

THE NEW TIMES

Registered at the G.P.O. Melbourne for transmission by post as a newspaper.

\$4.00 per annum post-free. Box 1226L, G.P.O. Melbourne.

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

Vol. 36. No. 1

JANUARY 1970

EDITORIAL

ARE WE ENTERING THE LAST TEN-YEAR ROUND?

DEDICATED MINORITY VERSUS MANIPULATED MASS

If Civilisation has any real prospect of surviving the growing convulsions threatening it, it will only be because a small, dedicated minority of individuals has held fast to those truths which, effectively applied, offer the only hope of salvation in the short time that is left to avert the long night of a new Dark Age; a Dark Age more dreadful than any ever experienced in the past because it would enable awful power, backed by technology, to be used to de-humanise the individual as never before.

In broad outlines, the present plight of Western Civilisation is not unlike that of the latter stages of the Roman Civilisation. It was not the barbarians pressing from the outside who were responsible for the Roman collapse; it was the collapse from within. There was the excessive centralisation of all power, the heavy taxation and associated monetary inflation, the destruction of the independent peasantry and the independent businessman. The Rule of Law, which was Rome's distinctive contribution to Western Civilisation, was replaced by bureaucratic despotism. Even Government price control was attempted. The city mobs were given bread and circuses. There was a moral collapse at the top. As the rot deepened at the centre, so were the Roman legions brought home. The barbarians pressed forward.

At the turn of this century, the British Empire was the major stabilising force and influence in the world-wide dominating role of Western Civilisation. Two World Wars, which the British allegedly won, and the Great Depression, saw the British Empire still surviving, and in 1945 there appeared to be no reason why the British should not continue as a major force. But the rot was being fostered inside. Socialist propaganda plus financial manipulation has progressively eroded the old will and strength. Although Britain and the old Crown Dominions have between them enormous natural resources, an industrial complex without peers, and a people whose skills and resourcefulness are still as great as ever, it is constantly claimed that they "cannot afford" to make other than a declining contribution to defence against the modern barbarians, the Marxist-Leninists. As the British bring their legions home, the Marxist-Leninist barbarians advance. They are not merely at the gates; their agents have over the years firmly established themselves inside the gates. The situation is perilous in the

extreme. But it is not hopeless, in spite of appearances to the contrary.

Life Out Of Decay

Some time ago the well-known British commentator, Malcolm Muggeridge, was engaged in a TV debate in London with a typical product of that sophisticated group of pseudo-intellectuals who brush aside with lofty disdain any suggestion that Civilisation is threatened with decay and collapse. Muggeridge's opponent stressed the obvious "progress" all around, man performing wonderful surgical operations and penetrating into space. Muggeridge finally observed something along the following lines: "If you and I could be taken back nearly two thousand years in time we could be having this same conversation on a Roman sidewalk in the same way that we are talking in London. You would be talking just as you are now, assuring me that it was silly to talk of the collapse of the Roman Civilisation. You would be pointing to the same things you are pointing to now: man's growing material achievements. But of course we know that you would have been wrong and I would have been right. A feverish spate of material activity can mask the rotting of the basis of a civilisation, its undergirding principles."

Muggeridge then went on to say that while the rot at the centre of the Roman Civilisation was growing, and final collapse loomed closer, something of the greatest historical significance was taking place in one of the obscure outposts of that dying civilisation. A man who claimed to be the Son of God was preaching a new revelation for Mankind. The movement known as Christianity was being born. This movement took root amidst the decay of the Roman Civilisation and eventually was the great motivating force, which produced Western Civilisation. Clearly a new growth of civilisation

requires a re-generation of those truths which Christianity gave to the world, and their application to man's situation today. The retreat from freedom and the submergence of the individual into the manipulated mass is a retreat from practical Christianity. The ever-increasing momentum of centralisation is driving man to a hell on earth.

