

# THE NEW TIMES

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

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## SOCIAL CREDIT IN NEW ZEALAND

BY ERIC D. BUTLER

**During his recent two weeks tour of New Zealand, Mr. Eric Butler made a special investigation of the current situation of the Social Credit movement. The following is his report and comments.**

At New Zealand's last general elections, held in November on the same day as Australia's general elections, candidates for the New Zealand Social Credit League polled approximately 15 percent of the total votes and elected the League's leader, Mr. Vernon Cracknell to the New Zealand Parliament. The total vote for Social Credit League candidates were approximately double that polled at the 1963 general elections. Needless to say, these results have resulted in some extravagant and optimistic comments amongst those who believe that the philosophy and policy of Social Credit can be advanced through party politics. Some of the most eulogistic comments came from Mr. Robert Thompson, leader of the Canadian Social Credit Party, who claimed that the New Zealand Social Credit League advocated politics similar to those of his own party. But in the progressive disintegration of the Social Credit Party in Canada, which I predicted in these columns in 1964, Mr. Thompson has recently resigned as leader of his party, stating "Our party is posing before the public as something it isn't." Many New Zealand Social Credit critics make similar comments about the Social Credit League.

### **"MONETARY REFORM" WIDELY DISCUSSED**

Not long before the last war, the late Dr. John Dale, then Melbourne City Health Officer, and a prominent Social Creditor, observed to me after a visit to New Zealand that he had never met in any community such a large number of people who had some knowledge of monetary realities. This is true today. What might be loosely termed "monetary reform" is not a taboo subject, even if those discussing it are not quite clear what it is about. Mr. Cracknell claimed after the last elections that the increased vote for his League candidates reflected a growing understanding of and support for Social Credit. This was a politician's statement. There is no increased general support for Social Credit for the simple reason that Mr. Cracknell's League is, as will be shown, Social Credit in name only. I would agree with several of the sounder Social Credit League candidates who told me that their opinion was that their increased vote was primarily a protest vote. However,

this fact is of considerable political significance. It indicates that a significant section of the New Zealand electorate was not afraid to express its protest against the main established National and Labour Parties by voting for Social Credit League candidates. Any realistic assessment of this protest vote must also take note of the fact that voting is not compulsory in New Zealand. There appears to be little doubt that most of this protest vote was at the expense of the National Party, even though it might be expected that the Socialistic features of the League's monetary policies would commend themselves more readily to Labour supporters.

### **BRIEF HISTORICAL BACKGROUND**

As a background to the current situation in New Zealand, it is important to recall that the landslide Labour victory at the New Zealand General Elections of 1935 was the result of the Labour Party capitalizing upon the tremendous interest in the teaching of the flourishing Social Credit Movement. The 1935 New Zealand General Elections were a greater potential threat to the International Money Power than were the historic Albertan Elections of the same year. New Zealand was a sovereign nation; Alberta was a Canadian Province with limited financial power. Although the 1935 New Zealand Elections resulted in a number of sound Social Crediters being elected, and were a general endorsement of a much more realistic monetary policy, it was not long before a policy of perversion destroyed the hopes of Social Crediters. As has happened so consistently over the past 50 years, it was the Socialists who perverted monetary reform to the creation of the Welfare State away from the prospect of a genuinely free society. Several Social Credit League supporters were surprised when I disputed their enthusiastic claim that Mr. Cracknell was the first Social Creditor ever elected to the New Zealand Parliament, pointing out that, for example, the late Captain Rushworth, a man with a most thorough grasp of Douglas's proposals, had sat in the New Zealand Parliament for a number of years, only to resign because he said he had come to realise the truth of Douglas's claim that nothing could be done inside Parliament unless the electorate was organised in a united demand for

specific results. On his record as I have studied it, I cannot see Mr. Cracknell doing what Captain Rushworth and others found impossible. This does not mean that Mr. Cracknell will not prove a useful Member of Parliament. But far more than this is required today in the life and death struggle with the forces destroying what remains of Western and Christian Civilisation.

