



ON TARGET

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A Programme For Reversing Inflation By Eric D Butler

The following paper was presented by Mr. Eric Butler, National Director of The Australian League of Rights, at a Country Party Seminar held in St. George, Queensland, on Feb. 19, 1971

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There is today an orgy of double-talk concerning the subject of inflation. At present we are witnessing what can best be described as an elaborate public relations exercise by the Federal Government in an endeavour to convince the Australian people that effective steps are being taken to solve the growing problem of inflation, a problem which at present bears heaviest upon much of the rural community, but which also is having far-reaching political, economic, and social impacts upon Australia as a nation. It has been truly said that those who do not learn from history, are doomed to continue repeating the mistakes of history.

Before we take seriously the Federal Government's claim to be taking steps which will solve the inflation threat, we might recall with profit that a definite policy "to put value back in the pound" was a major factor in the Liberal-Country Party Coalition being first elected to office in 1949.

The Liberal-Country Party Coalition had not been in office for very long before the rate of inflation was increasing. Like Prime Minister Gorton, Prime Minister Menzies staged a spectacular public relations exercise, meeting with representatives of different sections of the Australian community. Even the Christian clergy were invited to take part in a national conference on halting inflation. But it was all in vain; inflation continued. And inflation will continue following the present Federal Government's public relations exercise. This definite prediction can be made simply because there is no proposal to correct the basic causes of inflation. And those responsible for advising the Federal Government, the official experts, do not believe that inflation can be ended. They are wedded to the Keynesian concept of operating the finance-economic system with a policy of "controlled inflation".

The analysis of the finance-economic system and the limited objective proposals, which I am presenting in this paper, has been criticized by the type of experts whose record of advice to governments is one of consistent disaster. It is only a few months ago that Australian electors were being assured that the 1970 Budget brought down by the Gorton Government was designed to curb inflation. Those electors who had the effrontery to write to their Members of Parliament, asking in astonishment how inflation could be curbed by increasing transport costs through

increased petrol taxes, or by increasing postal charges, were sent almost patronizing letters from the Federal Treasurer — at least he signed them, although they were drafted by his Treasury official experts — explaining how eventually the increased costs would reduce “excess” demand and thus curb inflation. Now the Government is forced to admit that its experts were completely wrong. Inflation has increased; it has not been curbed.

Churchill’s Admission

The record of the economic experts recalls the famous confession by Winston Churchill in the House of Commons on April 21, 1932 : “When I was moved by many arguments and forces in 1925 to return to the gold standard , I was assured by the highest experts that we were anchoring ourselves to reality and stability, and I accepted their advice... What has happened? We have no reality , no stability...Are we to be told that human civilization and society would have been impossible if gold had not happened to be an element in the composition of the globe? These are absurdities, but they are becoming dangerous and deadly absurdities. They have only to be asserted long enough, they have only to be left ungrappled with long enough, to endanger the liberties and enjoyments and prospects , in my belief, of the vast masses of the people.”

A Churchill is required at Canberra to make a similar confession: to point out that it was the official experts who were responsible for the Great Depression of the ‘thirties’, a disaster imposed by financial policy, out of which came Nazi Germany and the Second World War. The experts offered all types of reasons for the breakdown of the economy, including the suggestion by one learned professor that sunspots might have something to do with the situation! Any suggestion of expanding the nation’s money supply, even by only a few million pounds, so that men and women might get access to the abundance they had produced, or easily could produce, was denounced as dangerous and inflationary. Within a few short years the experts were again overtaken by events, and thousands of millions of pounds were created and made available so that the nation could make a maximum war effort. Reality even forced the introduction of a system of consumer subsidies on basic items in the economy, thus resulting in comparative price stability right through until 1947. ¹ As the experts resisted the 1949 promise by the Liberal-Country Party Coalition to restore consumer subsidies as part of the programme “to put value back into the pound”, subsequent events have proved that the experts are hopelessly incompetent, or are consciously pursuing policies which are leading direct to the centrally-planned totalitarian state, with all power at Canberra—exercised by themselves with the politician little more than a rubber stamp.

Marxists Welcome Inflation

Over the twenty years from 1950 we have seen, and painfully experienced, a variety of suggestions from the experts concerning inflation. We were told that by working harder, saving more, becoming more efficient, inflation would be brought under control. There have been “horror budgets” and “credit squeezes”. But the

inflationary process continued, as it has in every nation. As all nations are basically following the same finance-economic policies, it is not surprising that they are getting the same increasingly disastrous results. Lenin is credited with the statement that inflation is Communism's secret weapon. It is certainly true that the continued use of inflationary financial policies must within a comparatively short period destroy the very foundations of the free society and its institutions, such as private ownership, effective Local and State Government, and the rule of law.

We are indebted to one of the most brilliant Marxist theoreticians, the late John Strachey, for a clear exposition of the peril confronting us if Keynesian "controlled inflation" is persisted with. Welcoming the theories of Lord Keynes as a contribution to the Marxist revolution, Strachey wrote in his Programme for Progress that inflationary credit expansion policies were "an indispensable step in the right direction" because "the loss of objectivity, and the intrinsic value of the currency which is involved (i.e. inflation) will sooner or later make necessary, on pain of ever-increasing dislocation, a growing degree of social control...for the partial character of the policy will itself lead on to further measures. The very fact no stability, no permanently workable solution can be found within the limits of this policy will ensure that once a community has been driven by events to tackle its problems in this way, it cannot halt at the first stage, but must of necessity push on to more thorough going measures of reorganization." ²

Those concerned with the future independence of the Australian rural communities would be well advised to study that statement by John Strachey carefully. They will then realize that the "reconstruction" programme for the Australian rural industries is a cruel hoax. It is elementary that if inflation continues, the "reconstructed" bigger primary producing units of today will become "uneconomic" tomorrow. At least Sir William Gunn has been honest about this. He has on several occasions expressed the view that irrespective of the label of the politicians at Canberra, inflation will continue. In a seminar on rural problems in Perth last year (1970), he said that because he accepted inflation as inevitable, he had now come to believe that a "revolutionary" approach to the problems of the Australian wool industry was essential. In private correspondence he frankly states that with continuing inflation he expects wool production to take place on progressively bigger properties. Once we accept the premise that inflation is inevitable, Sir William's logic is impeccable. Marxist John Strachey is correct when he says that there are no permanently workable solutions to our economic and other problems within the framework of inflationary financial policies. This is a basic truth, which must be accepted by all those who wish to make a constructive solution to Australia's growing problems.

A problem correctly stated is a problem already half solved. Most of the comment concerning inflation deals with effects, and ignores causes. Sometimes effects are listed as causes, and so we have people criticizing the wage earner for seeking increased wages. As we will see, increased wages stimulate inflation further, but do not basically cause it. Then there is the claim that profits are too high. A little

arithmetic demonstrates that total profits distributed amongst all wage earners would not go very far. ³ And the attempt to divide them would wreck industry. However, as wage, profits and price control have been tried under the Wilson Socialist Government, and could not halt inflation, although they did produce major economic dislocation, it is surely an insult to common sense to look for a solution with these types of government controls.

The first essential is to understand how the present finance-economic system attempts to work. Inflation is a financial phenomenon, not an economic one. Every primary and secondary producer knows that measured in a realistic manner, the real cost of production per unit has progressively been reduced as real efficiency has been increased. Whether measured in terms of production per acre, production per animal, production per man-hours worked, or a combination of all three, the primary producer generally has done all the experts asked. Much of the real over-production is the result of intensifying merely to try to offset continuing inflation.

Now as financial measurement does not reflect this greater efficiency, our examination of basic causes must start with money. And here we immediately run into the most appalling ignorance. We have politicians, even the Federal Treasurer, putting their signatures to what, without being offensive, can only be described as dangerous nonsense. ⁴ The claim is made that the amount of money which can be made available by the banking system is limited by the amount of money first deposited. No reputable authority on banking attempts to deny today that the bulk of a modern nation's money supply is created in the form of bank credit and is destroyed when bank loans are repaid. Professor A.L.G. Mackay, in his textbook, *Economics*, writes: "In this way, by means of a loan, an advance, an overdraft, or by the cashing of bills, the banks are able to increase the volume of deposits in the community, and because of this process it is not correct to say that a bank loans out deposits which people make with it. It is clear that it creates the deposit by the issue of the loan; the loan travels back to the bank or to another bank and assumes the form of a deposit."

The creation of the major part of a community's money supply in the form of financial credit, figures written in bank ledgers, and the use of cheques provides the most efficient and flexible money system that it is possible to envisage. But it is a system, which can either be used to ensure that the individual obtains the results he desires from his economic activities, or it can be used as a powerful instrument of centralized control.

The rate of credit creation and general credit policy is dictated by the Reserve Bank. ⁵ We have now what is in reality a semi-nationalized banking system. The essence of a money system is that it is a ticket system for distributing the wealth produced by individuals through their economic system. A railway ticket is a convenient method of distributing a special type of wealth: a seat in a train for a certain distance. The ticket is but a useless piece of cardboard unless there is a railway service upon which to make a claim. No railway organization runs trains

half empty and tells would-be customers that this is made necessary by a shortage of tickets. Nor are a number of tickets issued for one seat. The number of tickets issued reflects the real wealth available in the form of seats. And at the end of the journey, after the service has been used, the tickets issued are destroyed. Money is but a more generalized form of ticket and realistically should reflect the creation and consumption of wealth. The rate of creation and cancellation of money should be related to the rate of production and consumption. As will be shown, the ever-increasing rate of expansion of debt is irrefutable proof that this is not the case. Money is anything which people will readily accept confident that they can exchange it for goods and services. It has taken many forms throughout history, beginning probably with cattle, which were regarded both as basic wealth and as money. The owner of the wealth originally issued his own leather discs as money to represent his cattle. The word pecuniary is derived from the Latin *pecus*, meaning cattle. A money system makes a much more efficient economic system possible. But it should never be overlooked that an economy is possible without a money system, but a money system is useless without an economy.

Robinson Crusoe's first concern was not to find money, but to obtain enough food and shelter. Believe it or not, we have recently had an example of a modern economy continuing to operate even while all the banks were closed. From April 30, 1970, until November 17, 1970, the Irish banks were closed completely because of a strike of employees. This strike was no novelty for the Irish as they had a bank strike for seven weeks in 1951 and for twelve weeks in 1966. The 1970 strike of six months, during which period the Irish economy continued to operate, resulted in the establishment of a Commission to examine how the Irish continued to operate their economy without the banking system. What happened was, of course, that every man practically became his own banker. Cheques continued to be written and accepted by hotel-keepers, supermarkets and other business organizations. As one reporter observed: "This was a return to basic economics, if not quite to the barter stage. It put to the test the maxim 'Cash is only a small part of banking, trust is the greater party'."

The basic features of the present finance-economic system are sound. But the system can only work satisfactorily if in the course of producing goods and services, adequate purchasing power is distributed so that consumers can readily purchase what they have produced. There is a constant propaganda to attempt to persuade people that inflation is caused "by too much money chasing too few goods". But upon being questioned those who present this view cannot point to anyone admitting that he has too much money, and to any sector of the economy, which has not produced more than sufficient, or could easily do so. There is, for example, no shortage of primary production. Primary producers are being penalized for being too efficient! Hundreds of millions of dollars being spent annually by advertisers desperately tempting consumers to buy the production available. The modern production system is increasingly based upon automatic and semi-automatic

machines powered by solar energy, is easily able to provide the individual with adequate economic security and growing freedom. The Second World War provided a glimpse of what is possible. The enormous productive capacity devoted to the Second World War has been measured in financial terms. It would have provided:

- **A \$24,000 house.**
 - **\$8000 worth of furniture.**
 - **\$40,000 in cash for every family in the United States, Canada, Australia, Britain, Iceland, France, Germany, the Soviet Union and Belgium.**
- In addition, each city in these countries with over 200,000 population could have been given a cash donation of \$150 million for public needs such as hospitals, schools and Libraries. ⁶**

When we consider the tremendous increase in productive capacity since the end of the Second World War, we can gain some concept of how the finance-economic system is being badly misdirected.

The Burden of Expanding Debt

The most striking financial reflection of the major defects in present finance-economic policies is that economic collapse can only be averted by an ever-expanding rate of debt. Classical history abounds with many examples of the destructive influence of debt. The debt and taxation burden played a major role in the erosion of the base of the Roman civilization. Shakespeare wrote of England making a shameful conquest of herself “through inky blots and rotten parchment bonds”. There was no national debt in England before the establishment of the Bank of England in 1694, one founder frankly stating that he and his colleagues would have the benefit of lending money created out of nothing. The great British statesman Edmund Burke in his *Reflections on the French Revolution* warned of the dangers of a growing sea of debt. Perhaps the greatest Englishman of last century, William Cobbett, the great countryman, records in his *Rural Rides*, of how last century the English farmer was being “reconstructed” through the power of increasing debt. Progressive economic centralization, of which rural “reconstruction” is but a part, does nothing whatever to reduce the growing burden of debt; it simply means fewer primary producers bear the burden of the debt, and are, therefore, much more vulnerable to centralized pressures. The same applies to government.

Since June 1950, until June 1969, total public indebtedness in Australia increased from \$1,870 million to \$19,112 million. Not only is the rate of expansion accelerating, but the States, municipalities and semi-government bodies are bearing the biggest increases. The interest being paid on the public debt in 1950 was \$206 million; in 1969 the interest bill had soared to \$879 million. One of the major factors in the expanding interest bill is the progressive increase in interest charges. From June 1949, when the interest rate stood at 4 1/2 percent, there has, with the exception of 1963, when it was slightly reduced from 7 percent to 6 1/2 percent, the increase has been upwards to the present figure of 8 1/4 percent. Nearly doubling the bank interest rate in 20 years has clearly helped to stimulate inflation, not reduce it.

The total indebtedness of the Australian people—public and private debts—at June 1969 was approximately \$50 million. Those who believe that the present finance-economic system distributes sufficient purchasing power to meet prices of production and liquidates debts might ponder on the fact that the total amount of money in the hands of the Australian people at June 1969, was \$13,970 million. Their total debts were at least four times greater than the amount of money in their possession. Like a man on drugs, they can only avert a breakdown in the economy by increasing injections of the debt “drug”. In 1950 *The Commonwealth Year Book* does not even list the hire purchase debt. During 1970 Australians’ total hire purchase debt passed \$4000 million. Today’s production, already in the shops, can only be acquired by mortgaging tomorrow’s incomes—and paying exorbitant interest charges.

Canberra’s Taxation Monopoly

It is the Commonwealth’s monopoly of taxing powers, which is enabling it to finance its activities and Commonwealth capital works, out of taxation, while forcing the States, municipalities and semi-governmental bodies to go deeper into debt. In a Ministerial Statement in the Victorian Parliament on March 10 1970 Liberal Premier Sir Henry Bolte, charged that all parties at Canberra, Liberal, Labor and Country Party, were now centralists. He gave charts and figures showing how over the period of June 1950, to June, 1969, States debts have quadrupled from \$2,484 million to \$10,676 million, while over the same period the net debt of the Commonwealth had fallen from \$3,586 million **to a credit of \$204 million**. Sir Henry also said, that “An analysis of present State debt indicates that, with some variations between States, the net revenues derived by the States from their activities in which loan moneys are invested are barely adequate to cover half the debt servicing”.

One of the most iniquitous and inflationary financial policies of the Federal Government is to loan taxes to the States, with the result, as recently observed by the Victorian Minister for Education, Mr. L. Thompson, for every \$1,000,000 loaned by the Commonwealth, the States have to repay at least \$2,500,000. When the Commonwealth loan is for a State activity such as a high school, which is non-revenue producing, the States must attempt to repay the loan from State taxes or other sources. State taxpayers are paying interest to borrow their own taxes! They are also paying heavily through inflated postal charges as a result of PMG Post Master General capital works also being financed out of tax revenue. Prior to 1960 the PMG was regarded as a service organization. But then the Treasury started debiting the PMG with \$800 million for tax money provided for capital works. New loans now stand at \$2,237 million. The interest bill alone is now \$98.9 million annually. This has helped to make astronomical postal increases essential, thus also contributing to inflation.

Government’s Increasing Share of National Income

Even Lord Keynes has been quoted as saying that a highly inflationary situation is inevitable when a government takes in excess of 25 percent of the national income.

The Marxist teaching is that from a Socialist viewpoint the best government is that which taxes the most and spends the most. Let us consider briefly what has been happening in Australia over the last 20 years. In 1949-50 Commonwealth and State Governments took 26.2 per cent of personal incomes. The percentage has progressively increased. By 1964-65 it had increased to 30.1 per cent. For 1969-70 the percentage was 33.8 per cent. If rates and payments to local government and semi-government are included, government today is taking approximately 40 percent of the individual's income. Clearly this process is going to continue to accelerate while the rate of debt accelerates. Within a few years government will be taking 50 percent of the individual's income, and dictating the conditions under which he is permitted to get a portion of it back. The end result must be disaster of a frightful magnitude. This is not a matter of opinion, but one of simple arithmetic.

The centralizing effect on government can be seen by the rapid acceleration of the growth of the Federal bureaucracy. During the first half of the 'sixties the average annual increase of the Federal bureaucracy was 3.4 percent. During the five years from 1965 there was an average increase of 6 percent a year. It is symptomatic of what is happening that during 1968 and 1969 the biggest increases were in the Prime Minister's department, **a total increase of 50 percent.**

No solution to the growing inflation problem is possible while debt and taxation of all kinds continue to expand. Much of the nation's industrial friction is the result of the progressive erosion of the wage earner's purchasing power through taxation. The wage earner has been misled into believing that the only way he can offset this erosion is by agitating for higher wages, the higher the better as he knows from experience that all wage gains are soon eliminated in higher prices. A study of *The Commonwealth Year Book* statistics suggests that the average Australian wage earner has over the past 20 years made little real gain in purchasing power. He has only been able to obtain his house, furniture and motorcar by going deeper into debt. He has also had to send his wife out to work and in many cases take overtime work.

There has been much fuss about the six percent increase in wages awarded by the Arbitration Commission in 1970. But it is not much use having an "umpire" for making finance-industrial decisions unless his findings are accepted. The truth is that the increase awarded was based on the facts of the situation. It is not the fault of the Arbitration Commission that the increased wages awarded are financed in such a way that they are progressively eroded by further price increases. The Arbitration Commission does not make financial policy; that is the responsibility of government. In essence the Commission found, after looking at all the evidence placed before them, that an increase of approximately \$900 million was required in purchasing power. The members of the Commission clearly did not accept the story about "too much money chasing too few goods".

Now most of the \$900 million can only be obtained in the main by industry obtaining increased overdrafts from the banking system. This means the creation of new money to finance the increased wages. But this new money must be repaid,

plus interest, and the only way this can be done at present is by charging increased prices. It might also be noted that it has been estimated that the Federal Government will take up to \$300 million, a third, of the increased wages, in taxation, which will then be used to increase the financial stranglehold of the Federal bureaucracy on the Australian people. The result will be a further stimulus to inflation.

It is surely elementary that if new money can be created and circulated in such a manner that the result is further inflation, not a genuine permanent increase in purchasing power, then it could be brought into circulation without increasing prices. As the Federal Government is responsible for financial policy, it is responsible for ensuring that that policy does not result in the erosion of the value of the money unit. The \$900 million created to increase wage costs, and thus prices, could just as easily have been created by a Government instrumentality as a credit, for the cost of administration, which is certainly not more than three percent interest, but probably less, and made available by all-round reduction in prices through price discounts, and increased pension payments. Part of it might be paid direct to employers in the form of what could be termed a National Production Bonus. The result would be a genuine benefit to all. To suggest that a man-made monetary system cannot be used to provide the individual with the benefits of his economic system, instead of producing increasing inflation and economic dislocation, is a manifestation of madness. It elevates a system over the individual.

A Limited Objective Program

Instead of wage-earners believing that they have got to fight employers, with employers resisting, and farmers blaming secondary industry and wage-earners, thus fragmenting the community, what is essential is unity amongst all sections in a programme which deals with basic problems. Other problems can be resolved later. The following is a limited objective programme, which would reverse the present dangerous inflationary developments in Australia:

1. As a danger inflation-psychology has been fostered by constant statements that some inflation is “inevitable”, a different psychology should be created by the nation’s political leaders announcing that they are “freezing” their own salaries and those of all senior public servants for the next three years. This would create the necessary atmosphere for maximum public support for the Government’s programme.
2. No further financing of capital works out of taxation. All necessary new capital works to be financed out of new credits made available by the Central Bank at an interest rate sufficient only to cover the cost of administration. The new credits for capital works to be repaid at the estimated rate of depreciation of the capital assets.

Financing capital works, which could last for 50 years or more, out of taxation, means that the present generation is sacrificed to provide an asset, which will mainly be of benefit to future generations. If capital works are financed out of new credits, representing new assets, and if the credits are repaid at the estimated

rate of depreciation of the assets, this means that all those using the asset contribute towards it. It has been estimated that this change in financial policy would permit current taxation to be reduced **by up to 25 per cent**.

3. The estimated reduction in taxation of up to 25 percent of current taxation to be applied to abolishing completely the most inflationary form of taxation. Sales Tax. Payroll Tax and Probate could also be abolished.

4. The restructuring of all primary producers' debts on to a long-term basis of a minimum of 20 years at an interest rate not exceeding three per cent.

5. The restructuring of all municipal debt on to a long-term basis of a minimum of 20 years at an interest rate not exceeding three per cent. The immediate saving in interest and debt charges to be passed on to ratepayers in lower rates.

6. The Arbitration Commission to continue operating as at present, periodically assessing the state of the economy and what increase in purchasing power is legitimate. The Federal Government then to instruct the Reserve Bank to create as a credit the amount necessary and apply to a consumer discount or subsidy scheme, starting with basic items in the economy such as food, clothing, housing and transport.

No Government price control is necessary, nor would unwanted production be subsidized. Retailers wishing to avail themselves of reducing prices to their customers by the amount of discount, would be invited to register with an appropriate Government institution, which might be called the National Credit Authority, in exactly the same way that businessmen register for the collection and payment of Sales Tax. Government staff saved from the abolition of Sales Tax could be used for the discount scheme. Upon consumers indicating the production they required, those items carrying a discount would be automatically reduced by the amount of the discount, the retailer keeping a record and periodically making a claim for total discount from the National Credit Authority. This would in essence be the Sales Tax in reverse —instead of prices being inflated they would be reduced. A programme of increasing purchasing power through lower prices, and much lower taxation, would provide the basis for greater co-operation in industry between staff and management. The basic cause of costly strikes would be removed.

7. The general bank interest rate to be reduced, immediately, to five percent, as a first step towards eventually reducing it to whatever the actual cost of administration is discovered to be by an independent investigation.

8. States' financial sovereignty to be restored, with decentralization of Government resulting in more efficient and lower cost public services.

The Socialists Always Make Conditions

The growing pressure from farmers throughout Australia has resulted in a few concessions. It is now apparent that some token offer of long-term finance will be made in the hope of assuaging the mounting fury in the rural areas. It is quite apparent that both Government and Opposition, after a quick reckoning, have

realised that they cannot get by without those vital country-seats that make the difference between victory and defeat.