Thanks to the dedication of that small minority over the years, there is a body of knowledge concerning what has to be done to save mankind from the abyss. No genuine decentralisation of power and the progressive control by the individual over his own associations is possible without decentralisation of financial credit into the hands of individuals. One of the major contributions, which the League of Rights has made in recent years, is to evolve a Social Dynamics training course to produce sufficient number of Social Engineers who can show individuals how through correct associations, they can free themselves from centralised power. Some of the notes of this Social Dynamics School will be found in this issue of *The New Times*. They will be available shortly in book form. Unless the Western nations like Australia can reverse the financial, economic and political policies of centralisation within the next decade, there is no reasonable hope of averting defeat at the hands of the modern barbarians. Right around the English-speaking world, The League of Rights and its associates have successfully developed and held a thin line of defence based upon

knowledge translated into appropriate organisation. This is the line from which the counter-offensive must be developed.

A Decisive Decade

The rate of the Communist advance globally since 1945 is now a matter of irrefutable history, and can be graphically demonstrated on a map of the world. But it is not so easy to demonstrate the rate of decay that has taken place inside the Western nations. However, it has been real and devastating. No realist can dispute the lack of will in the West to stand firm against increasing Communist strategy, and to take the necessary financial and economic steps to start forcing the Marxist-Leninists on to the defensive. The general situation may be summed up by saying that if the Marxist-Leninist advance continues over the next ten years at the same rate of advance over the past twenty-five, and the decay inside the Western nations continues at the same rate as has taken place over the past period, by 1980 the West will have reached the point of no return. 1984 will then only be four years away! The coming decade then, could be the most decisive in man's history. This is the momentous challenge before that small minority who know what to do and how to do it. If they fail, the night will fall. If they can turn the tide, then out of the present state of the world will start to emerge the greatest civilisation that man has yet produced.

DEBT AND INFLATION STEPS TO WORLD STATE

The following is one of the most important sections of the notes being used by The League of Rights in its Social Dynamics Course.

No sensible person offers any opinions on any type of system until he first understands how it works, or is supposed to work. Mechanical engineers are capable of correcting faults in motors because they understand the principles upon which they operate. A trained Social Engineer must have at least a general grasp of how the present finance-economic system operates before he can offer realistic advice for how to make it operate satisfactorily on behalf of the individual.

The basic feature of industry is that there is a constant flow of two streams, the first being a stream of goods with prices attached to them, and the second being a stream of wages and salaries. As industry generally finances its operations out of loan finance produced by the banking system, in theory industry should distribute sufficient purchasing power to meet at the retail counter the prices of the goods produced, so that the loan finance can be repaid. The following excellent outline of how the present finance-economic systems operates is provided in a *Report on Post-War Reconstruction Policies*, issued by the Vancouver (Canada) Board of Trade:

"In order to assess the merits or otherwise of the manner in which our present monetary system operates it is necessary to consider its place and function within the national economy. For instance, reference has been made earlier to the primary function of the monetary system as being "an economic voting mechanism" while this may be readily conceded, its full significance cannot be appreciated unless this comparatively novel concept is related to the accepted ideas of finance ... how can the production of ... goods be organised under a system which will give the individual the greatest possible scope for freely associating with others in the common effort, how will a correct accounting be kept of the goods produced, and how will their distribution on an equitable basis be organised?

. . . these important functions come within the scope of the monetary system . . . money is essentially a generally accepted claim to goods and services. It is a ticket system, which entitles the holder to obtain the goods, and services he wants from the supply available for distribution

"This means that money can be issued only against goods and services: further, that the money must be

related to such goods and services both in regard to the number of 'money tickets' issued and the relative relation of each ticket to the different types of goods and services

. . . The system which has been evolved and which is in use at present is basically sound. In order to induce individuals to co-operate in the production of goods, money is created and issued to them as incomes for their services. The sum total of all money paid out in all stages of the production of an article constitutes its cost. In this way units of money are related to goods and the other material wealth of a community.

Thus the individual is provided with an inducement to join in the co-operative effort of production, being left free as to what part he takes in this according to ability and so forth. As prices are created in the process of production, so an accurate record can be kept. The individual then has a claim on any of the available goods and services he may choose . . .

"From the foregoing, it will be plain that money should be issued as goods are produced, and it should be withdrawn as goods are consumed, for it would be a falsification of the records if 'tickets to goods' were in the hands of the people when the goods were no longer in existence.

