

THE NEW TIMES

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

Vol. 37, No. 2

FEBRUARY 1971

EDITORIAL

FINANCIAL TIME-BOMB TICKS TOWARDS POINT OF MAJOR EXPLOSION

The growing worldwide problem of inflation is a striking manifestation of the truth that if all industrialised nations continue to try to operate their finance-economic systems under present financial policies, it is a mathematical certainty that inflation and associated problems must continue to get worse. Prime Minister Gorton apparently feels that it would be better politics if he temporarily does nothing, except make fatuous appeals for "restraint", about the current increase in the rise of the Australian cost of living. Let us say here and now that nothing suggested by the Federal Government will have the slightest effect on the rising price level, and that unless prepared to order the permanent "experts" at the Central Bank and the Treasury Department to implement different policies will eventually do exactly as the "experts" suggest: impose yet one more "credit squeeze" and increase taxation.

The reliability of these "experts" and their political rubber-stamps, can readily be judged by surveying a selection of letters received from Federal Treasurer Bury and other Government Members following the 1970 Budget. One Federal Country Party Member actually wrote that while he agreed that increased petrol and other taxes increased the cost of production they did not foster inflation! Here is a typical sample from Mr. Bury: "The overall effect of these . . . Budget measures, including the large domestic surplus, was calculated to reduce demand pressures in the economy and thus have a moderating influence on prices." The underlying premise for this policy is that there was "too much money chasing too few goods". Mr. Bury has been asked to point out any shortages of production, in any sector of the Australian economy at the present time. The truth is that producers and retailers are straining their imaginations, and resorting to every conceivable form of gimmickry in an endeavour to persuade people to keep them solvent by buying from the flood of production offering. Strikes and go-slow policies, all by-products of the present financial policies, are a major brake on production, which could in most sectors of the economy be easily increased if there were genuine incentive.

1970 BUDGET A FAILURE

Judged by the results, the Gorton Government's 1970 Budget has been proved a disastrous failure. And the consumer figures, which have caused so much concern, were prepared before the 6 percent in wage increases awarded by the Arbitration Commission. The next set of consumer figures will undoubtedly reveal that the rate of inflation is increasing. The mounting inflation pressure is not only intensifying the problems of the

desperate rural community, but is driving the State and Municipal Governments more quickly towards bankruptcy. The President of the Australian Council of Local Government Associations, Mr. L. J. Mooney, states that the 6 percent wage increase will cost Australian local government councils nearly \$16 million. As Mr. Mooney correctly observes, this huge increase in wage

Continued on Page 8

"ONLY SHORTAGE OF FUNDS CAN HALT LEAGUE'S MASSIVE EXPANSION"

In a new appeal for increased financial support to enable The League of Rights to meet the rapidly developing crisis of 1971, National Director Mr. Eric Butler points out that the tremendous expansion of the League in 1970 has now made it possible to claim that it can decisively change the course of Australian history over the next two years. After a short "breathing time" over the Christmas and New Year holidays, the League's small but dedicated staff has renewed the battle with greater intensity than ever. Mr. Butler states, "Only a shortage of funds can halt the League's massive expansion". Nearly \$9000 is still required to meet the League's basic requirements of \$25,000 to the end of June. As a handful of supporters have contributed over \$16,000, it is unthinkable that the majority between them cannot provide the balance. Northern N.S.W. and Queensland supporters should send their contributions to Box 17, Alderley, Queensland, 4051. All other contributions to Box 1052J, G.P.O., Melbourne, 3001.

THE DELUSION OF SUPER-PRODUCTION

By C. H. DOUGLAS

(Reprinted from the "English Review", December 1918, p. 428)

As mankind in the advanced industrial nations of the world strives desperately to avert a major social collapse as a result of excessive centralisation, this stemming primarily from an attempt to operate a finance-economic system which generates increasing debt, taxation and inflations — with periodic "credit squeezes" used in an endeavour to "control" inflation, it is an opportune time to re-print the first article written by C. H. Douglas. The article is chillingly prophetic.