The *Queensland Country Life*, November 5, 1970, reported that the Minister for Primary Industries, Mr. Anthony, had just received a vital report from the Bureau of Agricultural Economics on the immediate and longterm needs for debt reconstruction and farm adjustment. One of the recommendations contained in the report was that long-term finance should only be made available to those farmers whose business was basically sound, and who had good prospects of servicing the capital value of the debt. One of the justifiable complaints often made by primary producers is that on the infrequent occasions when aid is forthcoming from the Government in time of crisis, it is usually so hedged about with unnecessary conditions that it seldom reaches those in greatest need. This, coupled with the interminable delays through bureaucratic “red tape”, is adding to the general frustration. If long-term finance is to be made available (and there is no reason why this could not have been made available in 1949 when the present government gained office) then the government should be forced to make this finance available to **everyone**, and not to make discriminating conditions. All those who have large overdrafts and impossible interest repayments should be given the opportunity of converting these to a long-term basis. It is quite obvious that Government planners are hoping to turn this concession to their own advantage by ensuring that the benefits are only offered to those who will co-operate in the amalgamation racket. There is no telling what changes may develop in the farming of the future. Each primary producer should be able to retain his right of assessing his own course, rather than having our “Fabian elite” foisting their subversive ideas on the electorate.

Of great importance is the rate of interest on any long-term finance. Any “token gesture” of five percent or six percent should be indignantly rejected. Paragraph 503 of the *Royal Commission on Banking and Money*, held in 1937 stated: “Because of its powers the Commonwealth Bank can lend to the Governments or to others in a variety of ways, and it can even make money available to governments or to others free of any charge.” There is no doubt whatsoever that this money could be made available at no more than two per cent, and less if necessary. But there is no doubt that, while it is allowed to get away with it, the government will bribe a few with concessions, hoping to split the rural community even further.

1. See “*They Want Your Land*”.

2. Quoted in “*The Fabian Socialist Road to Serfdom*”.

3. For 1970 total Australian company profits after paying taxation were \$1,000 million. Wages and salaries paid by Australian companies for the same year were \$14,000. Even Trade Union leader Mr. R. Hawke suggests only a 15 per cent increase in wages out of profits. This would result in a mere one percent increase in wages.

4. “From the purely commercial viewpoint, however, the essential point is that

banks are financial intermediaries who borrow from some of their customers in order to lend to other customers. Accordingly, they charge interest in loans because they have to pay interest on deposits to acquire the funds they need to support their lending operations.” — Federal Treasurer Mr. L. Bury in a letter dated January 29, 1971.

5. See *“The Creation and Control of Money”*.

6. Quoted in *“Facts”*, February-March, 1968, issued by The Institute of Public Affairs, Melbourne.

WHILE FARMERS AND BUSINESSMEN SLEPT By ED Butler 1986

The following is an extension of the notes of an address by Mr. Eric Butler to a conference of representatives of small businessmen, farmers’ crisis committees, Concerned Citizens, and several recently formed small political parties, at Echuca, Victoria, on Saturday July 5 1986.

The conference was convened by the Echuca Crisis Committee, and Mr. Butler had been invited to deliver an opening background address.

Representatives of farmers and businessmen are starting to come together in a rare display of attempted unity in the face of what a growing number of Australians now perceive is a national crisis of horrendous implications. New protest groups operating under different titles, along with new political parties, emerge almost daily. Desperate farmers are invited to donate to special “fighting funds” for the National Farmers’ Federation and other primary producers’ organizations, while large advertisements in the national media invite Australians generally to support financially new “anti-socialist” movements.

As one with a lifetime of experience involved in politics, and writing and lecturing on politics, I must frankly warn those of you meeting here that all this current ferment of political activity is doomed to failure unless some basic truths are faced. A problem correctly stated is already half-solved. Unfortunately, most of those talking about what they perceive to be the problems, are merely dealing with effects.

The first principle of war is to know your enemy, his strategy and his tactics. Failure to observe this first principle can result in you unconsciously helping your enemy. Reference to this first principle of warfare often results in the horrified retort, “But what you are saying is surely a manifestation of extremism, of absurdity.” War has been defined as the pursuit of policy by military force. A policy can, however, be pursued by methods which impose the will of one group on a society without military force.

The master Communist strategist, Lenin, described total Communist warfare as one which uses economics, propaganda, subversion, espionage, warfare and much else, to so confuse and demoralize a society that it capitulates. Lenin said that military force should only be used as a type of policing instrument after the “enemy” had capitulated to what is often described as psycho-political warfare.

Along with other Western nations, Australia has been the target of a type of war

which has been waged over a long period of time, which relatively few even now understand. That war has sought by a programme of subversion and permeation to so change the very structure of traditional society that it becomes impossible to reverse the process. Unless Australians understand how and why they have reached the present national crisis, it is impossible for them to develop any type of a realistic programme for national survival as a free people.

I believe that it is important to point out, not in any critical sense, but as a matter of fact, that farmers and businessmen are extremely vulnerable to the type of war being waged to destroy them. They are in the main very practical people. They are used to dealing with practical problems as they emerge. They are not attracted to explanations and theories, particularly if those theories relate to ideology. They are generally people of what could be termed commonsense. When they are forced by some development, such as—for example—a fringe benefit tax, to take an interest in politics, they often tend to regard what is happening as merely another manifestation of the “stupidity” of governments. There is plenty of stupidity about, but behind it is a long-term conscious programme of destruction. The victims of that programme must devote their abilities to understanding the ideas underlying this programme and how it is being implemented.

We can make no better start to gaining this understanding than by looking at an historic address given by Prime Minister Hawke in Melbourne, on May 18, 1984. This address was to a special centenary dinner of the Fabian Society. Relatively few people know much about the Fabian Society, its history and its ideology. It is rarely mentioned in the media and, significantly, the Hawke address of 1984 received only a few lines in a few Australian papers.

This suppression at a time when the media generally was publicizing every Hawke appearance and statement is itself highly significant. The big media is today notorious for its Socialist bias.

Hawke and his fellow Socialists had noted that it was the “crash through” attitude which had brought the Whitlam government down.

In his Boyer ABC lectures of 1979, *“The Resolution of Conflict”*, Hawke had stressed “the need of those who would advocate change to temper their fervor with a sense of gradualism”. This was the traditional Fabian approach, outlined in Hawke’s 1984 Fabian dinner address:

... It cannot be emphasized too strongly or too often, that this approach is not a matter of mere pragmatism. It is equally a matter of principle. It is a principle which lies at the very heart, not only of Fabianism, but Social democracy throughout the world. It is of course the classic concept of Fabianism —the inevitability of gradualness...”

Prime Minister Hawke also dealt with another Fabian tactic — that of permeation:

“... I gladly acknowledge the debt of my own government to Fabianism. Earlier I dealt at some length with the principle of the inevitability of gradualness. There is another important idea— a method more than a principle — which became

closely associated with Fabianism. Sydney Webb (one of the Fabian Society's founders) called it 'permeation'. "Today it would be called 'consensus'... We all have to face the fact that if our Government is to make really great and worthwhile reforms — reforms that will endure, reforms that will permanently change this nation—then it is not enough simply to obtain a temporary majority at an election, or even successive elections. For our reforms to endure, the whole mood and mind and attitudes of the nation must be permanently changed. Certainly, we are proceeding to implement the policy on which we were elected and the platform of the Party with a thoroughness, I believe, not excelled by any previous Labor Government in our history. BUT THAT SPECIFIC TASK MUST GO HAND IN HAND WITH THE MORE GENERAL AND DEEPER, LONGER RANGE TASK—THE TASK OF ESTABLISHING, IN THE MOOD AND MIND OF THIS NATION, PERMANENT ACCEPTANCE OF THE NATURALNESS AND INEVITABILITY OF CHANGE AND REFORM, AS THE AUTHENTIC AUSTRALIAN WAY OF LIFE. AND THAT, FOR THE FIRST TIME IN OUR HISTORY, IS WHAT THIS LABOR GOVERNMENT IS DOING..."(emphasis added).

In true Fabian fashion, Prime Minister Hawke was telling his fellow Fabians that "gradualism", "permeation" and "consensus" were only to be employed to the stage where reversal of the Fabian programme was impossible. As we will see, the mere election of another set of politicians will not of itself change the general direction in which Australia has been moving.

Much as the Fabian Socialists seek to disguise the fact, Fabianism is not only a spiritual brother of Marxism; it is rooted in Marxism. It has been described as "Sovietisation by stealth" rather than by the open revolutionary tactics of the Communists. The great Lord Acton, best known for his statement about the corrupting influence of power, said that "Few discoveries are more irritating than those which expose the pedigree of ideas."

The central feature of history has concerned power; whether the individual should have power over his own affairs, thus enjoying freedom, or whether the individual should be the instrument of power used over him. The founder of modern Communism, Karl Marx, produced nothing original in the field of economics, borrowing from others. The collectivist idea is as old as man. Marx claimed to have provided a scientific basis for the "historical inevitability" of Socialism, this ultimately leading to Communism. The starting point for an examination of Fabianism is *The Communist Manifesto*, produced in 1848 by Marx and his collaborator and financial backer; Engels, the first of a long line of wealthy individuals who have financed the advance of Socialist ideas.

Practical businessmen and farmers may well ask what has a book written in 1848 got to do with their problems in 1986. They are ignoring the latent impact of ideas.

Just as Western Civilization is a manifestation of the ideas associated with the birth of Christianity nearly two thousand years ago, so in the increasingly convulsed

world of 1986 there is a manifestation of ideas associated with Marxism.

The most relevant section of *The Communist Manifesto* is that which outlines ten steps for Communising a State. It was pointed out that these steps were not an end in themselves, but a means to an end. The essence of these steps was the progressive centralisation of all power over the individual. *The Communist Manifesto* said that the steps would “in the course of the movement... necessitate further inroads upon the old social order.”

As a former top Canadian Communist Party member, John Hladun, who had trained in Moscow, put it over a hundred years later, “... one control tends to cause another, until, as a logical result, the State controls and finally owns everything.”

Many years ago I was invited by a Liberal Party branch to address a public meeting on the subject of Communism. As the meeting was held in a school room, I felt it might be instructive if I made use of the blackboard. Before starting my address, I wrote on the blackboard the first seven steps from *The Communist Manifesto* but made no reference to the source of what I had written. During question time I invited members of the audience to tell me what they thought of what I had written. Not one person knew the source of what I had written. All felt that there was a “catch” somewhere, and after an embarrassing few minutes of silence, except for some whispers, one young man got up, said he knew there was a “catch”, but was prepared “to have a go”. When he said that he felt that much of what was written could be related to the Liberal Party’s programme, several others then agreed, although I recollect that one person did suggest it looked more like a Labor Party programme. There was horrified astonishment when I gave the Marxist source!

But it was perhaps natural that some Liberals, ostensibly anti-Socialist, should see some resemblance between Marx’s ten steps and their party’s policies.

Step number two advocated “a heavy progressive or graduated income tax.” Irrespective of their labels, all governments keep imposing heavier taxation. One Fabian Socialist Tract said that the best type of government was that which taxed the most and spent the most. As the general level of total taxation is raised, with new methods of taxation being devised, like the Fringe Benefits Tax, a growing army of taxation officials is required in an attempt to police the taxation system. It was Mr. John Howard, current leader of the Federal Liberal Opposition, who first attempted to impose a fringe benefits tax when, as Federal Treasurer in the Fraser government, he tried to force miners in Central Queensland to pay taxes on the company houses in which they were living. The result was one of the most popular strikes in Australian history, with Mr. Howard eventually backing down.

It was Treasurer John Howard who attempted to impose one of the most iniquitous of taxes, one on books and magazines. The taxation officials advising Mr. Howard were unconcerned by the fact that the cost of collecting this proposed tax would absorb most of the projected tax revenue. Only a massive public campaign forced the Australian Democrats to defeat this tax in the Senate.

Why was the Fabian Socialist Society established? Because one group of Marxists realised that the peoples of the English-speaking world, including the Americans, were not going to support the type of violent revolutionary movement advocated by Lenin and his colleagues. And the old British Empire and the U.S.A. were the major barriers to the establishment of a World Marxist State. The English-speaking world had to be destroyed from within with a different kind of programme, one which took its name from *Fabius Cunctator*, the Roman leader who eventually defeated the famous military genius Hannibal, not by direct confrontation, but through a programme of gradualness.

One of the early Fabians was the famous British writer, George Bernard Shaw. I wonder how many who have whistled tunes from the musical *My Fair Lady*, based upon Shaw's play, *Pygmalion*, know that Shaw once said: "I am a Communist, but not a member of the Communist Party. Stalin is a first-rate Fabian. I am one of the founders of Fabianism, and as such very friendly to Russia."

Shaw frankly described the early permeation tactics of the Fabians, who joined and influenced all political parties, including the Conservatives. As Shaw said:

"... we permeated the party organisations and pulled all the strings we could lay our hands on with the utmost adroitness and energy, and we succeeded so well that in 1888 we gained the solid advantage of a Progressive majority full of ideas that would never have come into their heads had not the Fabians put them there"

The central Fabian strategy was clever. There is a natural law concerning governments, enunciated by the British statesman and historian, Lord Bryce: "The natural tendency of all government is to increase its own power".

Ever since men have been living together in societies they have been grappling with the problem of how to control governments. The ancient Greeks, who gave us the term democracy—*demos*, the people—discovered a fundamental principle; that the individual can exercise the greatest control over government when it is small and close to him. This was followed by Christianity, with its claim that every individual was unique and of value, irrespective of background, —that the Sabbath was made to serve the individual, and that while Caesar (government) was necessary, it must accept the higher authority of God's laws.

These ideas found expression in the development of Western Civilisation, especially in England, where a form of constitutional government and Common Law was evolved which became the envy of other nations. A subverted educational system has cut Australians off from an understanding of a priceless heritage, now openly threatened by the Bill of "Rights" and similar legislation.

The Fabians well understood that the end result of governments increasing their own powers—always, of course, to "do good"!—was that the increased power was not going to be under the personal supervision of the elected Member of Parliament.

The volume of legislation would become so enormous that even the most conscientious Members would find it impossible to read, still less understand it. The

inevitable development would be the progressive delegation of power to the non-elected permanent official who exercises power through regulations and decrees which have the force of law. Centralise government far enough, said the Fabians, capture the key positions in the growing permanent bureaucracy, and the politician would be reduced to the state of merely legalising what the permanent officials had decided. Marxist policies could be advanced irrespective of the label of the politicians.

English writer H.G. Wells, who had an early association, later broken, with the Fabians, wrote in his novel, *The New Machiavelli*: “I can still recall little Bailey, glib and winking, explaining that Democracy was really just a dodge for getting assent to the ordinances of the expert by means of the polling booth.” “Bailey” was in fact Sidney Webb, one of the most influential of the early Fabians.

The Fabian programme had made such progress following the end of the First World War that in 1929 a former Lord Chief Justice of England, Lord Hewart felt impelled to attempt to warn the British people in his great, and aptly described classic, *The New Despotism*. Lord Hewart made the following serious charge:

“A mass of evidence establishes the fact that there is in existence a persistent and well-contrived system, intending to produce, and in practice producing, a despotic power which at one and the same time places Government departments beyond the sovereignty of Parliament and beyond the jurisdiction of the Courts”

But as we will see, the Great Depression, followed by the Second World War, resulted in an acceleration of the Fabian programme with the eminent British jurist, Professor (now Judge) G.W. Keeton writing what might be described as a sequel to *The New Despotism*, *The Passing of Parliament*, in which the author said that the British people were “on the road to Moscow”. The whole English-speaking world is on the same road.

A genuine democracy is not a nation where the people periodically put a mark on a ballot paper. The peoples of the Soviet Union are permitted to do this. Democracy only exists where the will of the electors, represented by their elected Members of Parliament prevails.

Contrary to what many believe, Fabian Socialists are not primarily concerned with uplifting those who might be termed the poorer sections of society; they are concerned with power and the creation of the Centrally Planned State. For this reason they have always been willing to co-operate with what might be termed “Big Business”, including Big Finance. Marx was supported by the millionaire Big Businessman, Engels. Both Engels and Marx regarded the working man with disdain.

The establishment of the London School of Economics in 1894, designed to train the “Generals” of the growing army of bureaucrats resulting from the Fabian strategy, would never have been possible without the backing of Big Finance. In her autobiography, Beatrice Webb reveals that she and her husband Sidney were helped with finance for the London School of Economics from the Rothschilds, Sir Julius

Wernher and similar financiers.

Sir Ernest Cassel, associated with Kuhn, Loeb and Co., the famous Wall Street international financiers, was the biggest financial contributor. In 1920 he saved this vital Fabian enterprise with a donation of the equivalent of at least \$3 million in today's money terms. When Lord Haldane was asked why he persuaded his friend Sir Ernest Cassel to settle by his will large sums of money on the London School, he replied:

“Our object is to make this institution a place to raise and train the bureaucracy of the future Socialist State.”

“The larger big business grows the more it approximates to collectivism. It is the upper road of the few instead of the lower road of the masses to Collectivism”

During a debate in my youth with a Communist official, I thought in my youthful innocence that I would score some debating points by attacking the evils of monopolistic Big Business.

I was dismayed to hear that Big Business was not only much more efficient than a number of smaller businesses, but that it was a manifestation of the “highest form of capitalism”, was “dialectically” inevitable and should be welcomed. When I later turned to a study of the works of Lenin and other Marxist leaders, I learned how decentralised, smaller-scale business enterprises were regarded as a major barrier to the establishment of the Socialist State.

The former associate of the Fabians, H.G. Wells, wrote in 1920:

“Big Business is by no means antipathetic to Communism. The larger big business grows the more it approximates to Collectivism. It is the upper road of the few instead of the lower road of the masses to Collectivism”.

Students of Fabianism were not surprised when shortly after coming to office, Fabian Socialist Bob Hawke staged his famous “consensus” conference in Parliament House, Canberra, where Big Business, represented by men like Hawke's close friend, Sir Peter Abeles, cooperated with Big Unions and Big Government. Fabian Hawke lost no time in making his first visit to Wall Street where he made it clear that he was prepared to pawn Australia at an even faster rate than his political predecessors.

The Australian of July 7, quoted American economist David Hale as stating that “the irresponsible New York investment banks” were leading Australia down the same path they had led the Latin American countries. Hale made the ominous comment that the international bankers “are giving Australia enough rope to hang itself”.

The informed student of international affairs is familiar with the nexus between International Finance and the Communist nations, of the massive debts owed by the Soviet Union and its satellites, of the Trilateral Commission run by the International Bankers like David Rockefeller and its promotion of the New International Economic Order, also endorsed by both Moscow and Peking. The New International Economic Order envisages the whole world being planned as one international

economic unit.

As a prominent member of the Socialist International, Bob Hawke strongly supports the New International Economic Order, as does former “Conservative” Prime Minister, Mr Malcolm Fraser. Not surprisingly, the N.I.E.O. programme is also endorsed by The World Council of Churches.

If Australian farming and business leaders had been awake they would have been warning members of their organisations that they were threatened, not merely by militant unions, but by an unholy alliance of International Finance, International Socialism, and multinationals, to phase out large sectors of Australia’s primary and secondary industries. It is worse than useless to keep on describing **the effects** of what is happening without exposing the policies which have produced the present crisis.

Shakespeare wrote that the evil that men do lives after them.

Let us consider briefly the influence of the brilliant Marxist theoretician, a Fabian Socialist, Dr. Harold Laski, a man who influenced hundreds of students from right around the English-speaking world, including the United States. Those students went back to their own countries to advance Marxist ideas under the guise of Fabianism.

Australians will be interested in one classic example. A young student from Western Australia, well-known for his Socialist ideas at University, studied at the London School of Economics during the Great Depression. Laski said the young Australian was one of his most brilliant students. He returned to Australia and, like a good Fabian, joined the Federal bureaucracy. The anti-Socialist United Australia Party was in office. They were eventually removed from office early in the Second World War, and our brilliant student became one of the most influential men in the Federal bureaucracy, working closely with Dr. H.V. Evatt, Attorney General, the man who tried to revolutionise the Australian Constitution under the cover of the war crisis. Evatt was also a great admirer of Laski.

In 1949 the Australian electors once again changed their politicians, and the anti-Socialist Menzies-Fadden government was elected. What happened to Laski’s brilliant student? He carried right on as if nothing had happened, eventually becoming the Governor of the Reserve Bank. His name was Dr. H.C. Coombs, who in recent years has been closely associated with the revolutionary Aboriginal land rights movement. For many years Dr. Louis Rasminsky was Governor of the Canadian Central Bank, another old London School (*of Economics*) boy.

Beyond doubt one of Laski’s most influential students was the man who revolutionised Canada as leader of a Liberal Party; Pierre Elliott Trudeau. Desperate Canadians turned to a “Conservative” government only to find that nothing basically changed because of a change of politicians. The permanent government, the bureaucracy, carries on. Canada’s problems are basically the same as Australia’s.

As Chairman of the British Labor Party, Laski visited Moscow in 1946 and had a long discussion with Stalin, following which he made the historic statement that he and Stalin had agreed that while they were travelling on separate roads, Stalin on the

Marxist- Leninist road and Laski on the Fabian road, they were marching towards the same objective, inspired by the same ideas, those outlined in *The Communist Manifesto*.

The first of Karl Marx's ten steps is the abolition of private property. Widespread ownership of property as a right is one of the major barriers to the establishment of the totalitarian State. Stalin broke the back of the Russian peasants with forced collectivization backed by guns. English-speaking peoples would never tolerate dispossession by the Marxist-Leninist approach. They are the victims of the Fabian approach, which relies upon taxation and other financial measures, the latest being the capital gains tax. Laski said that even when property was acquired by "democratic" legislation, the technique of Death Duties, Estate Duties and Legacy Duties could be used to erode the value of the compensation. "Compensation was a book-keeping transaction" said Fabian Laski.

One of the founders of the Fabian Socialist Society, Stewart Headlam, stressed in a lecture given at the turn of the century, that the first step in Marx's programme, the abolition of private property, must be the most important objective in the Fabian programme. Headlam said that taxation was the key mechanism for dispossession. "If you can't kick them out, you'd better tax them out," he said.

Stalin's brutal collectivization programme by force resulted in bloody resistance by the Russian peasants, millions dying. How much more effective is the Fabian programme under which the farmers surrender quietly to financial pressure, inflation, high taxes and high interest rates, against a background of propaganda from financial witchdoctors who keep on insisting that what is happening is an "inevitable trend".

In his *Appreciation of The Communist Manifesto for the Labor Party*, issued in 1948, Laski asked, "who, remembering that these (policies of high taxation and centralization of credit) were the demands of the Manifesto, can doubt our common inspiration!"

Exactly.

The Great Depression, initiated in 1929 by the severe credit restriction policy of the U.S.A. Federal Reserve Bank, triggered an explosion of the Fabian Socialist movement throughout the world. In spite of the fact that the free enterprise system, based upon private property, had dramatically demonstrated its superiority as a production system, producing a volume of food, goods and services unheard of in the history of man, the Marxist propaganda theme was that "the capitalist system had failed" and had to be replaced with a system based on the teachings of Marx.

The profit motive was "evil" and must give way to "the service motive", a teaching which denied the obvious that unless, for example, a farmer has made a profit by multiplying one grain of wheat into a hundred grains, he is unable to give service to anyone. It was not the producers who had failed, but those operating the financial system. The Marxists of all kinds, including the Fabians, ignored the financial cause of the Great Depression, concentrating their attack upon the free enterprise production and distribution system, particularly the smaller units.

Although it is outside the main theme of this address, it should be noted that as a result of the Great Depression, millions lost faith in the values and virtues of the free society and young students in the Universities were influenced by Marxists to the stage where large numbers were recruited in the biggest army of traitors any Civilization has seen, some of these having studied under Dr. Laski.

The Great Depression highlighted a basic cleavage between the thinking of the practical people successfully operating the free enterprise system and the financial theorists attempting to force the free enterprise system to submit to what might be described as Black Magic. Figures in bank ledgers were held to be more important than obvious realities. The figures men intoned that the nations “had lived beyond their means” at a time when they had produced an abundance. Reflecting his engineering background, President Hoover of the United States complained to the Federal Reserve Bank about its restrictive financial policy, but was ignored, demonstrating the power of those creating a nation’s financial credit.

