufficient and less dependent upon imports. Now in case anyone thinks that development towards self-sufficiency automatically reduces the necessity to export, may I point out that the U.S.A., which is practically self-sufficient in everything required to maintain a modern industrial nation, is striving with increasing desperation to increase the flow of exports—in order to ensure that there is a favourable balance of trade. A recent press report stated that the United States is launching the biggest trade drive ever in Britain. A rational reaction to this news would be to ask

what does the U.S.A. require from Britain that she must launch such a trade drive. But few ask this rational question because the majority uncritically accepts the export dogma. Some years ago the American Secretary of State, the late Mr. Foster Dulles, a man usually described as one of the strongest anti-Communist leaders of the Western nations, was being questioned by a Government committee concerning the question of whether it was desirable to be providing huge dollar credits to Communist Tito. In an attempt to justify a policy, which many Americans considered to be giving aid to the Communist enemy, Mr. Dulles answered that if dollar credits for Tito were cut off this would have a serious effect upon the American economy. This one answer highlighted the Achilles heel of the West in its struggle against the Communist offensive. The same type of answer is being given by prominent Australians right now in an attempt to justify increasing exports to the Communist bloc. It is of great significance that in preparation for the crisis which they confidently anticipate will develop in Australia when Australian primary exports can no longer enter the British market, the Australian Communist Party, probably under direction from Moscow, have launched a big nation-wide campaign designed to convince Australians that they can meet the crisis by substantially increasing their exports to the Communist bloc. Now if Australians, in the struggle to survive as a free people, retaining their identity and traditions, cannot free their minds sufficiently from the influence of the dogmas of economic determinism, then it must appear to them that it is economically inevitable to strive for a favourable balance of trade, even if the Communists provide the only means by which this can be achieved. And if it is accepted as economically inevitable that an increasing flood of Australian primary exports must be sent to the Communist bloc, that otherwise the Australian economy cannot function, then the far-reaching political consequences of this policy must also be accepted as inevitable. A people whose thinking is dominated by economic determinism cannot hope to survive. Nor do they deserve to survive. The salvation of Australia requires some realistic thinking concerning policies, which progressively work in the Communists' favour.

As the United States of America has the most highly developed industrial economy in the world, and has little need for any imports to overcome local deficiencies, it provides an excellent means of coming to an understanding of the economic and financial policies undermining the non-Communist world. With this understanding we are in the position to advance realistic policies essential for Australia's survival. When Mr. Foster Dulles said that the American economy would be seriously affected if Tito were deprived of American dollar credits, he was not saying that these credits were being sent to Tito. What he meant was that unless certain American production took place, some of it military equipment, then the American economy would suffer because the new financial credits made available for this production to take place would not be distributed to Americans as purchasing power. Here we had

a clear-cut example of exports being used, not to obtain necessary imports, but to distribute increased American purchasing power in order that Americans can buy their own consumer production. The economic realities of the favourable balance of trade dogma are unfortunately hidden behind the widespread mesmerism concerning the nature and functioning of the monetary system.

It is true that we have advanced a long way from the Great Depression era when politicians and economists urged the desperate peoples of the world to accept the shortage of purchasing power as the result of some type of inevitable natural law. It was seriously suggested in one newspaper article that sunspots might have something to do with the dislocation of the economy. Right up until the outbreak of war prominent economists and politicians were arguing that Hitler could not fight a long war because he was short of money. But the war drove home a much more widespread understanding of the truth that most of a nation's money supply is today created in the form of financial credit by the banking system, and that it is credit policy which governs economic policies. This truth was painfully brought home to most Australians during the last credit squeeze. However, in spite of the more widespread understanding of the nature and mechanics of credit creation, little advance has been made towards evolving a credit policy which automatically ensures that the economic system serves the true desires of the individual who seeks freedom. It is my hope that, just as the realities of the last war compelled us to use our credit mechanism in a way previously regarded as impossible, so today the Communist challenge will force us to consider and adopt policies which many would regard as impossible or revolutionary.

