

# THE NEW TIMES

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

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## CONSUMER CREDITS OR REVOLUTION?

**All industrialised countries are now moving at an accelerating rate on a revolutionary road. Over recent years all industrialised societies have been experiencing high levels of inflation, compared with what was once regarded as acceptable, and growing industrial conflict as Governments and their "experts" attempt to discourage wage-earners from seeking higher wages to offset a decrease in purchasing power. Every type of control has been attempted, but the overall result has been a progressive worsening of the general situation. And after a period during which the inflation rate was reduced fractionally by restrictive policies, which caused large numbers of business bankruptcies and contributed to creating high unemployment, now the inflation rate is rising again in Australia, New Zealand, Canada, the U.S.A., and the United Kingdom. The stage has been set for a new wave of industrial unrest, with Marxists in key sectors of highly centralised economies, able to paralyse communities to the point where members of those communities are practically defenceless.**

As we predicted, changes in the politicians of Australia and New Zealand and Australia in 1975 would do nothing to change the course of events unless a financial policy of escalating debt and high taxation was altered. Unless the new Governments of the United Kingdom and Canada alter financial policy, they are going to preside over the same type of depressing disasters, which have been experienced over the past four years in Australia and New Zealand. Britain's first woman Prime Minister may be as determined as her supporters say she is, but unless she can take the necessary steps to reduce inflation by dealing with the basic cause of inflation, she is doomed to preside over even greater industrial unrest than that which undoubtedly played a major part in the defeat of the Callaghan Labor Government. Mrs. Thatcher appears to have the same rigid orthodox approach to finance-economics as Prime Minister Fraser of Australia and Prime Minister Muldoon of New Zealand. Like Mr. Fraser, Mr. Muldoon has found that instead of reducing taxation he has to increase it. Displaying what can only be described as a type of invincible stupidity, in imposing recent savage taxation, increases which are inflating prices even further, Mr. Muldoon argues that this will control inflation! It is difficult for people of commonsense to understand that prices can be brought down by putting them up!

### THE BASIC PHILOSOPHIC CLEAVAGE

The basic cause of the disintegration of what is left of Civilisation is philosophic. The first essential for regeneration is an acceptance of the truth that the economic system exists to serve the individual: that the true purpose of production is consumption; and that the benefits of technology should be passed to the individual in the form

of greater leisure time in which he can devote himself to self-development. The policy of "full employment" is rooted in the anti-Christian philosophy that the individual exists to serve the economic system, and that any policy which enables the individual to obtain greater access to the abundance of the universe with less work as generally understood, should be rejected on the basis that "something for nothing" is bad for the individual. The philosophy underlying this viewpoint is that the individual cannot be trusted with freedom. The actual or potential abundance available for the individual is, in fact, "something for nothing". With the application of discovered truths to the abundance of the Universe, the amount of human energy being applied to production, compared with other forms of energy, is but a decreasing fraction.

The real credit of a society is its productive capacity. The major part of that real credit is "something for nothing"; it is a heritage which belongs by right to the individuals of society. Financial credit, created by the banking system, must either be seen as a system to enable the individual to gain access to his heritage or as an instrument for controlling the individual by forcing the individual to operate the economic system in a manner which keeps him "fully employed." even if he is employed on production which is exported — given — to the Communist dominated countries. The financial credits so readily made available to finance production for the Communists could just as easily be made available to the individual so that he obtained greater access to his own inheritance. Present policies make it inevitable that every improvement in technology in the non-Communist world requires greater exports in an attempt to control the in-

dividual.

### INEVITABLE RESULTS OF PRESENT POLICIES

If present finance-economic policies are persisted with, it is mathematically certain that inflation and high taxation must continue. The drive towards still greater centralisation with the consequent social disintegration must accelerate. Programmes for creating the World State via Common Markets and New International Economic Orders are the logical result of a philosophy, which regards the individual as, but raw material to be manipulated by power mongers. The labels on Governments will make no difference to realities. But the growing impetus towards centralising all power must result in a further break up of Civilisation under the impact of revolution. The situation is exactly as Douglas predicted when the founder of Social Credit started writing at the end of the First World War. The essence of the rapidly deepening crisis is that either the individual is permitted to gain access to his heritage, is a right, which means in practice the use of consumer credits distributed direct to the individual, or there will be revolution resulting from policies which insist that financial credits, created as a debt, are only made available for still more production. Looked at realistically, inflation should be seen as a measure of the unnecessary production in which the individual is forced to participate in relationship to that production which serves the individual's genuine needs. Although all Governments pay lip service to the necessity of reducing deficit budgets, unless the new credits created for these deficits are made available the economies of the industrialised nations would suffer a major collapse. But as the new credits are written as a debt, and are used to finance still greater economic activity, they contribute towards sustaining high inflation and high taxation. They are like a drug.

