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

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WHAT IS THE PROBLEM?

by Eric D. Butler

C.H. Douglas observed that a problem correctly stated is already half solved. Most economists are honest, decent individuals who do not beat their wives and do what they think is best for their children. But they endorse policies, which result in increasing disasters, irrespective of which brand of economic theory they espouse. There is a general consensus among economists that "growth" is essential for an economy, which wishes to avoid what is termed a depression. Growth is essential to provide employment. But economists are constantly haunted by the fear that too much growth results in "overheating" the economy and big inflation rates, these requiring measures such as high interest rates and other measures in an attempt to slow down the rate of credit-money-creation. The problem is compounded by high unemployment levels, which are now a feature of all societies in industrial nations.

The growing dilemma, which contains the seeds of complete social disintegration, is summarised in a recent article by Ian Henderson, an economist who writes regularly for *The Australian*. Henderson writes: *"The Reserve Bank of Australia faces an unwelcome predicament. It is satisfied inflation is under control and provides a sound basis for strong growth, but fears this could lead to demands for a bit more growth at the expense of a bit more inflation, given that high unemployment is still the main economic problem"*. The reality is that "controlled" inflation, which continues at a rate, which once was regarded as disastrous, has only been achieved by imposing depression conditions. Real unemployment is higher than the official figures indicate. Part-time employment has become increasingly commonplace.

Worse Than The Great Depression?

Even those involved in attempting to operate a highly centralised global financial system are indicating that they are increasingly apprehensive about the future. The National Institute of Economic and Industry Research predicts that, because interest rates are too low and are encouraging high consumer debt, Australia is threatened by an economic downturn in 2001 which will be worse than the Great Depression of the thirties. Founded by Melbourne University economists, the Institute's predictions are being supported by several other investment advisers. Dr Peter Brain of the National Institute warns that the present low interest rates, with the Reserve Bank probably moving towards one further reduction, is taking the nation towards a major depression. *"We are over stimulating now and we will get higher growth for a while in the economy, but the end result will be a recession lasting at least eighteen months in the year 2001."*

The learned Dr. Brain says the government should be using high taxes to regulate the economy. The Australian people are

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.

being steadily conditioned to accept the "inevitability" of "tax-reform". Such reforms will further depress a general standard of living, which has been progressively forced downwards.

The world's most influential Central Banker, Alan Greenspan, has conceded that a highly centralised international banking system is increasingly vulnerable to even minor policy changes. Recent statements by Greenspan speculating on a policy change in Federal Reserve interest rates had stock markets round the world in a state of near frenzy. The following statement by Greenspan is highly significant:

"We have no tolerance for error in our electronic payments system. Like a breakdown in an electric power-grid, small mishaps create large problems. Along with other central bank colleagues, we are always looking for a way to reduce the risks that the failure of a single institution will rocket round the world, shutting down much of the world's payment system and significantly undermining the world's economies..."

The more Australia becomes locked into the "world economy", the more vulnerable it becomes to "errors of judgment" in Wall Street, or other parts of the world. Like the alcoholic who will do anything to solve his problem except ceasing to consume alcohol, the centralist not only reacts to the problems created by centralism by refusing to reverse centralist policies but insists that the problem can only be solved by further centralisation. This is similar to the alcoholic claiming that his problem can only be solved by increasing his consumption of alcohol. The growing crisis now gripping what remains of Civilisation was correctly predicted by C.H. Douglas at the end of the first major disaster of this violent century, the First World War. The test of true science is correct prediction. Why has Douglas consistently been proved correct, while the economic "experts" have been proved consistently wrong? The answer is elementary: Douglas asked the right questions about economics, and objectively analysed the economic system, pinpointing the major defects.

What Is The Basic Problem?

What, then, is the basic problem concerning an economic system, which so worries the orthodox economists? There is no suggestion that the economic system, assessed as a productive system, is not producing sufficient goods and services to maintain an adequate standard of living. Every industrialised nation has such a surfeit of production that the most bizarre forms of advertising are used in a desperate attempt to persuade people to buy what they really do not want, or cannot afford. Various forms of credit schemes have been evolved which enable people to obtain goods already produced, such schemes contributing to the total debt of the community. Without a progressive expansion of debt the economy would collapse completely.

