



ON TARGET

INSERT

CONSTITUTIONAL BARRIERS to SERFDOM

By Eric D. Butler

Political thinking is at such a low ebb in this and other British countries that constitutional safeguards of individuals' rights, evolved over hundreds of years, are being destroyed without most people realising what is taking place. The mere mention of the term "constitution" usually conjures up in the minds of many people a picture of lawyers arguing about dry technical legal matters of no importance to the ordinary individual - or beyond his understanding.

The tragedy of these critical times is that the individual does not understand that the question of individual rights and independence is directly connected with the idea of a Constitution of some description.

An even greater tragedy is the fact that the small minority which has some understanding of the issue has little or no knowledge of the nature and the source of the attack against the Constitutional safeguards of the individual's rights and independence.

THE PURPOSE OF A CONSTITUTION

What is a Constitution? Most human activities are governed by the idea of a Constitution; the idea that it is necessary to define in advance relationships which individuals can observe. It is also necessary to lay down the relationships between various groups and individuals.

No game can be played in the absence of some rules. And it is generally essential to have umpires to ensure that all players observe the rules. Business companies have their articles of association. It will be noted that the rules of our traditional British games, such as cricket, are very rarely changed. They have been evolved over a long period of time and embody the experiences of the past. They have been slowly modified in the light of experience, and have been in the nature of an organic growth. We are not forever attempting to change the rules.

The articles of association of most companies are made comparatively difficult to alter. Experience has proved the danger of "snap" decisions, which can result in a successful organisation being irreparably damaged. Constitutional safeguards of all types of organisations have usually been designed to ensure that, before any changes are made, there can be an exhaustive examination of what is proposed. There can be no stability if a Constitution can be altered comparatively easily,

perhaps by a small number of power-lusters temporarily stampeding electors.

**The necessity of stability in all forms of human associations is essential.
The greatest genuine progress is made when there is the greatest stability.**

All political and economic crises, most of which are carefully manufactured, provide ideal conditions for attacks upon Constitutional safeguards. For years before the war the controllers of Soviet Russia openly preached that an “imperialist” struggle was essential for the furtherance of their policies. “Stability permits a continuous growth based upon Tradition”. The enemies of our way of life, and surely it is obvious that they are becoming more menacing every day, want to destroy all Constitutional safeguards of stability; they want chaos and confusion in order that they can impose their ideas upon the community.

One important aspect of the war being waged against us, an aspect overlooked by most people, is the clever attack upon the idea of a tradition. Such has been the corrupting influence of unscrupulous propaganda that a great number of people who like to be thought “progressive” consider any policy based upon tradition either “old fashioned,” or, worse still, “reactionary.”

**Tradition is simply the accumulated experiences of the past.
A community which forgets its traditions has lost its bearings, and is at the mercy of the various types of power-lusters whose activities are wrecking Western Civilization.**

See The Real Communist Menace, pages 13 and 14, on this point.

Even in the most primitive communities the old men of the tribe pass on to the young men the various folk lore and tribal laws, which embody the past experiences of the tribe. This is the cultural heritage, without which no community could survive. Those who sneer at people basing their policies upon the experiences of the past are themselves dominated by an idea as old as Mankind: the idea that some men should have complete control over the lives of all other men.

INDIVIDUAL RIGHTS, CONSTITUTIONAL SAFEGUARDS

The central theme of the history of the English-speaking world can be written around the persistent attempts to evolve a Constitution which would prevent Governments, or any other groups from having too much power over individuals.

Because of their Christian philosophy and innate spirit of individualism, our forefathers worked and gave their lives to limit the powers of Governments and to guarantee the individual certain fundamental rights which were inviolate.

The growth of the British Constitution, the basis of all Constitutions throughout the English-speaking world, derives from the idea of individual rights. The basis is the individual. The fundamental idea of the British Constitution was the protection of the sovereignty of the individual.

That profound political document, *Magna Carta*, which we teach our children about in the schools, but never read, dealt in detail with this question of individual sovereignty. The evolving of a system of Common Law, which was superior to

Kings, parliaments and all other institutions, was essential for the protection of the individual. The English-Speaking communities, alone of the civilised world, are based on the principle of Common Law, that

“all persons, officials, no less than private individuals, are equal before the law, are judged by the same tribunals, and are subject to the same rules.”

However, the fact must be faced that the days when the individual knew what his rights were, and could enter the Courts to ensure that neither Governments, officials, nor any group or individual interfered with those rights, are rapidly passing. The fact that the same technique is being used to destroy the Common Law in every English-Speaking country is definite evidence that the attack is coming from a common source. As far back as 1929, Lord Hewart, one-time Lord Chief Justice of England, exposed the menace in his great book: *“The New Despotism.”*

Lord Hewart wrote:

“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.”

The “persistent and well-contrived system” has been considerably advanced since Lord Hewart wrote his book, *“The New Despotism.”* The swollen bureaucratic departments in this country, with their never-ending stream of regulations and decrees, and the increasing assaults upon the Federal Constitution, provide such menacing evidence of the *“New Despotism”* in Australia that all liberty-loving citizens must immediately unite to resist it.

Our written Federal Constitution, like the American Constitution, was based upon principles established in the evolving of the British Constitution. Those people who talk about our “horse-and-buggy” Constitution are a menace to our way of life; they cast doubt upon fundamental principles of individual associations which have not been altered one iota by the fact that we now have motor cars to travel in instead of buggies.

In fact, because of the vastly increased power which scientific developments permit a small number of individuals to have over entire communities, it is more essential than ever that the fundamental principles of human associations, learned so painfully by the trials and errors of our forefathers, be clearly re-stated, and their observance insisted upon.

If we are going to allow power-lusters and their dupes to persuade us that we should forget and ignore the accumulated political experience of a thousand years, there is indeed no hope for our way of life. Salvation depends upon sufficient people grasping the real issues at stake. They are fundamentally the same as those faced by the Barons and Churchmen when they confronted King John with *Magna Carta* at Runnymede in 1215.

THE MENACE OF CENTRALISED POWER

Writing last century, the great English historian, Lord Acton, made the profound observation that **“All power tends to corrupt, and absolute power corrupts absolutely.”** The British Constitution was evolved in order to deal with this menace; the menace of any one man or group of men having too much power.

It was not only necessary to limit the powers of Governments; it was essential that political power be decentralised by local Governments. A great many people who want to destroy the Federal Constitution and local Government in Australia argue that, as there is only one Government in Great Britain, one central Government should be sufficient for Australia. These people completely ignore such local governing institutions in Great Britain as the County Councils, which, although now being destroyed by the same influences destroying local Government in Australia, have had powers as great as those of our State Governments. For example, they controlled their own police and education. Local Government is a part of the British tradition.

The famous Constitutional authority, Sir Edward Creasy, writing in his *“History of the English Constitution,”* states: **“The practice of our nation for centuries establishes the rule that, except for matters of direct general and imperial interest, centralisation is unconstitutional.”**

Not only does local Government mean decentralised political power, it ensures that the individual has a much more effective control of his political representatives than he has when Government is highly centralised. The more centralised Government becomes, and the more powers taken by the central Government, the greater the possibility of members of Parliament using the excuse of over-work to delegate power to bureaucrats, who, governing by regulations and decrees which have the force of law, can destroy the Constitutional safeguards of the individual's rights. In reply to a deputation which urged greater powers to the Federal Government at the expense of local Government, President Calvin Coolidge of the United States of America said in 1926:

“No method of procedure has ever been devised by which liberty could be divorced from self-government. No plan of centralisation has ever been adopted which did not result in bureaucracy, tyranny, inflexibility, reaction and decline. ...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 pretence of having authority over everybody and being responsible to nobody.”

Every further centralisation of political power automatically creates conditions which provide the totalitarians with the excuse that it is “inevitable” that more of the Constitutional safeguards of the individual's rights be destroyed. Note how artificial shortages created by high taxation and other controls are used to justify permanent Federal price control. If we are to have individual rights and genuine independence in this country, rights and independence protected by a Constitution which functions

and is effective, all Governments in Australia, particularly the Central Government, have got to be compelled to disgorge the great powers they now possess. Not only must the present drive towards centralisation be stopped; a vigorous policy of decentralisation is essential.

The more genuinely decentralised Government is, the greater degree of self-determination individuals have over matters essentially local and peculiar to themselves.

THE PURPOSE OF GOVERNMENT

A major part of the totalitarian policy is to further the idea that Government is an end in itself. This is a comparatively modern idea in British countries. "Social security" and other plausible schemes are simply devices to make more and more individuals dependent upon Governments, and were originated by the same groups striving to destroy all Constitutional barriers to complete control of the individual.

Another totalitarian idea is that which asserts that once a Government is elected, it is "anti-democratic" that it should be restrained in any way by Upper Houses, the Crown, or any other Constitutional limitations.

"It is nowadays the common doctrine of the Constitutional lawyers and of the politicians, who like the sense of power and especially of absolute power (which corrupts absolutely), not only that the Legislature has the last word in law making, a doctrine which is as old as Augustine and even as old as the hills, but also that its power in law making is absolute and arbitrary. Parliament is not limited by the principle of the natural law, that is to say the ordinary moral law, nor is it limited by the law of God. In the realm of England, according to this doctrine, men now hold their lives on a lease not from God but from the State."

(Richard O'Sullivan, K.C., May, 1947 in the English journal, "*Nineteenth Century*,")

Those whose policies are still based upon a Christian philosophy must reject completely the idea that their lives are at the mercy of an omnipotent Government. If Governments are to be omnipotent, with no limits to their powers, they could "legally" have people put to death. This has already happened in many European countries, while in Great Britain the Attorney-General of the British Socialist Government, Sir Hartley Shawcross, epitomises the totalitarian conception of law and the Constitution by claiming that the powers granted to the Government by the Constitution "depended entirely on convenience and expediency." (London "*Times*," July 22, 1947.)

As a result of their 1945 election victory, the British Socialists claim that a majority in the House of Commons gives them the right to do as they like for five years, although anyone with even the most elementary knowledge of the British Constitution must know that it is Trinitarian, and was evolved for the purpose of limiting the power of the Commons. Our forefathers realised the menace of all power being in one set of hands; thus the House of Lords and the Crown maintaining a state of balance - and the Common Law over all.

In his great classic,

“Law and Orders,” Professor C. K. Allen writes “that the position in the Middle Ages was the converse of that which exists to-day...all enacted law was subordinate in the last resort to a supreme, over-riding, Common Law”

The steady destruction of the influence of the House of Lords and the Crown, together with the replacing of the Common Law by bureaucratic lawlessness, has permitted the British Socialists to proceed to impose upon the British people the very National Socialism they went to war to destroy. This is merely following closely the program marked out by the famous pro-Communist, Professor Harold Laski, who, writing in his book, **“Democracy in Crisis,”** published in 1933, said that the first task of a newly elected Socialist Government would be to “take vast powers and legislate under them by ordinance and decree” and “suspend the classic formulae of normal opposition.”

Sir Stafford Cripps, who has been termed the Economic Dictator of Great Britain, wrote in his book, **“Can Socialism Come by Constitutional Means?”**, that **“The Government’s first step will be to call Parliament together and place before it an Emergency Powers Bill, to be passed through all its stages on the first day. This bill will be wide enough in its terms to allow all that will be immediately necessary to be done by Ministerial orders. These orders must be incapable of challenge in the courts or in any way except in the House of Commons.”**

In a moment of candor Dr. Goebbels once said that the Nazis merely used the democratic voting system to obtain office; having office they then “legally” proceeded to ensure that they had no effective opposition. It was this very menace that the British Constitution with the House of Lords and the Crown as a barrier to policies overriding the liberties of the people, was designed to meet. The British people have got to take steps to clear away the debris choking their Constitution in order that once again it will effectively protect the individual from the arbitrary acts of the Government and officials. The first essential is obviously a restatement and clarification of those great principles which our forefathers proved so essential to individual liberty and independence. Australians can learn a lot from the British Revolution now taking place. The most obvious lesson is the fact that the **written** Federal Constitution in this country has imposed greater effective limitations upon the Canberra totalitarians than an **unwritten** British Constitution has imposed upon Professor Laski and his associates. Sir Stafford Cripps would find that the Federal Constitution strictly limits the scope for Ministerial orders “incapable of challenge in the Courts.” Thus the persistent attempts to whittle away the Federal Constitution as a preliminary to destroying it completely.