Douglas has often been depicted as having put forward financial proposals, which may have had some relevance during the Great Depression years, but are not worthy of consideration in a period of "full employment". So far from this being the truth, a study of "The Delusion Of Super-Production" reveals that Douglas correctly predicted that all efforts to make the finance-economic system work by making new debt credits available for the purpose of intensified production must result in a continuous rise in the cost of living. Events over the past half a century have, unfortunately, confirmed Douglas's predictions.

It is hardly necessary to draw attention to the insistence with which we are told that in order to pay for the war we must produce more manufactured goods than ever before - - a powerful section of the Press would have the whole military, political, social and industrial policy of the Allied Governments directed to the purpose, that, when by a complete victory we have acquired control of raw material and disposed of our most dangerous competitor, we may adjust our internal differences and settle down to an unfettered era of commercial activity, from which all other desirable things will, it is suggested, proceed naturally.

There are an almost infinite number of aspects to this proposition which is not dissimilar, so far as it goes, from that with which Germany went to war: it is possible to attack it from the point of view of the historian, the psychologist, or even the physiologist. It is even possible that certain quite indispensable suffrages have still to be obtained for it. But it is sufficiently interesting to take it as it stands on a frankly material, "practical" basis, and see what are its logical consequences.

A fair statement of the argument for unlimited and intensified manufacturing subsequent to the war would no doubt be something after this fashion:

- (1) We must pay for the war.
- (2) This means high taxes.
- (3) Taxes must come from earnings.
- (4) High earnings and low labour costs can only be continued if the output is increased.

Before dealing with these points let it be thoroughly well understood that, as compared with the economic power of absorption, the world was over-manufacturing before the war in nearly every direction. If any person capable of independent thought disagrees with this statement, he will no doubt be able to explain the immense development of advertising; why the cost of selling a sewing machine, amongst many other instances, was higher than the manufacturing cost; why a new model, not novel in any real essential, appeared from most of the motorcar works each year, thus automatically depreciating the value of the previous year's fashion, and

why, in spite of all these and countless more desperate efforts to stimulate absorption at home, aided by the barter of trade gin to our black brother abroad, the stress of competition to sell was daily growing more insupportable, the main pressure, of course, appearing in the guise of labour troubles, unemployment, strikes for higher wages, etc., but being quite definitely felt all over the social structure and being focused from a national point of view in the struggle for markets; of which struggle war was the inevitable and final outcome.

Bearing this selling pressure in mind, let us consider what will be the post-war situation, assuming any reasonably early termination of hostilities, and in the absence of any radical modification in the economic structure.

It is almost impossible to form any accurate estimate of the extension of manufacturing plant which has taken place in the British Empire since 1914, but on a gold standard basis it is almost certainly to the value of not less than £750,000,000, and may be much more. To this has to be added the still more gigantic expansion of industrial America, with Japan, France and Italy by no means idle; and the fact that Germany and Austria have clearly put forth a comparable effort.

But, still more important, these extensions are largely homogeneous instead of being accretions on small jobbing plants. In spite of a number of notorious instances of bad design, the main object - - repetition-production by modern methods - - has been achieved, and in consequence the output per individual has gone up in most cases several hundreds percent and in some cases even thousands percent. And by the introduction of women into industry on a large scale the available sources of labour supply have been greatly increased.

On the whole, therefore, the plant and the organisation for manufacturing have been expanded in every great country to many times their pre-war capacity; much of this extension is easily convertible to peace-time uses; and while the raw material side of the question is rather less easy to compute it is possible that something to feed into the machines might be available for a considerable period of unlimited activity, although by no means

indefinitely. Therefore it may be accepted as obvious that the factory system of the world is prepared, to a degree transcending anything dreamt of in the past, to flood the market with any article on which a profit in manufacture can apparently be made.

But absorption is a very different matter, and, in considering it, a clear idea of what is meant by the power of absorption is necessary. It is quite incontestable that the real power of absorption of the world after the war will be considerable; the repair of the devastated areas, housing schemes, power, railway, shipping, aerial and other transport problems will all require the effort and attention of civilisation, not to mention the demand for a higher standard of life all round.

But the capitalist manufacturer means by power of absorption the total money or credit value available as payment for his goods, and in the last resort this is represented by the total sum of the spending powers in cash or credit of the units of the population. The contention of the existing capitalistic and financial authorities, on whom of course the responsibility for the policy rests, is that super-production would mean high wages and the high wages would mean high absorption power, and so on. Let us see.

