

THE NEW TIMES

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

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ACCELERATING TOWARDS MORE DESTRUCTIVE CONVULSIONS

It is now over 50 years since the great British genius C H. Douglas predicted that all attempts to operate the finance-economic system under rules which generated increasing debt, taxation and inflation, must inevitably lead to one convulsion after another. Douglas warned that if persisted with, these rules must end in the complete collapse of Civilised society. He correctly predicted the mounting inflation now rapidly accelerating everywhere, and said that only the use of consumer credits to produce a falling price level reflecting the truth that with technology the real cost of production per unit of production is constantly falling, could end the social unrest which the Marxists and their dupes are using to demolish the foundations of traditional society.

Every new increase in the inflation rate is being used everywhere to condition people to believe that Governments must have far more centralised power in order to "wage war" on inflation. Australian Treasurer, Mr. Frank Crean, is calling upon the Australian State Governments to "co-operate" with the Federal Government in checking inflation. This is a preliminary to a crisis which will then be used in an attempt to stampede a desperate Australian public into believing that inflation can only be halted by giving Canberra greater constitutional powers. References are being made to the fact that President Nixon has been able to take direct action because he has the constitutional power to impose price "freezes". Those making such comments show their contempt for the Australian people, whom they obviously believe cannot recall that the destructive inflation rate in the United States follows the last "freeze", which made the position worse, as we predicted it would. While we are prepared to concede that stupidity concerning finance-economics is more widespread than some informed people believe to be possible, we are satisfied that the persistence with which an increasingly disastrous policy is pursued is confirmation of the reality of a conspiracy to destroy what remains of the free society.

CONSUMER CREDITS THE ANSWER

The history of the last 50 years proves beyond all argument that inflation is a deliberate policy of destruction. A recent feature of the psychological warfare being waged against the individual, is the teaching by some "experts" that inflation is not really as bad as once thought; what is required simply is "psychological adjustment". This type of approach has its appeal to politicians, the mounting army of bureaucrats, and the monopolists, all of whom are in the position where they can readily adjust salaries and prices upwards. But the

overall result is the progressive destruction of what remains of the free enterprise system, the elimination of the middle class, while placing the Marxist agitators in the position where they can exhort the wage-earner to more "direct action" in an attempt to keep his wages abreast of rising prices. The Marxists do not bother to tell the wage earner that most of his wage increases are illusionary as the Federal Government's taxing monopoly quietly takes a progressively bigger share of his wage increases. The speculator is encouraged. A sense of stability is eroded. Germany went through all this after the First World War. The end result was Hitler and National Socialism.

The venomous attacks upon The Australian League of Rights stem from the fear of the power-groups that its programme for reversing inflation would, if even partly applied, demonstrate that only by the use of consumer credits to subsidise prices downwards, could inflation be halted without economic and social dislocation. Treasury "experts" actually argue that the use of consumer credits to lower prices would be inflationary! The same "experts" support the policy of using new credits to inflate prices! The Australian money supply is currently being expanded at the greatest rate in Australian history. If Mr.

DON'T MISS 1973 "NEW TIMES" ANNUAL DINNER

Date: Friday, September 21: Place: The Victoria, Little Collins Street, Melbourne. Donation: \$6.00, must accompany booking. This is THE national function of the year. Early bookings will assist organisers. Private hospitality, if required, for interstate visitors.

Crean is going to support Prime Minister Whitlam's promise that his programme would not require any increased taxation, then he must be going to follow Mr. Snedden's lead, and bring down another large deficit budget. We can predict the results now: inflation running at the highest level in Australian history. No one can say that we have not done our best to warn the Australian people.

CHANGE POLICY, NOT POLITICIANS

As the stage is set for the next convulsion, it is the most dangerous folly to believe that the deteriorating position can be rectified by getting rid of the Whitlam Government and replacing it with one led by Mr. Snedden. And we wish to go on record as predicting that no Government led by Mr. D. Anthony, Mr. Malcolm Fraser or any of the other "conservative" leaders being promoted by some anti-Communists, would result in any improvement to the situation—not unless such a Government

was prepared to tackle the basic cause of the nation's tragedy, a finance-economic policy leading direct to Marxism or social collapse. As individuals we much prefer Mr. Anthony and Mr. Fraser to Mr. Gough Whitlam. But they have over the years displayed such an appalling ignorance of the realities of revolutionary finance-economics that they could prove the very men to preside over the greatest convulsion of all.

The situation can only be reversed by a grass-roots movement exerting sufficient pressure upon a sufficient number of politicians, irrespective of their party labels, to force them to challenge the basic causes of inflation. As the crisis deepens, increasing numbers of electors are being forced to consider alternatives to proven policies of disaster. The League of Rights has plans for activities of a much greater intensity than any of the past. All that is required is the active and dedicated co-operation of all supporters over the coming months of deepening crisis.

ACCIDENTAL HISTORY

Our attention has been directed to the following editorial in the June issue of "The Australian GP", the journal of the General Practitioners' Society of Australia. It is most stimulating to know that the doctors are being led by men who can express the fundamental truths contained in this editorial:

"In politics nothing ever happened by accident,

If it happened you can bet it was planned that way."

—Franklin D. Roosevelt.

Millions of people all over the western world are concerned and frustrated by the inexplicable problems they encounter in everyday life.

They cannot understand why it is that costs continually rise proportionately higher than incomes; why they have nothing to anticipate but inadequate government-provided pensions upon their enforced retirement from active work (for those who have not hidden behind machinery or public service desks for most of their lives); why adherents to the extreme left-wing, Marxist views of the London School of Economics have not halted inflation (little knowing that 'inflation' is the factor designed to sow discontent in democracies) or why socialism, Marxism or communism (call it what you will) is creeping and crawling over western societies (in spite of the 'efforts' of so-called 'liberal' and 'conservative' administrations).

People cannot comprehend why it is that corruption and political intrigue should have reared their ugly heads in that self-styled (by virtue of a financial stranglehold) 'front-runner' for the western world, the USA; or why it is that the politicians of wealthy 'democratic' nations, having failed to win an undeclared war against a small undeveloped country, should suddenly perform a complete about-turn and not only provide succour to their former adversaries but welcome them in their midst.

