

THE NEW TIMES

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

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Mr. B. A. SANTAMARIA ON INFLATION

Mr. B. A. Santamaria has over many years made a significant contribution to Australian politics. His strong stand against Communism has resulted in the type of smear campaign, which every anti-Communist must accept as a way of life. Mr. Santamaria has spoken out courageously on many serious national and international issues. His views are accepted by many as authoritative. It is therefore essential that some of these views be subjected to close examination.

In his "Point of View", published in *News-Weekly* of January 21, 1970, Mr. Santamaria deals with "The dangers of inflation". We could not agree more with the statement that "inflation—the ever-increasing level of prices and costs—will prove the most serious internal problem we face in 1970." Inflation is a factor in the revolutionary plans of the Communists and their dupes. Rising prices are used to justify strikes and similar activities in order to force higher wages out of the "exploiting bosses". Mr. Santamaria is correct when he describes inflation as "theft". Its social implications are explosive. But little is achieved by drawing attention to the fact of inflation, and its consequences, unless a solution is put forward to deal with basic causes. Mr. Santamaria's proposed policies are dangerously misleading, and raise the question of why Mr. Santamaria and his supporters have persistently turned a blind eye to fundamental aspects of finance-economics.

"Going Broke?"

Mr. Santamaria makes the remarkable statement that inflation's "main economic consequence is that, in the midst of great individual prosperity, Australia, as a country, is going broke . . . left unremedied, the result will be insolvency." Now insolvency means that an individual or an organisation has financial debts in excess of assets. It is true that the financial indebtedness of Australians both individually and collectively, continue to grow astronomically. Debt is one of the basic causes of inflation, but not one word does Mr. Santamaria mention about this subject. Australia has no problems about the production of goods and services. Producers, both primary and secondary, have demonstrated an enormous productive capacity. But producers do not manufacture the money without which their production cannot be sold. Debt can only be liquidated if money is created at a sufficient rate to enable a community to buy what it has produced. It is ridiculous to talk about Australia "going broke" in face of the economic realities. Real assets and productive capacity are being progressively expanded. Any

realistic balance sheet would show the falsity of the claim that Australia is threatened with insolvency. Shareholders of a company would angrily reject figures merely showing estimated receipts and expenditure for the coming twelve months. They would require, for example, figures showing total capital appreciation.

It is undoubtedly true, as Mr. Santamaria states, that foreign investment in Australia more than equalled an estimated "adverse balance of trade" of over £1,000 million for 1968-69. But what a disappointing statement from a man with a reputation for constructive thinking, that "We have avoided going broke only because overseas investors have been pouring huge quantities of capital into the country." This is the type of language, which warms the hearts of those who exercise enormous power through persuading people generally that money has a reality of its own distinct from real wealth. The "huge quantities of capital" which Mr. Santamaria says is "pouring" into Australia, consists merely of the Central Bank in Australia creating what are termed contra-credits against credits lodged with the Federal Reserve Bank in the U.S.A., or Central Banks in other nations. This technique has been simply explained by the Queensland economist, H. W. Herbert. Which raises the question of why cannot Australians make use of their own resources without waiting until foreign investors have lodged some credits with their country Central Bank? If Mr. Santamaria could persuade the DLP to take a realistic look at the hocus-pocus of "importing foreign capital", he will render Australia a tremendous service. The only foreign investment, which can be realistically profitable to Australia, is that which enables Australia to import capital-equipment or other production, which cannot be produced inside Australia.

The Power Of The International Monetary Fund

In view of Mr. Santamaria's strict orthodoxy concerning foreign investment, it is not surprising that he accepts the view that Australia's "adverse balance of trade" is serious, and could lead to disaster. The true purpose of inter-