As the Great Depression developed with widespread social disintegration, the cleavage between the practical men and the devotees of financial Black Magic became more marked.

Opposed to the Fabians and other Marxists who worked to exploit the crisis to advance their Socialist programmes were outstanding engineers, scientists and successful businessmen who stressed that there was a major and growing defect in the financial system which once corrected, would enable free enterprise to operate successfully to serve the consumer. A vast literature on the subject of finance and economics came into existence. Forced by circumstances to examine a subject they had previously ignored, the practical people, including the farmers, started to generate a political climate in which the demand for a change in financial policy became increasingly insistent.

Knowledge of this movement for financial reform and the literature it created, is generally unknown today because of the Marxist domination of what has been termed social history.

Valuable information about the findings of Royal Commissions on Banking and Reports by prominent engineering and business organizations have been poured down Orwell’s “memory hole”.

Typical of the many Reports of the period was that of the *Southampton Chamber of Commerce*, at the time one of the biggest Chambers of Commerce in the British World.

In a detailed examination of the basic features of the modern industrial system, the Southampton Chamber of Commerce outlined how modern nations were all attempting to solve internal problems, resulting from a deficiency of purchasing power, by striving for a “favorable balance of trade”, one of the consequences being increasing debt. Warning that:

“Debts between nations have assumed formidable dimensions”, the Chamber pointed out that “under a system in which money can only originate as debt, the

liquidation of existing debt can only result in the creation of further indebtedness. The situation in this respect is manifestly an impossible one.”

The Second World War, with its awesome destruction, temporarily solved the growing problem of the “fight for markets”. All the combatant nations were able to operate their production systems to full capacity, and “export” the surpluses in the form of bombs, shells and other war equipment, but with the return to peace the basic problem returned. It has now reached the stage foreseen by the business and professional men who prepared the 1933 Report. The following is prophetic:

“Returning to the fundamental defect of the financial system, it is necessary to restate that under the existing system, the community in any industrial country finds itself with an increasing deficiency of purchasing power to meet the costs carried forward into the prices of its production.

“There is ...one consideration arising out of this analysis which demands special attention. It has been shown that the bulk of money originates in bank-created credit-loans (debt) which have to be liquidated in full. It has been shown that the defect in the system renders it impossible for industry to recover its costs of production and liquidate its debt obligations. It follows that the weaker units of the industrial system and financial system must become eliminated or absorbed by the stronger units. These stronger units are stronger by virtue of their ability to eliminate their competitors. Thus a process of centralisation develops quite naturally in both the industrial and financial fields.

“Because the control of financial policy must carry with it the control of all economic activity, it would seem that the powers of government must pass into the hands of the most powerful financial group as financial power becomes centralised internationally. That this is by no means an unlikely result is plain from the proposals being put forward for the centralisation of national central banks under an international financial institution. It is being further suggested that national central banks should be made completely independent of control by national governments, so that any such centralised world hierarchy of finance would form a world government with complete power over communities. We view the progress towards such a state of affairs with alarm.”

During and since the Second World War, when the International Monetary Fund and the World Bank were established, and the groundwork laid for the development of the New International Economic Order, the drive to centralize power on a global scale has intensified. The burden of financial debt, national and international, is being exploited to aid the centralizing programme.

Early in the Great Depression the Fabians in England developed their Sovietisation-by-stealth strategy still further behind the organisation known as Political and Economic Planning. (P.E.P.). The nexus between Big Business and the Fabians emerged into the open with Mr. Israel Moses Sieff of Marks and Spencer, the big chain store combine, and Lord Melchett of Imperial Chemical Industries (ICI), and others to promote the programme of “rationalization”.

There was a frank expression of the same philosophy which threatens genuine free enterprise today. One P.E.P. document said:

“Whether we like it or not—and many will dislike it intensely— the individualistic manufacturer and farmer will be forced by events to submit to far-reaching changes in outlook and methods.” “What is required, if only with a view to equitable treatment of individuals, is transfer of ownership of large blocks of land ...into the hands of the proposed statutory corporations and public utility bodies and of land trusts”.

Not surprisingly, Mr. Israel Moses Sieff commented that:

“The only rival world political and economic system which puts forward a comparable claim is that of the USSR.”

Fabian leaders like Laski enthusiastically supported the Roosevelt *New Deal* in the U.S.A., claiming it was Fabianism in action. The only real threat to the advance of Marxist ideas under the Fabian banner, was the movement demanding a correction to the policies of debt finance.

Whether by accident or design, the emergence of the British economist John Maynard Keynes, as some type of financial Saviour, had far-reaching implications. Keynes was never a formal member of the Fabian Socialist society, but he closely associated with prominent Fabians and his views were applauded. In his famous work, *General Theory of Employment, Interest and Money* he conceded that there was a deficiency of purchasing power, but that the only way to deal with this problem was for governments to “stimulate” the economy by deficit budgets. Keynes also frankly admitted that the banking system creates a nation’s money supply in the form of financial credits (debt). He was cleverly presented as an economist concerned about “saving capitalism”.

The prominent Marxist theoretician, John Strachey, who was a Fabian early in his political career, then joined the Communists, eventually moving back to the Fabians early in the Second World War, wrote in his *Programme for Progress* that Keynesian economics are a vital aid to furthering the Socialist revolution. Strachey grasped the far-reaching implications of the inevitable inflation resulting from deficit budgets. He said that the Keynes policy was:

“an indispensable step in the right direction”, pointing out that “the loss of objectivity, and the intrinsic value of the currency which is involved (i.e. inflation) will sooner or later make necessary, on pain of ever increasing dislocation, a growing degree of social control ...for the partial character of the policy will itself lead on to further measures. The very fact that no stability, no permanently workable solution can be found within the limits of this policy will ensure that once a community has been driven by events to tackle its problems in this way, it cannot halt at the first stage, but must of necessity push on to more thorough-going measures of re-organization”.

Shades of Karl Marx in *The Communist Manifesto!*

“Controlled inflation”, as Keynes described it, has had a progressively

disintegrating effect in all societies. It is the basic cause of industrial unrest and welcomed by the openly revolutionary Marxists. The politicians of all labels denounce inflation while their financial “experts” prepare budgets which confidently anticipate higher taxation revenues as a result of it.

Even “conservative” American Administrations like Reagan’s, rely upon deficit budgets, these inevitably adding to the debt burden, which requires high taxation to service. Producers strain to produce more simply to meet increased financial costs. Under the constant whip of rising costs, primary producers have in many cases “mined” their soils while contributing to international surpluses. And what is the “solution”? More “rationalization” and “restructuring”, with more centralization.

Australia’s farming leaders, and those who are supposed to represent them politically, have not only failed to halt the Fabian programme, but in many cases have actually endorsed it. During the first ‘post Second World War rural crisis’, of the late sixties and early seventies, Australia’s primary producers were subjected to the constant refrain of “get bigger or get out”. As Chairman of the Wool Board, Sir William Gunn gave a revealing address to the Institute of Directors in N.S.W. on April 1, 1968, during which he said that:

“it is, reasonable to assume that even if there is a change of government, the basic economic policies that are now being followed will also be followed by another form of government and, therefore, these are facts we will have to deal with ... There is no alternative but to approach the problems of the wool industry in the same way in which the problems of the dairy industry are proposed to be approached. That ...is to reconstruct the industry, which involves the government putting up sufficient funds to buy out uneconomic units ...and then enable those who are prepared to stay in the industry to buy back those units and add to what they have got, so we would end up increasing the size of the unit”.

This was pure Fabianism. Sir William Gunn was admitting that it was government policies which were hurting the woolgrower, but that changing the politicians would not alter the policies. Therefore, as the Fabian P.E.P. said, primary producers would be “forced by events to submit to far-reaching changes.” It would be interesting to know how much of Sir William’s thinking was the result of his long association with Dr. H.C. Coombs, as a member of the Commonwealth Bank Board.

Sir William Gunn’s Fabian views were endorsed by the Country Party Minister for Primary Industry Mr. Doug Anthony, who campaigned to convince Australian farmers that they had to face up to some: “thorough going measures of re-organization”. In a statement issued on November 6 1968, Mr. Anthony said it was “inevitable” that “the size of farms would tend to increase” and that “This may lead to an increase in the number of company owned farms ...”

In another address, given at the 1968 luncheon of the South Australian Royal Agricultural and Horticultural Society, Mr. Anthony said that “he feared amalgamation of small farms in Australia might be necessary to increase efficiency.” He then went on to say that he had been impressed with collectivized farming in the

Soviet Union, which “are tending to become more efficient.”

Karl Marx’s first step for communising a state is to abolish private property. Sir William Gunn, Mr. Doug Anthony and others were advocating the Fabian programme of gradualness to keep reducing the number of individual farmers in Australia. A Professor Tribe bluntly said that “This problem of clearing the country of clodhoppers and hayseeds is a human problem”, going on to say that “The people who remain on the farm are also going to be syndicated, corporations, companies, etc.”

Over the last ten years, the “get-bigger-or-get-out” programme, allegedly designed to increase “efficiency”, has stripped rural Australia of 130,000 family farms. But cutting Australia’s farming population nearly in half in ten short years has not solved the primary producers’ basic problems—constantly rising financial costs which are inevitable under Keynesian financial policies. What, then, is to be the future?

On April 22, 1986, a featured article in *The Bulletin* spelt out the answer: Another 70,000 farm families are to go. The article quotes an economic forecaster, Phil Ruthven, as saying that “...farmers have been slow to realize that ...in future they won’t own land”, which they will merely rent from trusts”. All this is music to the ears of the Fabian Socialists and other advocates of monopoly power.

Those not prepared to learn from the mistakes of history are doomed to repeat those mistakes.

The great Roman Civilisation went down, not because of external pressure from the barbarians, but because of internal disintegration resulting from massive debt, heavy taxation, monetary inflation, and bureaucratic centralism. Rome’s backbone, the sturdy peasantry and the smaller business organisations were the first to collapse.

But history also tells of success stories. As the famous American statesman Benjamin Franklin pointed out, the root cause of the American War of Independence was not taxation, but the result of depressed conditions in the American colonies following special British legislation, demanded by banking interests, forbidding Britain’s Colonies from issuing their own money supply. Prior to this there had been growing prosperity in the American colonies which were issuing their own money in the form of colonial scrip.

During the First World War, the newly-established Commonwealth Bank, established with a capital of a mere twenty thousand pounds, was able under its enlightened Governor Denison Miller, to make millions of pounds of credits available to assist the nation’s primary producers at less than 1 percent interest. When the Second World War broke out, realities demanded that the Black Magic of the financial Witchdoctors responsible for the Great Depression be challenged in order to make thousands of millions of new credits available to use the vast productive capacity of the nation. Depression conditions could no longer be tolerated. But as the money supply increased so did prices start to rise, in spite of controls.

Geared to the C index series of consumer prices, the Basic Wage was under

pressure. There was a dangerous threat of national economic instability. Following the lead of the British government, the Curtin government early in 1943 introduced a consumer price discount system, which in essence was the use of some of the new money created for the war, to apply a discount to all the C index items, thus reducing prices while allowing producers to make a reasonable profit. As pointed out by the government, in terms of finance, it cost far less to apply a consumer price discount system than to try to finance a constant rise in wages, which further fueled inflation. As in all other English-speaking countries, including the United States, where it was used, the consumer price discount policy completely eliminated inflation in Australia. ([https://www.ausstats.abs.gov.au/ausstats/free.nsf/0/4030A3460E588633CA2573AD00200501/\\$File/13010_1946-47%20section%2012.pdf](https://www.ausstats.abs.gov.au/ausstats/free.nsf/0/4030A3460E588633CA2573AD00200501/$File/13010_1946-47%20section%2012.pdf))-ed

When the Australian electors refused to support the Chifley government's 1948 Price Control referendum, the government started to dismantle the consumer price system. Inflation was the result and became a major issue at the 1949 Federal elections, when the Menzies-Fadden Coalition campaigned on the theme of "putting the shillings back into the pound". There was a firm commitment by the Coalition that they would eliminate inflation by the restoration of the Consumer Price Discount policy. For several months after the election, in early December 1949, Menzies and Fadden continued to say that the new government was going to adhere to its election promise on Consumer Price Discounts. Menzies and Fadden had both voted for the policy when introduced by the Curtin government and correctly pointed out there was no interference with free enterprise when a consumer discount was applied only to production requested by the consumer at the retail market.

In discussions with me, Arthur Fadden made it clear that when he became Treasurer, he was determined to re-introduce the Consumer Price Discount system.

It was no secret that Fabian H.C. Coombs and other "advisers" were opposed to restoring the Price Discount system. Fabians prefer instability, the excuse for still more controls.

In spite of his many attributes, R.G. Menzies had little interest in or understanding of economics. Faced with the resistance of the permanent bureaucracy, the Menzies-Fadden government eventually abandoned their election promise, and inflation continued to poison Australian society. "Credit Squeezes" merely slowed the rate of inflation, while causing further industrial unrest.

The Menzies-Fadden government barely survived the 1961 elections as a result of the credit restrictions recommended by the permanent "advisers". The Menzies-Fadden government reacted to the near defeat by immediately stimulating the economy with an even bigger deficit than that advocated by Labor leader Calwell at the elections! Fabianism marched on.

The inevitable result was continuous inflation, with all producers, primary and secondary, striving to offset rising financial costs with still greater production. Growing economic centralism was inevitable.

Nemesis struck the rural communities with the crisis of the late sixties. Tens of

thousands were beaten by the cost-price squeeze. Bankruptcies increased among smaller business organisations.

The failure of a succession of Liberal-Country Party Coalition governments paved the way for the election of the Whitlam government in 1972. Under an enthusiastic Fabian Prime Minister, a government stacked with Fabians proceeded with undue haste and eventually produced an electoral backlash in 1975. It was left to the Queensland Premier, Joh Bjelke-Petersen in 1974, to present the only genuine alternative to the rampant inflation being generated by the Whitlam government's policies. Accepting the challenge to the State Premiers on the subject of inflation, the Queensland Premier put forward a three-point programme: the freezing of the level of total taxation; the abolition of the most inflationary tax - the Sales Tax; and the reintroduction of the Consumer Price Discount system. Fabian Whitlam described the policy as "economic garbage", and a nation-wide campaign was conducted to discredit what became generally known as "the Petersen Plan".

It was highly significant that the Fabians were able to obtain the co-operation of Bjelke-Petersen's own political colleagues to smear a policy which, if implemented, would have set Australia on a far different course to the one now obviously leading to the greatest disaster in the nation's history. Ironically, the objectives of the Federal Country party had for years included the reintroduction of consumer subsidies and the provision of long-term, low-interest loans for primary producers.

It would be instructive to learn what influences were responsible for the Country Party, later to become the National Party, not only refusing to work for the implementation of policies which would have challenged the Fabian strategy, but eventually quietly dropping them from the party's objectives.

The last Whitlam budget was brought down in August 1975, by Federal Treasurer Bill Hayden. An Opposition critic attacked a Budget which further increased taxation. The speaker said:

"The principal aim of this Budget should be to combat inflation", pointing out that: "... The overall tax burden on the average Australian has been increased, not reduced by the Budget. This is precisely the opposite of the action which ought to have been taken ... It is precisely the opposite of the action needed to halt the wage-price spiral and end the battle over incomes ..."

The Opposition critic then made the telling comment that the increased indirect taxes:

"will be reflected in the Consumer Price Index, and since this is the basis on which wages are indexed they will automatically flow through into wage costs... It requires the provision of real tax relief to reduce excessive income claims and monetary growth which will not accommodate continuing high rates of price increases."

These commonsense remarks were made on August 26, 1975, by Mr. Malcolm Fraser, recently elected new leader of the Federal Liberal Party!

He was subsequently elected with a massive electoral majority, and the Australian

people gave a sigh of relief and waited for promised tax reductions and other policies. It soon became clear to observers like myself that yet another change in politicians had not really changed the government.

The Fabian programme of ever-increasing taxation, both direct and indirect, continued, along with inflation and industrial unrest. The end result was the election of a government headed by Fabian Socialist Bob Hawke, openly committed to advancing the Fabian revolution in Australia. It is as certain as the sunrise that (electing) yet another change of politicians will not of itself halt the Fabian (advance, until) rewriting the policies fueling revolution, debt, high interest rates and high taxation, (are) reversed.

So far from the present Opposition parties giving any firm assurance that they would reduce total taxation, they are committed to a policy of merely shifting the incidence of taxation from direct to indirect taxation.

A genuine national survival programme requires a limited objective financial policy which directly challenges the financial orthodoxy responsible for the present crisis, a programme which will unite primary producers, who have been progressively reduced to a political minority, with the small businessman and his employees, and all those struggling to meet mortgage payments on their homes. This programme should also seek to make common cause with the rank and file of the Trades Unions, who are often unwilling victims of the monopoly of power used by Union officials.

The last thing Australia needs at present is a programme of direct confrontation with the Unions. All Marxists would welcome the violence and the confusion which direct confrontation would bring.

What has to be confronted is the policy of escalating debt, crushing taxation and high interest rates. The first essential is a substantial reduction in interest rates, for a start to at least 50% of existing rates; just as the first step towards curing alcoholism is to stop drinking, so the first step towards eliminating the “debt-drug” is to stop using it. Financing budget deficits out of new financial credit created by the Reserve Bank and written up as an interest-bearing debt against the Australian people, should cease, and the (same) money created as a credit at (only) the cost of administration. Instead of financing capital works out of taxation forcing the present generation to finance assets which will in many cases benefit a number of generations, they should be financed by new credits created against the new assets. This credit to be withdrawn (from circulation) at the estimated rate of depreciation of the assets.

The steps suggested would permit taxation to be reduced to the level where Sales Tax, now raising approximately \$600 million a year, could be abolished completely with the present administration (being used to manage the Sales Tax) used to administer a Consumer Price Discount system similar to that used during the Second World War.

The cut in interest rates, the abolition of Sales Tax, and the expenditure of only \$1,000 million on, for a start, a limited Consumer Price Discount system, would

bring inflation down to zero, removing the basic cause of industrial friction.

Other steps could include the re-scheduling of all the present debts of primary producers and Municipal governments on to a longer-term basis at the suggested reduced interest rates. Municipalities could pass on the savings in lower rates.

What is recommended would not solve all Australia's problems. But the programme would be the first step in the direction of national survival. As Confucius said, the longest journey must start with the first step.

But this first step will not be taken without the application of political sanctions. What is needed is a grass-roots movement, not more divisive political parties, which will unite sufficient electors to make it clear that no political candidates, irrespective of labels, will receive their votes without firm written commitments to the type of limited objectives outlined.

If the National Farmers' Federation and other organizations content themselves with using their relatively large funds to defeating Labor candidates in marginal electorates, without obtaining firm commitments for genuine alternatives to the Fabian programme, they will merely help to change the parties at Canberra without changing the Fabian policies destroying Australia. Those genuinely concerned about saving Free Australia and the institution of private property, must be using some of their resources to exposing the Fabian programme.

Failure to do this can only mean that either there is a frightening ignorance of the nature of the enemies of freedom, or perhaps even worse, that there is a moral cowardice in the face of the Fabian enemy.

Proposals to deregulate wage fixing, and similar suggestions, however commendable, avoid the main issues.

What is urgently needed is some type of co-ordination of the many concerned groups around Australia, so that a realistic programme along the lines suggested can be forged. Such a movement might encourage the establishment of Electors' Associations in every electorate, whose task would be to instruct all those seeking to be employed by the electors as their paid representatives, to appear at public meetings to answer questions. Such Associations would then ensure that the answers and attitudes of candidates were widely publicized with a recommendation of how electors should cast their votes. It should be stressed that the first responsibility of a Member of Parliament is to his electors.

And, finally, those directing such a grass-roots movement should consider the importance of encouraging support for Senate candidates pledged to use Australia's House of Review to block any further legislation, including that concerning higher taxation, which furthers the Fabian programme.

Politics is the art of the possible, and my own view is that the Senate provides the best place where at least a start can be made to call a halt to the rising tide of totalitarianism. A few men and women, pledged to the type of policies I have briefly indicated, and holding the balance of power, could play a decisive role in the battle to turn back a revolutionary programme which, unless halted, will eventually destroy

the type of Australia our pioneering forefathers set out to create.

As a former army instructor I come back to this first principle of warfare mentioned at the beginning of my address:

KNOW YOUR ENEMY, CAREFULLY STUDY HIS STRATEGY AND TACTICS

Only then can you fight with any chance of success.

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Following on from the Kitchen Table Forums conducted across all Australian states last year, and taking into account feedback from a good number of people with the establishment of the monthly booklet '*On Target*', the ALOR National Director Arnis Luks has committed to repeat a similar Australian wide tour, while promoting existing and new subscriptions to the '*On Target*'. Issued each month to promote the League's Objectives, the booklet will complement the National Director's busy community campaign.

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Timing for the East-Coast Tour by the National Director

September 7th starting out early from Adelaide heading on to Naracoorte 8th, and then on to central Victoria for the 9th & 10th, heading to Bairnsdale for the 11th, and entering southern NSW across that weekend 13th & 14th, with further travel and meetings across NSW through 25th September, then continuing on to Queensland.

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A WEEKLY COMMENTARY

- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS



The Price of Freedom is Eternal Vigilance

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The Challenges of Robert Balzola By Neville Archibald

It takes a plain-speaking man to issue a challenge without offending. To my mind Robert Balzola's recent address was a timely reminder to us all, that while we can whinge about injustice and the unfairness of it all, we still need to be aware that it is up to us to participate in the solution.

The use of the term "Idiots" came up on one of his slides and is a perfect example of why we are in this mess. There are indeed too many "Idiots". Before you take offence at this term, you must realise the context in which it was used. In ancient Greece this term was used to describe an individual, being apart from, and not engaged in, society. The definition of this engagement being the involvement in the decision making responsible for societal direction – the politics.

Those who refused to be a part of this were termed "idiots". I have to say I agree wholeheartedly with this definition and to some degree with the connotations it also brings with it.

The full force of our current predicament is beginning to show itself even to the most blinkered of us. That it is we, as a collective, having allowed it to get this far, to me proves that I too, must be a part of this so called "idiot" grouping.

While I have battled in my own way to solve some problems and endeavoured to awaken others to this state of affairs, much of my time, upon reflection, has been spent describing the problem. (also learning about the fundamentals I need to explain the possible solutions.)

I am guilty of being ineffective in my approach to many and perhaps I could have done a lot more than I have. NO! I should've! Should've /would've / could've. I laugh with you on that Mr Bazola.

See Robert Bazola's address to the public schools club here: alor.org or here: <https://rumble.com/v58w1j1-dsc-seminar-2024-robert-balzola-enforcement-of-justice-the-magna-carta-trad.html>

Self-flagellation aside, this is where we must pick up the gauntlet that was thrown down. To convert our ideals and beliefs into language that is at once definite and uses common words with no misapprehension about what we see as the cure – the right way to implement it.

Many of us only have an indistinct vision of what the culmination of a Douglas-like-economy would be. We know what we don't want it to be! We can see the moral fairness for the individual, but usually fail to convert it to reality for those who don't understand Douglas' intentions. May I say, there are probably many of us that cannot even define it to ourselves.

I have said before in passing, that we have a dearth of examples to present.

A student, trying to put something on paper that is acceptable to the teacher, must first be able to see what is expected. An example of a derived solution, a well written essay in correct form, something to strive for to achieve the highest mark.

This is where I think we have failed, not in a discouraging way, but in a lack of attention to its impact on our social equals. The feedback given has tended to be from like-minded individuals rather than those of our opposition, who are actually, given the chance to understand what we are saying, our possible allies. Once the message is truly clear and the aim, an actual picture in front of us, then our chances of turning this around increases dramatically.