## THE MENACE OF INFLATION

As a starting point from which to briefly examine present monetary and economic policy as a prelude to some suggestions for modifications, it is essential to grasp clearly the truth that price is a basic function of the monetary system. Price determines the purchasing power of the unit of money, irrespective of whether it is expressed in terms of pounds, dollars or francs. Now the most urgent and pressing problem, which every Western Government is confronted with, is a persistent rise in prices. From this central problem stem all the major economic problems threatening national economies. It will be recalled that the last credit squeeze was justified partly on the grounds that it was necessary to halt price increases. High taxation, with its many destructive effects on the operations of the free economy, is allegedly one of the weapons necessary to curb inflation. Resistance to recurring labour demands for higher wages to offset rising prices enables the Communists to stoke the fires of the class war. In fact here again we are provided with evidence of how an allegedly in-

evitable development apparently justifies Communist teaching. It will be noted that we are told by today's economists, not that rising prices can be halted, but only controlled. And so we have the doctrine of what is termed controlled inflation. The fact that inflation progressively robs people of their savings, and that "controlled" robbery is just as immoral as any other type of robbery, does not seem to cause any great concern amongst those who obviously believe that economic and financial policies can be imposed in a moral vacuum. But it can be said with certainty that no stable and enduring social structure can be built and maintained by such policies.

### **A FALLACIOUS THEORY**

The fallacious theory upon which the present monetary system operates is that money issued as incomes that is purchasing power, through wages, salaries and dividends is sufficient, enabling individuals to then meet the prices of what they have produced over any given period. This theory only bore some relationship to reality, and did work reasonably satisfactorily, in dominantly handicraft economy. The other extreme of the primitive handicraft economy is one in which there is complete automation. If we visualise this extreme we can readily see that so far from there being distribution of sufficient wages, salaries and dividends to meet the prices of the automatically-produced goods, no purchasing power would be issued at all. Our modern economy is somewhere between the complete handicraft economy and complete automation, with scientists striving all the time to advance the economy further towards complete automation, and the result is that sufficient purchasing power is not distributed over any period to meet the prices created by industry. The subject is admittedly complex, but the central issue is quite clear.

At this stage many of my listeners have of course dismissed what I have said as utter nonsense for the obvious reason that if this progressive decrease in the distribution of purchasing power were indeed true, the economy would have ground to a halt long ago. And so it would have had it not been for the fact that every advance towards automation, the displacement of labour in production, and a consequent decrease in the distribution of wages, has been used by Governments to stimulate economic activities, which will distribute extra incomes. The economic dislocation prior to the war, brought about when the rate of new credit expansion was slowed down or reduced, was immediately overcome when Governments deliberately expanded the rate of credit expansion to foster what was, in economic terms, an enormous export drive in the form of military effort. There was in fact a most successful, favourable balance of trade. The new money created against the production hurled at the military enemy was distributed in the form of wages and salaries, increased the purchasing power of many people who in turn were able to spend on what consumer goods were still available, or were able to build up reserves in their bank

accounts. The productivity capacity of the Americans was so great that in spite of the millions in the armed forces, and the many more millions engaged in producing for the military export drive, the real standard of living actually increased considerably. As a prelude to one of the proposals I will put forward shortly to deal with inflation, may I point out that not only did the British, American and Australian Governments use their credit system to make the maximum economic effort to win the war; they also introduced a completely new innovation in the form of subsidised prices in order to prevent the inflation that is inevitable with a programme of increasing capital expansion, whether it is war production or any other type of production. The comparative stability of prices in Australia from 1942 up until 1947 was not the result of price control, but the result of a policy of using portion of the new credits created to finance the war—admittedly taken from the people in the form of taxation after they had received it—to reduce prices on the basic items used for computing the basic wage. These reduced prices reduced in turn the necessity for increased wage demands. It is vital to grasp that reduced prices mean increased purchasing power, and that these reduced prices did in fact represent a payment of a type of dividend to the whole community.