national trade should be for nation's to exchange genuine surpluses to their mutual advantage, not to try to make their internal finance-economic systems work by striving for a "favourable balance of trade". Any boy who plays marbles can assure Mr. Santamaria, and those who think as he does, that if he "swaps" six marbles for ten marbles of equivalent value, he has made a handsome profit. But when Australia engages in international "swapping" and imports over \$1,000 million of production in excess of exported production, this is allegedly a disastrous "loss". The only manner in which Australia can realistically pay for imports is by exporting an equivalent amount of production to those who have provided the imports. If this is impossible, because other countries are also striving for a "favourable balance of trade", then it is alleged that a loan must be obtained from the International Monetary Fund, the brain-child of top Communist agent in the American Treasury Department, Harry Dexter White, and his friend and philosophical soul-mate, influential Fabian Socialist economist Maynard Keynes.¹ This is what Harold Wilson's Socialist Government did, enabling the policy-makers of the International Monetary Fund to impose their will upon the Wilson Government. Mr. Santamaria is rightfully concerned about profiteering. He could best make a start in examining this subject, not by concentrating upon producers and retailers who in some cases, may be asking excessive amounts of money for what they are offering the public, but by helping to direct attention to the extortions of those creating the nation's money supplies at little more real cost than the stroke of pen. What does Mr. Santamaria think of the incredible situation where the controllers of the International Monetary Fund have decided to bring into existence thousands of millions of new financial credits through the creation of something they are pleased to call "paper gold"? And to exercise the power of permitting nations to write a few more figures in their own banks against interest-bearing loans of this "paper gold"?

Creating Money

No realistic views can be expressed by anyone on how to correct progressive inflation unless he understands how the present finance-economic system works. The starting point must be an examination of the creation and control of money. And yet Mr. Santamaria is strangely silent on this fundamental matter. One of the greatest powers in the world today is the power to create and destroy money in the form of financial credit. It is now nearly half a century since the Rt. Hon. Reginald McKenna, one-time British Chancellor of the Exchequer, and Chairman of the Midland Bank, addressed a group of the Bank's shareholders and said: **"I am afraid the ordinary citizen will not like to be told that the banks can, and do create and destroy money. The amount of finance in existence varies only with the action of the**

banks in increasing or decreasing deposits and bank purchases. We know how this is effected. Every loan, overdraft or bank purchase creates a deposit, and every repayment of a loan, overdraft or bank sale destroys a deposit." Mr. Graham Towers, Governor of the Central Bank of Canada in 1939, said that banks "create the medium of exchange . . . That is what they are for. . . That is the banking business, just in the same way that a steel plant makes steel . . . The manufacturing process consists of making a pen-and-ink or typewriter entry on a card or in a book. That is all."²

It is elementary that no form of money is of any value unless it represents real wealth and is acceptable. Railway tickets are useless pieces of cardboard unless the individuals holding them can obtain seats on trains. We are sure that an intelligent man like Mr. Santamaria can readily see that it would be ridiculous for the manufacturers of railway tickets to have the power to loan these at face value to railway organisations, and to charge interest. And yet both individuals and governments are borrowing "money tickets" created by the banking system, against their assets and real credit, productive capacity. The manner in which financial credit is being created, loaned at interest charges far in excess of the real cost of production, and destroyed is producing an astronomical growth of debt in every Western nation. A study of the figures reveal profiteering on such a colossal scale that the much-quoted profits of big organisations like Colonial Sugar or BHP are mere "chicken-feed". The monopoly of credit creation is the basic cause of all other centralisation. It is anti-social and the basic cause of inflation, as exposed by a number of eminent bankers. Why does Mr. Santamaria not use his influence to expose this monopoly of the nation's credit, and its use to drive the nation deeper into debt and heavy taxation?

Instead of facing this fundamental issue, Mr. Santamaria offers his "solution" to the menace of rising prices. And the tragedy is that his proposals not only ignore fundamental facts, but would in fact worsen the situation. After a vague statement about the necessity for "credit and budgetary restraint", Mr. Santamaria urges, "Extra savings have to be encouraged rather than extra consumption." He then states that Japan has built her enormous economic expansion on the basis of providing her own funds. Mr. Santamaria does not explain how the necessary Japanese funds came into existence. And he neglects to point out that Japan, like West Germany, has a much higher rate of inflation than Australia!

The present finance-economic system operates on the assumption that industry automatically distributes in wages over any period sufficient purchasing power to meet the prices of the goods produced. This in fact does not happen, for reasons, which need not be examined here. Thus the stores are full of goods, which salesmen are desperately trying to sell. Most of the customers can only

1. See *The Fabian Socialist Contribution To The Communist Advance*, price 45 cents, post free, from Box 1052J, G.P.O., Melbourne, 3001.