### A PROGRAMME FOR SURVIVAL

As the financial credit created for deficit budgets is written against a nation's real credit, its production capacity, and that real credit belongs to the individuals of that nation, then obviously the financial credit also belongs to these individuals. A start could be quickly made to reverse present revolutionary developments by writing present budget deficits as credits for the cost of administration only, and distributing those credits by financing the reduction of the present retiring age to, for a start, 55 years. Offered a secure income for the remainder of his life, few individuals would reject the offer to retire from the production system at 55. Instead of working to feed or industrialise the Communist nations, the individual might decide to make toys for his grandchildren, or help with community activities. He might take up painting, or just go fishing. But he would be enjoying that which is his and permitting younger people to enter the economic system, this sweeping away a number of growing social problems.

Part of the new credits could be used to lower the prices of basic items in the economy with the use of a system of consumer discounts. A falling price level is a realistic re-

flection of the truth that the true cost of a unit of production is falling as a result of greater technology. A falling price level increases purchasing power and makes inflation impossible. It also destroys all the basic causes of revolution. That is why Marxists are in the forefront of all opposition to the distribution of consumer credits. They understand that the distribution of financial credit direct to the individual spells the death knell of their revolutionary hopes. And their spiritual brothers, the international financiers, also understand that the use of consumer credits would end their grandiose dreams of New World Orders.

The future of Civilisation depends upon whether individuals can unite to wrest control of their own credit, real and financial, away from those at present claiming it as their own. The battle is between the individual and an unholy alliance of Marxists and Financiers.

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### DOUGLAS CENTENARY MEDALLION



The above is a photo of the Douglas Centenary Medallion produced by young Australian craftsman Mr. Robert Baines to commemorate the Douglas centenary year. Mr. Baines was recently awarded a Churchill Fellowship.

The symbolism of the medallion reflects the central theme of the Douglas revelation.

There will only be a strictly limited issue of this Douglas centenary souvenir, each one being numbered and signed by Robert Baines. It is in sterling silver, and will be *set* in an attractive case with a brief description of the symbolism of the medallion.

The medallion will be a permanent souvenir, which will increase in value — material and otherwise — with the passing of the years.

The retail price will be \$40 Australian. Profits from the sale of the medallion will be used to further Social Credit. Initial orders may be placed with the Australian, New Zealand, British and Canadian Leagues of Rights. The medallion will be available for Douglas Centenary Dinner in Melbourne, Australia, in September.

## TO THE POINT

The victory of Mrs. Margaret Thatcher, Britain's first woman Prime Minister, has produced a type of euphoria amongst many anti-Socialists around the world. During the recent British elections, Mrs. Thatcher proclaimed, "What Britain needs is an iron lady." Author Paul Johnson, a former Socialist converted to the Thatcher faith, claims that Mrs. Thatcher is "the first politician in a long time that thinks the truth is important." But does Mrs. Thatcher understand the truth about modern finance economic realities? Mrs. Thatcher reminds us of Australian Prime Minister Malcolm Fraser, who preached the same type of theme as Mrs. Thatcher's. Consider the plight of Australia today. Mrs. Thatcher's British patriotism does not extend to resisting the European Economic Community. Her attitude towards Zimbabwe-Rhodesia will determine just how much courage she has in the face of the international groups who demand even more than the surrender of Ian Smith. And unless her government reverses the policies of debt finance, the result will be greater disasters for the unfortunate British people.