### POST-WAR PERVERSION

Perversion, much of it unconscious, has dogged the Social Credit Movement from its inception. It was not surprising therefore that when the Social Credit League was formed in New Zealand 13 years ago, by members of the New Zealand Social Credit Association who believed that the political platform could be used to spread knowledge of Social Credit philosophy and policy, there was immediate evidence of a tendency to ignore or to misrepresent the teachings of the author of Social Credit, C. H. Douglas. However, at the first election contest entered by League candidates, in 1954, there was a major sensation when 11 percent of the electors voted for League candidates. This indicated that there still existed in New Zealand a significant number of electors who were dissatisfied with the policies of the National and Labour Parties, and who believed that some type of financial reform was essential. The vote for Social Credit League candidates resulted in the establishment of the New Zealand Royal Commission on Banking, clearly a type of diversionary move by the National Party, which also subsequently included a statement on monetary policy in its platform. This statement was reasonably sound as far as it went. But, needless to say, nothing has been done about it since.

The highlight of the Royal Commission was the open admission by the Chairman of the Associated Banks and the Chairman of the Reserve Bank, that most of the community's money supply was created in the form of financial credit by the banking system. Some of the evidence given by a representative of the Social Credit League merely reflected the faulty understanding of League policy makers on Social Credit policy or financial techniques. Needless to say, the Royal Commission's findings had no criticism to offer of existing basic financial and economic policies. This helped the National Government.

The 11 percent Social Credit League vote of 1954 was not sustained in subsequent elections, and at the 1963 elections, the total vote was between 7 and 8 percent, even though Mr. Cracknell was very nearly successful in his electorate. Mr. Cracknell's close success in 1963 undoubtedly helped to stimulate the League to continue on to the 1966 elections. Mr. Cracknell's election, the increased Social Credit League vote, could provide further stimulus for the next General Elections. The League could be assisted by the restrictive financial policies announced by the Government almost immediately after the last elections. Does this mean that New Zealand is moving towards Social Credit?

### MISREPRESENTING SOCIAL CREDIT

During my visit to New Zealand in August of last year I sat at a businessmen's luncheon in Christchurch with Mr. Wilfrid Owen, leader of the Social Credit League when it first burst upon the party political scene. A study of Mr. Owen's statements and writings reveal that, to take the most charitable view, he was not very familiar with the teachings of Douglas. However, even Mr. Owen, who is no longer with the League, expressed the opinion that the League was progressively adopting a semi-Socialistic policy. This is the view of the parent Social Credit organisation, the New Zealand Social Credit Association, which in a critical statement issued before the last elections, stated that "during the League's 12 years of political activity, their policy has so greatly diverged from this original intention that there is now little to distinguish it from a form of socialism which is diametrically opposed to Douglas Social Credit."

In formally dissociating itself from the "misrepresentation of Social Credit as is being put forward by the League," the Social Credit Association said that in official directives and public statements the League had rejected Douglas's A + B theorem, which is a formal proof of the fact that industry does not over any given period distribute sufficient purchasing power to meet the price of goods produced, advocated the use of Central Reserve Bank Credit for public works, a procedure which Douglas said "would be absolutely catastrophic," and had forbidden discussion of Social Credit technique within the League. It was also charged "Many of the proposals recently announced in League policy simply amounted to the issuing of handouts in various directions, thus making a political football of the public credit." All these charges are substantially true, although I have met both League candidates and supporters who have stayed in the League in an endeavour to maintain some adherence to genuine Social Credit principles. However, if by some miracle the League should come to power, there is no doubt that the results would confirm Douglas's warning about the danger of tying Social Credit to party politics. Already it is clear that the Social Credit League is attracting the opportunists who feel that they may be joining a bandwagon, which will take them to political positions and prestige. And there are certain to be the conscious agents of perversion.

