

THE NEW TIMES

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

Vol. 42. No. 2

FEBRUARY 1977

THE UNHOLY ALLIANCE AGAINST CONSUMER CREDITS

By Eric D. Butler

Amidst the torrent of discussion concerning the deteriorating plight of the non-Communist nations, with the new Japanese Prime Minister, Mr. Fukuda, again warning of the possibility of a world trade war and a major recession, no publicity is given to a policy of using consumer credits to increase consumer purchasing power while at the same time reducing monetary inflation. There is an unholy alliance against consumer credits, a type of "united front" in which the Marxists play a major role. The Marxists fear the use of consumer credits because their use for consumer discounts would ease inflationary pressures and deprive them of their major ingredient for revolution.

It is now over 20 years ago since C. H. Douglas commented, "We are more than ever, if possible, convinced that a falling price level, without loss to producers and entrepreneurs is the very core of social and industrial pacification. And we are equally convinced by 30 years' specialised experience and observation that the coterie which is at the core of world unrest knows it too, and is determined that at whatever cost, *extending to the complete destruction of civilisation*, and even of terrestrial globe, it will not have that solution, which would automatically wrest power from it as nothing else would" (emphasis added).

When John Maynard Keynes produced his policy for dealing with Depressions, it was hailed by the better-informed Marxists, who quickly grasped the deadly long-term effects, which Keynesian "controlled inflation" would have upon the free-enterprise system and the free society. The Keynesian policies were a tacit admission of Douglas's discovery of the deficiency of purchasing power resulting from orthodox finance-economic policies. Keynes proposed deficit budgets to "pump-prime" depressed economies. Governments would have to create public works. New credits should be created for these, as an interesting-bearing debt, of course.

THE DEBT THREAT

Now to the superficial observer it might appear that Prime Minister Fraser of Australia has turned his back upon the Keynesians. But even if the Prime Minister does not understand what he is advocating, his stated policy of an "investment-led" stimulus to the economy, is suggesting that instead of the Government increasing debt for public capital works, the operators of the free-enterprise system should increase their debts by borrowing new credits for

capital expansion. Australian businessmen have declined to adopt the Fraser Government's policy, their general attitude being that as they cannot sell at a profitable price all the production possible with existing capital equipment, why increase debt for more capital equipment. Irrespective of whether capital expansion is undertaken by Governments or by private enterprise, under present financial policies that capital expansion must ultimately find its way into the price of consumer goods. This is a matter of mathematics, not of opinion. Like all non-Communist Governments, irrespective of their labels, the Fraser Government will eventually find that unless it changes present financial policies, it will be forced to resort to increased Government spending to prevent a major finance-economic collapse. But this will merely prolong the agony of the present misdirecting of the economic system.

With the greatest respect to Prime Minister Fraser, I have never found him very strong on the subject of finance-economics. His dominant philosophy, expressed in his statement that life was not meant to be easy, makes him the ready servant of the policy, which insists that no new credits should reach the individual members of a society outside the production system. This policy, and the philosophy underlying it, flies directly in the face of the enormous technological advances of the industrial age. If it is agreed that the only true and sane purpose of production is consumption, then it is an irrefutable fact that industrialised nations like Australia, Canada, the United States and others have no production problems. Even with the biggest unemployment figures since the end of the Second World War these nations are easily capable of producing all the genuine requirements of their people. What is lacking is adequate purchasing power to buy what

can be so easily produced.

INHERITANCE AND FREEDOM

The case for consumer credits, passed direct to the individual via lower taxation, particularly indirect taxation, consumer price discounts and adequate pensions, is based upon the easily demonstrable truth that most productive capacity is an industrialised society, including "know-how", is an inheritance. No one has suggested that the individual should be asked to meet some financial charge against the air he breathes, the sunshine or the rain, without which life would be impossible. Why then should he be asked to meet a financial cost against the capital equipment and the "know-how" he has inherited? The answer is that if individuals progressively received more of the financial incomes outside the production system as a dividend, then they would become increasingly free. They would be in a position to decide freely what economic activities in which they would participate. Mothers of young children would be in the position to decide whether they wanted to stand on a factory floor or stay at home devoting full-time to the well-being and development of their children. The day of the power-men, irrespective of their labels, would be over. The menace of "Big Brother" would be destroyed.