The most fundamental question of all concerning economics is: *"What is the true purpose of a productive system?"* If the true purpose is to provide those goods and services which consumers have chosen through the use of what might best be termed their "money-vote", then why is this question confused by the insistence that an economic system is failing because it has not provided employment? There was a

time when the stated objective of the economists was to provide "full employment". It is now agreed that this is no longer practical. However, the economists continue to insist that as much employment as possible is necessary to prevent the economy from collapsing. But the reality is that ever since the dawn of the industrial revolution, engineers and scientists have been striving to find ways and means of producing goods and services with less and less human labour. Robots operated by computers are the logical end product of an endeavour to reduce the importance of human labour in the production system. When James Watt and his colleagues started to harness the power of his steam engine they were attempting to abolish human labour as a major factor in the production system. This has now been achieved in modern industrial societies. The major factor today is inheritance, what Douglas described as the "cultural inheritance". This takes numerous forms.

Physical Realities

The physical realities are that adequate production to maintain civilised living can easily be provided with a small proportion of the population engaged in the productive system. A world of leisure in which the individual could fully employ himself is physically possible. What, then, is the problem, which prevents Mankind from enjoying an inheritance, which is rightly his? To suggest that a shortage of money is the problem is a manifestation of a form of Black Magic, based on the superstition that unless sufficient money, created by the banking system, is made available, physical reality is impossible.

The real problem is a spiritual one. Unable to deny the reality of the situation confronting mankind, those with their hands on the levers of increasingly centralised power insist that something for nothing is evil, and that the individual cannot be trusted with access to his rightful inheritance. Or they resort to one of their favourite clichés that Douglas's proposals for correcting a problem he had accurately diagnosed were "too simplistic". The answer to this type of arrogance was provided 2,000 years ago with advice that those who wished to enter the Kingdom of God should become as little children. Douglas stressed the importance of individual integrity, of facing Truth as it is, observing that it was found more often in little children than in adults. Hans Andersen's delightful fable about the Emperor's new clothes has the child naturally and truthfully saying that the Emperor was in fact naked when everyone else had been conditioned to believe that they could not see the wonderful clothes because they were too stupid. As it was in Christ's time, the worldly, the sophisticated, the "better-educated", pour scorn on those who draw attention to the real problem in today's industrialised society.

But eventually Christ's simple message revolutionised the human drama. When enough individuals grasp the criminal absurdity of financial policies, which deny truth, and, like Hans Andersen's little boy, shout out loudly that those responsible for the present plight of the world stand naked in the face of truth; mass-madness will start to give way to sanity. It will take time, but every individual who boldly bears witness to the Truth NOW will be playing a decisive role in shaping the FUTURE.

THOUGHTS OF DOUGLAS

Not long before C.H. Douglas died, several Australian Social Crediters called upon him and presented him with a selection of extracts from his works, each section being a synopsis of his views in different areas. There were eight parts to the work, the final being entitled "*World Control*". History records that at different phases of an on-going world drama, Mankind has thrown up that rare individual who sheds a clear light on major developments. Clifford Hugh Douglas was one of those rare individuals. If civilisation is to survive through the crisis which Douglas predicted, it is essential that a sufficient number, not necessarily large numbers, thoroughly familiarise themselves with the essence of what Douglas said. In an attempt to assist both older and newer readers, we propose in coming issues to republish selections from *The Thoughts of Douglas*. This is part of an in-depth educational programme upon which we are embarking.

PART 1.

THE POLITICAL AND ECONOMIC PROBLEM - GENERAL SURVEY

(From "*Economic Democracy*", 1st edit. (1920) by C. H. Douglas)

... It is suggested that the primary requisite is to obtain in the re-adjustment of the economic and political structure such control of initiative that by its exercise every individual can avail himself of the benefits of science and mechanism; that by their aid he is placed in such a position of advantage, that in common with his fellows he can choose, with increasing freedom and complete independence, whether he will or will not assist in any project which may be placed before him.

The basis of independence of this character is most definitely economic; it is simply hypocrisy, conscious or unconscious, to discuss freedom of any description which does not secure to the individual, that in return for effort exercised as a right, not as a concession, an average economic equivalent of the effort made shall be forthcoming.

