

# THE NEW TIMES

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

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## MISREPRESENTATION OF SOCIAL CREDIT

*by Eric D. Butler*

**The Centre for Independent Studies Report, December 1988-January 1989, carries an article, "How the League of Rights Gets It Wrong", by John Logan, described as a "Research Fellow with the CIS". One can only hope that John Logan's research on other subjects is more reliable than that on Social Credit. The Centre for Independent Studies is based in Sydney.**

Although John Logan attempts to create the impression that his article is one of objective scholarship, unfortunately it is laced with the type of emotional jargon, which has been characteristic of much of the criticism of Social Credit over the years. We are told that the "Social Credit Theory" of Douglas's "inspired agrarian socialists over 50 years ago." Anyone who has seriously studied Douglas knows that Socialism or any other form of collectivism was anathema to the author of Social Credit.

There is the old gibe about Social Credit being an attraction to those "who still imagine that there is such a thing as a free lunch", and, later, reference to the "something-for-nothing" policy of Social Credit. Those who seek to understand reality know that the basic requirements for life are as much a gift as are assets bequeathed to a son by his father. In the economic sphere, every advance in the industrial arts ensures that each succeeding generation inherits (gets a "free lunch") a rapidly expanding cultural heritage. Today's generations do not need to invent the wheel; that was done for them thousands of years ago.

### THE INHERITANCE PRINCIPLE

The Social Credit concept of some type of a monetary dividend is an acceptance of the Truth that inheritance in all its aspects is the major factor in production. Karl Marx was logical, from his philosophic point of view, when he stressed that the principle of all forms of inheritance should be abolished.

John Logan refers to the League of Rights' policy as "one of continuous inflationary expansion of the money supply", presumably unaware that this is exactly what is happening today in every industrialised nation. And, finally, there is the snide suggestion that the League of Rights may be "street smart", and is "attempting to mask its true purposes by confusing its opposition with nonsensical economic theories, in the hope that obscurity will be mistaken for profundity."

We are not told what the "true purpose" of the League might be, the inference being, however that they are very suspect.

Without trying to be offensive to John Logan, the first thing that needs to be said about his article is that it reveals that he knows nothing about Social Credit, which he clearly accepts as merely some type of monetary theory. He refers on several occasions to "Social Credit Theory", Douglas formally defined Social Credit as "the policy of a philosophy". Social Credit is not a plan, a blueprint for some type of Utopia. The social credit of a society is a reality, not a theory. The basic question to be considered is who does the social credit, constantly ex-

panding, belong to, and should the individual members of society —: an association of individuals — have access to that credit, as a right, or should they only receive it on conditions dictated by those who by their policies insist that the credit belongs to them?

### "ECONOMIC DEMOCRACY"

If John Logan had taken the trouble to study Douglas's first work, *Economic Democracy*, he would have noted that in its twelve chapters, only three were devoted to finance and that, in Douglas's own words, this basic work "was concerned almost wholly with the proposition that centralisation of power over initiative as opposed to individual freedom is a persistent and conscious policy..... every effort has been made to obscure this fundamental issue, and to represent the Social Credit Movement as concerned with 'a discredited monetary scheme.....' " (*Whose Service is Perfect Freedom.*)

Douglas said in *Economic Democracy* "Systems were made for men, and not men for systems, and the interest of man, which is self-development, is above all systems." This statement along with others clearly indicated that Douglas accepted the traditional Christian philosophy. Social Credit was first stressed as a Policy before any comprehensive effort was made to deal with its philosophy, because it was reasonable to accept that that philosophy, even if not stressed, was generally accepted at that time. It was the failure to deal with the defect he had discovered in the finance—economic system, and the disastrous consequences of that failure, which resulted in Douglas devoting more and more attention to basic philosophical and political questions.

But the inference of the Logan article is that there is no financial defect. In his criticism of Douglas's demonstration of the flaw in the orthodox finance accounting system, John Logan merely demonstrates his own failure to understand what Douglas said. He starts with the sweeping assertion that "Social Credit Theory had been entirely discredited in the writings of several authors", quoting Professor D.B. Copland's *Facts and Fallacies of Douglas Theory* as "an excellent example." It is unfortunate for John Logan that he should have selected Professor Copland as an economist who had "discredited" Douglas, as Douglas in *The New and The Old Economics*, demonstrated beyond all argument that Professor Copland had either failed to understand, or had misrepresented Douglas. A close study of John Logan's article reveals how much he has relied upon Professor Copland, thus merely echoing the man whose name is recalled by older Aus-

traliens as one of the financial "experts" responsible for the imposition of the disastrous Premiers' Plan which created the worst conditions of the Great Depression in the thirties.

### **COPLAND HELPED IMPOSE DEPRESSION**

Professor Copland proved himself to be the willing agent of Sir Otto Niemeyer of the Bank of England, directed by the notorious Montagu Norman, and Professor Guggenheimer Gregory of the Fabian-dominated London School of Economics, who visited Australia to tell Australians that they had "been living beyond their means" and that a massive contraction of credit creation was essential. Copland's advice resulted in widespread hardships at a time when producers, both primary and secondary, were having the greatest difficulty in selling what they had produced at profitable prices. Depression conditions only started to ease when the credit policy was modified.

As one who confronted Professor Copland on several occasions, I assessed him as a pompous ass, a man who made absurd statements on a number of subjects, not only economics. Returning from China, where he had been the Australian Ambassador, at the time of the Communist sweep towards power, Professor Copland assured Australians that Mao Tse-tung and his fellow Marxists were not real Communists, merely, "agrarian reformers". One wit observed that this was like saying that these hard core Marxists were merely Australian Country party leaders with pigtails!

