

THE NEW TIMES

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

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EDITORIAL

ANOTHER FUTILE ECONOMIC SUMMIT CONFERENCE

The Bonn economic summit conference, where the political spokesmen for major industrial nations met to solve the problems of growing unemployment, inflation and mounting trade friction, was, like previous summit conferences, doomed to failure before it started. It is true the Japanese promised to reduce their massive export balances by importing more, while the West Germans promised to encourage consumer spending. President Carter said that the Americans would import less oil. Increased Japanese imports can, under present financial rules, only be at the expense of Japanese industry. Increased consumer spending in West Germany will send inflation higher. The Carter Administration has no hope of curbing growing inflation by importing less oil.

The basic problem of all the industrialised nations is that they have had to escalate their debt structures while developing their industries. No amount of clichés can alter the fact that if all money comes into existence as a debt, then the burden of debt, with all its far-reaching consequences, must continue to increase. Every advance in technology, one result being the displacement of human labour by the computer-controlled machine, results in increased production with insufficient purchasing power to buy it. This is the root cause of the increasing intensity of the drive for export markets. As more countries become highly industrialised, such as South Korea and Taiwan, they join the export drive. Already there is growing friction between South Korea and Japan.

All countries represented at the Bonn conference have agreed to expand their economies while at the same time "fighting" inflation. This is a contradictory agreement. Expansion under present financial rules inevitably means a rise in the price level. But at the three previous economic summit conferences, there were also fine words and many promises. The total result was that the international depression deepened. The optimists hope that if the West Germans and Japanese stimulate their economies, they will import more from the other industrial nations, who will thus benefit. But as events confirm once again that expansion means more inflation, with no real reduction in unemployment, primarily because of the technological revolution, the end result will see a worsening of the general situation. It is significant that the West Germans have hedged in their assurances at the Bonn conference, stressing that while it will be proposed to the West German Bundestag that there should be expansion, there was the qualifying statement that "the order of magnitude will take account of the absorptive capacity of the capital market and the need to avoid inflationary pressures." "The need to avoid inflationary pressures . . ."? Yes, here

is the rub. And indicates why the Bonn summit will in retrospect, prove to be but one more futile international economic conference.

DEVELOPING THE THIRD WORLD

The communiqué issued at the end of the Bonn Conference said, "We agreed on a comprehensive strategy covering growth, employment, inflation, international monetary policies, energy, trade and other issues of particular interest to developing countries. We must create more jobs fight inflation, strengthen international trading and achieve greater stability in exchange markets." Words, words, words. But among these words there is one reference of great significance, that to the developing nations. Those striving to create the "New International Economic Order" are placing increasing emphasis upon "The Third World." Although most of the nations of "The Third World," particularly those in Africa, are hopelessly in debt with no hope whatever of meeting these debts, the strategists behind the "New International Economic Order" are proposing that the developed nations should be prepared to underwrite present debt, perhaps even agreeing that it be written off, and then replaced with even greater debts owing to international institutions, this permitting a vast transfer of production from the developed to the underdeveloped nations.

This is not a new idea, as those who have studied Stalin's basic work on the "National Question" know. Stalin insisted that the Marxist international order could not be created without such a development. American Communist leader Earl Browder developed the concept much further during the Second World War, in his famous Point Four programme. Australia's Foreign Minister Peacock is a strong supporter of the concept, as is Prime Minister Fraser. What these superficial politicians fail to understand is that if a nation cannot solve its own internal

problems, particularly when it is a wealthy nation like Australia, then it is not going to solve those problems by joining with other nations who have exactly the same problems. Problems are not easier to solve because they are enlarged.

ONE NATION CAN LEAD

All genuine progress throughout man's long history has been initiated by small minorities, demonstrating something that is successful. Others then emulate that success.

ANOTHER GREAT GRAIN ROBBERY

As the plot unfolds to create "The New International Economic Order," one feature being the proposal to establish international commodity boards, which allegedly will have the approval of the Soviet, the following comment by the well-known American writer, Phyllis Schlafly, in the March issue of her "Phyllis Schlafly Report" is most opportune. Clearly no genuine agreement is possible with the Kremlin criminals.

(The "Phyllis Schlafly Report" is published monthly and is obtainable from Box 618, Altan, Illinois, U.S.A. 62002. Subscription \$5 (American).)

It looks as though American farmers have been victimized again by a Soviet grain robbery. Our successful private-enterprise production has been forced once again to cover the losses of the unsuccessful state-controlled Communist economic system.

The Russian 1977-grain harvest turned out to be 19 million tons short. Apparently, to fill the gap, the Soviets secretly bought millions of tons of U.S. grain at depressed prices, in violation of their agreement with the United States to buy only openly.