Institutions Exist To Serve Individuals **Chapter 2.**

... Accepting this statement (systems were made for men and not men for systems) as a basis of constructive effort, it seems clear that all forms, whether of government, industry or society must exist contingently to the furtherance of the principles contained in it. If a State system can be shown to be inimical to them - it must go; if social customs hamper their continuous expansion - they must be modified; if unbridled industrialism checks their growth, then industrialism must be reined in. That is to say, we must build up from the individual, not down from the State.

It is necessary to be very clear in thus defining the scope of our inquiry, since the exaltation of the State into an authority from which there is no appeal, the exploitation of public opinion which at the present time is frequently manufactured for interested purposes, and other attempts to shift the centre of gravity of the main issues; these are all features of one of the policies which it is our purpose to analyse. If, therefore, any condition can be shown to be oppressive to the individual, no appeal to the desirability in the interest of external organisation can be considered in extenuation; and while cooperation is the note of the coming age, our premises require that it must be the cooperation of reasoned assent, not regimentation in the interests of any system, however superficially attractive.

The Policy of Centralisation of Power **and its Effects**

... The second great factor in the changes, which have been taking place during the final years of the epoch just closing is

undoubtedly the marshalling of effort in conformity with well-defined principles They may be summarised as a claim for the complete subjection of the individual to an objective which is externally imposed on him; which it is not necessary or even desirable that he should understand in full; and the forging of a social, industrial and political organisation which will concentrate control of policy while making effective revolt completely impossible, and leaving its originators in possession of supreme power.

This demand to subordinate individuality to the need of some external organisation, the exaltation of the State into an authority from which there is no appeal (as if the State had a concrete existence apart from those who operate its functions), the exploitation of "public opinion" manipulated by a Press owned and controlled from the apex of power are all features of a centralising policy commended to the individual by a claim that the interest of the community is thereby advanced...

Thus far we have examined the psychological aspect of control exercised through power. Let us turn for a moment to its material side. Inequalities of circumstance confront us at every turn. The vicious circles of unemployment, degradation and unemployability, the disparity between the reward of the successful stock-jobber and the same man turned private soldier, enduring unbelievable discomfort for eight pence a day, the gardener turned piece-worker, earning three times the pay of the skilled mechanic are instances at random of the erratic working of the so-called law of supply and demand.

In the sphere of politics it is clear that all settled principle other than the consolidation of power, has been abandoned, and mere expediency has taken its place. The attitude of statesmen and officials to the people in whose interest they are supposed to hold office, is one of scarcely veiled antagonism, only tempered by the fear of unpleasant consequences. In the State services, the easy supremacy of patronage over merit, and vested interest over either, has kindled widespread resentment, levelled not less at the inevitable result, than at the personal injustice involved.

In its relations with labour, the State is hardly more happy. In the interim report of the Commission on Industrial Unrest, the following statement occurs:

"There is no doubt that one cause of labour unrest is that workmen have come to regard the promises and pledges of Parliament and Government Departments with suspicion and distrust."

In industry itself, the perennial struggle between Capital and Labour, on questions of wages and hours of work, is daily

becoming complicated by the introduction of fresh issues such as welfare, status and discipline, and it is universally recognised that the periodic strikes which convulse one trade after another, have common roots far deeper than the immediate matter of contention. In the very ranks of Trade Unionism, whose organisation has become centralised in opposition to concentrated capital, cleavage is evident in the acrimonious squabbles between the skilled and unskilled, the rank-and-file and the Trade Union official.

Although the diversion of the forces of industry to munition work of, in the economic sense, an unproductive character has created an almost unlimited outlet for manufactures of nearly every kind, it is not forgotten that before the war the competition for markets was of the fiercest character and that the whole world was apparently overproducing; in spite of the patent contradiction offered by the existence of a large element of the population on the verge of starvation (*Snowden Socialism and Syndicalism*), and a great majority whose only interest in great groups of the luxury trades was that of the wage-earner.

The ever-rising cost of living has brought home to large numbers of the salaried classes problems, which had previously affected only the wage earner. It is realised that "Labour-saving" machinery has only enabled the worker to do more work; and that the ever-increasing complexity of production paralleled by the rising price of the necessities of life, is a sieve through which out and forever go all ideas, scruples and principles, which would hamper the individual in the scramble for an increasingly precarious existence.

