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

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THE GROWING CONVULSION ON THE NORTH AMERICAN CONTINENT

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The following notes were prepared by Mr. Butler in Western Canada, where, after a short programme in the United States, he is conducting for the Canadian League of Rights an intensive educational programme in depth (an afternoon meeting every weekday, followed by a four-hour Social Dynamics School at night) to establish the ground-work for the development of the same type of Electors' Associations which have caused such intense interest in Australia:

Departure from correct (natural) principles in all human associations inevitably results in growing social friction, which can be exploited by the subverters of right order to produce the necessary chaos, which precedes the establishment of complete totalitarianism. The overall situation on the North American continent is one of growing convulsions, not only inside both the U.S.A. and Canada, but also between the U.S.A. and Canada. When President Nixon imposed his ten percent surcharge on all imports last year, anti-American feeling was intensified in Canada. The Nixon policy was, of course, part of its desperate effort to reduce its "unfavourable balance of trade". But in spite of the tax on imports, subsequently replaced by devaluation, Mr. Nixon's finance-economic problems are still worsening. The Canadians have the same problems, so there is growing friction between the two nations.

As I write these notes, Prime Minister Trudeau has hit out against the tough-talking American Secretary of the Treasury, Mr. John Connally, who is demanding changes in the Canadian-American agreement on motorcars. Mr. Trudeau has said, "With friends like Secretary Connally, who needs enemies." President Nixon states that "some very basic" disagreements may remain after his visit to Ottawa. He commented on the deadlocked trade negotiations between Canada and the U.S.A., observing that the U.S.A. had more problems negotiating with its friends than with its enemies! The basic cause of the growing Canadian-American friction, which the Marxists on both sides of the border are skilfully exploiting, is that both nations are operating finance-economic policies which force them to try to solve internal problems by bigger export drives.

It is reported that President Nixon is going to report to Prime Minister Trudeau on his visit to Peking. Perhaps he will suggest to Mr. Trudeau that Canada and the U.S.A. should solve their problems by competing to see who can export the most to Red China!

MOUNTING ANGER OF AMERICAN MIDDLE CLASS

The most fanatical "anti-racists" in the U.S.A. have been supporting the programme of busing children from

their own local schools to other schools in order to achieve "racial balance" in the American educational system. It is not surprising that the majority of parents, including Negro parents, who presumably are also "racists", are reacting rather strongly against this type of centralized planning of their children. American citizens of Chinese descent in San Francisco is prominent amongst those who are resisting the planners. It has been pointed out that many of those insisting upon the busing programme have their own children in private schools, associating with children of the same backgrounds. Following the massive primary vote in Florida for Governor Wallace, contesting the Democratic Presidential nomination, many of the political candidates have scurried for cover on the busing issue. And President Nixon has lost no time in reading the danger signals and has openly expressed his opposition to the compulsory busing of children.

But while the busing issue is one of the major "live" issues, it has been observed that the Wallace vote also reflected the growing anger of the great majority of the American middle class, who are looking for some way out of the mounting debt, taxation and inflation which is making life increasingly difficult. Washington is increasingly regarded as the major enemy of the people. The essential financial figures speak for themselves: In 1970, Federal, State and Local Governments spent \$660 billion more than they collected, this astronomical deficit being financed in accordance with well-known Keynesian teachings. Between 1960 and 1970 the tax burden on each American man, woman and child almost doubled, from \$711 to \$1348. But even with this type of spending, most public services, particularly in the bigger cities, are rapidly deteriorating.

The Keynesians blithely suggest that people should not be worried unduly about the soaring debt structure, as "we owe it to ourselves". The logical reaction to this is, that if this is the case, then why not write off what we owe to ourselves, save the enormous interest bill, and reduce taxation accordingly, thus easing inflation! But this is not on the programme of those imposing their plans on the unhappy American people. The result is continuing inflation, which President Nixon hopes will not be too

dramatic before the Presidential elections. With these safely out of the way, the inevitable new inflation crisis will be met with even more totalitarian measures. And this in turn will generate more friction. The American Communist Party recently held what it described as its most historic national convention. The declared Marxists are already smelling with keen anticipation the growing stench of a decaying society.