One of Professor Copland's classic comments on economics was when he lectured in the Central Hall, Melbourne, on the "fallacies" of Douglas. He had stressed that Australia must strive towards a more "favourable balance of trade" as the way out of the crisis. A businessman rose at question time and with feigned innocence asked the Professor was he saying that if Australia could lift its exports by, say, 25 percent, it would be on the road to recovery? Pleased that at least one member of a highly critical audience had understood what he was saying, he warmly approved. The businessman then asked, well, does that mean if we lift exports to 50 percent that would produce even better conditions? The Professor appeared delighted to have such an apt student in his audience, and thanked him. But the businessman persisted and asked, "Well, does this mean that if we exported 100 percent of our production and imported nothing, we would reach the millenium?" The good Professor was temporarily taken aback, and eventually gave his reply, "The answer is a lemon."

### **THE DOUGLAS DISCOVERY**

Douglas's discovery of the flaw in the finance—economic system was not the result of any "theory". He was a highly qualified engineer with a practical knowledge of financial costing who had been called in by the British Government to examine problems in the Government Aircraft Factory at Farnborough during the First World War.

In the course of his activities he discovered that financial costs were being created at a faster rate than wages and salaries were being distributed. The engineer Douglas took the next step to confirm if this was correct, and examined a large number of factories and ascertained that all modern factories were creating financial costs at a faster rate than they were distributing purchasing power in the form of wages, salaries and dividends. The greater the process of industrialisation, with increasing use of labour-saving equipment, the greater the problem became.

The much-discussed A Plus B Theorem is merely a formal statement of fact, which like an axiom can be demonstrated. It is not proposed to examine here the various proofs, which demonstrate the correctness of the Douglas analysis. There is adequate literature available on the subject. But it is events, which provide

the most striking confirmation of what Douglas said. John Logan says that "because market economies based on division of labour and monetary exchange have survived in one form or another for a great many centuries, and which over the last century and a half have produced unprecedented economic growth....is witness to the fundamental flaw in Social Credit Theory."

Not one word is said about the astronomical growth in debt, which has accompanied this growth. The growth of financial debt, personal as well as all the other forms of debt, is a type of drug, created by the banking system, without which economies would completely collapse. Hire-purchase debt alone is essential for sustaining industries concerned with producing consumer goods.

### **PARASITIC ACTIVITIES**

Much of the "unprecedented economic growth" to which John Logan refers is, in fact, economic sabotage and a waste of vast natural resources on an alarming scale. "Built in obsolescence" is a reality of modern economics. An enormous amount of what passes for economic activity is parasitic. But it helps to distribute incomes and to prevent major depression conditions. Like many drugs, the debt drug is producing disastrous side effects. But the sudden withdrawal of the drug would produce anarchy and major social disorders.

The "fight" for overseas markets by every industrialised nation, and the disastrous consequences for all peoples, provide further confirmation that no nation creates enough purchasing power to buy all its own production, and must strive to solve the problem by achieving a "favourable balance of trade". It is elementary that not every nation can achieve this "favourable balance"; some must have an unfavourable balance. The deepening crisis now gripping the whole world, and foreseen by Douglas over sixty years ago, confirms the Douglas analysis and his warnings that unless a radical correction was made to the orthodox finance economic system, Civilisation itself would disintegrate. Douglas was, apart from other outstanding attributes, a great prophet. Great prophets throughout history have been rarely heeded until predicted disasters occur.

Douglas correctly predicted the Great Depression as he did the Second World War. There was "unprecedented economic growth" during the Second World War, which temporarily solved the problem of poverty amidst plenty by getting rid of the plenty, with the main European contestants in the conflict, along with Japan, suffering such enormous distinction, that there was tremendous scope for economic growth. But as the growth continued, so did the debt and the continuous inflation predicted by Douglas, and the problem of what to do with the production.

## **SPECIAL "SURVEY" POURS OUT**

The special February issue of *"The Intelligence Survey"* continues to pour out. Actionists should make every endeavour to take advantage of the interest in the League created by the smearers, and circulate it as widely as possible. This tremendous historical document is playing a major role in the defence of traditional Australia.

10 copies for \$5; 50 copies for \$12; 100 copies for \$20; 250 copies for \$30; 500 copies for \$50; 1000 copies for \$80. Order from State League addresses. Prices include postage.

## IGNORANCE ABOUT BANKING

Like Professor Copland, John Logan appears to have a very limited understanding of how the modern banking system works. While the Social Credit Movement played the major role in publicising the fact that the banking system creates the bulk of a nation's money supply in the form of financial credit, this was known long before Douglas emerged, although the general belief was that banks only loaned their deposits. In explaining how a finance-economic system with a major defect was able to keep operating, Douglas simply drew attention to the fact that the defect could only be masked by continuous capital expansion, financed by new credit created by the banking system — as debt.

If John Logan will research the many different authorities who have explained the realities of the modern banking system, he will find, for example, the following in a standard text-book, *The Australian Trading Banks* by H.W. Arndt and C.P. Harris: "... The process of creation of money by banks is still commonly described as involving the 'deposit of money by customers with banks' which can then 'lend out more money than they have' because some of the money they have lent out 'comes back to them as deposits' ..... Nowadays it is a mischievously misleading description. It is misleading because it wrongly suggests — (a) that notes and coins are, but deposits are not, money; (b) that banks merely borrow and lend money created by someone else; (c) that deposits come into existence primarily through bank customers paying in notes and coins, and only secondarily through bank lending..... "

The Rt. Hon. Reginald McKenna, at one time Chancellor of the British Exchequer, and Chairman of the Midlands Bank, succinctly explained the reality of banking in an address to the banks' shareholders back in 1924, when he said, "I am afraid the ordinary citizen will not like to be told that the banks can, and do, create and destroy money. The amount of money in existence varies only with the action of the banks in increasing or decreasing deposits and bank purchases. We know how this is effected. Every loan, overdraft or bank purchase creates a deposit and every repayment of a loan, overdraft or bank sale destroys a deposit."