At least since 1962 the Soviets have followed a nationally enforced policy of guns instead of bread. Soviet officials will not allow any diversion of resources from their nuclear weapons-building program even for such fundamental consumer essentials as grain. Anyway why should they - if they can outsmart American capitalists into shipping them cheap food so the Soviets can spend all their money on weapons.

If the Soviets had openly admitted that their 1977 harvest would never reach its official goal and they were in the market for more grain, the present depressed world price would have risen. Instead, the Soviets secretly and quickly bought up large amounts of low-priced American grain through European agents who did not reveal the identity of the real purchasers.

Why should the Soviets have admitted what they were doing? Because they signed an agreement in which they promised to do exactly that. Apparently, some of the dewy-eyed devotees of detente in our Government thought that the Soviets would play fair and square.

The consistency of the Communists in breaking their international agreements is exceeded only by the consistency of U.S. State Department and other U.S. negotiators in falling into the trap of signing more agreements and then believing that the Soviets will honor them.

A torrent of words at summit conferences solves nothing. If only one developed nation would set to put its own house in order, demonstrating that necessary growth to meet genuine individual requirements is possible without inflation, that so far from being regarded as a "problem," unemployment should be regarded as the natural and desirable consequence of the technological revolution, that nation would be in a position to conduct trade on a realistic basis with other nations. It would show the world the way out of the deepening crisis.

The expression "great grain robbery," originated by Senator Henry Jackson, has gone into the English language as the popular description of the highway robbery that the Soviets visited on American farmers, taxpayers and consumers in 1972.

That was the year when the Soviets, after a particularly disastrous harvest, secretly and rapidly bought up 18 million tons of U.S. grain. Much of it was paid for by loans from the U.S. Commodity Credit Corporation, some of it was subsidized by other Federal funds, and the rest was sold at bargain-basement prices cheaper than what Americans had to pay for our own grain.

The Soviet grain deal cost the U.S. taxpayers three-quarters of a billion dollars in loans and subsidies, and cost the American consumers a couple of billion dollars in higher bread and meat prices. The General Accounting Office later confirmed that the deal caused higher prices for bread, beef, pork, poultry, eggs and dairy products.

As a result of the way Americans were fleeced in 1972, the United States and the Soviet Union signed an agreement to prevent future secret purchases of American grain. The Soviets formally agreed to buy a minimum of six but no more than eight million tons of grain each year.

If the Soviets want to exceed this amount, they are obligated under the agreement to notify the U.S. Government directly rather than place orders with private firms. The agreement also calls for monitoring Soviet crops by satellite, accompanied by on-site inspection of major Soviet grain-growing areas by U.S. Agriculture Department experts.

Our 1977-grain experience with the Soviets should have a salutary effect on SALT II negotiations. If the multi-billion-dollar U.S. intelligence-gathering apparatus can't accurately locate and identify fields of growing wheat, how in the world can it possibly locate and identify Soviet mobile and reload missiles, which are easily capable of being moved and camouflaged?

BASIC FUND FILLED

As predicted in our last issue, the League of Rights' Basic Fund of \$45,000 for 1977-78 was filled before the end of June. A small surplus has been allocated to the 1978-79 Basic Fund, which will be launched in October. Some most encouraging announcements will be made concerning plans for major League expansion.

Dictatorship by Taxation

By MAJOR C. H. DOUGLAS

There is much talk at present about tax revolts. This is an encouraging sign and we strongly support all attacks upon the imposition of a taxation system, which has reached the level of confiscation. In an address delivered in Belfast in November 1936, and first published in "The Fig Tree" of September 1937, C. H. Douglas provides a clear analysis of the realities of taxation. We feel that it is a most appropriate time to republish this analysis. The following is the major portion of the Belfast address:

I AM speaking to you tonight on one of the mechanisms — an increasingly important mechanism—through the agency of which the members of the financial oligarchy under which we suffer impose their will upon us.

It is important to understand this mechanism, at any rate in its broader aspects, but I should like to impress upon you at the outset that even an exact and extensive understanding of it can be regarded as having any practical use only if it acts as an incentive to recruiting you for organised action. It is the *action* that counts. As someone said in regard to the international situation, "It is no use having the logic if you have not got the guns," and that is profoundly true in regard to the matter on which I am speaking to you tonight.

It is no use realising that taxation is legalised robbery, is unnecessary, wasteful, and tyrannical. If you stop at that, not only will you have to pay the taxes that you now have to pay, but, as Sir Josiah Stamp, one of the Directors of the Bank of England, suggested a short time ago, with that engaging candour which we are beginning to expect from the Bank of England, "While a few years ago no one would have believed it possible that a scale of taxation such as that at present existing could be imposed upon the British public without revolution, I have every hope that with skilful education and propaganda this scale can be very considerably raised."