"The efficacy and simplicity of such an arrangement in the organisation of a democracy would be valid provided that—

- (a) The amount of money issued to finance production was controlled by the extent to which the people wished to use their productive resources (their real credit) in supplying themselves with the goods and services they wanted;
- (b) the total amount of money in the hands of the people at any time was sufficient to enable them to buy all the available goods and services."

The important question to be discussed now is "Does industry distribute sufficient purchasing power over any given period to meet the prices of the goods produced?" Like a number of business organisations, which have examined this question, organisations like the London Chamber of Commerce and the Southampton Chamber of Commerce, the Vancouver Board of Trade pointed out that "the system generates a chronic and increasing shortage of purchasing power in relation to the prices of goods coming on the market".

Major Factors Causing Deficiency Of Purchasing Power

The system would only operate if total prices represented total wages and salaries paid. But even assuming that total wages and salaries equalled total prices, it is elementary that if some of the wages and salaries are saved, there will be an immediate deficiency. For example, if \$200 of wages and salaries are issued against \$200 of prices, and \$50 of the wages and salaries are

saved, then it is obvious that \$50 worth of goods must remain unsold. If the \$50 is brought back into circulation by the investment in some new capital production, then this means that when this capital unit starts producing consumer goods, it will have to try to recover this \$50 through prices. Theoretically it is possible for one unit of money to be used to generate a number of costs for which there are no equivalent money units. The use of savings to finance new production is a contributing factor to the deficiency of purchasing power.

Everyone responsible for operating an industry knows that he has far more than wage costs. He must allocate a charge for interest on the money he has borrowed. Every industry, irrespective of size, must allocate charges for the depreciation of plant and equipment. As industry develops towards near-automation, depreciation charges become progressively greater in relationship to wage costs. But these plant-charges are not income for anyone. It is the same with profits, which, of course, every industry is entitled to make.

And finally there is taxation. Industry legitimately regards it as a cost, which it attempts to recover through prices, helping to force them up. Taxation levied on incomes has the direct effect of reducing purchasing power. An enormous proportion of taxation, including municipal rates, is used merely to repay mounting debts and is cancelled out of existence. The flaw in present financial rules, and the exploitation of that plan by power-lusters, is one of the most explosive factors threatening civilisation today.

Growing Mountain Of Debt

The immediate reaction of many to the above is that it cannot possibly be true, because this would mean a growing mountain of unsold goods. But in place of the unsold mountain of goods there is another mountain: **one of rapidly expanding financial debt!** It is beyond dispute that the flood of production for sale in the retail stores can only be removed by increasing resort to various forms of credit buying. Unable to buy what they have produced out of their current wages and salaries, individuals in modern communities are compelled to mortgage their future incomes by borrowing against them. Most of the finance for credit buying schemes must originally originate with the banking system. All these schemes operate at high rates of interest and contribute towards inflation. Any finance provided to lending organisations for credit buying by genuine savings, merely aggravates the problem of the deficiency of purchasing power as already explained.

But as credit-buying schemes do not of themselves solve the problem of a deficiency of purchasing power, other policies are also adopted. There is growing stress upon the necessity for increased capital production, irrespective of whether any great expansion is necessary to

produce required consumer goods. The only realistic purpose of building more industrial plant, more power units, or more water schemes, is because they are genuinely necessary to produce required consumer goods. Financed directly or indirectly out of new interest-bearing debts created by the banking system, capital works do increase the amount of money in the hands of consumers without, **at the same time**, increasing the supply of consumer goods for sale. But as production is a continuous process, and new capital equipment does eventually produce goods for sale, into the price of these goods must be charged all the costs incurred. The result is that the rate of capital expansion must be progressively increased in order to attempt to avert a major breakdown in the economy. At one time all Socialists insisted that industry does distribute adequate purchasing power to buy its own production, and that the problem was that the "greedy rich" had too much purchasing power, leaving insufficient for others. The solution was therefore to use the power of government to take from the rich and to give to those with insufficient purchasing power. While this argument is still often used, generally for crude propaganda purposes. Keynesian (Fabian Socialist) financial and economic teachings stress the importance of financial "pump-priming" by governments to make the economy work. This means increasing governmental activities, with a progressive undermining of the private enterprise system as it becomes directly and indirectly dependent upon government-financed activities to survive. Keynesian financial and economic teachings dominate in most Western universities today, and in practice are a major contribution to the worldwide Marxist advance, as shown in *The Fabian Socialist Contribution To The Communist Advance*.