My belief in people has not been eroded so far that I think I am in the minority. Those I see trying to survive in this crazy time still have deep seated desires to be free of coercion and corruption, still wish to have the individual ability to be themselves in an environment where they can advance to their full potential (even if they don't describe it that way themselves).

I think we all want to live, love, raise a family and look after those around us. Is it too much to ask that it be done with less interference?

Our opposition has already promoted their vision, that of owning nothing and being happy, in battery hen cages, inside fifteen-minute prisons, living life at the whim of those who control our credit supply!

Surely our vision of a Douglas' future is a better one than that – it should not be a hard task to make it acceptable to most. We need to exert ourselves and become the interpreters of what a better future would look like for the next generations. I do not think the message of Douglas in its current form is even close to being decipherable to those now around us.

I have waxed lyrical about twenty second attention spans, poor vocabulary skills and inadequate educations. Those things aside, how is that any different than what has gone on before. During the Constitutional Conventions or further back in history, the populace were possibly more illiterate and had to be read to by town-criers with their, "Hear Ye, Hear Ye." This allowed it to go out to those who did not understand the jumble of words on paper. The information, presented in this way was a method suitable for the time. They were astute enough to follow and discuss the implications in taverns or town squares.

Am I attributing too much to them? I don't believe so! In my examination of the history of pamphleteering and oration in America, it showed the widespread ability of a crowd to listen for hours. To join in with discussions on the subject of the time, then have intelligent discourse about it. I don't imagine our Australian family was any less capable, given the debates and discussions in the Bulletin and our other papers of the time. Those who get involved, participate. If the subject matter is not understandable or too ethereal, then involvement is reduced and the momentum falters.

In the "Voice" to parliament, the promoters could not successfully outline what their vision looked like in reality. I believe this was what ultimately muted their advance.

The same could be said of John Hewson and the liberal party's first attempt at implementing a GST, his inability to describe its reality, led to his eventual electoral defeat.

If this is what we are up against and I suspect it is, we need to be aware of it and focus on how to organise our message to be the most effective for each grouping.

We do not need to lapse into "financial speak" or discuss the intricacies of Douglas, but his message and the moral intent needs to be clear and easily seen. What this would look like and a basic foundational set of steps to build on, will be understandable by all if presented correctly, remembering it is the policy we want and the policy our converts will follow, not the exactitude required to implement it.

- (although we must also know them).

Christ's message was simple, and his parables were understandable by even the most remote person – he tailored his message to each audience. He did not alter the message, just explained it in a form they would understand.

The current picture of a Douglas' future is like an untuned TV screen – all fuzzy and distorted.

We need to tune it in!

Aussie Culture By Neville Archibald

There is no Aussie culture
or so I've heard it said
there is no Aussie culture
'cause Aussie cultures dead!

I hate to disappoint you
I hate to be a pain
but Aussie culture's alive and well
and living in your brain

whenever you say, that don't seem fair
or I'll have a crack at that
then Aussie cultures alive and living
right there under your hat

before the Anzac legend
before they charged the beaches
our spirit was developing
from shore to further reaches

what's sauce for goose is sauce for gander
so let it not be said
as long as we are living
then Aussie culture is not dead

words come and go with fashion
or advertising flair
but some remain as true as true
though they rarely fill the air

who called the cook a bastard
who called the bastard a cook
is still as apt today
you don't have far to look

self depreciating humour
cutting tall poppies down
might not be our best look
but its one of some renown

sometimes they may deserve it
or it could be a bit too harsh
but it keeps us all one level
if we kicks them up the arse

when they mock us with their parody
or why they think it's dead explain
it's something they can never be
and all I see is their disdain

are they jealous much of what we've got
when those who say its dead declare
for its something for which they have no shot
and they can only sit and stare

they will never have our mateship
they will never know our bond
thinking only for themselves they lose
only gain money of which they're fond

to change it all to fit their need
some have a way with words not nice
but them, they ride another steed
for they see our virtues as our vice

it's a steed I do not wish to ride
one that takes us down a track
of dividing us into many clans
so I will fight to get it back

they'd change your way of life
to give them more control
create a lot of needless strife
to dampen down our soul

they focus on the negatives
of all that's been before
instead of looking how far we've come
and what the future could have in store

our kids they travelled far and wide
and saw how others lived
and recognised that we're all alike
just want what the world can give

enough to feed their families
enough to go it alone
without the interference
creeping into every home

no matter which the country
no matter language spoken
just left to do as they desire
their culture never broken

there are still those who wish to be
the tallest poppy around
they want to lord it over us
and grind us to the ground

demanding and controlling us
they'd have us all in chain
they'd be the lords and ladies' muck
and we'd be serfs again

I've got in mind a group of thugs
who live up on a hill
they take us all for many mugs
they're doing it to us still

we should resist and play it up
but that part of Aussie spirits weak
instead of saying bugger off
we only give them the other cheek

they rarely listen to our words
except at election time
when they tell us what we wish to hear
while covering us with slime

maybe we should be more inventive
with words we select to use
and we should not stop using them
when they intimidate or accuse

the rest of the time they while away
making plans akin to treason
dreaming up new and better laws
that serve us no rhyme nor reason

so when we think of long gone soldiers
and those at war who died
just get on with the living
Aussie culture resides inside.

Welcome the Warmth By Viv Forbes

At dawn today (30th July) mid-winter in sunny Queensland, it was zero degrees on the lawn outside our kitchen and the small water tub for our chooks was iced over.

Every morning, as soon as it gets light, Judy puts a winter coat over her jamas, adds gloves, glasses, rubber boots, a beanie and a walking stick (icy grass is very slippery). She then trudges down the hill to check any new-born lambs and then lets the sheep out of their dingo-proof night-camp into their paddock for the day.

As soon as they are let out, they dribble into a long line and, led by the wisest old ewe, they wend their way across the frosty flat and then make their way up the hill to the highest point facing the morning sun.

Unlike Green politicians, sheep are not stupid. They know that warm air rises so in winter they camp at the highest point they can find. And in cold mornings, they try to catch the early rising sun.

Can you imagine Canadians being scared by the prospect of a bit more global warming? Has the whole world lost its wits?

Our house was not built by stupid people - we call it "Hilltop" and it faces North - it usually stays above the frost line in winter. And not all residents of Victoria are stupid either - in winter hundreds of them clog up our highways, heading north to follow the sun. Maybe they are like cattle caught in a snowstorm - just drifting north before that cold southerly wind blowing icy air up from the Antarctic?

Al Gore and his Green disciples bleat about the imaginary “dangers of global warming”. They should check where life flourishes – is it in the equatorial zones or at the icy poles? Are there more people in Nome, Alaska or in Mexico City? And if atmospheric CO2 controls temperature, both places should be about equally warm? Maybe it is the amount of heat received from the sun and not CO2 that is the main driver of global temperatures?

And even if they fear global warming, they do not need to cripple our electricity generators here with their green energy nonsense – they should just move South to the Snowy Mountains; or buy a house facing the Roaring Forties at Cape Grim in Tasmania; or even slip down to Invercargill in New Zealand for a permanent cure for those with a chronic dose of global warming syndrome.

Green Pied Pipers and the lemmings who follow them started the “Global Warming Scare”. These foolish politicians and their alarmist media mates know more about political science than they know about climate science.

As each of their forecasts fail, they change their chant – “global warming” becomes “climate change” then it becomes “wild weather” - all promoted, not by meteorologists, but by propagandists in government media units.

Anyone with an ounce of knowledge about Earth history knows that the Mammoths did not die of heat stroke – they were entombed rapidly in ice. And even Saint Greta should know that the real danger to life on Earth is not global warming but global cooling and the inevitable return of the suffocating ice sheets. Here is what an ancient Scandinavian legend says:

A long time ago

the universe was made of ice.

Then one day the ice began to melt,
and a mist rose into the sky.

Out of the mist

came a giant made of frost,
And the Earth and the heavens
were made from his body.

This is how the world began
and that is how the world will end,
not by fire
but by ice.

The seas will freeze,
and winters will never end.

Geologic evidence shows there have been many ice ages. However, as the above legend shows, only rare tribal memories go back further than the last ice age. Despite the shrill forecasts of dangerous global warming from Al Gore’s Gang, there are many signs that we are past the peak of the Holocene Warming. It is the next cycle of global cooling we have to fear.

For example, in Greenland, “The Lost Squadron” travelling from USA to Britain in 1942 was forced to land on the Greenland Ice sheet. Two B-17 bombers and six P-38 Lightnings ran out of fuel and crash-landed on the Greenland ice sheet.

The crews abandoned the planes. The planes were rediscovered 50 years later using steam boring machines. They were buried under 268 feet of ice. (In 2002 a recovered and restored P-38 flew again.)

Our family ancestors learned about weather. Mine came from Britain and Denmark. Some went to Dunedin in far south New Zealand. There they started to die out and decided to move again – to sunny Queensland.

Judy’s ancestors started living around Armidale in NSW but also found it too cold and migrated north to Sarina in North Queensland (every winter her sheep wish she had stayed in the warmth of north Queensland.) *Viv Forbes*

“The Evolution of Human Energy”:

<https://saltbushclub.com/wp-content/uploads/2024/07/welcome-the-warmth.jpg>

NIEO as Policy Across Major Parties By Arnis Luks

Travelling to Western Australia and discussing those most current and pressing issues with local folk, reinforced the significant economic and financial impact that banning 'live sheep exports' will have on rural Western Australia. What was not so apparent was the origin of the continued de-construction of Australian industry through adherence to policy, originally titled the ‘North-South Dialogue’, beginning in 1978 with the then Liberal Prime Minister Malcolm Fraser, John Howard as Treasurer, and Doug Anthony as the National Party leader, by immediately shutting down the Whyalla Shipbuilding and Engineering industry, and continuing on to shutdown other industries across Australia. No noise from unions nor the Socialist Labor Party, with the loss of many thousands of jobs, and many more thousands of indirect jobs and affected families to boot. Not forgetting to mention the de-construction of Australian self-reliance and strategic defence - as NIEO policy.

The 1977 policy - 'North-South - A Program For Survival', was the initiative of Willie Brandt as head of the Brandt Commission supported by the World Bank – being the communist-capitalist nexus. Willie Brandt was the leader of the Social Democratic party of Germany from 1964 to 1987, serving as the Chancellor of West Germany from 1969 to 1974. His main policy was that of 'Ostpolitik', leading to the reunification of Germany. Brandt served as President of the Socialist International 1976-1992, the central controlling body of the world communist movement.

The Liberal/National parties in Australia have openly been pursuing communist policy under the title NIEO 'New International Economic Order' since 1978. The 'North-South Dialogue' did change its name to the 'Lima Declaration', and rebadged again as Agenda 2030 etc, but the policy of deconstructing Australian (and western) industry and primary production, has continued under both Socialist and Liberal/National governments alike.

Hansard Confirms Common Policy

Read the Parliament of Australia Hansard Record 29 May 1986 page 4325 here: https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;adv=yes;orderBy=fragment_number,doc_date-rev;page=9;query=Dataset%3Ahansardr,hansardr80%20Decade%3A%221980s%22%20Year%3A%221986%22%20Month%3A%2205%22%20Day%3A%2229%22;rec=4;resCount=Default

This historical record demonstrates no change of policy across the preceding Liberal/National governments and the incoming Labor Socialist government. The policy was continued regardless of government flavour. Live Sheep Export Ban is simply continuation of the same NIEO policy regardless of political flavour.

In 1991 Jeremy Lee has produced in booklet and DVD form, a most detailed investigative report into 'The New World Order' - and the deconstruction of Australian Industry – as adopted by successive Australian governments across the preceding 50 years. As an investigative researcher, Jeremy was 2nd to very few. Scanned copies of this written work are available from Head Office \$10 posted, as is his accompanying DVD 'What is the New World Order?', also \$10 posted. Why not purchase both important items for the historical record and your own scholarship?

A popular definition of insanity is to continue doing the same thing and expect a differing result. The correct question should become 'how do we achieve a differing outcome while the majors control the political-voting-landscape, and rig the electoral system for their own purposes?'

Note: The yellow-vest protesters in France have been active on the streets since 17 November 2018, nearly 6 years ago with no effective change in policy outcome. Jeremy offers some novel and tested approaches to achieving representative democracy in Australia, within his booklet.

Having stated this obvious point several times in the recent past, that Liberal/National and Socialist Labor work together, I still receive feedback that I am harsh on the Liberal/National Parties with my views. In defense of my position, I present from the Archives similar comments occurring under differing ALOR National Directors coming to similar, or the same conclusions – Liberal/National Governments have been an absolute disaster since 1975 Fraser, Howard, Anthony, and even before if you choose to search out the *OnTarget* comments from its original print run of 1965.

Coalition Parties Continue on Disaster Course OT 6th April 1990

When it finally dawned on the Liberal Party that it had lost its fourth Federal Election, there was an immediate frenzy concerning the question of leadership. While Mr. John Howard might well console himself that events have confirmed that the pro-Peacock coup against his leadership turned out to be a disaster, concentration upon the leadership issue obscures the reality that the basic problem confronting both the Liberal and National Parties is one of philosophy and policies.

Both parties are still influenced by those who felt that their best chance of winning

the 1990 Federal Election was by changing their leaders. There was no suggestion that there should be any genuine alternative policies to those of the Labor Party. As has been subsequently revealed, Labor strategists conducted a campaign on the basis that the Coalition would make it possible for them to ensure that they could make a virtue out of economic hardships with the Coalition not offering any real alternatives.

One "swinging" voter summarised the situation by saying that many people like himself decided that they should stay with the Devil they knew rather than switch to the one they didn't know. The new "star" of the Liberal Party, Dr. John Hewson, campaigning in his capacity as Shadow Treasurer, offered nothing basically different than Treasurer Paul Keating. He had nothing concrete to offer on interest rates, while the horrendous national foreign debt problem was only mentioned without any clear statement concerning what the Coalition Parties would do about it.

The Coalition Opposition made no attempt to highlight how the Federal Constitution has been virtually torn up by the exploitation of the External Affairs section of the Constitution. Electors questioning Coalition candidates on this fundamental issue were asked to be content with assurances that a Coalition Government could be trusted on the question.

The only potential threat to the Labor strategy emerged late in the campaign when Andrew Peacock and Charles Blunt decided in desperation to raise the MFP Multi-Function-Polis. It is now known that this caused a temporary panic among Labor strategists who feared that by publicising the M.F.P. the Opposition might indirectly be raising an issue they felt vulnerable about - Asian Immigration. Labor's media pack immediately went into action, as they did when John Howard as leader of the Liberal Opposition raised the immigration issue. Mr. Laurie Oakes, for example, suggested that a Peacock victory would be "tainted" if the Opposition managed to win by stressing the M.F.P. issue. The Patrick McGuinness column in *The Australian* of March 20th was headed: **Peacock Rides Home On Wave Of Racism**

Like others of his kind, McGuinness indirectly suggests that there is some type of flaw in the Australian character because Australians generally are concerned about Asian immigration. As frankly admitted by W.A. Senator Walsh, Finance Minister, once the elections were over, *"Time is running out for Australia. We have only a few years to address the fundamental economic problems..."* Senator Walsh has, of course, been a senior Minister in a Government that intensified the problems. And Walsh neither outlines the real problems nor offers solutions.

But the "new look" Coalition offers no salvation either. More than new faces are required. The Coalition lacks a clearly defined set of principles, a coherent philosophy and policies reflecting that philosophy. We have no doubt that Dr. Hewson, for example, like Mr. Reith, Mr. Ian McLachlan and others, is a "good bloke". But we notice that these "good blokes", so far from suggesting any departure from a financial orthodoxy that makes continuous inflation and high taxation

inevitable, offer nothing but the disastrous consumption tax. John Howard says its introduction is inevitable".

There is no suggestion of a real reduction in the murderous interest rates bankrupting thousands of small and medium sized businesses. Even Ford Motor Company says it is threatened by the high interest rates.

There is no suggestion of how the massive foreign debt of approximately \$120 billion, now growing by approximately \$20 billion a year, can be progressively reduced - except by greater production and more exports in a world where every developed nation is striving to achieve the same result. Frankly, there is no evidence to indicate that the "good blokes" of the Coalition, along with those like John Howard and Andrew Peacock, who have been tried and found wanting, are capable of offering the type of policies required for the turbulent period immediately ahead.

The future of the nation is going to depend upon a grassroots movement that will, aided by events, start to force realistic policy changes.

(Essential reading for the effective grassroots campaigner: *The Money Trick; What Has To Be Done* - Chas Pinwill; *A Programme For Reversing Inflation* - ED Butler.)



“
[I]t appears to be proved beyond argument that Lord Acton, in his much misquoted dictum that all power tends to corrupt, and absolute power corrupts absolutely, was enunciating a natural law so that the more powerful a Government is, the more certainly it will deteriorate.”

C.H. Douglas
The Development of World Dominion (1969)

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Essential Reading:

The Money Trick

<https://www.alor.org/Storage/Library/PDF/the-money-trick.pdf>

What Has To Be Done

https://www.alor.org/Storage/Library/PDF/Pinwill_C-What_Has_To_Be_Done.pdf

The New World Order - and the Destruction of Australian Industry

<https://www.alor.org/Storage/Library/PDF/Lee%20J%20%20-%20New%20World%20Order.pdf>

A WEEKLY COMMENTARY

- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS



The Price of Freedom is Eternal Vigilance

Vol. 60 No. 30

9th August 2024

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Thought For The Week: Eric Butler, in an article titled '*A Programme For Reversing Inflation*' made mention of 3 Bank Strikes occurring across 10 years 1966-76 whereby the Irish continued on by their own devices for nearly a year.

New Times: 1971 Volume 37 No 3 **EXTRACT**

'A Programme For Reversing Inflation'...

... The creation of the major part of a community's money supply in the form of financial credit, figures written in bank ledgers, and the use of cheques provides the most efficient and flexible money system that it is possible to envisage. But it is a system, which can either be used to ensure that the individual obtains the results he desires from his economic activities, or it can be used as a powerful instrument of centralized control.

The rate of credit creation and general credit policy is dictated by the Reserve Bank. We have now what is in reality a semi-nationalized banking system. The essence of a money system is that it is a ticket system for distributing the wealth produced by individuals through their economic system. A railway ticket is a convenient method of distributing a special type of wealth: a seat in a train for a certain distance. The ticket is but a useless piece of cardboard unless there is a railway service upon which to make a claim. No railway organization runs trains half empty and tells would-be customers that this is made necessary by a shortage of tickets. Nor are a number of tickets issued for one seat. The number of tickets issued reflects the real wealth available in the form of seats. And at the end of the journey, after the service has been used, the tickets issued are destroyed. Money is but a more generalized form of ticket and realistically should reflect the creation and consumption of wealth. The rate of creation and cancellation of money should be related to the rate of production and consumption. As will be shown, the ever-increasing rate of expansion of debt is irrefutable proof that this is not the case. Money is anything which people will readily accept confident that they

can exchange it for goods and services. It has taken many forms throughout history, beginning probably with cattle, which were regarded both as basic wealth and as money. The owner of the wealth originally issued his own leather discs as money to represent his cattle. The word pecuniary is derived from the Latin *pecus*, meaning cattle. A money system makes a much more efficient economic system possible. But it should never be overlooked that an economy is possible without a money system, but a money system is useless without an economy.

Robinson Crusoe's first concern was not to find money, but to obtain enough food and shelter. Believe it or not, we have recently had an example of a modern economy continuing to operate even while all the banks were closed. From April 30, 1970, until November 17, 1970, the Irish banks were closed completely because of a strike of employees. This strike was no novelty for the Irish as they had a bank strike for seven weeks in 1951 and for twelve weeks in 1966. The 1970 strike of six months, during which period the Irish economy continued to operate, resulted in the establishment of a Commission to examine how the Irish continued to operate their economy without the banking system. What happened was, of course, that every man practically became his own banker. Cheques continued to be written and accepted by hotel-keepers, supermarkets and other business organizations. As one reporter observed: "This was a return to basic economics, if not quite to the barter stage. It put to the test the maxim 'Cash is only a small part of banking, trust is the greater part'." ... **end of extract**

FYI: Social Credit and Maud Gonne

<https://www.rte.ie/brainstorm/2020/1124/1180189-maud-gonne-basic-income-irish-social-credit-party-ireland-1930s/>

Village Life By Arnis Luks

The former associate of the Fabians, H.G. Wells, wrote in 1920: "Big Business is by no means antipathetic to Communism. The larger big business grows the more it approximates to Collectivism. It is the upper road of the few instead of the lower road of the masses to Collectivism". P.18 OT Insert Aug 2024...

As Chairman of the British Labor Party, (brilliant Marxist theoretician, and Fabian Socialist-ed), Dr Harold Laski visited Moscow in 1946 and had a long discussion with Stalin, following which he made the historic statement that he and Stalin had agreed that while they were travelling on separate roads, Stalin on the Marxist- Leninist road and Laski on the Fabian road, they were marching towards the same objective, inspired by the same ideas, those outlined in 'The Communist Manifesto'. P.19 OT Insert Aug 2024...

This week has seen quite a volume of archived material revisited. Two timely articles by ED Butler will be placed within this month's On Target booklet. Timely, even for today, though penned nearly 50 years ago, Eric's thoughts and writings will no doubt, continue to be of relevance in today's political discussions. Also taking into account the 'Walter Murdoch – Douglas Social Credit' collection held in the

Perth Library is another timely reminder of how political and economic issues have been successfully dealt with in the past and can again be effectively dealt with today. It's often quoted that: "he who does not learn from the past is bound to repeat those mistakes". Having children and grandchildren reminds me of the need for some to experience results for themselves to appreciate the pre-thought that could have minimised the pain. Eric Butler was also quoted as saying 'the plight of the world is the hope of the world'.

On the road back to Adelaide from Perth the other week, I experienced a certain level of back discomfort to the point I was unable to sleep and needed to keep moving, even during the night. Once home the discomfort continued a further 10 days until successfully diagnosed.

10 sleepless nights later, and finally I slept last night in my own bed, through the night, and with few interruptions. Who would have thought that muscle cramps could have caused so much discomfort for that amount of time. The cold evenings aggravated the cramps, so the stretching exercises performed during the day weren't providing the long-term release. Once stretching was performed in the middle of the night at the peak of discomfort, this finally brought about relief. I am glad that is over, and the lesson learnt, providing I remember when/if this ever occurs again. The point – history is there as an experience to pass onto other generations, should they be willing to listen.

Why The Title – Village Life

Eric Butler's mention of these extended Irish bank closures intrigued me sufficiently to locate a couple of assessments of this part of history worth making reference to: Money in an Economy Without Banks: The Case of Ireland available here: <https://www.mortgagebrokers.ie/wp-content/uploads/2018/01/Antoin-Murphy-Money-in-an-economy-without-banks-The-case-of-Ireland-bank-strike-paper.pdf> Another assessment being Money and Credit : Lessons of the Irish bank strike of 1970 available here: <https://www.econstor.eu/bitstream/10419/187458/1/rome-wp-2017-13.pdf>

From these assessments, I gathered that the use of 'trade credit' readily substituted bank deposits as a means of payment. Trade credit was expressed using private cheques accepted as payment for future reconciliation. Public houses, being quite prevalent across Ireland, also became the custodians of 'credit worthiness' when no other 'source of referee' was available. Each person, in effect became a banker of other people's private cheques, as well as providing their own private cheques for transactions. Blank cheque books were printed and made available from local newsagents. At the end of the 1970 strike, some six months' worth of accumulated cheques needed to be processed through the conventional banking clearance houses.