THE OLD TITHE WAS NECESSARY

It is impossible to get a sound and clear understanding of taxation by any consideration of money figures or statistics, as at present compiled, since there is no relation between facts and money. It is essential to begin by a consideration of real, i.e., physical, economics as distinct from money economics. For instance, the old and original tithe was a genuine and justifiable tax. It consisted of one-tenth of the agricultural production of the taxed land, and this agricultural production so collected was handed over to the Church for the physical maintenance of the clergy and their dependants, it being assumed that the clergy were too busy with other matters to raise their own crops. It may be recalled that the word "clergy" is derived from "clerk" and that it is to clerks that we owe (and pay) our taxes.

Now it is obvious that the physical meaning of this to those who paid the tithe was that they did a small amount of extra work or, alternatively, had a little less to eat themselves. There was nothing in such an arrangement, which could, or did, result in a loss to the community on the one hand, or, on the other, make it impossible for the agriculturist to live.

But now consider the fact of a money tax upon agricultural land, which is the form the tithe has now taken. It is imposed quite irrespective of the value of anything which

is produced upon the land, and its effect is simply that of an overhead charge upon anything which is produced. If a farmer owns the land he farms and has to pay tithe upon it, the tithe appears as a cost of production and increases the price that he must charge in order to live off his farm. If he cannot raise his price, which is generally the case, he makes a money loss, and ultimately ceases to farm, because he does not grow money, he grows produce, and money is demanded from him.

This is exactly what has happened in England, where three million acres of farming land have gone out of cultivation since the War. But the evil does not stop there. Since the farmer does not make a reasonable living, he does not keep his land in good order and he has no money to spend upon the products of other industries. It is beyond all question, and it is, of course, obviously common sense, that all taxation, which does not go into the pockets of the poor, lowers the standard of living, and the margin of security is lowered by any taxation, which discourages enterprise.

There could be only one fundamental justification for taxation—that, with the whole of a community in maximum employment, not enough was being produced to maintain the total population by reason of the excessive consumption of a small proportion of the population.

In fact, the whole theory of taxation as a justifiable expedient rests upon two propositions; first that the poor are poor because the rich are rich, and therefore that the poor would become richer by making the rich poorer; and secondly, that it is a justifiable procedure to have a system of accumulating riches, and to recognise that this system is legitimate, while at the same time confiscating an arbitrary portion of the accumulated riches. The latter proposition is very much the same thing as saying that the object of a game of cricket is to make runs, but if you make more than a small number they will be taken off you.

Please allow me to emphasise the point that I am in complete agreement with those who contend that some individuals are unduly rich, just as I am absolutely confident that taxation is not the remedy.

CONFUSION BETWEEN MONEY AND REAL WEALTH

Now the first of these fallacies—that the poor are poor because the not-so-poor are not-so-poor, and that the poor are made richer by making the richer poorer, arises out of the confusion between money and real wealth. It is assumed, in the first place, that the equality between real wealth and money is absolute, and that, therefore, if an individual has a large amount of money in comparison with his neighbour the whole community will be raised in its standard of living if the richer man is taxed, even though the poor man does not get the money—which, in

fact, he rarely does.

The absurdity of this argument, as apart from other aspects of it, is evident if it were applied, say, to the question of the ability of a proportion of the population to buy Rolls Royce cars. If one imagines all the purchasers of Rolls-Royce cars to be taxed so that they no longer can buy Rolls-Royce cars, it does not, of course, mean that the poorer portion of the population buys Rolls-Royce cars; it merely means that Rolls-Royce cars are not produced. This would be a perfectly satisfactory state of affairs if the production system were lacking in some production, which the freeing of men from making Rolls-Royce cars would enable them to produce.

We see exactly this state of affairs in wartime, when luxury production ceases, but in peacetime we know perfectly well that we have what is called an unemployment problem, that is to say, a surplus production problem, and that, under the existing financial system, the inability of anybody to buy Rolls-Royce cars would merely result in an increase of unemployment, and that the present financial system regards full employment as being the best method of keeping us in slavery to financiers.

All the preceding arguments lead up to, and are, in fact, dependent upon the proposition that the production of real wealth—that is to say, all the things which money can buy—is entirely separate from the production of the money with which to buy them, and that in taxing anyone but a banker we are merely increasing the value of the bankers' monopoly of money-making.

It is, fortunately, not nowadays necessary to develop this argument at any great length, since the facts are not in dispute in any responsible circles. The *Encyclopedia Britannica* in its article on money, volume 15, states, "Banks lend by creating credit. They create the means of payment out of nothing"; or, as the Chairman of the Midland Bank puts it, "The amount of money in circulation varies only with the action of the banks."

Since our civilisation is a money civilisation, and we none of us can carry on our daily pursuits without the possession of money, it is obvious, in the first place, that this situation places us ultimately at the disposal of the banks, and that increased taxation by lessening the amount of money at our disposal increases this hold that the banks have upon us.