The factory cost — not the selling price — of any article under our present industrial and financial system is made up of three main divisions — direct labour cost, material cost and overhead charges, the ratio of which varies widely, with the "modernity" of the method of production. For instance, a sculptor producing a work of art with the aid of simple tools and a block of marble has next to no overhead charges, but a very low rate of production, while a modern screw-making plant using automatic machines may have very high overhead charges and very low direct labour cost, or high rate of production.

Since increased industrial output per individual depends mainly on tools and method, it may almost be stated as a law that intensified production means a progressively higher ratio of overhead charges to direct labour cost, and, apart from artificial reasons, this is simply an indication of the extent to which machinery replaces manual labour, as it should.

Now, for reasons which it is hoped will be clear from what follows, the factory cost, including management and indirect labour, **of the total factory output of any article is always more than the total sum paid in wages, salaries, and for raw material**, in respect of it. Consequently, the total output of the world's factory system is inevitably costed at a figure greatly in excess of the salaries and wages, which go to the production of it. Selling charges and profit merely increase the price and decrease the purchasing power of money, as, of course, caeteris paribus do general rises in wages.

In order to realise clearly this most important relation between factory cost, and money released, it must be borne in mind that manufacturing, or what is commonly called production, is conversion, and just as the conver-

sion of mechanical energy into electricity or heat into mechanical energy involves a dispersion, which for practical purposes is a loss, so the conversion of manufactured articles can never take place without a similar economic dispersion.

Obviously the balance, which is represented by this economic dispersion, must go somewhere. A little reflection will make it clear that it represents depreciation, obsolescence, scrapped material, etc., all of which are charged to the consumer **instead of being a charge against the value of the product.**

In consequence of this the book value of the world's production is continuously growing more and more in excess of the capacity to absorb or liquidate it, and every transaction between buyer and seller increases this discrepancy so long as the exchange takes place at a figure in excess of the total wages, etc., which go to the various conversions of the product; with the result that a continuous rise in the cost of living absolutely **must** take place, apart and above that represented by currency inflation; palliated by intrinsically more efficient productive methods, but leading along a path of cumulative fierce competition and harder toil to an absolutely inevitable breakdown. The money required for public works can only be provided by loans or taxation, a decreasing amount of which is returned in wages and salaries; an increasing amount going to swell the mortgage held by the banker and the manufacturer on the effective effort of the world's population.

The complete fallacy of the super-production argument

1971 ANNUAL DINNER WILL BE TREMENDOUS EVENT

The accelerating growth of the movement supported by "The New Times", and the widespread realisation that we are faced with a situation in which major social convulsions are threatened, will undoubtedly be reflected in the 1971 Annual "New Times" Dinner, to be held at the usual venue, The Victoria, Melbourne, on Friday, September 17. Early bookings have already been made from as far away as Western Australia and Queensland. The same successful policy adopted for the 1970 Dinner, "hard core" supporters being given first preference, will be followed. Those booking are requested to send money.

Private accommodation for interstate and country visitors can only be arranged if adequate notice is given.

The Australian League of Rights announces that its Annual National Seminar will be held on Saturday, September 18. The theme will be, "Preserving Australia's Heritage". The League confidently predicts that this Seminar will surpass all previous achievements and prove of national historic significance.

as it stands is apparent; it must be clear, if the statements just made are admitted, that neither apparently high wages nor even apparently cheap items amongst the articles produced can evolve a social system having in it any elements of stability whatever.

There is no more dangerous delusion abroad in the world at this time than that production per se is wealth - it is about as sensible as a statement that because food is necessary to man he should eat continually and eat everything. Production is necessary and desirable just so long as the actual thing produced is a means to something else, which is necessary to humanity, and like everything else the thing produced has to be paid for by effort on the part of someone. So far from the necessity of this country and the world, being an orgy of unlimited production, the first need is for a revision of material necessities, combined with sound scientific efforts, to produce to a programme framed to meet the ascertained demands; not artificially stimulated, but individualistic in origin whenever possible.

