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

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EDITORIAL

"They Will Be Laboring To Prepare Their Own Suicide..."

It has been aptly said that those who do not learn from history, have no history. As the Western world stands on the eve of what could be final defeat by the challenge of International Communism, perhaps even at this late hour sufficient responsible people in the West will recall what happened just on 30 years ago, and learn the appropriate lesson concerning the proposed increase in Western exports to the Communist bloc.

One of the great decisive political acts of this century was the recognition of the Soviet regime in 1933 by the newly elected Franklin Delano Roosevelt. This act enabled vast economic assistance to be sent to the Soviet at a time when Stalin was threatened with a major breakdown in the Russian economy. It had the support of international financial groups in the U.S.A., and many American businessmen suffering from the Great Depression, grasped eagerly at the opportunity of solving their problems by exporting to Russia. History is now repeating itself.

Roosevelt's spiritual successor President John Kennedy, is now keen to extend to Khrushchev and his associates the same type of economic assistance he has been extending to Tito in Yugoslavia and Gomulka in Poland. Extensive support has been given to these two Communists on the basis that they are "moderate", "different" Communists. Now that Khrushchev has also created, with aid of his agents and dupes throughout the Western world, a new image, and is also a "moderate" Communist, it is perfectly logical that the Soviet should also be given some substantial economic aid. It is, of course, mere coincidence that this aid is proposed at a time when the Socialist farming system in Russia has failed disastrously. If President Kennedy can help Khrushchev out of his difficulties, he can also help his own election prospects next year by disposing of the enormous food surpluses in the U.S.A.

A Famous Soviet "Promise"

Now, unlike Roosevelt, President Kennedy has enormous opposition to overcome in the U.S.A. He feels that he can help overcome this opposition if he can have a firm assurance from Khrushchev that no American food exports would be sent to either the "Stalinist" Mao Tse-tung or Castro. We have no doubt that Khrushchev will have no difficulty whatever in providing President Kennedy with the firm assurance required. After all, Khrushchev's late boss, Stalin, was able to give the firm assurance in 1933, through the Soviet Minister for Foreign Affairs, M.

Litvinoff, that in exchange for Roosevelt's support, it would be the "fixed policy" of the Soviet "Not to permit the formation or residence on its territory of any organisation or group—and to prevent the activity on its territory of any organisation or group—which has as an aim the overthrow or the preparation for the overthrow of, or the bringing about by force of a change in, the political or social order of the whole or any part of the United States, its territories or possessions."

Explaining the situation to the American Communists, Litvinoff told them that "they had nothing to worry about . . . Don't worry about the letter. It is a scrap of paper which shall soon be forgotten in the realities of Soviet-American relations." And so the "fixed" policy not to interfere in America's internal affairs led to the greatest period of Communist espionage in America, and the penetration of the Roosevelt Administration by the secret Communist apparatus.

Communists Exploit Export Mania

We are well aware that many people find it irritating to be reminded of unpleasant history. The Communists are confident that they can exploit the almost unlimited capacity of many people for self-delusion. And they also know that one of the main weaknesses of the West is the fact that Western nations are all attempting to solve their internal financial and economic difficulties by increasing export drives—not to obtain required imports, but in order to gain a "favourable balance of trade". The Chinese Communists have been helping Australia in this direction for some time by taking huge quantities of Australian wheat. But of course they have been helping themselves even more because this wheat enables them to

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EXPORT: THE ROBBER

MONEY UNRELATED TO REALITY By K.T.

"You Social Crediters are wrong when you say that, if we export a greater value of goods than we import, the shortage of purchasing power here is worsened."

This amazing statement came from a young student of "orthodox" economics. In reply to my query as to where he got the idea, he triumphantly produced one of our articles carrying the phrase "Exports are a loss to the exporting country unless equal value of imports are received in exchange". Now that means exactly the opposite to what our young friend thought it meant: which is not really surprising when you consider the world economic muddle brought about by "orthodoxy" trying to fit reality to false theories.