We see, then, that there is cause for dissatisfaction with not only the material results of the economic and political systems, but that they result in an environment which is hostile to moral progress and intellectual expansion; and it will be noticed in this enumeration of special evils, which is only so wide as is necessary to suggest principles, that emphasis is laid on what may be called abstract defects and miscarriages of justice, as well as on the material misery and distress which accompany them. The reason for this is that the twin evil (Common more or less to all organised Society) of servility is poverty, as has been recognised by all shades of opinion amongst the exponents of Revolutionary Socialism. Poverty is in itself a transient phenomenon, but servility (not necessarily, of course, in manner) is a definite component of a system having centralised control of policy at its apex; and while the development of self-respect is universally recognised to be an antecedent of any real improvement in environment, it is not so generally understood that a world-wide system is thereby challenged. In referring the existing systems to the standard we have agreed to accept, however, it seems clear that the stimulation of independence of thought and action is a primary requirement, and to the extent to which these qualities are repressed, social and economic conditions stand condemned as undesirable.

Chapter 3.

We are thus led to inquire into environment with a view to the identification, if possible, of conditions to which can be charged the development of servility . . . and in this inquiry it is necessary to avoid the real danger of mistaking effects for causes, and, further, to beware of seeing only one phenomenon when we are really confronted with several.

BASIC FUND REACHES TARGET

A stream of last minute smaller contributions, plus substantial contributions from several who had already given, swept the Basic Fund past the target of \$65,000. As we go to press a few apologetic late contributors are also donating. An estimated surplus of at least \$5,000 will be most helpful in financing the League's expanding programme. The League Directors wish to thank all those who, during a time of downturn in the economy provided such an inspiring example of dedicated giving. We are pleased to report that the League has no outstanding debts, and that over the past twelve months it has added to its assets. The League's 1964 Toyota Crown, which travelled an estimated two million miles, has been replaced with a more modern vehicle. Literature stocks have been increased, all publications being of a permanent value. No other political movement provides such a wide range of literature on such a variety of subjects. Recent meetings by Eric Butler in Southern Queensland, Northern N.S.W. and Northern Victoria confirm his view that there has been a dramatic change in the Australian political climate, one of the highlights of this being the Victorian State by-election in Gippsland, with a dramatic swing of 13 per cent against the Liberal government. In a desperate attempt to avert defeat in what has been rated as one of the safest Victorian electorates, Premier Kennett ordered senior Cabinet colleagues to visit the electorate and to man the polling booths, but all to no avail. An analysis of the voting figures confirms the view of those who believe that the death of the National Party everywhere is imminent.

In his assessment of the current Australian political situation, Eric Butler says that over 50 years of educational work by the league of Rights has planted seeds, which are now starting to germinate. *The faith of those who never lost hope over long and sometimes bleak years has been confirmed. What also has been confirmed is the prediction of the founder of the Social Credit movement, C.H. Douglas, that events would be the primary factor in changing the course of history."*

The Fallacy of Socialism

For instance, that from the misuse of the power of capital many of the more glaring defects of society proceed is certain, but in claiming that in itself the private *administration* of industry is the whole source of these evils, the Socialist is almost certainly claiming too much, confounding the symptom with the disease, and taking no account of certain essential facts. It is most important to differentiate in this matter, between private enterprise using capital, and the abuse of it.

. . . The danger which at the moment threatens individual liberty far more than any extension of individual enterprise is the Servile State; the erection of an irresistible and impersonal

organisation through which the ambition of able men, animated consciously or unconsciously by the lust of domination, may operate to the enslavement of their fellows.

Nationalisation Not the Remedy

... In attacking capitalism, collective Socialism has largely failed to recognise that the real enemy is the will-to-power, the positive complement to servility... and that nationalisation of all the means of livelihood, without the provision of much more effective safeguards than have so far been publicly evolved, leaves the individual without any appeal from its only possible employer and so substitutes a worse, because more powerful, tyranny for that which it would destroy.

It is a most astonishing fact that the experience of hundreds of thousands of men and women in such departments as the Post Office . . . has not been sufficient to impress the public with the futility of mere nationalisation.