John Logan clearly demonstrates his misunderstanding of both real economics and banking with his comments on a League of Rights limited objective proposal that debt free credits could be paid directly to individuals in the form of appropriate pensions and lower prices through a consumer discount system.

Logan states that if banks issued any debt-free credits this would deprive the banks of an asset in the form of loans. But as seen, all loans are created by the banking system at little cost to themselves. Logan attempts to make the foolish suggestion that the issue of any debt-free credit by the banking system could be compared with a farmer "who has wheat already harvested forgoing income in order to create a 'price-free sale' ". The reality is that the wheat grown by a wheatgrower is his property and he should be free to do as he wishes with it. Banks create no real wealth; they are bookkeepers that have been granted a licence by government, theoretically representing the people of a nation, to manage the financial credit system.

## WHO OWNS THE NATION'S CREDIT?

Those operating the banking system are entitled to adequate payment for operating the nation's financial credit system. But they are not entitled to claim that because they have been given the privilege, not granted to any other section of society, to create financial credit, that this credit belongs to them. Acceptance of this view means that as the debt system grows, which is mathematically certain under the type of financial system which John Logan supports, the control of the nation's real credit, its productive capacity, becomes increasingly centralised under the direction of those who have a monopoly of credit. The result is increasing totalitarianism and growing social disorder.

The basic question to be faced is to whom does the real credit of a nation, its productive capacity belong, to the people who should be correctly described as shareholders in a company which has inherited increasing assets and real credit, or to those who exercise power through control of the creation and issue of financial credit? Are not the shareholders entitled to some form of dividends as a right? How those dividends are made available is a question of mechanics, and there are a number of alternatives. At present the equivalent of the dividends is being misappropriated and used for purposes, which electors would never approve if they had genuine economic democracy.

If John Logan is satisfied that the present finance-economic system distributes over any given period of time sufficient consumer purchasing power to meet total prices created during the same period, he might care to write another article and explain why, if this is the case, the faltering system can only be sustained by escalating debt. And what does he propose should be done about debt?

## A NEW MONEY EXPERIMENT IN NEW ZEALAND

The following interesting article, by Peter Ledingham, recently appeared in the Wellington, New Zealand, "*Dominion*."

A water into wine miracle in Whangarei? "Turn cabbages into woolly coats," the poster says, "woolly coats into craft-work into fish; pottery into roof painting into horse shoeing."

It's no miracle, but some see a little bit of magic in what the poster promotes — the Whangarei Exchange and Barter System (Webs).

Webs is New Zealand's first "green dollar bank", a co-operative barter system using hard work and goodwill in place of hard cash and high interest rates. It's a system taking firm root in a provincial centre at the sharp end of Rogernomics: the official unemployment rate in Northland is 19.7 per cent and rising.

So far Webs takes in about 80 households and a variety of organisations, including the Whangarei City Council, the Northland Polytechnic, the local community arts council, craft co-ops, work trust and the city's Trade Aid shop.

They all trade with and work for each other using special accounts of "green dollars", which exist only on paper — Webs members build up credits of green dollars providing goods and

services to other members; the green dollars can be spent on goods or services provided by other members.

A regular newsletter keeps everyone up to date with who's offering what for how much, and a green dollar is deemed to be equivalent in value to a normal everyday brown dollar.

The system broadens the concept of direct swapping or bartering.

As Webs member Bryan Divers explains, a barber can barter satisfactorily with a bald man — the bald man doesn't need the barber's skills but the barber can "pay" elsewhere in the network.

Green dollar banks originated in British Columbia, Canada, the idea coming to Whangarei via Australia. Returning traveller David James brought the information home and it was taken up with enthusiasm by the arts council's Elizabeth Vanveld.

Webs is now an independent non-profit making trust. Its four-fold growth since 20 households started the network in

August 1987 has coincided with deepening gloom among Whangarei's 40,000 people.

New Zealand's economic woes have been compounded in Whangarei as what is traditionally a boom and bust town hits the downward side of its cycle following the "good times" of the Marsden Point refinery expansion project in the early 1980s.

Webs coordinator Gail Isaac says business people are initially sceptical about the alternative system but are now taking another look.

Already many self-employed trades people are in the network, and a local pharmacist is considering joining the Trade Aid shop in experimenting with Webs, initially as an outlet for slow-selling lines that would otherwise be remaindered.

Officialdom has been benign. Though Webs formally tells members that tax is payable in brown dollars on all transactions, Whangarei IRD chief Jim Pugh says he is "not too interested" in most because of the small-scale nature.

Gst is payable only by those already registered for Gst: many transactions are in a mixture of green dollars and brown dollars to allow for tax payments.

Around the corner at the busy Social Welfare Department office, beneficiaries are assured that any green-dollar earnings will not affect their benefits.

But it's the human aspects rather than the bureaucratic benefits that Webs members find rewarding.

As well as keeping scarce brown dollars in their pockets, the system allows unemployed people to maintain their skills and keep up their confidence.

Ms. Isaac says it's a repeated thrill to watch prospective members faces light up as they realise what skills they can offer the network.