We have on several occasions drawn attention to the prediction of C. H. Douglas, that the establishment of the State of Israel by International political Zionism would eventually result in the "Jewish Question" being forced into open discussion. This is now taking place at an accelerating rate. As a result of backing Political Zionism against the Arabs, the whole of the Islamic world has been progressively turned against the West. The last major pro-Western Arab nation, Saudi Arabia, is now openly moving towards a neutral position and by cutting back oil supplies hopes to get a message through to the West. Political Zionism exercises sufficient influence to be able to ensure that thousands of Jews leave the Soviet Union. Christian influence in the West is so feeble that few Christians are permitted to leave the Soviet Union. It is becoming obvious now to increasing numbers of people that the future of the West depends upon whether it can free itself from Zionist influences.

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At the recent United Nations Conference on Trade and Development in Manila, Australian Prime Minister Fraser of Australia argued that there must be an international campaign against inflation. We can expect other Western political leaders to adopt the same attitude as high inflation rates in their countries continue, some rates actually increasing. Continuing inflation is inevitable under financial rules, which result in escalating debt heavier taxation. All taxation must find its way into prices. Rising prices are the basic cause of industrial strikes and other action for higher wages. Higher wages intensify the problem. The problem of inflation is greatest in the most industrialised nations. The stage has now been set for industrial convulsions everywhere, dwarfing those of the past. As the revolutionary situation develops, the campaign for centralising all power on a global scale will intensify. Those who cannot now see that what is left of Civilisation is in its death throes, and that the only question of importance is whether a process of regeneration can be fostered before complete collapse, can contribute nothing but a dangerous babble to the situation. Prime Minister Fraser is one of the most prominent of the babblers.

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With the greatest respect to the Afrikaners of South Africa who have demonstrated many virtues we can ad-

mire, the campaign to eliminate the Union Jack from the South African flag is a manifestation of a type of immaturity, the same type of immaturity displayed in Australia by those who urge a new Australian flag with the Union Jack removed. Symbolism is an important aspect of human affairs, and an attack on a symbol is an attack upon the reality behind the symbolism. The Union Jack is not merely the flag of a United Kingdom whose people have played a major role in the history of South Africa, but consists of three Christian crosses. It is those Christian crosses, which are anathema to the enemies of Christian Civilisation. One of the saddest features of the Rhodesian retreat was the removal of the Union Jack from the Rhodesian flag, Mr. Ian Smith reducing his status in the eyes of many by pointing out that his Government was following the lead of the Canadian Liberals, who also removed the Union Jack and replaced the Red Ensign with something often referred to contemptuously as "Pearson's Pennant." The people of Hawaii continue to leave the Union Jack in their State flag to recall the British contribution to their history.

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The never-ending campaign by Zionists to hunt down alleged "Nazi criminals" and prosecute them is a manifestation of a type of sickness. Although matters of high politics are also involved, no objective observer has ever disputed that large numbers of Jews, along with many other people, suffered and died in German concentration camps during the Second World War. As proved conclusively by Dr. A. R. Butz in his *Hoax of The Twentieth Century*, the story of the gassing of six million Jews is a fabrication. The Japanese treatment of Australian and other prisoners of war on the Burma railway was much more brutal than that of German prison camps. But while large numbers of Australians still remember the horrors of the Japanese prison camps, there has never been any suggestion that some type of Australian campaign should be conducted to hunt down Japanese who brutalised Australian prisoners of war. A never-ending spirit of vengeance is contrary to the Christian concept of love and forgetting. As pointed out by Mr. John Bennett, the Melbourne academic who has caused such a ferment by challenging his fellow academics to face up to the implications of the Butz book, it is a significant fact that the hunters of Nazi war criminals have never produced even one German charged with actually doing the gassing

about which so much has been heard.

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As C. H. Douglas observed, the highly centralised Germany of Bismark was an invaluable tool to be used by the international power groups. But the constant campaign of vilification of the German people can only result in a continuing deeply rooted guilt complex, much to the satisfaction of Soviet strategists.