In considering the legitimate function of Government, it is essential that it be realised that British Constitutional developments have always conceived of the powers of Government as being a grant from individuals to the Government for the purpose of clearly defined tasks. The modern totalitarian idea of Governments actually governing the people and passing a never-ending stream of laws to restrict their activities and liberties is alien to genuine British tradition. It has been wisely

said that the best governed communities are the least governed communities.

Government should be merely an instrument, with strictly limited and defined powers, through which individuals can lay down general rules, the clearer and simpler the better, which they deem necessary to govern their associations for their particular areas. The genuine British idea of Government is that it should be a coordinating factor, preserving the rules decided by electors and ensuring that no group upset the balance of the community by obtaining too much power over individuals. The function of Government is not to take over and direct activities in the community. Neither is it the function of Government to provide the individual with “security” from the cradle to the grave.

Government should be used by electors to lay down rules under which the individual can provide his own security in free association with his fellows.

Some form of Government is required for, say, a community to decide upon traffic laws for the purpose of governing transport activities. It will be noted that such laws are not an interference with freedom of action; they make for greater freedom of action with a minimum of danger. Once the community has decided through Government that all shall travel on the left-hand side of the road, etc., the function of Government is to make certain that this rule is observed. The rule applies equally to **all** road transport, including Government vehicles.

The totalitarian idea of Government is that not only should it police the rules of the road, but should arbitrarily tell the users of the roads when they can travel, where they can travel or, worse still, create a Government Monopoly of all road transport and prevent any private transport whatever. The foregoing should briefly indicate what are the legitimate functions of Government and what are not.

COMMON LAW AND CHRISTIANITY

It is interesting to note that John C. Miller, in his very able commentary on the *“Origins of the American Revolution,”* shows how the American Revolution was a revolt against the very idea of Government being imposed upon us today:

“In rejecting natural law, Englishmen also denied the colonists’ contention that there were metes and bounds to the authority of Parliament. The authority of Parliament was, in their opinion, unlimited, and the supremacy of Parliament had come to mean to Englishmen an uncontrolled and uncontrollable authority. Indeed, the divine right of kings had been succeeded by the divine right of Parliament . . . It was the refusal of Americans to bow before the new divinity which precipitated the American Revolution.”

Natural or Common Law derived directly from the “climate of opinion” created by the Medieval Christian Church. The destruction of the Common Law and the fostering of the idea of omnipotent Governments are a deadly menace to the basic principles of Christianity. Cannot professing Christians realise that by rallying to cleanse and preserve our Constitution they are defending their Christian Faith?

Writing of the totalitarian idea of concentrating all power in the hands of an

Omnipotent Government, Sir Henry Slessor has said:

“The offence to religion in all this is that the notion of man as an immortal and invaluable soul being lost, those in authority become increasingly tempted to treat the humble as mere mechanical parts of a ‘planned society’ . . . In such a condition, Law, whose purpose is the protection of the individual, may well be forgotten and regarded as superfluous.” (*Sword of the Spirit*, England, November, 1944.)

(Sir Henry Slessor has also said: **“The future of the Common Law is plainly much more than a matter for lawyers.”**)

THE WRITTEN FEDERAL CONSTITUTION

In considering the value of our written Federal Constitution, it is essential to grasp that it was a grant of special powers from the States to the Federal Government. Those who framed this Constitution attempted to embody in it what their forefathers had learned about Governments over centuries. They realized the menace of centralised Government, particularly in a vast country like Australia. The people of the States were only persuaded to vote for Federation on the understanding that State sovereignties would be protected.

Speaking at the Federal Convention in 1891, Sir Henry Parkes made the issue clear in the following words: **“I think it is in the highest degree desirable that we should satisfy the mind of each of the colonies that we have no intention to cripple their rights, to diminish their authority. It is therefore proposed by this first condition of mine to satisfy them that neither their territorial rights nor their powers of legislation for the well-being of their own country will be interfered with in any way that can impair the security of those rights, and the efficiency of their legislative powers.”**

Propaganda against the Federal Constitution has been so successful that large numbers of people say unthinkingly that Federation was designed to abolish the States. So far from this being the case, the “Fathers of Federation” actually made provision in the Federal Constitution (Chapter VI) for the creation of new States.

No sooner had the Federal Government been created than excuses were made for the purpose of strengthening it at the expense of the States, thus proving the truth of the great Lord Bryce’s statement that the tendency of Governments is to increase their powers. This is particularly true of Central Governments.

ALL FEDERAL PARTIES HAVE ATTACKED CONSTITUTION

In order to understand the real nature of the growing assaults upon the Federal Constitution, it is first essential that we recall that all Federal Governments, Labor and non-Labor, have been responsible for expanding the powers of the Central Government at the expense of local Government.

The destruction of the British Constitution had started long before the present Socialist regime obtained power. A study of all revolutions proves beyond dispute that it is the first stage of the revolution which is most difficult. Once the first steps

have been taken and momentum established, it is comparatively easy to increase the momentum. In order to establish momentum, it is first essential to minimise the opposition of responsible members of the community by infiltrating and using professing anti- Socialist Governments. Having been used to initiate a policy of centralisation, the “moderates” are progressively forced to adopt more and more centralisation, or give way to those who are more ruthless and determined.

No mere change in politicians will halt the growing destruction of Constitutional safeguards.

The very fact that all Federal Governments have increased the powers of the ever-growing bureaucracy and attacked the Constitution, is definite proof that what is termed a “change of Government” is not really a change at all. With Government becoming more and more centralised and attempting to direct and control the activities of the community the elected politicians become more and more dependent upon the permanent officials and economic “advisers.”

As Mr. L. S. Amery remarks in his *“Thoughts on the Constitution”*: **“What we call a change of Government is in fact only a change in the small, if important, element which is required to direct the general policy, while recruiting for it Parliamentary and public support, or at least acquiescence.”**

A “change in Government” merely means a change in arguments to gain public support for a central policy which, while it may be advanced by different methods, does not change. It can be seen that the important issue confronting us goes far beyond Party Politics. This is not the place to discuss the pros and cons of Party Politics, but it is beyond dispute that they are not a barrier between the people and totalitarianism.

Only a permanent effective Constitution can safeguard individual rights.

What is required, therefore, is a **“Defend the Constitution” Campaign**, in which all sections of the community can take part. Party politicians who are genuinely in favour of individual rights free from interference by any Government, should readily take part in all moves to defend all aspects of our Constitution. Starting from this basis, electors can soon discover who are genuine opponents of totalitarianism - i.e., centralisation and government by an irresponsible bureaucracy - and those who are not.

THE NATURE OF TOTALITARIANISM

The very essence of totalitarianism, irrespective of whether it is labelled Socialism or any other “ism,” is the creation of the Monopoly State - the centrally “planned economy.” A “planned economy” conceives of all political, economic, and financial power being in the hands of one central group, who decide all policy. To the extent that local governing bodies are maintained, it is merely to **administer** the central policy. Now, it is obvious that if a centrally “planned economy” is to be successful from the point of view of those imposing it, it is absolutely essential that there be no power of contracting out for individuals who don’t like the policy.

Thus all resources and all Governments must be controlled by the central planners.

As the British idea of a Constitution, whether written or unwritten, is a barrier to the Monopoly State, it must be destroyed.

Bank nationalisation is merely one of a long series of attacks upon the Federal Constitution, which is a barrier to totalitarianism in Australia. Unfortunately this fact has been nearly obscured by the largely irrelevant welter of controversy concerning bank nationalisation as an end in itself rather than a means to an end. Remembering that all Federal Governments have supported centralisation, we can now pass to a brief examination of the source and nature of the totalitarian attack.

SOURCE OF ATTACK ON CONSTITUTIONAL SAFEGUARDS

In 1946 Professor Harold Laski visited Stalin, after which he made the significant statement that the British and the Russians are merely following two distinct roads to the same objective. As a leading instructor at the Socialist-cum-Communist London School of Economics, established by the Fabian Socialists and financed liberally by the German-Jewish financier, Sir Ernest Cassel, and whose students are now entrenched as “economic advisers” to all types of Governments throughout the British Empire, or as lecturers in Universities, it is essential that we pay attention to what this pro-Communist says. When Lord Haldane, who said that his “spiritual home” was in Germany, was asked why his friend Cassel had financed the London School of Economics, he said that the school was established *“to raise and train the bureaucracy of the future Socialist State.”* (Professor Morgan, K.C., *“Quarterly Review,”* Jan., 1929.) All Federal Governments in recent years have been “advised” by products of the London School of Economics, or by those contaminated by its doctrines, while the Universities turn out more and more Socialists and Communists, who are only too keen to advance the idea of central planning.

Now, it is a matter of history that the Fabian Socialists in Great Britain took most of their ideas from Germany, where the policy of centralisation was considerably advanced by Bismarck and the Socialists. It will be recalled that Karl Marx, a German Jew, said that the British were too “stupid” to make their own revolution, and therefore foreigners must make it for them. Bearing in mind Laski’s statement made after seeing Stalin, it is obvious that a special technique had to be devised to destroy the British Constitutional safeguards. The fundamental objective was the same as that desired by the Communists; there was merely a difference of method. Whereas the Communists believe in seizing power, the Fabians believed in using electoral methods. In order to advance their ideas, they, like the Communists, developed the technique of infiltration.

This technique has been described by Mr. G. B. Shaw, a prominent member of the Fabian Society: **“Our propaganda is chiefly one of permeating - we urged our members to join the Liberal and Radical Associations in their district, or if they preferred it, the Conservative Associations - we permeated the party organisations and pulled all the wires 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 NEW DESPOTISM

The Fabian Socialists were the forerunners of the present British Socialist Party, created the London School of Economics in 1921, and had it staffed largely with aliens. Speaking at the Fabian International Bureau’s Conference on March 15 1942, the chief speaker said: “. . . **There is not much difference between the basic economic techniques of Socialism and Nazism.**”

This significant statement sheds considerable light upon the present plight of the British Empire. Mr. and Mrs. Webb, credited with being partly responsible for the present Russian Constitution, were two of the leading spirits amongst the Fabians. The historian, Elie Halery, writes: **“I can still hear Sidney Webb explaining to me that the future belonged to the great administrative nations, where the officials govern and the police keep order.”**

In order to reach the totalitarian future desired by the Fabians, responsible Government had to be destroyed. What was simpler than the technique of persuading Parliament to pass Enabling Acts giving officials the authority to make rules and regulations having the force of law?

Even after Lord Hewart had denounced the *“New Despotism”* in 1929, and stated that “What is needed is to re-assert in grim earnest, the Sovereignty of Parliament and the Rule of Law,” Professor Laski wrote as follows under the heading “Labour and the Constitution” : **“The necessity and value of delegated legislation...and its extension is inevitable if the process of socialisation is not to be wrecked by the normal methods of obstruction which existing parliamentary procedure sanctions.”** (*“New Statesman,”* September 10, 1932.)

Laski is also author of the following statement: **“There is no reason to doubt that the prerogative of the King seems to men of eminence and experience in politics above all the means of delaying the coming of Socialism.”** This is an open attack upon one of the main pillars of the British Constitution. Laski and his associates stand for the Monopoly State, in spite of the fact that our forefathers insisted upon the great Bill of Rights, one of the landmarks of British Constitutional development, in order that they could directly petition the King in order to permit an undesired law to be altered or reconsidered.