2. See *The Creation And Control Of Money*, price 25 cents, post free, from Box 1052J, G.P.O., Melbourne, 3001.

make purchases by mortgaging future wages to obtain increased purchasing power through hire-purchase schemes. If consumers can be persuaded by Mr. Santamaria to save some of their wages instead of using them to purchase goods they have already produced, then it is obvious that the sale of goods will decline, and increase the problems of producers. If the savings are re-invested in new capital production, this merely increases existing problems by creating new capital costs, which have to be eventually recovered through prices, for which no equivalent purchasing power has been distributed. Why should not consumers enjoy extra production of their own choice, if they have in fact been responsible for this production? If Mr. Santamaria will have a talk with a few production managers, he will find that if present artificial restrictions on industry were removed, the present industrial equipment could be used to substantially increase production. Talk of restricting consumption is negative and retrogressive in the face of the facts.

There are beyond doubt many restrictive practices in industry today, but these are mainly effects, not causes. All the competition in the world can have little bearing on prices while present financial policies inevitably drive them up. If Mr. Santamaria will do a little arithmetic, using figures readily obtainable, he will find that even if all the profits of Australian industry were distributed amongst wage-earners, or applied to reducing prices, every wage-earner would obtain between one and two dollars a week only—and once only because the result would be the total collapse of the economy.

A Debt System

The present economic system can only continue to operate on the basis of expanding debt, with a considerable proportion of taxation and municipal rates being used merely to meet interest charges. The constant drive for a "favourable balance of trade"—i.e., sending more production out of the country than is brought in—is the equivalent of unnecessary capital expansion, which is one of the means used to keep injecting debt finance into circulation along the lines recommended by the Keynesian Socialists. But present financial policies are inevitably inflationary, and the supporters of these policies frankly state that this is "the price which must be paid for progress". Unless Mr. Santamaria is prepared to face the exploitation of communities through increasing debt, one of the inevitable results being increasing economic and political centralisation, he is misleading those who heed his views.

Further evidence of Mr. Santamaria's hazy understanding of the present finance-economic system, is his suggestion that there should be a general reduction in tariffs, "except in defence or otherwise essential industries," and that "preferential tariffs for the light industrial products of South-East Asian countries would help those backward economies, and lead to lower prices in Australia." Why should the development of the economies of South-East

Asian countries be dependent upon exporting production to Australia? The lower prices for this production could only be at the expense of Australian organisations whose prices may be higher, not necessarily because they are inefficient compared with South-East Asian countries, but because they are operating within a more inflationary financial policy. In spite of all the artificial restrictions, both primary and secondary producers have greatly increased their efficiency. Real costs of production have been substantially reduced, and a realistic financial policy should reflect this reality. Such a policy can be implemented without hurting individual manufacturers, unions, or primary producers, as Mr. Santamaria says is necessary in order to defeat inflation. It is the monopoly of financial credit which has to be tackled, the source of all other monopolies. The issue of the community's "money tickets" on a new basis, with the banking system issuing the community's financial credit at the real cost of production, which is approximately one percent, would be a major step in the right direction. Mr. Santamaria is rightly concerned about child endowment, but accepts the concept of payment out of taxation. This merely transfers purchasing power inside the community. And most taxation helps to inflate prices. A much more liberal scale of child endowment could be financed through new credit issued as a credit instead of a debt. This would be a genuine increase in community purchasing power.

Credit Expansion Without Price Increases

The basic problem of the present finance-economic system is how to expand financial credit without in the process inflating financial costs, which must be recovered through further price increases. All wage increases must at present be inflationary. And yet the justice of increased wage claims, either on the basis of the eroded purchasing power of the money unit, or because there has been a substantial increase in production, cannot be denied. At present every new wage increase requires hundreds of millions of new dollar credits—created by the stroke of the pen, and carrying exorbitant interest charges, which must be recovered through increased prices. New credits could just as easily be made available, again as a credit at the real cost of creation, in the form of scientific price subsidies at the retail counter. A general lowering of the price level without reducing the legitimate profits of producers would cut the ground completely from beneath Communist agitators and their dupes. It would transform the Australian economic and political situation.

The Challenge

If Mr. Santamaria could use his considerable influence to have the DLP take up the type of constructive financial policy indicated, he would make his greatest contribution to the long-term well being of Australia. But this would require sufficient courage to challenge the Money Power. Pope Pius XI in his famous encyclical *Quadragesimo*

Anno, spoke of "despotic economic domination" being "concentrated in the hands of the few" through the control of money. The Pope went on to say: "**This domination is most powerfully exercised by those who, because they hold and control money, also govern credit and determine its allotment, for that reason supplying, so to speak, the lifeblood of the entire economic body, and grasping in their hands, as it were, the very soul of production, so that no one can breathe against their will.**" The Money Power has been extensively extended and centralised since the above statement was made. No genuine social reconstruction in accordance with Christian philosophy is possible unless the power exercised through centralised credit creation and control is challenged. If Mr. Santamaria and his colleagues will not take up this challenge, but avoid it as Mr. Santamaria does in his approach to the inflation problem, then they cannot be surprised if some come to the conclusion that they are numbered amongst those afraid to breathe against the will of the credit monopolists.