Services available include panel beating, painting, mechanical repairs, electrical work, graphic design, editing, potting and other creative work, music tuition, drama tuition, osteopathic treatment, hair-cutting, tailoring, swimming-pool cleaning, pet-minding — the list grows weekly.

Goods sold through the system range from Brownie uniforms to wetsuits.

One of the biggest — and most pleasant — surprises for Ms.

Isaac has been the lack of abuse of the system. "We were warned when we were setting it up that people would build up debts of \$500 and disappear," she says. "It hasn't happened."

In fact, Webs people are meticulous in paying off even small debts, in brown dollars if necessary. Many check with organisers before making large transactions.

Under the terms of the system no individual will lose out if there is a bad debt problem. And there is a checking mechanism: any member may find out the balance and monthly turnover of any other member's account, though details are not disclosed. In a spirit of fair-trading, the member who is the subject of the inquiry is offered the same information about the inquirer.

Though still a small operation, Webs is attracting much attention. Ms. Isaac has fielded inquiries from as far afield as Bluff, and similar networks look likely for Palmerston North and South Auckland.

Ms. Isaac says 20 households would be the minimum for setting up a network — both to generate trade and to cover brown dollar expenses such as photocopying, postage and computer time. A computer is the key to the system, as bookkeeping rapidly becomes complicated.

Webs has access to a Northland Polytechnic computer, and a computer specialist is working on the programme to develop a single package, which anyone can use.

Webs members are charged fees in brown dollars — \$20 to join, \$2 a month — to cover costs, which can't be met in green dollars.

Webs is a monetary system that works for people, rather than the other way around. For example, the network was used to set up an exploration-adventure day walking group, which proved popular among the visiting yachties of the crowded Town Basin berths, keen to explore the bush-covered hills, which inspired Whangarei's "city of trees" slogan.

Ms. Isaac is thrilled about the Webs-style repair work on her car. The quality is good but she also relates to motor-mechanic Tim on a much more human level — he usually brings his children when he comes to pick up the car. He and Ms. Isaac have put each other in touch with others whose skills they've needed.

"It's great," says Ms. Isaac, "I wouldn't go near a commercial place now".

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## CAMPAIGN AGAINST AUSTRALIAN LEAGUE OF RIGHTS CONTINUES

During the 1988 campaign against the Australian League of Rights, in which the three major Australian political parties participated, Australia's best-known weekly magazine, *The Bulletin*, (the Australian equivalent of America's *Time* magazine) joined the campaign with a story by Laurie Oakes, well-known political commentator, who also appears regularly on national television.

The national uproar created by the proposed all-party inquiry into the League of Rights by the House of Representatives Standing Committee on Legal and Constitutional Affairs, forced the anti-League forces, prominent among these being the Zionists, to change tactics. The proposed inquiry was called off, at least for the time being, and replaced with an inquiry into "racism" in Australia under the auspices of the Human Rights Commission. This inquiry is headed by a Ms. Irene Moss, who has already pre-judged the League in a press statement which has the League falsely linked with the small National Socialist-type National Action which engaged in activities which go "perilously close to inciting racial violence".

Ms. Moss is to be assisted by well-known Melbourne Zionist lawyer, Mr. Ron Caston, who acted as the legal representative for his fellow Zionists who attempted to have the 1984

issue of *Your Rights* published by libertarian lawyer John Bennett, banned from distribution through the newsagents. *Your Rights* had a special chapter raising doubts about the alleged gassing of six million Jews during the Second World War.

The Human Rights Commission has spent a large sum of money on advertisements in the Australian press, inviting people to make submissions on the subject of "racism" in Australia. These should be submitted before the end of May. Mr. Alan Griffiths, chairman of the House of Representatives Standing Committee on Legal and Constitutional Affairs, has expressed the view that the Human Rights Commission inquiry will cover the same areas he proposed to cover concerning the Australian League of Rights.

While the early part of the year has seen continued sniping at the League, it was *The Bulletin*, which launched a new major offensive with eight pages of the issue of April 4 devoted to the subject of "racism" in Australia. *The Bulletin* makes its "report" the front-page cover story, with a photo of several members of the Australian Nationalist Movement, together with a display of some of their provocative posters. Although the AMM, and a similar movement, National Action, only have a handful of supporters, most of them young and erratic, whose

activities merely serve to divert attention away from serious discussion on the immigration issue, they are allocated over three and a half pages in *The Bulletin* article.

*The Bulletin's* tactics may be judged by the use of a crude anti-Jewish poster of The Australian Nationalist Movement to introduce the section on the League of Rights. The material on the League is a classic example of dishonest and sloppy journalism. Senator Ron Boswell is quoted again in spite of the fact that Boswell has been discredited as a front man for those who presented him with a mish-mash of nonsense to read into *Hansard*.

Under the heading, WHO ARE THE RACISTS? *The Bulletin's* front cover says, "They hate Asians, Jews, left-wingers, and each other. Their weapons are posters, graffiti and fire." This is blatant dishonesty and a measure of the depths to which *The Bulletin* is prepared to descend in an attempt to create a false perception of the League of Rights and other groups and individuals. The League of Rights is a Christian oriented organisation, which specifically rejects hate. Staff writer Lyndall Crisp, who interviewed Mr. Eric Butler at length, describes him as an "extremist" crusader who "is articulate and sounds plausible. That, say critics, is what makes him so dangerous." Several of those also interviewed by Lyndall Crisp agreed with Eric Butler that she seemed a "nice person" concerned about discovering and recording the truth. But if Lyndall Crisp did in fact site the material, not merely do the research, she emerges as just another hack journalist writing either to a brief, or is a reflection of her own ideology.