Such a programme might be allotted in sections amongst the available producing centres at block prices, and such producing centres might again contact with the whole "effort" (i.e., staff and labour) involved, at a price to cover the whole output; such price to include upkeep of plant, stocks, etc. Efficiency in operation would then result in shorter hours, and would itself be cumulative.

If such a policy can be combined with a large decentralisation of initiative, high rates of production would follow naturally, and the individual, for the first time, would begin to reap the solid benefits of the use of mechanism. On this basis it would be possible to attack the second urgent necessity, the reduction of money in any form whatever to the status of an absolute medium of exchange.

These are not light tasks, but the alternative to their assumption is a weary pilgrimage, which may have some very lurid passages. And in the end it may be found that the chief crime of the capitalist was that he was such a very bad capitalist; in that he neither recognised his assets, nor met his liabilities.

ARE MORAL VALUES REAL?

By D. WATTS

The teaching that moral values have no reality has encouraged permissiveness, comforted the weakling and the self-indulgent and been of immense assistance to communists. It has persuaded the superficial thinker that he is a realistic philosopher and unprincipled men of affairs that they are to be admired for having no moral scruples. All that, put together, gives us one picture of modern society. Has the teaching given us another, better picture to put beside it?

One seeks for this better picture. Are men, unhampered by moral values, more broad-minded or more honest thinkers? That question must be ruled out, for broad-mindedness and honesty have moral values and have no place in an amoral society. Are men happier or more successful or more useful for being free from the restraints that morality imposes? Hardly happier. All the violent and the milder, but disgruntled, protesting and the kind of excuses made for violent protesting indicate an absence of that serenity which goes with happiness. Not more successful. The glum "drop-out", blaming society for his dropping out, is close to being the symbol of an age that is finding that what is acclaimed as "success" in a materialistic society, is often the twin brother of failure in the fields of more subtle experience. Not more useful. A lack of morality is of no psychological or social use.

Whence came the idea that, by discarding moral values, men would become free masters of their lives and experience? Several developments from a narrow-minded Materialism drew together to produce the absurd conception; though of course but few of those seeking they know not what and proclaiming that they have found it in some form of permissiveness, could tell you from what source came the grubby, glittering convention. Fewer still want to know.

Condemnation of the amoral fashion, though it may make but a feeble impression on the obsessed and

possessed, can have at least a certain strength if based upon knowledge rather than upon bias; so, with apologies to those to whom what I say is already well known, I submit the proposition that the genesis of modern permissiveness was in the mutually supporting philosophy of Materialism and materialistic empiricism. If one has an earnest desire to defeat permissiveness, it is worthwhile for him to make an analysis of permissiveness, somewhat dry though that may seem.

THE PREMISE OF MATERIALISM

The philosophical premise is that Matter is the only reality. Materialistic empiricists, basing scientific investigation upon that supposition, asserted that anything that men can know or experience must come to them through their sensory perceptions. What the senses perceive is material phenomena. Very soon thinkers found that they had struck an Awful Snag in the idea of Cause. Cause is not sensorily perceptible therefore, by the definition of the materialistic empiricists, has no real existence, so that nothing can be established about it by the materialistic methods of proof. Yet science is obliged to use causality in its expositions and explanations. Bertrand Russell called it a scandal.

The realistic and scientific thing to do would have been to expand the philosophical base to include a larger reality than the material one, but instead there was a great squirming and dodging by most scientists and many philosophers to evade the demands of metaphysical

realities. Modern scientific investigations have dragged scientific theories into the metaphysical realms, but there has been very little effort made to discover the philosophical and moral implications in this. Materialism is still allowed to shape political and social theories; and there are not a few who would like to see Materialism, itself, re-instated as a scientifically valid philosophy. Among these was Ayer with his Logical Positivism. He may be called the Grandfather of Modern Permissiveness.

Whether consciously or not, Ayer's theory of Ethics was formulated to sustain Materialism rather than to describe and explain what is real in actual experience. He saw that the argument that Cause is unreal because it is incapable of material proof, if valid as he assumed it was, applies also to moral values. He asserted that we cannot prove (by materialistic methods) that there is an Ethical Value; therefore we cannot prove anything about it. According to him it does not exist, so that if we say that such as dishonesty, betrayal, cruelty or murder are morally wrong, we are merely expressing emotional reactions and the statements about the actions have no more relation to reality than have such ejaculations as Ugh or Boo. That is, statements about moral values are simply ejaculatory.