TO THE POINT

Liberal Party Faces Major Crisis

Addressing a Queensland Young Liberal Convention on January 25, backbench Queensland State Liberal MP, Mr. C. Porter, a former State Secretary of the Liberal Party, said that the Liberal Party was probably at its lowest ebb in public support ever. Mr. Porter said that 1970 would be a "water shed" year in politics in Australia. "The Liberal Party faces a very serious threat. We've got to get back to first principles."

Examining the causes for the decline in support for the Liberal Party, Mr. Porter said that many people believed that the party was retreating from liberalism. Once its philosophy was the role of the individual and the freedom of the individual in society. "Having started off with this, over the years we've chipped off bits here and chipped off bits there, adopting a maternalistic attitude towards centralism." Mr. Porter could be instanced as an example of departure from fundamental philosophy, Liberal Governments in Western Australian and South Australia imposing mass medication in the form of fluoridation of public water supplies, the individuals deprived of any effective say at all. These Liberal Governments are imposing the same totalitarianism, which they complain the Federal Government is imposing on them.

There is no evidence as yet that the Gorton Government has learned anything from the electoral rebuff it received on October 25 of last year. Former International Monetary Fund official Mr. Les Bury, is making it clear that he backs his Treasury Department "advisers" all the way in their resistance to any proposals for real financial sovereignty for the States.

The "first principles" mentioned by Mr. Porter are excellent. They were stated before the first Menzies-Fadden coalition government came to office in 1949. But they were never implemented. Only the divisions inside the Labor Party have kept the coalition in office. However, the hour of truth is dawning and unless the Gorton Government can find the will to do what his predecessors could not, or would not do, 1970 will be the year of no return for it.

Rural Communities In Revolt

Recent large protest meetings in Australia's rural communities reflect the rapidly growing unrest as primary producers find themselves squeezed between lower prices for their production and the remorseless increase in their financial costs. No Government representative has as yet put forward any constructive proposals for dealing with the developing crisis, which could have major political repercussions. In fact Mr. Malcolm Fraser, Minister for Defence, at a meeting in Edenhope, Victoria, admitted that the policies pursued by the Government had not solved the producers' crisis. It is significant that primary producers' spokesmen are increasingly talking in terms of some type of a "Cost Compensation" scheme. But such proposals need to be advanced in a responsible manner, emphasis being placed upon subsidies being applied only to production sold, either internally or externally, and the finance for the subsidies to come from new financial credits issued as a credit, not a debt. Primary producers will not obtain the support of the consumer if they create the impression that they want him to pay subsidies out of still more taxation. All taxation merely intensifies inflation.

The problems of the wheat industry require short-term and long-term solutions. The Government cannot be allowed to shirk accepting its share of responsibility for the present surplus wheat production in relationship to markets available. The Government encouraged the wheat sales to Red China, these sales being the basis of the tremendous expansion of Australian wheat growing leading to the present critical situation. The Government constantly said that wheat sales to Red China, who has probably paid in convertible currencies obtained through massive drug exports to the West, would "strengthen" the Australian economy.

The immediate problem is to help the wheat-grower caught in the crisis. He has produced the wheat. The short-term solution should be for the Federal Government to make finance available for all wheat to be bought and stored adequately, this to be regarded as a form of national investment in a national asset. Once again the finance to be provided out of new financial credits. Given adequate time, the wheat industry can then start to adjust itself to producing in accordance with reliable markets available. But, of course, the long-term solution requires a financial policy to lower financial costs for all sections of the community.

RESPONSIBLE GOVERNMENT IN A FREE SOCIETY

At the South Australian Annual Dinner of The League of Rights in October last year, visiting British University lecturer, Dr. Geoffrey Dobbs, gave a brilliant address on the fundamentals necessary for real democracy. Dr. Dobbs subsequently expanded his lecture notes and these are being published as a League booklet. The following is a section of this important publication:

Very few people actually believe in or approve of the Party for which they vote.