World-wide Movement towards Centralised Control

" . . . Because the control of capital has given power, the effect of the operation of the will-to-power has been to accumulate capital in a few groups possibly composed of large numbers of shareholders, but frequently directed by one man; and this process is quite clearly a stage in the transition from decentralised to centralised power. This centralisation of the power of capital and credit is going on before our eyes, both directly in the form of money trusts and bank amalgamations, and indirectly in confederation of the producing industries representing the capital power of machinery. It has its counterpart in every sphere of activity; the coalescing of small businesses into larger, of shops into huge stores, of villages into towns, of nations into leagues, and in every case is commended to the reason by the plea of economic necessity and efficiency. But behind this lies always the will-to-power, which operates equally through politics, finance or industry, and always towards centralisation....

Chapter 4.

. . . We are, therefore, faced with an apparent dilemma, a world-wide movement towards centralised control, backed by strong arguments as to the increased efficiency and consequent economic necessity of organisation of this character (and these arguments receive support from quarters as widely separated as, say, Lord Milner and Sydney Webb), and, on the other hand, a deepening distrust of such measures bred by personal experience and observation of their effect on the individual. A powerful minority of the community, determined to maintain its position relative to the majority, assures the world that there is no alternative between a pyramid of power based on toil of ever-increasing monotony, and some form of famine and disaster; while a growing and ever more dissatisfied majority strives to throw off the hypnotic influence of training and to grapple with the fallacy which it feels must exist somewhere.

Personality and Organisation.

Now let it be said at once that there is no evasion of this dilemma possible by the introduction of questions of personality - a bad system is still a bad system no matter what changes are made in personnel. The power of personality is susceptible of the same definition as any other form of power,

it is the rate of doing work; and the rate at which a given personality can change an organisation depends on two things; the magnitude of the change desired, and the size of the organisation. As it is hoped to make clear, the effect of a single organisation of this pyramidal character applied to the complex purpose of civilisation produces a definite type of individual . . . Pyramidal organisation is a structure designed to concentrate power, and success in such an organisation sooner or later becomes a question of the subordination of all other considerations to its attainment. For this reason the very qualities which make for personal success and the attainment of a position of authority will result in any strong effort to change the operations of the organisation in any external interest, and the progress to power of an individual under such conditions must result either in a complete acceptance of the situation as he finds it, or a conscious or unconscious sycophancy quite deadly to the preservation of any originality of thought and action.

It cannot be too heavily stressed at this time that similar forms of organisation, no matter how dissimilar their name, favour the emergence of like characteristics, quite irrespective of the ideals of their founders, and it is to the principles underlying the design of the structure, and not to its name or the personalities originally operating it, that we may look for information on its eventual performance.

The Methods of Industrial Organisation

. . . It may be well therefore to consider briefly the usual methods, which the modern industrial system has developed to deal with the organisation of large numbers of individuals to the end that their combined effort may result in commercial success.

Very broadly the main difference lies between what may be defined as the military and the functional systems of control, or some combination of the two, and these involve an interesting difference of conception.

As we have seen, the development of industrial activity has been very largely a practical application of the economic proposition in regard to the division of labour; the "military"

"THE ASIANISATION OF AUSTRALIA"

by Denis McCormack

As one of its numerous services to the Australian people, the League of Rights financed the publication of Denis McCormack's in-depth study of the long-term programme for the Asianisation of Australia. Denis McCormack's study, presented at the 20th Annual Conference of the Asian Studies Association of Australia, at the La Trobe University, Melbourne, on July 10th 1996, was read into Federal *Hansard* by Mr. Graeme Campbell, founder of the Australia First Party, on October 28, 1996. No attempt has been made by anyone to refute Denis McCormack's documentation and arguments. This explosive document must be placed in the hands of all responsible and concerned Australians.

Available from all League of Rights' State book services; \$6 posted.

organisation conceives a large business or Government Department as an aggregation of human units to carry out on a large scale that which one immensely able and versatile man could do on a small scale, and, broadly considered, the perfect organisation of this character would be derived by dissecting the various attributes of the perfect one-man business, making each of them a Department, and staffing them with men who in the aggregate, represented nothing but an expansion of that attribute. Fortunately, the perfect organisation of this character has yet to appear, but the effect to endeavour to achieve it has quite definitely left its mark on civilisation... and the development due to the unbalanced exercise of one set only of perhaps many, many abilities resident in the human unit, is a very different factor in the existing discontent and one which, if perpetuated, could only be increased by wider education.

A little consideration will at once suggest that this type of organisation carried out to its furthest limits is pyramid control in its simplest form, and if it is clear that successive grades or ranks decreasing regularly in the number of units composing each grade, until supreme power and composite function is reached and concentrated at the apex, are definitely characteristic of it.