Writing in the *“Social Justice Review”* (U.S.A.) of December, 1944, Laski lamented the defeat of the 1944 Referendum in Australia. He made the following interesting admission: **“Once there has been a division of powers under a Federal system, it takes something like a political or economic earthquake to change the categories of the division.”**

THE TOTALITARIAN FRONT IN AUSTRALIA

At this point it is of importance that we recall that in 1936 Dr. H. V. Evatt published a book entitled *“The King and His Dominion Governors.”* In the preface to this book, Dr. Evatt writes: **“I am also under obligation to Professor Laski of the London School of Economics . . . for much encouragement and advice.”**

Speaking at Canberra on October 1, 1942, in urging the necessity of greater powers for the Central Government, Dr. Evatt said **“I desire to make it perfectly clear that the amendment [to the Constitution] I propose will give the decision to Parliament itself, and no person will be able to challenge the validity of Parliament’s decision.”** Here was a blatant attack upon the very foundations of our Constitutional safeguards. Dr. Evatt was, of course, merely echoing the Fabians.

He was certainly not ignorant of the totalitarian idea he was advancing, because he wrote in his book, *“The King and His Dominion Governors,”* that “Parliament is the Parliament for the time being only, and it does not necessarily reflect the will of the electorate for all purposes and at all times. . . By way of illustration it will be remembered that the Newfoundland Act, 1933 . . . took away from the people of Newfoundland important rights of self-government, at the request not of the electors, but of the Parliament for the time being.”

It should be obvious to even the most politically illiterate, that if once a Government is elected to office it is free to do as it likes for three or more years, without electors having any right of redress, there is tyranny. Backed up by Socialist and Communist economic advisers, the principal one being Dr. H. C. Coombs of the London School of Economics, Dr. Evatt launched the first offensive to establish complete tyranny in this country when he attempted to persuade the State Governments to transfer to the Federal Government enormous powers without the necessity of a Referendum.

Although some of the State Governments, particularly the Upper Houses, wanted a serious curtailment of the powers before agreeing to any transfer, it was the Upper House of Tasmania which proved beyond dispute the necessity of responsible Upper Houses, not for preventing all Government legislation from being passed, **but to ensure that it is carefully considered before being passed, and, if necessary, to force the House of Assembly to take any particular issue to the electors for their ratification.**

The Tasmania Upper House said that the Tasmanian House of Assembly, which was willing to grant the powers sought by Dr. Evatt, had no mandate from the people to pursue such a policy. The attitude of the Tasmanian Upper House forced the 1944 Referendum, at which the electors of Tasmania voted overwhelmingly against what their House of Assembly had proposed, thus providing a striking example of the value of the British Constitutional idea of an Upper House.

This does not necessarily mean that there is no case for a reform of Upper Houses in Australian States. But they are an integral part of the British idea of a

Constitution, and have their proper role to play. Elected by the most responsible elements in the community, they make for stability and prevent “snap” decisions which could create irreparable damage in the community. The totalitarians hate stability. As Professor Laski admitted, an “economic earthquake” is essential.

POLITICAL AND ECONOMIC PLANNING

It was the “economic earthquake” of the Great Depression which coincided with the creation in Great Britain of another Fabian Socialist offshoot, Political and Economic Planning (P.E.P.). This organisation was secretly launched in 1931, and was controlled by a curious combination of Big Business representatives, a Director of the Bank of England and well-known Socialists.

In April, 1933, it started issuing a series of broadsheets bearing the title “Planning.” The first few issues contained the following:

“You may use, without acknowledgment, anything which appears in this broadsheet, on the understanding that the broadsheet and the group are not publicly mentioned, either in writing or otherwise.”

Here was the infiltration technique again. The result was the apparent spontaneous appearance of articles from different quarters advocating a “planned economy.”

The British “Conservative” Party was so successfully infiltrated that it laid many of the foundations upon which the present Socialist regime is building. The British “Conservatives” advanced the P.E.P. idea of Planning Boards to control primary production, electricity, etc. Similar ideas were propagated in Australia, the Lyons’ Government, no doubt on the advice of its economic “experts,” attacking the Federal Constitution under the guise of the Orderly Marketing Referendum in 1937.

During this Referendum many members of the present Federal Labor Government exhorted the electors to resist any attacks upon the Constitution. They said that a weakening of the Constitution would lead to Fascism. And yet a few years later they were themselves attacking the Constitution, proving, as we have previously noted, that changing politicians does not necessarily mean a change of Government.

THE “SOCIAL SERVICE” PLAN IN AUSTRALIA

Undoubtedly the first major success in getting a non-Labor Government in Australia to advance a Socialist policy was the attempt by the Lyons’ Government to introduce their National Insurance scheme. Long before the Fabian Socialists brought the idea to Great Britain, the technique of gaining control of the individual by a **compulsory** national insurance scheme had been successfully applied in Germany.

Bismarck had once termed it putting a golden chain around the necks of the workers. Once the basic idea was introduced into the English-speaking world, it didn’t matter very much to the sponsors how many arguments there were about the actual financing of various schemes. Such controversies had the effect of once again

creating the impression that the demand for various “Social Security” schemes in all parts of the English-speaking world were spontaneous; they camouflaged the source of the idea; also the real nature, which, briefly is designed to take the individual’s purchasing power off him by compulsion and only permit him to get some of it back if he submits to detailed control by officials. The economic insecurity of some of the people is used as an excuse to bring everyone under bureaucratic control.

In his book, *“The New Despotism,”* Lord Hewart specifically refers to the British Health Insurance Act as an example of modern tyranny and the destruction of Common Law by the arbitrary acts of bureaucrats. In spite of this a non-Labor Government brought English “experts” to Australia to impose the same tyranny upon Australians. Although there was such a wave of public indignation, aided by Labor Members of Parliament - they merely objected to the method of financing, not the idea - that the Lyons’ Government had to drop the scheme; the election of a Labor Government revived the idea under the Unemployment and Sickness Benefits Act of 1944, again proving that a change of politicians does not mean a change of Government.

Any person who has studied the Gestapo clauses in the Unemployment and Sickness Benefits Act, and the granting of enormous powers to officials, can be nothing but appalled that such an Act could be passed in our Federal Parliament. The compulsory national insurance idea was given great prominence with the publication of Sir William Beveridge’s famous scheme during the war years. In lauding this scheme, the “capitalist” press in this and other British countries did not mention that Sir William had been a prominent member of the staff of the London School of Economics, and was on record as saying that the British people must be prepared to go “half way to Moscow.” The most obnoxious control clauses in Sir William’s scheme were, of course, carefully kept away from the public. These clauses revealed that “social security” was the bait to persuade the individual to submit to control by officials.

The present non-Labor Parties are, of course, “sold” on the Socialist compulsory insurance idea, merely attempting to get support for it by better arguments than their “opponents.” Not only did the Liberal Party led by Mr. Menzies advocate compulsory insurance at the 1946 Federal Elections; Mr. Menzies supported Dr. Evatt’s Referendum, conducted with the elections, for permanent power over “Social Services” for the Commonwealth Government, thus making a “Yes” vote certain.

This opened the way for a further attack upon individual rights, the extension of bureaucratic dictatorship and the consequent destruction of the Common Law. If, of course, Government is to become more and more centralised, and is to control all activities in the community by the creation of a Monopoly of resources and “social service” schemes which place the individual at the mercy of officials, no Constitutional safeguards of any description are possible. The totalitarians know this.

DEFEND THE CONSTITUTION

What then, is to be done to defeat the menace threatening us? It may be argued that we need greater written Constitutional safeguards to restrict the powers of the Central Government and to protect local Government. It can be taken for granted that no Federal Government will sponsor any changes to the Federal Constitution which would limit the Federal Government's powers. Such constitutional changes will have to be forced upon the Federal Government by a non-party and non-sectional campaign by electors who have thoroughly imbibed the political wisdom accumulated by their forefathers. But no worth-while Constitutional Convention could take place while there is such an appalling lack of knowledge on Constitutional safeguards.

The first essential is for responsible members of the community to give a lead by first obtaining a thorough understanding of fundamental Constitutional principles, as a prelude to encouraging their fellows to discuss them. The fundamental issue is merely common sense. No game can be successfully played unless players thoroughly understand the rules of the game and obey them. Society also needs rules, rules which, if generally respected and obeyed, ensure that individuals in free association can make provision for their own independence, knowing in advance exactly what the "rules of the game" are and how they will affect them.

The rules must strictly limit and define the power of Government to the absolute minimum commensurate with the legitimate function of Government. The rules having been laid down, it is then essential to protect them by resisting any attempts to break them or by-pass them.

The League of Rights exists to foster a more widespread understanding of our traditional British Constitutional safeguards as a preliminary to making them effective. No Constitution can survive in the absence of an enlightened public opinion. Such opinion must be immediately fostered.

Undoubtedly the most urgent task of all is to rally the entire community to defend the existing Federal Constitution, which stands as a barrier to the policies of the totalitarians. The Identity and methods of the totalitarians attacking our Federal Constitution must be exposed. Persistent educational work is urgently required to make the community "Constitution conscious." Every policy which helps the totalitarians in their attacks upon the Constitution must be exposed and opposed. Having successfully defended the present Constitution and engendered a more widespread understanding of Constitutional safeguards, positive steps can then be taken to frame a new Bill of Rights, which will guarantee that there shall be that British and Christian society in which:

***"they shall sit every man under his own vine and under his fig tree;
and none shall make them afraid."***

League Objectives

- (a) To promote loyalty to the Christian concept of God, to the Crown, and to the Country.
- (b) To advocate genuine competitive individual enterprise and personal initiative.
- (c) To defend private ownership and advocate its extension in order that individual freedom with security shall be available to all.
- (d) To attack and expose government-by regulation and bureaucratic interference with economic and social activities.
- (e) To take steps designed to secure to the individual very definite rights which no government can take away, and especially steps which defend the written constitution.
- (f) To defend the Rule of law which makes all equal before the Law.
- (g) To stress the value of our system of Common Law, originally built up in Great Britain, to protect the rights of the individual; and to that end, to expose corruption and partiality in all their forms.
- (h) To expose the manner in which the safe guards of individual rights and liberties are being destroyed.
- (I) To emphasise the value of the Senate and of Legislative Councils.
- (j) To expose and oppose all anti-British propaganda and actions, irrespective of their origin.
- (h) To take such other actions as may be deemed desirable to promote the policy of the League.

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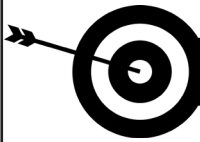
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A WEEKLY COMMENTARY



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The Price of Freedom is Eternal Vigilance

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Minnows In The Swamp By Neville Archibald

Aren't we lucky that all the problems with the western world will end now!

With 'The Donald', draining the swamp of the West's powerhouse country, we will be saved! We all look to the big brother of the West for answers, many are waiting with bated breath to see who he catches and who he leaves on the bank to flop about. Then of course, we all wait to see what fingerlings he replaces them with.

Me, I can't see him putting too many tasty fish back in a swamp that needs a certain type to survive. Dare I say, bottom dwellers and mud suckers? Those whose gills do not become clogged with the impurities of the water.

There is a lot more to a swamp than just those who live there. It is those who thrive there that have me worried. 'Gators will always be 'Gators and Pike, pike. The minnows and the trout may have a place, but it is a dangerous one for them. Why? The water teems with life, bigger fish eat the little fish, the injured fish and the slow large fish.

Then of course you have a lot of people who think they will get out of the swamp, the polluted waters and move to mountain streams or clear bright rivers. Eventually the other predators, the bear and his cousins will fish there too, taking out many in the prime of their lives. Their existence might be better for a while, but death from predation will come to us all unless we take control.