If you have time to think about it, it will occur to you that there are only two theories of history. The one is that things happen by accident, neither planned nor

caused by anybody. The other is that things happen because they are planned and that somebody causes them to happen.

Academics preach the theory that things happen by accident. They also preach that the solution to accidentally caused problems is 'careful planning' to avoid similar situations. However the fact is that academics are not realists for, over the years, they have acquired a strong vested emotional interest in their own errors. Thus, they are either totally committed to the accidental theory of history or they deliberately conceal the truth as it is known to them.

To be uninformed is one thing, but having been informed is another. After all, it is uncommon to find people who care to admit that they have shown poor judgment, for it takes a very strong character to face facts and admit that his judgment has been incorrect because he was misinformed. Nevertheless such people do exist among academics, economists, hierarchical establishments, professionals, businessmen and social climbers.

Many professional people are particularly susceptible to the 'don't jeopardise your social respectability' spiel repeated ad nauseam by those who cannot see the wood for the tree and who fail to realise that, by going along with the system, they are putting their necks in the noose skilfully provided by others whose ideologies are at variance with the philosophies they themselves hold dear but which, for personal motives, they are not prepared to

expose to the gaze of lesser mortals.

Many wealthy cultured, highly-educated and, superficially, philanthropic people forget the lessons of history to the extent that they 'hobnob' in order to curry favour, the award of social status, government contract, licences to operate radio and TV stations, increased circulation of their newspapers and even appointments as spies and hatchet-men for various departments of socialist central government.

A man who can sell his soul to obtain social status, government contract, secure employment or a dangled \$5 carrot is not better than a Watergate wire-tapper. He places self-interest before private, professional and public pride. He is merely an unimaginative shortsighted opportunist like the businessman who is bribed into silence by demands for protection money from power-hungry politicians, or the professional man who is

bribed into silence by a taxation system which forces him to work harder each year to earn the tax due the year before.

If such men are truly 'men' it is time they stood together to be counted instead of cowering in fear of derision and the smear tactics employed by those who seek to control the lives of everyone.

Unfortunately members of most groups do not recognise the danger until they are under direct attack. They express no concern about what is happening to other groups in the community. Thus the enemy picks off each group one by one.

To buck the tide means social and professional ostracism, even non-invitation to some social climber's tennis or cocktail party, but each one of us has a choice—social ostracism or ultimate slavery for ourselves or for our children.

HYPOCRISY OR STUPIDITY?

By D. WATTS

Please to remember the 23rd of November. That is not an appeal to all Australians to celebrate the day on which, in Brisbane, the first notable, violent demonstration by Aborigines took place, but only to describe how one suspects that the inciters feel about it. The riot represents success at last after long years of continuous effort to prod Aborigines into doing in Australia as Negroes did in America.

In imagination, which perhaps gives a picture not far from reality, one follows the persevering endeavour—the consultations and planning, the constant reminders and exaggerations of wrongs suffered by the cat's-paws and the exhorting of them to take revenge, the inspiring descriptions of criminal action by American Negro mobs, the hopes when success seemed near and the disappointments when the heat of racial hatred died down without coming into flame. And then, oh joy, came the reward of all the arduous scheming and persuading. By the demonstrators, onlookers were abused and jostled, stones were thrown, policemen were kicked and punched and attempts were made to damage buildings.

In comparison with other great blood and fire riots it may seem to have been a paltry affair. There were only about 100 marchers and, of these, somewhere about 30 percent were white; but size is not the only impressive factor. The Battle of Bunkers Hill was a very small engagement, but as a symbol it has for Americans immense significance. So, for Australian revolutionaries, the November 23 may become a symbolic event.

PATTERN FOLLOWS U.S.A. SUBVERSION

There were efforts, not always merely sentimental, to help better the Aborigines' condition for decades before racial violence broke out in the U.S.A.; but when that occurred, what Australian echo-men, with the sound of anti-white racist propaganda ringing in their ears, could resist following the pattern set by the devotedly admired Americans? Bring me a bardie, but they could not even think up an Australian term of abuse for the police, but must call them pigs—just like the Americans.

The march of the Aborigines followed a church service at Pastor Brady's mission where a speaker told the assembling marchers that "we" will kill the Director of the Aboriginal and Island Affairs, Mr. Killoran, if necessary. Perhaps he did not know that to stir people up to murder or assassinate is an indictable offence. The demonstrators marched to the Department of Aboriginal and Island Affairs, only to find the doors locked and guarded. As the police tried to push the mob off the footpath stones were thrown at police and vehicles and one policeman was stunned by being hit on the head with a bag of rocks and was kicked as he lay on the ground.

After that Dennis Walker who, from what appears, was one of the prime organisers of the march, had the cheek to say, "It wasn't planned as a violent demonstration—it was a spontaneous thing originally—but the police tried to stop us getting into our own office."

If it were planned originally as a peaceful demonstration, one would like to know how the marchers suddenly became possessed of stones and rocks to throw. It seems most unlikely that they would find them lying about George Street ready to be picked up and pelted as soon as the first, feeble excuse to do so presented itself. And, incidentally, does Dennis Walker really know the meaning of "spontaneous"? The march seems to have been planned in detail a day, or days, before it took place.

AUSTRALIAN COUNCIL OF CHURCHES INVOLVEMENT

The Queensland Premier, Mr. Bjelke-Petersen, asserted that the blame for the violence must be laid firmly on the

shoulders of the Australian Council of Churches. He said, according to the report in *The Sydney Morning Herald*, that the Council of Churches must have known that the march could suddenly erupt into violence, and that it was a sickening situation when so-called Christians came from a church service and, by subsequent actions created fear among mothers, young women and children.

To quote the newspaper further: the superintendent of the Central Methodist Mission said that the Methodist Church of Queensland dissociated itself from any violence advocated in Pastor Brady's mission (which is under the auspices of the Methodist Church). The General Secretary of the Australian Council of Churches accused Mr. Bjelke-Petersen of having "political reasons" for criticising the council's involvement in the demonstration. Could there be a more stereotyped example of defence by attack than that?