The next step is to split the functions of the higher ranks so that each unit therein becomes the head of a separate little pyramid, in every case, however, eventually centralising power and responsibility in one man, representing the power of finance and of control over the necessities of life.

Several points are to be noticed in the conditions produced by such an arrangement: Firstly, there is fundamental inequality of opportunity. The more any organisation, whether of society as a whole, or any of the various aspects of it, approaches this form the more certain is it that there cannot possibly be any relation between merit and reward - it is, for instance, absurd to assume that there is only one possible head, for each railway company, Government Department, or great industrial undertaking. There is no doubt whatever that the intrigue which is a commonplace in such undertakings has its roots almost entirely in this cause, and contributes in no small degree to their notorious inefficiency.

Another objection, which becomes increasingly important, as the concentration proceeds is the divorce between power and detail knowledge. This difficulty is recognised in the appointment of official and unofficial intelligence departments, which, of course, are in themselves the source of further abuses

... It will be seen, therefore, that we have in the industrial field a double problem to solve; while retaining the benefits of mechanism for productive purposes, to obtain effective distribution of the results and to restore personal initiative.

General Dissatisfaction of Worker and Consumer Chapter 5.

... Quite apart, therefore from all questions of payment, there has grown up a spirit of revolt against a life spent in the performance of one mechanical operation devoid of interest, requiring little skill, and having few prospects of advancement other than by the problematical acquisition of sufficient money to escape from it.

The very efficiency with which factory operations have been sectionalised has resulted in a complete divorcement between the worker and the finalised product, which is in itself conducive to the feeling that he is part of a machine in the

"ON TARGET" for the actionist

We are often asked where interested people can attend League of Rights functions. Information concerning League meetings, Seminars, Social Dynamics schools, Conservative Club meetings, the latest important literature, or action programmes in which the individual can participate, can be found in the regular League of Rights' weekly newsletter, "On Target". It provides a regular intelligence service of outstanding quality. There is a week-to-week commentary on current affairs in politics and finance. The cost is only \$30 annually. Order from Box 1052J, Melbourne 3000.

final output of which he is not interested. His foreman and departmental heads are from the largeness of the undertakings almost inevitably out of human touch with him, while all the well-known phenomena of bureaucratic methods contribute to maintain a constant state of irritation and dissatisfaction . . .

Chapter 8.

. . . Bearing these distinctions (between consumers and producers) in mind it will be recognised that there are no two separate lines along which to attack the situation presented by the dissatisfaction of the worker with his conditions of work, and not less serious discontent of the consumer with the machinery of distribution; and these may be called mediaevalism and ultra-modernism.

Mediaevalism seems to claim that all mechanical progress is unsound and inherently delusive; that mankind is by his very constitution compelled under penalty of decadence, to support himself by unaided skill of hand and eye. In support of its contentions it points to the Golden Age of the fourteenth century in England, for example, when real want was comparatively unknown, and green woods stood and clear rivers ran where the slag-heaps of Widnes or Wednesbury now offend the eye and pollute the air. When arts and crafts made industry almost a sacrament, and faulty execution a social or even a legal offence; when the medium of exchange was the Just Price, and the idea of buying in the cheapest and selling in the dearest market, if it existed, was classed with usury and punished with heavy penalties.

While appreciating the temptation to compare the two periods to the very great disadvantage of the present, it does not seem possible to agree with the conclusion of the Mediaevalist that we are in a cul-de-sac from which the only exit is backwards; and it is proposed to make an endeavour to show that there is a way through, and that we may in time regain the best of the advantages on which the Mediaevalist rightly sets such store, retaining in addition a command over environment, which he would be first to recognise as a real advance; a solution which may be described as Ultra-Modernist.

Analysis of Existing Difficulties

In order to do this, certain somewhat abstract assumptions are necessary, and it has been the object of the preceding pages to present as far as possible the data on which these assumptions are made. They are as follows:-

(1) The existing difficulties are the immediate result of a social structure framed to concentrate personal power over

other persons, a structure which must take the form of a pyramid. Economics is the material key to this modern riddle of the sphinx because power over food and housing is ultimately power over life.