MORE CANADIAN INFLATION

Sitting on the hard seats of the auction mart, the group of Albertan farmers and their wives listened intently, not to the sound of the auctioneer's voice, but to my outline of the inevitable results of the growing cost-price squeeze. I had to warn that while present financial policies were persisted with, the inflationary pressures could not be eased; that if their Government eased the restrictive financial policy which had produced over 600,000 unemployed, but which had still left prices rising at five percent over the past twelve months, then it was "as certain as the sunrise" that the inflation problem would worsen, paving the way for more centralization. My prediction was confirmed about one hour later as I was handed *The Calgary Herald* of March 22. The main headline read: "New Inflation Battle Seen". Mr. Louis Rasminsky, Governor of the Canadian Central Bank, had issued a warning. Mr. John Young, Chairman of the Federal Prices and Incomes Commission bluntly said that "Unless underlying economic factors change, Canada faces another serious bout of inflation and the cure for it may hurt more than in the past."

There is nothing basically wrong with the Canadian economy considered as a production organization. The inflation stems from the financial policies imposed by Mr. Louis Rasminsky, an old London School of Economics boy. It was William Aberhart, the man mainly responsible for the election of the first Social Credit Government in Alberta, in 1935, who made the observation that "if you have not suffered enough, it is your God-given right to suffer some more." It appears that Canadians are going to suffer their God-given rights a little longer! But as the truth emerges that the situation is going to get much worse, increasing numbers of Canadians are looking for the way out of their problems.

PRIME MINISTER TRUDEAU ON UNEMPLOYMENT

Prime Minister Trudeau is keeping his political opponents, and the Canadian public, guessing, about the date of the next Federal Elections. It is generally agreed that he will lose electoral ground in Western Canada, but providing the Liberal Party holds its present strength in Quebec, it must be given a reasonable chance of survival, even if only as a minority Government supported by the New Democratic Party. One of the big thorns in Mr. Trudeau's electoral side in Quebec is Mr. Real Caouette's Social Credit Party which, under present depressed finance-

economic conditions, could increase its support at the expense of Mr. Trudeau's Liberals. Bearing this in mind, Mr. Trudeau has recently dealt with two issues of great significance. Confounding those who regard him as an apostle of the permissive society, Mr. Trudeau came out strongly against easy abortion. But he followed this up with an address on the subject of unemployment which one correspondent commented on with the introduction that, "He has become, in fact, the first leader of an advanced Western nation to bluntly suggest that we must rethink our whole approach to the work ethos".

In spite of Government projects to provide "full employment", generally financed out of new financial credits provided by deficit budgets, the technological advance is inexorably reducing the number of man-hours required for a given volume of production. The Social Credit view is, of course, that instead of the replacement of human labour by solar energy being a curse, it should be welcomed with some type of dividend system supplementing the wage system. Mr. Trudeau has sparked nationwide discussion on the subject of technology and unemployment with his statement that "I say that the most sacred law is that a man who lives in society should be able to enjoy his own possibilities to the maximum, but work is perhaps not the way to do it. If we are lucky, we will move towards a leisure society where we will work less. The aim of man in society is not to work, it is to realize his own potential to the maximum." Mr. Trudeau has, however, carefully ignored just how his leisure state would be financed, although his statement that there should be no stigma attached to those who collect their unemployment insurance, to which they have contributed, rather than work, suggests that he favours the strengthening of the Welfare State, which is a subtle perversion of the Social Credit concept. It might be observed that the central issue concerning employment is not really "full-employment" or "unemployment", but whether individuals are to work under increasing central direction and compulsion, or whether they will choose their own type of work. In a stable, healthy society, there would be much more self-employment, and much more creative individual activity.

It has been said that God sometimes works in most mysterious ways. In his obvious attempt to offset Mr. Caouette's movement in Quebec, Mr. Trudeau, noted in the past for his violent hostility to Social Credit, may well have opened the door for a national debate on the basic Social Credit concept of the right of individuals to share as a right in what might be described as the national profit. History may yet record that the man detested by all genuine conservatives played a major role in the creation of a genuine free society!

