

THE NEW TIMES

"Ye shall know the truth, and the truth shall make you free" - John 8:31.

VOL. 60, No. 5.

Registered by Australia Post -Publication PP481667 100259

MAY 1996.

Australia and New Zealand Edition. Published in Melbourne and Auckland.

EXPLOITING THE PORT ARTHUR TRAGEDY

by Eric D. Butler

British historian Lord Bryce, in his classic work on modern constitutional democracies, enunciated the fundamental truth that it is the natural tendency of all governments to increase their own powers. Long before George Orwell had written his famous novel, "1984", a former Lord Chief Justice of England, Lord Hewatt, had warned of the threat to freedom by big government in "The New Despotism". In times of national crisis, such as war, people surrender power to their governments on the clear understanding that the power is returned at the end of the crisis. The longer the war, with the centralisation power becoming more ingrained, the more difficult it is for people to regain their original freedoms. "Uniform Taxation", under which the Australian States surrendered their taxing powers, was a Second World War "emergency" measure. It has become permanent.

It is essential that the Australian people reflect carefully on some basic truths concerning government before they accept the view of Prime Minister Howard and Opposition leader Kim Beazley, endorsed by a mass media which has used the tragic Port Arthur affair to whip up a tide of emotionalism, that the Australian people will be more secure and safer if the States surrender their powers concerning gun legislation to a Federal government. The inspired drive to establish some type of World Government is based on the claim that it is nationalism, which creates wars; the solution, therefore, is to abolish nations. If such World Government could be established (which in the nature of reality it can't), it would be the greatest tyranny in the history of mankind. The history of government demonstrates that the bigger and more centralised government becomes, the more oppressive it becomes.

Societies are associations of individuals. If they are to be harmonious, with the maximum security and freedom for the members of that association, it is essential that basic truths be accepted and implemented. In a Christian society the value of every individual is accepted; he is entitled to maximum freedom so long as his actions do not encroach on the freedoms of others. A high degree of personal responsibility is essential. It is a dangerous myth that individuals can be made more moral or law-abiding by passing laws.

An older generation of Australians will recall a time when at weekends a large number of young Australians, often accompanied by their fathers, could be seen on push bikes, with rifles strapped to their backs, going out into country areas to shoot rabbits. There were relatively few accidents, even with shotguns, for the good reason that young Australians grew up in a society, which accepted the necessity for self-discipline and personal responsibility.

THE EASTER ROAD TOLL

Far more Australians died on Australian roads over last

OUR POLICY

To promote service to the Christian revelation of God, loyalty to the Australian Constitutional Monarchy, and maximum co-operation between subjects of the Crown Commonwealth of Nations.

To defend the free Society and its institutions - private property, consumer control of production through genuine competitive enterprise, and limited decentralised government.

To promote financial policies, which will reduce taxation, eliminate debt, and make possible material security for all with greater leisure time for cultural activities.

To oppose all forms of monopoly, either described as public or private.

To encourage all electors always to record a responsible vote in all elections.

To support all policies genuinely concerned with conserving and protecting natural resources, including the soil, and an environment reflecting natural (God's) laws, against policies of rape and waste.

To oppose all policies eroding national sovereignty, and to promote a closer relationship between the peoples of the Crown Commonwealth and those of the United States of America, who share a common heritage.

Easter than died at Port Arthur. Some of them could truthfully say that they were not responsible. Hundreds of Australian families were left grieving as a result of the tragic Easter road toll. The police were appalled that in spite of all their warnings this road carnage had taken place. Would anyone seriously suggest that if the John Howard philosophy were applied to cars, all registered and controlled by Canberra, that there would be less death on the roads? The modern high-powered motorcar is a deadly instrument in the hands of an inexperienced and irresponsible driver. It is regretfully true that the biggest percentage of road accidents involve younger drivers. It is also a tragic fact that juvenile crime and violence have substantially increased. What is the explanation for this?

