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

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EDITORIAL

THE FINANCING OF INTERNATIONAL COMMUNISM

"They will furnish credits," predicted the great Communist master Lenin in describing how the "Capitalists the world over" would compete to win the Soviet market. When Lenin wrote about the furnishing of credits, he knew from first-hand experience what he was writing about. Lenin knew that the international banking house of Kuhn, Loeb and Co., through its international agents, had made available enormous credits for the revolutionary activities, which eventually brought the Communists to power in Russia. Credits are again being made available from the West to the Communists and, if a number of reports are correct, 1964 could prove to be the year in which large-scale credits are made available to the Communists to ensure that their regimes do not collapse.

The financing of the Communist revolution in Russia is an aspect of the advance of International Communism, which most students of Communism feel it safer to ignore. But ignoring the facts of well-authenticated history cannot destroy them. The international financial groups with their headquarters in Wall Street were not only closely connected with the financing of the revolution in Russia, but their spokesmen fought hard at the end of the First World War to ensure that the new Soviet regime was recognised. Even when American official policy was opposed to recognition of the Soviet, the international financiers managed to use Germany as a means of getting credits to the Communists. This fact was exposed by a number of American authorities.

Roosevelt's Help to Russia

However, with the recognition of the Soviet regime by Roosevelt, his first major foreign policy decision, open financial and economic support to the Communists was possible. This support was desperately required at the time, as the Soviet economy was in danger of collapsing following the horrors of forced collectivisation of farming. American technical experts were immediately sent to Russia to help solve industrial problems. Heavy tariff concessions were made to Russia. Litvinoff, the Soviet representative who arranged with Roosevelt for the recognition of Russia, also met a representative of the Kuhn, Loeb and Co. financial firm, following which further dollar credits for the Soviet were arranged. The Soviet's internal crisis was eased as the result of the external assistance received from the capitalists.

The next major crisis for the Communists developed when Hitler turned upon Stalin. The economic resources of the capitalists in Britain and the U.S.A. greatly strained by the struggle against Nazi Germany were quickly made available to Stalin. In fact the flow of economic assistance, which flowed into Russia, was far in excess of the genuine military requirements of the Russians. The Soviet became a type of sacred cow, and the spokesmen for the International Money Power left no doubt that after the war Stalin should be provided with further

credits. It is generally overlooked that the Marshall Aid Plan originally included the Communists as well as the non-Communist nations. But Stalin refused to allow the plan to include the Communists, his reported reason being that if the Americans could be prevented from disposing their surplus production abroad, this would lead to an early internal depression in the U.S.A. And this depression would assist Communist strategy.

Lenin's Strategy

While Stalin and his economic advisers were certainly wrong in their assessment of the likely situation in the immediate post-war years, the current situation provides them with sufficient evidence to claim that Lenin's contribution to Marxist theories are being borne out. Many superficial critics of Communism overlook the fact that Lenin in his book, *Imperialism*, attempts to answer the charge that Marx had been proved wrong concerning economic developments in the "capitalist" nations. Marx had claimed that the lot of the workers would get progressively worse and more desperate, leading to a revolutionary situation. Marx knew nothing about finance, but Lenin did. Lenin claimed in his book, most of it based upon the work of the Fabian Socialist J. A. Hobson, that the capitalist powers were temporarily solving their internal economic problems by "exploiting" their colonies. Communist strategy therefore must be shifted to attacking the capitalists through their colonies.

Now there is no doubt that, just as Lenin predicted, the capitalist nations are progressively competing with one another in exporting in an endeavour to keep their internal economies working. This unrealistic drive for export markets in order to make internal economies work, is now being exploited by the Communists in order to set the capitalists to work to provide them primarily with the food they cannot produce for themselves. But this procedure requires financial credits, and all the available evidence indicates that the flow of credits to the Communists through Communist Poland and Communist Yugoslavia, is to be

Continued on page 4

BASIC ECONOMIC TRUTHS

More and more voices are being raised against the creation of the highly centralised mass society in which the individual progressively becomes like a cog in a machine over which he has no control. Concern is expressed about the de-humanising of the individual, even an occasional clergyman raising his voice in protest. But the first essential for realistic action is a thorough grasp of basic economic truths. These truths are not being taught by official economists in the West, most of who are Fabian Socialists of the Keynesian brand. In fact these economists teach the same economic falsehoods upon which the Communists have erected their system of human slavery.

