

A WEEKLY COMMENTARY



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The Price of Freedom is Eternal Vigilance

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Thought for the Week: 'The machines are capable of making the goods, but the unemployed cannot buy them because they lack money, and to them a situation which should be one of freedom and leisure, appears disguised as one of economic catastrophe.'

-The Whole World in (Debt) Gold Chains By Major C.H. Douglas in "Manchester Despatch" 1920s

Are We at War with Ourselves? By Neville Archibald

I have quested after what it means to be evil, what is sin, what is incompetence, and what reasons can be used as excuses for a failing civilization. Our world appears to have reached a pinnacle and is now developing into a morass of both confusion and self gratification!

In a previous article I touched on leadership and it's role in the damage being done, I asked you to look at your role, your responsibility. For you to lead by request, or to lead by ensuring your voices are heard at all government levels. I still stand by this request; but, I begin to wonder whether there are still enough of us to do so?

I stumbled across a video documentary on Iain McGilchrist, the divided brain.

<https://www.youtube.com/watch?v=1MkMtuYZkwU>

Those of you who have been following our articles and 'The Crossroads' talks at:

https://alor.org/Storage/Library/PDF/McGilchrist_Interview_by_Iain_McNay.pdf

and <https://thecross-roads.org/home/tcr-2024/tcr-2022-episode-49>

will know we have spoken on this before. I have read some of his works and thought I had a reasonable understanding of what he is telling us; however, this talk, jolted me into a greater understanding of what we are seeing at this point in our civilization. We are in a predicament that is more than just the corruption of a few at high levels. We are not simply facing a mild mannered conspiracy to control

a populace, so as to have them then slave away for the benefit of an elite class.

Our own response mechanisms have been compromised to the point that many among us now, do not even have the ability to discern the problems we are facing, let alone find real answers. We have been and continue to be conditioned to fight among ourselves, a battle for survival in a world of 'business'. This has been a development long in the making and subtle in the extreme. It has been led by an altering of the very way in which we think. To truly understand it we need to look at historical instances of advances in civilization. The reasons behind our leap into a better world and why they actually happened. I am not talking scientific breakthrough or practical inventions which allowed us to improve our lot, I am talking about the mindset that allowed us to make these often unrelated leaps into the unknown and expand our understanding of things around us. Our desire to harness science at this point, has far outstripped our desire to remain at harmony with our neighbours and correctly use what we create.

I gather that this may seem like a complicated and cerebral pondering, but it is at the core of our current problem. Do we have the mindset today to actually make a change for the better?

For many years I have asked myself if today's Australia is capable of having a constitutional convention of equal depth of understanding that occurred during the 1890s. We consider ourselves far more educated now, we see ourselves as a 'better' class of people, no longer as biased or colonial, if those terms fit. We have been led to believe we should be capable of being dispassionate and accepting of all lifestyles as alternatives; but, are we as capable of being understanding of human nature and what it means to live together peacefully? Is it possible that we can still be firm in our protection against unwelcome practices, the things that would destroy us if given free reign.

The limitations needed on our own selves and on that of those of influence, may very well be seen as restrictive of personal choice, or harmful to some professional pursuits, such as the worship of money and profit over that of actual societal development. The right to succeed in business by any means necessary, despite potential harms it may inflict.

We see these things daily and yet do not bat an eye! Advertising is a classic means of promoting this; take for example an add for hotel bookings: one customer pays far more for the same room than another, simply because of a 'booking app' on his phone or computer. The expectation is that the 'smart' one looks for the best 'deals'. They both have the same needs met, the same service provided, but one pays far less. On the surface this looks acceptable, but the deeper message is that it is okay to price gouge. It is okay to alter at will the value of the service provided and thus devalue the money used to obtain it. Weights and measures aside, the concept of what the market will bare, turns into what we can get away with!

Move this into the sphere of societal cohesion and we see it has a detrimental

effect on the confidence of our money's value, and on the social acceptance of goodwill in trading. Snake oil salesmen or charlatans, who ruin trust wherever they go, are allowed to become a normal part of life. Fleecing a customer because you can, is seen as smart business practice.

Here, I may well be told to grow up and face reality, everyone is doing it. You may be right, but the confidence we have in one another is a value that holds us together and keeps us advancing, instead of becoming degraded in a dog eat dog battle for survival. Why would we wish to go backwards in social cohesion, are we truly like dogs, fighting among ourselves over the thrown scraps from a table. Do the large corporate entities that sponsor this type of 'discounting' benefit? You bet they do! They deflect the anger or frustration at the high cost of things among the people using or buying them, while still charging enough to make envious profits. Most likely, over and above what many, if they took the time to think about it, would consider a fair price. It most definitely benefits the global forces of monetary control. If the dollar has a fluctuating purchasing ability, we all will scabble for more in anyway we can. The sin of greed is multiplied inside the very society that really just wishes for 'a fair go'.