The League of Rights has no special brief for either Logos Foundation or Mrs. Jackie Butler's Council for a Free Australia, but has distributed, and will continue to distribute, any material, which the League feels is of value concerning any issue on which the League has a position. Both groups are Christian based and it is blatant misrepresentation to charge them with promoting hatred or violence of any kind. Anyone who knows Mr. John Bennett or Dr. John Dique can only treat with contempt the claim that they would bother to waste their talents on promoting hate.

Not without significance is the attempt in *The Bulletin* article to stress the point that all the groups mentioned are in support of the principle of the electors having a say on major issues by initiated referendums. This idea is making steady progress across Australia and the impression is created that the "anti-Racist" campaign is designed primarily to damn the

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## THE NEW ORDERS

"..... *The totalitarian state in all its forms is a gigantic plot against civilisation, and.... only political adolescents could fail to see that it proceeds from an international source, using international bribery for the benefit of an international caste in whom all cultures and races, but one, are foreign.*

*"The object of the various New Orders is simplicity itself — it is to prevent the rectification of the defects in the organic growth of civilisation, almost all of which proceed from the Finance which the New Order mongers never attack."*

— C.H. Douglas in *Programme for the Third World War*.

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concept. It is conveniently overlooked that it has proved satisfactory in Switzerland.

*The Bulletin* article does provide one significant piece of information: The Australian Council of Trade Unions has 15 staff members around the nation looking at all types of "discrimination". ACTU liaison officer Alan Matheson is quoted as saying that "Senator Boswell's analysis of the League (of Rights) was succinct and extremely valuable for the ACTU and church networks. The Jewish movement is the only one that follows the situation closely. They can see the danger from bitter experience."

The only danger to Jews in Australia threatens from the policies of Zionist leaders who over a long period of time have had to create fear amongst the rank and file of the Jews to advance their totalitarian programmes.

With the Pacific area becoming one of the most economically dynamic in the world, and with the island continent of Australia being a source of vast natural resources, what is happening in Australia is of the greatest importance to the international planners. *The Bulletin* has long since ceased being the voice of Australian nationalism, and particularly since its association with *Newsweek* has become a vehicle for internationalist propaganda. The campaign against the League has international roots, indicating that the League is seen as a major obstacle to the proposed merging of Australia into the International World Order.

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## CREDIT AND SOCIETY: AN EARLY VIEW

The following article by T.N. Morris appeared in "The Social Crediter", April 29, 1972.

*Patrick Geddes, Maker of the Future*, is the title of a biography by Dr. Philip Boardman of U.S.A., published in 1944. Patrick Geddes himself, together with co-authors Victor Branford and Gilbert Slater wrote a series of books under the general title *Making the Future*. But this was more than fifty years ago and the future as they hoped it might be has not yet materialised. Another biography of Geddes entitled *Pioneer of Sociology, the Life and Letters of Patrick Geddes* (published 1957) which is to some extent supplementary to the above is by Philip Mairet who had access to letters and other materials which had been denied to Boardman by the war.

With these two biographies available it is not necessary to go into many details of the life story of this remarkable man. Suffice it to say that he appears to have been a born naturalist and scientific investigator. Born in 1854, he went to school at the Perth Academy and from 1875 he spent four years as a student of biology at London University under Professor T.H. Huxley. On Huxley's recommendation he became a demonstrator in practical physiology at University College and later studied marine biology in France and Italy. After an expedition

to Mexico to collect biological specimens, he became senior demonstrator in botany and lecturer in zoology at Edinburgh University, and in 1888 he was made Professor of Botany at University College, Dundee, a post which he held for thirty years and one which gave him much free time as well as opportunities for travel.

Geddes interests ranged far beyond biology into philosophy, psychology, economics, history, art, sociology and, later, in town planning for which he became particularly famous. In fact, like Francis Bacon, he could be said to regard all knowledge as his province, and Dr. Boardman has gone so far as to compare him with Leonardo da Vinci. According to Lewis Mumford, who wrote the foreword to Boardman's biography, Geddes, like Leonardo "left bags and boxes of notes, mountains of diagrams and huge bundles of correspondence which still have to be gathered, deciphered and appraised by the generation which will, I (Mumford) trust, one day hail him as its prophet". In addition there are his books on biology and sociology, his numerous papers in scientific journals, his reports on town planning and his articles in the *Encyclopedia Britannica* and in *Chamber's Ency-*

clopaedia. In all this he showed himself as a great organiser of knowledge and, above all, a man who, as Mr. Mairet has said, "strove consistently to direct science to the service of life". Sir William Holford who wrote the foreword to Mr. Mairet's biography also paid warm tribute to him as "the great educator and interpreter of the function of environmental planning in modern life".

It was while Geddes was a senior lecturer and demonstrator in zoology at Edinburgh University in 1881 that he first publicly stepped outside his own subject — a thing that was 'not done' in those days and which probably cost him a professorship at Edinburgh. The offence consisted of a paper read before the Royal Society of Edinburgh on the "Classification of Statistics and Its Results". In this he sought to bring order out of the rather chaotic state of knowledge in the biological subjects and indeed in the relations of science generally; and, since economics was considered to be a science, he was especially hard on economists. After remarking on the "extensive adulteration of their scientific matter with irrelevant discussions which are occasionally of a theological nature but much oftener metaphysical" he went on to say that "A more serious difficulty lies in the want of unanimity among the various schools as to the position of then-subject with respect to other sciences, some spending no little labour in an endeavour to isolate it from other branches of knowledge altogether, while others claim it to be a logical science, others a mathematical, others a physical, others a sociological, others an ethical science, while some hold it to belong partly to one and partly to another. In other words, the subject has been referred to every possible position in the classification of sciences with the exceptions of astronomy, chemistry and geology. (The connection between the appearance of sunspots and slumps had not then been suggested. — T.N.M.)