Their vote, in fact, is normally a negative vote; a vote to exclude from power whichever Party is deemed to be the most disastrous. In fact, it is this *negative* element in the ballot, which alone has any value as an indication of the *will* of the electors, rather than their mere opinions or state of feeling at the time. For while people, being different, positively want different things, and so can never be satisfied by all voting for the same things, when something is being done, or offered, to them which they do not want, they can all agree in rejecting it. In this sense, the negative vote, or veto, is a valid expression of democracy; while it is no sort of democracy at all to be forced, or induced, to choose between alternatives, which are unwanted, or even detested.

THE POWER OF PEOPLE

This brings us to that much mis-used word, *democracy*, which means, of course, the power of the people. Once more we have here two diametrically opposed meanings. According to socialists, the sort of power that people want is the power of government, i.e. they want a share in the sadistic pleasure and feeling of self-importance which come from pushing other people around, taxing, frustrating and generally interfering with their lives (all for their own good, of course). According to everyone else but socialists, the sort of power, which the ordinary sane man wants, is the power to live his own life and to manage his own affairs, without interference or oppression from Governments or anyone else.

This second sort of power, the power to live one's own life without interfering with others, which is the same thing as freedom, is the sort of democracy which liberal, progressive and socialistic movements always begin by promising before they change over to the pseudo-democracy of "government by the people", which is, in any real sense, an impossibility — indeed, a contradiction in terms; since an administration of a society which consisted of all its members would not be an administration. People therefore have to be cheated into imagining that they are exercising the power of government when they submit to the ballot process of providing the next set of despots with a "mandate".

It is worth looking at the precise nature of this "mandate": a majority vote based upon the principle of one-man-one-vote. It is in fact, a completely anonymous statistic — a mere summation, not of the will, but of the *opinions* and feelings of a large mass of people at a particular moment in time, after they have been exposed to electoral persuasion and propaganda.

The underlying assumption is that the *opinions* of every man or woman are of precisely equal value; otherwise it would be meaningless to summate them. But this is blatantly ridiculous! No one would dream of acting on such an assumption in the relatively simple matters of everyday life. Is everyone's opinion of equal value on how to repair a car, on whether a picture is a genuine Old Master, or whether a person has cancer? Would any one in his senses accept the verdict of a majority vote on such matters?

It is obvious that in any matter requiring knowledge, the formation of a correct opinion is possible only for the few who have the necessary knowledge, and even they may be wrong, but they are at least more likely to know when they are wrong. A majority, therefore, is almost certain to be wrong about the facts; but in addition, its opinions are notoriously and openly manipulated by means of the mass media; so that, in fact, a mass vote, far from giving equal weight to the opinions of each voter, is merely a gift of multiple voting power to the manipulators of public opinion.

A majority vote, therefore, is the reward for the cleverest, the most ruthless and the most accurately timed manipulation of opinions, which can fluctuate wildly from day to day, but are supposed to represent the Sacred Will of the People, on a basis of One-Man-One-Vote-One-Value, on One Day every few years when there is a General Election. A successful political Party, therefore, must time its assault on public opinion so that it reaches its maximum effect on Election Day. Spring the trap too soon, and too many of the victims may have time to detect some of the lies, to distrust the promises and to reject the propaganda in the cooler light of consideration. Spring it too late, and it does not matter how the electors would vote the day after the Sacred Day -- their views are no longer Democracy. Only on one day in 1000 or more are the views of the ordinary people even pretended to exert some influence on the Government; so that, once it has got its majority on The Day, it does not matter two pence that the measures it carries out are overwhelmingly detested by the people; it has got its "mandate" from The People, i.e. its anonymous statistic of manipulated opinions on one day, and that is supposed to constitute "democracy".

THE UNIT OF MAN-VOTE-VALUE

Of course, even this pitiful and disastrous "ideal" of One-Man-One-Vote-One-Value is not realised in practice. In Britain, in 1945, 34.6% of the electorate returned the Labour Party to power. In 1951 40.3%, the highest vote in the Party's history, threw Labour out, but they were

put back again in 1964 by the vote of 1,700,000 fewer people, 34.0% of the electorate, the lowest vote since the war. So much for One-Vote-One-Value! In Australia also there are "anomalies" due to the preference system, which can result in the Party with the highest number of votes not gaining a majority in Parliament.