What a bleak metaphor! Upon reading this back I worry that I may have lost some of the less outdoorsy types, but thankfully David Attenborough continues his run on commercial TV and will have done something to you.

I see us as the minnows in the story. The small fry, who not only make up the majority of life, but the life that feeds the whole system. Without whom there

would be no larger world. We live in a collective large school, society as a whole, the civilized part, that moves us forward out of that fish eat fish life of mere survival. A minnows strength is in his numbers, there being too many to focus on, to catch one. We confuse them! A shimmery mass that splits in two and rejoins when the predator has missed. But to truly survive, the predators must be kept away from our 'schools'. We must stick together and modify our environment to our advantage. Create a restriction to keep the hungry at bay. Then only the ones that swim outside the flags, or on the outside of the shark net become the food of the predators. Unlike minnows, we developed methods to stop the predators taking as many as they liked. A catch limit if you like! These methods are found in the formation of Government, laws and regulations. Limits are placed on individuals for a reason, to stop the unscrupulous from committing violence on a population without restriction. We don't have a Wild West, where the sheriff shoots the baddies (pity, I sometimes reflect). We are civilized, and civilization brings with it a certain tempering – perhaps too much at times. It is; however, up to that civilization to decide on these limits or the minnows will be farmed to feed the greater fish, the unscrupulous, self serving fish who will get fat on our carcasses.

So what stops us from being strong together and ensuring we control life in the waters, and why has it become a swamp? What has become of those safety nets, what of the holes that let in the sharks? It is a question I ask myself often, each time I find a reason, another excuse for it. The truth is, we the minnows, have stopped tending and repairing the nets. Our net menders have been neglected, given no material to fix those holes or tears, no help to hold off the vermin who push rudely through into our quiet waters. In some cases we have elected those very predators into the simple job of maintenance. The nets have been so long neglected that a flood of these predators has come in and muddied the waters with their thrashing and turned us into that very swamp 'the Donald' wishes to drain. We must watch carefully to see that we don't end up with ever so slightly better predators, who propose to 'fix' the problems, all the while smiling that shark toothed smile.

In America, since everyone is looking, talking, I look with care at the breed of appointee that is put forward. What is their background? What moral stance do they have? How have they behaved in the past?

The likes of: Scott Bessent, appointed for treasury, a Wall St financier who worked for George Soros, and is a member of the Council on Foreign Relations. Howard Lutnick, commerce, a billionaire and CEO of Cantor Fitzgerald, who it appears from my reading, favours the libertarian finance principles. The market rules, no holds barred? He was also involved, like Musk in earth observation satellites through Satellogic.

Elon Musk, who many hold up as supporting our rights and freedoms, but who I see implementing a web of orbiting surveillance gear. I am happy to hope it is for a good cause, but my caution tells me to wait and see. Sadly, if it is misused, undoing something that big once it is implemented, will be a difficult thing to do.

Along with another wealthy entrepreneur, Vivek Ramaswamy, it appears they will lead an interesting sounding, ‘department of government efficiency’. I hope that my cynical side, the side that sees that sort of wording as doublespeak *à la* 1984, is just a clouded one. Machine like efficiency I ask? All doing exactly the right thing, at the right time, in the right way; will it trickle down to individuals too, so society can be more ‘efficient’?

David Sacks, a wealthy venture capitalist, for A.I. and crypto.

Paul Atkins as securities and exchange: both major players in this new money-like system, which if linked to A.I., may well see surveillance and control as just the start of a thing that I, along with many others, dread. The end of cash and the rise of a totally controlled money supply. No buying or selling without big brothers’ knowledge or approval.

I am sure there are others, and maybe many of those I have mentioned are truly angels waiting to do good. My biggest red flag is the continuation of what I see as the faulty Keynesian economic system that is responsible for many of the evils we now face. A cabinet populated with Wall St financiers and billionaires will not change the crucial issues we face where the system is designed to perpetuate debt growth and wealth transfer from the poorest to the richest.

Our demise has come about largely by people not having the time to think about the bigger issues of society. With the pursuit of just mere survival in this economic system, the greatest problem they have, all other things pale. We are effectively slaves to that system. We are told to look at people who have made the transformation from minnow to shark and endeavour to do the same, not realising we are becoming a part of that greater problem and destroying a fair and advancing society as we make it big.

Are we going to be happy, tearing the body of civilization apart for the scattered bits of carrion it provides, a short lived meal, before each one turns on the other in a feeding frenzy as the world collapses into anarchy. For that is where we are headed if we all act like the predators in our midst.

What steps do we take to turn this around?

The vocal among us, tell us to stand up and be counted, to vote for ... , to stop turning the other cheek!

Yes! We must stand up and speak out, if enough do it, it becomes normal to do again. Instead of, “don’t talk politics or religion in polite company!” it should be, “speak out against this nonsense when you see it, call out the emperor in his new clothes”! The conventions of being timid or quiet are supposed to keep us subdued. In many cases it is to divide us, from those who do speak out. We find others acting entitled or offended and looking for our support when someone speaks out. We should not be supporting them, the offended! Tell them instead to grow up, to give back as good as they get, engage in robust argument and test your opinions. Don’t flinch at the thought of disagreement, you are being engineered to be quiet, to not speak your mind. The pretend world of television and other media is sculpted to do

this! Our social lifestyles have been influenced by exposure to this type of thought for too long, it needs to change! We have said nothing for too long and we are suffering for it. The entrepreneurs and bigshot billionaires have no such qualms, they speak of us at Davos as if we do not matter, or are just the inconvenient populations of the earth, there to serve, theirs to manipulate.

How does a trained policeman deal with confrontation and reasonable enforcement of things that would otherwise cause society harm? Say he pulls over a driver for an insecure load. Hopefully he points out the reason for stopping, then calmly but firmly either takes you off the road until you fix it and issues a fine, or not, depending on your reaction.

He does not, or should not, just let it go and say fix it when you get home! A cross your fingers and hope it doesn't kill someone on the way, is not an option! He should do it calmly and patiently with the authority of his office. Our response needs to be similar in that we are reasoned and clear in what we expect. No matter how offensive these people are, those around us should see our side of the interaction as reasonable at least.

I shouldn't need to tell people how to interact with each other, this is something that already should exist. It is a part of getting on with life and you are considered to be a grown-up once it is learned, otherwise you should be treated as underdeveloped, immature, and told so.

We need to stand up for reality, common sense as it was once called, not bite our lip and let perversions of this reality rule society.

Politics is no different. Being active within all spheres of society is probably most important in this realm. As I said, government is the interaction between larger groups of people within that society. How we function or relate *en masse*. The Greek word for Idiot is one who plays no part in that functioning, has no interest in the workings of society. It is an apt word for those who don't take it seriously.

Of all the reasons I hear for not taking part, by far, time is the greatest. At least it seems to be the most often used excuse. Yet it is also the simplest to find! On a shopping trip you have a list. Things to buy or do while in town. A part of your life that keeps you alive and comfortable. Add ten minutes to this routine, have another list, a short-written reason for things you would like to see, things you feel need to be addressed. Wrongs that should be taken up by that larger group called society. Something that your local politician is responsible for or able to respond to. Stop in at their office in town, speak to them, or leave instructions of your desires. Their job is to listen to their electorate to re-present it, in the greater parliament. How can they know (or feel pressure to act) if they are not instructed to do so. This is acknowledging there is a hole in the net that protects us, our representatives are our net weavers. Present your will so it can be done. (See: Arthur Cresby, *Your Will Be Done*. https://alor.org/Storage/Library/PDF/Chresby_A-Your_Will_Be_Done.pdf)

If you didn't know it, that is actually your job as a citizen. It needs to happen far more regularly than it does at present. If your net weavers cannot tie a good knot or fail in their darning skills, replace them! If their net weavers union (labor, liberal, green) favour the holes in the net being big enough to let some predators through, throw them out *en masse*, they are a fifth column to true advancing civilization, recognise that and act!

If you wonder, am I not now off track from the beginning article? The subject of old man Donald who had a swamp, I am not.

The American system allows for things the Australian does not. Presidential powers to pardon, to appoint people to positions without being elected by popular vote (no minnows involved), to name an important few. If the big fish are still in control and are fighting to keep a place in the fishy world's pecking order, then what say do we have? In America it seems to be Donald's call, and some of his appointees can be just that, appointed not elected. Others have to go through the senate (here we could justifiably say that is public approval for it is a senate the minnows elected). What say has the population of America got for those that received strictly presidential appointment? It will be then up to the rest of those elected, to temper the doings of these people, good or bad. I believe it will be harder for those in America, who wish to clean up this mess, than it will be here in Australia.

Our swamp, our bureaucracy, are hired and fired by government ministers, who are in turn, hired and fired by us (elected by the citizens of each individual electorate). No one is appointed who cannot be removed, by us acting properly through our elected representatives. We have no president with his appointed coterie helping him to do his will (rather than the will of the electorate). Our Prime Minister has not those powers, he himself is subject to his own small electorate, and can be removed by them without involving the whole country in a huge and costly election. He is like a jury foreman, a front man to speak for the rest of the collective parliament- supposedly. The parties are a different matter, but these too are made up of individuals that could be targeted in an electorate specific campaign. Each electorate acting responsibly in accordance with their true desires could achieve this reformation of parliaments by this method. The will to do so just needs to be activated.

If we minnows can provide a true voice of our own to the governing structure we have, then that voice should remain as ours -the electorate it came from. With enough "true voices" the bureaucracy must listen and act accordingly, or be fired, and others found who will.

One or two voices, even supported, will not be enough, they will be lost in that swamp and over-spoken by other vested interests. Nationwide discussion and rebirth is needed. Collectively we need to rise to the occasion and start demanding proper representation from those we elect.

There was a communal discussion at the time of federation, with people looking

for something better, something new they could call their own. It was a birth event, and so, special to most, a defining moment. Can we find that defining moment this time? What would it be? How does it differ? For one, we are not redesigning our system, we are essentially removing its corruption. That which is stopping it from working as it was designed to do. To do this the community must participate, must demand change.

Is our defining moment going to be ‘health’ as it appears to be in America? With the likes of Bobby Kennedy and his Make America Healthy Again? The ammunition for awakening society is growing with every new freedom of information release on the failed Pandemic response. The damage that the poorly tested new therapeutic (jab) has done, and is still doing, could well be that one thing that makes us realise just how corrupt our system has become! There are also many other corruptions leaking from a system that is under stress on many fronts. Pick one and run with it. Find the primary truth and wave it about. To me, Corruption in general, is the biggest thing we all should be able to see, we just need to talk about it and ask why we are accepting of it? In our own back yard, we would react. Why is that bigger backyard, our Nation, any different?

What future do we want for our children?

Keep Talking By Arnis Luks

Donald Trump, in the news reported below, argues that International Law must arbitrate moral equivalency, rather than provide for ‘all to stand equally before a law’. The Australian Christian Lobby has fallen into this same trap of arguing moral equivalency rather than ‘law being common amongst all mankind’ – the natural or universal law.

Trump sanctions International Criminal Court, calls it ‘illegitimate’

<https://www.bbc.com/news/articles/cx2p19l24g2o>

The *Sermon on the Mount*, Matthew chapter 5, 6, and also 7, reveals this profound truth. There is no moral equivalency, no bias to the benefit of one group over the other. St Paul (and Isaiah) called this bias-approach as ‘filthy rags’ in comparison to knowing Christ crucified – being considered above others.

Dostoevsky also enters into this same discussion with his profound insight here:

The One Lie You Tell Yourself That’s Ruining Your Life | Fyodor Dostoevsky

<https://www.youtube.com/watch?v=k5imCIj-Yw4>

I performed a scriptural-internet-search of this subject and uncovered many references ‘against’ God the Son’s teachings within ‘The Words of Christ in Red’. Like the Scofield study bible holding a bias towards an elite few, the substantial ‘Words of Christ in Red’ are completely discounted or ignored. This heresy (error causing confusion among Christians), is within the gates of the structured church.