The League's failure to present Social Credit financial policy is not only reflected by the type of semi-Socialistic policies advocated, but by the type of literature recommended for reading. Vincent C. Vickers's work, which Douglas specifically condemned as dangerously unsound, is advertised in the same way that it has been advertised by the Social Credit Party in Canada. Whatever is claimed for the monetary policies advocated by Vickers, they are not Social Credit and no person concerned with morality should present them as such. The truth is that there is comparatively little understanding of Douglas amongst League supporters. I was told of the

## BOOK NOW FOR ANNUAL DINNER

Those supporters who intend to attend this year's annual dinner, to be held in Melbourne on Friday, September 8, are requested to make their bookings as early as possible. In view of the overcrowding at last year's dinner, a policy has been adopted of giving "hard core" supporters first priority. The donation this year is \$4.00 per person and should be paid with the booking.

incident when one prominent official of the League upset some better-informed supporters by condemning Douglas as a Communist! A study of Douglas would show how the author of Social Credit saw in the 'thirties that it was unrealistic to get more than a very small number of electors understanding monetary techniques, and that every effort should be made to unite electors on a non-party basis to insist on specific results, leaving ways and means to experts. With the advent of the Second World War, and the intensification of worldwide revolutionary movements, Douglas warned that the strategy and tactics of Social Crediters must be shifted to deal with the changing situation.

### NO LEAD ON MAJOR ISSUES

When I arrived in New Zealand from Britain and Canada during the anti-Common Market campaign of 1962, I found prominent supporters of the New Zealand Social Credit League extremely hazy about the great significance of the move to get Britain into the European Economic Community. Here was an issue upon which one would have expected the League to give a national lead. During two visits last year I asked League supporters what lead the League was giving on the Rhodesian issue, only to learn that rank and file requests for a strong pro-Rhodesian policy were ignored by League leaders. Any party, which offers itself as competent to form a government, should have a clearly defined policy on the great issues of the day. Several Social Credit League supporters who attended my last public lecture in New Zealand said afterwards that they found the lecture on the Rhodesian issue most revealing, but also observed, "even though, of course, Mr. Butler's lecture had nothing to do with Social Credit." Rhodesia is, as I observed, at present a most significant aspect of a global conflict in which vast and growing concentrations of political and economic power is a major feature. Those who believe that this has no relationship to Social Credit are completely ignorant of Douglas's war and post-war writings. Mr. Cracknell refused to give any lead on the Rhodesian issue during the election campaign, event though he had heard a taped address of mine dealing with the issue in the context of global power politics.

### THE SOCIAL CREDIT ASSOCIATION

While the Social Credit League has progressively per-

verted Social Credit in an endeavour to obtain more votes, the parent organisation, the Social Credit Association, has attempted to uphold the integrity of Social Credit in the field of financial policy. In its quarterly magazine, *New Zealand Social Crediter*, a lot of space has been consistently devoted to ensuring that Social Credit financial proposals as enunciated by Douglas are presented to those interested. The Editor, Mr. W. B. Brockie, has maintained a very high standard in his articles on financial policy and technique. But up until recent issues I feel that there has been undue concentration upon financial technique to the exclusion of the more fundamental aspects of Social Credit *in the current situation*. Recent issues have shown a broader approach, with comments on international politics. It is essential, of course, that there always is a number of people who have a thorough grasp of financial technique, but every realist knows that it is extremely difficult to interest many people in Social Credit today by giving them a lecture on the A + B theorem. Just as predicted by Douglas, the progressive deficiency of purchasing power resulting from the progressive development of technology has been masked by policies of credit expansion, which are destroying stability and Civilisation. The basic problem confronting Social Crediters today is *primarily*, although not exclusively, one of politics.