I related the incident to a friend who said, "Perhaps the editors of the Big Papers have the same belief; letters of mine pointing out that bit of truth are never printed; I had supposed it was because the editors were on the side of the subverters."

MONEY IS NOT A MEASURE OF VALUE

Re-reading "orthodox" economics it is easily seen how the unwary are taken in. All the requisites of hypnotism are in evidence. The hotchpotch of half-truth and sheer fallacy is proclaimed with the voice of Authority (witch doctors). For example, "The chief function of money is to serve as a medium of exchange". And "Money is a measure of value". Hear the wool market reports—"values moved up (or down)." Nothing of the sort happened; the wool was of the same value; only prices were higher or lower; and prices of primary products depend on how much money buyers are able, or willing, to pay. (Money is created by the banking system of "advancing" credits.) The fall in wool prices about five years ago was arranged by overseas banks. One British buyer told us regretfully that his firm wanted the same quantity as last year, but he had to get it with £40,000 less money (credit). Obviously all buyers were in the same boat—"pie", I think they call it. (No woolgrower with a grain of understanding would oppose the "floor price" proposal.)

Our student friend is taught that, "if we wish to compare the value of labour embodied in a sack of wheat with that embodied in a sack of coal, we enquire the respective prices, which are an expression of that value in the common terms of money". That statement assumes that money is "a measure of value" so, based on false premises, it is completely fallacious. Allowing for the labour that goes into labour-saving machinery there is still less of it embodied in a sack of wheat at, say, 45/-, than there was when its price was 4/6. If the wheat is exported it is wealth lost by Australia until it is replaced by other needed goods sent to us from abroad in exchange. There is no real profit for us in the exchange unless the labour of producing the exported wheat is less than would have been needed to produce the exchanged goods in Australia.

MONEY "A TITLE TO GOODS"

If the debt for the wheat (or any export) is repudiated, the wealth is lost forever. Britain is said to have lost in this way between £3,000M and £8,000M (we would appreciate the action of any statistician who can supply the exact figure.) For anyone who mistakes money for real wealth, the issue is confused by the fact that the people responsible for the exports receive money. In such cases the money (bank credit) is created within our own banking system.

Modern money can be regarded as a title to goods, and that is what the export workers receive. With it they claim the products of other Australian workers. To a hypnotised people this looks like good business, prosperity. It is an illusion. What really happens is, instead of the wheat producers bearing the whole loss of wasted effort and material it is spread over the whole of Australian industry.

LOSSES BY EXPORT

Under the monetary policy imposed upon every country in the world purchasing power flows to consumers at a slower rate than prices are generated. The attempt to export more than is imported is one of the tricks by which the injurious results are partly hidden from the people. Money incomes are received by the workers in the course of producing the export surplus; this increases (not reduces, as the economist thought we meant) the ability of consumers to buy the lesser quantity of goods remaining in the country.

The Federal Government's secrecy and evasiveness as to how Red China "pays" for our wheat leads us to believe that the credits paid into the Australian banking system by China are in part, if not wholly, credits originally deposited by us in the IMF. Our analysis has been submitted to Mr. Holt with a request for correction if wrong. No denial has been received so we can only assume that we are right. This means that wheat exports to Red China are a dead loss of the results of our work and of soil fertility.

Through lack of understanding, if not desire to deceive, some Federal members when quoting import figures lump trade imports and foreign investments together as though on the same account, and owed for by us. The fact is, foreign investments are goods that have come from overseas, but they are property owned by the investors; we do not owe for what belongs to them. The bite is on us when we send away their profits. On the trade account our excess of exports over imports has averaged well over £400M for about 12 years. We have been the losers to the extent of what we could have accomplished with the use of £400M worth of capital goods over a period of 12 years. We could have kept our motor and oil industries Australian owned, and retained the profits. This is not intended as a "plug" for the Opposition.

Labour leaders' utterances lately suggest that they have the same inverted outlook as the Liberals. Trade crises, "balance of payment problems", industrial unrest, growth of Communism, will continue to be the normal state of affairs so long as policy makers confuse means and ends, and fail to relate money to reality.