Arguing against the growing demand in Australia for the immediate reduction of the tax burden, Prime Minister Fraser said in Perth on February 3, that those demanding the tax cuts had not explained how these would be paid for. Mr. Fraser said that such cuts would have to be financed through "higher interest rates, "printing money", cutting Government spending substantially further, or increasing other taxes. Assuming that Mr. Fraser's references

to "printing money" was not meant for emotional purposes, the only conclusion is that the Prime Minister does not understand that the bulk of the money supply of the nation is not printed, but is created in the form of financial credit, the process taking the form of writing figures in books. Instead of writing more figures, as a debt, to enable more unnecessary capital production to take place, the figures should be written as a credit to enable the individual to start gaining access to production readily or potentially available.

THE "PETERSEN PLAN" CHALLENGE

I predicted at the time when Premier J. Bjelke-Petersen of Queensland brought forward his policy of reversing inflation by cutting Sales Tax and using consumer-price discounts, that this would result in an intensification of the campaign being conducted against the Premier by the liberal-socialists of the media. The policy, aimed at increasing the purchasing power of the individual, was naturally enough, anathema to the declared Socialists. Prime Minister Gough Whitlam described it as "economic-garbage". Mr. Fraser as leader of the Opposition cautiously stated that he felt the policy had "merit". But since being elected Prime Minister, Fraser sees no merit in this policy, while his Treasurer, Mr. Lynch, has called on the Treasury "experts" to refute the "Petersen Plan". A study of the campaign of suppression, misrepresentation and distortion, against this policy provides striking confirmation of what Douglas said about opposition to the use of consumer credit to lower prices. The future of what is left of civilisation will depend upon how this question is resolved.

World Engineering Congress, Tokyo, 1929

The Application of Engineering Methods to Finance

(Paper No. 685)

By C. H. DOUGLAS, M.I.Mech.E.

In defining the profession of engineering as the application of the forces of nature to the uses of man, the Institution of Civil Engineers no doubt had in mind those forces, which at the present time we are accustomed to call physical forces. There is no reason to limit the definition of such forces, and it is becoming increasingly recognised that the province of the engineer, and in particular the scope of the engineering method, can with advantage be extended to cover forces of a more metaphysical and psychological character.

Assuming that there is reason to bring the financial system under review, on the ground that it is not operating satisfactorily, and that, being in essence a combination of an enlarged Works Order and Distribution System combined with a metaphysical scheme for the mobilisation of human activities, it is at any rate interesting to consider the matter from an engineering point of view, and stripped of the emotional irrelevances with which it is frequently clothed.

In attacking an engineering problem the first point we settle, with as much exactness as possible, is our objective. No engineer observer of the discussions, which take place

in political and lay circles on the industrial problems of the present day can fail to be struck with the fact that the problem itself is rarely stated with any clearness. For instance, the paramount difficulty of the industrial system is commonly expressed as that of unemployment. Therefore the suggestion involved is that the industrial system exists to provide employment, and fails. Those who are engaged in the actual conduct of industry, however, are specifically concerned to obtain a given output with a minimum of employment, and in fact, a decreasing amount of employment. Consequently, those who are talking about industry and those who are conducting industry have in their minds objectives, which are diametrically opposed and incompatible. On the other hand, the great majority of those engaged in industry, anyhow, in its lower ranks, would claim that what they want from the industrial system is goods. Finally, those whose interest in industry is purely financial, require from industry, simply, money.

We have, therefore, to recognise that there are at least three separate and distinct objectives alleged in the industrial

system—(1) Employment, (2) Goods and services, (3) Money.

(1) *Employment as the Objective of the Industrial System*—For a given programme of production and a given standard of development of the industrial arts, output is proportionate to the energy employed in industry. Broadly speaking, the source of this energy is immaterial. So much solar or mechanical energy, so much less human energy. If employment is accepted as the objective of the industrial system, therefore, and output to be a dependent variable of this objective, (a) either process and mechanical energy employed must be kept rigidly constant, or (b) output must be completely unfettered by any difficulties of sale.

(2) *Goods and Services as the Objective of the Industrial System*—There are here two possible cases: (a) A fixed programme of production with unlimited improvement of process and employment of mechanical energy, resulting in a rapidly and constantly decreasing amount of employment in man-hours, (b) An advancing programme of production with unlimited improvement of process and employment of mechanical energy, resulting eventually in a saturated psychological demand, and automatically becoming similar to (a).