That wise British statesman Enoch Powell has recently observed that he does not believe that the basic nature of today's youth has changed from when he was a boy. What has changed, however, is an erosion of a value system, which instilled in the young the importance of respecting the rights of others and the necessity for proper discipline in society. If the politicians of modern governments continue to impose financial and economic policies, which result in a large number of young unemployed, a type of new underclass, with no sense of belonging to a stable society, is inevitable. The anti-social behaviour of many of the young is not surprising. Enoch Powell says that it is the parents of the young who are primarily responsible. So-called education and the flood of violent filth, which pours out from television and video programmes, does not assist. Sick and disintegrating societies produce sick individuals. It is as certain as the sunrise that there will be more tragedies in society unless basic issues are faced. As a number of criminologists have pointed out, the biggest number of killings is not with guns, but with knives or blunt instruments. Are all such instruments to be registered? The mind boggles at the thought. But anything is possible in a society increasingly divorced from reality. What type of people are those who threatened the staff of the Hobart hospital, who were professionally engaged in the civilised task of attending to the wounds of the man suspected of being the one responsible for the Port Arthur massacre? Clearly the person responsible for the killing was deranged. And what of those calling for the blood of John Tingle, representative of the Shooters' Party in the NSW Upper House, forcing him to seek police protection? A moderate and reasonable man is being virtually blamed for what happened in Tasmania.

SUGGESTED QUESTIONS

If John Howard and his fellow politicians are genuinely concerned with what might be done to minimise the killing of people with guns, instead of their blatant attempts to exploit a tragedy for political ends, they would be looking at evidence concerning the issue from around the world. Why did the Dunblane massacre take place in the United Kingdom, where gun controls are more strict than in Australia? What of the view of those criminologists who, in mentioning Japan's low crime rate, point out that it is a country with a strong homogenous culture and disciplined codes of behaviour? There is little unemployment among the young.

Perhaps it is too much to ask John Howard and other opponents of the concept of people effectively controlling their

politicians, to have a close look at Switzerland, where power is decentralised through the use of the Citizen's Initiative and Referendum mechanism, where every able bodied man is required by law to have a high-powered military rifle in his home. If guns *per se* are the problem, then why has Switzerland one of the lowest crime rates in the world?

And what is the lesson to be learned from the USA, often held up as the classic example of widespread ownership of guns resulting in violent crime? The first point, which must be made concerning the USA is that it is increasingly seething with the tensions of a multicultural society. And the most *verboten* subject of all is to draw attention to the fact that Americans of Negro background are disproportionately represented in the field of violent crime.

In a recent TV programme, John Howard appeared to have difficulty in deciding whether violent crime had increased in Australia. His "perception" was that it had but he was not definite about the matter. The writer vividly recalls the chill of horror, which swept through Australia when the first kidnapping in Australian history took place, not long after the Second World War. Even hardened criminals were outraged. What had happened was completely alien to Australians, one of the most tolerant people in the world. Like most Western nations Australia has become progressively coarsened by a culture, which has eroded the original core values of the nation. A number of factors have contributed to this, including aggressive feminism and the breakdown of institutional Christianity. The programme of economic rationalism, advanced by all Federal governments in recent times, has demolished large sectors of Australia's manufacturing base and contributed to massive youth unemployment. Even John Howard can recall a period when it was a very rare occurrence for an elderly person to be violently assaulted by a young person wanting money.

STATES SHOULD ADMINISTER

If the question raised in this article is honestly faced during the debate precipitated by the Port Arthur tragedy, it may be possible to say that those so senselessly gunned down did not die in vain. Once again Australians have demonstrated, in response to the tragedy, that they are a caring and compassionate people. But it would be bordering on the obscene if the major result of the tragedy were a further increase in the powers of Canberra at the expense of the States, with basic problems in society left unsolved.

Whatever regulation of guns in Australia is needed can be best undertaken by the States. Obviously military type weapons should be banned. Circumstances differ from State to State and can best be administered by State authorities. The best contribution the Federal government can make is to reverse current finance-economic policies. If they were to do this, giving some hope to the young in rural Australia, they would slow down the high rate of suicides among young rural Australians, who currently have one of the highest suicide rates of any Australian.

And last, but not least, they could make a start on re-introducing national service training, giving large numbers the opportunity to handle and use firearms in a responsible manner. The economy, as well as young Australians, would benefit.

The Social Credit analysis of the finance-economic system shows that while the rules of orthodox finance are maintained, inflation is mathematically certain. Currently it is fashionable to claim that inflation has been effectively controlled. The reality is that thirty years ago it was claimed that the current inflation rate was a major disaster, which required the most stringent controls. This demonstrates how people can be conditioned over a period of time.