Under existing conditions in New Zealand, the Social Credit Association is unfortunately rather ineffective in dealing with a situation, which concerns informed New Zealand Social Crediters, some of who are doing splendid work under difficult conditions. In an article in the second issue of the 1966 *New Zealand Social Crediter*, entitled "Electoral Campaign Undermined," Mr. Brockie mentions that while Social Credit was kept apart from party politics in New Zealand, and Douglas's strategy of non-party electoral pressure was followed, it was possible to get all types of organisations to at least discuss Social Credit policies. Now it is impossible to do this by any non-party organisation using the title of Social Credit because it is immediately suggested that any discussion will mean favouring one political party at the expense of other parties. An instance is quoted of a petition to a Council to consider an article on financial policy being rejected because it was allegedly "a veiled statement of part of a political policy" and "could not therefore be placed upon the Council table as evidence." Mr. Brockie comments that "Ironically, the evidence referred to, which is based solidly on Major Douglas's writings, was also rejected by the (Social Credit) Political League . . . " No comment is necessary.

### THE IMPORTANCE OF STRATEGY

The basic problem confronting genuine New Zealand Social Crediters is one of fostering the growth of a non-party political force, which will deal realistically with the issues in order of priority. Every competent Social Crediter knows that he must maintain an adequate base

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# RHODESIA AND MONARCHY

The exploitation of the Queen by Prime Minister Harold Wilson in his bitter campaign to destroy Rhodesia's sovereignty has naturally produced a strong reaction amongst many Rhodesians. Many have urged that Rhodesia should become a republic immediately, thus indicating to the whole world that Rhodesia has completely broken all ties with Britain. We believe this to be a shortsighted, even if understandable, attitude for Rhodesians to take. Mr. Eric Butler urged Rhodesians last year not to throw away valuable institutions merely because Socialist Harold Wilson was perverting these institutions.

The Rhodesia Candour League has rendered a valuable service to Rhodesians by circulating a most important article on Rhodesia and Monarchy by a friend of Rhodesia. We republish this article, not only for the interest of our readers, but because it contains some extremely valuable comment and information on the principle of Monarchy which we believe should be studied by the supporters of the Crown everywhere throughout the British nations.

The friends of Rhodesia have been greatly disturbed by the often-repeated statement that it is contemplated that Rhodesia will declare a republic. As a friend of Rhodesia, who has shown it throughout the current struggle, I want to exert all my efforts against what I consider to be a disastrous and mistaken course.

## SCOTLAND AND RHODESIA COMPARED

It is always wrong to base policy on emotion and the emotion of reaction. The Queen has been used by the British Prime Minister and so emotionally Rhodesians can have very little respect for the *Person* of the Monarch. Very well be that so; but the Rhodesians have no more grievance than have the Scots against the present Queen. Contrary to the facts of history, contrary to the law, as laid down in the Treaty of Union, she has insisted upon being called Elizabeth the Second, not only of England (which she is) but of Scotland (which she is not) and of Great Britain (which she is not either). Emotionally this is a very great insult, because it denies the Treaty of Union, rides roughshod over Scotland's entrenched rights, it is obnoxious to a people who are logical if nothing else, so that they feel they are telling a lie every time she is so designated, and finally it is a name which, in a queen, is abhorred in Scotland, as that of the murderess of Mary Queen of Scots. On top of that this queen insulted the whole of Scotland when she came after the Coronation to receive the Honours of Scotland (the oldest crown jewels in Europe, except for the Crown of St. Stephen of Hungary, against which those in London are quite modern) and, in St. Giles's Cathedral, arrived not in her coronation robes, but in an afternoon frock when everyone else was in ceremonial uniforms and robes. She invariably flies the *English* instead of the Scottish Royal Arms in Scotland, despite numerous letters of protest in the newspapers. Even as late as the opening of the great Tay Road Bridge, although living not far away at Balmoral Castle, she had not the time to open it, but any other similar bridge, such as the Severn Road Bridge in England, she had no difficulty in opening. The cases are innumerable in which the present Queen acts in a way that means she is entirely London-centred, and responsive

to English and not *British* thinking at all. This is mentioned so that Rhodesians may realize that Scotland has had one insult after another hurting to its pride, and it would be no exaggeration to say that quite a large section of opinion in Scotland does not feel much affection for the Queen as a consequence.