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A multi-million dollar advertising campaign, estimated by some to cost as much as \$32 million, has been telling

## FLUORINE, AND FREEDOM OF CHOICE

On the subject of Fluoride in the water supply, there is at least one rule that all ethical Medicos will observe. It is known as the Doctor Patient relationship and was put to me, years ago, by a friend who had been asked to comment on a projected publication. He simply wrote, "I am a Doctor, as you know. People come to me only when they have a pain of sorts. They resent unsolicited advice". Therein he expressed the ethical code then ruling, and I feel sure that even today a majority of Doctors would refrain from commenting on rat poison as a beverage called upon to do so. As for recommending its use, uninvited, they would as soon rush out into the street to press their services upon the first person to come in sight. Further, though they give advice on request, their patients are still accorded freedom to choose or refuse proffered treatment.

Nowadays, however, there is a vociferous minority who feel that the certificates they possess and the prestigious propaganda they receive entitle them to treat human beings like cattle and force the public to either drink of their not even accurately dispensed prescriptions; find other sources of supply, or die of thirst!

At this stage we might well ask the age-old question Who Benefits (from the sale of Fluorine)? And the answer lies mainly in the fact that Fluorine is a by-product of Aluminium manufacture; which is not to preclude others from benefit in some form or another, with a great many gullible innocents and others assisting, free of charge.

Apart from the physical harm it does, another aspect of this compulsory medication lies in the resultant mind conditioning that occurs. People become accustomed to obeying Big Brother's edicts, and Big Brother, on the other hand, finds himself enjoying powers he should not possess. When I think of the Councillors who in the first place voted to put a quite unnecessary substance into the water supply (Sugar, be it known, is the chief cause of dental decay; and our Aboriginal population of long ago were quite unaffected by the putative lack of Fluorine in our water, their teeth bearing testimony to the fact) I am reminded that "power corrupts, and absolute power corrupts absolutely . . ." and that those who display a fondness of giving orders thereby display unfitness to do so.

the peoples of Western Europe that by electing what has been described as first directly elected international Parliament, they will have a say in their own future. The mind boggles at the type of madness which can seriously propose that peoples who have had little effective say in controlling their own affairs through their national governments, can now have an effective say through an international Parliament. We trust that as the madness becomes more evident, the British will give the lead in breaking away from a centralised monstrosity originally proposed by the Bolshevik leader Trotsky, who urged the creation of a United States of Europe.

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Our present councillors might well keep that in mind and remember that as Laymen they are neither entitled nor qualified to speak as though with authority, nor to act in any other way than as representatives.

On that subject - - and the related matter of the proposed Referendum — it is noted that at least one Councillor who supported prosecution of 540 Residents for alleged failure to vote during the recent by-election — now feels that the Referendum, if held, should be non-Compulsory! Well, that suggests at least a change of mind, and a greater willingness to act in a representative manner. So far, so good, but is a Referendum the best — way? Its certainly a way of getting a majority decision (possibly ill-informed and swayed by propaganda), but whatever the outcome of the ballot, nothing can be more certain than that a possibly considerable minority will (according to their point of view) be deprived of the benefit of Fluorine (if it is that) or else have it inflicted upon them against their will. Representative?

Would it not be better to allow the matter to stand as it is now - - with the water supply unpolluted and nobody disadvantaged; leaving those who desire Fluorine to buy it, from the local Chemist, out of their own funds rather than out of the public purse, and in tablet form to be administered to suit individual needs? Under such a scheme Junior, who has teeth, could be allotted one tablet, maybe, and none at all for Grandpa who has no need, and a long-term benefit would result from the personal responsibility involved, replacing Big Brother's dubious and costly ministrations, and cancelling out the possibility of an overdose in the mixing department or a sedimentary accretion in the pipeline.

But, if our Councillors finally decide upon a Referendum, then perhaps they will at the same time ask the question "Do you approve of Compulsory Voting?" I feel that they should do so and I also feel sure that the majority would, quite ethically, say NO. But can our Councillors be induced to come down from their mighty seats to give us freedom of choice? Let us hope so; and it would not be improper to ask them to do so.

Yours sincerely,

W. PRESCOTT, 39 Cyrus Street, Hyams Beach, N.S.W.

## WHAT IS A FARM?

**This article is taken from the September, 1967 issue of the Journal — "Grain." It will be readily understood and appreciated by our rural supporters. The author is G. A. W. Smith.**

A farm is a minute portion of the Earth's crust. It is valued, bought and sold on a per acre basis, which is the surface measurement. Nobody has ever decided how deep a farm is. A suggested depth is that at which water may be found: but not oil. Oil belongs to the Americans. Then there is what is known as Pipeline Depth. This is roughly any depth suitable to the Americans and also belongs to them. Everything else, especially the top surface, belongs to the Crown. The Crown is in London except when on holidays and is represented everywhere by Departments.