THE PARTY POLITICAL GAME

One of Canada's hardest-hitting columnists, veteran Fred Kennedy, who writes in *The Albertan* under the heading "I write as I please", provides a vivid picture of the Canadian chaos resulting from the Trudeau Adminis-

tration's programme, and then continues, "Through all of this, the Canadian people continue to smile bravely through their tears. Party hacks continue to carry the banner labelled, "My Party, Right or Wrong", and because Canadians are hounds for punishment, and many don't know any better, they will again perform as robots at the polls the next time around." Under the growing influence of the Canadian League of Rights, increasing numbers of Canadians are starting to have a more realistic look at the political party game, and to take the initiative in attempting to force their policies on their paid servants, the Members of Parliament. But the party virus is still deep-seated, as witnessed by the entry of yet another party into the next Canadian Federal Elections, the Western Party. The leader has provided an example of that wishful thinking associated with the political party game: He predicts that his party will elect "at least 30 MPs." I have not met one observer who is prepared to concede that this party, attempting to exploit growing Western feeling against the demands of Quebec, will win even one constituency. But it will, of course, fragment the Western vote, as will the entry of Social Credit party candidates, another example of "hounds for punishment". The tragic results, one being the crushing defeat of the Albertan Social Credit Government last year, after more than 35 years of attempting to advance Social Credit by the party political game, which Douglas said was doomed to failure, appear to have had no effect on some Social Crediters. It is sad to see so much wasted and frustrating efforts.

I should record in passing that one of the by-products of the defeat of the Albertan "Social Credit" Government was a move for an investigation into Social Credit by the Social Credit League! The gentleman heading the committee of investigation, which I understand is going to "update" Douglas, asked me at a Social Dynamics School in Edmonton if I could submit a "concrete plan" for implementation. I had to stress that plans of any type are of little use at the present time. What is required is an electoral movement, which will apply enough pressure to Members of Parliament to put the present experts to work to start implementing policies that will take society in a different direction. A ten percent reduction in taxation would be preferable to all the plans in the world!

ANTI-TRUDEAUISM NOT ENOUGH

One of the greatest dangers facing Canada today is the possibility of a negative and obsessive anti-Trudeau campaign removing Mr. Trudeau, who would probably then move to the international field, and replacing him with a Stanfield Conservative Government which, addicted to the same finance-economic policies as the Trudeau

Government, would then give the Canadians the same type of treatment that Edward Heath is giving the British and that President Nixon is giving the Americans. The party political game unfortunately prevents people from taking a longer and more detached view of fundamental policies. Former Trudeau Cabinet Minister Eric Kiernans observed last year "You hear a good deal about all the changes that were made by Trudeau in the civil service, but if you examine the really big ones you find that . . . the same people were still giving the same advice." Mr. Kiernans said that there had been "a game of political chairs". Most of those shifted around in this game, men like Robert Bryce and Simon Reisman, are products of the London School of Economics.

The developing situation in both the U.S.A. and Canada demonstrates clearly that no change of direction away from disaster is going to be initiated at the top. Only an informed grass-roots movement, based upon realistic principles of associating, uniting people against the party and other activities, which divide them, has any chance of preventing a complete social collapse.

ANNUAL DINNER WILL BE ANOTHER HISTORICAL HIGHLIGHT

"The New Times" Annual Dinner, to be held this year on Friday, September 22, will be another inspiring highlight in the history of the cause for which "The New Times" was founded in 1935. This Dinner is a family one, and we have no doubt that the 1972 Dinner will reflect the tremendous growth of the activities supported by "The New Times".

The organisers reserve the right to reject applicants. Because of the heavy demand upon the number of seats available, those readers intending to attend should make their bookings as early as possible. Then- \$6 donation must be sent with the booking. Every effort will be made to seat guests with friends.

The principal guest of honour for the 1972 Dinner will be the well-known South African journalist, commentator, and author, Mr. Ivor Benson, who will give a Paper at the National League of Rights Seminar, to be held the following day, Saturday, September 23. Every effort will be made to provide private hospitality for country and interstate visitors, but early requests would vitally assist with the large amount of organisation required. These interstate visitors intending to be at the Dinner and League Seminar, and requiring hospitality, should not leave their booking until the last few weeks.

BIGNESS THREATENS FREE SOCIETY

John F. Bulloch writes in the April 1972, issue of "Mandate", Canada:

The feeling that Canadians no longer control their own destinies is mistakenly directed at the degree of foreign ownership in Canadian business.