(2) So long as the structure of Society persists, personality simply reacts against it. Personality has nothing to do with the effect of the structure; it merely governs the response of the individual to conditions he cannot control except by altering the structure.

- (3) It follows that general improvement of *conditions* based on personality is a confusion of ideas. Changed personality will only become *effective* through changed social structure.
- (4) The pyramidal structure of Society gives environment the maximum control over individuality. The correct objective of any change is to give individuality maximum control over environment.

EMU - THE CRUCIAL ISSUE

by Donald Neale in "The Social Crediter", Jan-Feb. 1997.

Election year in the UK sees Economic and Monetary Union (EMU) set to dominate British politics, eclipsing all other media-prompted topics. It has provoked long-standing divisions within the two main contending parties and has caused the emergence of the Referendum Party and the UK Independence Party.

Yet the hidden menace of EMU to the future of the UK and the British people is rarely, if ever, spelt out in clear and simple terms. There are always some important but secondary, transient problems such as BSE and the beef ban or fishing quota-hopping to claim attention and obscure the crucial issue. Economics and Monetary Union is now the foremost stated objective of the European Union. It is designed to be achieved in stages, the third and final stage at present being set for 1999. The objective of EMU is epitomised in the phrase "*Single Currency*". But behind that phrase lies the carefully contrived pyramid of financial government by remote control detailed in the Articles and Protocols of the Maastricht Treaty. These provide for the establishment of a European System of Central Banks (ESCB) and a European Central Bank (ECB). Their respective constitutions, objectives, duties and tasks are clearly defined in the treaty. In particular, their totally independent status is guaranteed by Article 107, which reads:

"When exercising the powers and carrying out the tasks and duties conferred upon them by this Treaty and the Statute of the ESCB, neither the ECB, nor a national central bank, nor any member of their decision-making bodies shall seek or take instruction from Community institutions or bodies, from any government of a Member State or from any other body. The Community institutions and bodies and the governments of the Member States undertake to respect this principle and not to seek to influence the members of the decision-making bodies of the ECB or of the national central banks in the performance of their tasks." (Emphasis added).

Article 109A defines the composition of the Governing Council of the ECB as the Governors of the national central banks together with the President, Vice-President and four other members of the Council of the European Union. Their term of office is fixed at eight years, not renewable. A similar provision to that quoted above ensures the independence of the European Monetary Institute (EMI), the forerunner of the ECB, already established to monitor the finances of member states during the transitional period before the final stage of integration begins.

It is startlingly clear from the foregoing that entering the single currency would entail far more than just saving transaction costs on foreign exchange dealings. What is at stake is nothing less than surrender of control by national

governments over their own economic and monetary policies, and abdication of their responsibilities in favour of unelected and unaccountable monetary functionaries. This is precisely in line with the "one world" policy of the international bankers, described in some detail in our last issue, of removing all control over the creation and manipulation of money and credit from democratically elected governments. It would establish a legally entrenched financial dictatorship over all the nations in the European Union.

Clear indications of what that will entail are given by the prevailing public discontent in Germany and France with the effects of government cutbacks on public spending, imposed to meet the Maastricht strait jacket for joining the single currency. The Treaty provides that, to be eligible, nations must demonstrate that for two years before the 1999 deadline, their budgetary deficit does not exceed 3 per cent of GDP, and their total indebtedness is not more than 60 percent of GDP.

In desperate attempts to meet these criteria by 1997, the two leading protagonists of EMU have so trimmed their budgets as to provoke demonstrations and riots by workers in the streets. In Germany, there have been widespread strikes, mainly led by I.G. Metall, the powerful engineers' union with 3.5 million members. The immediate issue is threatened cuts in sick-pay benefits, but other issues loom. One is government reluctance to meet demands for tax cuts because of its difficulties in fulfilling the Maastricht criteria, to which it is nevertheless committed.

In France, similar demonstrations have occurred as unemployment rises to 12.5 per cent of the working population. In an article in *The Times* of 19 October 1996, Richard Binns notes that "The air of depression in *La Belle France* is overwhelming . . . The hotel and restaurant industry (the country's largest in terms of income and employees and its largest foreign currency earner) is in crisis." His analysis leads him finally back to the UK and to ask, "In view of all the earlier invalidating evidence, why does Mr. Clarke persist in his delusion that our best interests are linked to a single currency and a European Union?"