The first point, therefore, on which to be clear, even without enquiring as to the destination of the money, is that the heavy taxation under which we suffer works directly to the advantage of financial houses which control the banking system. But if you will look at the back of your tax demands, you will find that the total amount received from income tax, surtax, and death duties, is approximately equal to the amount required to pay the interest on the National Debt, and that other forms of taxation supply the money for social services, to the extent that it is supplied.

CREATORS OF NATIONAL DEBT

Now the National Debt in 1913 was £706,000,000, and in 1935 was £7,945,000,000, or ten times as much, and it is steadily rising. Probably 80 percent, of this debt was created by the process to which the *Encyclopedia Britannica* refers, that is to say, by the banks creating money out of nothing and lending it to the country through the agency of War Bonds and other national securities.

Or, to put the matter another way, just as the banks create money out of nothing, so they bought the War Debt for nothing, and our income-tax, surtax, and death duties are what we pay them for having created and appropriated for their own use the National Debt.

It does not require much assistance to see that just so long as the population will stand it—and Sir Josiah Stamp assures us that, with care, the population will stand much more of it—we shall go on paying an increased amount of taxes, the major portion of which will go to increase the power of banking institutions and their grip upon the population.

If the stock and bonds, which the banks, including the Bank of England, have appropriated in the last fifty years, had been placed to the credit of the community, not only should we be free of taxation but we should be drawing a substantial dividend.

A common objection to this statement is that under these conditions banks would pay fantastic dividends; but this is a misconception. Banks do, in fact, pay high dividends upon a comparatively small capital, but the stupendous profits which are made by the manipulation of the money system on the general principles that I have just been indicating to you, do not go to anybody; they disappear by book-keeping processes, and by the formation of stupendous invisible reserves; and, since they increase the disparity between purchasing power and real wealth, they form a continuous deflation system.

For instance, if you see that the securities held by a bank amount to £100,000,000 sterling, you might suppose that that was the market value of the securities. It is extremely probable, in the case of a British joint stock bank, that every £100,000,000 of securities shown on the

JUST OUT!

"A PLOT TO DESTROY AUSTRALIA'S INDEPENDENCE"

By Jeremy Lee

This chilling work should ring the alarm bells right throughout Australia. The author documents the accelerating programme to bring control of the creation of all money and the basic raw materials of the world under centralised control by an International Bureaucracy. He exposes how the Fraser Government is actively participating in the plot against Australia's independence. The material in the book is the submission made by Jeremy Lee, to members of the Senate Standing Committee on Foreign Affairs and Defence, on "The Implications for Australia's Foreign Policy and National Security of Proposals for a New International Economic Order."

In a powerful Introduction, the author observes that the insidious temptation of power, and its corrupting influence, is as old as man and quotes the warning from "The New Testament" of Christ on the mountain. This work must be placed in the hands of as many responsible Australians as possible in the shortest possible time. The nation's independence hangs in the balance.

Single copy: \$1.25 posted. Six copies: \$5.00 posted.

balance sheet represents at least £1,000,000,000 of market prices in normal times, and by this process of writing down, which is much more complex than the simple instance just cited, it is possible to conceal profits of several hundreds percent per annum, and there is little doubt that it is done. The so-called stability of the British banking system is simply a measure of its grip on the national resources.

TAXATION A TYRANNICAL FRAUD

Stripped of its complications, the fact emerges that we live under a system not at all dissimilar to that of a commercial company with unlimited liability in which new debentures are constantly being issued and allotted free of charge to the financial system and its controllers, who take no risks and do no creative work. The general population is fundamentally in the position of wage earners, and the taxation upon them goes to pay the interest on these mortgage debentures. The income-tax authorities are in the position of accountants, and debt collectors acting in the interest of the debenture holders.

We are, every one of us, in debt to these debenture holders, even though some of us may hold debentures, and the policy is to load us individually and collectively with debt so that we shall be the slaves of our Creditors in perpetuity.

It is impossible to obtain the money to pay off the debt, owing to the fact that our Creditors are at the same time in sole control of the power of creating the money, which is required to pay off the debt. Taxation is not primarily an economic device it is a tyrannical device.

Once the meaning of this situation is grasped, it is not difficult to see the general principles by which not merely could taxation be eliminated, but in place of it every individual could be placed in a condition of economic freedom and security.

As I put the matter before the monetary commission in New Zealand, the essential power, which the banks have acquired, is the power of the monetisation and demonetisation of real wealth. That is to say, the power of creating acceptable and accepted orders or demands upon the producing system and of destroying them on recall; and the essence of their fraud upon civilisation is not in the magnificent technique of the system which they employ, or even in the charges which they make for the use of this money which they create, even though these charges, i.e., their interest rates, may be considered in many cases exorbitant.