These ideas were popular among the Bright Boys some years back. The part they have played in lowering moral standards and ushering in the permissive age is apparent. Not a few people have lost sight of the philosophical starting-point of anti-ethics and are trying to maintain the position that while robbery, mayhem and murder etc. are wrong, sexual amorality is, in a charming paradox, morally right. It is a case of practical realism doing battle with a fallacious theory, and of the conflict's being still unresolved.

VALUES

There is, too, the attitude that while moral values are really non-existent, aesthetical and utilitarian and political values are real. To be logically consistent with the theory of the non-existence of Cause it should be concluded that it is Value, not morality that is unreal. If true, that would mean that all kinds of values are unreal and, as has been pointed out, the theory of the non-existence of moral values itself would be without value. Value, like Cause, is the immaterial thing undiscoverable by the senses. Moral codes and customs are concrete and real enough in experience and there is much that can be proved about them even in the material reality. Certainly, there has been considerable tortured effort to demonstrate that aesthetic values are non-existent; but those devoting themselves to the vindication of the anti-morality and anti-beauty philosophies are usually the ones who accept utilitarian values and are fanatical about the reality of certain political values. The truth is that morality has a utilitarian and political value. Indeed, at its best, morality has an aesthetic value, as many have discovered.

If things have no values they have no meaning in relation to other things. This is the conclusion of that

Existentialism, which finds life and experience and the Universe without value or meaning and therefore Absurd. According to that, only immediate experience existing in a void — between nothingness and nothingness — is real. In that lies most of the explanation of that which goes with permissiveness — the avidity for immediate sensory sensation unrelated to social usefulness or personal consequences and that craving for sensory and psychical shock which blunts moral and aesthetic sensitivity.

The anti-ethics of Logical Positivism has led also, to grotesque political situations and remarkably idiotic political behaviour. Although the values of Good and Evil have been rejected in political practice, the scientific values of Truth and Error have been retained. Certain political forms, notably the communist forms, have been put forward as being scientifically true so that, in the name of political science, the attempt has been made to substitute the supposedly scientific, political values for moral value.

PERVERSION OF VALUES

Alas, such is the perversity of human being that they must have moral values, and from this necessity an appalling distortion in thinking has occurred. What were presented as being scientifically correct political forms have come to be given moral values. *That is, instead of being substituted for moral values, political true or false values have been converted into moral values.*

Communist or socialist forms are thought of today as being not only scientifically valid, but morally right. That conversion of Value is seen undisguised in Soviet Russia and Red China, but it is as unashamed in what are still called the democracies. For example, one may argue with all the support of evidence behind him that the theory of human equality is fallacious, but he will come up against the conviction that a belief in equality, especially in relation to political practice and social behaviour, is morally right and that therefore it is impious to question it.

It is ironic that the very criticism made by logical positivists with regard to statements about morality has come, with a vengeance, to apply to political catch-cries. These latter have no more than emotional preferences to provide them with a ground. The absence of rational thought and scientific proof to justify the preferences is shown by the fact that most adherents of certain political beliefs have little or nothing more to offer in support of their opinions than ejaculations. Such abusive terms as "fascist", "square", "reactionary", "witch-hunter", "racist", "bourgeois", etc. are mere ejaculations expressive of emotional preferences.

In the purely material, or physical, universe into which human investigation has been most rewarding and in which human inventive creating is remarkably successful, there are no moral values. Everything that happens is governed by physical Laws and, if we have all the data, all events that take place there and their results can be predicted. When, however, life enters this environment

it brings with it psychical values. These are the values of good and bad.

What happens to the inorganic forms of matter, from the creation of a galaxy to the splitting of an atom or the exploding of a star, is neither good nor bad in their universe; but the injury or destruction of living forms is, from the point of view of those forms, bad and their preservation is good. In the very early stages of evolution or development, the forms themselves may be barely conscious or not conscious at all, so that their experience has small value to them; but in the world of living things what happens to the forms matters.