(3) *Money as the Objective of the Industrial System*—It is perhaps only necessary to state this in brief form. Money is not made by making or selling goods; it is made: (1) By digging gold, silver, and copper out of the earth and minting them. This represents perhaps 0.3 of 1 percent of money in circulation. (2) By the printing of paper money, representing, perhaps, 10 percent of the money in circulation. (3) The creation of credits by banks, representing, perhaps, 90 percent of the money in circulation. With the exception of the labour employed in mining and working the metals in the first insignificant division, and the labour employed in the elaborate organisation of the banking system, the creation of money has nothing to do with the industrial system, although it represents an effective demand upon the whole product of the industrial system. The making of money as an objective of the industrial system therefore, bears a close resemblance to Charles Lamb's method of obtaining roast pork by burning down the piggery.

Since money is not made by the industrial system, it is important to understand whence it originates and whither it eventually returns. The matter has been epitomised in a short sentence by Mr. McKenna, Chairman of the Midland Bank: "Every loan creates a deposit, and the repayment of every loan destroys a deposit." The following explanation may make this clear to those who are not familiar with the technique, and who imagine that the money which banks loan to their customers is limited by the amount they receive from other customers. Imagine a new bank to be started—its so-called capital is immaterial. Ten depositors each deposit £100 in treasury notes with this bank. Its liabilities to the public are now £1,000. These ten depositors have business with each other and find it more convenient in many cases to write notes (cheques) to the banker, instructing him to adjust their several accounts in accordance with these business transactions, rather than to draw out cash and pay it over personally. After a little while, the banker notes that only about 10 percent of his business is done in cash (in England it is only 0.7 of 1 percent), the rest being merely bookkeeping. At this point depositor No. 10, who is a manufacturer, receives a large order for his product. Before he can deliver, he realises that he will have to pay out, in wages, salaries, and other expenses, considerably more "money" than he has at command. In this difficulty he consults his banker, who, having in mind the situation just outlined, agrees to allow him to draw from his account

not merely his own £100, but an "overdraft" of £100, making £200 in all, in consideration of repayment in, say, three months, of £102. This overdraft of £100 is a credit to the account of depositor No. 10, who can now draw £200.

The banker's liabilities to the public are now £1,100; none of the original depositors have had their credits of £100 each reduced by the transaction, nor were they consulted in regard to it; and it is absolutely correct to say that

SOCIAL CREDIT AND JAPAN

Japan's new Prime Minister, Mr. Takeo Fukuda has told a group of visiting British correspondents in Tokyo that if "the world's present economic confusion continued, a chain reaction of protectionism could cause a slump in international trade on the lines of the early 1930s". Mr. Fukuda compared the coming international economic summit conference, expected to be held in London later this year, to a similar meeting in London in 1933. In opening this Conference, King George V made some pointed comments suggesting that it was not beyond the wit of man to solve the problem of distributing the abundance, which had been created. If Mr. Fukuda will examine the history of the 1933 London World Economic Conference, he will find that the Japanese delegates did not stay for the Conference, leaving early with a supply of books by C. H. Douglas. One delegate is reported to have said that he and his colleagues had found in Douglas the answer to their problems. Whatever the truth about this incident, the fact is that from then on Japanese Governments used financial credit to subsidise exports to the point where the Japanese were able, for example, to undersell the British in a cheap labour country like India.

Former Japanese Prime Minister Tanaka was quoted as saying that there was an answer for inflation in the orthodox textbooks. But in 1929 Douglas had presented the answer in his Paper presented to the World Engineering Congress, held in Tokyo in 1929. The republishing of this Paper is appropriate at this time. It will be of interest to all newsreaders, providing as it does a classical precise Douglas statement of the basic features of the modern finance-economic systems. World productive capacity has been multiplied many times since Douglas presented his Tokyo Paper, but in the absence of any steps to correct the problem so precisely stated by Douglas, has produced the increasingly explosive situation he correctly predicted.

Douglas's Paper is reproduced photographically from "The Social Crediter" of January-February, 1977.

£100 of new money has been created by a stroke of the banker's pen.