Both reports are important as an example of how, apart from normal people conducting private businesses, transnational corporations could also operate outside of the CBDC's central bank digital currency surveillance state. I'm guessing that this is how it already occurs as 'off ledger' transactions. Not much different than that

which occurs on a much smaller scale at the local market fair.

My recent ailment did cause discussion as to the possible causes, with suggestions for remediation. Poking my head outside the front door, the closest neighbour readily came across to enquire and offer advice. Further feedback from other villagers was a steady reminder that we are not an island unto ourselves, but part of a community of caring and loving people. Concentrating from this perspective, becomes the glue that holds society together, especially during difficult times. Douglas Social Credit is often defined as ‘faithful dealings’. Whether it is in an area of concern over a neighbours’ health, or transactions reconciling the local economy, providing that faithful dealings are present and foremost, life for any village continues on all the richer.

The Death of Sin By Neville Archibald

We gather together today to acknowledge our debt, to SIN.

Most would recognise the name, if not the lasting achievements he accomplished in his lifetime. Definitely a famous personage, for so many spoke of him. He had adherents of his philosophy, and one could almost say “groupies”, but not in this polite company. Let us just refer to them as supporters of his alternatives. He has left a lasting impression on this world and will forever be remembered.

So, who was Sin? What was he known for and what lasting achievements can be attributed to him?

Sin entered this world a long time ago. His origins, as old as mankind. He caused the ejection of man from the first botanical garden. He was an accomplice in the first murder. He was the criminal mastermind of the corruption that caused the death and destruction of cities of old, where his influence exceeded that of the patience of the ruler. Not content with these accomplishments, he went on to put his finger in the pie of nearly all the evil-doing since then.

In his later years, his ability to influence us, waned somewhat, as we have grown collectively more immune from his gift of deceit, his weapons no longer had the sting, the sharp edge of risk attached to them. Unable to feel the cut of his blade, we found no shame in being marked, being found out. Sin found his depravities ageing, becoming “old hat”. Why?

When sin was first conceived, he was an outcast, not welcome by the fires of honest men and women. He was decried as a saboteur, a wrecker of homes, trust and truth. Everywhere he went, moral man avoided him, for fear of tainting a developing civilisation. It is not that we began to welcome him into our homes and lives, more that we came to copy his ways for our own purposes, and he no longer felt needed. I am afraid that in his last days on this earth, he found no one to feed him and so he withered and died, a lonely death. **RIP Sin.**

You could be forgiven for thinking I am crazy. You believe Sin is still amongst us, spoiling our fun and corrupting our youth. Yes, there he is. Wait! No! that is not him, it looks nothing like him!

No. Sin has been redefined unto death!

Who hasn't dreamed of the perfect world? A world devoid of Sin!

Ever since Mankind started living together in groups, they have realised that to do so harmoniously, there has to be some form of agreement as to what is acceptable within a community. The Christian viewpoint sees the grouping of those ideals into a way of life recognised by Christ's teachings, for so many of these teachings were just that, how to live for a higher purpose. The opposite of these helpful attributes were the sins: the very things that would eventually cause chaos, upheaval and the tearing apart of that very community.

These Sins are often listed as the Seven deadly sins: **Pride, Lust, Gluttony, Greed, Sloth, Wrath and Envy.**

There are of course many different ways to accomplish a better life and a better community, and as a means to an end, they will not always give a result that looks the same. What we see as a better world, might be different for others, and here lies the first real problem we face. That of a differing world view.

Our Christian based western world, could be considered in this light, if we are game to. I can see many improvements in our society when I consider even the short journey over my lifetime. I can see the great changes we have made for the better and an improved tolerance of others who would be different. The very recognition of diversity within a community and its celebration has been a slowly evolving acceptance. We were on a journey to a higher plane, as it were. Our recognition of different; however, still included an acknowledgement of sin as bad for us.

Others have a different vision of their future, perhaps the women are not equal, perhaps slavery is still acceptable if it is another race or religion. Maybe they see themselves as the natural rulers of the world and everyone else, merely cattle. These differing cultures do not see our world as we do. As individuals living together in harmony. They do not envisage the same end result as we do. Their view is often a more "ME" focused journey. One that aspires to rule over others and sees power and wealth synonymously as their right, for being superior beings. Those, I guess, who taken to the high mountain-top, accepted Satan's offer of ultimate power to do "good". (the least detrimental way I can envisage them) They contain, in their world view, things that we know as sins which will destroy our efforts to build a better world as we see it.

What we want in our country, our society, must be the focus of our attention. It is in this frame of mind that our Nation was founded, the individual right to freedom in all its considered forms. Any other world view was not acceptable, tyranny, slavery and despotism were wrong!

Thus we have, opposing views, and a battle between good and evil, between individual rights and the will for power over others. This battle is the very thing we are facing at this point in time, the push has become greater and more apparent than it ever has before. The laying down of the cards has begun.

So many in our community do not even realise the game is on, we must help them

to see.

The days of hellfire, brimstone and “repent ye all”, are gone from our Churches. The recognition of sin in all its many forms, also has been lost to the realms of myth and legend. Our changing society has seen the rise to the top of those who desire power and wealth over those who would see us all in a better life, a more enlightened civilisation.

I guess it could be said that our Achilles heel has been our very tolerance, our desire to allow the many forms of expressed individualism, that we saw as a healthy diversity. The movers and shakers within our society that have that desire for power over the individual have used this to include the very sins that will destroy us in the long term. They have used our generosity of spirit against us.

If we look at each sin in turn, we can see the gradual impositions that have been made.

Pride. A hijacked word now, by the alphabet group of “alternative sexual lifestyle” people. People whom I have no beef with in general, for what goes on behind their closed doors is truly none of my business. If it involves forced inclusion, as in unwilling sexual activity, then it is wrong no matter who you are. This overt celebration and “in your face” inclusion, goes far beyond what I see as acceptable for any form of sexual relations. A world promoting any “free sex” ideals to young pre-pubescent and even young forming adults, is a bad thing.

Each individual as they are growing up should be allowed to develop in their own way, without having more confusion shoved in their faces. It is their journey and should remain theirs, free of this.

The sin of pride is also seen in the look at me group, we are better than others. It leads to looking down on others as lesser beings. This is detrimental in that it also leads to a belief that we can make rules for some groups over others as they are not as capable, and need “help” in this manner.

Lust. I think this is a clearly seen outcome of the advertising industry. Sexualisation to sell goods. Newer is better. Acquisition of money to be co joined with pride as “better than, more successful” than others.

Gluttony. In medicine I see it as a pill to fix things that are the result of excesses, rather than the use of self-denial. Overeating of the wrong foods, again industry pushing for sales targets and taste rather than health focus. The use of excessive salt sugar and fats, cheaper and less nutritious, but tasty, This focus on consumption also goes into the “Newest Phone” etc, even though it is not really needed, just out moded. That whole upgrade focus that everybody seems to be addicted to.

Greed. The other side of gluttony I guess, the I have to have, the newest the best, the most desirable – all pushed by media and perception of want that is foisted on us daily. You are no longer adding to society you are profiting by destroying something that may have been useful or good,

The ridiculously high wages or pay outs for already having done a job, seen as part of the “perks” in business. Golden handshakes, jobs for the “boys” (and girls),

obscene bonuses despite poor performance or cost to consumer increases. We have all seen them. Why are they okay? Why do we accept them?

Sloth. Which can be seen as laziness and also disinterest. It is now okay to be perpetually on benefits. A whole industry has formed around it and is continually growing. It sponsors disinterest and dependence. The whole argument around it continually leads to division and anger from some at the lack of desire to work.

This of course comes out of a faulty monetary system, where there is not enough work to go around and not enough money thereby made available to buy the production created. Disinterest in our own affairs, or our countries affairs. JFK and his “ask not what your country can do for you, but ask what you can do for your country.” We should be actively engaged in our country’s direction and having input.

Anger or Wrath. This tool is one continually used by our controllers, pitting one group against another. Highlighting our differences and feeding them rather than looking at what we have in common and coming to an agreement. The recent “Voice” is a classic example. It was used to divide us further on a race-based solution rather than a simple fixing of all poverty related disparities. So much time and money spent and anger created community wide, when the real problem is Governmental failure to account for its own dealings.

Lastly **Envy.** Lifestyles of the rich and famous. Insistence that we are all entitled to a prize, just for competing. This idea has become widespread throughout our community in many guises, the idea of rights without the recognition of the responsibility that goes with it.

I think we could all go through that list and recognise ourselves in parts of it. Our actions in this life are the first things we can control. By our conduct others are influenced. A close look at what example we are setting for those around us is our first task, only after that can we point to others.

The corruption of these sins into things now seen as acceptable misdemeanours, has changed the way we see the impact it has. It is still in the longer term a serious problem but is now taken as just a progressive change we need to come to terms with. One that is “inevitable”.

By those definitions our destruction as a civilised nation is also inevitable. It is NOT!

Many only focus on the bad, a habit that can be detrimental, to not only our health but on how we reflect this onto others. A community can be dis-empowered by continual negative thoughts. If all you hear is, how bad you are or what you’ve done wrong, then of course you will be dragged down, not lifted up. What has changed to start this degradation of our society? How can you make an impact to change this?

I remember getting the papers delivered and going straight to the “funny pages” for a laugh. An editorial piece also had a “down to earth”, “tongue in cheek”, piece; written by a local with a gift for a yarn in the Aussie style. Even some of the articles were less gloom and doom than they are now. Accomplished pieces, often discussing two sides to a story and any proposed solution. Maybe it is just the rose

coloured glasses of youth, but I really don't see as much of this anymore. Some of those around me lament the loss of the bush yarn, the larrikin spirit of Patterson and Lawson. They are still alive, still out there, and many are really good! It is unfortunate that these artists are no longer demanded for publishing space. I believe there are reasons for this that fall beyond the scope of this discussion, but it gives an example implicit in this eulogy for sin.

In a world full of tolerant, understanding people, whose leaders only want equality and sameness, useful producers and consumers to keep the wheels of industry turning, sin has no welcome. For if people think they are sinning, they might stop. If they think others are sinning against them, they might desire to stop that too, from happening.

In a world where most human activity has been regulated and confined by the creation of laws, nearly everything we do could be considered a transgression, a sin against government. It has become so that we flout these things daily, sometimes taking pride in the fact that we do. Our little rebellion against tyranny. It is not only easier to actually transgress, but the distinction between legitimate mutiny and original sin has blurred the boundaries and desensitised us to the very act.

Small sins and transgressions are forgivable to many, it is the larger ones that most despise. If the schemers, intent upon committing major sins against we the people, are worried that the archaic view of sin might disrupt their activities, then they must either disguise their sins or convince others that they are not really sins.

In this regard we have seen an adoption of practices, once considered sins, now made normal, by expressing them as alternatives. No longer outside of culture, but a part of different splinter groups within the culture. The division of society into groups, clubs or other named, separate bodies of people, who are celebrated as different, not apart. Our churches, preaching forgiveness and love of all, have not stood firm in their condemnation of acts that will eventually tear apart the fabric of our society. Christian alternative lifestyles, the progression from minor variance to major has been, as usual, slowly, slowly- in the Fabian socialist way. Achieved over time by extending the limits of depravity and numbing us to its impact by softening us up first by blaming sin on chemical imbalance, poor childhoods and other pseudo scientifically explained cognitive impairment. Believing, and rightly so, that we will go all "sorry feeling" for these poor effected individuals. Like the current acceptance of those wishing to identify as something other than what they actually are, we are enabling them. Hard to believe we accept those children/teens now identifying as cats and dogs, and humouring those beliefs to the point of dressing others down if they do not go along with it. Mental illness or cry for help aside, the truth is lost in the clamour to accept alternatives as a natural part of a progressive society. We have lost our way!

Sin, is not in fact dead, he is living under a *non de plume*, an alias. Others have faked his death to allow him unfettered access to our young. We have not stopped him or his accomplices in this crime and it is high time we did. ***

The Burden of Culture By Arnis Luks

Several differing titles have come across my desk this past week or so. 'The Burden of Culture' by Gary Johns is a 'warts and all' assessment into the Aboriginal 'industry'. His major theme was directed towards the nihilistic-exploiters of those of most desperate need, for their own personal advantage, without so much as they lifting a finger to help.

Puritanism, to my mind, can be seen within this approach; insisting on the removal of the spec in 'your – being the collectives' eye, while they themselves carry planks in their own – no self-examination. I see this *modus operandi* with the publicans and the pokies, or the providers of adult entertainment, or the drug dealers, none looking honestly at themselves and their own personal exploitation of circumstances for financial gains.

A post-covid examination produced similar observations for doctors, lawyers and the political elites. The truth is, we as a culture, are engulfed in great wickedness and lack the wherewithal to pursue a valid self-examination first.

The high road of the few, I see as neoliberal or libertarianism. Dog eat dog - only the strongest will survive. This approach makes a mockery of the 'good Samaritan' and the low road of the masses.

The modern era is providing employment in the realm of professional managers of the plebs. Whether it's a bureaucrat, a politician, a teacher, a preacher, all are professional managers of the plebs. None could be described as holding a vocation, a calling to serve the community. Police have become a private army of the leading politicians - against the general populace. What a mess. To consider this result as an accident, holding no specific design or purpose is infantile. This result is the deliberate outcome and within the purpose and intent of the New International Economic Order as World Government.

I also needed to take at least a few steps away from this perspective to concentrate on my own self-examination. Quickly I noted that there were other things that I could do to alleviate the situation. Firstly, I could readily discuss with all who may be willing to listen, what is desirable and possible, and then set about doing those things together, leading on to perhaps, larger meetings discussing what is desirable and possible within this extended sphere of influence. The major point coming from this self-examination is that there are things that I can do and therefore must do.

The second consideration was to no longer accept political and bureaucratic incompetence as a *fait accompli*. If they insist on not getting it right, then I insist they should be removed from their position of responsibility, and set about doing those things necessary to bring proper policy into a reality. You never know, someone else may see or hear of what is going on and decide to do the same themselves. Responsible citizenship could even become infectious.

I'm convinced marching in the streets and demonstrating are futile exercises that can quickly go astray. Close examination of the events in England, France,

Netherlands, each demonstrated no change in policy despite significant energy expended. It must be a grassroots movement desiring change in policy, and removal of the incompetents who are in the way. Note that the incompetent bureaucrats and political elite hide behind the(ir) law. Therefore, for a long-term perspective, the law must be changed to reflect personal responsibility and accountability within the realm of public service: *“He who would be greatest must be the servant of all”*.

I make no apology for placing Christian principles on the table, as the preachers and structured church remains silent on these fundamental principles. It is those Christian principles which have historically been immersed within our cultural inheritance. If we are to remain a free and vibrant people, then it is to these same Christian principles that we once-again must turn.

Jeremy Lee in his *‘The New World Order - and the destruction of Australian Industry’* points out that the *Senate Standing Committee on Foreign Affairs and Defence* report considered, almost indifferently, the ramifications of handing over our industry for market exploitation to the New International Economic Order here: <https://ia903105.us.archive.org/7/items/the-new-international-economic-order-implications-for-australia-report-from-the-/THE%20NEW%20INTERNATIONAL%20ECONOMIC%20ORDER%20Implications%20for%20Australia%20%20nla.obj-2085052711.pdf>

Where does it say that ‘an amoral position is valid’, except from the Humanist and Communist manifestos. A godless approach, legitimising that which is inherently wicked and evil. Australia is well capable of producing all its material needs, but due to unaccountable choices, made by those loyal to another entity other than Australia, we are to suffer. Not anymore. ***

Note: Last Friday’s UKColumn gave some airtime advertising the South Australian Clifford Hugh Douglas Seminar featured on our website : alor.org ~ If you have not yet viewed these important videos please take the necessary time to improve your knowledge and understanding. The link to the UKColumn Broadcast is here: <https://www.ukcolumn.org/video/uk-column-news-9th-august-2024> ~ While the message is bleak, and the level of political incompetence is deliberate and treacherous, the call to replace all senior politicians and bureaucrats is timely and welcomed.

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Our main website of the Douglas Social Credit and the Freedom Movement “Archives” :: <https://alor.org/>

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Essential Reading:

The Money Trick

<https://www.alor.org/Storage/Library/PDF/the-money-trick.pdf>

What Has To Be Done

https://www.alor.org/Storage/Library/PDF/Pinwill_C-What_Has_To_Be_Done.pdf

The New World Order - and the Destruction of Australian Industry
<https://alor.org/Storage/Library/PDF/Lee%20J%20%20-%20New%20World%20Order.pdf>

A WEEKLY COMMENTARY

- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS



The Price of Freedom is Eternal Vigilance

Vol. 60 No. 31

16th August 2024

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Thought For The Week: “No method of procedure has ever been devised by which liberty could be divorced from local self-government. No plan of centralization has ever been adopted which did not result in bureaucracy, tyranny, inflexibility, reaction, and decline. Of all forms of government, those administered by bureaus are about the least satisfactory to an enlightened and progressive people. Being irresponsible they become autocratic, and being autocratic they resist all development. Unless bureaucracy is constantly resisted it breaks down representative government and overwhelms democracy. It is the one element in our institutions that sets up the pretense of having authority over everybody and being responsible to nobody.”

Extract from Eric Butler’s booklet ‘*Sack the Bureaucrats and Win the Peace!*’ – original comment attributed to US President Calvin Coolidge

https://alor.org/Storage/Library/PDF/Butler_ED-Sack_The_Bureaucrats_and_Win_The_Peace.pdf

Bureaucratic Failures By Arnis Luks

Several important historical papers prepared by Jeremy Lee of the *Institute of Economic Democracy* are timely reminders that most of the predicaments we are currently experiencing have been previously observed and challenged back with viable solutions. Inflationary pressures are financially crippling the middle classes as policy. The source of the financial outcomes of rising debt and increasing taxation comes from policy administered by the bureaucrats running Treasury.

Jeremy's booklet ‘*The Commonwealth Treasury... Servant or Master?*’ goes so far as to name-to-shame those position-holders in an organisational chart. That the level of incompetence of those department heads, and their positions being so entrenched, is breathtaking. The booklet’s **Conclusion** summarises this way:

“The way to take a new step in overcoming inflation is to take costs out of prices, reducing overheads, reducing taxes and finally developing techniques to increase consumer purchasing power without at the same time increasing productive costs. It is time for a little un-orthodoxy!

The only alternative is increasing dislocation, industrial unrest and unemployment - leading finally to drastic shortages which need not have occurred. This is the path the Treasury has set for Australia... The time has come for a change.”

Jeremy specifically directs the responsibility of our inflation woes at the feet of those people administering the financial policy in Australia, the Treasury. Also skulking behind the scenes is the political-party-leadership; read on.

The elected government Ministers responsible for managing the Treasury, are more so performing a public relations role, running interference to protect these bureaucrats and their policy direction, when in fact these bureaucrats are the ones that need to be held to account for the failure of their own financial policy, not holding inflation at zero, nor achieving affordable housing e.g. The barriers protecting these unaccountable bureaucrats, by allowing only the politicians facing up to the public each election cycle, is inadequate under our current political structure. If the politicians won't change-out the bureaucrats driving this policy, then we need to continually change-out all our politicians until they do.

Jeremy provides other titles to reinforce his research: '*Censored Economics - The Establishment Attempt to Kill The Petersen Plan*' is one title, building upon '*Consumer Price Discounts: The Answer to Inflation*' being another, to illustrate primary culpability of financial policy sits squarely with the Treasury bureaucrats. '*The Case For A Queensland State Bank*' was another document produced by Jeremy as a response to Sir Robert Sparkes (National Party President) interference in the political processes in Queensland.

Experience has repeatedly shown us that it is not any external threat that is our greatest danger to our national way of life, but it is the entrenched political-party-leadership and the embedded bureaucrats that are doing the greatest dis-service to the Australian people and our way of life.

Total Australian state and federal government debt to double to \$2trn

<https://www.afr.com/policy/economy/total-australian-state-and-federal-government-debt-to-double-to-2trn-20210623-p583fz>

... Total debt held by Australian governments will more than double from pre-pandemic levels to a record \$2 trillion, and peak above 80 per cent of gross domestic product by 2024-25, according to global investment bank UBS.

June 2021 article

Selling Australia's Future

https://treasury.gov.au/sites/default/files/2021-05/171663_institute_of_public_affairs_supporting_document_1.pdf

Key findings

- Between 2007-08 and 2020-21, Commonwealth debt increased from 4.7% of GDP to 42.5% of GDP...
- Between 2007-08 and 2020-21, Commonwealth debt per person increased over ten-fold, from \$3,260 to \$33,130 in real terms.
- ...This will make interest payments the third largest expenditure item, behind health and income support for seniors, and equivalent to 7.5% of the Commonwealth budget...**end**

A legitimate financial policy, for the benefit of the Australian nation and its peoples, could separate Australian banking from the rest of the world in a heartbeat, as was happening 1912-1924. Restoring State banking to finance State programs, and Commonwealth banking to finance Commonwealth programs, under long-term low interest loans, written off over the life-cycle of the project - such as a bridge, or sewerage upgrade, or even a war. This would rightly call into question State and Commonwealth financial grants towards local government for selective state and commonwealth programs, rather than allowing local government to pursue their own independent agenda.

Fixed-interest, long-term, low-interest loans could also be made available for the homeowner, farmer and business owner. This policy is on the record as having been implemented before, and could readily be implemented again – being a financial policy of freedom with responsibility. A Just Weight and Measure builds on this policy objective to bring a moral answer into the fore (not stealing the value of the currency). This is not rocket science, but with a monopolised media, no word of our actual history ever enters into ‘the conversation that must be had’.

There was a time traditional Liberal/Nationals and traditional Labor both held a legitimate vision of who they were and what they were about, with the Liberal ‘We Believe’ document of 1950s, a twelfth reprint as late as September 1982, and also A New Charter for Australia by a thoughtful Australian Labor supporter from that era. <https://alor.org/Storage/Library/PDF/Liberal%20Party%20of%20Australia%20-%20WeBelieve.pdf>
https://alor.org/Storage/Library/PDF/Labour_Policy.pdf

The major political parties have been subverted from within, with each now holding an internationalist perspective, surrendering our national way of life once held as their own philosophical foundation.

Police Used as a Political Army of Occupation

A recent observation through the alternative media was that the Victorian Police were acting as an occupying army for the Labor Leadership during the Covid

lockdown. As public servants, the police are there to uphold the law – the law being common amongst the people. Not enforce ‘decrees’ by a wayward bureaucracy and politicians alike. The very-selective lockdown, as a ready example under scrutiny, allowed public servants – council ground-staff – to perform parks and garden maintenance as usual, while private contractors performing exactly the same task were compelled under house arrest as were the remainder of Victorians. The Selective Lockdown is a more apt description.

This situation is further developing, with the future administrators of NIEO policy being sourced from the young and inexperienced, being the bureaucracy of the future. Political candidates are already carefully scrutinised before being given endorsement from their party executive. From this perspective, Pauline is the greatest culprit of all, personally holding an iron grip over her executive, being an inversion of what occurs in the other majors – those executives rule the roost. Neither form is right nor correct for a representative body. The electorate hold no sway whatsoever, except to align with a political party endorsed/selected for you - candidate, similar to the Soviet candidates, all coming from and endorsed by, the Communist Party Executive.

The Liberal candidates for the NSW local government elections next month, were not registered at the electoral office in time. This could have been human error, but somehow, I hold doubts. More will be revealed in due time.

Calvin Coolidge spoke of natural law - unavoidable, that ‘No method of procedure has ever been devised by which liberty could be divorced from local self-government.’ We are to govern ourselves as the foremost civic-objective. Pauline would do well to devolve her PHON Party to allow the branch membership to be trained against subversive infiltration, and then let them participate in the processes more readily.