There is a department for taking care of farms. It is housed in luxurious office and amenity conditions in a magnificent building erected with farmers' and other people's money and having a commanding metropolitan aspect. The odd part of this set-up is that it is the farms that take care of the Department, not the Department the farms.

There is a Departmental Head who has all the mystique of the Invisible Man. The only concrete evidence of his existence is a stamped name at the bottom of letters. It is said that there is sharp evidence to be seen in the Salaries List, but this is not for prying eyes.

Almost everyone else in the Department is fairly easy to find and also to get along with.

They are all called Civil Servants, but are by no means servile. Under certain circumstances they are just the opposite.

Once it was difficult to find a Civil Servant who knew anything, but thanks to Higher Education they are now almost all university graduates. This makes an available pool of very young people who know lots and lots about farming. Governments like it this way because it gives them a potential half-century of service with every employee. The farmers hate the idea.

The Department administers the farms, which do not mean that its staff can drive tractors or do manual labour. Their only attribute in this regard is sports cars and the gentler sports. University graduates have no need of manual labour. It is one of their advantages. The Department collects rents and taxes from the farmers.

According to the status of his farm, the farmer pays rent or he pays land tax. Freeholders pay Land Tax and Leaseholders pay Rentals. There is a feeling that Freeholders have a slight edge on Leaseholders in the matter of prestige, but not enough to cause the bloodshed that would have taken place between our lusty Anglo and Saxon forefathers.

Farmers have always regarded their Department with some reserve. This is because Departments of any kind are always associated with Cash Outgoings. About all that can be done with a Department is to write it, but this

is little better than an exercise in literary expression.

All Departments have a System of Reply. This consists of four basic letter forms duplicated in thousands and designated Letters A, B, C, and D. These can accommodate any situation and have been known to win wars. What chance would a farmer have?

### COMPOSITION OF FARMS

We come now to the composition of farms. It is best left alone. The slow evolution of soil from the primordial rocks is not for us. All that farmers know is that there are black soils, brown soils, grey clay and dreadful soils. They have a constituent range between the fine talc and well-matured concrete. There we may leave the subject of soil definition except to say that a good farmer can class them up at a glance.

There is an expert community that owns no tractor and turns no sod yet can describe any farm in intricate detail or poetic fervour. It is hugely interested in farms and farming and infiltrates hugely, but never intrudes upon the farming economy to a greater extent than sixpence in the pound. Its disciples can describe a farm with rank exaggeration and yet make it sound modest in the extreme. They can turn under stress into lasting impression and are the unsung spearhead of commerce.

To them all soils are loams. Black soil becomes a friable loam, brown soil is chocolate loam, lesser soils red loams and mixed loams and the absolute concrete is a clay loam. Farms develop "aspects" and are classified as Beaut Farms, Bonser, Good Little and Crackerjack Farms. Even the most helpless are "not bad little joints if worked right."

Often the silver tongue goes unrewarded until suddenly a sale brings a shower of sixpences to spur effort through the next long drought. The Agent's life is one of alternate public enthusiasm and private despair. He may falter momentarily but he never gives up. He is the courage of commerce, and without him the farmer would be lost in doubt and misgiving, even though he may never admit it.

### NEEDY FOLK

Farmers need so many things that they could be described as needy folk. And if they needed one thing less, one more man would go jobless and one more family hungry. The economy is becoming so tightly knit that one dropped stitch is a hole. For one single farm there must be machinery of a dozen designations and all satellite to the great tractor, itself costing as much as a gentleman's residence with wall-to-wall carpets; and it swallows money by the bucketful. Only the ultimate in farmers lives in a house costing as much as his tractor.

And there are sheds for this and sheds for that, all

weatherproof, some extensively mouse and rat-proof — and almost mothproof. Each with its own weatherproof approaches and surrounds, for the rich friable loams that support these small villages will not physically support a wheelbarrow when it rains.