Humbug is a parasite of virtue and one specimen is a fair sample of the whole species. There lived in our district for a while a family that was rescued from obscurity by the behaviour of its delinquent, teenage son. Let us call him Urger. Very soon after the family moved in he found hoodlum mates and became a ring-leader behind the scenes, though never in the forefront of the fray. An incident tells about him. The Parents and Citizens or some such body had organised one of those district gatherings, which are almost family affairs. There was to be singing and dancing and an early supper. The function was only part way through when in burst a mob of young bullies. Fights were started. Men were punched, women upset and alarmed, children terrified, furniture broken and food scattered. That was the end of what was to have been a happy evening of innocent pleasure.

One woman, taking home her two frightened, weeping, little daughters, came upon Urger outside the hall crying bitterly. Being a pitiful soul, the mother stopped to comfort him and asked him what was the matter. Blubbering, he told her, "I get blamed for everything. I never did nothing. I wasn't in the hall, but everyone will blame me."

The oft-repeated defence that Mummy had put into his mouth while he was still but a malicious, little tot was almost automatically produced before ever he was accused. Had the police arrived in time to catch the perpetrators of the sabotage in the act, young Urger would have been in the clear. He had done his full share of inciting and was hovering on the outskirts to enjoy the excitement, but he had taken no part in the actual violence.

The parallel between the behaviour of Urger and that of certain Church Councils is obvious. Perhaps most of us used to think, when we heard of clergymen inciting or taking part in what seemed to us to be ill-advised racial activities, that this was by the decision of the individuals; but the Councils of Churches, world or national, have shown us that it is the policy of these organised religious

bodies. However, policies are decided upon by individuals. Those religious, political or journalistic policy-makers who do what they can to generate racial hatred and then turn round and deplore outbreaks of racial violence, if without communist inclinations and fairly sincere, seem to fall mostly into the category of either Wet fingers or Pin-hole Peepers

It is necessary for those seeking popular support to keep a finger wet in order to discover which way the wind is blowing. With members of Church Councils that should have been a precaution, not a means of discovering the expedient. A wet finger can tell only which way the wind is blowing, not if or when it will change. Expediency, especially if revealed by the direction of the wind, offers no more than temporary advantages and soon changes into stupidity or humbug. It was not wet-finger expediency alone that prompted the Councils of Churches to go with the wind. Pinhole Peepers assured them that the wind was taking the right direction, and none bothered to find out whence it came.

RADICALS' VISION OF REALITY HAPHAZARD AND RESTRICTED

We all see Reality through a hole, which our perceptions are able to make in the fog of ignorance and incomprehension that surrounds us. Some see through holes that are larger than those of others. What is at once revealing and frustrating is the circumstance that that seen through the large or small holes is nearly always real. Through different holes different realities come into view. Part of the Democratic Dream was that if there were freedom of thought and freedom to publish, all seen through the different holes could be put together to make a fairly complete picture of the whole.

Whether the pinhole jigsaw makes a true or distorted or part picture depends upon how the little bits of reality are fitted together; but a devastating thing is that very few try to fit them together even when all are collected. Reality is shown in unrelated spots. This does not worry the Pin-hole Peepers, for they look nowhere but through

NATIONAL SEMINAR ON "THE NEW EDUCATION"

There is every indication that the League of Rights' National Seminar, to be held in the I. Younger Ross Hall, Carlton, Melbourne, on Saturday, September 22, will be packed out. The theme, "The New Education", is most topical. Increasing numbers of parents are becoming concerned about what is happening to their children. Three outstanding Papers will be given, the final one by Mr. Eric Butler on "The Politics of The New Education". The first two Papers will be given by two outstanding teachers.

Readers should make a note of the date now.

their own holes and insist that the only reality is what they see and moreover, that it is the whole of reality.

A pretty example of that came over the radio one night during a discussion about Law and Order. In such a session there is not time for anyone to go into reasons or analyse arguments. About all that can be done is for those taking part to state their opinions, so that the listener makes his choice and chooses whatever opinion he already holds. On this occasion there was one speaker who said more than he knew. If I have it rightly, his argument was, in effect, that too rigorous an imposition and observance of laws is likely to lead to a constriction of freedom through actions being tied up in red tape.

He gave an instance. He was, he said, impelled and compelled by his conscience to demonstrate against one of the Springbok football matches. It was to have been a very peaceful, law-abiding show. All that his little group wanted to do was stand outside the gate holding up placards. It had no intention of disrupting the game or causing anyone any injury. The authorities at first refused permission but after some haggling, the group was told that it might hold its demonstration—three miles away from the football grounds. What a farce! What impact could they make three miles away! The speaker was outraged.

It is obvious enough that the reason why the group was refused permission to demonstrate in the place chosen by the members was not that the authorities wanted to suppress their opinion or had made some cover-all rule or enjoyed exercising power. There had been savage riots and the effort to quell them had been costly and exhausting. Time and again those who had originally organised the protests pleaded plaintively that they had intended theirs to be a peaceful demonstration, but that outside, unruly mobs had taken over. What guarantee could the speaker's group give that the same thing would not happen again? Indeed, how could the authorities know that that was not the plan?

Certainly a demonstration three miles away from the football ground would have been tame and almost pointless, and for that very reason would not have attracted violent agitators. It is hard to believe that this was not explained to those who were refused the permission they sought, but quite believable that on the man speaking over the radio such an explanation would make no impression. All that he could see through his pinhole was something that stimulated his indignation and the deprivation of the right of public assembly.

There always have been (and will be until we are all angels) agents provocateurs who have piously washed their hands of responsibility for the direful results of their inciting. If the members of the Church Councils were no more than Pin-hole Peepers whose circumscribed vision makes them the agent provocateur's delight, their proper place is not among the exalted, but among the rank and file. Where they are they serve neither the

Churches nor Christianity.

Christian leaders should be interested in matters of conscience. Almost certainly members of the Councils of Churches will protest that they are, and that in throwing the approval and protection of the Churches over terror and terrorists they are obeying the dictates of conscience. That apology could be allowed persons not in the position of religious or moral leaders; but those whose insight should be deeper and whose disciplines should give them some detachment with their decisions, must do better than to cry "conscience" when making an emotional, or expedient, choice. Any Pin-hole Peeper is certain that what is good to him in the absolute good, for his judgment is based upon but a few, selected facts that are, by themselves, easily classified. When good and evil are related to moral and religious principles such people are apt to assume that God obeys their will. This works out very nicely, for then, when they do what they, themselves, will, they rest comfortably in the belief that they are doing God's Will. Difficult as it is for the ordinary thinker to avoid assuming the mantle of God, it must be a hundred times more so for clergymen.