### **A COMMUNIST DOCTRINE CONCERNING PRODUCTION**

The problem since the war has been, apart from enormous defence activities, to devise ways and means in the industrial economies of progressively distributing more purchasing power as the production of necessary consumer goods becomes more efficient. Hire purchase, public works, and export drives are all regarded as means of maintaining purchasing power, even though the process must be accelerated and produce increasing prices and social friction. Several eminent American economists have seriously advanced the view that space projects offer the most encouraging prospects yet of providing the American economy with an outlet for a big part of its production. Perhaps we should regard outer space, providing we do not find any beings there also looking for an export outlet, as our only salvation in the battle for exports. The Western nations can shoot all their surplus production out in to space and establish a favourable balance of trade without any fear of imports to upset the doctrine. This would be the logical end of a form of what can only be described as lunacy. And the lunacy in all its forms stems from an acceptance of the basic Communist doctrine that labour produces all wealth.

If we accept this doctrine, then clearly no one is entitled to life unless he first engages in some form of economic activity—it doesn't matter how useless and wasteful the activity is. Purchasing power must under no circumstances be distributed to those who have not engaged in economic activity. As free enterprise more efficiently pro-

duces the basic requirements of life, and therefore requires less labour, the Government logically takes more and more control of the economic system, and through a monopoly of financial credit, keeps everyone fully employed. I have little patience with supporters of free enterprise who refuse to face the implications of economic realities while complaining that the Government is centralising more power and extending bureaucracy in the process. We get large numbers of lectures on the disastrous results flowing from an economic philosophy rooted in materialism, but little consideration of the application of an alternative philosophy, one which sees the economic system serving the true purposes of the individual instead of being used to treat him as a mere economic unity in the mass society. Two of the most thought-provoking—indeed, frightening, books written in recent years are by the American writer, Vance Packard, who in *The Waste Makers* shows how the American economic system is geared increasingly to a policy of deliberate economic sabotage. Not only things like home appliances are produced to become obsolete as soon as possible, but homes themselves are merely accommodation units to be replaced by newer units in a comparatively few years. *The Waste Makers* provides an appalling picture of the squandering of valuable resources, while the second book, *The Hidden Persuaders*, deals with the modern high-pressure advertising used to convince people that they should accept as normal a policy of sabotage. Even children are conditioned to destroy things as quickly as possible in order that they may be replaced. During the worst of the last American recession President Eisenhower gave at a press conference his answer to how the recession should be ended. "Everyone should buy," he said. "Buy what?" he was asked, to which he gave the famous reply. "Buy anything, just so long as you buy". The advertising psychologists immediately launched a new technique: it was the patriotic duty of the consumer to buy in order to help the economy recover. Here we have the complete perversion of means into ends and the surrender to materialism. This perversion is not only creating enormous material damage in America and all other Western countries; it is also responsible for a moral damage, which is reflected, in the weird activities of so many people. Our salvation depends upon the acceptance of a cohesive philosophy, which is reflected in our economic and social structure. Only by implementing policies, which enable the individual to develop true purpose in his life, can we produce the necessary dynamic with which to defeat the Communist menace. We in Australia can show the way to other Western nations.

### **THE ATTACK UPON INHERITANCE**

Private ownership of property and the free, competitive production system are the basis of true economic freedom. But it cannot be preserved and extended while we accept the Communist dogma that labour produces all wealth. It is because of this dogma that the Communist and his allies have a deeply seated hatred of any form of unearned financial income. Profits, dividends, the inheritance of property are all evils which must be attacked and

THE NEW TIMES

destroyed at all costs. They are a danger because they provide some individuals with a degree of economic freedom not dependent upon the wage system, and always suggest that they might be extended in society. When we read Karl Marx's ten points for preparing the way for the Communising of a State, we cannot help but be struck that our modern Governments, irrespective of labels, are applying most of the policy, even to the extent of attacking the principle of inheritance by imposing increasingly savage death duties upon property which people have, in the main, acquired honestly and seek to give to their heirs. The Communist is logical in attacking the principle of inheritance of any form, because it conflicts with the dogma that labour produces all wealth. But what about the supporters of the free society?

One of the most basic truths we must grasp if we are to do anything effective towards our own salvation, is that so far from labour producing all wealth, labour has never produced all wealth at any time in man's history, and that labour has increasingly diminished in importance with the advancement of the industrial arts. Labour has not produced what might be described as the capital basis of life, the earth, the water and the solar energy. The Christian says with proper humility that these are pure gifts from God. What then of the industrial arts which enable man to make use of the capital basis of life? Man did not create the truths of the universe, that truth, for example, which we describe as the mechanical advantage. He discovered this truth and how to apply it. Today we are heirs to a rich heritage built up over a long period of time by our forefathers, and if it were not for the fact that we have perverted the true purpose of the economic system, and have worshipped the abstraction called money, we would readily accept as natural the idea of generalising the principle of inheritance and applying it in the form of a national profit-sharing system to supplement the wage system.