The Reality Of The "Favourable Trade Balance"

Examined in the context of current international power politics, one of the most disastrous aspects of the flaw in the financial rules of modern nations is the intense drive for export markets under the dogma of achieving "a favourable balance of trade". The drive for export markets is further evidence of the deficiency of purchasing power in any modern country to meet the prices of total production. The "favourable balance of trade" simply means that a nation sends more production out of the country than it receives in exchange. Any boy who plays marbles knows that if he "swaps" ten marbles for six marbles, he has suffered a loss of four marbles. But when he grows up and studies modern economics, he becomes convinced that when a nation exports ten units of production and only receives back six units of production, this is a highly desirable situation! The true purpose of international trade should, of course, be simply an exchange of real surpluses between nations to their common advantage. But a drive for export markets in order to help solve domestic problems, can only lead to increasing disasters.

Obviously not all nations can have a "favourable

balance of trade"; some must have an "unfavourable balance". The unnatural fight for export markets brings the nations of the non-Communist world into increasing friction with one another as they impose tariff and other restrictions against one another. Confirming the famous prediction of Lenin, the non-Communist nations compete with one another to send increasing exports to the Communist nations. Lenin prophesied that the time would come when the "capitalist" nations would be competing to supply the Soviet Union with production, and that they would also provide the loan credits. A number of studies have shown how nations like the U.S.A., Britain, Canada and Australia have financed enormous production to the Communists. In this way they attempt to overcome their own internal deficiency of purchasing power. The Communists are delighted. Only a mesmerised people would agree to sending more production out of their country than they receive back in imports, and use the finance issued against the "favourable balance" **to help buy the production left in their country**, and believe that this is a sane thing to do.

It is true that prosperity does appear to accompany "a favourable balance of trade". This was true, for example, during the Second World War, when nations like Australia and Canada mounted a tremendous "export drive". Suddenly the shortage of finance associated with the Great Depression was overcome. Thousands of millions of new credits were made available—as an interest-bearing debt—through the banking system to ensure that there was total production. But an enormous amount of this production, in the form of bombs and shells, was being "exported" to the Germans, Italians and Japanese! This "export" drive was, of course, essential, for military victory, but it did distribute purchasing power which otherwise would have been unobtainable. Comparative prosperity replaced depression conditions.

Soon after the Americans started competing with the Soviet Union in the space programmes, two American economists seriously suggested that the main virtue of America's space programme was not only the possible technological "fall out", but the offer of an unlimited export market! Realistically, this meant that the American community could "export" enormous quantities of their production into outer space without anyone trying to send anything back. Increased financial incomes can be distributed against the "exports" into outer space and used to help buy production for sale in the U.S.A.

Inflation and Centralisation

The present finance-economic policy can only operate with an ever-increasing mountain of debt, expanding capital production, irrespective of whether required or not, and "export drives". One of the major results of this policy is progressive inflation. The propaganda slogan has it that "Inflation is the price which must be paid for

progress". And of course increased wages are blamed as a major cause of inflation.

The structure of civilisation is undergoing major revolutionary changes under the pressure of the present finance-economic policy. Rising financial costs, of which heavy taxation is a major feature, are the basic cause of a disastrous centralisation of power in all spheres. Even though in most cases, smaller and medium-sized businesses are more genuinely efficient than bigger businesses, they have been steadily driven out of existence or into amalgamations. The "take-over" business has become a way of life. Ethics have become a thing of the past in many spheres of business. The struggle for power brings out the worst in the individual. Monopoly is developing across national boundaries. Now the rural communities of the non-Communist world are under heavy attack. These nurseries of the best virtues of civilisation are being ruthlessly pressurized to submit to the gospel of "getting bigger or getting out". Farming as a way of life is being derided. As the rural communities are driven into the swollen big cities, this in turn helps to produce increasing social as well as economic problems, which are the inevitable result of an over-concentration of human beings.

