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

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EDITORIAL

WILL GOVERNMENT'S ANTI-TRUST LEGISLATION PREVENT MONOPOLY?

From the inception of this journal in 1935 it has consistently opposed all policies, which centralise power and lead to monopoly. We therefore have a special interest in the proposed legislation of the Federal Government, which it is claimed is designed to prevent restrictive trade practices and the creation of business monopolies. May we state at once for the record that, assuming the legislation can be upheld against the probable constitutional challenges which will be made against it, this legislation at the very best can do no more than slow down the progressive growth of the concentration of power—both economic and political. But it will not defeat monopoly.

The stated purposes of the legislation are sound as far as they go. There are numerous anti-social restrictive trade practices. But like so many other anti-social activities in our modern society, these are not basic causes of themselves; they are the effects of causes which none of those debating the Government's proposals has mentioned. The basic cause of the growth of monopoly is not so much the greed of the "hungry capitalists", although we would readily agree that some of the "successful" members of trade and industry are not particularly pleasant specimens of humanity, but financial policies which progressively make economic monopoly inevitable. In any society where power is being centralised, it is unfortunately true that generally the worst types arrive at the top. We hasten to point out that our comment also applies to the highly centralised Trade Unions. In the U.S.A., where it is claimed anti-monopoly legislation has been successful, some of the Trade Union leaders are little better than criminal gangsters.

In the recent press controversy between the spokesmen for the manufacturers and Professor A. Hunter Professor of Economics at the University of N.S.W., neither side dealt with basic causes. But T. Ramsay, President of the Victoria Chamber of Manufactures, did make a point, which objective people should bear in mind. He warned of the growth of yet another bureaucracy, which could have a very serious effect upon the legitimate activities of business organisations. We share Mr. Ramsay's fear and believe that any legislative attempt at curbing monopolistic practices without dealing with the basic causes is doomed to make the cure worse than the disease. What is required are financial policies which automatically serve economic realities, make monopolistic practices in trade and industry unnecessary and unprofitable, and enable the individual to protect himself without any form of State paternalism.

Financial policies today do not serve economic realities. A basic feature of economic realities is that greater genuine efficiency in production has made it possible for the individual to produce his genuine requirements in less time than previously. This means that the true cost of production of any given item of production has progres-

sively been reduced with the steady development towards semi - and complete automation. Another feature of economic realities is that the major factor in production is no longer labour, but the "know-how" of a technological heritage. This heritage should provide the individual with some form of genuine dividend. But so far from there being any attempted financial policy to make this a reality, the centralised control of the credit system is used to force the individual into economic activities which in many cases are blatant economic sabotage. But those activities are accepted because they distribute incomes. The primary and basic cause of the progressive centralisation of power is the Monopoly of Financial Credit. The fact that this Monopoly is almost a complete State Monopoly today, with the trading banks under the control of the Central Bank, only makes the problem worse. In all the discussions we have seen on the Government's coming legislation, we have seen no reference to this basic Monopoly.

When C. H. Douglas was in Australia in 1934, he gave an address in the Melbourne Town Hall on January 22 of that year. The title of his address was "The Monopolistic Idea". Speaking as an engineer of vast experience. Douglas pointed out how he had noticed that the financial policy of the credit system was invariably designed to make credit available to the larger and more inefficient firms at the expense of the smaller firms. In Britain this forcing of small firms to close and to amalgamate with bigger firms was called rationalisation. There is plenty of evidence to prove that the banking system today favours the bigger organisation while the smaller organisation finds it more difficult to obtain overdraft facilities.

Apart from this direct impact on economic organisation by centralised financial policy, several exhaustive studies in Australia have shown how high taxation is also a major factor in fostering centralisation. Inflation, which is a form of hidden taxation, also encourages amalgamations and centralisation. The centralisation of power is not inevitable, as it is claimed repeatedly: it is the logical outcome of the financial policies being imposed. Until

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NEWS COMMENTARY

A Prophetic View Of European Developments? In an interesting article by Arthur Saul Super in *The Australian Jewish News* of February 22, Israel's prospects of entering the European Economic Community are discussed. We learn that "The main card that Israel had to play in seeking admission to the European Economic Community is that she has a trade balance of over 110 million dollars in favour of the Common Market". Reduced to realistic language, this means that Israel has received more production from the Common Market countries than it has exported. So far from the Israelis regarding this unfavourable balance of trade as a disaster Arthur Super claims that the Common Market countries will agree to have Israel as a member if there is any risk of losing a valuable outlet for their industrial production.