1 Timothy 6:3-5 3 If any man teach otherwise, and consent not to the sound words of our Lord Jesus Christ, and to that doctrine which is according to godliness, 4 He is proud, knowing nothing, but sick about questions and strifes of words; from which arise envies, contentions, blasphemies, evil suspicions, 5 Conflicts of men corrupted in mind, and who are destitute of the truth, supposing gain to be godliness.

This also demonstrates disparity between ‘individualism – biasing the benefit of yourself over all others’, rather than ‘also being answerable to all others in pursuit of your own objectives’.

Unity (of law common to all mankind) and diversity (the individual to pursue interests within a moral and responsible environment – think of the road rules and the anarchist, speeding driver).

The Australian Christian Lobby’s newsletter caused this still-developing thought to develop further:

... Inalienable rights are derived from God alone and are the same for all.

The sabbath is made for man, and not man made for the sabbath – means that systems (sabbath) are established for the benefit of every individual wherever they exist, prince or pauper, Christian, Jew, Muslim, or Samaritan alike etc.

The rights of the unborn child are excluded or being overridden by the rights of women’s pursuit of unaccountable liberty in health etc. The rights of the rainbow cult similar, to the exclusion of those individuals pursuing traditional family arrangements, and now, the rights of (selected) Semites overriding other Semites, Christians or Muslims alike, each demonstrate an unequal, biased, and very selective share of rights to a particular group – rainbow etc. over all others. This is an abuse of the law system (being common to all).

The war crimes trials from last century were only for a selected theatre of war against one group of selected people. War is a universal crime that should be prosecuted against every officer who issue an order to a soldier, and the economist, bureaucrat, banker, industrialist and politician alike who issues the policy that causes war in the first place.

Law must be based at the feet of the individual, serving everyone equally – *whatsoever you would that men should do to you, do you also to them.*

For this is the law and the prophets..... etc.

All are to be treated equally before the law. This is the deep flaw within Scofield’s Dispensationalist Theology and Trump’s ‘Moral Equivalency’ argument.

Shooting dead an unarmed child is murder, whether this act is performed in a theatre of war, or in your own neighbourhood, or your own home, it is still murder. Bombing a village of civilians in Vietnam, or Europe, or the Middle East, puts the perpetrator at some distance from the visible consequences and their own conscience, but this does not detract from the outcome of destroyed lives.

False Justification

In this article by Anthony Eagan “*Dostoevsky and the Pleasure of Taking Offense : Much of history is a tale of excessive offense-taking*”, the writer examines Dostoevsky’s deeper meanings taken at the personal level and to the extreme by the Dostoevsky characters , to rationalise murder even in their own mind. Used as a metaphor towards all other individuals, religions, races or nations, the glaring flaw within this process of thinking becomes more apparent.

Moslem, Hindu and Pharisaic philosophies define separate classes of people. They cannot reconcile this point of cleavage between the Christian Philosophy and their own – all individuals being of intrinsic value before God. The despised Samaritan was the one who did the will of the Father – reconned unto him as righteousness. Judeo-Christian is a nonsense descriptor, generating cognitive dissonance in the mind of the adherent. Both philosophies are in antagonism to each other on this vital point. To be fair, even some branches with the Christian faith hold a position of God ‘dispensing’ his blessings on only the elect, rather than giving substantive weight to the ‘Words of Christ written in Red’ –

Matt 6:43-48 You have heard that it hath been said, Thou shalt love thy neighbor, and hate thy enemy. But I say to you, Love your enemies: do good to them that hate you: and pray for them that persecute and calumniate you: That you may be the children of your Father who is in heaven, who maketh his sun to rise upon the good, and bad, and raineth upon the just and the unjust. For if you love them that love you, what reward shall you have? do not even the publicans this? And if you salute your brethren only, what do you more? do not also the heathens this?

Be you therefore perfect, as also your heavenly Father is perfect. ’

The law should be ‘propositioned’ at the individual level. If something done is a wrong act, all should receive equal consideration – protection or prosecution –

Matt 7:12 ‘whatsoever you would that men should do to you, do you also to them. For this is the law and the prophets.’

Deeper Thinking

I completed my reading of the professor Anne Twomey tome ‘*The Veiled Sceptre*’, and I cannot help but marvel as to the similarities of , at times, dis-functioning familial arrangements and the workings of the Westminster system of responsible and representative democracy.

Donald Trump is acting as a bull in a china shop. His decisive actions, similar to those of the National Cabinet during Covid lockdown, while some accept as necessary due to the previous encroachments against traditional rights and freedoms, demonstrate that inherent flaw within us all, to be the dictator.

“If only I was in charge and I would do this and that and that.”

Well, he is US President, and this process becomes a real problem as the procedural flow now coming from Executive Orders thereby moving away from the correct legislative pathway of the two Houses within Congress.

Within family as well as constitutionalism, ill-considered and brash decisions can be equally destructive. It may take several generations to recognise the flaw within an Executive Order or Proclamation as the long-term ramifications become apparent, then requiring litigation through the courts and a judicial determination of lawfulness, rather than debates, committee meetings and public consultation before passing through the 2 Houses prior to becoming a law.

Puberty blockers and such other medication for young children is a point in question. Some saw the inherent danger and physical destruction (mutilation) immediately. Others (the majority) had to observe the consequences in the real world before they became convinced. The abstraction, when incarnated, became a nightmare for those personally involved or closely associated with results of this policy. A majority only ever considers superficially as Douglas reinforces with the statement 'we descend to meet'. As the Greek philosopher also stated 'those not involved with the political process and discussions are idiots – have no mind'.

<https://medium.com/original-philosophy/are-we-political-idiots-your-moral-duty-to-take-a-public-stance-c7bff40cf2c7>

The real question constitutionally, in fact the only question, is one of unfettered power-and-authority compared to limited power and limited authority in a fully responsible environment – the parliament. The example of our own parliaments is that the Ministers come from Parliament and are therefore responsible to Parliament (and the electorate - but from a greater distance) for the outcomes of policy. Seeing the ramifications of providing puberty blockers and such like to some as young as 12, didn't get Parliamentarians into an uproar holding the Ministers and Bureaucrats to account. The MSM quite often could report something, but don't due to commercial ramifications. The opportunity is also there for Representatives, even in the very controlled and dominated environment of the Parliament, within question time, to raise these important issues and call the relevant Ministers to account.

Jo Haylen resigns as NSW transport minister over taxpayer driver scandal

<https://www.sbs.com.au/news/article/jo-haylen-resigns-as-nsw-transport-minister-over-taxpayer-driver-scandal/plgp8bb2m>

The article above demonstrates a soft glove approach, rather than, possibly a call to prosecute.

Many Newsletters

The newsletters I receive from quite a few political alternatives, are more about marketing themselves than concentrating on the necessary financial relief required for all the public. The Sydney council that saw fit to increase rates by 40%, is blaming the Liberal party (who were absent from the council election ballot paper) for this fiasco, having failed to register their candidacy prior to the election.

The Liberal absence within Council certainly was a missed moment. However, the council is dominated by other aligned representatives who are ducking for cover from the public outcry.

Pauline PHON tax policy for self-funded retirees, does offer some relief for that group, but rather than look at the substantive and progressive nature of inflation with progressively increasing taxes on everyone, only offers tax relief for this few, while others will have to make up the shortfall – socialism by another route, but socialism still the same.

Consultation is missing

The Australian Constitutional Conventions in the 1890s are a good demonstration of insufficient consultation. The first round of conventions gained little public imagination and became stalled. Whereas some colonial parliaments (prior to achieving statehood) later enacted legislation that allowed public participation in the selection and election process of the delegates - to attend the next round of constitutional conventions. The public's imagination became awakened as to the possibilities of nationhood from which developed our own and unique form of a federated constitutionalism, based on distinct limits and divisions of power, representative democracy, and responsible government.

Donald As Dictator

Prof Flint (in a *Spectator* article 28th January) is suggesting that policy issued by Executive Order which bypasses Congress and can - through much effort - be determined judicially – adjudicated through the courts. Lionel Murphy demonstrated the problem here in 1983 with the 4/3 Franklin Dam decision, that politicised courts are not the most reliable place to achieve relief, but only determine as to their interpretation of law – similar to Scofield's book, called the 'study bible' which inverts-the-true-meaning of the substantive 'Words of Christ in Red'.

"Incidentally, one of the current criticisms of executive orders is erroneous.

Arguing for the superiority of our constitutional monarchy, one Facebook page claims executive orders bypass Congress but have the 'same force behind them as legislation'. Not so. Reviewable in the courts, executive orders are simply orders to the civil service. Any legal impact must be supported by the Constitution or legislation made by Congress." Prof Flint

If the Legal Knights-and-Barons, and the Attorney Generals, both fail to pursue, due to their own political bias, neglect or want, to closely examine every conceivable constitutional ramification from Executive Orders, even those not yet apparent and understood, the advancement of totalitarianism continues : the centralising of power.

The process is the first issue – first, second, third readings - sent to committee – voted on - then placed before the upper house for further review, - voted on again – then finally given Royal assent to become law.

Second Issue – When the parliamentary process fails - the recent antisemitic law – even though it flowed rapidly through the correct process with bipartisan support and an empty parliament, again, that both methods and processes can be undermined for policy pursuits, especially with a compliant, 'silent' MSMedia.

"All that is necessary for the triumph of evil is that good men do nothing"

- Edmund Burke

The inherent flaw within all constitutions, as demonstrated most recently by the US President and our own National Cabinet, is one of too much power in the hands of too few individuals (the President, National Cabinet, or the House of Commons in the UK and Canada fully controlled by political parties, with legislation not adequately reviewed and possibly vetoed by an in-active and compliant upper house) and Congress's difficulty in calling the heads of departments to account - their heads of department (ministers) not being members of Congress and therefore not responsible to the Congress directly – subject to committee review yes, but not within the procedural flow of the Congress proper.

Professor Anne Twomey's several books provide ready examples within her assessment of the Viceregal reserve powers, parliamentary precedents and practices, public consultation, and then further review, which is why it is necessary to consult, to warn, to consider very carefully, to look at past precedents and conventions, before making any ill-considered and brash decisions.

I noted within her footnotes, that some of these reserved powers are thought to have fallen into desuetude by not having been exercised in the recent past. However, there are counter comments within these same footnotes that, even though these Reserved Powers have not been exercised in the recent past, this does not mean that they have fallen into desuetude at all, but rather being very rarely used and still fully functional.

This discussion/education about our own systems of Constitutionally limited, Responsible and Representative Democracy, and other systems similar to ours, may be the key to unlocking the imagination of people-power against these tyrants – stirring up the great awakening - keep talking.

BASIC FUND

The Basic Fund for this financial years is open. I am making a special call to all those who have planned to make a donation but maybe have over-looked doing so. The fund did not fill this past year so it will be wonderful if we can make a special effort with new donations. As always, we appreciate your contributions no matter how large or small. Each donation is really a vote of thanks for the work of the League and acknowledgment of the dedicated effort of those in the 'engine room'.

EXPANSION FUND

There are plans afoot to considerably expand the number of League Speakers going into the field. They will require logistical and some financial support in advance, ready to respond to events as they occur. These forces of freedom offer leadership to a misguided public looking to restore their ancient rights and freedoms.

BEQUESTS

Apart from the Basic Fund, the League is also a recipient of bequests from supporters who remember us in their Will. These dollars are the backstop and while we are grateful, it is unfortunate that on those occasions we are unable to personally express our thanks. Best details for establishing a bequest are available from HO.