MORALITY MUST GUIDE IN SOCIO-POLITICAL AFFAIRS

We must come to moral conclusions about social and political matters; but people, in all sincerity, come to different conclusions. This indicates that no human

BASIC FUND FILLED

We are pleased to report that as a result of a late flood of donations, the League of Rights' 1972-73 Basic Fund has been filled. But contributions will still be accepted from those who have not yet assisted.

The League's activities, and influence, continue to expand. National Director Eric Butler reports that the highly successful Sydney Annual Dinner and other Sydney activities provided striking evidence of a big upsurge of support for the League in Sydney. Mr. Butler has also recently returned from a short tour of northern N.S.W., southern and western Queensland. He also attended the 1973 Annual Queensland League Dinner in Toowoomba and also gave a Paper at the Annual Seminar. The attendance and enthusiasm at the Queensland Dinner and Seminar left no doubt about the progress of the League in Queensland.

Mr. Butler said that he was most impressed with the increasing flood of League literature flowing into the community. Nearly \$100 of literature was sold at one Queensland country meeting. All this activity, and much more, has only been possible because of the filling of the Basic Fund, this providing the foundation upon which other activities can be built.

conclusion can be absolute. The best we can do is to consider as many particulars as we have, discover what is right from our own opinion and wrong in the different opinion and then, with moral austerity, try to see what is right in the different opinion and perhaps what flaws there are in our own. Then we should put the right in our own opinion with the right in the different one and try to find where the larger truth lies. We are then, of necessity, obliged to have faith in our conclusion, but we must still keep open minds ready to modify that conclusion should new facts present themselves.

Anyone who claims that, in searching for truth, he follows that process without fault is claiming to be super-human. Still, it is as good a way as any to strive to follow if tolerance be a virtue. One might expect Church leaders to go in that direction rather than to flock after Pin-hole Peepers to whom it appears that, as a whole, coloured people, especially Negroes, are good and whites are bad, and that terrorism by Negroes or aborigines is good and the suppression of the terrorism by white

people is bad. Exasperated rebellion with good cause is understandable, but circumstances in which a deliberate policy of terrorism, of maiming, torturing and killing helpless, innocent men, women and little children, can be justified are impossible to imagine. No political or social wrong suffered by any group of people is worse than that. No true Christian could condone and support that which is devilish nor could he believe that an end that justifies such means can, itself, be good.

One could not expect many aborigines or Negroes to realise that an achieved end inherits much of the character of the means used to attain it, for not many white people do, in spite of what their recorded history teaches them; but it is depressing to think that many learned heads of Christian Churches seem to be as obtuse as communists who cannot see that the means and the end are more than a simple sequence and that they are together an entirety, so that the moral quality of the attaining and of the attainment cannot be dissociated.

THE LESSONS OF THE ALBERTAN CHALLENGE TO CENTRALISED POWER

Notes of Paper presented at Social Credit Seminar, Sunday, April 1, 1973, by Eric D. Butler, at "Runnymede", Panton Hill, Victoria.

The central feature of man's history has been a constant struggle concerning the control of power. In his first work, *Economic Democracy*, Douglas observed that behind all forms of centralisation is the will-to-power. Finance, a man-made system of symbols, provides the "key" instrument for centralising all power—so long as the great majority can be kept mesmerised about the nature of monetary symbols. The famous British scientist, the late Professor Soddy, wrote of how he eventually came to realise that in studying finance he was not studying a system so much as an incredible confidence trick. The elevation of monetary symbols, irrespective of what form they take, into a reality of their own is a form of black magic. The leading black magicians down the centuries have been those financiers able enough to manipulate the monetary symbols so that their power over Governments and economic systems was progressively expanded. One of the first Rothschilds is credited with the statement, "Permit me to issue the credit (the monetary symbols) of a nation and I care not who makes the laws".

Down through history there have been many examples of individuals and groups of individuals seeing through the black magic of financial manipulation. The fact that little or nothing is known of opposition to centralised power exercised through financial manipulation is a striking confirmation of the first Henry Ford's famous statement that history is mostly bunk. Douglas observed that the basic problem he was concerned about had been dealt with by many able men in the past, but that their work had been suppressed. A striking example is the case of the English writer, William Cobbett, one of the

greatest Englishmen of last century. Writing early last century he denounced the Money Power, pinpointing financial policy as the cause of the desperate economic conditions in England. Karl Marx, the prophet of the destructive movements, which have exploited the **effects** of financial policy while carefully ignoring **causes**, is widely known throughout the world. Most so-called educated people know something about Marx, but will plead ignorance when Cobbett's name is mentioned. Bishop Burnett, in his *History of His Own Times* (1693) wrote: "The fear of the centralisation of the money power was indeed the ground upon which the Tories in Lords and Commons fought bitterly against the establishment of The Bank of England, thinking that the Bank would grow to be a monopoly. All the money of England would come into their hands; and they would in a few years become the masters of the stock and wealth of the nation." The British historian Lord Bryce, best known for his work on *Modern Democracies*, warned, "Democracy has no more persistent or insidious foe than the money power . . ."

While it is generally understood that centralised versus decentralised power was the major question which led to the British Colonies in North America revolting against the British Government, even comparatively few Americans today understand that one of the basic features of the power struggle concerned the creation and control of money. The Colonies were experimenting with their own monetary symbols with the result that there was comparative prosperity in the Colonies at a time when the Mother Country was suffering depressed economic conditions. The writings of Benjamin Franklin clearly

indicate that he believed that the money question was the basic cause of the conflict between the Colonists and the British Government. The more realistic approach of the Colonists to the money question was reflected in the early history of the United States. Alexander Hamilton, Secretary of the Treasury under Washington, became deeply involved in the banking business, being associated with the Rothschilds in England and Europe. Hamilton worked towards a strong Central Government, but was opposed by Thomas Jefferson. Jefferson was a great believer in the principle of decentralised power, and said: "I believe that banking institutions are more dangerous to our liberties than standing armies. Already they have raised up a money aristocracy that has set government at defiance. The issuing power should be taken from the banks and restored to the people to whom it properly belongs." General Andrew Jackson expressed his contempt of the financiers as follows: "You are a den of thieves—vipers. I intend to rout you out, and, by the eternal God, I will rout you out." But Jackson was only partly successful in his endeavours. There appears to be little doubt that Lincoln was assassinated because of his challenge to the Money Power.