There are vehicles. Sedan vehicles, utility, truck, stock, bulk and articulated vehicles for carting this and that to markets. Specialised bodies are swung under huge galleys for quick transfer and out on the great plains, lonely as a Martian, stand four legged fuelling tanks. There is no end.

There is a portable engine department of anything from six to twenty tiny engines. Engines for spreading fertiliser and engines for spraying the weeds the fertiliser engenders; engines for cutting down wood and engines for cutting up wood; for spraying poison dip over spluttering livestock, for sinking holes and for boring holes in the posts to put into the holes, for driving shearing machines and so on until we reach the dark corners of worn-out engines reeking of burnt oil and drowned moths.

There is a wide bolt of electricity coming on to the farm on high wooden poles at a hundred pounds a pole to feed the welders, little humming motors by the dozen and each with some fussy little mission.

And in the largest of those sheds, locked in pampered darkness like some smug Macbeth waiting for his triumphant entry, the great auto header.

On each appointed day it rolls forth trumpeting and ungainly and with conscious arrogance to slice through the standing crops to provide the ultimate of another programme and the main source of farm income. Everything on the farm is for this great machine with its cheerful driver perched like a presumptuous mahout high on the curve of its back.

## THE INSURANCER

One of the farmer's greatest needs and one he is least willingly aware of is insurance. He is constantly sliding away from the responsibility, only to be brought back by a visit from the insurance man who arrives as propitiously as though brought along by divine guidance. He is a cheerful soul, this insurancer, forever at grips with death and perhaps himself closer to it than he should be, for he coughs incessantly over his cigarettes.

He never bothers with material things like fire insurance, motorcars and storms and all that. There is a lesser being to attend to those. For him the higher motive: the ultimate in man's devotion. That quiet, living burden that is known only after death by those who still live. The duty that brings balm . . . perhaps a little satisfaction too . . . to the wrung hearts of the living.

And so often it is only the insurance man who gets the credit for coming to terms with death on a cash basis. It is life that is grim and death merely the quiet joker.

All the farmer's life he is burdened with his duties. For many years the duty of paying off a farm and each year some replacement or improvement to be found. The duties of a husband, a parent, citizen and neighbour. He serves them all and his only reward is more duties, for duties can only increase. And when at last he comes to the responsibilities of estate, the estate he made himself, he discovers that his duties will remain after he is dead. The dreadful duties of death itself.

Those he has protected and whose status he improved in life he must protect so that his own death will not endanger their right to be maintained in the standards he achieved.

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## MONEY AND SOCIAL WELFARE

*The following letters by C. H. Douglas were published in Scots newspapers during the forties, except one published in the "Bournemouth Echo", in 1950.*

**The following letter was published in "The Scotsman" of January 15, 1943.**

Sir,

In welcoming the timely editorial under this title in your issue of January 11, perhaps I may be allowed to comment on two aspects of the case on which there is, I think, widespread confusion of thought.

The first of these is in the use of the word "inflation". Genuine inflation, which consists in an increase of money units, accompanied by a corresponding or greater rise of prices, is a fraud on the community of perhaps the most vicious kind of which the financial system is capable. It is a continuous characteristic of the pre-war financial and price system, as any comparison of general prices, in which taxation should be included, with general prices, say, sixty years ago will show. That inflation is, a feature of the financial system, and not of the

issue of adequate, or even excessive, purchasing power, is demonstrated beyond peradventure by the greater stability of the price system in the past three years, as compared with 1914-1917. This has been achieved mainly by the use of compensated prices, inaccurately called subsidies. Absolute price stability could have been achieved if wage stability had also been enforced.

The second misapprehension is that monetary "saving", either of the obvious kind, or via insurance, was desirable under the pre-war system. More than anything over which the ordinary individual had control, "saving" tended to unbalance in favour of excessive production of non-consumable goods, a production system already distorted by credit monopoly.

At a time such as the present, when the distortion of the production system to a maximum of destruction, has reached almost its limit, it seems obvious that sound

finance involves the issue of non-saleable bonds, as wages, such bonds bearing interest equivalent to the proportion that their capital value bears to the consumable goods being produced.

I am, etc.