And, again, although political economy is said to deal largely with material things and organised beings, there is probably no department of modern literature, not even poetry or romance, so little leavened by the recent advances of our knowledge of the laws of matter and of life. To judge from their writings the economists would seem to be unconscious of the very existence of such doctrines as those of the conservation and dissipation of energy, of evolution and the like, and of the evident fact that *the students of the physical and biological sciences can hardly much longer delay a combined invasion of their territory (our emphasis)*". Geddes finished this paragraph by saying that "the economist usually holds aloof from considering the important sociological efforts already made from the side of the preliminary sciences, while the only ethical allusion to be found in many a lengthy economic treatise is a contemptuous dismissal of sentiment."

A second excursion, considered by some to be "un-becoming to a botanist" was made in 1884 in a paper, again read before the Royal Society of Edinburgh, entitled "An Analysis of the Principles of Economics". The intention of this was not merely critical but constructive. Geddes said that his aim was "to prepare for the construction of a 'system of economies' — not, however, by means of new definitions and old dialectics nor by the application of a few principles taken at random from an early state of some single science — but in harmony with the organic whole of the preliminary sciences".

Geddes arranged these 'preliminary' sciences in a kind of staircase starting with physics and chemistry at the bottom and ascending through biology to psychology and sociology and when we pass up this staircase "from the physical to the biological aspects of the economy producers and consumers are no longer to be regarded as automata and generalised along with machines but are looked upon as.... living organisms". And when we advance to psychological considerations "the problem of practical economics now demands that we produce not that mere maximum of food and eaters which is the first aspect of the physical ideal; not even that perfection of quality and quantity of *life* which is the first aspect of the biological; but the maximum evolution of the mental and moral nature which underlies the two former. The problem in fact inverts itself, becoming not merely how to fill bellies but how to place brains in the conditions most favourable to their development and activity, and so the problem of practical psychological economics passes to that of education". In short, the supreme aim of political economy should be to dis-

cover the best conditions for all round human development.

There is in these two papers no specific mention of finance: exchange and distribution are mentioned as integral parts of the whole economic process, and it is not until we come to the series, *The Making of the Future*, and particularly in the volume entitled *Our Social Inheritance*, by Patrick Geddes and Victor Branford, published in 1919, that we find an advance into the sphere of money and credit. We do not know whether Geddes had any contact, direct or indirect, with C.H. Douglas or A.R. Orage at this time: if he had his biographers do not mention it, and so far as I know, Douglas does not mention Geddes in his books. In fact, everything points to their having arrived at their conclusions on this subject independently through their observations of the manner in which World War I was financed: it was a case of great minds thinking alike.

It is not claimed here that Geddes and Branford advanced as far as C.H. Douglas into the field of credit and finance but, as I hope to show, they did enter that same field and, like Douglas, saw what steps had to be taken before anything effective could be done.

This is made quite clear in Chapter VIII of their book, under the heading: "Eutopia and how to pay for it". They were very careful in their spelling of the word. More's prefix *u* was a kind of pun with a double meaning: it had much the same sound as *ou*, signifying negation — *Outopia*, no place — and *eu*, signifying good or satisfactory, hence *Eutopia*, a good place. Recently, Utopia has come to mean somebody's unrealisable roseate dream, or somebody's arbitrary notion of a satisfactory place; but this was not what Geddes and Branford meant: they meant "the *realisable* best that can be made of the here and now if we invoke and use all the resources available". And they coined the word *Kakotopia* to express the opposite. "Consider", they said, "the present situation. On the one side the demiurgic energies of machine production: on the other forty-five millions of people, for the most part without houses or furniture worthy of the name; clothed in garments that depress life instead of enhancing it; given to rude recreation; herded in mean streets of dull, dingy towns". At the same time they pointed to the great numbers of artists, dramatists, musicians, architects and scientists, "used, misused or unused, at the caprice of a governing class sick with acquisitiveness". "We are told," they said, "that the people dislike fine things and do not want them. We are told (mystical shibboleth) that in any case such service of the people would not pay and consequently the money could not be found." Yet they noted that the money was found for the 1914-18 war and they asked "How was it done?" and answered: "As you unravel the secret you disclose the culminating heritage that comes to us from the industrial revolution — our Credit System. It is also called the Cheque and Clearing system". The latter title, they said, "reminds us that cheques are the real money of today, coins and even bank-notes being survivals of pre-industrial ages. The manufacture and distribution of this cheque money, the functional currency of the nation, is the business in which bankers have specialised. They and their customers along with the ancillary trades (stock broking, bill-broking, discounting, accepting, dealing in foreign exchange, in bullion, in coupons) which serve the same great body of customers, constitute a world apart. To this circle of economic facility is practically limited the full inheritance of the industrial revolution".

After indicating the position of power which the bankers have attained — "power unbalanced by responsibility" — the authors went on: "As the name, 'Credit System' reminds us, the capital, or as one might more correctly say, the Cheque Fund, of the banking community is far less an accumulation of past savings than an anticipation of future values".