It is rather a manifestation of a greater problem in North American society—an explosive growth in the size of business, government and labour that threatens to stifle the concepts of independence, self-expression and freedom of choice.

The cycle of business becoming larger, of unions growing as a counter-balancing force, and of government expansion to control both, is the essence of the Corporate-Welfare state. The result is concentration of more and more power in fewer and fewer hands, and the growing remoteness of these institutions from the needs and aspirations of the individual.

The lure of North America to the immigrant was the chance to break out of feudal patterns, the chance for nobodies to become somebodies. In the Corporate-Welfare state a whole nation of somebodies are becoming nobodies. The pattern started with the uncontrolled growth of business, both here and in the United States—the stock swaps and corporate mergers that are continuing to concentrate the control of major sectors of the economy in the hands of a few huge corporations. In manufacturing, resource development, finance and retailing, fewer and fewer companies do more and more business.

Government jockeys for control over both big business and big labour by building more regulations and a bigger bureaucracy. The financial burdens of government grow heavier, and taxes drive the wealthy into island havens, force farmers off their land, close the doors of small businesses, and turn the enterprising worker into a machine with one function: to produce tax revenue, so that the Corporate-Welfare state can feed its ever-growing number of dropouts and casualties.

Oversize in the growth of business is no phenomenon of corporate genius: it is more the massive violation of the concept of free enterprise through discriminatory and monopolistic practices, secret affiliations, millions extorted from suppliers and dealers and more millions cornered through tax juggling and stock market gymnastics. To those who take this to be an argument in favour of socialism let it be observed that concentration of power in government does not appear, and has not proved, to be much different from concentration of power in private hands. In other words, there is not much point in replacing a system of corporate capitalism with a system of corporate socialism. The effect is the same; only the names of the men in control are different. The one answer that does make sense is a return to the approaches of free enterprise—the diffusion of power and decentralization of authority.

BRITISH COLUMBIA'S STRANGE "SOCIAL CREDIT" GOVERNMENT

The recent demand by Premier Bennett of British Columbia, Canada, that the Trudeau Government should impose wage and price controls in an attempt to halt inflation, provided further striking confirmation of the truth that Mr. Bennett's philosophy is diametrically opposed to that of Social Credit, which the British Columbia Government falsely claims to represent.

At a conference of the Canadian Federal Government and the Provincial Governments, held late last year, the concept of a Common Market. *The Gazette*, Montreal, of December 18, 1971, reported that Premier Bennett urged the Federal Canadian Government to establish a Common Market with the U.S.A. "Premier Bennett pointed to Great Britain as a country which had set aside political differences to join other European countries in the European Common Market."

Further striking evidence of Mr. Bennett's anti-Social Credit philosophy was provided when he introduced a Gift Tax in British Columbia. *The Province*, Victoria, B.C., of March 25, reports that Mr. Bennett was supported solidly by the Socialist New Democratic Party. Mr. Bennett said that without his tax a person could give away his money before he died and escape succession duty. Fancy that! He thanked the NDP for their support, although he said that his party was "a social reform party", not a Socialist party. The only Social Credit MP to oppose the tax, Mr. Capozzi, said that it was the first step towards a fully Socialist tax, with its supporters insisting that people should be taxed three times. One Liberal Member opposing the tax facetiously suggested that perhaps a control could be established so that when Santa Claus came down the chimney he could also have his gifts taxed!

Mr. Bennett's "debt-free" Government has also boosted the limit of borrowing for the British Columbia Hydro-Electric to \$500 million. One Member of the BC Legislature observed that out of every dollar paid to the Hydro-Electric by consumers, 33 cents now went to service the debt. Mr. Bennett promises that consumer rates will not be increased, but carefully avoiding giving any assurance on industrial rates. Increased industrial costs must be charged into ultimate higher prices for consumers. In 1967 a loan of \$59 million was provided by Wall Street to finance the British Hydro-Electric.

A Canadian correspondent says that the sooner the British Columbia "Social Credit" Government follows the Alberta "Social Credit Government" into the political wilderness, the better for genuine Social Credit activities, in Canada and elsewhere.