There is growing economic as well as human sabotage. Quantity, not quality, is the new gospel. No longer is production made to last. There is "built-in obsolescence" so that washing machines, motorcars and electric light globes only have a limited life. It is a far cry from the days of the first Henry Ford, who said that the aim of the car manufacturer should be to produce a motorcar, which would last the owner a lifetime. Today there are instead "the waste-makers". Modern advertising has become a type of excrescence, which seeks, not to inform, but to stimulate an artificial demand with propaganda, which in many cases is blatantly dishonest. Growing financial and economic centralisation is used to justify political centralisation. Municipalities are urged to amalgamate because small political units are "uneconomic". The reality is that they cannot stand the pressure of debt and inflation. Most of their rates are used merely to service debt. State and Provincial Governments everywhere are slowly being strangled by the same process. Centralisation in Government intensifies the growth of the bureaucratic army of occupation, whose directors are in fact the real policy-makers in modern communities. Members of Parliament provide a "democratic" facade behind which the real policy-makers legally operate. Hundreds of thousands are engaged in useless, soul-destroying activities such as putting marks on pieces of paper to record how many as others are also putting marks on pieces of paper. Trade Unionists are encouraged to believe that the "capitalist" employer is the natural enemy, and that the less work done the longer the work takes, which distributes financial incomes, the better. The so-called shorter working week is a joke, with many taking two jobs to maintain incomes progressively eroded by

inflation, and with their wives being driven from the home into factories and offices to supplement the family income. Juvenile delinquency increases. Numerous techniques of escapism become more and more prevalent. A sick type of culture reflects the growing decay. The individual feels that he no longer counts, that he has no real control over his own destiny.

Not only is centralisation making its destructive progress inside nations; the amalgamation of nations is being advocated. The "Common Market" in Western Europe is the prototype. Once again the drive for centralisation stems from the insistence that the present finance-economic policies demand progressively bigger units. The fact that the "Common Market"—The European Economic Community—has solved no real problems, but has produced many new ones, does not deter those who claim that problems can be solved by making them bigger. All of this stems from a false philosophy. Rather than repent, those projecting this philosophy seek to use each new problem their policies produce, to further policies rooted in the same philosophy. The end result of the policy of progressive centralisation is, of course, the World State. Irrespective of what label is used to describe such a World State, in reality it must be a World Dictatorship, with power in the hands of the permanent international bureaucracy. Already the foundations of this world tyranny have been established with the creation of the "United Nations Organisation and its associated international organisations, The Food and Agricultural Organisation (FAO), The United Nations Educational Organisation (UNESCO). The World Bank and The International Monetary Fund.

INTERESTING FIGURES

The Melbourne *Sun* of November 27 quoted the deputy secretary of the Victorian Employers' Federation, Mr. I. O. Spicer, as saying that as a result of the two-day strike of S.E.C. workers in Victoria, at least 300,000 workers would be affected, losing approximately \$8 million in wages. But Mr. Spicer also said that industry would lose \$25 million in production. If these figures are correct, and there is every evidence that they are, then over two days 300,000 workers help to produce production valued at \$25 million. But only \$8 million are paid out in wages. Prices are therefore being generated at approximately three times the rate that wages are being distributed. Here we see striking confirmation of the truth that industry cannot, and does not over any given period, distribute sufficient purchasing power in the form of wages, salaries and dividends to meet the prices of goods produced. Thus the urgent necessity for more capital production, irrespective of whether needed or not, "export drives" and numerous forms of industrial sabotage often described as "built-in obsolescence".

FLUORIDATE? FIRST WEIGH THE FACTS

Those highly organised forces promoting internationally the policy of compulsory mass medication known as fluoridation of public water supplies are relentless in their campaigning. As strong pressures are being again applied to the Victorian Liberal Government to change its policy, the following article by a Canadian doctor will prove most valuable for use before the coming Victorian State Elections.

Dr. K. A. Baird, a contributing editor to the medical journal "Canadian Doctor", writes as follows in the July 1969, issue of this journal.