The essence of the fraud is the claim that the money that they create is their own money, and the fraud differs in no respect in quality but only in its far greater magnitude, from the fraud of counterfeiting. At the instigation of the banking system, barbarously severe penalties are imposed upon the counterfeiter of a ten-shilling note, but a peerage is conferred upon the counterfeiter by banking methods of sums running into hundreds of millions. May I make this point clear beyond all doubt? It is the claim to the ownership of money, which is the core of the matter. Any person or any organisation who can create practically at will sums of money equivalent to the price values of all the goods produced by the community is the virtual owner of those goods, and, therefore, the claim of the banking system to the ownership of the money which it creates is a claim to the ownership of the country.

FUTILITY OF BANK NATIONALISATION

If you are willing to admit that this ownership is justified

there is nothing to be said ; but if you are not—and I do not suppose in Northern Ireland (where there seems to remain a spark of that independent character which is apparently disappearing from England) that you are—do not be misled by any such phrase as "The nationalisation of banking."

The State and the banking system is very nearly one and the same thing at the present time and are wholly one in policy. While the Bank of England is a private bank owned by international financiers, the Treasury plays straight into its hands, and the nationalisation of, for instance, the Bank of England, would mean the transfer of the Treasury into the Bank of England rather than the transfer of the Bank of England into the Treasury.

The Commonwealth Bank of Australia is a Government Bank, but its policy is identical with the policy of the Bank of England; and the same comment is applicable to the Bank of New Zealand, which has just been nationalised with the able assistance of its governor (who was sent out from the Bank of England to do the job), and to the Bank of Canada.

No nationalisation of banking will put one penny into the hands of the individuals comprising the countries over which it rules, so long as this question of the ownership of money is left unaltered. But if it once were admitted that *the community, not its Government*, is the owner of the money, and the individual, as part of the community, is entitled to his share of it, the situation is obviously very different.

NEW ZEALAND SCHEME

To fix this idea in your head I will read to you the suggestions that I made to the New Zealand Government at the Monetary Commission in 1934. They have been allowed very carefully to drop into oblivion, which I think is a tactical mistake on the part of the New Zealanders, and which I am sure will be repaired before many years are past.

i. From the enactment of these proposals no Bank in New Zealand shall distribute a dividend either in or outside New Zealand in respect of operations carried on within the Dominion of more than six percent (6%) per annum on the subscribed capital.

ii. No Bank shall increase its capital in such a manner as to affect the gross amount of dividend distributed in respect to business carried on in New Zealand except with the consent and through the agency of a legal enactment of the Dominion Legislature. Within three months from the enactment of these proposals every Bank operating in New Zealand shall make an exact return of its assets, specifying in particular all stocks, shares, and debentures purchased by the Bank, the prices paid, and the prices at which such stocks, shares and debentures are held on the books of the Bank for the purpose of the annual balance-sheet.

The same procedure shall be adopted in regard to all real estate, buildings, and all other immovable property, together with furniture, fittings, and appliances in the Banks' ownerships. Such statement shall include a sworn valuation of the current market value of all such assets at the date of the return, such valuation to be made by an independent surveyor or valuer.

iii. Where it is found that the figure at which such assets are held on the books of the Bank for balance-sheet purposes is lower than the market value as obtained by the sworn valuation, an amount equal to such difference shall be transferred to an account to be known as "Suspense Account No. 1." Where the Bank in question operates in other countries than New Zealand, a complete return shall be rendered and a proportionate allowance for external business shall be made.

iv. All profits earned by the Bank from any source over and above the amount necessary to pay a dividend of 6 percent shall be transferred to an account to be known as "Suspense Account No. 2."

v. Six months from the enactment of these proposals an amount

equal to 50 percent of the amount standing to the credit of Suspense Account No. 1 shall be applied to a reduction of the overdrafts debited to the customers of the Bank, such appropriations being made *pro rata* on the basis of the average overdraft of the Banks' customers for a period of three years preceding the date of the enactment of these proposals, and such appropriation of half the balance of this Account shall be made annually thereafter.

vi. One month after the publication of the annual balance sheet of any Bank, an amount equal to seventy-five percent (75%) of the amount standing to the credit of Suspense Account No. 2 shall be applied to the reduction or reimbursement of interest paid on overdrafts by the Banks' customers, such reduction or reimbursement being made upon the same *pro rata* basis as that laid down in paragraph v.

vii. A similar procedure to that laid down in the preceding paragraphs shall be applied to the accounts and assets of all Insurance Companies operating in the Dominion, with the exception that the funds required for (Insurance) Suspense Account No. 1 shall be provided by rediscounting the disclosed reserve with the New Zealand Reserve Bank, and that the disposition of the funds so provided shall be as in the following paragraph:

Fifty percent (50%) of the amount to the credit of (Insurance) Suspense Account No. 1 shall be applied annually to pay for the preference shares or debenture stocks applied for by any natural-born New Zealand subject over twenty-one years of age, to the extent that applications for shares to be paid for by this fund can be met. Such shares shall be allotted *pro rata* to the applicants without charge, and shall be registered as non-transferable and as not good security for loans. On the death of a holder, or his permanent residence outside the Dominion, such shares shall be cancelled.

viii. (Insurance) Suspense Account No. 2 shall be retained as a Dividend Equalisation Fund to ensure that the dividend on all preference and debenture stocks allotted under the preceding clause shall receive a dividend at the agreed rates. Should this fund increase at a rate exceeding five percent (5%) per annum, such excess shall be allotted to a *pro rata* increase in the dividend on such shares as have been subscribed for under Clause vii.

ix. These proposals are intended for consideration in the light of the correspondence, which precedes and accompanies them.