PROFITABLE HOME MARKET NEGLECTED

In Federal Parliament, August 22nd, a member whose name I did not catch, quoted the increased production of Australian primary industries as 50% since 1953 without any increase in the number of people employed. Since the new generation is not needed in the industry except to replace retirements, country school leavers must seek jobs in secondary industry, mostly in cities. A recent survey disclosed that 60% of secondary industries were working below capacity (through lack of demand). If the growing work force is absorbed by secondary industry, he said, we shall have to export their production, because obviously we can meet local demand by using only 60% of factory potential, as at present. (He did not mention the 80,000 unemployed and the pensioners who are not getting all they need; making this potential market actual would show a positive gain to Australians, whereas there is a big risk of loss in exporting to say, Red China.)

The M.H.R.'s reasoning would be right IF THE PURPOSE OF INDUSTRY IS TO PROVIDE EMPLOYMENT AND TO EXHAUST OUR RESOURCES AT THE EARLIEST POSSIBLE MOMENT.

TRADE: NOT AN END IN ITSELF

Social Crediters claim that Australian industry has no moral or other purpose than to deliver the goods and services wanted by Australians WITH THE MINIMUM OF TROUBLE. The only sane purpose for export is to get in exchange commodities, which would have taken more trouble to produce in Australia. However, it could be worth going to some trouble now with a view to reducing it in the near future: e.g. preparing for rice and cotton production. Rubber, tea, cocoa and coffee might be worth trying also. Present exports are more than ample to pay for what we cannot produce here, and we are continually reducing the need to import by extending the range of our own production. This automatically reduces the need to export. The sane approach to international trade is to find out what we need from overseas that cannot be produced efficiently here; then arrange with the countries supplying those goods to take what they want from us in payment. If increased production of any commodity is needed, it is only a matter of adjusting monetary policy to bring our latent resources into actuality. Put Australians in position to buy the whole of their own production, then they can do that, or buy what they want of it, and the imports received in exchange. The policy of creating money (bank credit) as a national debt and handing it to farmers as "payment" for goods given away does not pay Australian producers for their

work, it merely spreads the loss. It is "inflationary", or has the same effect, in that availability of goods is reduced in relation to buying power distributed in course of their production. In other words, it takes more money to buy a reduced volume of goods. The true purpose of international trade is exchange of commodities; to accept the perversion of trade as an end in itself is to acquiesce in evil design, if it is not a symptom of stupidity or insanity.

REAL EFFICIENCY

No businessman, whether he be engaged in farming or in secondary industry, will deny that he aims for efficiency, that is, to cut costs and to deliver his products with the minimum of trouble (work). From the common-sense angle then, unemployment is the natural profit from efficient administration; that is, of course, if industry is delivering ALL the goods required. If it is, the unemployment needs to be distributed by reducing the working time of all. If industry is not delivering all requirements the obvious course is to give the unemployed the opportunity to remedy the deficiency. Unemployment is not a problem: it is a scientific achievement, and only requires a realistic monetary policy to bring its benefits to the people. The only problem related to the situation is how to de-hypnotise the framers of policy before we become as deeply embogged as the older countries of the West.

VALE, CHARLES HAROLD ALLEN

Mr. C. H. Allen was a son of Rev. James Allen, and brother of Rev. J. H. Allen, B.A., who predeceased him by a year or two. "C.H.", as he was known by friends, was a hydraulic engineer and surveyor with the Engineering and Water Supply Department, South Australia. He made the calculations for the Mt. Bold Reservoir, which was made smaller than his recommendation because of money shortage. Capacity of the dam is now to be increased to nearer the original figure.