*C. H. DOUGLAS.*

January 13, 1943. The Social Crediter, Jan. 23rd, 1943.

#### **EXPORTS AND IMPORTS**

The following letter appeared in "The Scotsman" of October 4: Fearnan, by Aberfeldy, Sept. 30 1944.

The Editor, The Scotsman,

Sir,

I appreciate the moderation of the letter of your correspondent "Aqua Vitae" but he is evidently unable to get away from the obsession that our problem is a material, rather than, as is the case, a political one.

If the U.S.A. was a self-supporting community in 1929 (as largely, she was) she was a self-supporting community in 1933. Neither the people, the country, nor the plant underwent any material change. But in 1929, the people of the U.S.A. touched the heights of the greatest material prosperity any people ever reached. In 1933, at least a third of the country was on relief, famine and misery were widespread and the country was on the verge of revolution.

The only discernible difference between the conditions during the depression in Great Britain, the allegedly non-self-supporting country, and those obtaining in the U.S.A., the self-supporting community, was that they were far worse in the latter.

There is really no mystery, and not much informed difference of opinion, as to the cause of our continued frustration. It is that we have allowed finance to become a business in itself. I should like to observe that this situation, far from being cured by the "nationalisation" of banking, would be accentuated. The outcome of this is that the system will only work at all as an expansionist ("more exports") system, and that the expansion has to be an acceleration in geometrical progression - - hence the "prosperity" in war-time. This has nothing whatever to do with Capitalism, as generally understood, and no administrative change would alter it except for the worse.

If "Aqua Vitae" wishes to get to the root of our political difficulty, he should insist on being informed as to the undisclosed terms, as affecting the control of the Bank of England, which were negotiated by Lord Reading in Washington, as a condition of the entry of the United States into the war in 1917.

I am, etc.

*C. H. DOUGLAS.*

The Social Crediter, Oct. 14 1944.

#### **MONEY GOODS AND PRICES**

The following letter appeared in the "Bournemouth Echo" (Hants.) of September 6, 1950:

NEW TIMES—JUNE 1979

To The Editor, "Bournemouth Echo".

Sir,

As a good deed shining in a naughty world, your leading article (August 30) contrasts much of the editorial comment, which ought to, but does not assist its readers in these critical times. Possibly I may be permitted to carry the clarification a short step further.

The situation you describe was the subject of fierce and in many cases unscrupulous controversy during the Armistice years but is now closed. Technically, the point at issue was "Is the orthodox financial system self-liquidating, or not?" No reputable economist would now contend that it is. In everyday language, no cycle of production can be carried through by accepted accounting and banking methods without creating a debt, which can only be liquidated through the creation of a still greater debt. The practical effect of this is that although a unit of production is physically cheaper than ever before, prices, at the best, do not fall, and at the worst rise continually. In order to keep the system going, continuous inflation is a necessity and continuous inflation is a continuous fraud upon the public differing only in its greater magnitude from the coin clipping visited by the severest penalties in the Middle Ages.

At this point it is essential to identify the problem in its political aspect. The Governments of this country prior to 1945 were not and did not pretend to be composed of experts. They were advised and often very badly advised by experts, but in theory at least reached their decisions by the exercise of their own judgment. But our present Government is radically otherwise. It is a Government trained by the London School of Economics, claims, in propria persona, to understand finance, and knows quite well all that your excellent article would tell it.

It would be unwise to assume that this situation is unwelcome to it, that it does not know what to do to alter it, or that a Conservative Government would be necessarily more amenable to "instruction" than Sir Stafford Cripps.

There is little doubt that the difficulty goes to the very roots of our Constitution (if any) and is unlikely to be dealt with effectively except by a drastic reconsideration of many of our popular political beliefs.

*C. H. DOUGLAS.*

Fearnan, Perthshire.

#### **BRETTON WOODS**

The following letter appeared in "The Scotsman" for September 21, 1944 under a three-line double column heading, "Money and Trade, Bretton Woods Proposals 'Worse than Gold Standard'".

Fearnan, by Aberfeldy, September 19, 1944.