This results in a growing pressure for the strict logical application of the total insanity of majority rule. According to this "ideal" all votes are of precisely equal value, including that of a Mrs. Jones, who made her mark in the wrong place because she had mislaid her spectacles, of Miss Smith, who voted for the Party Leader because she adored his curly hair (not realising it was a wig) and of Mr. Robinson, who tossed up before voting.

Ideally therefore, according to the anomaly-haters, any Party which can secure one vote more than any of its rivals on Election Day represents the Will of the People, and its government, however vicious, constitutes a Democracy; whereas, if Mrs. Jones had been able to find her spectacles, it would have been no longer Democracy but on the contrary, Despotism and Dictatorship, against which everyone would have risen up and protested, if exactly the same politicians had taken the seats of Government and had done exactly the same things to the people.

This may seem an absurd theoretical case, and indeed, so it is, but no more absurd than, for instance, the "donkey vote" in Australia (i.e. voting for the candidates in alphabetical order, as they appear on the ballot form). This occurs, even in Britain (i.e. the name at the top of the list may have an advantage) but is accentuated by the need to put the candidates in an order of preference, when many people do not care a two penny hoot about any of them, and above all by compulsory voting, which drags to the polls people who would otherwise have expressed their indifference by staying at home. The Democratic Labour Party, whose "second preferences" are said to have returned the Liberal Party to power at the 1969 Election, is accused of exploiting the alphabetical vote in its choice of candidates. Whether this is true or not, the possibility of such a thing shows what a farce the electoral system is; but the absurdity lies not so much in these "anomalies" as in the whole conception of one man one vote one value which underlies the ideal of mathematical "democracy", which equates not only the choice of a fool with the choice of a wise man, but a choice made after careful study with a choice made on a whim or fancy, and a choice expressing a passionately held preference with a choice expressing complete indifference.

Such a system, especially when exploited for purposes of power, ensures with mathematical certainty the victory of folly, ignorance and prejudice over wisdom, knowledge and love; —*not* because the majority of mankind are ignorant, prejudiced fools in the matters with which they deal in everyday life, or about which they have concerned themselves and thought deeply, or exercised responsibility, but simply because the anonymous, secret,

LEAGUE OF RIGHTS' MASSIVE PROGRAMME

The League's 1970 programme is well under way, gathering momentum with every day that passes. Mr. Eric Butler is currently on a northern N.S.W. and Queensland tour before the Sydney Annual Dinner. One of the highlights of Mr. Jeremy Lee's campaigning late last year was his submission by invitation to the Murgon (Queensland) Municipal Council on local government finance. Many other new fields of activity have been opened up.

The League's National Director, Mr. Butler, predicts that League speakers will during the coming year give approximately 500 addresses. The organisational structure of the League is being progressively strengthened. New literature for special campaigning is being produced or is being planned. A major new publication is the League's handbook for its Social Dynamics Schools. Social Dynamics will retail for \$1. This is rated one of the most important publications yet produced.

Readers of "The New Times" should not need to be told the seriousness of the situation. We therefore urge them to ensure that the League's program is not hampered in any way through a shortage of funds. As we go to press the League's \$25,000 fund for 1969-70 has only been half supplied. But this has been by a small minority. Could the great majority who have not yet made an effort get their donations away immediately. Send either to Box 1052J, G.P.O., Melbourne, 3001, or to P.O. Box 3, Paddington, Brisbane, 4064.

ballot is completely irresponsible. Its consequences are completely lost in the statistical pool, and never return to the individual voter, so that the manner in which he casts his vote is of no consequence to him whatever.

THE VOTERS' VETO AND THE RESPONSIBLE VOTE If we want to look at the direction in which genuine democracy might advance towards bringing to bear the actual will (not the fleeting and manipulated opinions and feelings) of the people upon their rulers, this has already been envisaged, in two stages: 1. The negative vote, or *Voters' Veto*, in which the oppressive measures, common to all major parties, which attain power, are rejected by the electors, leading on to 2, the *responsible vote*, in which irresponsible anonymity is abandoned, the Parties, like other practical concerns, are expected to publish estimates of the cost to the tax payer of their proposals, and the elector, as does the purchaser who makes his choice in a shop, knows that he will be taxed proportionately to his recorded choice, for a time after the election. Just consider what a radical difference *that* would make to the whole democratic process! Yet some such con-

tinuation of the British tradition of progress towards a genuine responsible democracy is quite essential if we are to escape the disastrous consequences of irresponsible majority-voting of the type which, it is often forgotten, quite constitutionally elected Hitler to power.