THE DECISIVE BATTLE

Abridged Report of Speech by Major C. H. Douglas at Belfast on March 14, 1935 Although a portion of my talk to you will be mildly technical, the technical aspect of the matter is one which, in my considered opinion, is much better assimilated by reading literature, of which there is a considerable amount dealing with the subject. I want to deal with the matter from a broad point of view so that you will get, as far as is possible in the time available, a bird's-eye view of the situation as I see it, and an understanding of the reason that action of a certain kind seems both necessary and imperative.

I suppose that no thinking observer at the present stage of social progress—I do not suppose I am unduly flattering you for you would probably not be here tonight if you were not thinking observers of our social progress—could fail to see that there are two processes going on at the present time. There is the advance of science and the progress on the industrial fronts, both of which tend, whether consciously directed to that end or not, towards freedom. Every conquest of time and space is an accession, potentially or actually, to the freedom of the individual. If you have 24 hours in the day, a certain number have to be devoted to sleep. Your freedom is enhanced if, in the remaining number of hours, you can overcome the limitations placed upon you by nature.

Curiously enough, accompanying the freeing process, we have quite obviously a very strong urge towards the enslavement of the individual. We have, for instance, in Great Britain the largest police force in the world. Generally speaking, there is in the situation at the present time a suggestion that there is something wrong with the individual, which makes it more and more necessary that he should be ruled in regard to every single one of his avocations. The ruling we get is of two kinds. The first, which is very obvious, is by means of laws, and this ruling is purely negative; it tells us what we must not do. But, in fact, the most effective—I say effective in the sense of being onerous—is positive; it tells us what we shall do. The things we shall do are forced upon us by the monetary system.

There are many interesting aspects of this matter. When you say that Mr. Jones, who is in business, is making money, you are using a very incorrect phrase, unless Mr. Jones happens to be one of the people working for the Master of His Majesty's Mint, where money is made. There is the man who makes money by imitating signatures and usually gets 15 years imprisonment as his reward. And there is the third person that usually gets a Peerage or something of that kind for making much larger quantities, also by writing signatures; he is a banker. Money is not made by making goods or providing service; it cannot be made that way. Money, in the literal sense, is made, to a major extent, by a process called banking.

THE PRESENT STATE OF AFFAIRS

I want you to consider the situation. Supposing you had a perfectly self-sustaining community, which was growing all the agricultural products required, manufacturing all the goods required, building all the ships required, and so forth. Supposing that such a community was existing on

a system of barter, quite obviously it could go on existing that way indefinitely by exchanging the things produced amongst the population. Now, supposing that somebody said, "You must provide so much in taxation or rates," or something of that kind. None of the people engaged in those rationalistic economic pursuits are, by any hypothesis, makers of money. They have got to get money from the people who make it.

That means that the moment you begin to impose a money tax, either in the form of taxation or rates or anything of that kind, which has to be paid in money, you hand yourself over to the manufacturer of money, unless the manufacturer of money happens to be yourself. That is a state of affairs, which is quite beyond discussion. And I think you will realize that this enslavement of the population, this increase of rules and regulations, and this interference of the Government in business follow naturally from this situation. All these things are an infringement of the liberty, which we are achieving by physical means, when we understand our relation to the money system.

Every one of these things goes up in exactly the same ratio as rates and taxes go up. That is because of a very simple thing. If half a man's income is taken off him, it means half of his power to dictate economic policy through purchasing—which is the way economic policy is dictated, because if you cannot sell a thing you cannot make it—is taken from him. It is the purchaser who ultimately dictates the economic policy. If half a man's income is taken off him and put into the hands of a bureaucracy, that half of the policy which is involved is taken out of his hands.

POLICY IMMENSELY IMPORTANT

This question of policy is of immense importance at the present time in connection with such proposals as the nationalization of the banks. Nationalization is purely an administrative change; it is a change from the administration of an undertaking by means of rules and regulations, the ultimate sanction for which is the governing body of the country, presumably the House of Commons, probably some State department. It is running a business under a book of regulations instead of running it under the unfettered judgment of a man presumably trained in the business and therefore with a greater intimate knowledge than, for instance, a Government official could have.