Sir,

Your correspondent writing over the non-de-guerre, "Aqua Vitae", in your issue of September 19 should not, I think, be allowed, without protest, to present the export theory in the light of a problem peculiar to these is-

Page 7

lands, or to suggest that our sole industrial asset is our coal. It is unfortunately the rule to discuss this question in the light of a barter economy. We do not live in a barter economy; we live in a money economy, and your previous correspondent Mr. W. L. Richardson, was obviously basing his criticism, which I should endorse, on the opinion that the Bretton Woods proposals do nothing to bridge this intrinsic difference.

The insistence on the necessity for increased exports, which, it will be remembered, developed in almost precisely the same terms in 1920, is said to be justified on grounds which fundamentally are separate and unconnected that we must pay for our imports, and that we must have a minimum of imports for the purpose of remaining an industrial power. We are in fact, presented with a simultaneous equation in which every term is unknown, and it is perhaps not remarkable that we failed conspicuously to solve it in 1920, and do not show very convincing evidence of doing much better in 1945.

It is possible to make some progress by inserting hypothetical values in the terms of our equation. Let us agree that we require or desire certain imports. Obviously we pay for those imports in the currency of their origin, and we wish to pay as little as possible. We acquire that currency by selling goods in our own currency, and we desire to sell at the highest price so that we can acquire the maximum amount of foreign currency. But the exchange value of our currency depends on what it will buy, i.e., the lower our prices the higher our exchange value. We have solved this elementary difficulty by giving away about five thousand millions of capital during the last 50 years.

Let us now insert a second hypothetical value. We wish to remain an industrial Power, which appears to mean full employment at high efficiency, and consequently with an increasing out-put of goods for sale. We are not alone in this. Accepting, for the sake of brevity, the statement that the U.S.A. does not require to export because she is self-supporting, it would be difficult to argue that she does not want to remain an industrial Power, and therefore will not compete for markets. So we have to find another country, which is not self-supporting, but does not wish to become an industrial Power. And we have to export higher values for less return. So we get nothing for our harder work and greater re-exported imports, and embark on another cycle of world benevolence, until the next world war provides us with an unlimited market through which we acquire astronomical debts.

I am unable at the moment to recall any occasion on which Lord Keynes has been uniquely correct other than in his description of the gold standard as "archaic". And the Bretton Woods proposals are considerably worse than the gold standard in that they place the United States Treasury in the remarkable position of being an alternative at will of the world's gold mines and gold

stocks. The fixation of the Finnish war indemnity to Russia in dollars, not roubles or sterling, is evidence of the intention to institute a financial world empire of a nature for which it is difficult to believe that we have fought two world wars.

I am, etc.

C. H. DOUGLAS.

## LEMMINGS

It is becoming a matter for serious consideration whether the instinct of the lemmings, the animals that relentlessly swim out to sea in large numbers and are drowned, is not nascent in the human race in a more complex form. No detached observer of the League of Nations in the Armistice years could have any doubt that it was an organisation which was adapted, whether by accident or design, to make war not merely certain but devastatingly general. Every issue, which previously might have been a localised issue, became a world crisis; and the sob sisters of the Middle West, to go no deeper, found at Geneva, a sounding board effective beyond their wildest dreams. It required a few years for the League to get into its stride; but it is clear that U.N.O. has profited by its instruction, and is off to a flying start.

The subject is one, if admittedly a major, instance of the rapturous folly, which has afflicted the world. The root is in the worship of organisation or administration. We are convinced that a select body of really wicked men understands the real nature of organisation, and that very few others have more than the haziest conception of its attributes; and that their efforts are directed to the use of their knowledge to drive the soul out of humanity, leaving a mass of robots as toys with which to play their Satanic games. There are, however, other Potencies in the universe, and signs are not wanting that a momentous reaction is at hand.

We have often remarked in these pages and elsewhere on the tendency of events, and the policies from which they appear to proceed, to be exactly opposite to those, which would seem rational. There are so many examples in current affairs that almost any activity is an embodiment of the phenomenon—music, morals, art, all exhibit lawless ugliness at a time when the mouthing of World Order is the theme song of every street corner politician. It is not adventitious; there is some well thought out policy in action; and the well-established Communist tactic of attacking, ridiculing and debauching a policy in his enemy which he intends to pursue himself is not unconnected with it.

The above item appeared in "The Social Crediter" during 1947.