Most of the campaigns against centralised financial power have failed because of a lack of complete understanding of the realities of credit creation, a classic example of this being provided early this century in the United States when William Jennings Bryan stood for the Presidency on his famous "Free Silver Campaign". The "silver-tongued orator" aroused Americans to highly emotional states with his famous phrase. "You shall not crucify Mankind upon a cross of gold". The financiers reacted by engineering a major business recession. Bryan was narrowly defeated, but left behind an atmosphere uniquely favourable to the plans of the Warburgs, at that time busy on their plans to establish a Federal Reserve system of banking in the U.S.A. Douglas raised the question of whether Bryan was an unconscious tool of international finance, continuing: "In any case there is a warning contained in its sequel which those monetary reformers to whom technical soundness is secondary, might well take to heart. As my experience grows, I am increasingly confident that one, at least, of the key words leading to an understanding of the conscious Evil Forces of this world, is 'perversion'." (*The Big Idea*, 1942) Perversion was certainly a major factor in the tragedy of the failure of the Western Canadian Province of Alberta to break the power of centralisation. It is appropriate that those lessons are fully studied.

Douglas also wrote in *The Big Idea*, "If the Social Credit Government of Alberta had done nothing—and it has done many things—to justify its existence, the demonstration afforded by its enemies of one fundamental factor in the world situation would still have made it a landmark in human history." Social Credit has often been sneeringly referred to as "that funny money system which was tried in Alberta and failed". The "fundamental

factor" mentioned by Douglas was that the Federal Canadian Government was used to block all attempts to implement any Social Credit financial proposals by the Government of Alberta under the leadership of the late William Aberhart. It should also be noted that the International Marxist Movement bitterly opposed what was proposed in Alberta.

ALBERTAN BACKGROUND

The Government of the Dominion of Canada was established under the provisions of the British North America Act, 1867. In that year Nova Scotia, New Brunswick, Ontario and Quebec confederated. Manitoba joined the union in 1870, British Columbia in 1871, and Prince Edward Island in 1873. Saskatchewan and Alberta were not created separate provinces until 1905. The area of Alberta is approximately 255,000 square miles, nearly the size of New South Wales. The population is predominantly British, but there are large numbers of people of German, Ukrainian and French backgrounds. There are also people of Russian, Norwegian, Dutch and Swedish origin. A comparatively young Province, it reflects even now more of the pioneering spirit than is the case in the more urbanised Provinces of the East. It has vast and diverse natural resources, including oil and natural gas. But in 1935, when the first Social Credit Government was elected, the economic activities of the Province were predominantly rural. Following his visit to Alberta in 1934, Douglas provided at a London Dinner the following word picture of one aspect of the economic situation in Alberta: ". . . of all the physical deficiencies of Alberta the lack of good roads is the most outstanding . . . The People, no doubt, imagine they cannot afford better roads for some reason connected with money, yet, in the North of Alberta, there is a remarkable deposit . . . of tar sand to a depth which is unknown, and this has merely to be taken and put down to form almost perfect waterproof roads. So we have at one and the same time a country which is dependent for its everyday business upon roads—because the farmer has to get his produce, his shopping, and his social amenities on roads—and you have in the North this marvellous bitumen deposit with a railway running between the roadless district and the tar sand, yet they are thinking of closing down the railway because there is not enough traffic! That is, I think, in very simple form, a laboratory demonstration of the absurdities of this so-called financial system."

In *The Alberta Experiment* (1937) Douglas says that "If an explanation of the causes of Mr. Aberhart's victory in 1935 were required in one word it could be given. That word would be 'debt'." After explaining how the early homesteaders had in developing their Government quarter-sections (160 acres) they had to borrow from the branches of the Eastern Banks, and then had to obtain a sufficient price for their farm products outside the Province in order to cover costs of production and interest (at that time 8 or 9 percent). Douglas gave the

following concrete example of the credit mechanism: "A branch manager was sent out by one of the Eastern banks to a small town in central Alberta, and debited with a loan of \$20,000 at five percent interest, the \$20,000 dollars being in the form of the bank's own currency notes. Within six months of opening his branch of the bank, the official in question had loaned \$600,000 on the basis of his \$20,000 in bills, and had in his possession \$80,000 in bills, due to ordinary banking business. This situation had, of course, been achieved through the well-known principle that every bank loan creates a deposit. The average rate of interest on a loan of \$1,000 was eight percent, so that the profit on monetising the **borrower's credit** was \$48,000 per annum. The foregoing situation probably constitutes the base of the debt structure of the Province."

On top of this Provincial and Municipal debt, the basis of taxation which could not be paid as a result of the collapse of prices from rural products. Subject to extremes of climate, adequate housing and heating are matters of life and death rather than mere comfort. Conditions in many parts of the Province were primitive. This was the background against which the Social Credit developed. But it is necessary to also briefly mention Alberta's political history. As might be expected in a pioneering Province, there was considerable original thinking. Monetary reform ideas found their way into the Province from the U.S.A. From 1906 until 1971 the Conservative and Liberal Parties contested for office. Both parties contended for the support of the influential United Farmers of Alberta. But the 1917 elections saw the success of the Non-Partisan League, which elected Mrs. Louise McKinney, the first woman to sit in a British Parliament. This was the beginning of a non-party revolution against the old-time parties. During 1918 President Wood of the United Farmers of Alberta toured the Province giving a series of lectures, the substance being a philosophy of society evolving by natural laws into higher forms. But social progress was not automatic. Constant effort was required by individuals in groups to defeat these forces blocking human progress. Wood said, "The conflict is between animal selfishness and social unselfishness; between autocracy and democracy; between Mammon and God." Much of this would have been endorsed by Aberhart: the supremacy of God, the evil power of money, the unselfish Christian theme. But Wood's concepts translated into grass roots political action also challenged the orthodox political party game. The United Farmers took up the Wood concept. The Liberal Government was concerned and as the membership of the United Farmers soared, they took every opportunity of attempting to legislate to meet UFA demands. But members of the UFA used their local autonomy to nominate candidates at the 121 elections, uniting with the Non-Partisan League. The United Farmers' candidates won a landslide victory. The election