A mere change in administration is not the same as a change in policy. No change of the banking system by nationalization would in itself make the slightest difference as to the result of working a particular policy in the

banks. Of course it may be argued, and it is argued, that you cannot get power to change the policy of the banking system without nationalizing it. I would say, with the greatest respect, that the only certain way to make sure that ultimately the banks will be nationalized is to refuse to make changes in policy. The certain way to postpone indefinitely the nationalization, at any rate, of the joint stock banks, is to make these changes so as to allow the people to have the benefits that should come from them. That is an extremely important aspect of this question. I think we are all, in one sense, Socialists; we all desire the best for society, but we do not all necessarily agree what is the best for society.

DANGEROUS RULE OF THE EXPERT

If the constant enslavement of the individual, to which I have referred, has nothing to do with changes in administration, what has it to do with? The first thing to realize is to what extent you do bring into the problem the control of administration. You cannot democratize administration. There is no such thing as democratic administration. It simply cannot be done. If this is not a question of administration, it must be a question of something else. What is it?

There is a plain straightforward answer. It is a question of financial policy, and, to have a policy, you must have an idea behind that policy; you must have some idea of what you are trying to do. I am going to put to you an idea which no doubt at first you may find rather startling. What we are suffering from in regard to the financial policy is the rule of the expert. What I mean by that is this: If you take any single object of commerce—linen, ships, or anything of that kind—you will find there are certain rules in regard to production of that article, and if people do not like those rules they can stay outside the production of that article. One of two things will happen: Either you will be forced to get assistance in producing that article, or you will be obliged to change your methods. If your methods are good, it will be recognized your methods are good and you will get a number of people to assist you, even if some do not like the methods.

If you get a thing like money under the rule of the expert you are getting the whole of the ideas and aspirations, difficulties and idiosyncrasies of the policy of the individual man subordinated to one over-riding policy, which is the policy of the monetary expert. That is a very serious thing. That is what is happening to us at present. We are under the rule of a number of people who, most unfortunately, have no complaint against the existing financial system. For them it is a perfectly good financial system. I do hope everybody will realize I am saying this without any rancour.

The present financial system is perfectly good, looked at from the point of view of the banker; he has no complaints to make, and his only preoccupation as it stands at present is that it shall be made to work; he is doing very nicely out of it. When he sees the rest of the country

practically going into bankruptcy he pays 16½ percent; when trade is better he pays 18 percent. He is careful to explain that, at the time the country was doing better, he put profits into reserve so that he could pay 16½ when the country was not doing so well. I do not grudge him that.

PURPOSE OF ECONOMIC SYSTEM TO SUPPLY WANTS

I want to labour this question of the undesirability of omnibus rule of the expert. Taken as a genus—as a race—men are not experts; they are not primarily experts; they are primarily consumers. The human individual is primarily concerned only with results, and he must have certain results. He must have necessities, and he wants to have them with the least possible interference with his other avocations.

In my opinion, this interference is the explanation of the increase of social unrest at the present time. The average man does not understand how the social or economic system works, but he has got a very strong idea he could work with a great deal less interference than he has at the present time. He is perfectly right. I am perfectly certain that the proper attitude towards things is to run the economic system for the purpose of achieving the desires and needs of the population. We are not running the system for the production of employment or to provide jobs for bureaucrats. We are running the economic system for the purpose of supplying economic wants, and the less friction the less trouble introduced, the less need we shall have for a policeman at every corner.

It is obvious that ninety percent at least, probably more, of the crimes committed, and the crimes which would be committed if it were not for the police, are simply the urge to get at things in the economic system which are potentially available; and if you made these available instead of hiding them with your many restrictions, you would at once relieve many of the stresses which exist in society at the present time. That is what you might call a survey of the situation, and I hope I have made the position reasonably clear, and that I have carried you with me to that extent.

PRICE SYSTEM NOT SELF-LIQUIDATING

What is it, from the technical point of view, which at this stage vitiates the physical ability to produce and increase the amount of goods with a decreasing amount of labour? It is simply this: That the price system, which is part of our existing system, is not self-liquidating.

The theory at present is that no matter what the charge is for an article, there is extant somewhere sufficient money to buy that article. I think if you look at it generally you will see how ridiculous it is, because quite obviously the amount of money in your pocket is not sufficient. We have a certain amount of money in existence at any time. If all costs and prices which are created by the money

going out of the banks were liquidated when the money goes back, then the price would be self-liquidating.