Our once Christian ethic of do unto others, has taken on a new slant; more tit for tat, or eye for eye, than love thy neighbour! We then wonder why our hard work is not really rewarded like it used to be. We look to the 'billionaires', the 'clever' people who have become rich by exploiting this new ethic, to provide insight and wisdom in how to deal with this failing. Sure that their experience will provide a solution to our woes, after all, they have done well! They are considered astute, no nonsense, wealth gatherers, able to make the hard decisions, after all it is, 'just business!'

We separate the concepts of 'Just Business' and JUST! Business. We have lost that first entry in the dictionary, the adjective: what is right, fair, proper, correct. Am I now in Goody-two-shoes country, no place for old men? Or am I deluding myself that people wish to live together in peace? I do not believe that both those two word phrases can exist together in peace. We either accept fair dealing for all or we get exactly what we are seeing now! A fair go for money power, greed will succeed!

At the turn of the previous century, the politics of Australian development was being fought over this exact thing. Andrew Fisher and others like him, had seen the results of 'money' in power and wanted better. The outcomes of the actions of the 'landed gentry' of their English influenced past, forced them to fight to make a better place, by overturning those very concepts.

Granted, the use of advertising and education to subvert us has bombarded us for decades; however, our own very eyes have watched these goings on and somehow normalised it for us. Our ability to see when things are wrong still functions, it is more that we do not. Many I have spoken to can point out things that shouldn't be, but the lack of will to speak up or take action has overtaken us! We are afraid of being seen as too soft for this world we now inhabit. Kindness is being seen as a weakness

to be exploited!

When did this become acceptable? When did we stop wanting community and start isolating ourselves from others in castles with the artificial walls of opposing teams, not just political teams, but teams of all description, competing against others instead of collaborating with them, to achieve a fully rounded society where you can pick and choose any number of things to be a part of, without limiting others from doing the same. To me that is the true meaning of 'do unto others', when I consider wider society.

Wolves in Sheep's Clothing By Neville Archibald

This leads me into another observation for the current times. If you have been watching the alternative media and many of the so called freedom press commentators, some are beginning to show me who they really are.

From a stance on some 'freedom' subject, they are now branching out to support particular solutions, or at least, a direction to take.

I have noticed many of the financial cures proposed are simply more of the same, with an emphasis on less corruption, more responsibility. Words like recession and building our way back, roll off the tongues smoothly.

I am reminded of a man, '*once described as the worlds greatest treasurer*' (opinion piece UNSW 20 Nov 2013) and his comment, "*This is the recession we had to have*". Paul Keating immortalised that line 25 years ago on November 29, 1990. (*The Sydney Morning Herald* Dec 1st 2015)

At the time you could have been forgiven for thinking he was full of himself, and that the press and financial gurus of the time were in awe. Move on to today and ask yourself what lasting impression did he make? We are still bobbing up and down in a sea of fiscal challenges, none of the solutions, touted over and over again have ever solved the problem for long. I, in fact, say none have ever solved the problems at all. It is only ever a matter of time before we once again rise or fall due to the same financial tweaking (or should I say Twerking!), for that is how I am beginning to see them.

The proposed solutions often centre around what America is doing, and how they are finding all this corruption to remove. Our world has become smaller to the point that as a global response we copy each other blindly. Not seeking our own truths, but latching on to what others are doing and trying to emulate them without asking serious questions as to why we do so.

In the hunt for wasted monies, the USAID inquiry celebrates million dollar victories and is eager to point out serious mishandling of taxpayer money. They are winning enormous brownie points and making a 'feel good' contribution to 'recovery'.

What I don't get is the pennies to dollars nature of these discoveries! Admittedly, corruption removal and it's associated savings are good, don't get me wrong, but the

casting of copper coins to we beggars in the streets, will not pay the National debt or change the nature of its increase. Twenty years from now it will still be increasing or the population will be being milked even harder than before this 'clean out' happened.

With a debt of \$36.22 trillion (<https://fiscaldata.treasury.gov/americas-finance-guide/national-debt/>) the savings being touted are a small percentage. How small?

36,217,410,341,236. is the debt.

115,000,000,000 is the saving being touted.

Do the math, it equates to 1/315th. So if they can make these savings every year, for 315 years, they might be able to pay off the debt.