In his unpublished memoirs, Eric Butler deals with a fascinating event in his career, an event that led to the publication of his booklet, *A Programme for Reversing Inflation*. He writes:

The rapidly growing influence of the League of Rights on the rank and file of the Queensland Country Party during the late 1960s resulted in me being invited to present a Paper on how inflation might be reversed, at a Country Party Seminar held in the Western Queensland town of St. George on February 19, 1971. Excessively wet weather had produced some flooding which initially created some doubt about whether I would be able to get through to St. George from Dalby with a small group of League supporters. But we made it safely in time for the first session of the Seminar, held in a local hotel, which was the traditional venue for most political meetings. The venue was packed out. I was relieved to learn from the organisers of the Seminar that the first Paper was to be given by a young economist who was to speak on the importance of the Reserve Bank.

I started to make some notes early in the address, but soon realised this was completely unnecessary. A typically Western Queensland grazier audience was finding it hard to relate the young economist's jargon to their basic economic problems. At the conclusion of the address there were few questions from an audience, which clearly had the greatest difficulty in understanding what the economist had been telling them. I briefly prefaced the presentation of my Paper by saying that I had the greatest sympathy with an audience struggling to understand what had been said. But as I understood it, the economist was saying that without a strong, well-regulated Reserve Banking system, there were no answers to the nation's economic problems. This was long before the Australian banking system had been deregulated.

As a starting point for my Paper, I said that so far from a strong Central Bank being necessary to solve our problems,

there were examples of economies operating with decentralised banking systems. There was the remarkable recent Irish episode when the whole banking system closed down because of a strike of bank employees. A gasp came from the audience as I pointed out that from April 30, 1970, until November 17 of the same year, the Irish banking system ceased to operate because of the strike. I pointed out that the strike was no novelty for the Irish as they had a bank strike for seven weeks in 1951, and for twelve weeks in 1966. But throughout all strike periods the Irish economy managed to operate. Water from the Liffey

continued to be used to make Guinness stout which was consumed with typical Irish enthusiasm. Every Irish pub became a type of bank with thousands of I.O.U's being written and accepted. Cheques continued to be written and accepted by hotelkeepers, general stores and other business organisations. One reporter observed, "This was a return to basic economics, if not quite to the barter stage. It put to the test that maxim, 'Cash is only a small part of banking, trust is the greater part'."

The Irish bank strikes had demonstrated the truth of the

definition of money given by one authority, as being anything which people would accept in exchange for their goods and services, confident that what they had accepted would also be accepted by other people in exchange for their goods and services. A forged bank note was just as effective as a legal note as long as people *believed* it was genuine.

I proceeded to quote from the many authoritative statements concerning the creation of credit money by the modern banking system, starting with the 1892 lectures on banking by Professor H.D. McLeod, lecturer on political economy at the University of Cambridge. Professor McLeod had said, "A bank, therefore, is not an office for borrowing and lending money, but it is a manufactory of credit." One of my favourite quotations was also used: The Rt. Hon. Reginald McKenna, one-time British Chancellor of the Exchequer, and

"Social Credit is the practical endeavour to transform the institutions of society in such a way that . . . transcendental values. ... may find incarnation in them. ... The lessons of the scriptures of the great religions is that such an incarnation is dependent on the individual, and is manifested through individual initiative. The very purpose of Social Credit as a system is to free individual initiative by placing the benefits of association directly at the service of individual initiative. The objective of Social Credit is to enable the individual to achieve the maximum differentiation possible."

- *An Introduction to Social Credit*, by Brian Monahan.

"Society has long recognised the disruptive action of even casual stealing: systematic stealing, by threats of brute force has usually ensured prompt protective action. Yet we find actions, which are considered immoral and inexcusable in a private individual, have become acceptable in governments. The Moral Law has ceased to apply to governments. Governments recognise the laws neither of God nor man; they make their own laws; they are a law unto themselves. Governments hold that the "voice of the people is the voice of God", and the party boss, being the "voice of the people" is the voice of God. And so stealing and killing not only become 'legal' and moral; they become something divine, something worthy of the greatest admiration, when done at the behest of the party boss. Thus we progress helplessly to bigger and better wars run by governments, and to more and more stealing of the people's money and property by governments."

- James Guthrie in *Our Sham Democracy*

chairman of the Midland Bank, in addressing a meeting of bank shareholders on January 25, 1924, 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 finance 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 land purchase creates a deposit, and every repayment of a loan, overdraft or bank sale destroys a deposit."