Depositor No. 10 having, happily, obtained his overdraft, pays it out to his employees in wages and salaries. These wages and salaries, together with the banker's interest, all go into costs. All costs go into the price the public pays for its goods, and consequently, when depositor No. 10 repays his banker with £102 obtained from the public in exchange for his goods, and the banker, after placing £2, created by himself, to his profit and loss account, sets the £100 received against the phantom credit previously created, and cancels both of them; there are £100 worth more goods in the world which are immobilised—of which no one, not even the banker, except potentially, has the money equivalent. A short mathematical proof of this process is given in an Appendix on page 4.

There is, I think, little question that the true objective of the industrial system is the production and distribution of goods and services. Assuming this to be so, an examination of the existing arrangements with a view to discovering the causes of their partial failure, is involved.

The application of engineering methods to the production of goods and services has enabled one human unit to produce considerably more goods and services than are necessary for his own use. The application of mechanical power and improved process and organisation can tend only to increase the output per man-hour. It should be obvious, therefore, that a system by which purchasing power is distributed mainly through the agency of wages conflicts sharply with the physical reality involved in the fact that a decreasing number of persons tend to be involved in the production of the necessary amount of goods and services.

Before leaving this portion of the subject, however, it may be desirable to indicate the effect of raising or lowering wages considered as a component in the cost of unit production.

The money distributed in the production of goods consists in wages and salaries. (Dividends are distributed subsequently to the sale of goods.) Since labour costs are not the only costs of production,

Labour costs are < prices,

$$\frac{\text{costs}}{\text{prices}} \text{ is } < \text{I.}$$

If wages, that is to say, labour costs, are reduced by an amount x , the ratio of purchasing power to prices is lessened,

$$\frac{\text{costs} - x}{\text{prices} - x} \text{ is } < \frac{\text{costs}}{\text{prices}}$$

We can deduce, therefore, that lessening the item of labour costs in the total factory cost of an article reduces the capacity of the wage-earning portion of the population to buy the total volume of goods produced, although for a total amount of wages distributed the amount of goods produced is obviously greater.

Since it is generally recognised that the average dividend of an industrial undertaking distributed to the shareholders is very small compared with the amount distributed in wages and salaries, probably not averaging more than 3 percent, we may be led to suspect that the reduction of the ratio of direct labour costs to total costs involves a principle of fundamental importance. This is so. If we take a cross-section of the flow of purchasing power delivered to the buying public in the form of wages, salaries, and dividends,

and at the same moment take a cross-section of the flow of prices generated in the industrial system, we shall find that the latter cross-section is always greater than the former. This may be put as follows. All industrial payments may be divided into two groups.

Group A. —All payments made to individuals (wages, salaries, and dividends).

Group B. —All payments made to other organisations (raw materials, repayment of bank loans, and other non-personal costs).

Now the rate of flow of purchasing power to individuals is represented by A , but since all payments go into prices, the rate of flow of prices cannot be less than A plus B . Since A will not purchase A plus B , a proportion of the product at least equivalent to B must be distributed by a form of purchasing power, which is not comprised in the descriptions grouped under A .

The explanation of this apparent anomaly is complex, but is in the main due to the fact that the buyer of goods is at one and the same time paying for the goods and repaying to the banking system, via intermediate producers, the money which the industrial system borrowed from it but which the banking system created by means of a book-keeping transaction.

The repayment of bank loans in the industrial system may be considered as included in the balance of the payments made from one business organisation to another, that is to say, in *Group B*, as explained above.

On the assumption that the delivery of goods and services is the objective of the industrial system, it is obvious that the rate of flow of purchasing power should be equal to the rate of generation of prices. The existing financial arrangements make a crude effort to approximate this condition by issuing purchasing power to manufacturing organisations in the form of loans, which in turn the manufacturing organisations distribute in wages and salaries against future production. In other words, the existing financial system increasingly mortgages the future in order to sell the goods existing at present, the most recent and most obvious form of this practice being the instalment system of purchase. Since the financial system is in essence merely a bookkeeping system, having for its proper objective something not very dissimilar to the "progress" department of a large factory, the defect in it, which is disclosed by the preceding cursory examination, is obviously capable of adjustment.

Bearing in mind the premise that the consumer should collectively have the financial means to exercise the full call on both the sum of actual production and the balance of potential production represented by unused plant and available labour and material, it is easy to see that under existing conditions prices ought to vary inversely as the rate of production. The difficulty involved in this is that producers would lose money, and to avoid this and to stimulate production some modification is necessary.