Not counting of course the interest figures each year or the continued borrowing needed to stay where they are in economic terms. Nor does it include new spending to 'build back better'.

The real question here is the system itself, the Keynesian economic principles that continue to fail us and give us this boom to bust cycling.

Each of the people out there with proposals for our salvation have nothing to offer if it is simply more of the same, dressed up in new terms, or in invigorated old terms. The definition of insanity is doing the same thing over and over and expecting a different outcome.

Keynesian Economics must make way for a system that works for the benefit of the individual and reflects real world production and consumption, not a continued dive into debt for every nation. Once you see this disparity between reality and the current financial system you will be looking for answers. Educate yourselves! ***

<https://alor.org/Storage/Library/Douglas%20CH%20-%20The%20Whole%20World%20in%20Debt%20Chains.htm>

Debt, Purchasing Power and Global Trade - A Favourable Balance of Trade? By William Waite

There is probably no situation which highlights the irrationality of modern debt economics better than that of international trade. To understand international trade one needs to keep in mind that every industrialised country in the world operates from a position of gross financial insolvency. This debt pervades society from top to bottom. From the local butcher to the largest government in the world. It means that instead of countries peacefully trading surplus goods for mutual advantage, nations, and their governments, are under constant pressure to maximise export sales for purely financial gain. Every industrialised nation in the world is making more than they can sell locally. This is true for two reasons. Machine production is prolific. It can and usually does produce more than can be beneficially consumed locally. The other reason has to do with the price system. In short, making the things doesn't provide consumers money enough to buy them.

This is problematic. If inventories can't be cleared the businesses involved in producing them will go broke. They won't borrow money, employ people, pay taxes

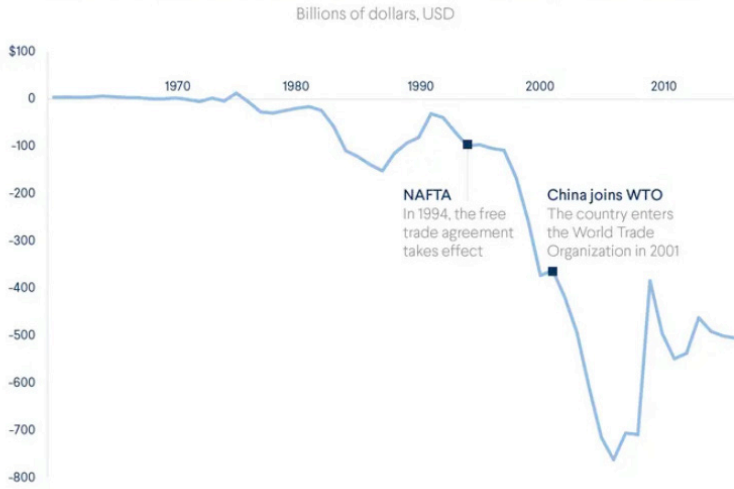
or participate in any of the other delights required for national economies to tick over. The answer then to heading off economic decline is to find export markets for goods that can't be consumed at home, and to protect local markets from other nations doing the same.

In addition to getting rid of an unsellable surplus the often-overlooked advantage of export sales is that the exporter receives money that does not have a corresponding debt balance in their home country. This “debt-free” money increases purchasing power at home empowering local trade and employment. Conversely, when a nation imports foreign goods the benefits are reversed. Already insufficient purchasing power leaves the country and what remains is the residual debt. To make matters worse local goods must compete with imported goods in a consumer market with even less buying power than before. To illustrate a difficult concept. It's no secret that the Australian economy is dependent on resources exports to China. When China buys Australia's ores she is paying for them with money that has been borrowed/created in China. When that money comes to Australia the debt stays in China while the credit component is sent here. The Australian economy is enriched with purchasing power to the value of the export sales and, to the same extent, the Chinese economy is drained of it. Finally global trade as it currently operates completely subordinates the real economy to the abstractions of the debt money system. The whole world is fighting each other in order to offload their real wealth as quickly as possible in exchange for scarce currency. Once again we find the complete inversion of reality. This doesn't only include goods that can be loaded onto planes and ships. Valuable public assets, land and infrastructure are also up for grabs in pursuit of foreign exchange. We're more than willing to sell the milk, the cow and the farm in pursuit of the favourable balance of trade.