platform of the UFA stated: "Each elected representative is answerable directly to the organisation in the constituency that elected him." The UFA government was an experiment in grass-roots representative government. There were some successes, and also some failures. But the experience helped to prepare the way for Social Credit. The end result of electing a United Farmers' Government in Alberta was to send a body bearing the same label to Ottawa, the most important of these being Mr. William Irvine. As a result of publicity given to Social Credit ideas by the influential *Ottawa Citizen*, Mr. Irvine, clearly searching for a policy, which would contrast favourably with that of the older parties, conceived of making the revision of the Bank Charter Act an opportunity for publicising the subject of finance and necessary reform. He suggested that Douglas be invited to appear before the Parliamentary Committee on Banking and Commerce in 1923. Douglas predicted at the conclusion of his evidence that that if persisted with orthodox financial policies must lead to disaster within a comparatively short period of time. The subsequent six years of rising prosperity on the North American continent appeared to discredit Douglas. Douglas has recalled how when passing through Ottawa in 1929 as a delegate to the World Engineering Conference in Japan, he was chaffed about his prediction by a friend at a dinner. He replied: "I would not be surprised if it happened within a month of that time, which, in fact it did."

The Great Depression quickly fanned into a roaring fire the coals of Social Credit glowing in Alberta. The key figure in the situation was a Calgary High School Principal, William Aberhart.

WILLIAM ABERHART

William Aberhart was a remarkable man by any standards. Born in Ontario of a German father, who had fled Germany to escape the compulsory military service of the time, and a mother of "sturdy English extraction" he grew up to know the discipline of farm life. He was essentially a man of the soil and referred in later life to his numerous rural experiences. He recalled the regular milking two times a day, the ammonia smell of a barn, the warmth of a cow's flank, the squirt of milk into the frothing bucket—and the mew of the expectant cat. Ploughing he remembered most vividly and recalled how he used one of his father's precepts for ploughing in later life: "My father used to tell us boys on the farm . . . that we could never plough a straight furrow if we did not fix our attention on a particular post or tree or other landmark away at the end of the field. He warned us again and again not to allow a big stick or clump of brush or a tree to distract us as we passed along."

(To be continued)

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THE DRIVE TO SMASH THE STATES

On March 23, 1973, the Editorial in "The Advertiser", Adelaide, made the following comments: "It is hardly surprising that local government bodies have welcomed the Federal Cabinet decision this week to make direct grants to them for special projects. Local Councils, normally restricted in their activities by how much they can borrow and what rate revenue they can reasonably expect to raise, can be expected to be as enthusiastic about the prospect of more money as State Governments would be. Initial enthusiasm, however, should not be allowed to preclude a sober look at all the possible implications of the new proposals. This is one gift horse, which perhaps should be looked at in the mouth. Announcing the Cabinet decision, the Prime Minister (Mr. Whitlam) said that grants for special projects would be made to the States, but only on condition that they were passed on to the local government bodies concerned. Those bodies would have to combine into regional organisations, approved by the Minister for Urban and Regional Development (Mr. Uren) before making application for the grants."

The editorial continued:

"Mr. Whitlam indicated also that a main purpose of the scheme would be to ensure a degree of uniformity in the functional standards of different local government authorities. Nobody who wishes to see local government flourish . . . could object to an injection of Federal funds if that was all that was involved. **But these, quite clearly, are going to be grants with strings attached.** The vital question is whether an improved financial situation is worth the seemingly inevitable accompanying reduction in independence. The Prime Minister's emphasis on the need for regional organisation has a familiar ring, particularly in the light of present investigations in S.A. into the prospects of **amalgamating councils so that they will be bigger and fewer.** The Victorian Premier (Mr. Hamer) has seen the plan for direct Federal grants to regional councils as "another centralist threat". His suspicions will not have been lessened by references by the Minister for the Environment and Conservation (Dr. Cass) to the possibility of legislation enabling the States to be "by-passed". Dr. Cass, like Mr. Whitlam, appears to see the system of conditional or specific purpose grants as a means of extending Federal control into new fields...."

The same emphasis on centralism has been clear in the remarks of the Minister in charge of the Department of the Northern Territory, Mr. Enderby, made in the House of Representatives on April 6, when he uncompromisingly rejected any suggestion that the Northern Territory should get Statehood now or ever. If the idea has occurred to Mr. Enderby that the people of the

Northern Territory ought to have some say in what is after all their own future, he has resolutely thrust the thought from him.

While one can understand the Labor drive to smash the States and the Federal system, it is harder to understand the attitude of the Opposition parties. True, a few brave souls are beginning to speak out. On March 24, the State President of the Queensland Country Party, Mr. R. L. Sparkes, charged that the Whitlam Government was using a 'financial carrot' to make State Governments and local authorities sacrifice their autonomy. "He's using this insidious technique to obtain power over Governments and authorities in return for essential funds." he said. "This will lead quickly to the achievement of the socialist goal of centralist control from Canberra through a new and undemocratic system of regional bodies." The recently elected Member for Armidale, N.S.W., Dr. D. S. Leitch, told his State Electoral Council of the Country Party that the Commonwealth Government was out to wipe the States. Mr. Bill Knox, acting leader of the State Parliamentary Liberal Party in Queensland, told his party that it was regrettable that the Federal Government, determined to centralise power in Canberra, apparently saw the imminent constitutional convention as a means to increase the power of the Commonwealth at the expense of the States. He conceded that successive Liberal governments had deviated from the principle of Federalism, but this paled into insignificance when compared to what had happened in Australia in the past six months.