"The first move," they said, "to a constructive social finance is to change the banking community's habit of mind from *kakotopian debt to eutopian credit* in thinking about public wealth." They admitted that there were difficulties in such an endeavour but they went on to describe an imaginary conversation between a bank chairman and a deputation of elder-statesmen resolved to bring such a change about. In the course of this conversation the statesmen made it quite clear that they considered that what the bankers called their "loan capital is simply the national credit which supports and, indeed constitutes the

Cheque Fund". They offered the banker a fair payment for the "usufruct" of the cheque and clearing system "in application to our needs and for the skilled services which such administration calls for". They also proposed that the credit advances should be amortized or cancelled at a rate inversely proportional to the estimated 'life' of the security against which they were issued and directly proportional to the cost of maintenance. "Long overdue," they said, "is an extension of the Credit System alike to the everyday usage of the people and in social application to betterment of environment and improvement of population. The consequent enlargement of the cheque fund would be in equivalence to the energies thus released." They called the Credit System "the crowning legacy of western inventiveness" which, given the right conditions, "is the key of economic entrance into Eutopia", although "the present possessors of the key have been too much inclined to use it for a lockout".

All of this merely elaborates Douglas's stark and simple statement before the Macmillan Committee on Finance and Industry that "any effective remedy (for our economic troubles) must traverse the claim of the banking system to the ownership of the financial credit extended to industry". It shows that Geddes and Branford had taken the first steps along the road which Douglas surveyed and signposted to the end. In so far as they took those steps, I think that we are entitled to claim them as very early Social Crediters.

In conclusion I might add that Dr. Boardman has suggested that Geddes and Branford would have had a greater impact on economic policy but for certain defects in their literary style and in their lack of flair for publicity. But I do not agree: Dr. Boardman has here under-rated the opposition. As Social

Crediters we have seen what happened to Douglas who had skilled writers and publicists like A.R. Orage and Arthur Brenton behind him: we have also seen democracy thwarted in Alberta and deceived in British Columbia and we have Douglas's own testimony as to the manner in which his name and his advice were from the beginning subjected to a 'black-out' in our media of publicity.

But have we a gleam of hope? A group of scientists of repute recently issued a statement foretelling the break-up of society by the end of this century if present policies of continuous expansion and growth, resulting in excessive pollution and waste of resources, are not halted. Are these "Doom watchers" as they have been called, the vanguard of those scientists, who, Geddes hoped, would invade the economist's territory? If so they have arrived very late. We do not presume to tell them what to do; nevertheless there is one thing that they might consider: Parliament is still supreme in this realm but perhaps not for long. If sufficient pressure could be brought to bear, it could still be possible to impeach when amenities are destroyed with ministerial sanction for purely commercial and temporary reasons against the wishes of those most affected. Similar action might be taken when worthwhile and practicable constructive proposals are turned down on the pretext that they would add to general indebtedness instead of being undertaken and accounted to the general credit and enrichment. If this were done it is probable that not only would Eutopia arrive quickly but that the kakotopians who stand in the way could be identified and dealt with. Their hangers-on and the suckers would probably soon see where their interests lay.

- T.N. MORRIS.

## TO THE POINT

Although the Reagan administration declined to give Dr. Henry Kissinger any position of real authority — apparently Ronald Reagan personally disliked Kissinger — President Bush has accepted Kissinger, who will exercise the kind of power he had in the past. Kissinger is enthusiastic about what is happening in the Soviet Union, which means that the International Zionists are also pleased. Large numbers of the representatives of American Big Business have not taken long to grasp that the next phase of the attempted World Government programme is now being developed as the economies of East and West are progressively integrated.

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The Zionist philosophy of the one-way street has been demonstrated once again on the issue of chemical warfare. Zionist Israel has blatantly insisted that the U.S.A. must ensure that it must always have absolute military superiority over the Arab nations in the Middle East. The Israelis have brought nuclear weapons into the Middle East and, while refusing to sign any nuclear non-proliferation agreements, have demanded that all nations sign a chemical warfare non-proliferation agreement. At the January conference on chemical warfare held in Paris, the Iraqi government pointed out that following Israel's policy of introducing nuclear weapons into the Middle East; chemical weapons were an attempt to equate the military balance.

The Iraqis reminded the Paris conference that Israel had conducted an unprovoked strike against an Iraqi nuclear reactor in 1981. There was no real protest from the U.S.A. about this act of unprovoked aggression, which ensured that Israel has absolute military superiority in the Middle East. It is the U.S.A.'s support for Israel, irrespective of what Israel does, which has produced such widespread anti-American feeling throughout the Arab nations.

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In a letter in The Weekend Australian of April 1—2, Group Captain Edward Mole of Britain recalls how he and others were appalled when the United Kingdom joined the EEC, a betrayal of all members of the British Commonwealth. He recalls how he had advocated "we could have formed a prosperous British Economic Community by an equal partnership of the old Commonwealth countries." But such a concept was contrary to

the Big Idea, the establishment of a totalitarian World State. Not only the destruction of the old British world, but the destruction of a distinctive British culture with its stress on common law rights for all individuals, tolerance, fairness and decency, was a long-term objective of the cosmopolitan global planners.

Group Captain Mole says, "The people of Britain in general are thoroughly fed up with the EEC. . . ." Which may help to explain why Prime Minister Margaret Thatcher appears to be resisting a final British surrender to a proposed European Federation. Captain Mole concludes his letter by expressing the hope that somehow the spirit of the old Commonwealth could be revived. Much of the spirit still remains, but it needs regeneration.

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The essence of Japanese investment aggression throughout much of the world, but particularly in the U.S.A. and the Pacific region, including Australia, is that the Japanese have been mobilised to produce far more than they need, or can buy, domestically, which means that, under prevailing finance-economic conventions, they must strive to gain a "favourable balance of trade", which they have successfully achieved by exporting more than they import. Realistic payment of the Japanese can only take place if their trading partners, including Australia, can sell an equivalent amount of production in Japan. Japan cannot permit this to happen without upsetting their own economy. It is therefore using its massive export surpluses to buy up real estate, including industries, in other countries. A recent report says that Japanese investments in the U.S.A. have reached the point where the Japanese can "alter the course of U.S. economic policy from

within."