My final quotation was the statement by Mr. H.W. Whyte, Chairman of the Associated Banks of New Zealand, in giving evidence before the 1955 New Zealand Royal Commission on Monetary Systems. Whyte was being questioned by one of New Zealand's most eminent Q.C.s, Dr. Mazengarb, engaged by one of New Zealand's leading businessmen, Sir, H.J. Kelliher, Chairman of Dominion Breweries and one-time director of the Bank of New Zealand. I knew Sir Harry intimately over many years and he was a staunch supporter of my work in many ways, including ready hospitality at the hotels his company controlled. Harry Kelliher was a First World War veteran, and could recall rabbit trapping as a young man. He was appointed Director of the Bank of New Zealand by the Savage Labour Party, which had come to office in 1935 with the support of the strong New Zealand Social Credit movement. Although Savage became a New Zealand hero, he was, according to Kelliher, not a strong man and was dominated by his Treasurer, Sir Walter Nash, whom Kelliher claimed had been a Communist at one time.

Kelliher was not a Social Creditor, his views on techniques of monetary reform being influenced by the well-known writer, A.N. Field, best known for his work *All These Things*. Kelliher had financed much of Field's work. Kelliher was a cultured man and had first class paintings by New Zealand painters in all Dominion Hotels. He was the first to have carpets installed in New Zealand bars, claiming that an improvement in the environment would help to improve the behaviour of patrons. He was proved right. Kelliher was well informed on the vital role of international banking in world politics, and scathing about the influence of Political Zionism. But he constantly lamented how his fellow businessmen would not face up to what he described as "*the greatest racket in human history*," - the creation of financial credit and its issue as an interest bearing debt. Mazengarb was a close friend of Kelliher and accepted with enthusiasm his brief at the New Zealand Royal Commission, his relentless questioning of the

The Root of Internationalism

"The international bankers recognise that internationalism stems from collectivism, just as economic nationalism stems from individualism, but the bankers have no intention of yielding the control of the collectivised and socialised State to the 'proletariat', and there is no great fear that they will be required to do so. With a proper understanding and respect for the lessons of history, they realise how absurd is the 'dictatorship of the proletariat'. This is the reason that international bankers are so generous with their subsidies to international communism."

--America Preferred April 1943, quoted by C.H. Douglas in Programme For The Third World War.

"The aims of national government are by no means the same thing as the aims of the majority of the people they are supposed to represent. Further, these governments are far more responsive to influence from financial resources than they are to popular influence. We might almost go so far as to say that modern government is quite insensitive to public influence, and that no serious change of policy is effected by a change from one party to another."

- C.H. Douglas in *Warning Democracy*.

Chairman of the New Zealand Associated Banks, H.W. Whyte, readily eliciting that banks create credit when making advances and loans, adding:

"They have been doing it for a long time, but they didn't quite realise it, and they did not admit it. Very few did. You will find it in all sorts of documents, financial textbooks, etc. But in the intervening years, and we must be perfectly frank about these things, there has been a development of thought. Until today I doubt very much whether you would get many prominent bankers to attempt to deny that banks create credit." Kelliher had hoped that the Royal Commission on Banking, although finding that the banking system was basically sound, would result in some action by the National Government to take steps to break the credit monopoly. But this was not to be. Witnesses calling themselves Social Crediters foolishly appeared, and were led into traps concerning technical matters. Sound Social Crediters wisely declined to appear. Not surprisingly the failure of the principal witness for the Social Credit Party to explain how financial credit would be cancelled was seized upon by the Royal Commission to misrepresent Social Credit. This misrepresentation was widely used by the Country Party, and the Liberal Party, as the anti-inflation programme promoted by the League of Rights was putting both Country Party and Liberal Party Members of Parliament under growing electoral pressure.

Having established at the St. George Seminar the basic features of the modern banking system, and the fact that the nation in general, and the primary producers in particular, had demonstrated that adequate production was not the problem, I proceeded to outline a "Limited Objective Programme", the major features being:

All necessary new capital works to be financed out of new credits advanced by the Central Bank at an interest rate sufficient only to cover the cost of administration; no further financing of capital works out of taxation; the new credits for capital works to be repaid at the estimated rate of depreciation of the capital assets. If capital works were financed as suggested, this would mean that all those using the asset would be contributing towards it. The cessation of the policy of using taxation to finance capital works would permit the current taxation rate to be substantially reduced. This would enable the most inflationary types of taxation, such as Sales Tax and Payroll Tax, to be abolished.