By contrast, in the UK, the Chancellor of the Exchequer has twice rejected the recommendations of the Governor of the Bank of England to raise interest rates - a good example (irrespective of any electoral considerations) of the accountable politician exercising his political responsibility over the financial functionary, the functionary being on tap, not on top. But the same Chancellor knows that the Maastricht Treaty requires that the Bank of England must soon be given its independence as a prelude to the inauguration of a similarly

independent European Central Bank, and that thereafter the power of decision making is to be wholly vested in the ECB, without regard to any political influence from any quarter, including national governments. Yet Mr. Clarke reputedly remains staunchly pro-Europe and in favour of a single currency.

Short of military defeat, it is barely possible to envisage any more complete surrender of national independence and democratic government and this is the real issue behind the phrase "single currency".

The critical question electorates must ask themselves is this - is the economy to be run by unelected, unaccountable, irreplaceable, financial functionaries in Europe? Or is control to be retained at Westminster (or Paris, or Berlin, etc.) by politicians subject to democratic pressures and to removal from

office for policy failures?

Describing this as "the most important economic issue for fifty years or more", John Major reiterated recently "We do have an absolute right to say "No" to a single currency and if it is not in our national interest to join, we will say "No". But it is far more a constitutional issue than an economic one.

The Labour Party is hedging its bets till after the election. Decision time will arrive soon after. As matters stand at present, that decision will be irrevocable. Then we are faced with a major step towards world government by remote control and the further consolidation of a malign financial system, which holds the entire world in its debt.

What do the British people have to say about this betrayal of their historic independence? And how are they going to say it?

DAVID IRVING ON THE OFFENSIVE

British historian David Irving is making it clear that so far from retreating from the world scene under Zionist Jewish pressure, he is mounting a number of offensives. A USA District Judge has ordered the owners of the huge Expomart exhibition hall in Pittsburg, Pennsylvania, to cease their attempts to prevent Irving from attending the annual military exhibition there and showing his many works of history to the thousands of collectors who attend the show from all over the world. Irving has been attending this exhibition for the past six years. He has sometimes been asked to speak.

The District Judge made the pertinent comment that *"This is not Germany and not Canada. This is the United States of America and freedom of speech is still not a criminal offence here."*

Amidst all his lecturing activities and correspondence, Irving still manages to handle interviews from all over the world, at all times of the day and night, while maintaining a heavy writing programme. His latest work, on the Nuremberg Trials is, according to his Australian representatives, on its way to Australia. We will announce when it is available for sale.

But Irving has launched a major counter-offensive against his Zionist Jewish attackers, with a court action against the British Jewish Board of Deputies. He has unravelled documentary evidence that he has been the victim of a concerted international conspiracy. His legal action could result in the most sensational trial of the century, one with explosive international implications. Even Australian Prime Minister John Howard may find himself with a large amount of egg on his face.

ZIONIST JEWS BLACKMAIL SWITZERLAND

According to the *London Financial Times* of January 13, Edgar Bronfman, Chairman of the World Jewish Congress, had a meeting on January 10 with Thomas Borer, the Swiss Ambassador to the United States. It was at that meeting that Bronfman demanded a \$250 million compensation fund to be set up in advance of the research, which Switzerland had agreed to, to determine if Jewish assets had been mishandled since the end of World War II. This was naked blackmail and attempted extortion.

The Zionist controlled Clinton administration has been used in an anti-Swiss campaign. There has been leaked material from American archives designed to prove that Switzerland was pro-German during the Second World War. Back in December of last year a prominent Jewish legal firm approached the Federal Reserve Board of New York requesting that the bank suspend all USA banking licenses and charters of the major Swiss banks. The chairman of the Federal Reserve Board is Zionist Jew Alan Greenspan. The suspension of the licenses of the Swiss Banks would effectively close them down, an unprecedented action, which as yet has not been carried out. Before leaving office, the Swiss President, Jean Pascal Delamura described the Zionist Jewish demand as "blackmail" and attempted "extortion".

The Swiss President appeared to indicate that he had some understanding of what was an international conspiracy. He said, *"This matter has one leg in Washington and one in London, where it was a matter of nothing less than trying to demolish Switzerland's status as a financial centre."* The Zionist assault on Switzerland and its banking system may well open up a Pandora's box with revelations concerning the activities of International Finance in which Zionists have played a prominent role.

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