If the price were self-liquidating, no debts would be created; but the process would not be self-liquidating if there were debts created. Not only is it true that new debts are created, but if you take one hundred years as the unit, which is quite a short period in civilization, the rate of the increase of debt at the present time is in proportion to the fourth power of time. We know that the amount by which distributed purchasing power falls short of the amount to make the price self-liquidating is inversely proportional to the fourth power of time, even allowing for the numerous repudiations of debt, the writing down of bankruptcies, and refunding in various ways. If you want to make prices self-liquidating you have got to do something, which is exactly the reverse of the process of piling up debt.

I should like you to realize what immense powers this non-self-liquidating price system gives to those in a position to create money. It is perfectly obvious that the business of the world cannot be carried on by the amount of money, which exists at any given time, if it is not self-liquidating. I do not think that it is reasonable to assume that a collective institution, which finds itself in possession of such dictatorial powers as are involved in this power to create money, will surrender that power merely by our talking. But it must be surrendered. There is no other way by which civilization can be saved than by the rectification of this price and financial system.

TRUE DEMOCRACY

The ultimate sanction of the forces of the Crown rests, at any rate in theory, with the House of Commons. I would like to direct your attention to the fact that our so-called democracy in Great Britain and Northern Ireland has never yet as a democracy, said what it wanted.

The situation is complicated, in my opinion. I say this with a full appreciation of the peculiarly, shall I say, unsuitable ground on which I am saying it: That the position is immensely complicated by the party system. The party system, in my opinion, has been one of the greatest pillars of financial power. By the simple process of controlling the finances of both parties we have had only one party in Great Britain for many years, probably one hundred years, and that party is the Financial Party. So I don't think the proper method of attacking this problem is along the lines of building one more party.

I think what is required is to recognize that if democracy, political democracy, is to remain—and the whole future of the world depends upon its remaining, whatever its faults may be—if it is to remain we have to recognize that the upholders of democracy could do it no greater disservice than to suggest that the present so-called form of democracy is satisfactory. It is highly unsatisfactory. It is a camouflage. The House of Commons ought not to be a lot of second-rate experts telling first-rate experts how to run their business.

If we regard the House of Commons as representative of the people of the United Kingdom, and we tell it we will have certain results, we are not going to say how to get those results; of course, if the House of Commons says it cannot do it, there are people who say they can and we are going to give them a chance.

If you will look at the problem from that point of view you will see the possibility of a completely new democracy that will say we are going to decide what we are going to fight about. In England we tried reasoning, but we did not find it successful, so we are going to become a militant division. We are mobilizing the electoral power of British electors. We ask: "Do you or do you not want a division of the goods which can be produced?" In short: "Do you want a National Dividend?"

A voice: "Yes."

I entirely agree with you. I am perfectly certain we do. We are going to the Members of Parliament and we are going to say: "Will you use your utmost endeavours to put this thing through? Because, if you will not, we already hold sufficient votes to turn you out next election."

In one large industrial town in Great Britain a small number of workers obtained the balance of power in the most important constituency in the city in less than a week. They have told the Member what to do, and he will do it or go out next election. That is the sort of thing that is going on, and I should like to see it going on here.

I think I can honestly say I don't care whether or not my proposals are used as a method for achieving results. I am inclined to think that the proposals for the discount and the possible later introduction, particularly in Northern Ireland, of a universal National Dividend are, in fact, complementary to one another. I am inclined to think that in some form or other, with possible modifications, these two will be found to be the simplest, least troublesome and most radically effective methods of producing results. But, anyway, what we want is results, and we want them quickly. —"Social Credit."

JAMES LANNEN

It is with sorrow that we have to announce the death of James Lannen of Ballarat, Victoria.

James Lannen passed away on April 26 last, and was mourned by a great number of relatives and friends of the Lannen family.

James Lannen was a dedicated Christian, and a dedicated Social Creditor. All who knew him came to admire him as a man, and also to admire his unceasing efforts to pass on to others the truth of Social Credit.