When living forms become conscious of their own being, they may be aware of what is bad to themselves, even though they may not be aware of what is good. What is bad to them, or perhaps good, is, as far as they can know, of the physical nature of the environment in which they find themselves, and of this nature it continues to be in their consciousness long after they know good and bad and can discriminate between them. At this stage they are well enough advanced psychically to feel emotional attraction to, and repulsion against, good and bad physical experience. If emotion be admitted as being real, then also must be Value, and doubt must be confined to the reality of particular kinds of value - - here, to moral values.

DISCOVERING ETHICAL VALUES

As the living being becomes psychically well enough advanced to recognise a distinction between psychical and physical experience, and therefore between psychical and physical values, good and bad become to it in the psychical sphere Good and Evil. Here the relation of value is only indirectly to physical experience of reality, but directly it is to psychically discoverable truths.

In the relation of Truth to experience and behaviour are found the ethical values. When we speak of a true verdict we mean a right one; a right conclusion is a true conclusion; a true account is the right account and a lying account is a wrong one. Justice, fidelity, honesty, etc. are conceptions expressive of true, therefore right, relations between truth and behaviour. That is, they are values, which the psychically perceptive find between right action and truth. They are ethical values. Thus, there is a scientific morality, which true scientists respect and that is acceptance of the truth found in an investigation. There is a religious morality, which may, in acute perception, be different from some religious system of right and wrong. There is also a political morality, which has been grossly flouted by political ideologists in this century. These are moralities that have to do with the correct relating of action to scientific, religious or political realities.

Ethical values, like logical or scientific or casual values, are found, not in things themselves, but in the relation of things to other things. They are mentally, not sensorily perceptible. Unless we admit the validity of mental, as

well as sensory, perception we can have no science. We cannot have even as little science as the classification of phenomena, for that is a mental operation. If we admit that what is mentally perceived is real, then we must admit the reality of relations and of the values found in relations. That takes us beyond the purely material reality. It discredits Materialism and the arguments, derived from Materialism, of Logical Positivism; for if logical values be found in relations, by the same kind of perception, so are causal and ethical values.

MORAL CODES DO WORK

Causality stands up to the pragmatic test, as scientific discovery and invention demonstrate. In the same way, Ethics stands up to the pragmatic test. Moral codes are useful and they work. Moral codes and customs embody discovered ethical principles. There are, among different peoples, different moral codes and customs because different peoples have discovered different ethical values. There are inferior and superior moral codes because some have discovered more ethical values than have others, or ethical principles of a value superior to that of principles discovered by others. Simple or more enlightened moral codes and standards are personally and socially useful at the psychical stage at which the people who observe them have reached. When ethical perception is elementary so must be the moral codes. Whatever may be their degree of development, they make for harmonious relations between persons and for an order without which there can be no co-operation or the kind of self-expression that can be converted to social use.

The reality of the moral values embodied in the codes is pragmatically demonstrated by their necessity to a workable order and their real personal and social usefulness.

DOUBLE-TALK ON INFLATION

"The usual objection raised to a procedure of this kind (to use new financial credits to reduce prices) is that it is inflation. Why a procedure, which is legitimate on the part of financial institutions, should become dangerous when used for the benefit of the general population is never made very clear. The suggestion is inherent that an increase of money must necessarily be an evil, and is, in itself, inflation. Inflation is nothing of the kind. It is, on the contrary, an increase in the number of money tokens, accompanied by an increase in general prices. This latter state of affairs is now openly claimed to be the objective of the orthodox or bankers' financial system, so that the objection raised against the proper and scientific use of social credit — at one and the same time - - lower prices and increase purchasing power appears to be doubly irrational. It is perhaps unnecessary to add that the additional purchasing power issued would be cancelled by writing down the debts against which it was issued, as at present."

—C. H. Douglas in *Why Social Credit?*

BEHIND THE COMMON MARKET PLOT

There is a peculiar idea held by many pro-Marketeers (of whom George Brown of Socialist Front Bench fame was one of the most prominent) that the biggest economic-political takeover bid of our generation, the Common Market Plot, is unconnected with American power-politics and that Britain joining Europe will help to create a "Third Power", an effective challenge to the American-Russian Twin Power-Complex. There is not a shred of evidence to support this theory. All the facts contradict it.