Reverting to the physical realities of the productive system, it can easily be seen that the true cost of a given programme of production is the consumption of all production over an equivalent period of time; that is to say, if P equals production and C equals consumption, and M equals money distributed for a given programme of production, the true cost of this programme of production is not M but

$$M \times \frac{\int_{T_1}^{T_2} dC}{\int_{T_1}^{T_2} dP} = M \times \frac{\text{mean consumption rate for selected period}}{\text{mean production rate for selected period}}$$

In other words, the true cost of a programme of production

is in general not the money cost, but considerably less than the money cost, and a given programme of production can be distributed to the buying public only if sold at its true cost.

Many methods will suggest themselves for putting into operation the foregoing principles. Articles might be sold at cost *plus* profit as at present, and a rebate to the purchaser be made through the banking system, representing the difference between the apparent cost and the true cost. The source from which this rebate would be made would be exactly the same source from which at present the banking system creates money out of nothing, that is to say a book entry based on the security of a country considered as a producing mechanism. No inflation is involved in such a process. Inflation consists in an expansion of the figures of money available accompanied by a corresponding rise in prices. The objective in this case being a fall of prices to bring them collectively within the buying range of the general public, any rise of prices would merely result in the use of a smaller amount of credit.

It will be realised from the foregoing analysis that a considerable increase in the total purchasing power is necessary to obtain a sufficient effective demand upon the possibilities the modern industrial system. Having obtained this initial crease in effective demand, the problem of the distribution

of the increase assumes manageable proportions. Merely to endeavour to reallocate the initially deficient amount of purchasing power by taxation, as at present, can only result in a serious curtailment of production.

APPENDIX

Let Deposits = D
 Let Loans = L
 Let Cash in Hand = C
 Let Capital = K

Then:

Assets = L + C
 Liabilities = D + K

So that:

$$L + C = D + K$$

Differentiating with respect to time we have:

$$\frac{dL}{dt} + \frac{dC}{dt} = \frac{dD}{dt}, \text{ K being fixed } \frac{dK}{dt} = 0$$

Assuming cash to be kept fixed $\frac{dc}{dt} = 0$

$$\text{Therefore } \frac{dL}{dt} = \frac{dD}{dt}$$

TO THE POINT

For many years the Hon. D. J. Killen, Australia's present Minister for Defence, was regarded by many as the best-informed politician at Canberra on the subject of Communism. "Hansard" bears witness to the extent of Mr. Killen's knowledge. But apparently Mr. Killen found that strong anti-Communism did not help his political ambitions. Slowly but surely Mr. Killen started to change his stance on basic issues. At one time he was prepared to stand or fall on the Rhodesian question. Now he is a Minister — and allegedly responsible for Australia's defence — of a Government which provides economic aid to Communist-dominated Mozambique. And he now says, according to "The Australian" of 29th December 1976, that he follows the conventional line concerning Communist China.

Let Mr. Killen speak for himself: "May I say this — and it is not a confessional - - but it would probably reflect a substantial change on my part. I am deeply convinced that of all the futile, sterile philosophies in existence is that which pretends that you can moderate a man by ignoring him and you can moderate a nation by ignoring it. I think my own party was wrong in respect of China. That is a classic illustration. If we are going to stand at arms length and have nothing at all to do with each other — don't seek to moderate each other's views - then I think we are in for trouble."

Mr. Killen is aware that the West, so far from ignoring the Soviet Union, has sought in every possible way to have contact with Soviet leaders. Massive economic support has been provided. Numerous "agreements" have been signed. We would be interested to hear Mr. Killen explain just how much the views of the Soviet Communists have been "moderated" in any way over the past fifty years. It may be, of course, that Mr. Killen genuinely believes that he can "moderate" the views of the hard-nosed Marxists in Peking. In which case he merely provides but one more example of the delusion of grandeur, which overtakes many when placed in positions of high

office.