Letter to The Governor General

The Hon Ms Sam Mostyn AC
Governor General of Australia
Your Excellency

We are all concerned over the recent graffiti and other examples of offensive material in our cities and countryside. It has been driven by events in the Middle-East.

Police are apprehending suspected culprits who will be brought before our justice system.

Despite there being adequate laws to deal with these offences, our Parliament has passed new laws which appear to have been unnecessary when considering the suitability of the current rulings.

Also, when considering the above, there was absolutely no need to rush the Bill through Parliament. I have read that some MP's had only one hour to prepare for the debate. The Bill passed in 'double-quick' time like it was a war or such at hand. For these reasons I am asking you to withhold granting Royal Assent to the legislation. Please direct the Government to review the law for 6 months which will go beyond the election. During that time the public will be able to consider the matter and be able to partake in expressing concerns.

Free speech is a fundamental in sustaining overall freedom in a democracy and any curtailing of that freedom must be at the forefront of debate. Numerous political commentators have already claimed the new Bill will have far-reaching impacts on free speech. Of course, free speech has never been completely free due to protection of conditions such as libel.

Giving time for a review of the Bill will provide time for public input and enable true representative government.

Yours faithfully Ken Grundy

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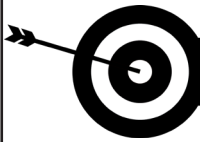
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The Price of Freedom is Eternal Vigilance

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Social Credit and Alberta, (Canada-ed) By T. V. Holmes

A paper read on October 10, 1937, to the Sixth Form of a certain Public School

WHAT is this strange doctrine called “Social Credit”? What is it all about? Where did it come from? What is happening in Alberta that the *Daily Telegraph* can liken it to a “powder barrel with the fuse lighted”? What is this Alberta Social Credit Government trying to achieve? And if this eruption of Social Credit fanaticism has occurred in Alberta with apparently such alarming results, what are the chances of similar eruptions in other parts of the world?

Social Credit has passed out of the phase of “interesting ideas” and is already a part of our Colonial history. It is the belief of every Social Crediter that Social Credit will have become world history before many years have passed. So I think that I am justified in regarding this talk as one concerned with world affairs, although it is not so many months ago that a talk on Social Credit was regarded as a talk on the ravings of dreamers and lunatics.

You are probably aware that the founder of the Social Credit gospel (and I would stress the word “gospel” as alone adequate to describe the feelings and attitude of most Social Crediters. After all, the word “credit” means “belief”) is a certain Major C. H. Douglas, and you may also be aware that his first book, “*Economic Democracy*,” a slim affair of some 150 pages, was first published in 1920. His second book, “*Credit Power and Democracy*,” followed in the same year, and it was not until 1924 that the book which has since given its name to the movement, “*Social Credit*,” made its appearance.

Major Douglas is not an army man. His military title is only a survival of his wartime rank. He is essentially an engineer, a man of science.

A graduate of Cambridge University, he was employed before the war in several large engineering enterprises, both in this country and abroad. So you see that he is not an “economist,” and it was not as an economist but as an engineer that he

arrived at certain conclusions about modern industrial society which he set out in his first book, “*Economic Democracy*.”

Indeed, it is probable that his knowledge of orthodox economics and financial theories at that time was very limited. It is important to remember this fact, and I feel that its recollection may help us in our endeavour to retrace the sort of steps which I imagine Douglas to have followed. For in this talk I want to avoid financial and economic theories so far as it is possible.

You have probably all heard that Douglas “attacks the banks,” that he is the ‘*enfant terrible*’: (one whose startlingly unconventional behavior, work, or thought embarrasses or disturbs others) of professors of political economy. You may have heard that he intends to “manufacture money,” to institute “National Dividends,” to “sell goods below cost” and other apparent absurdities. All this is perfectly true. But just as Douglas himself arrived at his gospel of Social Credit without any great knowledge of banks and financial theories, so I think that for this afternoon at any rate I will endeavour to “get over” this Social Credit idea and what it means with the minimum of banking and financial references.

Perhaps I might start by making one or two possibly startling assertions about Social Credit. Here they are:

1. Social Credit is no new-fangled idea. It is as old as society.
 2. Social Credit is not inseparably connected with money.
 3. Social Credit is not Socialism.
1. It was Rousseau who declared that man had been born free, and that everywhere he was found in bondage. Douglas might equally have declared that man was born in a state of Social Credit, and that everywhere today his Social Credit was being filched from him.

The basic idea behind Social Credit, as indeed the basic idea behind Douglas when he wrote “*Economic Democracy*,” is well set out in the first chapter of that book: *It is simply hypocrisy, conscious or unconscious, to discuss freedom of any description which does not secure to the individual that in return for effort exercised as a right, not as a concession, an average economic equivalent of the effort made shall be forthcoming. Throughout mediaeval times, this sort of freedom was a fact.*

“In return for effort ... an average economic equivalent of the effort made was forthcoming.” What man sowed he reaped. What man wrought he enjoyed. He might, of course, be plundered. He might, of course, owe dues and services to his overlord, and tithes to his church. But at least it was impossible for him to become a bankrupt and a beggar just because he had put forward too much effort and had received from God its economic equivalent in a bumper harvest. Yet this, as you know, can happen today and is happening, and the extent to which it is happening can be taken as a measure of the extent to which “an average economic equivalent” is not forthcoming “in return for effort.”

Let me make this point a little clearer. The mediaeval man knew when he was being robbed. The modern man, unless he has made a study of Social Credit

literature, does not know that he actually is being robbed. The mediaeval man saw with his own eyes the fruits of his labour. These fruits might be more or less, according to the amount of effort expended, the knowledge applied, the seasons enjoyed. (And I might add here that mediaeval man made no fetish of work. His Holy Days were very numerous — a great deal more numerous than our present “Bank” Holidays.) But he knew that an “economic equivalent” had been received for the “effort” made. And when he took a part of his produce to the local market, and exchanged it for other goods which he did not make, he knew that there had been a fair exchange.

Contrast this position with what happens today. Production is now much more complicated. Most people are engaged in a production which in itself has very little use value. How can the man who turns out a small part of some machine know whether his effort is equal to the food and clothing and shelter represented by his weekly wage? It may “appear” that he is drawing from the business an equivalent return. It may “appear” to his employer that even by foregoing all profit it is impossible to grant the workman a larger return. But in both cases it is not the evidence of the eye which is invoked, as it was with the mediaeval man. The “appearance” is not material at all. It is the appearance of figures. And supposing those figures are untrue? . . .

Anyhow, for the moment, let me be content to assert that Douglas found those figures to be untrue, and found that modern man was receiving a continuously reduced “return” in goods and services for the “effort” he was putting forward. Douglas has defined “Real Credit” as being “a correct estimate of the rate, or dynamic capacity, at which a community can deliver goods and services.” Let us see what this means, and what sort of estimate, i.e., what sort of Real Credit, can be based upon modern society’s capacity to deliver goods and services.

This, too, is no new idea. You may remember that in the year 1086 a certain William the Conqueror demanded that such an estimate should be made, and the results of that investigation are still to be read in “*Domesday Book*”. No doubt William’s object was to ascertain how much he, as paramount lord, could draw upon his new estate, what revenues and services he could count upon. But to do so he did cause the basic factors of the country’s then Real Credit to be ascertained — its areas of arable, grazing, wood and waste land, its ploughs and teams, its various grades of manpower.

“*Domesday Book*” must have given him a very fair estimate of his new country’s “capacity to deliver goods and services.” And I think that the best way to visualise a modern State’s Real Credit is to visualise a similar *Domesday Book* being made today.

Naturally the difference between the Real Credit of England in 1086 and 1937 be enormous. But the basic idea remains the same — the idea of picturing a country as one large wealth-producing unit, with fields, mines, factories, machines, power-plants, roads, railways, ports and so on. I do not want to stay too long on this point.

I am sure that you are all aware that a modern State's Real Credit, its capacity to deliver goods and services, is very high indeed. And you are probably aware that Production, at base, is no more than Energy applied to Matter. The *Domesday Book* of 1086 had to estimate the country's energy by its manpower and horsepower. The *Domesday Book* of 1937 would make mighty small beer of either manpower or horsepower, although it would measure the energy available in terms of the horse — the "horsepower," which science reckons as about the equivalent of ten manpower. It would be to the country's means of using Solar Energy that it would look for a measure of that country's available energy.

Estimates of this energy made in 1937, in millions of h.p., and excluding motor cars, showed the U.S.A. with 704, Great Britain and Germany with 175 each, and France with 70. Since then the completion of the Boulder Dam has presented the U.S.A. with a further 1,800,000 h.p., the equivalent of 18 million slaves.

In this talk, however, I will assume that you are in full agreement with the orthodox economist, Sir Arthur Salter, when he says: Our material resources, technical knowledge and industrial skill are enough to afford to every man of the world's teeming population physical comfort, adequate leisure and access to everything in our rich heritage of civilisation that he has the personal quality to enjoy. The Real Credit of most countries today — the rate at which those countries can deliver goods and services — is very high indeed. Some countries have a higher Real Credit than others, according to their equipment, their power resources, their intelligence and morale. But as knowledge is the basis of all modern wealth production, and as knowledge today is universal, even the least developed countries can have within their frontiers a very high degree of Real Credit.

2. I now come to my second assertion: that Social Credit is not inseparably connected with money at all. Social Credit can be conceived as consisting of two components: (a) Real Credit, and (b) Financial Credit. It is through the marriage of these two credits that Social Credit is born. To the Social Creditor, Real Credit, the capacity to deliver goods and services, is the substance, and Financial Credit is the shadow, the reflection of those goods and services by appropriate financial media. To the Social Creditor, Financial Credit is similar to the moon, which could have neither light nor meaning were it not for the Real Credit of the sun. By this time you will have realised that to the Social Creditor it is only Goods and Services which count. All his thoughts are based on them. To the Social Creditor, that country is rich which can produce the maximum quantity of desired goods with the minimum quantity of human energy. "Money" is regarded only as a means (albeit a very important and convenient means) for drawing upon or tapping a country's Real Credit.

It is true that in the modern State money functions as the universal "credit instrument." But for Robinson Crusoe, living upon his desert island, a rifle, or even a bow and arrows, formed a much more effective "credit instrument" for drawing upon or tapping the island's Real Credit in bird and beast, than ever money could have been. To the Social Creditor, money is without any significance in itself

whatever. It is merely a ticket. Some interested people may pretend that money-tickets cannot function properly unless they are made of gold or silver. Others, more modern, may say that it is enough that they contain a proportion of gold or silver. Others, still more modern, may say that it is enough that gold or silver exist somewhere, even if locked up for eternity in some fortress. But to the Social Crediter all such ideas are mediaeval witchcraft.

The Social Crediter sees as much sense in this sort of talk as in the assertion that a cloakroom or a railway ticket can function properly only if it, too, is made of gold or silver, or has a gold or silver “backing.” A cloakroom ticket acts as a “credit instrument,” constitutes an “effective demand” for your specific hat. A railway ticket forms a sufficient “effective demand” for a specified railway journey. And, similarly, a money-ticket for one-pound forms a sufficient “effective demand” for non-specified goods and services up to the price value of one pound. But, hat, journey, goods and services can be seen to be in no way inseparably connected with such tickets. It is the “function” alone which gives these tickets their meaning and varying importance. Without the function to perform they are meaningless pieces of paper. They are but the shadow. The substance resides in the hat, journey and the goods.

To understand Social Credit, and still more to understand why it has come into such violent opposition to the Banking and the Money Power, it is most essential to grasp this Social Credit view of money. This question as to what gives money its value, whether it be its gold content or whether it be the goods and services it will buy, is no new issue. But Social Credit has made the issue one of life and death. For if gold is the basis of money, then obviously the owners of gold are the arbiters of money, and the quantity of gold available becomes the measure of its volume. But if goods and services are conceded to be the basis of money, then obviously the community itself becomes the arbiter, and the quantity of goods and services available becomes the measure of the quantity of money-tickets needed.