Meanwhile, it is certainly no answer to our problems to remove the "anomalies" which, by introducing a random element, upset the mathematical operation of the numerical vote. Indeed, it seems probable that their toleration is due to a subconscious appreciation of the absurdity of the concept: one-vote-one-value; since the operation of some element other than mere number does, at least, give a *chance* of the return to power of some honest man, whose claim to represent the people is not based solely on his vote-catching powers. Some instinct, for instance, still dimly appreciates the fact that, since people are wholly dependent upon the land for their existence, the land as well as the people, in some sense requires representation, and it would be literally suicidal to allow the ever-growing urban populations, who represent, primarily, the Money-Interest, wholly to dominate through their voting-power, the Land-Interest which sustains them. It is no accident that this idea of "numerical democracy" of equal units of population took its rise at the time of the Industrial Revolution, with its dispossession of people from the land, and the reduction of them to the status of an urban proletariat, wholly under the control of another numerical power, namely, Money. This is becoming increasingly detached from any direct relationship with the natural world of which, ultimately, we must admit we are a part. It is hoped that in countries such as Australia and Canada where "Nature" still dwarfs mankind, the appalling dangers that attend the dictatorship of the city proletariat (which means the dictatorship of those who control the city proletariat) may be realised in time.

FREESPONSIBILITY

This brings me back to the constructive side of what I have to say, and to real meaning which can be attached to the words: *A Free Society*. This is not just a "free for all", in which everyone can do what he likes, irrespective of everyone else, but a Society based upon *Natural Law*, i.e. upon the nature of things, and particularly of people.

In contrast to the Socialist or Collectivist Society, such a Society exists entirely for the mutual benefit of the people who comprise it, apart from which it has no justification for existence. It follows that there can be no antagonism between the Good of Society and the Good of the individuals who comprise it, since they are the same thing and the chief of these "Goods" is freedom, which is inextricably linked with responsibility, since in fact they are aspects of the same thing, and ought to be described in one word ("Freesponsible"?). A Free Society is one in which people are free to live their own lives and develop their own personalities by making responsible choices, the consequences of which, whether good or bad,

return to them. A society in which people are constantly making irresponsible choices or decisions, the consequences of which return upon other people rather than themselves is a Slave Society, and both Socialist and Managerial Planning and decision-making, as well as the anonymous majority-vote, are of the essence of it.

Moreover, it is most important to realise that such freedom to develop the personality can exist only within a society. An individual human being inherits certain genetic potentialities, called genes, but these cannot express themselves, or develop fully except in the right environment, which is provided by other human beings - first of all the parents, from whom are derived not only the material, genetic inheritance, but also the main part of that *cultural inheritance*, which is later carried further by teachers and others. In other words, the Society, an association with other people of similar genetic and cultural inheritance is a necessity for the full development of the individual, i.e. for his freedom and self-expression; while the full development of free, responsible individuals is essential for a stable and balanced society. The two interests are wholly complementary, and by no means opposed. Moreover, when diverse individuals associate together, provided they are not too alien to each other to associate successfully, they can achieve what no one alone can do. There is a vast *increment of association*, which is the basis of our civilisation.

The simplest and most natural form of society or human association is the *family*. This has a tripartite constitution: father, mother, and children; three parts each of a different nature and function from the others. This is a stable arrangement. It seems to be a fundamental fact of the universe that a tri-une structure confers stability. A tripod is the "first" thing that will stand; you can resolve four or more forces acting at a point into three, but never less, if stability or equilibrium is to be maintained. Matter exists in three forms: solid, liquid, and gas. Each of different character, but the same substance.

THE BASIS OF A FREE SOCIETY

Now the British conception of the free and responsible man of the Common Law is derived from Christianity, and the British tripartite Constitution of Sovereign, Lords and Commons is a Christian Constitution, developed over many centuries under the influence of the Christian Church.

This was natural and inevitable since Christianity is a Trinitarian religion, and is also a religion of the Incarnation; that is to say, Christians have passed beyond the polytheism of the more primitive religions, and the unitary God of the Jews and Moslems, the loving Dictator of the Universe, who is also the apotheosis of eternal self-love, and have had revealed to them a more realistic and balanced view of the Godhead, as comprising, indeed, the unity of one God, but also the diversity of three Persons,

illustrating the eternal principles of mutual love and co-operation in a Society at the very core of reality.