* * * *

Mr. Enoch Powell, British Conservative MP, is the product of British forebears of over a thousand years. Those forebears shaped the character of British institu-

BOOK NOW FOR ANNUAL NATIONAL WEEKEND

1977 will, in more ways than one, be the most critical year in the long history of the Australian League of Rights. Every supporter who can should therefore be planning to attend the Annual National Week-end in September. "The New Times" Annual Dinner will be held on Friday, September 23. This will be followed by the National Seminar on the Saturday and the National Action Conference on the Sunday. A feature of this weekend is an atmosphere of family, with Melbourne supporters providing private hospitality for visiting country and interstate supporters. In order to make adequate arrangements, early bookings will be appreciated.

tions, which Enoch Powell has sought to defend. During the Second World War he rose to the rank of Brigadier as he fought to protect his native country against the threat of a German invasion under Hitler. No one challenged his loyalty of integrity. But because Enoch Powell resists another type of invasion, that of non-British and non-Europeans who are creating tensions where none existed previously, he is now attacked as a "hate-monger". Mr. Powell has criticised the British Race Relations Act, due to become law in April, and warns of coming civil war between whites and blacks. It is now being suggested that Mr. Powell should be prosecuted. If a British-born citizen of the background of Mr. Enoch Powell cannot speak out freely on a matter of vital public interest, without being prosecuted, this is further evidence of how far the anti-British campaign has proceeded in Great Britain. This issue not only concerns the British; it is of vital interest to all Australians at a time when they are also threatened with the same type of totalitarian restrictions being imposed upon the British.

* * * *

No realistic comment is possible on the subject of inflation without an understanding of the basic features of the finance-economic system. The Fraser Government must continue to be at the mercy of the Socialists so long as it insists that figures in books, financial credit, are more important than the realities of economics. The free-enterprise production system has resulted in an actual or potential flood of production. Critics of the Fraser Government's crippling taxation policies must stress that the Government should cease worrying about the deficit, which is only a set of figures. If the deficit were issued as a credit instead of a debt, it could be used to drastically lower taxation — Sales Tax could be eliminated completely - - and to finance the type of consumer price discounts advocated by Premier J. Bjelke-Petersen.

* * * *

Douglas observed that control of credit and news is concentric. Consider the case of Australian publishing baron. Mr. Rupert Murdoch, now entering the press world of the United States in a big way. Mr. Murdoch has revealed that one of the reasons he supported Mr. Gough Whitlam at the 1972 Australian Federal Elections, was because he felt that Mr. Whitlam would turn Australia into a Republic. No doubt Mr. Rupert Murdoch is a hard driving businessman, but it takes more than drive to buy, for example, an American paper like *The Washington Post*. Tens of millions of dollars are involved. Who is providing the credits for Mr. Murdoch to move around the world buying up newspapers? An answer to that question would reveal why there will be no revelations, unless by accident, concerning the true state of the world in the press monopoly being established by Mr. Murdoch.

* * * *

Mr. Ron Gostick's Canadian *On Target*, in the issue of January 24, carries some sobering facts on growing race

tensions in Canada as a result of an "open-door" immigration policy. The character of big cities like Toronto has changed dramatically in recent years. Teachers in Toronto have protested that the Anglo-Canadian could not be expected to give up all his values, and his cultural position, merely to accommodate the values and life styles of ethnic students. Canada is being fragmented by the type of immigration policy the Grassbys are determined to impose upon Australians. The tragedy is that by the time race frictions reach crisis proportions, it is then extremely difficult to do anything about it. But it is certainly not too late for Australians to take a stand and insist that Australia does not import the problem, which the Canadians find, like the British, they cannot resolve. Fragmented societies are ideal raw material for the revolutionaries of all kinds.

* * * *

Late last year Mr. Robert Hawke President of the Australian Council of Trade Unions, unveiled a plaque marking a forest which has been named in his honour in Israel. Mr. Yeruham Meshel the Secretary-General of the Histadrut the Israeli Federation of Labour, described Mr. Hawke as a 'courageous friend of Israel who had repeatedly shown his strong support for the Jewish state's trade union movement in international labour meetings".

As Mr. Hawke, in spite of being the son of a Congregational clergyman, is a non-Christian, and as Mr. Hawke is not on record as being a supporter of Judaism, it is legitimate to ask why his long-time keen interest in

A REPORT FEARED BY THE FINANCIER-MARXIST CONSPIRATORS

"A Programme For Halting The Financing Of Economic Blood Transfusions to The Communists." the Report of the Crown Commonwealth League of Rights to the 9th World Anti-Communist League, and 7th World Anti-Communist League Conferences, held in South Korea, 1976, is one of the most explosive documents of this century. It is impossible to calculate the international implications of this Report, which documents how International Financial power groups financed the Bolsheviks to seize control of Russia, have sustained them ever since, as confirmed by the great Solzhenitsyn, and are working towards the creation of a "One World". The insidious role of the Fabian Marxists in undermining the English-speaking nations from within, graphically outlined. The subversive role of Keynesian economics outlined, and the destructive effect of "controlled inflation" examined. A comprehensive programme outlined for ending inflation and stopping the economic blood transfusions to the Communists should be placed in the hands, of all responsible people.