While this Jewish approach to trade is revealing, perhaps the most significant part of Super's article is his suggestion that so far from a Franco-German development taking place, "There are other indications on the horizon and they would seem to envisage an eventual grouping together of America, Europe and Russia in face of the menace of an aggressive Communist China". The source of this comment provides further evidence of our claim that the verbal clashes between Moscow and Peking are being used to prepare the way for an attempt to "sell" Russia as a reformed character—and, of course, worthy of some dollar loans!

The D.L.P. And The Common Market: We have for some time been concerned about the policies of the Democratic Labor Party. Our concern is increased by the recent resolution carried by the Victorian Executive of the D.L.P., warning Australians that the shelving of Britain's application to join the European Economic Community "can only be regarded as a temporary decision and powerful pressures to renew the application and force its acceptance are likely". We have not been able to discover any reference to who is applying the "powerful pressures".

For a time it did appear that the D.L.P. did offer something to offset the major party groupings in this country. But as time has gone on, the D.L.P. increasingly sounds like an organ of Dollar Diplomacy. It attacks centralisation and bureaucracy and then apparently sees nothing illogical in supporting super centralisation and super bureaucracy in Western Europe. Even its anti-communism is rather superficial. In the face of the facts, and the views of American experts, it helps to foster the myth that Kennedy scored a victory in the Cuba crisis. We offer the D.L.P. the friendly advice that if it continues as it is, it is going to lose a lot of its support. And if they believe that it is "inevitable" that Britain join the Common Market, we suggest that they start to rely on some more reliable sources of information. The idea that de Gaulle alone was responsible for keeping

Britain out of the Economic Community is complete nonsense. And it insults the British people, the overwhelming majority of whom are now strongly opposed to the Common Market.

Interesting Sidelight On Skripov Affair: Following the Attorney-General's disclosures concerning the espionage activities of Soviet diplomat Skripov, the *Border Morning Mail*, Albury, N.S.W., ran a front-page story in its issue of February 9 concerning a visit to Albury by Skripov as a guest of the local Apex Club. Also a guest of the Club was the Russian Ambassador Mr. Kurdiukov. Skripov's Albury visit was almost unnoticed by Albury residents, but security officers took a keen interest. This visit took place soon after the Soviet Embassy had been re-opened at Canberra.

The local Apex international relations director, Mr. H. C. Williams, then went into print to attempt to justify the invitation to the Soviet representatives. Mr. Williams obviously is a very naive gentleman, because he wrote: "It should be clearly understood that invitations issued to representatives of foreign countries to speak at goodwill dinners are for the education and better understanding of members and their guests and that political, religious or any other beliefs do not enter into our considerations when extending our invitations."

We can assure Mr. Williams that no Soviet representative ever attends a function such as an Apex dinner for the purpose of enlightening his hosts about the true purpose of Communism. Both Skripov and Kurdiukov attended Mr. Williams' dinner for the purpose of helping to advance the coming of World Communism. It is the sacred duty of all Communists to use every possible opportunity for the advancement of Communism. Unless they have a working knowledge of Marxism-Leninism, members of Apex and other similar clubs would be well advised not to invite representatives of any Communist Governments to attend their functions in the mistaken belief that they can thus help create "international goodwill."

Jews in Russia Today: All religion is severely frowned upon in Soviet Russia. Religious Jews therefore suffer the disabilities of all other religious groups. There is, of course, a long history of opposition to the Jews in Russia from the rest of the people, and this anti-Jewish feeling no doubt exists in the Communist Party. But it is not true that Jews are excluded, because they are Jews, from key positions in the Soviet hierarchy. For example, late last year Veniamin E. Dymshits, a 52-year-old Jew, took over the key position of Chairman of the State Planning Committee (Gosplan) and became architect of the gigantic blueprint that regulates day-to-day economic activity in all of the Soviet Union. He was also promoted from his position as a Minister to that of a deputy prime minister, just two rungs beneath Khrushchev in the structure of the Soviet Government.