However, one has to distinguish between a monarch who may allow herself to be used by an astute politician and the symbol and legal power residing in the Crown as such. There have always been unfortunate monarchs, as well as brilliant and beneficent ones, but if every time a weak and poor one came to the throne we got rid of monarchy we would have been a republic a long time ago.

## THE MONARCHICAL PRINCIPLE

Now let me state at the outset that you cannot believe in a difference of racial ability, or the difference in certain fields between one individual and another, because of inherent differences of inheritance, and so by doing so, deny an egalitarian society, and quite rightly so, and at the same time deny a hierarchical structure to society, which means an ultimate monarchy. Equality is indivisible and if you repudiate a monarchy, then you have no grounds on which to have anything but an equalitarian society in which all men and all races are absolutely equal. Consequently, the concept of monarchy, and the system of society that goes with it, is organic, and it is nearer to the biological structure of man than is any form of republicanism. It was a great misfortune that for easily understood deep-seated nationalistic reasons South Africa felt impelled to discard the monarchical principle, as it threw away one of the justifications for just that type of society they are creating. The weakness this has created will not be seen now, but will become evident in the future. It is, therefore, essential that at this time Rhodesia should not make the same mistake.

## A REGENCY?

It was for this reason that I advocated, and I thought at one time my suggestion would be adopted, that if the relationship to Britain became intolerable for Rhodesia, because I foresaw that the Queen would be used as a

rubber stamp by the British Government, that Rhodesia should, if forced to do so, follow the example of Hungary before the war, and Spain now, and declare a Regency—which would have maintained the monarchical principle while at the same time declaring what is a fact, that the Queen is in a sense a captive, unable to listen to the advice of her Prime Ministers, but acting solely at the behest of the one in London. This would have left the way open, as a last resort, had the position become completely impossible in relation to the British Crown, to do as Norway and Greece did, and call for some other member of the legitimate Royal House of Britain to occupy the throne of Rhodesia.

If we come to the immediate problems and consider the declaration of a republic in all its aspects, we shall see that there are strong cogent reasons why it would not be an act of statesmanship, but merely a shortsighted political action moved by emotional reaction, which is the worst possible reason for doing anything.

One may judge the irrelevancy of the whole issue when one remembers the Prime Minister has said that if the United Nations adopted sanctions against Rhodesia this meant that Rhodesia was being turned out of the Commonwealth, and that meant that she automatically became a republic. But being a member of the Commonwealth has nothing to do with being a monarchy or a republic at all. Nearly all the Black States of the Commonwealth, and Pakistan and India, are republics, and owe no allegiance to the Crown at all. Membership of the Commonwealth is not coterminous with being a kingdom under the Crown. Therefore, this is no valid reason whatsoever for saying that Rhodesia has been forced to become a republic, since the whole of the present issue is something quite apart from the monarchy and the question of a republic is irrelevant.

#### **EFFECTS OF DECLARATION OF A REPUBLIC**

Let us, however, come to the serious consequences of such an act of stupendous folly and idiocy as the declaration of a republic.

First of all throughout the whole of the Commonwealth the people, except for a fascist fringe (who are by their very nature republicans, as they were in Italy, and as the Nazis were in Germany), the whole of the solid weight of conservatively-minded people who are the best friends of Rhodesia, who have formed Friends of Rhodesia societies, and who have run considerable risks personally, and made themselves the target of every sort of abuse, are monarchists to a man, and to every woman also. Indeed, several who have given money and support for Rhodesia have told me that the day Rhodesia declares herself a republic they will cease to work any further for her. It, therefore, seems the height of political shortsightedness to go out of your way to force many of your best friends to become neutrals in your struggle by attacking the very principles on which the whole of their conservatism rests, for something, which has nothing whatsoever to do with your struggle at all. It shows the

height of political immaturity to do such a thing, or even to contemplate it.

Secondly, at the moment we have a very simple situation. Sanctions, of a sort, are being exerted against you. If you hold on you will win through. The only possible danger is that a third party may become involved, and this may lead to military adventure against you. The danger can come from Communist sources, with white mercenaries being used against you.