Instead of issuing the credits necessary to attempt to make the economy work in the form of wasteful economic activities, these credits could be used to extend the inheritance principle in the form of reduced prices subsidised by the application of scientific principles, which can be free of all political control, and by more reasonable retiring pensions. Starting from the above principle, we can move gradually towards the creation of an economic structure which the individual feels serves true human purpose, and a lessening of the economic stresses resulting from the policy of controlled inflation.

### **DEPRIVING THE COMMUNISTS OF A DANGEROUS WEAPON**

Once we ensure that our export trade is freed from the necessity of being used to make our internal economy work, exports are also regarded in accordance with their true purpose. We immediately knock from the hands of the Communists one of the major weapons they seek to

PAGE 5

use to destroy us. We will use our exports only to gain necessary imports. If it is suggested that even under the conditions I envisaged we would have a surplus of wool and other production which we must send somewhere, even if other people who need it have nothing to send us in return, then let us be open and realistic about the matter and say that we propose to give it to them, and cease all the nonsense about favourable balance of trade. Unless we can obtain foreign credits from the Chinese Communists which enable us to obtain from other countries imports we genuinely require, let us face the fact that sending production to the Communists without receiving required production in exchange, is in fact a gift to them. If it is our national policy to make a gift to the Chinese, or the people of any other Communist country, then we should also do this openly instead of masking it under the guise of trade. For my own part I would suggest that once we firmly base our domestic economy upon the type of principles I have mentioned, we are in the position to meet the Communist challenge by a devastating form of psychological warfare. We can tell the world that we have a true surplus, that we do not desire to cause friction by any unnecessary export drives, but that if the Chinese people are suffering from food or any other shortages, we are prepared as a Christian people to give them the surplus providing that we have sufficient supervision to ensure that the Chinese people receive the gifts free of Government control, and that they know where the gifts are coming from.

## COMMON MARKET ITEMS

While the British Prime Minister is trying to fool the British people that Britain can join the Common Market and still preserve the British Commonwealth, the French Foreign Secretary, M. Couve de Murville, has shown much more candour: "If Britain enters the Common Market with the Commonwealth, the Common Market is finished. If Britain enters without the Commonwealth, the Commonwealth is finished."

It is appropriate just at present to recall the threats implicit in the speech by Mr. Bernard Baruch, Zionist International Financier, to the United Europe Movement in London in 1950:

"Americans such as I heartily approve the efforts that the United Europe Movement is putting forth, and wish it success ... I realise the difficulties the peoples of Europe have undergone, and the further sacrifices necessary to attain the end we all seek. We shall do more than match your efforts. But do not let the Americans feel that you are not willing to shoulder your fair share of the burdens.... Unless the peoples of Europe unite and quickly give their full all-out support to General Eisenhower in his efforts to bring about a common defence, you cannot count on America's economic and military aid continuing."

Writing in *National Review* (U.S.A.), Mr. James Burnham, a former Communist and one of the most able authorities on Communism today, throws some revealing light on the forces behind the pressure on Britain concerning the Common Market:

"Since their coming of age, on the other hand, the great banking and investment interests based in New York, Boston and Philadelphia—internationalists by the nature of finance-capital—have tended towards free trade. It is therefore historically natural that the report of Congress's Joint Economic Committee recommending U.S. 'partnership' with the European Common Market should have been prepared by a staff nominally headed by Christian Herter and William Clayton—well-known spokesmen for Wall Street."

## THE RED PATTERN OF WORLD CONQUEST

By Eric D. Butler

Every reader should obtain at least one copy of this incredible story of the expansion of International Communism from 1903, when Lenin formed his first Bolshevik Party, until the present time, when the Communist offensive is in sight of its ultimate object of World Domination.

Heavily documented, this booklet has been widely acclaimed as the best of its type yet produced in the English-speaking world. A special Canadian edition has been published.

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.

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