The current policies of centralisation in the spheres of industry, Government and finance are not going to be halted by merely attempting to draw attention to the evils resulting from these policies, and not demonstrating that a study of basic economic truths reveals that alternative policies leading to greater individual freedom and security are possible. The first essential for an effective counter-offensive against the centralisers, irrespective of whether they call themselves Fabians, Keynesians or Communists, is to attack their basic economic teaching that labour produces all wealth. It is the widespread uncritical acceptance of this teaching, which inhibits anti-socialists from seizing the offensive on the question of the inheritance principle.

It is a major fallacy that labour produces all wealth, and that therefore any individual enjoying, in any form whatever, economic benefits from either inheritance or from dividends, is a "parasite living on the workers". The basis of all wealth is sunshine, solar energy, water and the soil. It is self-evident that no individual, or group of individuals, produced this wealth. The Christian could put the position as follows: Sunshine, solar energy, water, soil, are a part of God's capital. They were a gift to the human being in the same way that a father gives a property to his son. The fact that some individuals might use an inherited asset, one towards which they contributed no labour whatever, in a wasteful or immoral manner, is not a legitimate reason for abolishing the *principle* of inheritance. It is simply an argument in favour of developing a greater sense of responsibility and morality in individuals inheriting wealth. Thousands of years of human history have clearly demonstrated that collectivism encourages a far more irresponsible and anti-social attitude towards wealth of any kind than does private personal control.

Not only has the human being inherited the basic capital wealth mentioned; he has also inherited the truths of the Universe. Labour did not create the truth which man has termed the "mechanical advantage". Man *discovered* this truth when he found that by using a log as a lever he could easily lift a weight, which he could not even budge with his own muscle power. The mechanical advantage and many other similar truths provided the very foundations of the modern industrial system. Having been discovered by earlier generations of men, knowledge of these truths, and

how to use them, was passed down to succeeding generations. This is called the cultural heritage. It is this cultural heritage, making use of the vast capital resources of the Universe, which has made possible not only higher material standards of living for present generations, but which has made it possible for individuals to have greater time to devote to activities, cultural and otherwise, other than those forced upon them by economic necessity. The development of automation is the end product of the process of using solar energy to power automatic or semi-automatic machinery. The claim that "labour produces all wealth" is not only false; it becomes progressively more false as the cultural heritage is expanded with the result that labour as such is a diminishing factor in production. Those who really desire to attack Socialist economic and financial policies, which are driving the non-Communist nations towards the same centralization suffered by people living in the Communist nations, have got to expose and oppose every attack upon the inheritance principle. They must insist that the tremendous potential benefits from the accumulated knowledge of centuries are available to the individual.

Present policies of economic and financial centralism, is rapidly leading to more and more control over productive resources being exercised by central planners acting in the name of the Government. The essence of true economic democracy is that the individual consumer, using his money "vote", induces a number of competing retailers and producers to compete for his "vote" by offering him better and cheaper goods and services. The sane, realistic purpose of production should be to supply the genuine, freely expressed desires of individuals. The free enterprise, competitive system, based upon the concept of private ownership of property, operating in a society where the Government's main function is to uphold a rule of law, which ensures that no individual can interfere with other individuals' rights, provides the basis for a major step forward in real freedom for all individuals. But the policies of centralism rob the individual of his full heritage. More and more Government intervention in the field of production and distribution as advocated by Keynes produces an ever-increasing bureaucracy, which decides how the nation's heritage is to be used. This is justified under the slogan that the Government must provide "Full Employment". It is also suggested that this is "progressive," overlooking the fact that the pyramids of Egypt were also used to provide "Full Employment" thousands of years ago. No doubt the slaves who toiled on the building of the pyramids would have preferred the opportunity of working on some project of benefit to themselves!

The real credit of a nation is its productive capacity. All policies of centralised control seek to ensure that real credit is monopolised by Governments, thus preventing the individual to gain increasing benefits from what is, as has been pointed out, his rightful heritage. Those who argue that under Keynesian policies Government intervention into the economic field does not go as far as the Communists desire, overlook the fact that even the managers of the

Continued on page 3

Continued from Page 2

private-enterprise sector of the economy become so dependent upon the goodwill of the planners running the Government sector, that they are afraid to give offence in any way in case they should, for example, lose a Government contract. Evidence of this development is already mounting in every Western nation where the Fabian tactic of gradualism is being applied.

If the Communist strategy for obtaining a World Monopoly of Power is to be defeated, then not only must all policies for further centralising power be vigorously challenged; but there must also be a progressive decentralisation of all power, political, financial, and economic under the effective control of individuals *who can then be made personally responsible for their actions*. If the supporters of the free society are not capable of advancing appropriate policies for decentralising power, for ensuring that the individual does gain access to his own heritage, then not only will they not defeat the Communist challenge; they will get what they deserve.