If, however, such circumstances were to arise, Britain would be forced to move large forces into Zambia so that by her own action she could forestall powers unfriendly to the West taking over control. Should that happen you might very well have a British army to your north. The sanctions struggle is going to take several years to resolve itself before Rhodesia emerges victorious. There is plenty of time for such unfortunate and untoward events to happen. A wise commander takes care of every contingency, which may arise, and this is one, which must be guarded against—that of the danger of British military intervention in the end.

#### **MAKING ENEMIES UNNECESSARY**

Now, if it should be that such a situation which could occur (other things being equal) which would make British intervention possible, I have no doubt, that as things are *now*, it is very doubtful if the army would have any wish to fight Rhodesians, not only because they are their own kith and kin, but also because the Rhodesians are loyal fellow subjects, flying the Union Jack on all their public buildings. But should the Rhodesians have renounced their oaths of allegiance, and *in fact* become real rebels, and not technical rebels as at present, which no one treats as serious rebellion as it is, in ultimate, rebellion against the British Government, and not the Crown, then an entirely new situation would have been created. Faced with such a situation, I am sure, speaking as a soldier myself, and knowing the demand which an oath of loyalty makes upon a man, that the majority of the army (officers and men) would be compelled to honour their allegiance. They would invade Rhodesia and not refuse, in a vast number of cases, to carry out such an order. For they would no longer be being asked to fight their own kith and kin who were in a common loyal allegiance to the Crown. Be under no illusions, if you deliberately court such a danger, which as I have already said would be the height of folly, there could be no doubt as to the outcome of such an invasion, whatever the heroic sentiments Rhodesians might feel now before the event. In any case why put yourselves in the position of such jeopardy for something, which is irrelevant?

#### **STRAINING LOYALTY OF ARMED FORCES**

Next we come to your own internal situation. You will split your people, as there will be very many who may be prepared to support U.D.I, against London, who will not be prepared to support an act of rebellion against

the Crown. In so far as this occurs you weaken at once the strength of your own position.

It seems to me, also, that you run an enormous risk of many of your officers in the army and police seeing their duty differently than they do at the present time. They are presumably under oaths of loyalty, not to Mr. Smith, but to the Crown. They are in the position, if captured in war, of being tried and executed for high treason—and quite justifiably in military law as they have committed the greatest crime a soldier can commit. This must weigh with many, even if in the moment it occurred it did not, especially if a shooting war should start, which such a declaration of a republic in itself might very well help to precipitate.

#### AND LAW OFFICERS

Then, on top of that, no modern civilized state can operate without a rule of law, and that means a free judiciary, which in itself is an awkward thing, as it often means the judges will not support the government. Nevertheless, this is part of the type of society in which men remain free; and so whatever it may mean in difficulties to overcome for a government in putting its principles into operation, it is a price we must pay in order to retain our personal liberties as individuals. Thus far, whatever the difficulties, the Rhodesian Government has been able to find a *modus vivendi* with its judiciary, no matter how difficult that may have been to achieve, and in so far as that has occurred, the legality of the present government has been maintained. But, the day you declare a republic the judges must protest, and they must declare it illegal. So you destroy the great judicial and moral advantage, which you have had, not only internally, but also in the eyes of the world, of having been able to proceed on lines which are basically legal.

If you do these things, and if at the same time the sanctions being applied begin to become onerous (as well they might), then you will have produced an internal situation in which not only those who have been all the time against your government will continue to exist to work against it, but, round them will grow a party which will contain in its ranks many who up till now have been prepared to collaborate with U.D.I. If this should occur they could very likely force a situation in which, because of internal weaknesses, your government in the end would be forced to capitulate, and if that occurs it will be complete surrender, the terms dictated to a defeated enemy.

All these are cogent reasons why any statesman would not even contemplate at this time, whatever the emotional stresses to which he might be subjected, the declaration of a republic.