What is so extraordinary is that so many people who regard themselves as Christians can see no practical significance in this tremendous belief. They seem to have no conception that a belief about the ultimate nature of the Universe must work itself out in practice, not merely in that dwindling part of our lives, which we call "private", meaning that the politicians have not yet invaded it, but inevitably in social affairs. A Christian Society *must* be radically different from an atheistic or humanist Society; and that distressingly large number of prelates and other clergy for whom the practical and political implications of the noises they make in church are very much the same as those of an atheistic materialism, are merely confirming to the World that religion, for them, is a ritual without any practical meaning.

If in practice to stand up in church and announce: "I believe in God the Father, the Son and the Holy Ghost" leads to precisely the same social policy as announcing "I believe that God does not exist and the Holy Trinity is a load of pernicious, mystical nonsense", there is really no point in making these religious noises. As the late C. H. Douglas put it: "It must be insisted that Christianity is either something inherent in the very warp and woof of the Universe, or it is just a set of interesting opinions."

Those who believe that facts, whether concerning the ultimate nature of things, or anything else, are matters of opinion, and that the truth can be established by counting opinions, are not Christians in any practical sense, whatever creed they habitually vocalise on religious occasions. Indeed, the creeds themselves are being increasingly neglected, and especially the Creed called Athanasian, which sets out the central, Trinitarian conception upon which Christendom, and our Christian Constitution have been founded and gradually built over the centuries.

While it is true that Christians, facing the gathering storm of materialistic atheism, have been huddling together under the banner of the lowest common denominator of their religion, a vague, indulgent do-goodism, which appears to be tolerant of everything except any effective resistance to aggressive and unrepentant vice and wrong-thinking; it is by now pitifully obvious that this cannot save our civilisation from disaster. Nevertheless, there are still enough Christians, if they would only apprise themselves of what their religion is, and its implications, to restore the continuity of its progress towards human freedom, and to resist the ever-mounting onslaught of the modern forms of paganism and barbarism upon it.

As a first step towards this, it is desperately necessary for those nations, which are so fortunate as to have developed a balanced, Christian Constitution, to realise its immense value, and to defend it, not out of mere conservatism, but with prayer and with passionate con-

viction, as the will of God and the essential foundation upon which a genuinely free Society may be built. This means going directly in the face of prevailing mass-prejudice, as created by the controllers of popular opinion. It means always defending and strengthening the weaker, counter-balancing powers of the Constitution, such as the Crown, and the Upper House, rather than slavishly agreeing with the claims of dominant and aggressive powers which seek to sweep away the last hindrances to their monopoly. It means rejecting wholly, as anti-Christian, the vice of envy of other people's privileges, of indeed all privilege, and instead demanding, with *Magna Carta*, that "everyman be confirmed in his privileges" It means realising that, not only our tri-partite Constitution, but our Common Law, being based upon Natural Law, i.e. upon precedent and experience of the way things work in human affairs, is a unique expression of the Christian conviction, not only that the World was created by a Higher Power, with which human and statutory law has to conform, but also that this Power is no vast, remote and impersonal Deity, but is concerned with the practical details of human affairs to the point of incarnation as a human being.

BY THEIR FRUITS YE SHALL KNOW THEM

It is this "binding back" (re-ligare) of spiritual belief to practical affairs which has distinguished Christianity from the other World Religions, and resulted in that humble attention and submission to the precise facts of the matter which characterised the pioneers of modern science. With the abandonment of this religion and of this attitude by scientists, and the increasing pursuit of knowledge for the sake of the power which it gives to control and to dominate other beings, Science is plunging back into the morass of witchcraft and superstition, providing clever-clever techniques for outsmarting the common herd with meretricious goods and false explanations, while deploying its brain-power to develop the techniques of control over humanity. These include how to hold a threat of instant death over all large urban populations, how to brainwash the unco-operative, how to pollute the environment, and how to control the mechanisms of life and heredity so as to produce that insane ideal of the power maniac, the test-tube baby, separated at last from parental love and protection, from its cultural inheritance and all natural influences, Government-produced from an ovum fertilised by the Government, gestated by the Government, brought forth from its glass womb by the Government, so that it can be Government-conditioned and Government-controlled to serve the purposes of the Top People in the Government until, no doubt it is disposed of in a Government Crematorium.

In the face of the present situation there is really no time left for playing at religion in the churches, while adopting the opinions and ideas, which stem from atheistic materialism in everyday life, including the fields of science politics and economics.