THE TRUE NATURE OF DEMOCRACY

Democracy is a term, which can mean all things to all men. How many people can give a realistic definition of democracy? Very few. But in the following letter in the "East Kent Mercury" (England) of November 28, 1963, Dr. Geoffrey Dobbs uses the fluoridation issue to provide a penetrating analysis of the true nature of democracy. We recommend it to the close study of all readers. Dr. Dobbs wrote:

I have followed with very great interest the course of events in Deal relating to fluoridation through the medium of cuttings from the *East Kent Mercury*, which some kind friend has been sending me. While I agree that some congratulations are in order, in so far as the Council has reversed its decision in compliance with a strongly organised public opinion, the addition of the words "at present" to their resolution not to proceed with fluoridation leaves the door open to a renewal of the conflict if at any time popular opinion should change or its expression be less well organised.

This indicates a basic misconception about the nature of democracy, which is concerned with the rights and powers of people as human beings, and not with the dominance of the majority. The only "democratic" thing about a majority vote, or even of an unofficial expression of prevailing public opinion, is that it is vastly preferable to civil war as a way of demonstrating the power of the big battalions. This may be the least harmful way so far devised of deciding who shall govern the country, or the borough, but if applied to the intimate details of daily life—e.g., as a way of deciding what size of shoe the citizen shall wear—it would be quite as tyrannous as the despotic edict of a dictator. The fact that perhaps five times as many men prefer size nine to size eleven gives them no right to impose their preference upon the minority merely because they can outvote them.

It may be thought that this example is not comparable with that of allowing the Council to decide in the light of

majority opinion, whether or not to dose everyone with fluoride via the water supply, because, obviously, people have feet of different sizes. But so also have they differences as great or greater in respect of water consumption, previous fluoride intake, storage in the body, physiological idiosyncrasies and allergies, conditions of health and of nervous and psychological balance, and views and wishes as to what constitutes healthy diet or living, some being largely indifferent and others violently affected by even the suggestion of increasing their consumption of a suspect or potentially poisonous substance.

Under these circumstances, a decision to dose everybody indiscriminately, however made, is a tyrannous invasion of a field which should be outside and above all politics—whether or not the decision is supported by majority opinion. Furthermore even to raise such an issue, and to make the avoidance of such a tyranny subject to continual vigilance and preparedness to organise opinion against it, is in itself anti-democratic. The protection of our basic rights is the first duty of our elected representatives, and we should be able to rely upon them to understand the nature of democracy well enough to keep politics out of our private lives, and not to try to extend their powers of collective decision to those intimate details where freedom of personal choice is essential.

If the controversy about fluoridation could result in an improved understanding of the nature of democracy, it would not have been in vain. But until the Council further revises its decision so as to acknowledge that the dosing of everyone with a substance intended to affect the human body is, and will always be, completely outside its democratic powers, the real battle which is in the minds of men, still remains to be won.

THE MONOPOLISTS

The well-known American Fabian and admirer of Keynes, Stuart Chase, in his book, *A New Deal*, a slogan which President Roosevelt borrowed for his Administration, wrote: "Mr. Keynes, following Karl Marx, used the great cooperation as an institution increasingly ripe for state control or outright ownership. He finds many parallels with the state trusts of Soviet Russia."

In an article in the London *Sunday Express*, 1920, H. G. Wells made the following lucid comment concerning the same point made by Chase: "**Big business is by no means antipathetic to Communism. The larger big business grows the more it approximates to Collectivism. It is the upper road of the few instead of the lower road of the masses to Collectivism.**"

Fabian Socialist financial and economic policies produce the economic centralisation, which the Communists then claim proves that Marxism-Leninism has "scientifically" demonstrated that capitalism develops "inevitably" through monopoly-capitalism to Socialism.

Mr. FRANK WATTS

It is with deep regret that we record the death of another of our pioneer supporters, Mr. Frank Watts, of South Australia. Our deepest sympathy to Mrs. Watts and family.

REALITIES OF "FOREIGN AID"

"Voices From Overseas" (A.B.C.) on December 24th, were those of American commentators on the current "foreign aid crisis". All of the speakers were prominent in business and politics. I gained the impression that some Americans are becoming dimly aware of the immorality of trying to bribe foreigners to stay away from Communism while 32 millions on the verge of poverty in their own country (as stated by the late President Kennedy in May, 1963) provide a lever to be manipulated by Communist power seekers there.