* * *

PUNISHMENT BY TAXATION

If the present system of taxation consisted, as it does, of an organised system of robbery but without any other objectionable aspects, it would, in all conscience, be unjustified. But in the past few years, and particularly since the War, another feature of it has come into prominence, although there is very little doubt that it has always been contemplated. I refer to the use of the taxation system as a method of inflicting punishment without trial and at the discretion of anonymous individuals.

As an example of what I mean I might say that, since my own efforts to explain the nature of the taxation have come into some prominence, I have been consistently pestered by various assessments for income-tax which require a great deal of time, expense, and trouble to dispose of. Even if and when disposed of, they constitute a serious additional tax, since it is inevitable that skilled legal assistance be employed in connection with them and much data collected, and, of course, the cost of this is not reimbursed.

It would be incredible, if it did not happen to be true, that a system which allows a claim to be made upon you, leaving the trouble and expense of proving that it is not justified upon the shoulders of the person assessed and that no redress for unsubstantiated claims is possible, would be tolerated; but that is exactly the position of the taxation system. It is, of course, exactly the reverse of ordinary business procedure, where a claimant for services rendered

can always be put in a position of proving his claim.

The system employed traverses the fundamental principle of British justice, in that it forces you to give evidence against yourself.

During the War I had some contact with the more hidden side of politics, and I was informed that income tax was a favourite device for penalising anyone unpopular with the authorities. The same sum in taxation could be raised far more cheaply and with infinitely less friction by simple taxes, such as sales taxes, or other straightforward devices, even if it were granted, which of course is not the case, that the taxation was necessary.

The recent commission upon the simplification of income tax stated that many of its provisions were "frankly unintelligible to them and that only the skilful administration by the Inland Revenue officials had made them workable." This is exactly what they are intended to be, thus leaving the power over the individual for taxation purposes in the hands of the bureaucracy.

Lord Hewart of Bury, the Lord Chief Justice, has done invaluable service in drawing attention to this particularly objectionable form of tyranny.

But there will be no alleviation from it so long as political power is allowed to rest in the hands of the oligarchy, which rules us at present.

I have devoted a good deal of my time and yours tonight in making and, I hope, making beyond any possibility of discussion, the point that, so far from being taxed for our membership of a potentially prosperous undertaking, we ought to be receiving dividends; and the reason that we are not receiving dividends is that so much of these dividends as they require are annexed by international finance, while the remainder are concealed in invisible reserves, so that by the lack of them we may be made servants of the banker, and that, by means of economic deprivation and taxation, he may punish any rebellion against his rule. But I would repeat a phrase, which I quoted at the beginning of my address; "It is no use having the logic if you have not got the guns."

Let me emphasise what I mean in this connection, because I have been accused of advocating rebellion against the State. Nothing of the kind. What I am telling you is that either you are the State and you can change what you do not like, or else the State is your enemy; and that all the powers of the State derive from you and have been usurped from you to the extent that they have been separated from you. I am confident, with a confidence that nothing will shake, first of all, that a genuine democracy of policy is the fundamental basis of association, and that no association, which disagrees with this idea can continue.

Therefore, the first requisite is to get into your consciousness as a living, driving, motive force that this is *your* country and that the conditions in it are *your* responsibility, and that Government officials are *your servants* and not your masters, and that the sooner that they are told it in unmistakable terms the better it will be for you and the better it will be for them.

At the present time we live in a false and completely ineffective so-called democracy, really an oligarchy of the worst possible kind. Not only is an open and genuine dictatorship preferably to an oligarchy masquerading as a democracy, but it is a sure and certain outcome of it. I do not believe that the people of these islands will tolerate an open dictatorship, but, unless you take action, an open

dictatorship will be tried.

Once having got it into your minds that yours is the real power if you would only exercise it, the mechanism existing at the present time, with very slight modifications, is easily sufficient to make your power effective if you will bear certain fundamental considerations in mind.

Don't imagine that a question of democracy has anything to do with leadership. Democracy and leadership are a contradiction in terms. There is more room for leadership in the world than ever there was, but your leaders should be your servants not your masters.