Many thought thalidomide was safe. It wasn't!

Before you let your M.D. be used to support fluoridation of drinking water as safe for everybody, should you not be able to answer the following questions affirmatively:

Have I read one scientific article about **medical** aspects of fluoridation? Do proponents of this mass medication have all the known facts? Have they done any real research on possible harmful effects?

According to many prominent scientists, biochemists, enzymologists, medical doctors and dentists, the answer is NO. They have evidence that fluoridation of public water supplies is wrong. In 1966 about 200 such persons in London signed a letter, one paragraph of which stated: "It is our opinion that published research has shown clearly that the toxic effects of fluorides, even in trace quantities, are such that fluoridated drinking water may be harmful, or even dangerous, to many people, particularly in its long term effects, which have not been sufficiently investigated, and that it is therefore quite wrong to force everyone to consume artificially fluoridated water."

They suggested that children could be given measured individual doses, on medical prescription only. Other groups report similarly. For example: the International Society for Research on Nutrition and Vital Substances and Diseases of Civilization which has members from 76 countries, including six Nobel Prize winners, and a scientific council of 400 distinguished members, and is totally independent of government, industry, or special interest groups. In 1967 and again in 1968 this group's resolution 39 recommends that all governments "should refrain from fluoridating drinking water, which measure is actually a medication, as long as the scientific aspects of this problem are not satisfactorily clarified."

Hundreds of scientific reports show fluoride as a selective and cumulative poison. Notes on only a few follow.

Eight drug companies warn that their tablets (containing one mg. of fluoride) can cause skin, stomach, bowel and nervous disorders, headache, vomiting, eczema, atopic dermatitis, urticaria, and delayed eruption of teeth. The F.D.A. in the United States allows these to be dispensed only by prescription. Fourteen years of controlled study showed one percent of cases had one or more of the above disorders (Feltman and Kosel).

Nobel Prize winner, Dr. Theorell, alone persuaded the Swedish Imperial Diet to make fluoridation illegal, by telling what he knew about its damage to enzymes. In

1964 Denmark banned artificial fluoridation and prohibited sale of food, drink, or cosmetic to which fluoride has been added.

Increased incidence of mongoloid births in fluoridated communities (Rapaport) has been corroborated by French workers.

Acceleration of transplanted tumor growth in mice by minute quantities of fluoride has been noted (Taylor, 1966).

A time-lapse film is available showing damage to animal cells caused by one part fluoride in 20 million.

Use of fluoridated, Ottawa city water in artificial kidney machines was accompanied by certain bone diseases, spontaneous fractures, weak muscles, nerve irritation and a vague metabolic disorder (Posen, January, 1969). Improvement was prompt when fluoride-free water was used. Similar observations by Taves (Rochester, 1965). These illustrate the cumulative tendency of fluoride.

Mouth ulcers from fluoridated water and toothpastes, were found (Douglas, Shea, and others using controlled tests).

Blood in stool, gastric hemorrhage, gastritis and spastic bowel due to fluoride ingestion (Shea, Gillespie, Waldbott, Frada, Montesana, and others).

Investigators have also shown; urine may show only relatively small amounts of fluoride in persons very ill from fluorosis. It accumulates in bones and soft tissues. Less than 40 pp billion of fluoride in the air can cause illness within a few months in persons exposed to emanation from factories. Fluoride gas enters green leaves of all growing plants and may build up to 1000 ppm. Biological life near aluminium and phosphate factories is usually adversely affected.

Superintendents of waterworks have reported increased corrosion of water mains, hot water tanks, etc., from fluoride and have stated that fluoride fluctuates greatly in the lines. The average person in a fluoridated city takes in two to five mg. of fluoride per day, not just one (Rose and Marier, Ottawa). Persons with polydipsia and manual labourers get much more. But even many fluoridationists recognize that two mg. is toxic. Excessive thirst from fluoridated water causes some to drink even more.

Medical dental associations have done no scientific research whatever into the effects of fluorides on the human body such as toxicology or allergenicity. An official of the American Medical Association has so stated.