Deeply religious, yet of analytical mind, "C.H." felt that reason should play a greater part in the teaching of religion. He found what he was seeking in the speech by C. H. Douglas in Adelaide and his subsequent study of Social Credit. In his own words he was born "again". From that time he lived for Social Credit. In furthering the cause he was generous to a fault, financially. He helped finance the "New Times" under its founder, the late Tom Moore. It would be difficult to find a more prolific writer of letters to the press, clergymen, politicians, business heads, etc. Even after suffering a brain hemorrhage some 12 years ago he campaigned to within three weeks of his death in September 12th at the age of 83. A nursing Sister tributes him as "one who wished to give as little trouble as possible. He had a truly independent spirit and fortunately was able to maintain that spirit until close to the end."

EDITORIAL

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prop up their tottering economy, while at the same time it makes the Australian economy more dependent upon Communist goodwill. This can have far reaching political consequences. That brilliant Marxist-Leninist, Mao Tse-tung, must have been delighted to notice a staunch anti-Communist like Sir Robert Menzies recently strongly supporting Australian wheat exports to his country. Such statements confirm Marxist-Leninist teachings. It is a great pity that some of these teachings cannot be brought to the attention of Sir Robert. Sir Robert will learn nothing about these teachings from his economic "advisers".

Government Policies Must Be Changed

There is nothing, of course, that the Australian wheat-grower, or primary producers and manufacturing interests, can do on their own while Governmental economic and financial policies drive them to seek export markets with the Communists in order to keep themselves financially solvent. But they can, if they will, join together to force a change of Governmental policies, which are leading the West to even greater disasters than those of the past. One of the first essentials for the Western nations is to free themselves from the hypnotic influence of economic and financial dogmas which have no relationship to reality. While little light has been shed on how the Chinese Communists are supposed to be paying for the wheat they get from Australia, press reports suggest that if President Kennedy can overcome political obstacles to American wheat and other exports to Soviet Russia, the Communists will send gold in exchange. One "expert" solemnly pronounced that this gold would help the American economy by improving "liquidity". In simple English, this "expert" was saying that by getting a yellow metal from Russia, probably mined with slave labour, and placing it in a hole at Fort Knox, Americans would then be able to obtain more local purchasing power to buy what they had produced.

Anti-Communists Support Communism

If Khrushchev can continue to maintain his present psychological offensive, persuading the West that they should not only export to him, but might also consider extending him some of the type of credits extended to Poland and Yugoslavia, he is assured of a tremendous victory for the Communist movement. He no doubt recalls that at one American hearing concerning the question of whether it was desirable to continue extending credits to Tito, even that staunch anti-Communist, the late John Foster Dulles, argued that curtailment of the credits would have a serious effect on the American economy. And so he accepted as inevitable the granting of substantial American exports to Tito in order to help

make the American economy work. And this is the essence of the situation now facing the West. Sufficient people either challenge the export mania, or Khrushchev exploits it to drive the West further towards destruction.

To Fight or Commit Suicide?

We return again to history. Khrushchev has assured the world that he is a dedicated Marxist-Leninist. He knows his Lenin, so will be familiar with the following advice given by Lenin:

"The so-called cultural elements of Western Europe and America are incapable of comprehending the present state of affairs and the actual balance of forces; these elements must be regarded as deaf-mutes and treated accordingly . . .

"We must, (a) In order to placate the deaf-mutes, proclaim the fictional separation of our government . . . from the Comintern . . .

"(b) Express a desire for the immediate resumption of diplomatic relations with capitalist countries on the basis of complete non-interference in their internal affairs . . .

"Again, the deaf-mutes will believe it. They will even be delighted and fling wide-open their doors, through which the emissaries of the Comintern and Party Intelligence agencies will quickly infiltrate into these countries disguised as our diplomatic, cultural and trade representatives . . .

"Capitalists the world over and their governments will in their desire to win the Soviet market, shut their eyes to the above-mentioned activities and thus be turned into blind deaf-mutes. They will furnish credits, which will serve as a means of supporting the Communist parties in their countries, and, by supplying us with material and techniques which are not available to us, will rebuild our war industry, which is essential for our future attacks on our suppliers. In other words, they will be labouring to prepare their own suicide..."

For our own part, we would rather die fighting than commit suicide. But if sufficient people fight with intelligence and dedication, we in the West can save both our lives and our souls.

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