Don't waste your time looking round for someone who is going to do the job for you, you won't find him. If you won't do it yourselves, it is not going to be done. Take your present Members of Parliament just as you find them and disabuse them of the idea that they are heaven-sent geniuses, which you have elected to run the country for you. They don't run the country anyway, but you let them think that they do. Your Members of Parliament are elected to represent the common will, not the uncommon intelligence. The proper place for intelligence is in the ranks of the technicians who should be the servants of the common will.

With the common will goes the common power, that is to say, the Army, the Navy, the Air Force, the police, and the other sanctions of the Crown. It isn't necessary and it is obviously utterly impracticable for you to organise an army, navy and air force to fight the State. The State has them already, and the State is your State. Make it perfectly clear that you are going to have it used for your purposes and not for the purposes of the oligarchy.

In this connection, perhaps I may emphasise the absurdity of talking about systems, as if systems could be run without men. Deep down below questions of finance the fundamental issue, which is at stake in civilisation at the present time, is that of personal responsibility.

You cannot fight a system; you can only fight the people who put a system into operation. You cannot fight robbery you can only fight robbers. You cannot fight malaria you can only destroy mosquitoes. One of the most pestilential features of our present civilisation is the idea that if someone is paid by an organisation to do an injustice, the responsibility for the injustice lies upon the organisation and not upon him.

Make no mistake about it; there is no justification for such a theory in the working of the universe. If you put your finger in the fire at the orders of the company, which employs you, it is you who will be burnt, not the company. When a Government department inflicts some limitations of your liberty upon you, it is not a Government department, which is doing it, it is some individual, and he does not inflict it upon an abstraction called "The Public," he inflicts it upon John Smith or Mrs. Brown.

You will never get effective action in connection with matters of the description that we are discussing tonight if you allow those who put the system into operation to disclaim responsibility for their particular share in it while benefiting by their aid to the so-called system.

If tax collectors had to add out of their own pockets ten percent to the money they collect, we should all have much smaller assessments. The restoration of the conception of the responsibility of the individual for his acts, whether or not those acts are done under the orders of

someone else is, in my opinion, essential to a better and more stable world, and I would particularly commend to your attention the habit of identifying actions with men rather than with systems.

You will, in fact, be assisting those men to recognise their responsibility, which it is obvious is far from being the case at the present time.

It would be an impertinence for me to comment on local politics, and I have no intention whatever of so doing. But I would emphasise the immense advantage possessed by small and comparatively mobile communities in obtaining control over their own policy, and urge you to resist any suggestion, which would diminish that advantage. It is the settled policy of international finance to diminish local sovereignty, and it should be your policy to increase it.

In conclusion, perhaps you will allow me to express my opinion that in this matter it is now a fight to the finish. Within the next few years you will either become subjects of a servile State, exceeding in powers anything known in history, quite possibly well-fed and even secure—just as many slaves were well-fed and secure in the days of chattel slavery and resented their Serfdom—or you will, but only by means of the greatest struggle in history, have achieved all these things, together with freedom—freedom of speech, freedom of action, immense leisure, immense opportunity.

No one is going to get these things for you. You must choose whether you want them, and if you decide that you do, you must take action almost without a moment's delay.

SIGNIFICANT ATTACK UPON WORLD ANTI-COMMUNIST LEAGUE

Ever since The League of Rights and similar organisations joined the World Anti-Communist League, and started to inject some understanding of the link between International Finance and International Communism, there has been an international campaign to smear WACL. One of the most constructive achievements of WACL has been to endorse the Crown Commonwealth League of Rights Report on how to stop financing the flow of economic blood transfusions to the Communists from the Free World.

Although representatives of the major American papers were present at the 1978 WACL Conference in Washington, these papers gave the Conference the silent treatment. But one month after the Conference, the *Washington Post*, like *The New York Times*, a promoter of internationalism and soft on Communism, launched a massive attack on WACL in a major feature article covering over half a page. Dr. Roger Pearson, who heads the American Chapter. Mr. Ivor Benson, of the South African National Forum, and Mr. Eric Butler, who is Chairman of The Crown Commonwealth League of Rights, were charged with being "racist separatists." The *Washington Post* article, also quoted by other papers as well as the Soviet *Tass* agency, also charged that there was evidence of "anti-Semitism", instancing the distribution of literature by the Mexican Chapter, headed by the distinguished Professor Guerrero, which charged the TV

"Holocaust" series as "another gigantic campaign of Jewish propaganda to conceal their objectives of world domination."

As the struggle for the world develops at an accelerating rate towards a situation where, thanks to those who have understood the nexus between Big Finance, revolution and subversion, there is a possibility that the conspiracy against Civilisation can be defeated, the type of attack launched by the *Washington Post* and gleefully quoted by the Communists, must be expected. Such attacks must be accepted for what they really are: an admission that the strategy, towards which the League of Rights is making a vital contribution, is successful. League should be honoured!