However, little comfort can be taken from such state-

ments until they are accompanied by firm action; and when it comes to action it is ominously clear that the Liberal and Country parties are by no means as opposed to increased centralism as one might expect. This was apparent at the reception given to a resolution put by two State parliamentarians, Mr. C. Porter and Mr. W. Hewitt, at the Liberal Party's State Council meeting on May 26 and 27, in Queensland. The resolution expressed concern and condemnation of any Liberal support for A.L.P. legislation, such as the Grants Commission Bill, "aimed at substantial transference of State powers to the Commonwealth without prior Constitutional change by referendum." The resolution was opposed by a number of Federal Liberal representatives, notably Messrs. E. Robinson, R. Bonnet, D. Cameron and Senator Bonner. During debate, Mr. Knox expressed his hope that the Bill would be blocked by Liberals in the Senate, and that it was regrettable that the Federal Parliamentary Liberal Party had agreed to support socialist and centralist legislation. What was he referring to? Mr. Knox was referring to the shocking fact that on May 24 the Federal Liberal Party had decided to go along with Mr. Whitlam's proposals, despite the fact that State Liberal leaders, including Sir Robert Askin and Victorian Premier Hamer, had told their Federal counterparts that this was a Labor move to control all areas of State responsibility. Mr. Malcolm Fraser, Mr. Garland and Mr. Jim Killen were among those who supported this contention, but the majority in the Party room supported Mr. Snedden, the Party leader, who argued that to oppose a measure that would refuse such areas more funds for Local Government services would be "disastrous" politically, and would be an indefensible issue on which to fight a double dissolution. As a result, Mr. Whitlam's Grants Commission Bill had been **supported** by the Liberals.

At the State Council meeting Mr. Killen who opposed the Grants Commission Bill in the House of Representatives despite the decision of the Parliamentary Party, said that the Bill was **by far the most substantial de facto alteration of the Australian Constitution since Federation**. He is of course, quite right, but nevertheless, the resolution condemning the weak and anaemic attitude of the Federal Liberal party was lost, when a vote was finally taken in the State Council.

Nothing could so clearly illustrate the sorry situation in the Opposition parties. Whatever else can be said about Mr. Whitlam and the Labor government, they have made their intentions quite clear. By contrast, the Opposition parties have paid lip-service to principles which they have consistently undermined whenever it has seemed politically opportune to do so, which appears to be most of the time. Until there is a healthy repentance in the Opposition, and a firm adherence to their own principles, accompanied by a vigorous re-education programme among their members and supporters, they do not constitute any genuine alternative to the present Government.

Beyond this, there are some unreasonably authoritarian programmes being undertaken by the State Governments themselves, principally in the field of Regional Planning. Typical of this is the programme being undertaken by the Department of Decentralisation in New South Wales, under the Country Party Minister John Fuller. *The Australian Financial Review* (April 30, 1973) said: ". . . For the past six years the N.S.W. Government has been trying to develop a co-ordinated approach through a concept of rationalising regional boundaries of administrative authorities, and establishing regional advisory councils . . ." Briefly, the State has been divided into nine regions, each with its own "advisory" council of 21, seven only of whom are from Local Government. The article in the *Review* stated: ". . . The new regional advisory committees will have more than just a change of name. They will also have full-time staff **and statutory status**. Each region has a regional executive officer, who is a member of the N.S.W. Department of Decentralisation and Development, and will be living in the region . . . Now that the regional advisory councils have been set up, there is still the real question of whether they will be able to overcome the parochialism of many country areas. In the inaugural speech delivered to one R.A.C. after another in the early part of 1973, Mr. Fuller showed he was quite aware of this question mark: 'Under the provisions of the Act, regional departmental authorities will be more free than ever before to discuss Governmental plans for certain projects with a considerable degree of authority,' he said, in a gesture to open government. 'I would expect that advisory council meetings will in the main be open to the press so that the work of the R.A.C.s will be known and recognised throughout each region. However, **I would like to project the thought that it may be wise—even essential—on certain occasions for the councils to resolve into committee so that matters of a delicate nature or involving submissions of a confident nature may be discussed in an atmosphere** of proper co-operation uninhibited by the possibility of outside misinterpretation or parochial vindictiveness. I feel strongly that if this course is not followed, the work of advisory councils could be circumscribed by a natural reluctance of members to express in public thoughts or suggestions that could involve them in personal recriminations in this sectionalised and sometimes selfish society in which we live. I cannot over-stress the need for advisory council members—particularly local government members—to divest themselves of purely parochial considerations, and think in regional terms."

Despite the high-sounding nature of Mr. Fuller's rhetoric, one wonders whether Local Government representatives who seek to protect the autonomy of their Councils, and the interests of their ratepayers will not be treated to the vindictiveness, which Mr. Fuller professes to abhor.

In Queensland the same stress on Regional Govern-

ment is continuing apace, this time under the Coordinator General's Department. While the new Minister for Local Government, Mr. McKechnie, has taken steps to amend the infamous Regional Planning Act, which has been bitterly opposed by many Local Government Councillors, the amendment appears to have been limited to an increase in Local Government representation, rather than the repeal of the authoritarian powers which have been granted to the Coordinator General.

The nub of the question is surely this: If the Commonwealth Government is allowed to get away with the unconstitutional Grants Committee Bill, the Regional Governments currently being set up by the States will end up as nothing more than administrative outposts for Mr. Uren and his Department of Urban and Regional Affairs. Indeed this seems to have been partly accepted by Mr. McKechnie. *The Toowoomba Chronicle* (December 29, 1972) wrote: "The Queensland Local Government Minister, Mr. McKechnie, yesterday called on the Federal Government to state its intentions in detail if it was genuine in wanting to assist local government by direct grant . . . The State's developmental growth could fit in admirably with Federal Regional Planning, he said. The 'growth centre' concept could be accompanied by existing Queensland communities which were experiencing boom development . . ."

The attitude of Victoria and New South Wales is more a case of "if you can't beat 'em, join 'em" than anything else. *The Brisbane Telegraph* (May 24, 1973), reported:

"The corporation to administer the Albury-Wodonga growth complex is expected to be able to acquire land in the area early next year. The Victorian State Development and Decentralisation Minister, Mr. Byrne said last night the Victorian Government would introduce legislation to acquire land and stabilise land prices in Albury-Wodonga in mid-June. The New South Wales Government is expected to pass similar legislation in the spring session. The corporation to administer the development of the complex should be established by complimentary State legislation by the end of the year.

The Federal Urban and Regional Development Minister, Mr. Uren is **delighted at the high level of co-operation between the States and Federal Government** in planning the complex. A Ministerial council meeting yesterday decided to ask the interim officials committee, which assists the Council, to draft an agreement to form the basis of legislation to establish the corporation for the Governments. The Council, which consists of Mr. Uren who is the chairman, Mr. Byrne, and the New South Wales Decentralisation and Development Minister, Mr. Fuller, will consider the draft legislation on July 4."