Professor H. A. Schweigart, president of the International Society for Research on Civilization Diseases

and Vital Substances, seems to have summed the matter up in an article in April, 1969. "Apart from progressive fluorosis," he said, "an exact diagnosis of damage introduced by fluoride, is very difficult to make because the effects of the damage are mostly uncharacteristic, for example: recurrent headache, stiffness and pain in the lower vertebral column, severe fatigue, stomach and intestinal disturbances, dryness of the throat with excessive thirst, minor injuries in the mucous tissue, various manifestations of the skin, irritation of the bladder, loss of memory and mental acuity, visual disturbances caused by changes of the retina, damage of the kidneys, variety of allergic reactions, hypoplasia of the dental enamel (irreversible damage of the enamel).

"Uncharacteristic indispositions and diseases are especially dangerous because they involve a permanent injury to the power of resistance of the organism which depends on undisturbed enzymatic processes. In spite of clear evidence of this lasting injury to the vital system of the organism by fluoride in trace concentrations, quite apart from ignorance of long-term damage, wide circles of doctors and dentists—even organizations for nutritional science—unwisely demand, now as before, the fluoridation of drinking water."

BROAD PRINCIPLES FOR RE-GENERATING SOCIETY

We are sometimes charged with being "negative" and not outlining any "positive" policies. The following outline of general principles in the League of Rights' Social Engineering Course makes constructive suggestions, which we strongly approve.

The first essential is that the individual members of the association called society have a clear understanding of the realistic purpose of government. It is not only a type of General Committee, but can be described as a Board of Directors representing the interests of shareholders in an association from which, as has been demonstrated, they can legitimately expect to obtain dividends. The amount and the method of distributing the dividends is a question of policy, to be determined by the shareholders in association with their government representatives. But policy must be based upon the same type of information, which a Board of Directors of a Company is required by law to provide for shareholders. Any Board of Directors, which provided their shareholders with the type of financial information provided by governments, would find themselves in the Courts charged with failure to discharge their proper responsibilities.

As the real credit of a Society is its productive capacity, and, as has been demonstrated, is increasingly based upon a cultural heritage, which includes the principles of complex associations which make available to man unlimited sources of energy, a non-political organisation, which

might be termed the National Credit Authority, is essential to make available all the relevant information concerning a Society's real credit. This Authority would bear the same relationship to Government, as does the Accountancy Branch of a business to the Board of Directors. One of the major responsibilities of a National Credit Authority would be to provide regularly a National Balance Sheet. All the relevant data is readily available, much of it already provided by Government Statisticians, and with modern computers could be continuously processed without any difficulty as the basis for financial policies serving the true purposes of the individual member of Society. A realistic National Balance Sheet would indicate in financial terms the real profit of a Society.

National Profit

A National Balance Sheet would show on one side the figures of Total National Production and on the other side Total National Consumption. Total Consumption includes goods and services consumed, goods exported, depreciation, and wastage of population (human wealth) by deaths and emigration. Total Production includes goods and services produced, all goods imported, capital appreciation, all gains in births and immigration.

The relevant figures would indicate whether a profit or a loss had been made over any given period. In modern nations like Australia and Canada, the annual profit is enormous. The item of national appreciation would show the tremendous expansion of industrial plant, the building of roads, bridges, harbours and other real assets. A realistic balance sheet must include human beings. It is elementary that a Society, which lost all its population, would cease to exist. Every new human being in a Society must be regarded as an asset, eventually, after obtaining an education, increasing still further the increment of association and the real profit of Society.

No drastic changes are necessary to start implementing, step-by-step, financial policies reflecting economic realities. The trading banks would continue operating their most efficient system in exactly the same way as they do now, but on the clear understanding that they would be doing the financial book-keeping for the community against the community's real credit, and would be entitled to charge only a legitimate profit for their services. It has been estimated that something less than two per cent would be quite adequate. They could be licensed with the National Credit Authority and credit policy based solely on the requirements and real credit of the community with no further nonsense about "cash reserves". The trading banks could compete to serve producers and business organisations as they do at present. They would be genuine service organisations and no longer instruments used for progressively centralising power. The issue of producer financial credits would have a marked tendency to reduce prices.