Price \$1 posted.

Israel. Israel admittedly is a Socialist State, but why Mr. Hawke's strong preference for Israel? If the answer to that question could be provided Australians would be better able to assess the man who is moving to enter the Australian Federal Parliament.

* * * *

President Jimmy Carter's clear indication that he plans to put massive economic pressure on the Smith Rhodesian Government, leaves no doubt that he is the servant of the internationalists. President Carter's ambassador to the UN. Part-Negro Young fallaciously described as a Negro has said in Tanzania, during his recent African tour, that he could guarantee that American chrome imports from Rhodesia would cease within two months. Rhodesian chrome has been essential for building military equipment. If the USA ceases to import Rhodesian chrome, this would mean increased dependence upon the Soviet Union, the only other large supplier of chrome. Thus another major step would be taken to create the One World of the international power men.

* * * *

In spite of "better education", today's young people generally are just as idealistic, gullible and immature as young people have always been. The Welfare State has encouraged more irresponsibility. But the critics of today's young people miss a basic truth when they complain how "so many young married people want things we had to do without for years—wall-to-wall carpets, washing machines and motor cars". People growing up in a society where washing machines and motorcars can be easily produced, together with other types of production unknown to previous generations, naturally anticipate being able to get access to that production. To suggest that younger people should not have ready access to that production simply because their grandparents did not have it, plays into the hands of the revolutionaries. Many are only gaining access to some of that production, including homes, by pawning their future to the debt system. A basic requirement for a free society is that all those who so desire should be able to own their own homes, free of debt.

"CENSORED ECONOMICS"

By Jeremy Lee

This booklet outlines for the first time the history of what has come to be known as "The Petersen Plan" to reverse inflation, and the persistent campaign to both suppress and misrepresent the Queensland Premier's policy. It is backed with information and facts, which must be more widely known. It provides concrete evidence of the existence of totalitarians attempting to deny Australians information vital to their future.

Price 60 cents posted.

BASIC FUND PASSES \$30,000

There has been an unfortunate lull in the volume of support for the League of Rights' 1976-77 Basic Fund of \$45,000. And yet the need was never greater. Like all Western nations, Australia is now facing a supreme testing time. The guidance and information, which only the League can provide, was never more urgently required. It is no use attempting to pretend that "something will turn up". Never before was it more essential to demonstrate the spirit of self-help. The League is convinced that Australia can play a vital role in leading the Western world back to sanity.

All that is necessary is for one thousand of our supporters, who have not yet contributed, to provide an average of \$15 each. That is the equivalent of only approximately 30 cents a week. Please let us see a flood of smaller donations. Northern NSW and Queensland supporters should send their contributions to Mr. Jeremy Lee, Kingstown, via Armidale, NSW. The balance to Box 1052J, GPO, Melbourne.

WHAT IS "MAJORITY RULE"?

When Malcolm Muggeridge, a master of the English language, wrote to *The Times*, London, asking where was the "majority rule" which Prime Minister Ian Smith of Rhodesia was told he must adopt, no one bothered to answer. It is an indisputable fact that the overwhelming majority of those condemning the Smith Government of Rhodesia operate varying types of despotisms. President Jimmy Carter is strong on the subject of "majority rule", but only a minority of the American people voted for him to be President. The British Socialist Government was elected by a minority of the total British electors. It cannot solve the Communist-backed IRA campaign in the United Kingdom, but insists on telling Ian Smith what he must do.

The mindless repetition of the term "majority rule" is a reflection on the breakdown of ordinary commonsense and a striking confirmation of the power of brainwashing. During that long period in British history, which produced such a rich contribution to Civilisation, voting was not universal. Women did not always have the political vote. Only comparatively recently were the women of Switzerland permitted to vote. There is no evidence to suggest that the Swiss are now better off in any way than they were previously. The British are worse off today under a widened franchise than they were previously when it was limited. In recent times many countries have reduced the voting age to 18, the general argument being that young people of today are "so much better educated" than their forefathers. Has anyone noticed any improvements in those societies, which have reduced the voting age?