This, then, is the situation half way through 1973, as the State Premiers are in London in an effort to salvage the Privy Council as a voice to whom they can

appeal, while Mr. Whitlam continues to display his obvious contempt for the State leaders, and an even more obvious conviction that there is no sanction which the States can use in their own defence. On the face of it, Mr. Whitlam is right, for he has realised that Finance is Government, and while he has a monopoly on the purse strings, he can dictate what terms he likes. So State Parliamentarians must face the issue squarely, and take advantage of the one constitutional avenue, which remains open to them—the right to operate their own State Banking systems, firmly rejecting a continuation of Central Banking controls. We would know then that the present charade is not what many suspect it really is—a display of tub-thumping and sabre rattling to gull the ordinary elector.

POINTS TO PONDER

"Rising food prices reflect the national 3.2 percent increase last month in farm product and wholesale food prices in general in the United States. The figures were released yesterday by the Labor Department in Washington. The food costs led the way in a national rate of inflation rise for the month of 1.6 percent—the same as December, and together with that month the biggest four-week increase in 22 years . . . President Nixon's aim is to cut the annual rate of inflation to 2.5 percent by the end of this year. But on yesterday's figures, the annual rate by then will be 19.2 percent, with food being 38.4 percent." *The Australian*, March 10, 1973.

DEFICIT SPENDING IN THE UNITED STATES

1. Foreign Aid since inception has cost the United States over \$212 billion (\$212 thousand million dollars).
2. Short-term irredeemable dollar claims amount to over \$60 billion.
3. The Balance of Payments Deficit is approximately \$50 billion.
4. The United States debt is over \$87 billion more than the combined public debt of all other nations in the world.
5. The United Nations has cost the United States, since inception, over \$4 billion.
6. Requests for foreign aid in 1972 totalled over \$13 billion.
7. The National Debt in the United States is over \$400 billion, interest at 5 percent amounting to over \$20 billion annually.
8. For 27 years the United States has spent \$416,681.48 **per day** for the United Nations.
9. For 26 years the United States Government has spent \$22,432,117.17 **per day** for foreign aid.

TO THE POINT

We are pleased to see that the Social Crediters at Ottawa have come out strongly in favour of consumer discounts as the only effective answer to the problem of rising prices. In the past they have rather neglected the concept of consumer credits in favour of "debt-free credit for public works". The concept of "controlling" prices is completely unrealistic, as every businessman knows. Any attempt to fix prices must result in a vast bureaucratic monster, black markets and the strangulation of free enterprise. It is a matter of simple accountancy to subsidise prices out of new credits. For example, any attempt to fix the price of meat in Australia would have disastrous results for the meat industry. But it would be simple to subsidise the price of domestic meat sales, leaving the export market as it is.

Mr. Al Grassby, one of those who promised long-term, low-interest (3 percent) credits for the farming community, is the latest to suggest that the Australian farmers are now enjoying prosperity. The total rural debt is at present \$3,292 million. Even if present prices for wool and other primary production continue, many Australian farmers will take years to free themselves from debt. But unfortunately for them, in the meantime their financial costs continue to soar as inflation continues. One result is that the number of farmers grows smaller as the get big or get out philosophy is imposed through Marxist-type financial policies.

* * *

Australia's Minister for Primary Industries, Senator Wriedt, has promised Australian primary producers "significant gains" as a result of close trade relations between Australia and Communist China. There are to be "long-term marketing arrangements". This means long-term credits for the Communists so that they can obtain adequate food supplies to offset the failures of their own collectivised farming in the communes so highly praised by Dr. Jim Cairns.

* * *

Commonwealth Treasurer Frank Crean made the profound statement upon returning to Australia after finance talks in Europe, that inflation was "an international problem". Also that it is not an easy problem to solve. There is no easy solution, and that the present Constitution would need to be changed to give the Federal Government the power to combat inflation. Although Mr. Crean's first-hand knowledge of production processes is almost nil, we presume that he does know that man has developed a technology, which enables him to produce a glut of necessary production. And even Mr. Crean must be able to grasp that unless progress in the industrial arts is a myth, the real cost of production must be falling. He has undoubtedly heard of how men have been put on the moon and brought back to earth. The question Mr. Crean and his colleagues must then be asked is, "If man has solved nearly every technological problem he has faced, why is it difficult to find an answer to inflation?"

Mr. Crean should also be asked do bridge builders persistently keep on using a disastrous design, with bridge

after bridge falling down. If they did, they would be branded as criminal idiots. Why should not economists and politicians be also referred to in similar terms when they persist in anti-inflation "solutions" which prove monotonously disastrous?

The following chart indicates the financial position of Local Government in Australia:

Year	Deficit—Total Outlay in Excess of Total Receipts (a)	Interest Paid (a)	Taxation Receipts (a)	Total Debt (b)
1962-63	\$86m.	\$42m.	\$220m.	\$926m.
1963-64	103m.	46m.	233m.	1,009m.
1964-65	104m.	49m.	255m.	1,091m.
1965-66	131m.	54m.	275m.	1,183m.
1966-67	123m.	60m.	303m.	1,283m.
1967-68	121m.	66m.	331m.	1,392m.
1968-69	133m.	73m.	359m.	1,513m.
1969-70	129m.	80m.	389m.	1,619m.
1970-71	145m.	85m.	415m.	
1971-72	150m. p.	90m. p.	451m. p.	
Percentage increase from 1962-63 to 1971-72:				
	74%	114%	105%	

*Direct and Indirect Taxes, fines, fees, etc.

(a) source—Supplement to Dec., '72, Treasury Information Bulletin.

(b) source—Commonwealth Year Book, p—preliminary.

"The Sunday Telegraph", March 12, 1972, gave a comparison of expenditure from an average wage in 1841 and 1972:

Weekly budget of a semi-skilled worker with wife and two children (weekly income of 15s.) in 1841.

Five 4 lb. loaves at 8½d.....	3	6½
5 lb. meat at 5d	2	1
7 pints of porter at 2d	1	2
40 lb potatoes	1	4
½ cwt. coal		9½
3 oz. tea, 1 lb. sugar	1	6
½ lb. soap, 1 lb. candles		6½
Rent	2	6
Schooling		4
Sundries	1	2½

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