Primary producers' debts should be restructured on a long-term basis of 20 years at an interest rate not exceeding 3 percent. All Municipal Debt to be restructured on the same basis, with the immediate savings in debt and interest charges to be passed to ratepayers in lower rates.

The introduction of a consumer price discount system

"There was nothing very much the matter with Victorian Liberalism except that it was tied to the gold standard. In consequence, the problem of the individual was always purchasing power, money, not goods."
C.H. Douglas, 1943.

similar to that which worked with success during the Second World War, but the system to be financed out of new credits instead of out of taxation. Two major features of this limited objective programme - the abolition of Sales Tax and the re-introduction of a Consumer Price Discount system - subsequently found their way into Queensland Premier Sir Joh Bjelke Petersen's famous "Petersen Plan", formally presented to the June 1974 Premiers' Conference. Both before and after this development, there was a period when sections of the Country Party were used to carry through a vicious smearing campaign of the League of Rights. The campaign had been triggered by the publication in 1969 of a booklet I had written for the League, *They Want Your Land*, which had a dramatic effect throughout a rural Australia reeling under the impact of a rural crisis, which started to bite deeply from 1965 onwards. My St. George address, subsequently published in booklet form, widely circulated throughout Australia, added fuel to the mounting flames of concern throughout rural Australia about banking policy. The wider implications of this anti-League campaign require a complete section of these Memoirs. The implications are part of on-going Australian history.

Always keenly interested in the effect an address was having on the audience, I was particularly interested to see how the Reserve Bank representative at the St. George Seminar was taking it. It was obvious that he was amazed by my revelation concerning the Irish banking strikes, and then genuinely puzzled as my address proceeded. He was standing near the hotel bar in the break following my Paper. I sought him out and said, "You appeared rather shocked by what I revealed about the Irish bank strikes?" He admitted that my address was contrary to anything he had anticipated. I suggested a stiff whisky might help, and proceeded to buy him one. He left the Seminar shortly afterwards. I have often wondered what this economist is doing now. Perhaps, like many others, he is giving advice somewhere, or is engaged by some corporation to present his "expert" views on the state of the economy. But events continue to confirm everything I said at the St. George Seminar.

One humorous sidelight on the St. George Country Party Seminar should be recorded. The formal part of the Seminar was over, and most of the audience was enjoying a social drink, when a bedraggled looking figure hustled in. My wife happened to be standing on her own, and was the first person he saw. "Eric Butler spoken yet?" he asked. "I have come a long way to question him publicly, as he must be exposed. He is a dangerous man. Unfortunately I had a puncture on the way." When told that Eric Butler had finished and had received an enthusiastic hearing, the late arrival attempted to engage several in conversation before introducing himself as Ron Banisch, the man who had debated me at the famous Dalby debate. This strange man was next sighted at the Manly, Sydney, debate I had with Edward St. John, where he said I had to be exposed. Local Zionist Jews introduced him as "*one of the most courageous men in Australia.*" He had dared to

confront Eric Butler on the Darling Downs where the League was allegedly so strong that a public critic was risking his life. It was a Dr. Wallman from Toowoomba who, following the Dalby debate, when participating in a national ABC television debate in which Jeremy Lee and I debated him and Edward St. John, made the astonishing claim that the League was running military-style training schools in the bush. Wallman had been at the Dalby debate and had asked the first question. One could only treat this type of anti-League hysteria as some type of a sick joke, to be treated with a touch of soothing humour. It was reported that Dr. Wallman nearly had apoplexy after a letter signed by "*Disturbed Mother*" appeared in *The Chronicle* appealing for help: her children were having nightmares calling out "*Mummy, Mummy, will the evil League of Rights come and get us? Could Dr. Wallman help?*" Loud gusts of laughter swept the Darling Downs. The author of the letter was the ever-humorous Jeremy Lee.

AT LAST - DAVID IRVING'S "GOEBBELS DIARIES" AVAILABLE

Zionist Jews have made no secret of the fact that they were determined to stop any mainstream publishing house from publishing British historian David Irving's work on the Goebbels Diaries. When the Goebbels Diaries were located in Moscow, eventually it emerged that Irving was the only man capable of transcribing Goebbels' peculiar style of writing. When the London *Sunday Times* published extracts from the diaries as provided by Irving, Jewish outrage flooded out. Tremendous pressure was brought to bear on *The Sunday Times* to break a contract they had signed with Irving.