It is the cardinal doctrine of Social Credit that money must reflect goods and services, whatever that money may be made of, and that just as a cloakroom ticket is given out for every article of clothing handed in, so money tickets should be given out to the community for every article of consumable goods and services handed in to the shops for sale.

3. My third assertion was that Social Credit was not Socialism. It has thus no affinity whatever with Left Wing or Labour Parties. Social Credit is outside of party; one might rather say that it is above party. And for the vast majority of Social Crediters there is little complaint against the existing administration of industry. Indeed, Douglas himself has asserted that the present high degree of productive efficiency, the present high potential of Real Credit, and the present large diversity and variety of choice afforded to the consumer, is very largely due to private enterprise and individual initiative, and that the consumer, for whom alone production is justified, is more likely to find a continuation of such variety and diversity and quality under a continuation of the present system of private ownership

and private enterprise, than under any form of bureaucratically-controlled industry. It is therefore not surprising that of all the hates which the Labour Party indulges in, its biggest and best hate, surpassing that of landlords, shareholders and capitalists, is for the gospel of Social Credit.

Consider for a moment the ridicule which Social Credit throws at the Labour Party and its tenets — asking why there should be a “Labour Party,” any more than a “Stage Coach Party” in a world of Boulder Dams and turbines; asking why there should be a Party For Work, when there could be a Party For Leisure; asking why there should be a Class War, when there are plenty of goods and services for everyone; asking why there should be Taxation, when there could be National Dividends; asking why there should be a Bureaucratic Regimentation of Society, when there could be widespread Individual Freedom and Liberty. Perhaps, therefore, we should not be too surprised that the success of the Social Credit gospel at the Alberta elections of 1935 should have made the *Daily Herald* forget discretion in the fury of its rage and hate, when it wrote on August 27, 1935:

A practical trial of Social Credit would demolish its pretensions. Unfortunately it would also demolish Alberta. This would be too high a price to pay even for the discredit of Social Credit, much as those who are working for social reconstruction on Labour lines would like to see that will-o'-the-wisp extinguished.

The Social Credit viewpoint here is very simple. Everyone today admits that “Poverty in the midst of Plenty” is a fact. It is private enterprise which has created that plenty. It is not the producer’s fault that the public have not got the money to buy his goods. The fact that they have not got the money hits him as much as it hits them. The producer’s job is to produce, and very well he has mastered the job. The poverty, which certainly exists, is not his fault, but is solely due to the fact that the public do not possess the effective demand or money tickets which would enable them to call upon his goods. As Shakespeare might have expressed the position: *The fault, dear Brutus, lies not in our shops. But in our pockets, that we are underlings.*

I have little doubt that it was with some such reflections that Douglas around the year 1918 started out upon his investigation of the present financial system. But before following him in this investigation, I would like to add one or two further ingredients in Douglas’s mental make-up at that time. Because although they may seem fairly self-evident, they are certainly not accepted as such by modern governments, nor by most educated opinion, and because they do demonstrate that simplicity and wisdom of Douglas which endears him so much to his disciples. From the very beginning Douglas had postulated:

(1) That the sole justification of any productive system can only be personal consumption.

(2) That the true function of a factory is to produce goods. It can be no valid purpose of that factory to “make work.” If a factory has a purpose of this nature at all, it should rather be to “unmake work.” A factory must reckon its efficiency by its economy of work, not by its creation of work.

(3) In the words of Douglas, found in the first chapter of his first book, “*Economic Democracy*”: “*Systems were made for men, and not men for systems, and the interest of man, which is self-development, is above all systems, whether theological, political or economic.*”

And now let us consider the results of Douglas’s investigations into the financial system. One of the first discoveries he made was that the system appeared to have a life apart, a life almost removed from the humdrum world of producers with their goods for sale, and consumers with their wages for purchases, and that, in this peculiarly unreal life, ticket-results meant everything, and goods-results meant nothing. He discovered that, whilst on certain rare occasions like the great war, finance might permit a goods-result commensurate with the country’s Real Credit, as a general rule finance was actually hostile to anything like the country’s Real Credit being drawn upon.

What mattered was a satisfactory ticket-result. Did this entail goods-destruction, goods-restriction, unemployment, bankruptcies, poverty and misery — well, it was all very sad, but it simply could not be helped. Tickets were so obviously more important than goods, and the welfare of the ticket-system so obviously more important than the welfare of the goods-system. Finance certainly did not agree that “systems were made for man.” It was only too certain that man had been ordained to serve the banking system.

I am afraid that I shall be charged with exaggeration. So I will ask you to reflect upon this extract taken from the Paris paper *L’Information* of January 16, 1934: *Among the several indications now to be noted of national economic recovery, there are one or two which deserve special mention. The statistical position of agriculture is considerably better, thanks to the fact that the stocks of 1933-4 are now so weeviled as to be unsaleable, and that the recent floods have certainly reduced the possible crop for 1936.*

It is very difficult to believe that Douglas really expected to find a system of synchronised mesh between the productive and the money systems. But as an engineer he did realise that, unless there was some sort of synchronisation between the goods entering the shops and the money tickets entering the pockets of individuals, the productive system was likely to find itself perpetually impeded and restricted. Anyhow, he quickly discovered that no synchronisation existed. What he did find, and what still persists in every country in the world, might be compared to a theatre whose box office refuses to co-ordinate its ticket issue with the seating capacity of the theatre. For months on end this box office, which corresponds to the banking system, would refuse to issue tickets for more than a fraction of the seating accommodation. And then perhaps, just when the theatre management had decided that these surplus seats were unlikely to be required again, and had actually dismantled them, the box office would suddenly decide to issue more tickets than there were now seats available.

I think that you will have been able to follow the simile. When trade is bad,

goods remain unsold. The producer eventually decides that he must produce fewer goods. There is no point in producing goods which cannot be sold. Factories work at half-time, farms turn from arable to grass, shops cease to carry the same stock of goods. And then for some quite extraneous reason the banking system suddenly creates many more tickets than there are goods of a consumable nature available at that moment. Hence a rise in the price of those goods which are available. Hence the ticket of £1 finding itself reduced in terms of purchasing power, just as the theatre ticket had found itself reduced in terms of seating power. The article that formerly cost 20s. now costs 30s., which is the same thing as saying that your former ticket which entitled you to a whole seat, now entitled you to only two-thirds of seat.

Later, of course, the position is reversed. Producers rush in to supply the demanded goods. But production takes time, and only too often when the additional goods are ready for the shops, the shops cease to be ready for the additional goods. The box office has once more gone to sleep!

I do not wish to dwell too long on this feature of prices and purchasing power. Perhaps one of these days, if it interests you, I could attempt to explain exactly how the present money or financial system works. All that I want to press home at the moment is the fact that it is very seldom that the production system is called upon for goods to anything like the extent to which it is capable of delivering goods, that it is never the production system which sulks, and that it is left to the money system to decide, pretty well of its own sweet will, to what extent it will play the game and co-operate with its very much inferior partner.

But I must say one or two words on sellers and buyers, on the prices of the goods and services for sale, and the money in the pockets of the would-be purchasers.

“Effective demand” means the money-incomes lying in people’s pockets. How do these get there? There are only three possible ways: pocket money may enter your pocket, either as a wage, a salary or a dividend. All the money to be found in anyone’s pocket, and which alone constitutes effective demand, came there in one of these three forms. For purposes of convenience, I will refer to them all as “wages.”

You probably know what is meant by the cost price of an article. It is roughly the money which has been spent upon its production. Under modern conditions, production is a long-drawn-out process. An article which is today on sale in a shop may represent raw material from two years ago, labour over the last twelve months, and the co-operation of several separate factories. Thus wheat costs the farmer so much to produce. This price he recovers in his sale to the miller, who again has to spend money in order to turn the wheat into flour. The miller sells his flour to the baker, who again has to spend money in order to turn the flour into bread. Each stage of production is possible only by the spending of money, whether on raw materials, on wages, on plant charges, on transport, etc. Thus from one point of view industry can be regarded as engaged in two separate functions. Not only do the various producers produce goods, but in the process of doing so they are compelled to incur costs. So when a shopkeeper tells you that he is selling you an article at cost

price, he means that that amount of money has been spent upon the production of the article, and that it is the lowest sum at which he can sell the article, unless, of course, he wishes to lose money and see himself drifting towards insolvency and the bankruptcy courts.

A moment's reflection will convince you that production, whether of boots, shirts or what not, proceeds only so long as it is "profitable"; which means that it proceeds only so long as the producer can "recover his costs," with, if possible, something over for his own "cost" or "wage." And you will further realise upon reflection that whatever the article may be, whether boots or boats, its "cost" can be recovered, in the long run, only in one place, the shop, and from one source, the money in people's pockets, their wages. This fact is obvious enough when one considers consumable goods such as boots. But it is nonetheless true of non-consumable goods like boats. Such "capital goods" must be paid for by someone. Their costs must enter into these shop-goods somehow. And it will be found that the cost of the factory and of the machines in the factory must be added to the cost of the goods produced, the cost of the ships and the railways must be added to the cost of the goods conveyed from one point to another, and that wherever one starts, one has eventually to finish up at the shop, where the final duel takes place between prices (representing costs) and effective demand (representing wages).

And the great discovery of Douglas was this: He discovered that the rate at which industry was being forced to incur costs was a much faster rate than that at which industry was giving out effective demand or wages. As an engineer, Douglas said to himself that prices and wages should be like the negative and the positive terminals of a battery, or like two trains travelling along parallel lines, and travelling along those lines at the same rate of speed. Instead of which he discovered that the price-train was all the time travelling at a faster rate than the wage-train, with the inevitable result that the existing gap between prices and wages was getting wider and wider.

The natural deduction from these facts was that, as prices had to be recovered somehow if the industrial train was not to stop altogether, and as only a fraction of them could be recovered from the wages which industry had given out during the same period of time, someone, somewhere, somehow must be creating a supplementary source from which they were being recovered. And Douglas further ascertained that this supplementary source was being provided by the banking system as a loan or debt to the community, which, whilst certainly easing the immediate position, was still further widening the gap in the future, as these loans, too, had to be recovered in the prices of future production.

I am afraid that you may find this idea rather difficult to grasp. But perhaps you can understand the position by imagining a shop with goods for sale costing £100, customers with wages totalling £50, and finance coming along and arranging to provide the missing £50 as a loan. This loan might be incurred by someone building a house, a factory or any other object which finance might consider a sufficient

security for the loan of the £50. And the essential point to grasp is that although this loan eases the immediate position, although it enables the shopkeeper to sell his stock of £100, this loan has to be repaid sometime, and therefore has to be added to the cost of future goods, and thus makes a still further addition to the speed of the cost-train, and a still further widening of the gap between prices and wages.

On the next occasion it will not be £50 of extra money which will be needed, but perhaps £60.

In plain terms, industry is perpetually producing a surplus of unsaleable goods, to buy which the money does not exist in anyone's pocket, and to ease this ever-recurring condition, finance is perpetually having to find means of lending money to the community. During the last hundred years this fact has been concealed by foreign borrowing for the development of colonies and backward countries, and by home borrowing for the making of railways, towns, ports, etc.

Today there are such schemes as slum clearance, housing schemes, rearmament, roads and so on, excellent things in themselves, no doubt, but chiefly important as a means of providing to the community the badly needed effective demand or wages. The only snag is that the country finds itself still further in debt to the money system.

The old jibe of "attempting to borrow oneself out of debt," or of "attempting to raise oneself by one's boot-laces," is as good a picture as one can give of what is actually happening.