A SUBMISSION ON TAXATION AND RATES

We publish the following submission to the Committee of Enquiry on Land Tax and Rates, S.A., not because we are necessarily in complete agreement with the detailed proposals, but because it provides an excellent example of decentralised initiative which could be emulated.

In planning taxation it is essential to keep in mind that the *real tax* is on the *time energy*, and *thought* of the people. Thought is placed last because, although of first importance, it is least in evidence. For convenience the three factors may be expressed in one word, WORK.

Money, which is comprised mainly of what is known as "bank credit" is defined as a claim on commodities. It is the means by which people may be induced to work on one thing or another. The spending of money in a shop is equivalent to the placing of an order with the industrial system for renewal of retailer's stock; hence the money system is the order system. Restrict the flow of money and we restrict the flow of orders.

We know what the nation desires to accomplish physically. Then correct procedure is to plan the projects and apply the ordering system: not restrict essential development to an inadequate flow of money.

This does not mean that if we desire to increase the building of roads, schools, etc., more money must be taken from the people. Quite the contrary. Absence of demand for the services of scores of thousands of people at the same time that we lack sufficient demand for our products proves the need for an increased flow of money from its source, the banking system, by non-inflationary methods: that is without forcing prices up.

In an earlier barter economy it would have been obvious that taxation was paid by work. Part of the production of food, clothing, gadgets, etc. was collected from the producers and "paid" to teachers, road makers, kings, etc. The "income" of the people was easily seen to be the total of goods produced and the only source from which taxation could be paid.

Today, when taxation is taken in money, it is still true that a country's real income is the total of goods produced although a considerable claim to the goods is handed over to pop singers, advertisers and so on. Whatever name is given to a tax, such as land, rates, sales, duties, etc., it cannot be paid from any source other than income (Capital whether thought of in the real sense, or the monetary, derives from income). It follows that much of the injustice, dissatisfaction, and cost could be eliminated by the abolition of the present multifarious impositions and the substitution of a scientific taxation of nett income only, the lowest being exempt. The tax could vary according to public services operating in the area. This would be some inducement for country people not to forsake their superior environment for the??

Moral and economic arguments are all against penalising a person for having land to work or live on, or owning a block with intention to live on it.

As things are, the producer of food and clothing materials is penalised by "land tax" even if deprived of income by drought, fire, flood, storm, vandals, etc. In such case he pays the tax out of "saved" income (capital) or with money created and loaned by his banker who adds a further tax. The loan is repaid from later income, then, as money, ceases to exist.

If taxed on income only the producer experiencing the above misfortune would have no extra fixed loss, and therefore would be in better shape financially and spiritually to plan for a bigger taxable income next season.

Producers with better land and/or climate, gaining bigger returns for the same effort would pay more income tax than those on poorer land. That is the natural basis.

The road system is a public asset just as essential to the bed-ridden invalid as to the Kimberly cattlemen. No one should be penalised because his property happens to be bounded by a good road. The better the roads the lesser is vehicular depreciation and the higher the nett income: the only source from which maintenance can be drawn in reality.

Taxation should not be concerned with the location and quality of a house, shop, etc., for residence or letting. Here again income of the occupant is the only source.

Since real income of a nation from which taxation is drawn is the total of goods produced, the money income should equate with price values of those goods. This cannot occur within present conventions: hence the further depletion of already inadequate purchasing power by credit squeeze, and time lag through taxation, is as a bottle neck to distribution, and a brake on national development.

With a view to putting the economy on a sound, sane basis it is suggested:

1. Abolish the multitude of existing taxes and rates and substitute income tax only.
2. Issue direct from Central Bank to Federal, State, and Local Governments, on area-population formula, new credit free of interest to finance all fixed commitments, and developmental projects for which man power and other physical needs are available.
3. As the work is done, and distribution accomplished, recall the credit through income tax for cancellation by Reserve Bank.

The continual ebb and flow could be regulated: taxation reduced if the economy needed a stimulant.