Yet here we have, in the same issue of *The Scotsman* (September 29), Socialist ex-Chancellor Roy Jenkins in a strongly pro-Market speech at the Blackpool Conference pleading with his fellow-Socialist anti-Marketeers "who wish to turn to the U.S. instead "to consider the possible disadvantages of having still closer ties with that problem-laden nation", and Professor J. D. B. Mitchell, Sandersen Professor of European Institutions (presumably a Liberal?) who considers that "we are in a state of steady disengagement of the U.S. from Europe" and that "we therefore in Western Europe must do something together about our defence". Defence against what and who?

Are "we" to carry on the NATO tradition and apparatus, which under supreme U.S. military leadership has proved inefficient in defending Europe against Soviet infiltration? Have we forgotten Hungary and Czechoslovakia? Does our memory take us back to the invasion of the heartland of Europe by Soviet armies under the political generalship of Eisenhower? To the Sovietisation of China as a result of General Marshall's mission about the same time?

A FINANCIAL INVASION

Has Professor Mitchell noticed the increasingly cordial **entente** between Paris and Moscow (Soviet troops now enjoy the hospitality of the soil of France for routine military manoeuvres) and between Moscow and Bonn? Has he noticed that in every one of the major Market countries—now called "the Communities"—U.S. financial invasion and control of local industries has gone hand in hand with growth of the local Communist parties?

Has he begun to suspect that behind a smokescreen of political loud speak "trade-rivalry" and permanent "colonial wars", Washington and Moscow are working in perfect accord in furtherance of the Biggest of All Business; Total World Government?

Would our Third World Theorists please explain the following facts?

There are now, according to Lord Macleod in a brilliant and provocative article in *The Scotsman* (September, 1970), 20,000 American businesses permanently in function in Brussels, headquarters of the E.E.C.

The first, the Macmillan attempt to push Britain into Europe, had the solid backing of the U.S. Government, under Kennedy and "it will be that way for years to come" said a Kennedy politician. An ex-Finance Minister of West Germany, Strauss, wants "to see a United Europe

tied as closely to the U.S.A. as it is at present but paying more for its defence" (John Tilly, *The Scotsman*, June 29). Recently the E.E.C. governments agreed to create a space-craft merger" to enable them to play their part in the space program of the U.S.A. (*The Scotsman*). In his *The American Challenge*, M. Servan-Schreiber says: "The third industrial power in the world in 15 years, after the U.S.A. and Russia, could well not be Europe but American industry in Europe".

BIGGER MONOPOLIES

The key word, in these matters, is **monopoly**: "The indications are that companies of much bigger size are going to become prevalent (inside Europe). This will almost certainly mean that to compete most effectively in Europe, a British firm in any major section will have to be of near-monopoly size within this country". (Royston Bull, *The Scotsman*, June 25).

An economy increasingly dominated by industrial monopolies controlled by International Financiers ("The State") is leading to dehumanized anthill society in which human reason and human considerations play a decreasing part and will eventually be suppressed.

Although our political professors and academic politicians may not be the conscious tools of the Devil in showing us the way to Hell upon Earth, we must note their names and whereabouts and make quite sure that the Coming of the New Age is not unduly delayed by their continued misreading of all the most significant signs of our times.

—B. Jensen in *Credit Notes*, United Kingdom,
October 1970.

DUKE OF EDINBURGH UNDERSTANDS BASIC CAUSE OF POLLUTION

The following correspondence between one of our English readers, Mr. John Mitchell, and the Duke of Edinburgh, will, we are sure, be of the greatest interest to our readers:

Crondall,
November 19th, 1970

H.R.H. The Duke of Edinburgh,
Buckingham Palace,
London.

Your Royal Highness,

With great respect I hope I may be permitted to bring to your attention the chief single factor operating to cause pollution in our society, because it worries me that in this Conservation Year you may not know about it. You may not know because discussion of it has been prevented in all major news media for many years.

I refer to the 'time bomb' in the financial-economic system. For the sake of brevity this may be described as follows: — A manufacturer's costs can be classified as A (wages and salaries) and B (raw materials etc.). His costs cannot be less than A plus B. So, if he is to recover his costs, his prices cannot be less than A plus B. Now wages in respect to B (raw materials etc.) have been

paid out long before **and spent**, and so are not now available as purchasing power to liquidate prices of currently marketed consumer goods, which include A plus B. I append a more detailed statement regarding this.