It was becoming clear that Zionist Jewish strategy was to try to deprive Irving of his financial base. The loss of mainstream British publishers had forced Irving into setting up his own publishing company in the United Kingdom. But the big market for a book like *The Goebbels Diaries* is in the USA. Irving had managed to find a mainstream publisher, St. Martins Press in New York. Tremendous Zionist pressure was brought to bear on the publisher, who initially refused to be moved. They said that they could see nothing "anti-semitic" about the book, which presents Goebbels as one of the most evil of the Nazi party. This is one of the most important historical works ever presented on Hitler's Germany. David Irving has excelled himself with his documentation. But in the end St. Martins' Press capitulated to Zionist Jewish pressure.

Through David Irving's Australian publishing representative, Veritas Publishing Co. Pty. Ltd., the League of Rights has managed to obtain a limited supply of *The Goebbels Diaries*. It is beautifully produced with photos never previously published. The hardback edition sells for \$60 posted. A deluxe edition, a real collector's item, is \$80 posted. *The Goebbels Diaries* is available from all Australian League addresses. Those interested are urged to use their local State League address. The postage is heavy and those buying at League functions will save themselves \$5.

BOOK NOW FOR 50TH LEAGUE OF RIGHTS ANNIVERSARY CELEBRATIONS

The League of Rights is living evidence that "a glimpse of reality", first given to the world by C.H. Douglas, towards the end of the First World War, has been carried forward by the League over the last fifty years. Celebrations to mark the fiftieth anniversary of the formation of the League in 1946, will start in Melbourne with the *New Times* Dinner, to be held on Friday, October 2nd. This dinner will be held at one of Melbourne's leading hotels, The Sheraton. A first class three-course dinner will be served. The charge is a moderate \$35 per person, which must accompany bookings. There will be a number of outstanding speakers at the Dinner, which is a "family function", open only to League supporters and their relatives. The organisers reserve the right to decline any booking.

The *New Times* Dinner will mark the beginning of a weekend packed with events relating to every aspect of the League story. There will be a comprehensive display of historical material. Older supporters who believe that they have any memorabilia, which might be displayed, are requested to contact the League as quickly as possible. Plans are being made for the showing of several historical films.

All private accommodation has now been taken, but arrangements can be made for first class economy accommodation in Melbourne close to the League main events. The best air and other transport charges are available providing bookings are made early enough.

THE REALISM OF SIR JAMES GOLDSMITH

There are some real pearls of wisdom in Sir James Goldsmith's book, *The Trap*. Commenting on the failure of the North American Free Trade Agreement, which he predicted, he writes: "NAFTA is a typical case of mutual poisoning. Submarines are built with watertight compartments so that a leak in one area will not spread and sink the whole vessel. Now that we have globalised the world's economy, the protective compartments no longer exist."

THE GOLDSMITH FACTOR

Sir James Goldsmith, the billionaire financier, can only be described as one of those unrehearsed events in history. A study of his book, *The Trap*, reveals the views of a man who can only be described as unconventional on a wide range of issues, from free trade to organic farming and religion.

Goldsmith has badly upset a British Major government staggering towards defeat at the next general elections (it suffered badly at the recent Municipal elections), by proposing to finance a team of candidates pledged to support a British referendum on whether the United Kingdom should continue with the European Common Market project. *The Sunday Express* claims that a poll it had conducted revealed that Goldsmith could defeat leading Common Market advocate David Melior. News of the poll was disturbing for Prime Minister Major and his colleagues. Melior had said that Goldsmith would "fall on his face" if he challenged him. The poll findings came 24 hours after former Foreign Secretary Douglas Hurd had made a major attack on Goldsmith, echoing the view of the German Chancellor, Helmut Kohl, that a "retreat to nationalism" could lead to another war, charging that it was nationalism and protectionism which had resulted in Hitler. The truth is that it was not protectionism which created the Great Depression, but the financial policies of the Wall Street international bankers. American Vice President Al Gore has made the allegation that it was an increase in tariffs, which had caused the depression. He was attempting to defend President Clinton's support for the North American Free Trade Agreement.

British Conservative party leaders are afraid that the Goldsmith factor is going to split the party, and that if the Conservatives lose the elections the party will split into two parts. Growing British opposition to the Common Market is being assisted by growing confusion on the Continent as depression conditions result in growing unemployment.