—K. TAVENDER

GOVERNMENT'S ANTI-TRUST LEGISLATION

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these policies are modified, anti-Trust legislation cannot be successful in preventing the evils rampant in modern business. The over-enthusiastic supporters of the Government's legislation would be well advised not to quote other countries where there is similar legislation. We are well aware that businessmen in the U.S.A. have been sentenced to terms of imprisonment for restrictive trade practices. But the centralisation of power still continues.

The basis for social stability is genuine decentralisation in every sphere, starting with financial policy, widespread genuine ownership of private property, and a consequent development of a greater sense of personal responsibility. By all means let us attempt to soften the worst effects of the present policy of centralisation. This is necessary ambulance work. But to concentrate on it to the exclusion of dealing with basic causes can only help hasten the complete breakdown of society.

"THE STORY OF CHANG LAO" NOW AVAILABLE

We apologise for the fact that publication of this important book has taken a little longer than anticipated. However, the book is now available and all orders are in process of being fulfilled.

The Story of Chang Lao, by veteran Australian expert on the Far East, Dr. W. G. Goddard, does not make pleasant reading for Australians. A former official of the Peking Foreign Office, who managed to escape to Hong Kong, tells his story to Dr. Goddard. This is perhaps the most authentic picture yet given of Mao Tse-tung's China-Chang Lao reveals:

- How Communist China is using an extensive drug trade to earn foreign credits.
- The clever perversion of Christianity and other religions to further Communism.
- The nature of "Maoism", a form of "spiritual imperialism".
- The role of Indonesia in China's strategy for taking Australia. Events in West New Guinea have graphically confirmed Chang Lao's story.

In a postscript, Dr. Goddard asks whether Australians can hold Australia for another generation. Is Australia as a nation riding into the sunset? Dr. Goddard expresses his grave fears, but puts forward positive proposals, which Australians can adopt to help save themselves before it is too late.

The Story of Chang Lao is the "book of the moment" as far as Australia is concerned. Price 10/8d., post free. Six copies at the rate of 6/9d. per copy, post free.

Order from The Heritage Bookshop, 273 Little Collins Street, Melbourne.

COMMUNIST OFFICIAL SUPPORTS FLUORIDATION

We have for a long time been interested in what relationship, if any, there was between Communism and fluoridation. The following letter by a prominent Communist official in the Communist "Tribune" of October 17, 1962, would appear to shed some light on the matter:

Mr. Curthoy's article on fluoridation of water supplies (*Tribune* 10/ 10 was very useful.

I have no academic qualifications, and am writing this letter in my private capacity, not as an official of the Communist Party of Australia.

But I have been compelled to make some study of the evidence for and against fluoridation, because anti-fluoride propagandists have gained a certain amount of following in some trade unions and other mass organisations in Queensland, and even succeeded in influencing some Party members.

Consequently, some of the time and energy of very good people is diverted from worthwhile tasks into the work of anti-fluoridation committees, etc.

Some exponents of anti-fluoridation are from a working-class viewpoint, questionable characters, to say the least.

Violently fascist groupings, such as the John Birch Societies in the U.S.A., combine anti-fluoridation with the most vicious anti-working class, anti-democratic propaganda.

In Australia, one of the staunchest anti-fluoride groups is Eric Butler's League of Rights, which mixes anti-fluoride propaganda with anti-Communism, anti-Semitism and the vilest racism.

Through Butler's long-established Douglas Credit contacts, it strives to penetrate and confuse the working class movement by combining superficially attractive credit theories with a phony attack on the aluminium monopoly and Government bureaucracy.

This has had some effect, particularly in some country areas.

The bulk of the evidence I have read supports fluoridation. The World Health Organisation regards it as a landmark in the history of Public Health.

The Queensland Health Education Council points out that naturally fluoridated water is used in at least 15 communities in this State, without harmful effects.

In Barcaldine (fluoride level 0.8 ppm) School Dental Service records show that the tooth decay rate of school children is 79.4 percent below the State average (0.7 per child, compared with the State average of 3.4).

Such facts, together with carefully collected evidence from many parts of the world, including the N.Z. Commission of Inquiry in 1956-57 seem to point strongly in favour of properly controlled fluoridation.

Science will settle the question sooner or later. Meanwhile, I would urge all working class activists to be on guard against the efforts of at least some anti-fluoridists to divert them from the main issues in the struggle against monopoly and its governments.

E. A. BACON (Brisbane).