#### LONG-RANGE POLICY

There are, however, other very important reasons, which from the long-term point of view are of paramount importance. If we assume, as I do, that Rhodesia succeeds with the help of its friends everywhere in foiling the effect of sanctions, then we shall see a day when a treaty

honorable to Rhodesia will come into being. That day, it may be three or five years hence, will coincide with an outburst of rage from Zambia, Tanzania, and other so-called Commonwealth Republics. It will also coincide with a much greater integration of the U.K. with Europe than now, and one effect of that will already be that Britain's ties with her Black Client States will have become much looser than they are now. In addition, neither the U.S.A. nor the U.K. will have so much money to spend on them as now in aid. The consequences will be, because these Black States are so immature, they will break off relations with the U.K. and in fact take themselves off out of the Commonwealth altogether.

That will provide an opportunity for a new grouping to emerge, probably a confederal empire in which all the white nations of the former Commonwealth, including Ireland, will be able to come together to create a new purpose, union, and strength for all. In that association it will be necessary to associate South Africa. But, that country having in my opinion, made the long-term mistake of becoming a republic (although the short-term gains are apparent) it cannot be brought into such an organization. Such states as Canada would take the opportunity of saying that as it was not a monarchy it did not comply with the conditions. On the other hand if Rhodesia is a kingdom under the same crown, Rhodesia can make the special plea that it is essential for Rhodesia, land-locked and economically dependent upon South Africa, to have that country in that new grouping of power. This will be an absolutely valid claim, and irresistible. In that event South Africa will be able to be associated with the development—which, in itself might be linked with a greater grouping in some form of loose association with the European powers.

However, if Rhodesia declares herself a republic she is out of consideration from the start, and there will be no obvious device whereby South Africa could be brought into the new alignments. The consequence would be that South Africa and Rhodesia would remain dangerously isolated, a prey to any aggression from the Communist world which might be mounted at an opportune time, and the Canadian, Australian, New Zealand, United Kingdom, Irish and Malta association which would have arisen would be weakened by the additional strength which South Africa would have added to it.

#### NEW WHITE COMMONWEALTH

If such a new arrangement under the Crown, and in association with it (perhaps indirectly in the case of Ireland and South Africa through other linking states, the U.K. in the former case and Rhodesia in the latter) can be created, one could expect a change in the general trend of policy in the White Commonwealth countries from that which has prevailed since the last war, which has bedevilled southern African affairs—namely the need to placate the Black States of the Commonwealth. For the new association will be a homogenous one, of the much derided "kith and kin."

Rhodesia, therefore, it will be seen has a key role to play in helping to create a new order of things in which her position under the Crown is essential to be preserved.

Finally, the weakness of the present Queen is that in effect she is being compelled to accept the advice of one Prime Minister only—and he is the opponent of Rhodesia. But when all this problem is settled, as it will be in the end if Rhodesians pursue a calm and logical course and do not allow themselves to be entrapped into emotional irrelevancies such as declaring a republic, then one of the terms which Rhodesia should insist upon is that the Queen is the actual Queen of Rhodesia, and in all Rhodesian affairs she accepts only the advice of her Rhodesian Prune Minister. Secondly, as the crowning glory of your position, Her Majesty can be invited to Rhodesia to be crowned in Salisbury with a Crown of Rhodesian gold as Elizabeth the First of Rhodesia. This would set the seal upon all your endeavours, and at the same time administer a rebuke to both the British Prime Minister and the advisers of the Queen who have been so irresponsible in bringing the Crown into a dispute between two of Her Majesty's governments.

#### **RETENTION OF CROWN TO RHODESIA'S ADVANTAGE**

Thus every logical reason lies in the retention of the Crown. Its repudiation will do more than any single act to ensure your own defeat.

The motive behind the proposal is merely blind emotionalism, with the suggestion of tit for tat—"The Queen has done this to us. We will do that to her!" These reactions, while understandable, are childish; and if carried out will show such a lack of maturity that the world may well wonder if the white population has the inherent wisdom to have the control of the destiny of the country.