The consequence of this state of affairs is that industry, if the system is not to collapse, must go on expanding so that wages and salaries in respect to the B in new (but not yet marketed) production are available **now** to liquidate the B in presently available consumer production.

There are many grave aspects to this situation which I will not go into here, except to point out, because it is vitally relevant to the possibility of averting an increase in pollution, that this 'time bomb' is in reality a pressure bomb which greatly intensifies competition to the point where it is unsocial. Because of the compulsion to expansion artificial stimulation of demand must take place and must increase, e.g., people must be stimulated to want a new car or a new washing machine.

The flaw in the system can of course easily be remedied, and the way to do it has been known (and suppressed) for fifty years, but only at the cost of destroying the power of the most powerful vested interests in the world. That, of course is why the remedy is not applied and why the general public are kept in ignorance.

While the flaw continues unremedied the pollution problem can only get worse.

I beg to remain, Sir,

Yours very truly,

JOHN MITCHELL.

BUCKINGHAM PALACE 17th December 1970

From: Lieutenant-Commander W. B. Willett, O.B.E., M.V.O., D.S.C., R.N.

Dear Mr. Mitchell,

Prince Phillip has asked me to thank you for your letter of 19th November.

His Royal Highness considers you are quite right and he is aware of the factors you mention. Yours sincerely,

(Signed) WILLIAM WILLETT.

John Mitchell Esq.

Continued from Page 1

costs can only be met by further increase in rates, or by drastically curtailing services. Local Governments are making desperate pleas to the State Governments to assist them. But the States are also struggling and can only carry the pleas on to the real source of money power, at Canberra. Inflation and heavy taxation are rapidly destroying the very foundations of democratic government.

The United Kingdom, under the Wilson Administration New Zealand, Canada and the U.S.A. have all recently attempted severe restrictive financial policies in an endeavour to halt inflation. All have failed. And so Prime Minister Heath is faced with an increasingly

NEW ZEALAND PIONEER PASSES

It is with deep regret that we record the death late last year of Mr. Fred Allen of Auckland, New Zealand. A staunch supporter of "The New Times", Mr. Allen was a pioneer Social Crediter and resolutely opposed all attempts to pervert Social Credit to serve power politics.

explosive industrial situation, while in the U.S.A. President Nixon has blatantly announced he is reversing his restrictive policies and is now going to adopt Keynesian "pump-priming" policies. The result will be another increased burst of price rises, but Mr. Nixon hopes that the effects of these will not become too severe before the next Presidential Elections. In the process the American debt structure has become astronomical. The basic flaw in the present finance-economic system is a set of financial rules, which make it imperative to have a continuous expansion of debt in an endeavour to make the economy operate. Increasing debt means increasing interest charges, and this means heavy taxation, with a major portion being used merely to service debt. Approximately 40 percent of the Australian national income is now going to meet taxation.

DUKE OF EDINBURGH'S SOUND ADVICE

The financial flaw has been well described as a time bomb. Only the Second World War averted a potential explosion early in the 'forties. Rebuilding the war-devastated nations, overcoming the shortages in consumer goods, massive "foreign aid" programmes, Korea and Vietnam, space projects and large-scale military build-ups, have all enabled the economies of the industrialised nations to operate without major disasters over the past twenty-five years. But the financial time bomb was ticking away all the time, and clearly a major explosion now threatens. If a major disaster is to be averted, financial policies of disaster, policies which lead direct to either chaos or to more totalitarianism, must be challenged by constitutional electoral action - - while there is still time left for such action. The Duke of Edinburgh says that electors must learn to speak more rudely and directly to their political servants. This is the only hope of salvation.

SOCIAL DYNAMICS by Eric Butler. \$1.05 posted. The handbook of the Australian League of Rights establishing fundamental principles of organisation, politics and economics, in a Christian society.

RESPONSIBLE GOVERNMENT IN A FREE SOCIETY by Geoffrey Dobbs. 55c posted. A brilliant analysis of the proper functions of government.

Heritage Bookshop, Box 1226L, G.P.O., Melbourne, 3001.