In this light we can briefly examine Trump's bellicose rhetoric with respect to trade with Canada. In his view the US\$63 billion trade deficit the U.S. operates with Canada is a deadloss as far as the U.S. economy is concerned. This is why he is saying America 'subsidises' Canada. He does not consider the real value of the energy, machinery, steel or vehicles that are being sold by Canadians to American businesses as being of any considerable value at all. Talking about trade with Canada he says “we've been ripped off for years, we're not going to be ripped off anymore.”¹ To the extent you can assume a strategy in what Trump says he might be signalling that America is no longer willing to rack up trade deficits as a service to the global economy. The chart below shows that since the mid 1970s, after Bretton Woods came apart, the United States has run trade deficits in order to soak up the surplus production of other countries. With the consuming power of the American population and the world's reserve currency they are uniquely placed to play the role of loser in the global trade game. In 2024 the U.S. trade deficit was a record US\$1.2 trillion.² If the American gravy train were to pull up we could find a serious glut of goods with nowhere to go which could have serious downstream effects on the global

economy.

U.S. Goods and Services Trade Balance, 1960–2016



The world's leadership and all in its thrall is wedded to the view that the only proper way to distribute goods and services is via employment but this runs against the automatic nature of industrial production and its tendency to displace labour. It is a mathematical certainty that as automation proceeds a smaller and smaller part of production costs will be paid to consumers as incomes, while at the same time the volume of production will increase.

It is a situation in which pressure inevitably builds. Douglas lists the necessity for full employment and export markets as the two components leading to military war:

*So long, then as we are prepared to agree, firstly, that the removal of industrial unemployment is the primary object of statesmanship, and, secondly, that the capture of foreign markets is the shortest path to the attainment of this objective, we have the primary irritant to military war always with us, and, moreover, we have it in an accelerating rate of growth, because production is expanding through the use of power machinery, and undeveloped markets are contracting.*³

As we've seen exports get rid of surplus production and enable nations in peace time to approach the goal of full employment. While a country maintains a favourable balance of trade it also helps ameliorate the problem of consumption. What about war? War serves the first two objectives and, since the financial establishment will always provide debt for war and armaments, temporarily solves the consumption problem as well. This is why Douglas warns that "military war is an intensification of economic war and differs only in method and not in principle." What he's saying is that trade war and military war are scenarios on the same trajectory. A trajectory we appear to be on. What is the influence of the American armaments industry, with their factories in thirty or more American states, on foreign policy decisions

concerning Israel and Ukraine? It isn't none.

Why can't we avoid all this trouble and just finance consumption directly? With a measured supply of sufficient consumer buying power we could produce the quantity and kind of consumer goods and services we want backed by certainty of stable home markets. Surpluses that might fill shortages in other countries could be sold, but the wealth of nations needn't be developed to depend on export markets. There are various reasons why we can't do this but I think the immediate reason for our failure to solve the problem comes back to the nature of bank credit. Specifically, that money creation requires repayment and so must be underwritten by some productive investment or security that returns money. C. Marshall Hattersley in *Wealth, War and Want*:

A bank is a commercial and not a philanthropic undertaking, and every banker's "promise to pay" must, except for the small part covered by tangible assets, be covered either by investments or else by the promises of people to pay currency to the banks. Every issue of new money therefore reflects additional individual or collective debt to the banking system and debt requires a promise to and usually security for repayment. This requirement is fulfilled when money is advanced to a manufacturer or security of his factory, for the underlying idea is that the debt will in due course be repaid out of the prices realised for the goods produced. But money issued directly for consumption would be money intended to be spent on perishable goods – on the practical affairs of living.

It would not be intended to be repaid to the issuer. How could a banker advance money on such a basis and remain solvent?²⁴

A national dividend issued outside of the banking system to make up the price/income gap would not need to be repaid to rent taking financial institution. It would allow for the consumption of locally produced goods independent of the necessity for employment and the requirement to run machines to pay incomes. Finally machine production could be subordinated to consumer demand rather than a power-hungry financial system.

It would be a mistake to imply that the solution is merely to fix a technical problem with finance. The financial system operates as a global government which has been drawing power to itself for hundreds of years. The Golden Internationale, as it has been called, is the one ring to rule them all. Governments, especially of this sort, do not readily relinquish power.

1. Trump 'won't bend' on Canada tariffs, 51st state talks heat up. https://youtu.be/mN_9J4rAZKI
2. Debarros, A. Santilli, P. March 2025. The countries driving the 1.2 trillion dollar trade deficit in goods. Available from: <https://www.wsj.com/economy/trade/us-trade-import-export-deficit-charts-490a7bce>
3. Douglas, C.H. 1979. *The Monopoly of Credit*. Bloomfield Books, England.
4. Hattersley, C. M. 1937. *Wealth, Want and War — Problems of the power age*. The Social Credit Coordinating Centre, York.