#### **INDUSTRIAL EXPANSION FOR WHAT PURPOSE? By G. K. TAVENDER**

Dr. B. R. Davidson is a senior lecturer in agricultural economics at Sydney University. According to a report in "The Australian," 11/3/1967, he told a meeting of journalists that, economically, "subsidies are a complete waste of money; but from a social or political standpoint, they may not be." If our aim is economic, he said, the money spent on the dairy, sugar, cotton, and other industries, could be better spent on industries, which would show a profit. "The best solution is to take our resources out of the dairy industry, which does not pay, and put it into wheat and sheep industries, which do." (This "solution," presumably goes for sugar, cotton, etc.)

We do not go all the way with Dr. Davidson, far from it; but we do welcome his statement, as a bombshell, which may start a controversy and shock the "authorities" into heeding the reasoned case against the colossal wastage involved in the "expansion for expansion's sake" policy.

Why industrial expansion? There is only one natural

reason: to supply increasing needs for which consumers are able to pay. This last, ability to buy, requires that Australians collectively receive purchasing power as fast as commodities, as reflected by prices, flow from the industrial system. If they did, they would make their purchases as fast as they needed the goods. A demand greater than supply in any section would be the natural call for expansion of production. Lagging sales would indicate adequacy, or, if very pronounced, genuine, over-production. The people still need to receive purchasing power for the surplus, otherwise they will not be able to buy the imports of similar value.

Although the banking system, from which all "claims to goods" originate, has developed into a marvellous mechanism, Governmental controllers of policy do not permit the simple adjustment for balancing the respective flows of money and goods. Until this is done, it would merely worsen the chaos to "scrub" subsidies, as Dr. Davidson advocates.

He seems to hold to the fallacious "commodity theory" of money which invariably breeds error in economic concepts. If putting our dairying resources into wheat and wool means anything, it must be—moving cows, plant, etc., to wheat and sheep properties. How can that solve the problem? "Rats," he might reply, "any fool can see that I meant, convert the resources into money." Well, since dairying is to be scrubbed, would any fool buy the scrapped resources?

Furthermore, is he not aware that wheat is "profitable" because it IS subsidized, and that wool is on the borderline, a bigger total of production being discounted by an average price drop of about 30 cents a pound? This is because overseas consumers also lack sufficiency of money in relation to legitimate price volume.

Australia is in the best position to give priority to establishment of correct relationship between costs, prices, and purchasing power. Solving our own problem would show the rest of the world, including the U.S.A., how to solve theirs.

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of economic and political freedom from which to defend himself. But if he concentrates on this to the point where he ignores what is happening elsewhere, he will eventually find that he has been completely isolated as an island of freedom in a sea of complete tyranny. His end will then be inevitable. Strategy is today a question of top priority. A realistic strategy will not automatically produce realistic tactics, but it is the first essential. In spite of the subverting influences of the Welfare State, the basic character of the New Zealand people has remained comparatively healthy. I find encouraging signs of a revulsion against the Welfare State amongst even younger people. There is no doubt about the strong, if largely latent support for Rhodesia. I find that the deeper aspects of World Conspiracy can be more readily discussed in New Zealand, and that, as witnessed by the last General Elections, there is a growing proportion of the community, which is not afraid of unorthodoxy. All this suggests that a well-based national non-party organisation divorced completely from the labels used by existing

organisations, could polarise a growing ferment into a decisive force. A large number asked me during my recent visit of the type of organisation operated by the Australian League of Rights. Already many are supporting the League, and, if the potential in New Zealand is to be realised, some type of similar body is necessary. It already exists in an embryo state.

The situation of the 'sixties is not the situation of the 'thirties. But it may be that New Zealanders today are on the eve of making a vital contribution to the struggle against the forces of International Conspiracy and Revolution. However, as in the 'thirties, the main danger is one of perversion. It would be the greatest tragedy in the history of Social Credit if a Party calling itself Social Credit were elected in New Zealand, only to force New Zealand more along the Socialist road. A great responsibility rests on genuine New Zealand Social Crediters at this critical time.

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