"I am suggesting a return to a form of agriculture that substantially reduces the use of pesticides, chemical fertilisers, Pharmaceuticals such as hormones and antibiotics, and the products of biotechnology . . . When productivity is measured in terms of production per acre, or of energy consumed or capital invested, smaller farms show greater productivity."

- James Goldsmith in *The Trap*.

MESSAGES FOR "NEW TIMES" DINNER

Large numbers of people who would dearly love to be present at the historical New Times Dinner on October 3, the beginning of a series of events commemorating the 50th Anniversary of the establishment of the League of Rights, will for various reasons be unable to attend. However, they can be present in spirit by sending suitable messages. These messages will not only be read and displayed over the anniversary week-

end, but will be reproduced in a special issue of *The New Times*. All those who wish to be associated with this historic project are requested to send their messages to the League's national address, Box 1052J, G.P.O., Melbourne, Australia 3001, in advance of the Dinner. The organisers will require adequate time to prepare for display purposes.

C.H. DOUGLAS'S PREDICTIONS ON INFLATION

Although many people were introduced to Douglas's work as the result of the deflationary credit policy which produced the Great Depression of the thirties, Douglas's proposals were not merely designed to prevent depressions; they were "the policy of a philosophy", a philosophy which conceived of the individual as a sovereign being able to exercise individual initiative and to make the economic and financial systems subordinate to his genuine desires. In his early works, Douglas warned that attempts to make the economic and financial systems work by continuous expansion of new financial credit for an "expanding economy" and to maintain "full employment" must inevitably have disastrous results from the point of view of the individual.

Events have certainly proved Douglas correct, as witnessed by the following selected extracts from his book, *Credit Power and Democracy*, written in 1920:

. . . The first thing to note is that all these concerns (manufacturing enterprises) are distributing purchasing-power to individuals, in the form of wages and salaries, ahead of production, which causes a rise in the price of existing ultimate commodities, the only commodities that individuals buy; or, to put it in the way described above, all money existing is diluted. Secondly, they are distributing this purchasing power obtained out of "credit" largely (and this is increasingly true) in respect of capital production - i.e., things which in themselves are of no use to consumers: tools, factories, etc. The community as a whole, therefore, is producing and being paid for real capital as well as ultimate products, and much of the real capital is permanent and survives the lifetime of its producers.

Now consider these points in connection with the proposition . . . that the current flow of wages, salaries and dividends is less than the current flow of price values of articles produced - bearing in mind the fact that *prices* vary between a lower limit represented by cost of production and an upper limit defined by "what they will fetch" - i.e., effective demand. It will be seen . . . that the wages and salaries (already insufficient to buy the whole of production) tend to be diluted in value until they represent the subsistence allowance of the persons concerned; in other words, total prices of ultimate commodities barely necessary for the accepted standard of life tend to equate themselves to the total effective purchasing-power of individuals, and this is true even if dividends to individuals are included and are widespread. Consequently, and this is the all-important point we wish to make, *although the unregulated system of credit-issue and price-making distributes purchasing power both in respect of capital-production (tools, factories, intermediate products) and ultimate products (necessaries, services, amenities) it takes back in the prices of ultimate products only, practically the whole of this purchasing power*, leaving the community, considered as a permanent institution, in the position of having bought both the plant and the product, but having only got delivery - i.e., control - of the product. Such a state of affairs so long as it continues makes the control of the policy of the world in the interest of the community a mere sentimental chimera - no nationalisation, guildisation or any other administrative manipulation can affect the existing control otherwise than to introduce friction into it (at the cost of everyone

concerned) so long as the prices of ultimate products - the taking back of purchasing power derived from credit - are equal to or greater than "costs" - the dispensation of purchasing-power derived from credit. Further, the existing control is semi-automatic; every increase of credit-expansion on these terms means a greater capital-production and a proportionately smaller use of that capital to deliver ultimate products.

- Chapter 3.

. . . To understand the trend of the present system from the standpoint of policy, in the light of the above analysis, we must notice that it results in keeping the majority of persons employed approximately eight hours per day either in producing, distributing or safeguarding what is admittedly a deficient supply of ultimate commodities and this in spite of the advancement of science and its application to Production. We see also that, whatever the amount of these ultimate commodities produced, and however much cash the community earns, the aggregate prices of mere consumption goods can be made to equal the aggregate earnings in respect of the production of both capital goods and consumption goods, either by keeping the articles in short supply or making monopoly arrangements to set prices at a "suitable" level; but, in any case, prices of capital goods plus prices for consumption goods are in excess of available cash demands because of the credit factor in the prices; a relation which results in the control of plant and improved process passing from the producers, as fast as produced, into the hands of the credit-mongers and the price-makers, rather than into the hands of the community to whom it belongs in the nature of things. This concentration of control being assisted by a short supply of ultimate products until competition is finally eliminated, those having control have every inducement to deliver the minimum quantity of goods at the highest obtainable prices, so long as these, in the aggregate, absorb the distributed purchasing-power.