Top Japanese bankers are, along with fellow bankers in Western Europe, and the U.S.A., members of the Trilateral Commission, an open advocate of the New International Economic Order. The Japanese are being used to advance this concept, the Japanese people being seen as raw material to advance global totalitarianism.

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Canadians were told before their last Federal elections that they had nothing to fear from a "Free Trade" agreement with the U.S.A. The Closer Economic Relations agreement between Australia and New Zealand was cited as an example of successful free trade. The CER is in fact the first step towards "restructuring" Australian and New Zealand industries as a preliminary to absorbing them into the proposed Pacific Common Market; this is another step toward a World State. Farsighted observers pointed out that the Australian dairy industry would be one of the first victims of the CER, while many New Zealand secondary industries would be at risk.

Not surprisingly, Australian dairy farmers are at last beginning to realise what is threatened. The latest development is that high-technology milk threatens the Australian producers' milk markets throughout the whole of Eastern Australia. There is also increased competition in Australia from other New Zealand dairy products. Should Australians become completely dependent upon imported dairy products, they could finish scanning the skies each morning to see if the milk plane from New Zealand is arriving!

The greater the centralisation of economies, the more vulnerable they are to any type of dislocation. Decentralisation is the road to long-term survival.

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The "experts" have laboured in vain to solve the inflation problem. Under present financial rules, inflation cannot be completely ended without wrecking the economy. All modern economies are tied to the "growth" syndrome, with emphasis on capital production, this distributing incomes ahead of goods and services. But the financing of such growth is inevitably inflationary. Australian Federal Treasurer Paul Keating tells Australians, as do his counterparts in other countries, that high interest rates are essential to "cool" "overheated economies". But high interest rates increase financial costs, which must be recovered somehow through higher prices. The first essential steps for reducing and abolishing inflation without economic and social dislocation are (1) A drastic reduction in all taxation, particularly indirect taxation; (2) a system of consumer price discounts financed out of new credits. There is no hope of any type of stability until there is a falling price level, reflecting the reality that the true cost of production is constantly falling as a result of technological improvements. This falling price level can be achieved with benefit to both consumers and producers. Many of the frictions in society would start to disappear as the result of such a policy.

Continuing inflation and high interest rates are progressively polarising society, making social disorder inevitable.

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It is always refreshing to report good news, the result of individual initiative. At a time when the air is full of gloom about the destruction of the environment, as the result of an initiative by a Queensland farmer's wife, over the past four years Australians have planted more than 200 million gum trees. This is one of the world's most spectacular campaigns. The programme started with an idea back in 1985, to encourage every possible

organisation, community group, school, government body, farm, family, municipal council and business to contribute to restoring a denuded Australia by planting trees.

A target of 200 million trees was set for Australia's Bicentennial year, and was passed. This worthwhile movement would achieve even greater momentum if long-term finance were made available for primary producers to expand tree-planting activities. The overall effect on the environment would be enormous, this in turn increasing Australia's real wealth.

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The radical African National Congress, dominated by Marxists, is being by-passed by global realities. The sale of diamonds is a monopoly controlled by the giant South African mining company, De Beers, part of Harry Oppenheimer's vast Anglo-American Empire. De Beers has had a long-time agreement with the Soviet Union concerning the marketing of the Soviet's diamonds. When a big diamond field was discovered in West Australia, some naive people, including former Prime Minister Malcolm Fraser, thought that Australia could adopt an independent policy concerning the selling of its diamonds. They soon discovered the facts of life.

The African National Congress has been "shocked" by the signing of an agreement between the powerful Northern Land Council, set up as a guardian of Aboriginal interests, and the Australian subsidiary, Stockdale Prospecting Ltd., concerning diamond mining in North West Australia. A spokesman in Australia for the African National Congress, Mr. Ndumescu Ntshinga, protests, "Isn't it funny that they (De Beers) are prepared to accept the interests of Aboriginal people, and not those in their own country." And he cannot understand why the Aborigines have done this. The answer is very simple; The Aborigines know that without De Beers diamonds on their lands are practically useless.

## GLOBAL TAX SCHEME RESISTED

The internationalists are finding it difficult to impose all their policies for the establishment of the New World Order. Prime Minister Margaret Thatcher has refused to take the final, and major step, for the establishment of a Western European Federation, the establishment of a Central European EEC bank and a common currency. Late last year Mrs. Thatcher announced that the British government was not prepared to consider the OECD proposed international taxation scheme, known as the Mutual Assistance in Tax Matters.

The U.S.A. Treasury was pushing the concept of an international tax system ten years ago. It was then taken up by the OECD, the proposal being that all taxation departments should provide instantaneous tax information concerning both individuals and corporations. It was in essence a proposal for a global tax system. A convention was drafted and known as *Interpol* — International Financial Police. Sweeping powers were proposed, including the seizing and freezing of taxpayers' assets BEFORE a final judgment had been made concerning what tax was allegedly owed.

The Convention contains 32 articles and would bind every member nation to recover another nation's tax claims. The first major objection came from the 110-member International Chamber of Commerce, which said that sufficient tax treaties already existed. A number of countries, including Switzerland and Germany, have made it clear that they will not be signing the "Interpol Treaty". Then on December 20, 1988, Margaret Thatcher dealt what could be, at least for the time being, a deathblow to this dangerous piece of internationalism.