Based upon the national profit revealed by the National Credit Authority, all pensions and child endowments could be financed by new financial credits, these created and issued by the Authority itself at the cost of issue, or by any other appropriate method. These payments would be regarded as a social dividend. Rather than attempt to substantially reduce working hours for those in industry (which could easily be done), it would be preferable to get the maximum results from the modern, highly complex, industrial plant by maintaining working hours at approximately what they are now, and start to reduce the retiring age. Most individuals by the time they reach 55 years of age are responsible and matured, many of them with grandchildren. With a minimum security provided by an adequate social dividend, and no fear of the value of their money incomes being eroded by inflation, this section of the community would be free for many years to make a valuable contribution to community life in numerous ways. We would anticipate a flourishing of numerous cultural and associated activities. By reducing the retiring age and paying dividends from the nation's profits (to which the recipients would have made their contribution for some 30 years or more) this would be an organic development of the dividend principle in a realistic manner. The payment of child or family endowments to parents up to the age their children finish their education, and can take their place in the community's economic activities, would be another extension of the dividend principle, based upon the reality that the growing child and his education increase the real credit of the community. Adequate family allowances would reduce the present pressure on mothers to work outside the home in order to increase the family income. The basic cause of many social problems would be removed.

The meagre pensions and family allowances paid at present are a perversion of the dividend principle, being financed out of taxes and serviced by a swollen bureaucracy. These taxes help increase prices. **They do not increase the total amount of purchasing power in the community.** The use of taxation to pay pensions and family allowances tends to produce social friction. The payment of adequate pensions and family allowances by new credits would immediately enable taxation to be reduced, this also tending to reduce prices.

Scientific Price Subsidisation

Price is an essential feature of money. Measured realistically in terms of human energy expended, the real cost of production is falling. There should therefore be a falling price level to reflect this fact. A simple example demonstrates the reality of what is called the cost of production. If coconuts represent the total food supply of a group of natives living on an island where money has never been seen, then it can readily be seen that the real cost of producing coconuts is the number consumed.

If, for example, by consuming one coconut, the islanders obtained just enough energy to get another coconut, then clearly the cost of one coconut is one coconut. Expressed as a ratio this would be 1:1. If there is an improvement in technique which enables the islanders to obtain four coconuts from the energy derived from consuming one coconut, then the real cost of production has been substantially reduced. As a ratio it is now 1:4.

As has been shown in this Course, the real cost of production in modern Societies has been reduced dramatically as the result of the application of the cultural heritage to basic capital. Proper national bookkeeping would show the real national cost of production measured in terms of total production to total consumption. A falling price level would not only reflect this reality, but would pass to the individual a most effective type of social dividend. Portion of the community profit as revealed by the National Balance Sheet could be used to finance a scientific price subsidy mechanism, this applied at the retail counter so that new credits for subsidies were paid **only on production clearly desired by the consumer**, this ensuring effective consumer control of production. All that is required is the Sales Tax in reverse. At present the customer walks into a retailer's store and requests a certain item. The retailer immediately inflates the real price of the item by the amount of Sales Tax. He keeps a record and periodically sends the taxation to a Government Department. Sales Tax could be abolished and, instead, when the customer requested a certain item, the retailer **reduces** the price by the amount of an agreed price-subsidy, keeps records in exactly the same way as previously, but now sends them to the National Credit Authority and receives the amount of the subsidies. Everyone benefits.

Those who try to argue that it is impossible to expand credit without inflating prices conveniently forget what happened in the English-speaking countries during the Second World War when a crude type of subsidy system did hold price levels comparatively stable in spite of the enormous production for war which was of **economic** benefit to the individual. The war emergency forced the introduction of a new financial technique. The suggestion that it is impossible to alter man's finance—book-keeping to reflect economic realities—is astounding in the computer age and one in which man has reached the moon. Most of the effective opposition comes from those who are either philosophically opposed to the individual obtaining access to his heritage of potential freedom, or those who have a vested interest in growing social friction resulting from present inflationary financial policies. A falling price level with both consumers and producers benefitting, would have the most powerful and beneficial psychological effect in society. The spirit of class warfare and sectional divisions would be replaced with a spirit of growing co-operation.