One speaker, whose name sounded like Brandon, supplied some unconscious macabre humour for the few listeners who have cultivated the habit of looking at life realistically. He said that foreign aid benefited the American economy in a way, which was rather difficult to explain! I nominate that as the outstanding understatement of 1963. He went on to say, correctly, "our foreign aid credits are granted on condition that they are spent in U.S.A."

So, American farm and factory products are shipped to the "aided" countries and nothing, except perhaps a governmental undertaking to follow a course stipulated by "America", is received in exchange. In the process, American soils are depleted of fertility; attempts to restore fertility reduce the reserves of phosphates and so on, and so hasten the impoverishment of Americans. Machinery is worn out, and more machinery is worn out in replacing the worn out machinery: reserves of metals are depleted, not to mention all that goes out with the original "aid". The enslavement of Americans to material pursuits drains their spiritual resources and is fast making them a nation of neurotics. No prize is offered to the discoverer of how the American economy benefits. It doesn't. The effect on the economy as far as the American people are concerned, is sheer waste, similar to that of military war. Some apologists will argue that the exigency of war produces technological progress, which is unattainable in peacetime. The truth is, if such progress is wanted it is easier made in peacetime if FINANCIAL CREDIT enables the additional brainpower to be drawn upon. The creators of the financial credit are the only beneficiaries from war or peacetime losses: that is, if power gained through debt and taxation can be regarded as a benefit: "uneasy lies the head that keeps the people down."

One of the causes of some of the poverty in "backward" countries is the same as in "forward" countries—failure of Governments and banking system to relate money, financial credit, to real credit (ability to deliver goods and services). To improve the backward people's lot by worsening conditions in the aiding country is to condone the evil policy on all fronts. The depressed peoples whose spirit is not completely crushed would prefer to be given the opportunity to employ their own resources. This is the responsibility of "Authority" in their own countries. The best help the West can give is a demonstration of how to relate financial credit to real credit. Can the West learn in time? Our keenest observers think not, but let's keep hoping and working to that end.

—EVE ARNDT.

Cont. from page 1

greatly increased in order that more and more of production from the capitalist world can be poured into the Communist bloc. Assistance to Soviet Russia will, of course, enable the masters at the Kremlin to continue supplying assistance to Indonesia, Cuba, Egypt and any other country in which the Communists are exerting a growing influence. Financing the Soviet is therefore in fact financing worldwide revolution. This fundamental truth requires greater emphasis than ever.

Exposure Becomes Easier

The international situation is going to get a lot worse before it improves. That is certain. But as against that it is becoming more obvious to an increasing number of people, particularly in the British countries and the U.S.A., that the deteriorating situation has not "just happened," that there is clearly design and purpose behind events. The relationship between International Finance and International Communism can no longer be completely suppressed. More effective exposure of the realities behind the world revolution, is not only more urgently necessary than ever, but is now much easier than formerly. As the exposure grows, so will resistance expand against the policies destroying Civilisation. We urge our readers, both old and new, to intensify their efforts during the coming year. Let us make 1964 a year of history-making activities by turning the development of events, such as the open financing of Communism, to our advantage.

ERIC BUTLER'S INTERNATIONAL PROGRAMME

Mr. Eric Butler leaves Sydney for the U.S.A. on January 27, and will start his Canadian programme in Vancouver under the auspices of Mr. Ron Gostick's Christian Action Movement on February 1. The Canadian programme is without doubt one of the most intensive educational campaigns yet undertaken in any part of the British Commonwealth. During the 13 weeks he will be in Canada, Mr. Butler will not only direct Seminars in every province, but will give up to 50 lectures to a wide variety of audiences.

Following his Canadian programme, Mr. Butler will then visit the U.S.A. before going on to Britain to continue work started during his last two visits. He anticipates a valuable campaign of approximately three weeks before returning to Australia via Southern Rhodesia and South Africa. He anticipates doing a number of lectures in South Africa.

Campaigns in Western Australian and South Australia will be conducted as Mr. Butler moves eastwards.

During his tour Mr. Butler will be doing a number of taped interviews with significant figures on a number of important issues. He will also be collecting material for articles and reports. Mr. Butler anticipates that this year's tour will be conducted without any expense whatever to Australian supporters. The special £5000 appeal for 1964 is to expand activities in Australia.

New Zealand supporters are requested to notice that every effort will be made to make a visit to New Zealand later in 1964.