Jo Nova’s recent website article is another news-point worth considering, whereby the NSW Chris Minns Labor Government has deferred shutting down a coal fired power plant a further 2 years, temporarily avoiding \$4.4Billion in price-rises until after the next state election. How cynical of that Labor government, trying to hide the true cost of renewables as policy of the Lima Agreement, relabelled Global Warming, and again relabelled now as Climate Change. The propaganda-driven-policy (of these agreements across more than 50 years), is monopolising electrical power-generation towards nuclear as the only viable option to placate the monopoly driven propaganda, of which Jo Nova and Liberal Leader Peter Dutton both misleadingly support – while we have our own physical-mountains of coal and LNG being exported to other industrialised nations for them to ontrade/utilise at their leisure. The communist-capitalist Nexis as policy objective, completely missed by her report and Liberal policy to boot.

<https://joannenova.com.au/2024/08/smart-but-deceptive-nsw-govt-keeps-big-coal-plant-on-until-just-after-the-next-election-to-avoid-3b-electricity-bill-shock/>

Another article of import over the power generation policy-fiasco is the 32% increase in profits for Origin Energy :

<https://www.thenewdaily.com.au/finance/2024/08/15/origin-energy-year-profit-surges>

Power giant Origin Energy has posted a surge in full-year profit as households struggle to pay bigger electricity and gas bills. Origin, one of the largest suppliers to the east coast domestic gas market, on Thursday reported a net profit of \$1.397 billion for the year to June 30, up from \$1.055 billion a year earlier.

They, the bureaucrats and political-party-leadership, **Are Not Serious About Tackling Inflation: They Never Were**. Raising interest rates to arrest inflation, impoverishes all the people for the direct benefit of central bank power/profits. They fiddle while Australia and Australians are being burned through increasing Debt-and-Taxation which both directly leads into higher Prices causing further inflationary pressures - greater and greater convulsions. We can look further into the RBA Board in further issues of OnTarget:

RBA Senior Executives here: <https://www.rba.gov.au/about-rba/people/>

What Churchill Said In 1930

https://alor.org/Storage/Library/PDF/Murray_HM-Struggle_For_Money.pdf

“Who would have thought that it would be easier to produce by toil and skill all the most necessary or desirable commodities than it is to find consumers for them? Who would have thought that cheap and abundant supplies of all the basic commodities would find the science and civilisation of the world unable to utilise them? Have all our triumphs of research and organisation bequeathed us only a new punishment - the Curse of Plenty?

Are we really to believe that no better adjustment can be made between supply and demand? Yet the fact remains that every attempt has failed. Many various attempts have been made, from the extremes of Communism in Russia to the extremes of Capitalism in the United States. “They Include every form of fiscal policy and currency policy. But all have failed, and we have advanced little further in this quest than in barbaric times. Surely it is this mysterious crack and fissure at the basis of all our arrangements and apparatus upon which the keenest minds throughout the world should be concentrated. Lasting fame and great advantage would attend the nation which first secured the prize.”

(Winston Churchill, in his *Romanes Lecture*, “Parliamentary Government and the Economic Problem,” delivered at Oxford on 19/6/30.)

If we can't change a defective policy by changing politicians nearly every election, then we need to get rid of “all” the politicians to change the bureaucrats to change the defective policy.

The Pendulum of Control By Neville Archibald

While all concerned people want to fix the problems we have in society, there are those who are happy to let them continue. Our ability to control this society could be seen as a swinging pendulum bearing a two-edged sword. Hanging at its centre point, its influence over us, is just a weight we bear to keep ourselves free. At either extremity, or on the journey to and from, the cutting-edge damages us and wreaks havoc on our society. I see this analogy as a useful tool to remind us of what can happen if we let it swing, rather than tie it down at its midpoint.

Excessive government, or total control by government, is just as bad as excessive control by private groups or a dictator. Just as a bunch of thugs or a drug cartel, rule cruelly over their subservient members and workers, so too does excessive government and an out-of-control bureaucracy (is it really ever in control?) This form also ends up in repression and feeds off those doing the real work of the nation.

We are at a point in time where we have excessive and controlling government, looking only to get bigger and achieve more control (*to better fix things – sarcasm*). Yet the presentation of an alternative, which is beginning to be a force, must not be accepted without a thorough look at it.

Libertarianism is being touted as the solution, let us all decide what we want by economic *laissez-faire*. Sadly this concept, while being followed by many well meaning people, is flawed in its final destination. Like many proposals, the journey looks great, with friends and a problem-solving destination a view in the distance. Those at the top of this movement need to be investigated by you, who are they and what do they really stand for. What is the policy of *laissez-faire*? Like all movements, you need to go behind the curtain to see who the great Oz truly is and what strings he is pulling. He creates the policy to be followed, which leads to ... what exactly? Free market Solutions being proposed? What is a “Free Market”?

Whilst I have listened to and have admired many of the talks given at the Mises Institute (which follows the Austrian school of economics), where they talk freedom and truth and decry the problems we now face (and more power to them for that) the underlying solution they offer; however, begs for serious questions to be answered. A fully free market, let the market decide, plays right into the hands of those who currently control it. If you did level this inequality up and go on to apply it, you would still end up at a “wild west” solution, where the unscrupulous and immoral end up in control. For without some form of moral limitation by our community, that is where it goes.

The US Army *Oath of Enlistment* is interesting here, in that they pledge to defend “against all enemies, foreign and domestic.”. This does not just mean terrorists in the

usual sense, but it should also include the enemies of a free and moral society. Those within our very society, who use unfair advantage to force others into some form of slavery, need to be included. This moral limitation is vested in a form of Government with limited power over us, as defined by a functioning constitution.

There are two main streams of thought within the Libertarian movement and the discrepancy between the *Ayn Rand* version and that of some of the other major players, is this very role of limited government. Once again we see the use of divide and conquer by a small group of powerful people who corrupt a potential solution. Just as they present two party systems world-wide, where you are essentially voting for the same thing no matter which you pick, the lure of “free Market” is also divided. The power play within this, obscures the real forces behind it. Presenting many part-truths but with a faulty backstop, yet it is enough to garner support and a following. Like the Labor party here, there are still those who believe it supports the workers, or the Liberals’ (*supporters-ed*), whom people believe, support small business and enterprise, while both have been globally focused for decades. This reliance on “free market” forces is all about the financial system and its control. This is the most crucial part of any real reconstruction of our societal controls, for ‘he who controls the money supply, controls us all’.

It scares me sometimes that people do not look deeply enough at this end point. One does not have to know monetary theory backwards, to intrinsically recognise flaws in a system. The overriding endpoint of its policy can sometimes be enough.

Down through history from the 1800’s on, monetary theory has been seen as a means to an end. Many different proposals have been put forward as to why we have inflation, why we have boom and bust cycles? The recognition of this problem is definite, the solution, apparently not so; that all the solutions proposed so far have not worked should, by now, be obvious. The one thing it has solved is how to make the rich richer. I am not trying to sound like a Marxist when he wishes for the rise of the proletariat or worker, I am just stating a fairly obvious fact. *Wikipedia*, among many others, say that the richest 1 % own 43 % of the world’s wealth. Does that sound like the monetary system is working for you? It doesn’t stop there, for the hidden side of this, are the ones among them that do not “own” anything, but have it in trusts. They do not appear in these statistics. The Rothschild family for example, “as the *Financial Times* once put it, ‘The family empire is divided among a web of descendants and a few external shareholders. The ownership structure is opaque, which makes it hard to estimate the family wealth, although it is one of the richest in the world.’”

<https://www.politifact.com/factchecks/2019/jan/09/viral-image/meme-way-rothschild-family-wealth-they-do-not-cont/>

This last from a political fact checking group. Just so you don't think I am being biased.

This applies to many who do not appear on the billionaires list. I'd say yes, the financial system does work, - for them!

So we follow these proposals at our own risk. The Austrian school of economics, while opposing the current Keynesian school, is really little different in its endpoint, and it is the end we are concerned about here!

The founder of the Mises Institute, Llewellyn Rockwell Junior has in his bio,

“Llewellyn Harrison Rockwell Jr. (born July 1, 1944) is an American author, editor, and political consultant. A libertarian and a self-professed anarcho-capitalist,[1] he founded and is the chairman of the Mises Institute, a non-profit promoting the Austrian School of Economics.”

https://en.wikipedia.org/wiki/Lew_Rockwell

Wikipedia says of this article,

“This article may rely excessively on sources too closely associated with the subject, potentially preventing the article from being verifiable and neutral.”

So apart from following the flawed Austrian school of economics, he and others also support the concept of “anarcho-capitalism”.

“An anarcho-capitalist philosophy extends the concept of ownership to include control of private property as part of the self, and, in some cases, control of other people as private property.[4][5] In the absence of statute, anarcho-capitalists hold that society tends to contractually self-regulate and civilize through participation in the free market, which they describe as a voluntary society involving the voluntary exchange of goods and services.[6][7][8][9] In a theoretical anarcho-capitalist society a system of private property would still exist, and would be enforced by private defense agencies and/or insurance companies that were selected by property owners, whose ownership rights or claims would be enforced by private defence agencies and/or insurance companies. These agencies or companies would operate competitively in a market and fulfill the roles of courts and the police, similar to a state apparatus.”

<https://en.wikipedia.org/wiki/Anarcho-capitalism>

All this is interesting you might think, but how does this affect me?

Most of the people pushing economic theories are doing so from a position of wealth and privilege. Of course it looks good from their standpoint, where do you think they will fit in within the system they propose? This end point of private control and private enforcement scares me witless, we have all seen the things that

these ruling elite are capable of. Some of the richest people in the world have little in common with us, they use us all now, for their benefit. Do you seriously think allowing them open slather would be better! As for operating competitively, those with all the money always have the best advantage and tend to trample those who don't.

Unlike all these, so called, competing economic theories; the Douglas Social Credit theory is based on a Christian viewpoint with the individual strictly the benefactor. When presented to the economists of the day, both Keynesian and others, it was soundly rejected. Douglas thought that a solution to the problems, which at that time were obvious, would be welcomed with open arms. That it was not, tells its own story. Current financial policy is not there for the individual, it is this fundamental axiom that you must question with each proposed solution, "How does it affect the Individual?"

If you don't like the idea of private control, the other side of this pendulum blade is total government control and when it boils down to its rarefied components, you see the exact same people controlling government policy. Those who can afford the ears of the politicians, or the party in control of them. Economic theory is their crucial tool of control and their Achilles heel. Correct this and they lose the ability to control us.

Once again the initial depiction of a swinging blade from left to right is really a full circle, meeting at the top with a poised blade ready to fall in either direction down on us if we resist or complain. Look carefully at the pedigree of the solutions being provided, ask yourself exactly what does this road they present, have at its final destination.

All I see are camps of one form or another, that have strict compliance rules and unforgiving control awaiting us if we venture down them. We cannot throw out government entirely, rather we must rein it in. It must be an effective limited government under OUR control.

Free from party or other outside influence, the elected member should be bound to vote as he believes the electorate desires, or on his own conscience. This is the only way to tie this pendulous broadsword in the centre, and it must remain suspended, so that we can see the sharp edges and learn to keep it in control.

Once we lose that control, or can no longer see the threat it poses, others will always be there to climb up and set it swinging again for their own amusement and benefit.

Organic Society By Edward Minton, 2015

Can we rediscover ourselves? Could we then discover each other? Whether these questions are as crazy as they may seem at first sight, is the subject of this essay.

In earlier times cultures were slowly grown over centuries by individuals, acting as individuals and in association with their fellows. Few lives didn't contribute to this in some way. It might be a word, a phrase, an observation, an idea, or a technique, method, refinement or style in agriculture, tool making, husbandry, dress, song, play, or some other aspect of life. It was always democratic in the sense that what was contributed remained, only in so far as those within the culture elected to keep and adopt it. This is authentic culture as the *Vox Populi*, that which arises spontaneously from within and from the bottom up.

Culture was organic; a distillation of that contributed by once living people. It was never static, any more than life can be static, but changed, usually but not always slowly, with the bringing into focus of the natural world and of the nature of ourselves.

That changed with a loss of innocence. In today's language, it changed with the realisation that people can be artificially programmed. This is perhaps most evident in advertising practice. Incessant repetition across all media for two years can establish brand recognition as a household name, though it began as an unknown. There is not thought to be any defence from this, and countless billions are spent every year on the basis that there is not.

If Pontius Pilate asked his famous question "What is truth?" of modern advertising executives they could only answer "That which we have been told the most often!" Newspapers (and other media) are not intended to inform us, to entertain us, or to educate us. Their intention is primarily to sell merchandise, and of course to win its advertising fees, with all else being considered as secondary, and ancillary to the main game.

Here is but one example of the endeavour to programme and capture culture, rather than grow and share it. There are plenty more.

In the field of health, cancer research is a case in point. The support of millions of charitable people and organisations is funnelled, amidst much urging and publicity, into finding a cure. All research however, is confined within strict limits. Unless the "cure" turns out to be a patentable drug or procedure, there cannot be any return upon investment.

Cancer cells, for example, consume eighteen times more sugar than do normal cells.

At least once cancer is diagnosed, radically reducing sugar in the diet and those food types which the human body can turn into sugar, would seem to be worthy of investigative research. This research will never take place however, except at an alternative and amateur level? Why? Because even if it does prove to have great value, and bring benefit to many lives, there can be no financial gain to the researchers. They may as well have poured their money down the drain; there is no patentable and saleable cure at the end of the rainbow.

Health research is primarily aimed at the prospect of a financial result, with a “health result”, hopefully, being only the means towards getting it.

The environment is also a battleground for the conquest of dollars. When the environmental movement was miniscule, full page advertisements appeared in the major media to Save the Whales. Saving the whales is an excellent thing, commendable and simply sane, but the adverts were paid for by the “Seven Sisters” because they had a product to displace the special applications of whale oil. It couldn’t compete, being more expensive, until the whales were “saved”.

Some years ago I spent a few weeks in the company of one Geoff MacDonald of Footscray in Melbourne, an ex-communist who had been raised in a communist family, and spent his youth in the Young Communist Movement. Although having broken with communism, he met a comrade from his youth (let’s call him Tom) in a Melbourne bar. They exchanged news of their lives.

Tom had spent a decade in America and was designated by the Party to opposing the use of the chemicals 24D and 245T, the famous defoliants of the Vietnam War.

In the first years they got nowhere. Then a fellow walked through the door, said he liked what they were doing, and said he may be able to help. Seven million dollars and several years later they found out who he was. He was Mafia. The Cops were despairing of the courts, and were taking to the air with 24D to spray and kill their drug plots. The Mafia fought back using the “useful idiots” (Lenin’s term) in the Communist Party.

Those well placed to import and exploit the use of cheap timber produced by clear felling in environmentally backward countries, always support (read fund) and campaign against measured and regulated forest harvesting in developed countries. Competition is a sin. Even limited opposition from production in high wage areas is to be removed.

A time was, when where people lived was within easy distance of the food, fibre and building materials upon which they drew to sustain themselves. Ninety per cent of people lived in villages, had known the other families in the area for generations,

were largely self- sustaining, and constituted in these ways a quite organic society. It is now estimated that the food which modern Americans eat has travelled on average, over 2,000 miles.

For centuries it was difficult to communicate with larger numbers of people from rural areas, but this has ended. Modern communications and transport puts us in as close touch with each other as we may wish, from pretty much anywhere. So why are we living in great congested urban jungles?

Excessive urbanisation is not the product of public choice, nor is it decreed by Government. In this, financial policy and practice rules. It is more difficult to get a loan to build a house in a rural area, and the interest rate is higher than in a city. The general level of house prices is determined wholly by the Banks, in their propensity to lend us the money with which to outbid each other with their money. Build a house in a city and an identical one in the country, and the former will fetch twice the price of the latter.

We discuss organic gardening, organic farming and organic food, but perhaps the thing we are most in need of is an organic society in which to live. How could we achieve an organic society? One thing that it certainly involves is the decentralisation of decision making back to the individual, so that decisions are made from a standpoint of enhancing human satisfaction rather than financial outcomes.

One of our difficulties is that people imagine that the big decisions are made by voting. They are, but certainly not by voting for Politicians. The really important voting is done by all of us every day. And yes, there are elections every day and everywhere.

There are two types of ballot papers. One is only used for making choices in politics. The other is used to elect all of the products and services upon which our lives depend every day; we speak of course of money. Of the two, the latter is usually the most influential, so our money elections are worthy of a little inquiry.

When we work hard and long, most of us will say that we are making money. Making money is a criminal offence. What we are really saying is that we are acquiring money. We acquire money from others who in turn acquired it from others, who had it from others again, but somewhere, somewhere way back, somebody did make it. And I really mean, make it.

Oh! You mean the mint? No, I don't mean the mint! Only 2% to 5% of money

is ever made visible by representing it in the form of notes or coins. The 95% is a record. A record printed on a bank statement or held in the form of magnetic blips in computers and neither the Mint nor Government has the least thing to do with its creation or initial allocation into society.

This is a private monopoly shared by a few entities, and of course it carries with it the ability to own and/or control any and all things which are for sale. It was at this point, the centralised private control of the creation of our money supply, that organic society died. It is not my intention to have it RIP.

This is the very heart of 90% of our social problems.

95% of money is created by private entities, at no cost at all as it does not need to be visible, and they make it available to us on the condition that we accept it as repayable debt and pay interest, and as this is the actual origin of our economic ballot “papers”, can we really pretend surprise that we don’t have economic democracy? Both laughing and crying are entirely in order.

But some of us, standing in the cold dawn of this unfurling light, know that there is nobody else. There is only us and we have, thankfully more apparently than really, nothing.

Ending the omnipotent monopoly of money creations does not call for heroes. It calls for fools. If you are one, or think you may be able to learn to become one, please step forward.

Ours is a life of quietly and peacefully demesmerising our fellows to awaken a new age towards economic democracy. As there is no personal gain to be had with immediacy in this, its lot falls to nature’s fools.

What changes are needful to democratise the issue of money and its distribution has been developed over the last hundred years, starting with C H Douglas in 1917. It is available in the libraries of <https://thepeoplescredit.com.au/>

The biggest problem in the economy now (2015) from an environmental and organic standpoint is that it is so constructed that it must continually grow, or it falls into recession and drastic dysfunction. Growth, growth and more growth is not needed in the developed world where productive capacity is already sufficient to meet all sane needs.

The difficulty is in selling the production, not in making it. It is a problem of distribution, and this problem is financial in nature.

If we can assume that there is at any time insufficient purchasing power in the hands of consumers to allow their purchase of what is currently on offer to them (proof of this is available, but it is not for this essay ... see the website above) then businesses will be unable to sell a portion of their product.

This will cause a contraction of production and employment, which reduces the purchasing power distributed through employment further again. This worsens the situation and brings on another contraction of money available for consuming available product. This continues if un-remedied through the stages of recession and then depression until the economy is pretty much totally inoperable. The social consequences of such a state are self-evident.

Only two suggestions have ever been made as to how to solve this dilemma. One is to issue more debt-money in the form of government works/services, or private capital production (whether for domestic use or export), or in the form of consumer loans, which increase our ability to buy now (with or without additional employment), but which will, in the case of increased production that is not exported, also increase future production costs, at which time even more debt-money will have to be brought into existence in order to compensate. This is the contorted model in current use.

The other option is to distribute economic votes (money), in the same way as are distributed political votes, that is, free of charge and on the basis that we all get an equal share, and in an amount equal to the deficiency of purchasing power at the time.

This re-empowering of individual choice is the road to economic democracy. Its tendency to progressively reduce activity inspired only by the compulsion to expand the money supply through growth, and to engage us less in those needless activities decreed by the allocation of money to them by our banking system masters, will allow the motivating force in the economy to be increasingly ours and aimed at human satisfaction. ***The purpose of organic society is in increasing efficiency in terms of human satisfaction.*** ***

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The Price of Freedom is Eternal Vigilance

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Battle For Freedom By L. D. Byrne

An Address to the Rocky Mountain House Board of Trade on Monday, May 10, 1943

I. INTRODUCTORY

Let me make it plain at the outset that what I have to say is not concerned with party politics. The issues which I wish to discuss with you are above all party and sectional interests. We are facing a world crisis in which not only the fate of us all, not only the fate of our country and Empire, but the future of humanity for centuries to come is at stake.

As leaders in your community, I am sure that you recognize the extreme gravity of the terrific situation into which we are heading. I take it, therefore, that you will not expect me to mince my words; and I make no apology for bringing to your attention in the plainest language which I can use, the challenge that faces every one of us. It is a challenge which we cannot ignore.

In the first place, in order to understand what is going on in the world at the present time we must have a clear idea of what this war is about - of the basic issues involved in the universal conflict - as well as the background of the pre-war conditions leading up to the war. In the limited time at my disposal, I cannot hope to do more than draw your attention to some of the more important aspects of these matters.

II. NATURE OF THE CONFLICT

The Hypnotism of Labels

The view is expressed in certain quarters, with all seriousness, that this war is being fought to get rid of Hitler. It seems to me sheer nonsense to suggest that if we can dispose of an upstart Austrian paper-hanger the world would at once resolve itself into a scene of peace, harmony and progress. Hitler, Hitlerism and

Nazi-ism are merely labels, and the important thing is not these labels, but what these labels stand for.

For example, there is no essential difference between the present Nazi regime in Germany and the Prussian Militarism which flourished under a monarchy and was the curse of Europe for more than a century. Whether the adulation of the people is rendered to a Kaiser or to a Feuhrer seems of little consequence, if the nature of the thing these men represent remains the same - namely, an all-powerful state imposing its dictates on its citizens by the use of stark force and terrorist tactics; and its rulers, having subjugated their own people and got them into uniforms, goose-stepping up and down to the strains of Deutschland Uber Alles, proceed to send them forth to impose the domination of their monstrous system on other people by brute force.

We talk of Nazi-ism and other brands of totalitarianism as though they were something entirely new in human experience. Actually, there is nothing new, original or unique about them except their labels. They are but the present manifestations of an evil with which humanity has been inflicted for thousands of years.

The Abuse of Power

Dictatorship in any form - whether it be an autocracy, a plutocracy or anything else - develops into a tyranny by a natural process. Rule by force, terrorism and aggression are inseparable from that type of social organization. It is ludicrous to suppose that the disposal of Hitler and his satellites would eradicate the cause of the plight in which humanity is floundering. So long as the essential features of the type of social organization we term totalitarianism persist, just as a Hitler arose to replace the Kaiser, so somebody else would push his way to the top to take the place of the present Nazi leader.

Under that type of social organization - involving the concentration of power in a central authority and the manipulation of the many by the few - by a natural process power maniacs, with the mentality of gangsters and the manners of polished actors, automatically gravitate to the top in the role of saviours of their country.

The British Empire was forced into this war, inadequately prepared, because it was plain that unless the Nazi war machine was stopped, it would continue its systematic career of aggression and conquest of one country after another until it imposed what its masters were pleased to call "The New Order" on the entire continent of Europe, as a prelude to making a bid for world domination. Fantastic as this seemed at one time, the events of the war have proved how real was our peril.

However, there is a more fundamental aspect of the matter. Inherent in the challenge of Nazi-ism is the threat of world domination by the social system we term totalitarianism, of which it is the product. And the doctrine of totalitarianism being the antithesis of the traditional British concept of democracy, a clash was inevitable. In order to appreciate the full significance of this it is necessary to examine these two irreconcilable social philosophies, and to do so we have to get down to first principles.