The carefully fostered stress upon the alleged importance

of political voting is designed to elevate the function of Governments, and to create the impression that only through Government can man's basic problems be solved. The quality of golf does not improve by introducing more complicated ways of electing the committees of golf clubs. Genuine democracy has to do with electors exercising power over governments, if it is to be effective, it requires that electors accept personal responsibility for their actions. As societies are made up of minorities, "majority rule" is an absurd idea, except as a facade behind which some minority can impose its will on all other minorities. The true role of a democratic government is to uphold a general rule of law under which individuals and minorities can organically evolve their own way of life.

It has been observed that one cannot eat the political vote. Under European guidance and acceptance of responsibility, food production in Rhodesia has been dramatic, more than sufficient to sustain an exploding black population. Blacks have benefited as well as whites. Would "majority rule", in fact rule by a power-hungry minority, result in a continuation of adequate food? "Majority rule" in other parts of Africa provides the answer. While sympathizing with Prime Minister Ian Smith in a situation where he is being pressured by an unsavoury combination of international power groups, gullible do-gooders, and political thugs, to abolish comparatively responsible government in Rhodesia, we suggest that he would have served his country, and Civilisation much more effectively if he had rejected the "majority rule" myth by insisting that its proponents provide a precise definition of what it means, and list the countries in which it operates. By agreeing with "majority rule", even under pressure. Mr. Smith has unfortunately given his support to one of the most dangerous myths of this century.

WHY ABOLISH UNEMPLOYMENT?

The Communists proudly boast that there is no unemployment in Communist-ruled nations. This is correct. Everyone works under central direction; even if only in the slave camps or in the Chinese communes. And there are the enormous armament programmes. The official policy of "full employment" in the non-Communist countries is a tacit acceptance of the Marxist philosophy that no one has any natural right to live unless working. The end result of this philosophy is that all forms of destructive activities are acceptable so long as they distribute financial incomes. Built-in obsolescence requires the replacement of articles, which wear out quickly. Government bureaucracy is ideal for helping to maintain "full employment": large numbers are kept busy putting marks on pieces of paper to ascertain how many others are putting marks on pieces of paper. Then large numbers of women can be kept engaged filing the pieces of paper. Others are kept busy ensuring that the supply of paper upon which to put the marks is maintained. Then transport is required to shift all those engaged in these activities. Even porno-

graphy can be justified under the "full employment" policy. The vast publishing empires associated with the pornography "industry" all distribute financial incomes to someone.

Inflation is the financial reflection of the unnecessary activity in which the individual is forced to participate in order to obtain the consumer goods required. If Australians are forced to export vast quantities of production to the Communist nations, without receiving the equivalent amount of production in exchange, then the real cost of what they use for themselves is increased. If a man had to work eight hours a day with primitive tools to obtain the basic requirements of life, but then invented a machine, which enabled him to produce the same basic requirements in four hours per day he would have reduced the real cost of production. But if a Government stepped in and said to the man that instead of using the four hours saved in his own pay he must use the four hours to make the equivalent of more machines, then clearly he is being robbed. And the real cost of production has not been reduced.

As yet every child born is regarded as being entitled to live without working in the economic system. Assuming the child starts school at six years of age, it then spends, on the average, the next 12 years being prepared to "earn a living." Why should not the ultimate objective be, then, that after, say 30 years contributing to the, maintenance and operation of a production system which can easily provide sufficient for all, to permit an individual to retire and develop his creative attributes? Surely the sane purpose of the production system is to enable required production to take place with the minimum of human employment, not the maximum? So far from business organisations being encouraged to establish "full employment." they should be encouraged to free individuals from "full employment" as quickly as possible. Then there would be more self-employment by financially secure individuals. And that would be the end of the threat of Communism. "Full employment" leads direct to the Slave State, irrespective of whether called Communism, Fascism or the Planned Society.

STRANGER THAN JAMES BOND!

'State Secrets' (1975) the last major work of the famous French scholar and historian, Count Leon de Poncins, makes James Bond seem tame. This work is in essence a collection of a unique selection of secret documents, which unravel the mainspring governing the revolutionary movement, which has this century destroyed Empires and advanced International Communism. Here is the stuff of real history, the suppressed documents that students are not supposed to see. The role of Zionist Israel emerges clearly.

Price \$3.40 posted.