Dr. S. M. DRASKOVICH TO SPEAK

Dr. S. M. Draskovich, author of the scholarly but chilling work, "Will America Surrender?" has been described as one of the most realistic anti-Communists of the Free World. He penetrates deep to the basic spiritual, moral and economic aspects of the struggle for the world. During a short visit to Australia Dr. Draskovich has kindly agreed to speak to a Melbourne meeting under the auspices of The Australian League of Rights, on Sunday August 20 in the Banquet Hall, The Victoria. Little Collins Street, Melbourne. Time: 2 p.m. An excellent meeting for newcomers.

ANNUAL "NEW TIMES" DINNER

All readers of "The New Times" are eligible to attend the Annual Dinner, to be held in The Victoria, Little Collins Street, Melbourne, on Friday, September 22. As usual, all readers and supporters of the League of Rights, which publishes "The New Times," are invited to send appropriate messages to be read at the Dinner and published in the special Dinner issue. The organisers would appreciate having messages as early as possible. They should not be too long.

Bookings for the Dinner are flowing in, but there are at present adequate seats. Early booking will help the organisers — and ensure that no one misses out on this unique annual event. A donation of \$9, which covers everything at the Dinner, including refreshments, must be forwarded with applications.

Interstate and country supporters requiring private hospitality for the National League week-end, starting with the Dinner, are urged to get their requests in NOW. All communications to Box 1052J, G.P.O., Melbourne. Phone: 63 9749.

A MESSAGE FROM RHODESIAN WOMEN

The Women for Rhodesia, Box 1117, Salisbury, have sent the following cable to national newspapers throughout the English-speaking world, including the United States, and to a number of individuals:

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PEOPLE OF BRITAIN STOP ARE YOU PREPARED TO WATCH ANOTHER CIVILISATION GO DOWN UNDER THE RUSSIAN HAMMER? BY YOUR INDIFFERENCE YOU CONDONE TORTURE MUTILATION AND HIDEOUS MURDER STOP THE RAPE OF LITTLE GIRLS STOP THE SLAUGHTER OF HELPLESS MISSIONARIES AND THEIR FAMILIES STOP CAN YOU ACCEPT AN AFRICAN WOMAN FORCED TO DECAPITATE HER HUSBAND IN FRONT OF HER CHILDREN?

●

AN 18-MONTH-OLD BABY GIRL USED AS A FOOTBALL AND BAYONETTED TO DEATH? HELPLESS TRIBES-PEOPLE FORCED TO COOK AND EAT THEIR OWN FLESH? THE BURNING TO DEATH OF PARAFFIN SOAKED CHILDREN? THESE ARE THE TACTICS OF THE COMMUNIST TRAINED TERRORISTS THAT THE WORLD CALLS FREEDOM FIGHTERS STOP HAVE YOU FORGOTTEN THE STRONG BLOOD TIES WE HAVE WITH YOU? HAVE YOU FORGOTTEN HOW RHODESIAN MEN OF ALL RACES FOUGHT BY YOUR SIDE IN THE SECOND WORLD WAR TO ENSURE THE SURVIVAL OF A CHRISTIAN WAY OF LIFE AND HUMAN RIGHTS THE PRINCIPAL OF WHICH WE STILL UPHOLD AND HONOUR STOP

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YOU CREATED RHODESIA AND DEVELOPED THIS COUNTRY STOP ARE YOU PREPARED TO SIT B\CK AND WATCH THE DESTRUCTION OF A CHRISTIAN LAND ON THE BATTLEFIELD OF COMMUNISM STOP REMEMBER THE HORRORS OF THE BELGIAN CONGO UGANDA ANGOLA AND KOLWEZI STOP IF YOU DO NOTHING EACH AND EVERY ONE OF YOU ARE GUILTY OF GENOCIDE STOP OUR BLOOD AND THE BLOOD OF OUR INNOCENT CHILDREN WILL BE UPON YOUR HEADS IF YOU DO NOT COME TO THE AID OF ALL RACES WHO ARE WORKING CO-OPERATIVELY FOR THE SURVIVAL OF OUR NATION STOP IF WE FALL THE WHOLE OF THE WESTERN CIVILISATION WILL EVENTUALLY FALL STOP COULD FACE THE HORROR OF OUR SITUATION IF IT HAPPENED TO YOUR FAMILY? ACT NOW STOP CONTACT YOUR MP WRITE TO THE NEWS MEDIA STOP ENLIST SUPPORT FOR OUR STRUGGLE STOP WRITE TO US FOR INFORMATION BRING PRESSURE TO BEAR AND KICK OUT THE COMMUNISTS HELP OUR PEOPLE FORGE A CHRISTIAN CIVILISED MULTI RACIAL NATION STOP

**Have You Booked Yet For Annual
"New Times" Dinner on September 22?**

\$9 Donation