III. PRINCIPLES OF SOCIAL ORGANIZATION

Two Social Systems

Notwithstanding the variety of labels which are being bandied about - such as Fascism, National Socialism, Social Democracy, New Deals, Communism, Co-operation, Democracy, and so forth - there are two and only two types of social organization:

(1) That under which the people constitute the supreme authority and which is organized to enable the people to get the results they want from their association as a community or nation. This is the type of organization which can be properly termed democratic.

(2) That under which the many are manipulated by the few, in whose hands supreme power is centralized, enabling them to impose their dictates on a subservient people and usually operating in the name of "the State." This form of organization, inherent in the "Supreme State" doctrine of which we hear so much, is usually called "dictatorship" or "totalitarianism."

Now in spite of the vague definitions and the nebulous explanations of democracy which seem so popular among some of our academic theorists, the social system that goes by that name is a very definite form of organization. In fact, it is the natural social order, as a moment's reflection will show.

The reason individuals associate in groups is to gain objectives which they want in common, and which would otherwise be impossible to attain. That is the motivating influence in any association, and it is as true of society as a whole as, for instance, your own organization.

Therefore, the natural social system is one which is organized to enable the people comprising the community to obtain the results they want. This entails the people being the supreme authority that decides the results which shall accrue to them from their activities. Only democracy in its fullness provides for this.

Democracy vs. Totalitarianism

Now in order for the people to be the supreme authority they must be organized to specify the results they want in definite terms and to enforce obedience to their wishes. Authority without the means to enforce it is non-existent in actual practice.

Thus, we find that the basis of democracy is the absolute sovereignty of the people. This means that they must have complete and effective control of all aspects of their social life, and that those in positions of administrative authority must be subservient to the will of the people at all times in regard to the results their management shall yield.

Without going into the matter more fully, it should be apparent that in every respect the social concept of democracy is the opposite of dictatorship or totalitarianism.

Whereas democracy involves organization of the community or nation to enable its individual members to get the results they want from the management of their

affairs, the totalitarian state is organized to enable the ruling group to manipulate the people and to impose upon them the results which the rulers decide they shall get.

Whereas in a democracy the people constitute the supreme authority and the administrators of their affairs, being responsible to the people for the results accruing to them, are subservient to them, under a totalitarian society a central group exercises supreme power in the name of the State and the people are subservient to its authority.

Whereas in a democracy the people exercise control over all aspects of their social life, under totalitarianism this control is centralized in the hands of the State authority, and is used to control and manipulate the people. Whereas the freedom of the individual is the corner-stone of democracy, under totalitarianism the individual is merely the creature of the State authority, existing to obey its dictates.

This comparison could be extended, but it would only emphasize the irreconcilable difference between these two social philosophies. The one is the antithesis of the other.

It is the inevitable clash between these two irreconcilable social philosophies which is the focus of not only the war, but likewise of the much wider conflict that is being fought out in the world today.

IV. GETTING OUR BEARINGS

The Focus of the War

Each week, as the assurance of victory in the military sphere increases, so we find a growing anxiety in regard to the kind of world which will emerge from the carnage of this war. And it is in regard to this question that the clash between the two social philosophies we have been discussing is becoming the dominant issue.

War is not an end in itself but a means to an end - and a hideously unpleasant means at that. You will recall that the last war was fought to make the world safe for democracy. The democratic nations won that war, yet never has democracy been in greater peril than during the years which followed. Great Britain and the British Empire emerged victorious from the last war immeasurably more powerful than before, while Germany was reduced to impotence in her defeat. Yet twenty-two years later we were fighting for our very existence against Germany with our backs to the wall. You see it does not make sense. And if we wish to have anything like a realistic view of the situation we face, we must have a clear concept of what went wrong during those critical years between the two world wars and the underlying reasons.

The outstanding features of those years were the economic crises which created such havoc in all countries, and the recurring revolutions that resulted from them - as, for example, the German, Austrian, Italian and Spanish revolutions.

In the economic field one country after another was reduced to a condition bordering on chaos. With almost unlimited resources to produce abundantly, widespread poverty, general insecurity, mass unemployment, restricted production,

stagnant trade and general economic impotence spread like a blight across the world - while governments everywhere proved utterly helpless to deal with the situation.

Breakdown of Democracy

As I remarked, the last war was fought to make the world safe for democracy, and democracy is government and management of the people's affairs to give them the results they want. Were poverty, insecurity, unemployment and all the other features of those pre-war years the results which the people of the democratic countries wanted? Actually, they were the opposite of the security and the freedom that people desired in this and every other constitutional democracy.

I hope you realize the full significance of what that meant -namely, that instead of obtaining "government in accordance with the will of the people," we got government in defiance of the will of the people. It meant that the constitutionally supreme authority of the democratic countries had imposed upon them conditions they did not want.

How was this done? What was the cause? Did we lack the resources to produce the goods and services which would have given the people the security they desired? On the contrary, as engineers assured us at the time and as the war has proved, the means were available for producing abundantly. Then was it because those in charge of our productive system refused to produce? Quite the reverse: farmers, mine operators, manufacturers and others were anxious to produce, but they lacked markets. Yet the potential markets existed in the vast and unsatisfied wants of the people.

The Seat of Trouble

Was the fault, then, with the transportation system or the merchant through whom the goods reached the people? As you gentlemen know, both the transportation concerns and the merchants were eager to handle the goods. In short, the only reasons why the people could not obtain the goods they wanted was because they lacked the thing we call money, which alone would have enabled them to go into the stores and obtain them. Had the people possessed the necessary money claims to buy the available goods, merchants would have ordered more goods from the wholesalers, the wholesale firms would have passed on their orders to the producers and these in turn would have had the markets for their goods which they were seeking so desperately.

Now it does not matter how you approach this question; you always trace the source of the trouble to the monetary system. On this occasion I do not propose to go to the monetary or financial system, beyond pointing out an aspect of the matter which is all important to you as citizens of a democracy.

* * *

The Economic Voting System

I mentioned earlier that it is fundamental to democracy for the people to have full and effective control over all aspects of their social life. This was a comparatively simple matter in a small primitive community, but it presents a formidable problem under modern conditions. Fortunately, with the growth of nations and the development of increasingly complex economies, a mechanism has been developed and steadily improved for enabling millions of persons scattered over a wide area and associating as a nation; to control the results they obtain from the management of their affairs. This is the ingenious device we know as a voting system. Everybody is familiar with the voting mechanism which is used in the political sphere; however, the economic voting mechanism, though used far more extensively, is not generally recognized as such. The thing we call the monetary system is, in fact, essentially and primarily the means whereby people can register their economic votes, and, if properly organized, exercise effective control over economic activity.

When a person goes into a store, places a five-dollar bill on the counter and asks for a pair of brown shoes of a certain design manufactured by, shall we say, the Jason Shoe Company, he is performing several important democratic functions:

- (1) He is demanding a result he wants from the economic system.
- (2) He is voting for the manufacture of more brown shoes of that design.
- (3) He is voting for the Jason Shoe Company as competent to provide him with the results he wants.

In the aggregate, the people can determine by their money votes what goods shall be produced, in what quantities these shall be produced and who shall produce them.

Now it will be obvious that to the extent a person has money in relation to the prices of the goods he wants, he has economic voting power; to the extent he is assured of obtaining adequate economic voting power he has economic security; and to the extent that he controls the conditions under which he obtains his economic voting power he has freedom. For example, if the individual could obtain an income only on conditions imposed by some authority over which he had no control, and he had no choice but to buy certain stereotyped goods, the nature and quantity of which were arbitrarily decided by some other authority, that man would have neither freedom nor effective economic voting power. He would be little better than a slave.

* * *

Economic Dictatorship

Reverting to our consideration of the pre-war years of poverty amidst plenty, it is clear, then, that the stringent economic conditions, bordering on chaos, were the result of the people having inadequate money, or economic voting power. In other words the people - the sovereign authority in any democracy were having imposed upon them conditions they did not want and the means used to this end was the monetary or economic voting system.

Not only was this the case in Canada, but it was common to all democratic countries. And when we find the same policy being pursued everywhere by the same means, the possibilities of any coincidence must be dismissed. A uniform policy carried out on that scale could have been only the result of deliberate action.

When we go into the matter more fully, we find that in no democratic country is the economic voting mechanism we term the monetary system under the control of the people. It is controlled by a highly centralized private monopoly, with ultimate control concentrated on an international scale in the hands of a comparatively small group of men. And it requires no elaboration to point out that such a concentration of economic power constituted a super-government which could over-ride all politically elected governments.

Who are these men and what are they up to? The answers to these questions bring to light some ugly and unpleasant facts.

V. EVIDENCE OF WORLD CONSPIRACY

Trend Towards Totalitarianism

A feature which accompanied the economic stress during those years that followed the war to make the world safe for democracy was the systematic centralization of control and power in every sphere of national life. The growth of huge monopolies, cartels and combines in industry, trade and finance; the introduction of vast relief schemes involving increasing government bureaucracy; the gradual introduction of restrictive legislation, involving mass regimentation; the filching away of the individual's economic voting power by means of onerous debt and taxation; - all these led to the increasing centralization of power and the progressive enslavement of the individual.

This constituted a steady advance towards totalitarianism and the weakening of democracy.

Moreover, in those countries where the intolerable conditions being imposed upon the people led to revolution, we find that always "a saviour of the nation" arose. He was always well financed and supported by powerful interests. After the blood-shed and confusion subsided, in every case he and his coterie proceeded to sweep away the last vestige of democratic government, and to impose an absolute dictatorship in its place. In every case the pattern of this dictatorship was uniformly based on the Supreme State doctrine of Marxian socialism. Again, the possibility of co-incidence must be ruled out.

And strangely enough when those countries were operating under a democratic system no money could be found to feed the hungry and alleviate the intolerable conditions of economic stress, but under a dictator all the financial means, including vast foreign credits, were made available to rebuild their dilapidated industries and create formidable war machines. At the same time in the democratic countries harassed governments and babbling parliaments were at their wits' ends to find the money necessary to deal with their unemployment and trade problems, let alone to

provide the funds for the adequate defence measures required to meet the growing threat of the totalitarian war machines. And bear in mind that, in the final analysis, the group of men we call international finance exercised effective control of all monetary systems and international credits.

Onslaught Against Democracy

I put it to you bluntly, do you consider that all this can be a co-incidence? Do you consider it a co-incidence that, in every democratic country, intensive and well financed campaigns were proceeding to instill into people the idea that the system which was imposing such harsh conditions upon them was “democracy,” and to inculcate into every sphere of the national life support for various forms of the Supreme State doctrine? Remember that this onslaught against democracy was proceeding on a worldwide scale, and the chief weapon being used was the manipulation of monetary systems controlled by an international authority.

Next, I wish to draw your attention to the names of some of the men in the group which has been wielding this tremendous financial power: Schiff, Warburg, Kuhn, Loeb, Baruch, Schuster, Schroeder, Niemeyer, Siepman, Rothschild, Mendelssohn, Mandel, Sassoon, Harriman, Goschen, Cassel, Melchoir. The names I have mentioned - by no means a complete list - cover Great Britain, the U.S.A., France and Germany. You will observe that they are almost exclusively of Germanic origin.

But I assure you that the matter by no means ends there.

During the past twenty-five year, and particularly since the outbreak of the war, there has been a concentration of propaganda in favour of what are termed Socialism and Communism. These fundamentally similar social doctrines are based upon the writings of Karl Marx and Frederick Engels, who were likewise of the same racial origin and philosophy.

Now the Marxian-Engels concept of society is essentially totalitarian and materialistic; it has been the basis for every totalitarian State system with which the world has been cursed during recent years.

Nature of Socialism

The basis of so-called socialism is State ownership of the means of production. The plausible argument advanced for this idea is that State ownership gives all the people ownership, and that if the people own the means of production, then they will not be exploited - they will each get their fair share of the results of economic activity. However, there is a fundamental fallacy in this argument which is very carefully covered up. It is not so-called ownership of the means of production, but the control of economic policy which is the crux of the matter.

Under an arrangement whereby a vast State monopoly owns and controls everything, the real controllers are not the people but the central group which exercises all the powers of the State to impose their will on the people as a whole.

The people have to accept the wage conditions, the allocation of work, the nature of the production and the quantity of goods authorized by the various little State dictators in charge of the different aspects of economic activity. The individual has no freedom of choice. He has to buy what the State authority permits him to have. There is no competition. In fact his economic voting power is rendered absolutely useless.

To imagine that the centralization and concentration of power involved in Socialism can result in anything but dictatorship under an all-powerful Totalitarian State is to ignore all the lessons of history and the elementary principles of organization. Surely our present experience, under the stress of war conditions, should convince us what centralization of authority involves.

It will not have escaped your notice that ever since the outbreak of war the utmost care has been exercised in referring to the German system as “Nazi-ism” and not “national socialism.” Yet Nazi Germany is the perfect example of the Socialist State. And well it might be when we remember that Germany was the cradle of this Marxian doctrine.

Now, when we consider all the relevant facts, and I have merely touched upon some of them - they lead to the inescapable conclusion that there is a deliberate conspiracy by a group of internationalists (comprised for the most part of non-Christian Germans), to poison and pervert the reservoirs of human knowledge, to attack and weaken Christianity, and to discredit and destroy democracy for the purpose of enslaving mankind under a world totalitarian system. Does that seem fantastic to you? Is it any more far-fetched than the Nazi attempt to dominate the world? Is the evidence any less substantial?

But I have done no more than draw attention to some of the more important facts. I assure you that the matter goes very much deeper.

* * *

VI. THE WAR BEHIND THE WAR

The Trend of Events

Let us now consider the situation which we face at the present time. Since the outbreak of war, and under the stress of the demands of war time conditions, in Canada, Britain and every democratic country a uniform policy has been pursued to centralize the planning and control of production and distribution. Parliamentary government has taken second place to rule by departmental regulations authorized by Orders in Council. Taxation has been stepped up to maximum limits. A vast State machine, involving a growing bureaucracy, with wide powers over the life of the individual citizen, is becoming strongly entrenched. Perhaps much of this is absolutely essential - and, for the sake of the war effort, the people are willing to put up with it.

However, there are grounds for more than mere anxiety. This trend towards State-ism is being carried out, in the main, by men who are avowed Socialists, and it is being accompanied by a steady pressure of propaganda to the effect that the State controls and the crushing taxation being imposed under war conditions must be carried into the after-war period. In short, the conditions created by the war are being used to prepare people for a State-dominated and essentially totalitarian system after the war.

Some Sinister Facts

It is significant that in Great Britain, where the roots of our democratic ideals are most deeply entrenched, an organisation called Political and Economic Planning (P.E.P.) was established before the war to prepare large scale plans for the centralization of industry and commerce in accordance with principles common to both socialism and big business. Under the chairmanship and guiding inspiration of Israel Moses Sieff, this group has had a powerful influence in public affairs in Great Britain and somehow its members seem to have been pushed into controlling positions. This organization stated quite frankly in one of its publications that the people of Great Britain would not put up with the regimentations involved in any large-scale planning of their lives, except under the stress of war.

Shortly after the outbreak of war a flood of propaganda was unleashed to persuade us that the peace aims of the democracies should be to set up an International Federation of Nations under a central authority having control over finance, the armed forces, international trade and citizenship rights.

There were two well-publicized textbooks on this scheme, one by a man called Clarence Kirshman Streit and the other by J. P. Warburg, son of Paul Warburg who did so much to consolidate the power of International Finance on this continent.

It shows to what depths we have sunk in the appreciation of our democratic ideals when we failed to recognize in this scheme the blueprint of a world tyranny worse than the evil thing we were fighting in Nazi-ism.

It would be bad enough to concentrate power to control our lives in a Supreme State authority, but this scheme for an International Federation goes much further. It seeks to set up a World Power having supreme control over every aspect of the economic life of all the nations in the federation by its control of their financial systems and trade relations with each other, control over the rights of every citizen, and control over armed forces of overwhelming strength to impose its dictates on dis-armed and helpless people.

The Nazi tyranny pales into insignificance beside this hideous plan for a World Slave State. Yet many deluded and well-meaning people have been tricked, by clever propaganda, into giving their support to this scheme.

VII. TWO-FOLD NATURE OF THE WAR

The Evidence Overwhelming

Have you still any doubts that there is a deliberate conspiracy by an international group of dominantly Germanic power maniacs to destroy democracy and set up a totalitarian tyranny in its place?

Do you consider it an accident that on the question of post-war social security, a Conservative Government in England and a Liberal Government in Canada should have both approached avowed Socialist economists for advice, and that, working independently, Sir William Beveridge and Mr. Leonard Marsh should have produced fundamentally similar plans which would involve a vast State bureaucracy with mass regimentation for the purpose of maintaining a minimum subsistence standard of living? Do you consider it an accident that within a few days a similar scheme was put forward in the United States? Or that on the same day both the British and United States Governments put forward proposals, which were basically the same, for the establishment of an international monetary system? Is it just co-incidence, too, that, since then, the propaganda campaign for an international police force - i.e. control of the armed forces by an international authority - has been intensified?

To anyone who examines the facts dispassionately - and I assure you that I have barely touched upon some of the highlights - it should be evident beyond any possibility of doubt that we are confronted with a desperately critical situation. While the focus of the world conflict is the clash between democracy and totalitarianism, that battle has to be fought on two fronts - on the military front and on the home front of every democratic country.

The Greater Peril

Of the two the more deadly peril is from the enemy operating on the home front, because as yet there is no general realization of the extent of the menace from that quarter. On the military front we have the measure of the forces ranged against us and the necessary action is being taken to deal with them.

Yet, of what use will all the sacrifice and super-human effort have been if the result of victory for the forces of democracy in the military field is to be crushing defeat on the home front, and the establishment of a totalitarian post-war order which violates every ideal of democracy and Christianity?

* * *

That is the challenge that faces us and in the inevitable conflict centered in this struggle between the forces of these two philosophies of democracy and totalitarianism nobody can be neutral. Every one of us has to meet that challenge and take sides. The man or woman who attempts to escape responsibility because he is fearful of the consequences of his actions is actually taking sides. He is supporting the steady drift towards the totalitarian state into which we are being railroaded just as effectively as if he went out and worked for it. Only deliberate and conscious

action direct(ed) towards the establishment of a properly functioning democracy can save us from the overwhelming disaster towards which we are rushing.

Action on the Home Front

It should be obvious that the plight in which the people of the democratic countries find themselves is due to the fact that they have never had a functioning democracy. And they have never had a functioning democracy because they have never had control of their political and economic voting systems. The crux of the whole problem is for the people to gain that essential control.

It is fantastic to suppose that an unorganized electorate, voting every four or five years for party candidates who are in no sense under their control, can operate effectively as the constitutionally supreme authority. The utter futility of this system has been amply demonstrated by the past experience of the people in always getting the results they did not want, irrespective of what party was in office.

An unorganized electorate is a helpless mob which can be stampeded hither and thither by means of cunning and well-directed propaganda campaigns. And an unorganized mob is not capable of exercising the supreme responsibilities which are inseparable from the constitutionally supreme authority of the people under democracy.

The war has removed any doubts that may have existed regarding the ability of Canada to produce abundantly. We know the production and equitable distribution of that abundance would provide security for all with freedom. The overwhelming majority of Canadians are united in the results they want in a post-war order - and, therefore, they have a solid basis for joining together in an organized effort to assert their collective will and to exercise their constitutional authority.

However, to do so they must be organized as electors having control over all their institutions - in government, industry, commerce and finance. Of course this would mean the end of party politics, but I believe that few tears would be shed on that account.

Having gained effective control of their political voting system, the next step would be to gain effective control of their economic voting mechanism - the monetary system. This can be achieved by the monetary system being under the effective control of Parliament. This need not involve the nationalization of the banks or other financial institutions, for it is control of policy and not responsibility for administration which is involved. Control of policy by Parliament on behalf of the people is entirely compatible with responsibility for administration in obedience to that policy by the present directorate of the banks.

With effective control of Parliament, and effective control of monetary policy by Parliament, the people would exercise the necessary control of both their political and economic voting systems, and a properly functioning democracy would be established as the basis of the post-war order.

* * *

Freedom - the Issue

From the necessarily cursory survey of the situation which I have given you, it should be plain that the fundamental issue we face today is not materialistic. It is not a question of whether people should have more food, better homes or a higher standard of living. That is an issue, but it is not the central issue. Economic security can be purchased at too high a price as the people of Germany found to their cost under the Nazi regime. Economic security without freedom in all its fullness would be little better than slavery.

The real issue is human freedom - freedom to live our lives with a minimum of interference and domination. That is the very cornerstone of democracy. And it is around that question of freedom that the conflict between democracy and totalitarianism is raging, for there is no place for freedom in the essentially materialistic concept of the Supreme State doctrine of the various brands of socialism.

Thus, we find the very core of the matter is not materialistic but spiritual - and human freedom, itself a non-material and spiritual attribute, is fundamental to Christian teaching regarding Man's relation to Man and Man's relationship to God.

The Challenge

In the struggle between these two opposing ways of life, we find that the fury of attack by the forces of the materialistic and essentially pagan concept of the Supreme Totalitarian State is directed against Christianity, Democracy and the British Empire.

Every violation of the principles of Christian teaching, every step towards the centralization of power at the expense of democracy, and every weakening in the bonds which bind together the great brotherhood of British nations is a victory for the evil thing which is striving to encompass our enslavement and destruction.

* * *

If I have given you a forbidding picture, it is because we face an ugly situation. However, in this dark hour of human history can be discerned the bright gleam of a civilization that will eclipse in its glory anything which we have yet conceived.

The means for its achievement are available to us, as I have attempted to show, if we will but face the realities of the situation now, so that when the carnage of war is ended, we shall be ready to direct the resources concentrated on destruction to the high purpose of human advancement.

Yet it will require a sense of duty, a loyalty and an effort by the people of this country to overcome the enemy on the home front, comparable with the high calibre being demanded from the men of the fighting forces on the military front.

Speaking at the outbreak of war, the British Prime Minister warned us that we would be fighting evil things. I have endeavoured to bring to your attention the full significance of that warning. In the words of St. Paul, "... we wrestle not against

flesh and blood, but against principalities, against powers, against the rulers of the darkness of this world, against spiritual wickedness in high places.”

And each one of us has to accept full responsibility for the manner in which we personally meet the inescapable challenge which confronts us.

In establishing democracy you will find that you will have to drive straight for your objective if you are to realize it. It is useless to say to a person, ‘I will not allow you to impose your will on me,’ and then proceed to do nothing to stop him. Actions alone can change a social environment. Right thinking in itself will not get things done. Right thinking must be translated into right action. The most dangerous man in the world today is the person who is full of excellent ideas and sympathy for that which is right, but directs his every action to supporting that which is wrong. To know the truth you must make the truth a reality. Good wishes have any value only when they are translated into action.

“Action is the key to changing the social environment. You will recall the historic occasion when the money changers were driven out of the temple. That was action - and objective action. And the situation in the world today once again demands the money changers being driven out of the temple.

“In conclusion, may I give you two powerful passages from the New Testament to take away with you to ponder very carefully. You will find they sum up much you will need to strengthen you in your Crusade for a Christian and democratic social order against the forces of the Devil - the Father of Lies.

The first passage is from the Gospel of St. John: ‘And ye shall know the truth, and the truth shall make you free.’

“The other is from St. James’ Epistle: ‘Even so faith, if it hath not works, is dead, being alone’.”

L.D. BYRNE Calgary, January, 1938.

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The Money Trick

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What Has To Be Done

https://www.alor.org/Storage/Library/PDF/Pinwill_C-What_Has_To_Be_Done.pdf

The New World Order - and the Destruction of Australian Industry
<https://alor.org/Storage/Library/PDF/Lee%20J%20%20-%20New%20World%20Order.pdf>

*"All that is necessary
for the triumph of
evil is that good
men do nothing . . ."*
— EDMUND BURKE.