- Chapter 4.

Numerous other quotations could be given from Douglas's earliest works, predicting the present inflation, the growth of monopoly, and growing speculation. While the financial aspects may be difficult to comprehend by those who have never stopped to ask whether financial

rules reflect reality, the fundamental economics of the situation should be clear to any reasonably intelligent person: The true cost of producing anything is consumption. This is a self-evident truth. Using current economic terms, the real cost of any given unit of production is the amount of man-hours involved. If the number of man-hours involved in producing the basic requirements of life are reduced, then it is physically possible for the individual to (a) have greater free time to engage in activities of his own choosing, or (b) to be put to work in the time saved in producing things which are of no personal benefit. If policy (b) is imposed, this means that, no matter how much the real cost of producing consumer goods is reduced, the individual can never obtain the full benefit of this because he is forced to engage in unnecessary economic activities in the time saved. The progressive rise in the price level merely reflects the underlying economic realities, which force the individual to "pay" for desired production by increasing undesired production.

And so far from attacking this vicious exploitation of the individual, all the "progressive" movements of the world such as Socialism intensify the exploitation with their cry for "full employment" and their attacks on the profit and dividend idea. The present financial and economic policies lead straight to the complete totalitarian State, just as Douglas predicted. The end result cannot be avoided while present financial and economic policies are pursued.

HOLOCAUST DOUBTS GROW

It is unlawful to express doubts about the "Jewish Holocaust" in France. But France's equivalent of Mother Theresa, the venerable Abbe Pierre, well known for his defence of the poor, has reiterated his support for a book by an old friend, Roger Garaudy, the distinguished French philosopher, who in his book, *The Founding Myths of Israeli Politics*, disputes that 6 million Jews were killed during the Second World War, and says that calling the Nazi crimes "genocide" is exaggerated. The state of the Christian Church in France may be judged by the fact that the Roman Catholic hierarchy has distanced itself from Abbe Pierre; issuing a statement, which said that many people believed that Father Pierre represented the Church because of the moral authority he had gained through his words and actions. During the Second World War he fought in the Resistance, helping Jews and others to escape from the Nazis. For four consecutive years he has led opinion polls as the most popular man in France.

In their statement the Bishops said that the Church "cannot accept being compromised in this way," adding

that they regretted and deplored the Priest's action. This retreat by France's Roman Catholic Bishops will further encourage the mounting Zionist Jewish offensive against Christendom.

THE UNCOMMON MAN

"A general planning a campaign has to reckon up the numbers in his armies. He has to accept the myth of the common man.

"A myth can be very useful, so long as we know it for a myth; but when we begin to mistake it for a reality, it becomes dangerous. To treat people as if they were all alike is the way of the dictator in a totalitarian country, and the way of a bureaucrat in a country, which may delude itself into thinking it is a democracy.

"The fundamental fact about human nature is not to be found in our likeness but in our differences. After you have finished talking about the brotherhood of man, open your eyes and look at your brothers, and recognise that you belong to a family of which no two members are alike. Look at yourself and recognise that the essence of you, what makes your personality, is not what you have in common with other men but what is peculiar to yourself.

"In other words, you are an uncommon man.

"Democracy does not mean the rule of the common man . . . there is no such person. Democracy is the form of government that gives the utmost possible freedom to the uncommon man."

C.H. DOUGLAS.

INTERNATIONAL BANKERS BACK YELTSIN

In March of this year the Russian Yeltsin government extended a huge \$12 billion loan from the International Monetary Fund. The IMF loan, to be disbursed over three years, was accompanied by a multi-billion dollar loan from major Western governments. Germany, already Russia's largest creditor, was the most generous lender. In what is described as an "historical deal", it has been agreed that the maximum period of debt repayment to Western governments can be extended to twenty-five years, although most maturities will have to be repaid in twenty years. The "tidying up" of Russia's massive foreign debt is clearly designed to help Yeltsin survive the coming Russian presidential elections.