The Social Credit Movement has lost a great soldier. We know that James Lannen's greatest comfort would be the flowering of the many seeds which he sowed over the past quarter century. We extend our deepest sympathy to Mrs. Lannen, and the other members of the family.

FALSE PROPHETS EXPOSED

From "The Wanderer (U.S.A.)" of January 6, 1972, we reprint the following article by Thomas A. Lane. The root cause of the ever-increasing dissatisfaction which man has with his Western Society, still to a large extent "free", is the fallacious finance-economic system upon which it is built. Accelerating the advance towards the disintegration of this finance-economic system, is the system of economic proposals put forward by the late Lord Keynes - Keynesian economics! Thomas Lane touches on this, and also on the tragedy of the misdirection of youth's natural rebelliousness.

WASHINGTON—Dividing the Wealth—Are You Getting Your Share? is the challenging title of Dr. Howard E. Kreshner's new book for thoughtful Americans (Devin Adair, paperback, \$2.25). In this book summing up the conclusions of his illustrious career, the able and respected chairman of the Christian Freedom Foundation talks horse-sense about economics as he appraises our American heritage, the challenge of our time, and the outlook for the future. From his own business experience and decades of study of world economic systems. Dr. Kreshner brings salutary advice, which should be of special interest to our young people.

It is inevitable that our youth become disenchanted with a political system, which refuses to pay its debts, which borrows \$400 billion against the earnings of future generations in order to coddle the voters who now keep politicians in office. The basic immorality of such politics is obvious. The system is rotten to the core. Our youth cannot avoid seeing the corruption and rebelling against it.

But when conscientious youth rebel they should understand what they are rebelling against. They must know precisely where the evil lies else their dissent may be aborted in flailing phantoms. The alternative to our present folly is not the prescription of Marx, which has never produced anything but poverty and slavery. The only constructive alternative is the system of personal freedom and personal responsibility under God, which mothered our productive society.

There is always a prodigal son who squanders his patrimony on riotous living until he comes face to face with destitution. This is the course on which our political leaders have led us in the past thirty-five years. We have squandered our wealth, exhausted our credit, and debauched our currency. Our impending collapse is the consequence of our repudiation of the characteristics on which America was built—honesty, thrift, ingenuity, and hard work.

Government deficits do not stimulate business and increase employment. They have the opposite effect, destroying the very foundations of business and commerce—the

integrity of our monetary system. Deficits may produce a temporary exhilaration, like an LSD trip, but they too destroy all who resort to them.

People create governments to serve them. They must never allow Government to become their master by assuming responsibility for their welfare. Yet, this precept is violated today by a Federal Government, which professes to soothe every ill of the citizen.

Earned wealth which remains in the hands of the citizen is prudently used for necessities, for improvement, and for investment. Wealth taken by Government through taxes becomes the graft of politics unless it is stringently restricted to the essential functions of Government—preserving internal and external security, enacting and enforcing the law, establishing and preserving a sound monetary system. The usurpation of welfare powers by the Federal Government, in violation of the Constitution, with the connivance of the Supreme Court, illustrates the moral degradation, which has invaded our political system. Today, the name of the game is power, not law. No wonder our youth are revolted by the prospect!

Dividing the wealth is taking it from the worker to subsidize the special interests supported by the Federal Treasury. The worker can get his share only by stopping this Federal hijacking of his pay. He must reject the pleas of do-gooders who allege that Government knows better how to spend the worker's earnings.

Dr. Kreshner gives us a clear, readable critique of our economic and political follies, spiced attractively with stories from his personal experience. He demonstrates the immoral premises of the Keynesian economics to which our President has so recently subscribed. When you read this book, you will want to ask your Congressman and your Senators why they are doing what they are doing. Only when enough citizens ask will our Country be recalled to the sound policies under which it once prospered.

BASIC FUND MOMENTUM INCREASING

Readers are responding to the challenge, as we knew they would. The flow of funds is increasing as we fast approach that critical last week in June. Let us further increase the flow. The fund now stands at \$23,545.08. The big objective now is to provide that surplus in excess of \$25,000, which will enable us to launch the massive new initiatives we have planned. The important point to grasp is that each dollar contributed enables us to take initiatives, which generate many more dollars of support. The longer the lever of support, the greater the impact when we pull on that lever.