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A Concise Explanation – Of The DSC Financial Proposal By M. Oliver Heydorn, PhD.

In spite of the initial intimidation factor that Douglas Social Credit might possess as a body of thought that is: 1) relatively new in economic history (having only emerged over last 100 years), 2) relatively unknown, and 3) radically different from other alternatives in both its approach and its prescriptions, Douglas' financial and economic ideas are really not that difficult to understand. Indeed, when the Social Credit vision of the world is presented in terms of certain everyday realities that most modern people are quite familiar with, the intellectual 'passage' from the unknown to the known is easily traversable. I am thinking, of course, of the world of computers and of artificial intelligence as the basis for an extended analogy. From that world we can draw a variety of comparisons that should effectively illuminate the Douglas analysis and proposals in a manner that will make the seemingly complex and abstruse luminously intelligible.

Let us start with the simple observation that the economy has two distinct dimensions to it. To begin with, there is the real, or physical economy, involving the actual production, distribution, and consumption of goods and services that answer to human needs or desires. This aspect is composed of raw materials, labour, real capital (machines, equipment, and tools), know-how, and so forth. In the second place, there is a more intangible dimension to the economy that sits 'above' the physical economy, and this is the financial economy. The financial economy consists of money (which exists mainly in the form of the enumerated abstraction known as bank credit), of costs and prices, of inflation and deflation, of securities (bonds and shares), of taxation, of derivatives, and so on and so forth.

Now, these two dimensions of the economy can be likened to the two basic dimensions that define the world of computers: hardware and software. The real or physical economy is akin to the different elements that make up the hardware

of a computer, i.e., the motherboard, the CPU, the keyboard, the mouse, the screen, and so forth. The financial economy, on the other hand, can be likened to the software that may be loaded on to the computer and which allows a user to direct the computer's hardware to perform certain tasks in keeping with the programming contained in the software. Just as a computer's software gives form, direction, and a certain sort of limitation or determination as to how its hardware is to be used, the financial system is a means by which we conceive of the potential of the economy's hardware and then set it into motion to produce and distribute certain desired results to the end users, i.e., the consumers, in keeping with the financial rules or programming that have been put in place.

The foregoing will suffice as a general description of the nuts and bolts of the economic system and its two basic dimensions. But these dimensions, the real and the financial, the economy's hardware and the software, can be related to each other in a number of different ways. In order to evaluate how they *ought* to be related, that is, which arrangement is the best arrangement that will yield optimal results, we need to introduce the normative notion of purpose. What is the purpose of the economy?

In good Aristotelian fashion, Douglas takes as his ultimate point of departure in approaching this question of the goodness or otherwise of an economy the idea that the economy has a true or fundamental purpose: it exists for the sake of delivering the goods and services that people need to survive and flourish with the least amount of resource consumption and of human labour. If that is the economy's due function, then we can determine the objective health of an economy by the degree to which it fulfills this function in view of its real or physical possibilities. The optimally good economy will meet the goal of economic life in such a way that the best possible outcome, given the nature and extent of the relevant physical possibilities, is made manifest:

... the policy of the world economic system amounts to a philosophy of life. There are really only three alternative policies in respect to a world economic organisation:

The first is that it is the end in itself for which man exists.

The second is that while not an end in itself, it is the most powerful means of constraining the individual to do things he does not want to do; e.g., it is a system of government. This implies a fixed ideal of what the world ought to be.

And the third is that the economic activity is simply a functional activity of men and women in the world; that the end of man, while unknown, is something towards which most rapid progress is made by the free expansion of individuality, and that, therefore, economic organisation is most

efficient when it most easily and rapidly supplies economic wants without encroaching on other functional activities.

You cannot spend too much time in making these issues clear to your minds, because until they are clear you are not in a position to offer an opinion on any economic proposal whatever. ¹

On this basis, Douglas goes on to observe that the fulfillment or non-fulfillment of the function in question is dependent ², in turn, on the *proper* relationship obtaining between the real, physical economy on the one hand, and the financial economy on the other.

For there are two basic ways, two paths, as it were, that can be followed here. There is, what we might call, the path of truth, where the financial software is designed in such a way that it mirrors, as an adequate, accurate instrument should, whatever is happening in terms of the actual or potential rate of production relative to the real demand for that production. There is also, as an alternative, the path of the lie, where the financial software is poorly designed and, as a result, it does not accurately represent the physical facts, but paints a picture of the real economy that is artificially limited and hence distorted or otherwise misleading.

When the financial system is properly designed as an honest system that gives a truthful reading of the physical economic facts something new comes into being: the functional order of the economy can be and is fulfilled. When the financial software is truthful, the financial dimension of the economy becomes subordinate, subservient to the real economy (as it should be, since the real economy is objectively and necessarily more important than its symbolic representation). This puts the agents for whom the real economy exists, i.e., the individual citizens in their role as consumers, in the driver's seat, and it allows the whole mechanism of the economy to perform to its fullest physical extent in response to the directing power of those agents. There is no artificial limitation or distortion accruing to the use of inadequate financial software that conditions what the agents can and cannot do. The path of truth thus turns out quite appropriately, to be the path of goodness.

On the level of production, this would mean that whenever there is, on the one hand, a legitimate desire for some good or service, and, on the other hand, the physical capacity (the raw materials, labour, machinery, know-how, etc.) to satisfy that desire, then the financial system should automatically supply or make available sufficient producer credit so that that production can be catalyzed. In other words, there should be no artificial limits on production. The financial software should function in such a way that financial credit, the capacity to deliver credit, as, when, and where required, will be issued in a sufficient volume so as to mirror in full the real credit of a society, i.e., the capacity to deliver goods and services as, when, and where required.

If 100 trillion in goods and services is desired in the world in the course of a year and the physical economy can handle that demand, then sufficient credit to catalyze the production of that 100 trillion should be automatically forthcoming, *ceteris paribus*. This is the very purpose of the financial software, i.e., to serve as a neutral tool that simply presents an accurate picture of the physical economic potential in conjunction with the desire to make use of that potential.

On the level of consumption, an honest financial software would operate in such a way that whatever is produced at whatever remunerative price (costs plus a reasonable profit margin) is mirrored by a sufficient flow of consumer income to liquidate all the relevant costs of production in full and to thereby distribute the entire inventory of goods and services to consumers. Only when this condition is fulfilled is the financial system accurately representing the value of goods and services with their due counterpart in the form of income. If 100 trillion in consumer goods and services at remunerative prices has been produced in the world in the course of a year, then the financial system should automatically supply 100 trillion in income with which those goods and services could be purchased. The result of this truthful financial representation would therefore be the establishment of an inherent balance between the flow of costs/prices on the one hand and the flow of consumer buying power in the form of incomes on the other, i.e., a self-liquidating equilibrium.

When, by contrast, the financial system is not properly designed and functions instead as a dishonest system, the picture it paints of the real economy hampers the ability of economic agents to fulfill the true purpose of economic association. This is because the inaccurate picture of the economy that is then presented is a limited and distorted one. In this case, the physical economic system becomes subservient, subordinate to the financial system. A metaphysical inversion takes place where the more real (the physical economy) is at the mercy of the less real (the financial economy) and indeed ends up being, to some significant extent, sacrificed for the less real. This puts those who have a vested interest in the financial system and its operation in the driver's seat in lieu of the common individuals who make up an economic association. The path of the lie turns out to the path of both dysfunction and exploitation/oppression.

On the level of production, 'following the path of the lie' means that the financial software would often fail to make the needed producer credit available as, when, and where required, and, as a result, some proportion of the real credit would remain unactualized and some people would go without needed goods and services. The financial software would systemically underestimate, if you will, the physical or objective capacity of the real economy to provide goods and services, and thus their production is not catalyzed. Perhaps, to refer to the previous example we used, only 60 trillion of the 100 trillion of desired goods and services that could and should be produced is actually produced.

Why does this happen? One of the key limiting factors here has to do with the lack of effective demand that would support the kind of organic economic growth, or retooling, that would actualize the real credit of society in full. This brings us to examine the 2nd major issue that concerns the malfunctioning of an improperly designed, i.e., a structurally dishonest, financial software.

As far as consumption is concerned, a dishonest system also fails to automatically supply a sufficient flow of income to match the flow of goods and services with remunerative prices attached. Instead, only a certain proportion of those goods and services is represented by corresponding income. The resultant deficiency is known in Douglas Social Credit literature as the price-income gap. The value of goods and services is systematically or structurally underestimated by the existing financial software in terms of the consumer buying power which it simultaneously or automatically renders available and with which those goods and services are to be purchased. It's not that the system can't supply more consumer buying power in order to clear the market, but that it doesn't do so simply in virtue of the production itself and can only do so by getting someone to contract additional debt. More production, as in additional production financed on additional debt-money, has to be undertaken to release additional money to fill the gap, or else consumers have to obtain "the more money" by some other means (we will return to a discussion of the conventional methods of managing the gap shortly).

Unfortunately – but not surprisingly – the reigning financial system in the world has, according to its faulty design, embodied the path of the lie: the financial software does not properly mirror the physical economic reality, but rather limits and distorts it. The physical economic reality is thus subordinated to the financial software. The results are as we have seen. On the one hand, this software fails to enable or to facilitate the fulfillment of the economy's purpose in an optimal way (i.e., to the extent that such a realization is physically or objectively possible). Instead, by limiting and distorting the physical economic facts in the picture it paints of those facts, it actively interferes with the fulfillment of the economy's purpose and sets it on a different path, a path that falls short, that misses the mark. Economic life is more inefficacious, inefficient, unfair, and harmful to persons, the social order, the political order, and the environment than it otherwise would be. One of Douglas' core claims is that the economic system simply cannot properly fulfill its true purpose of delivering the goods and services that people need to survive and flourish (with the least amount of labour and resource consumption) so long as the current financial system is the faulty software on which we attempt to run our economies.

This would be bad enough if this were the whole story, but there is a flipside to the dysfunction which demonstrates that the situation is, unfortunately, even worse. You see, the poor design of the financial software, 'poor' from the point of view

of the economy's true purpose, is actually a 'good' design if one were running the economy for a different purpose at the expense of its true purpose. The alternative purpose in question is the centralization of wealth, power, and privilege on those who own the private financial system and those on whom they bestow their largesse. In other words, the current financial software governs the real economy in such a way that it disproportionately enfranchises a small group of plutocrats at the top of the social hierarchy at the expense of all those who occupy a rung beneath them. ³ The result is a pyramidal societal structure built fundamentally on one qualifier: the possession of money or the size of one's bank account as determined by the current rules. All who produce and consume under the financial pyramid serve the pyramid and especially those at the top of the pyramid. Depending on their degree of alacrity and competence in serving the pyramid, they are rewarded proportionately, and are permitted to move up the rungs. This describes, in the most general of senses, the usurious dimension of existing economic arrangements that Ezra Pound, in particular, railed against so vehemently.

The various symptoms of economic dysfunction that were touched on earlier are, in various ways, both the cause and the consequence of running the economy according to the rules of a dishonest financial software that yields suboptimal results with respect to the true purpose of economic association, but more or less optimal results from the point of view of those who have positioned themselves to usurp as much as possible, for their own private purposes, the unearned increment of economic association (which is an aspect of the commons) ⁴. Naturally, this usurious dimension to current financial/economic arrangement also bears its own characteristically negative social, cultural, and, above all, political implications.

The great opportunity for the usurers arises from this fact: the main method that the existing financial system employs in order to fill the price-income gap is to induce someone to borrow more money into existence from the banking system in order to directly supplement the flow of consumer buying power (*via* the issuance of consumer loans and lines of credit, including mortgages, car loans, student loans, credit cards, installment buying plans, etc.) or else to induce governments and/or businesses to borrow additional money into being for the purpose of expanding public or capital production. This latter approach would distribute additional wages, salaries, and dividends, i.e., additional consuming buying power, without, in the same period of time, increasing the rate of flow of consumer goods and services. In order to properly appreciate this reliance on increasing debt as a method of compensating for the gap, one must already understand that under the existing debt-money system every bank loan creates money *ex nihilo* in the form of bank credit and every repayment of a bank loan destroys bank credit. The vast majority of the money supply exists in the form of bank credit (rather than notes and coins) and most of that bank credit is issued in the form of a repayable debt. ⁵

An alternative to further indebtedness is to seek the establishment of a 'favourable balance of trade'. By exporting in monetary terms more than what one imports, it becomes possible to narrow the gap in both directions, i.e., by a) getting rid of some of the surplus production that is not otherwise sellable and by b) distributing additional wages, salaries, and dividends via the activities of the exporting companies.

Let it be stressed once again that the Douglas Social Credit claim that there is a 'deficiency of purchasing power' does not mean that there is not or never can be enough purchasing power to buy all the goods on offer, but only that the necessary purchasing is not automatically distributed in full. Instead the extra purchasing power must come from additional cycles of production, and/or from the extension of consumer loans, and/or from favourable trade balances in the various ways that have been indicated:

We are often told that it is obviously absurd to say that the financial system does not distribute sufficient purchasing power to buy the goods that are for sale. We never said it! What we do say is that, under the present monetary system, in order to have sufficient purchasing power to distribute goods for consumption, it is necessary to make a disproportionate amount of capital goods and goods for export."

Sweden is held up as a wonderful example of how well the monetary system can work. Sweden is producing about three times as much as she is actually consuming, but owing to vagaries of exchange she is able to export the remaining two-thirds. She has to take three times as much trouble as is really necessary in order to make the monetary system work.

That is, broadly speaking, the situation. In this country, and in every modern country, in order to make the present monetary system work at all, you have got to make a whole lot of things that are not immediately bought in order to distribute what is already available. ⁶

The conventional methods of filling the gap, while enabling the economy to hobble along, provoke all sorts of economic, social, environmental, political, cultural, and international problems. It is time now to discuss exactly how these arise. Since the gap is not always filled adequately there can be recessions. There can also be demand-pull inflation if too much compensatory money is issued and the gap is overshot. This is what occurs in a boom and the economy 'overheats'. The tremendous increase in public and private debts which accompany the filling of the recurring price-income gap also leads to periodic financial crises as the aggregate debt can become too large and the economy incapable of carrying it. Banks then cease to lend as confidence declines, a credit crunch ensues, and bankruptcies and economic slowdown/ contraction follow.

This does allow, however, for some of the debt to be rewritten off and for the economy to return to a path of growth once the pain subsides.

The steady increase in debt also drives another kind of inflation, known as cost-push. The more debt there is, the more income is diverted to servicing repayments and interest charges, and the more income is diverted, the more difficult it becomes to maintain the standard of living on the basis of existing incomes. This leads to demands for wage and salary increases to compensate. But since wages and salaries must eventually be recovered in costs and hence prices, this causes prices to increase. Cost-push inflation is one of the ways we try to relativize the size of the ever-increasing societal debt load that is a by-product of conventional methods of filling the price-income gap.

The contemporary methods are also inefficient in a physical sense because it means we have to work harder and longer than would otherwise be necessary on things that no one really wants or would not want under a saner system (which implies a tremendous amount of waste and sabotage) in order to obtain the additional buying power necessary to distribute the surplus of those goods and services that are desired and needed.

For the same reason, the existing system is unjust insofar as it does not automatically enfranchise the consuming public with the sufficient buying power which should be theirs by right. You see, whatever has been paid for in physical terms (and everything that has been produced and is waiting for purchase must have been paid for already in physical terms, otherwise it would not exist), should, if the financial system accurately reflected reality, be capable of being purchased in full in financial terms while leaving no residue of debt. To deny the consuming public the consuming power to match their producing power, is to fail to give the public their due; it is a gross injustice.

Beyond that, filling the gap with debt-money combined with the need for constant economic growth plays a huge role in the heavy and often increasing taxation under which we labour, installs servility in the form of wage and debt-slavery, centralizes economic wealth, privilege, and power in fewer and fewer hands (i.e., in the hands of those who own the financial system or otherwise profit from its operations), induces forced migration, cultural dislocation, unnecessary stresses and strains, social conflict, environmental degradation, and can provoke international economic conflict (since not all countries can simultaneously enjoy favourable trade balances) which can then lead to war, etc., etc. We pay a very heavy price in dysfunction at all levels of our human existence for the running of the financial system as a private monopoly that alone possesses the means of alleviating the price-income gap. Poverty in the midst of plenty, as bad as that is, is merely one of the more salient features of our dysfunctional financial and economic system.

Douglas' Monetary Reform Proposals

If the financial software is, at present, the great limiting factor, that which is obstructing the fulfillment of the economy's true purpose and simultaneously delivering wealth, privilege, and power into the hands of the few, then the proper rectification of the economy must involve a rewriting of the financial software. Douglas' specific proposals for monetary reform might be thought of, therefore, as a set of guidelines for re-engineering the economic system by rewriting and redesigning its financial software. We need a new and better financial programming if we wish to obtain more satisfactory results for the people. Douglas Social Credit provides the fundamental principles and a set of suggested mechanism for orchestrating the change.

The first and most general rule that should be followed by the new and improved financial system would be that it should function as an honest system; i.e., it should embody accuracy by mirroring in the world of intangible numbers the facts of the real economy as these change from period to period. The financial system is not to limit or to distort our conception of either our economic potential, or of the real flow of wealth that is available at any moment in time, but must rather serve as a transparent and faithful re-presentation of the objective facts concerning both.

To this end, Douglas proposed the establishment of a National Credit Authority whose main task would be to introduce, monitor, and regulate a national monetary policy. This national policy would be the new objective to which the whole of the financial system would be directed.

On the level of production, whenever there is, on the one hand, a legitimate need for some good or service, and, on the other, the raw material, real capital, labour, know-how, etc., to meet that need, then the National Credit Authority should ensure that sufficient producer credit will be created and issued to the relevant productive agencies in order to guarantee that the desired production will, in fact, be catalyzed. If, in a given nation, 10 trillion dollars worth in physical terms is available to be monetized, then that forms the backing against which 10 trillion dollars could be issued for production purposes. This would require the introduction of a National Balance Sheet. On the side of the assets, all productive resources that might find their way into production could be given a value in terms of their replacement costs. On the side of the liabilities, the existing money supply might be registered as that which makes a demand on the country's assets. The net worth, determined by subtracting the value of the liabilities from the assets, would provide some indication as to how much additional money might be created with productive assets as their ultimate backing.

On the level of consumption, whenever there are goods and services coming on to the market, with remunerative prices attached, there should be a sufficient flow of income available to consumers to transfer those goods and services from the retailers to the consumers and to thereby liquidate once and for all the retailers' costs of production. If, in a given nation, 10 trillion dollars worth has been produced, 10 trillion dollars in income should be automatically distributed to consumers. In order to achieve this end, the National Credit Authority would need to establish a National Profit and Loss Account. This would measure the value of available goods and services on the one hand, and the value of consumer buying power (incomes) on the other. In case of a societal profit, i.e., where the value of goods and services on offer exceeds the available income that could be used to purchase them (which would be the normal state of affairs), the National Credit Authority would monetize the difference via the creation of 'debt-free' credit (or credit that does not need to be repaid by recipients directly to the issuer) that would be distributed to consumers *via* a National Dividend, or on their behalf, *via* a National Discount.

The National Dividend is perhaps the best known of Douglas' proposals. It would consist in the receipt of a certain amount of money that would be distributed on a periodic basis (say monthly) to each individual citizen considered as a shareholder in his society. The dividend would differ from the more well-known universal basic income in at least two ways: 1) the dividend would be financed through monetary reform involving the creation of new, 'debt-free' credit as indicated (as opposed to conventional methods of financing involving redistributive taxation and/or an increase in public indebtedness) and 2) the dividend would not represent a guaranteed amount but would increase or decrease depending on the size of the price-income gap. The greater the gap (which, in turn, would depend on how profitable the society was, in terms of its level of productivity), the greater the dividend. The smaller the gap, the smaller the dividend. There is thus a built-in positive feedback mechanism where the dividend and the physical necessity of work is concerned. While the dividend is meant not just to help fill the recurring price-income gap, but to do so in a way which allows people whose work is no longer needed by the productive system to retain access to goods and services (by providing them with an income that is delinked from work), it nevertheless ensures that if too many people seek to live off of the dividend alone, the dividend itself will decrease in size, thus indicating the need for more labour in the productive system (by making it more difficult to live off of the dividend alone).

The National Discount, the second method for filling the gap, is built on the observation that the true cost of producing anything is the consumption incurred in the course of its production. The true cost of making a violin, for example, is the wood, labour, wear and tear on tools, etc., that is 'consumed' in the process of making the violin.

Now, if the financial system accurately reflected physical reality, the violin should only cost in financial terms what it cost in real terms; i.e., it should cost no more than the figures that might be attached to the wood, labour, depreciation of tools, etc. Unfortunately, in one way or another, the present financial system often adds purely financial costs to cover the repayment of financial capital, investments or loans, and this elevates the financial cost of production above its real cost as measured in financial terms. By only charging the consumer with the real cost while reimbursing the retailer with the full financial cost, we can simultaneously lower the cost to the consumer (thereby increasing his purchasing power) while, at the same time, ensuring that all of the retailers' costs are fully covered and indeed liquidated. This is achieved by applying the price factor or the consumption/production ratio to retail prices. By measuring the value of what is consumed in comparison with what is produced we can determine how much prices are financially inflated on average in the economy as a whole. The resulting percentage discount will show how much prices needed to be lowered to bring them into alignment with the real costs of production.

The message of C.H. Douglas to our civilisation can therefore be summarized as follows: money is not a commodity, not something to be bought and sold at interest, and it is not something that should be treated as an idol, as the determining factor of all human activity. Instead, money is a neutral informational tool that should accurately represent the physical economic reality. Accordingly, there should always be enough of it in the form of producer loan credit to catalyze the production of whatever goods and services are both physical produce-able and desirable. Similarly, there should always be enough of it in the form of income to consume in full whatever is produced and offered to consumers on the market. Once these desiderata have been fulfilled, the economic system will deliver far more satisfactory results to all members of an economic association on a basis that is more efficient, effective, and fair. Money must cease to be master and become a servant.

1. *Warning Democracy*, 37-38.
2. This question of fulfillment vs. non-fulfillment exists, of course, on a continuum.
3. It may be that the 'error' of the price-income gap largely emerged as a kind of 'bug' that was not intended by anyone, but then, when the bug was pointed out to those responsible for running the system, there was no desire to change it because they realized that they were profiting handsomely – albeit illegitimately – from it.
4. Editor's note: The commons refers to the cultural and natural resources that are accessible to all members of a society. The commons land in the medieval village, for example, delivered various benefits to the peasants on a generous and customary basis.
5. Cf. <https://www.bankofengland.co.uk/-/media/boe/files/quarterly-bulletin/2014/money-creation-in-the-modern-economy.pdf>
6. *The Approach to Reality* 26-27.

***On Target* Subscriptions and ALOR Donations**

Subscriptions

Following on from the Kitchen Table Forums conducted across all Australian states last year, and taking into account feedback from a good number of people with the establishment of the monthly booklet '*On Target*', the ALOR National Director Arnis Luks has committed to repeat a similar Australian wide tour, while promoting existing and new subscriptions to the '*On Target*'. Issued each month to promote the League's Objectives, the booklet will complement the National Director's busy community campaign.

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Timing for the East-Coast Tour by the National Director

September 7th starting out early from Adelaide heading on to Naracoorte 8th, and then on to central Victoria for the 9th, heading to Bairnsdale for the 10th & 11th, and entering southern NSW across that weekend 13th & 14th, with further travel and meetings across NSW through 25th September, then continuing on to Queensland.

All advertising of meetings will be updated through the ALOR website.

The return journey is planned to go inland and pick up those not living near the coastal regions. If you have time to organise, even a home meeting, the Director shall do his best to accommodate all requests.

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