You must always remember that it is a cardinal rule of modern society that wages shall be given out only as against work and services rendered. Hence, no production, no wages. It does not matter that barns are full of food, stores of clothing, work must be created somehow, or there will be no wages for the would-be purchasers. It does not matter that coffee is being burnt, cattle slaughtered, and fish thrown back into the sea, work must be created somehow, or there will be no wages to buy the goods which are not destroyed.

It does not matter that the march of science and invention is all the time eliminating human effort, and that the machine is sacking the workman; work must be created somehow, or there will be no buyers for the machine's products. The position cannot be better stated than in the words of the present Minister of Agriculture, Mr. W. S. Morrison:

The only device which man has yet discovered by which the wealth of society can be distributed is work in the field, the factory or the office. Unless there is distribution it is of no use producing. That is why politicians guide themselves mainly by those policies which produce the greatest amount of employment. From which it results, as *The Times* pontifically announced in its issue of October 27, 1936: *He is a public benefactor who can provide employment for two men where only one was employed before.* And as it is obviously no use producing more consumable goods with so many still unsold and with wages so difficult to maintain, the tendency of politicians, or rather of finance, is to provide work which will enable wages to be earned, but which will not further add to the stock of unsold consumable

goods. Hence the provision of work of the treadmill variety, whilst doing everything possible to plan or restrict the provision of work for the production of consumable goods.

It will not be necessary to point out that this condition of prices forever outpacing wages on the home market is unquestionably the most potent cause of friction between the nations. Until very recently this extra work was provided by the opening up of undeveloped countries. But today the possible markets left to open up are very few, and, worse still, the opened-up market of yesterday is today a competitor for what markets are left.

We are here, however, only considering the fact of prices forever speeding further and further away from wages, in its reference to the Social Credit outlook. It means, of course, that under the present system of ticket-issuing and price-costing the community is each year able to draw less and less upon its Real Credit. The simile of the donkey and the carrot is much too flattering to us. It is the simile of the donkey patiently and persistently following the carrot, even when the carrot is hurrying on ahead and almost out of sight. Such was the technical position of prices and wages as discovered by Douglas in 1918. And as a technical problem Douglas found it by no means difficult of solution. Again, it was a purely engineering problem.

Prices were being created faster than wages. Then either wages had to be increased or prices had to be reduced, or both. Douglas showed how this could be done by the opening of a National Credit Office (a sort of permanent *Domesday Book* record-office of the nation's Real Credit), the periodical fixing of a Compensated Price (called the Just Price), and the issue of a National Dividend, so that by a simple financial manipulation the money in the pockets of consumers on the one side of the shop counter would be able to look squarely in the face the prices of goods on the other side of the shop counter.

Now, had the flaw in the price system been a simple flaw in the gas or electric system, the best brains of the country would have been employed, and the problem would have been solved quickly enough. But Douglas was to find that money, whatever it ought to be in a sensible society, was no ordinary ticket in our present society. He found that there existed a monopoly, with the power to create and destroy these tickets at will, and that this monopoly represented a Power, not only in the land but in the world, which was not greatly concerned with the detected flaw in the price system.

He found that it was much more concerned with maintaining its power than with solving the country's difficulties. If anything could be done without touching its sacred "Ark of the Covenant," so-called sound banking principles, then it was prepared to talk. But there must be no question of treating the control of money as if it were a mere control of paper-tickets. Here were the lords of creation, masters of the universe, controllers of nations, of governments and of peoples, being asked to become simple book-keepers of society, and to take on the function of a tally clerk.

For two hundred years finance had been the undisputed master of industry, and

here was a man who declared that they must become industry's humble servants. For two hundred years finance had been the *de facto* government of the nations, and here was a man who declared that they must be prepared to abdicate if they did not wish to see civilisation falling about their temples.

For two hundred years finance had been the master of "all that money can buy," the dispenser of favours, the source of patronage, the controller of news, the supporter of political parties, and all so discreetly that scarcely anyone was aware of its presence, and whoever else might be blamed for the misfortunes of the nations, the blood and tears of wars, the famines, bankruptcies, poverty and crime, certainly no one ever dreamt of suspecting the financial system of being the culprit.

Here you have the main issue between Social Credit and the Money Power throughout the world. Does the Money Power intend to maintain its power, to risk finding itself openly recognised as "Public Enemy No. 1," the "Enemy of the People," or is it prepared to descend from its throne and to allow the nations once more to have access to their own Real Credit? The position could not be better stated than in the words of *Reynolds News* of August 22, 1937, when speaking of the Alberta position: *For the first time in modern history a State has unequivocally demanded of its banking institutions the systematic monetisation of the community's credit, under the instructions, supervision and protection of the State.*

The action of the Alberta Government is the more remarkable because, owing allegiance to none of the elder political parties, it is impossible for the omnibus term "Bolshevism" to be hurled at it; nor can "Fascism" be alleged against an administration acting on an electoral mandate. The financial issue stands for the first time clear of political complications. It is a straight conflict between the legally appointed government and the legally entrenched monopoly of credit. Mr. Aberhart placed the issue in clear terms when he telegraphed Mr. Mackenzie King: "We challenge the right of the banks to monetise the sole credit of Alberta as they deem fit. We challenge the right of the banks to control and restrict our people's access to their own credit within their own province."

It must not be thought that finance feels happy about her position. Legally she is unassailable. Yet in fact she is beginning to realise that she is a colossus with the feet of clay. It was only recently that Mr. Montagu Norman, Governor of the Bank of England, allowed himself to use these words: *I do not feel that I have the courage to point out the peculiar difficulties of the present position. I cannot see through the mist of the future with any certainty whatever.*

In conclusion, and so that it may not be thought that these ideas on the power of finance are possibly the result of an imagination jaundiced by Social Credit ponderings, let me draw your attention to what the Premier of Canada, Mr. Mackenzie King, and the Governor-General of Canada, Lord Tweedsmuir, have said on this subject. Their statements acquire an additional poignancy from the fact that these two men seem destined to play important roles in the world drama which has now been staged in the Province of Alberta.

Mr. Mackenzie King said at Saskatoon on September 21, 1935: *Canada is faced with a great battle between the money power and the power of the people, a battle which will be waged in the new Parliament. I plead for a sweeping Liberal victory to carry out my policy of public control of currency and credit. Until the control of currency and credit is restored to the Government all talk of the Sovereignty of Parliament and Democracy is idle and futile.*

Lord Tweedsmuir (John Buchan) wrote in “*A Prince of the Captivity*”, published in 1935:

There is a great and potent world which the government do not control. That is the world of Finance, the men who guide the ebb and flow of money. With them rests the decision whether they will make that river a beneficent flood to quicken life, or a dead glacier which freezes wherever it moves, or a torrent of burning lava to submerge and destroy. The men who control that river have the ultimate word.

BASIC FUND

The Basic Fund for this financial years is open. I am making a special call to all those who have planned to make a donation but maybe have over-looked doing so. The fund did not fill this past year so it will be wonderful if we can make a special effort with new donations. As always, we appreciate your contributions no matter how large or small. Each donation is really a vote of thanks for the work of the League and acknowledgment of the dedicated effort of those in the ‘engine room’.

EXPANSION FUND

There are plans afoot to considerably expand the number of League Speakers going into the field. They will require logistical and some financial support in advance, ready to respond to events as they occur. These forces of freedom offer leadership to a misguided public looking to restore their ancient rights and freedoms.

BEQUESTS

Apart from the Basic Fund, the League is also a recipient of bequests from supporters who remember us in their Will. These dollars are the backstop and while we are grateful, it is unfortunate that on those occasions we are unable to personally express our thanks. Best details for establishing a bequest are available from HO.

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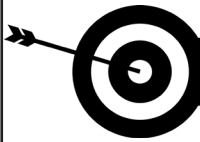
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A WEEKLY COMMENTARY



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The Price of Freedom is Eternal Vigilance

Vol. 61 No. 07

21st February 2025

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Identity Politics By Neville Archibald

The Trump bad, Trump good, factions in America, also have their parallels in Australia. In fact, the Trump phenomena is proving to be almost as pervasive here, as our own politics, often overshadowing the Albanese /Dutton Campaign Trail. What? They're not yet campaigning?

I look at comments made, on what passes for News services, and find more common sense being expressed in the comments sections of social media despite the misinformation stigma. The whole Democrat /Republican thing, which seems to culminate in Leader worship, has seen Trump hated or adored. The middle road, where, *what does the community want?*, seems not to be explored. Package A or package B is on offer! This is what we have pre-prepared! We have a Democrat stew, or a Republican stew, the spices have changed, but all have the meat and potatoes of global control as the basic ingredients. Then of course, slow cooked or rapid boil.

Our own Liberal or Labour has become more of a personality contest, with Albanese or Dutton. Some of the same marketing techniques are in use here, as they are also in the rest of the Democratic Western world. We seem to have forgotten, in this personality contest, what true representation looks like. The prevailing argument in many circles for the American experience, often focuses on Trump's appointed positions. The accusations of: '*we didn't elect them to destroy the DEF*', '*they are unelected!*'; yet the other side, see them as legitimate, because Trump was elected with his group to do a job.

Both have some merit in what they are saying, but like picking the personality, the cover of the book, does not somehow, properly reflect the contents. Each side claims to have the legitimate argument as why they are right. If I was expected to take sides here, I would be asking what it was, that would satisfy both.

What does responsible governing look like? Does it focus on 'Responsible

leadership’? or ‘Responsive Leadership’? To pick a ‘responsible’ leader and allow them to do as they see fit, or one that will respond and accept the peoples desires. In fact, should it focus on leadership at all? What a government should be, is responsible and responsive. The elevation of leadership, where we focus on picking a responsible leader, rather than focus on picking the whole of parliament so that it will respond to our desires, is also a big problem. As our history shows, leadership (singular) is easily corrupted. To corrupt the entire parliament is another matter!

Hitler came to power under the rules of the German system, and to quote just the first entry on Google, the Holocaust Encyclopedia: *‘He did not seize power in Germany. Rather, a series of political and economic crises helped him rise to power legally.’* <https://encyclopedia.ushmm.org/content/en/article/hitler-comes-to-power>

I could have used any source for this, it is well recognised. It was what he did after, that changed everything. If you had asked him, I dare say he would have suggested he was providing the only responsible leadership to achieve what he saw as his role, his direction for his nation.

Now I am not equating Trump with him, nor am I apologising for Hitler, both things that when people play identity politics, they will grasp at and endeavour to accuse you of doing. We need parables, or past examples of incidents in other times, to realise what the outcomes could be when you follow a certain policy. A visionary leader has his or her end point in view! They know where they want to go and the means they will use to get there! But do we know where they will go? Do we have that control: the ability to direct them, or do we just suffer through it? Their actions will eventually label them as good or bad. What does it benefit the population, if a vision for better living conditions arises, but turns out to be at the expense of population reduction and not societal improvement.(an extreme example I know) *‘In the future I will make sure everyone is well fed!’* says the Dictator.

Knock-off half a population and suddenly the leader was right! More food for those who are left!

A manipulative leader, who is conforming to ‘responsible’ leadership, will have a vision, a set of morals (or not) on how to achieve this! They will convince us, that this, or that, is the only responsible way to do things. They will then implement them for ‘our benefit’ or as I have stressed in the past, for the benefit of the greater good.

Where does this idea of responsible come from? Who decides it? Look at the base word here: **respond**. What is it that we have created as a society that reflects this? Do we consider this at all or do we just accept it at face value? Do we believe it is already written in law, and like that of the law of gravity, it will always be there? To what are we responding? Who determines the correct response, the very concept of being responsible?

A response to a crisis is easy, virtually anything you do could be considered a response, even no response. What is it we are looking for? To simply survive, a knee jerk reaction, or to survive and improve, so that the next response need only

be smaller or easier? Sometimes you have to take the bull by the horns and just deal with it! Afterwards, in the calm, you assess if that was the best way. If that way resulted in a better outcome or worse. Can you get to the point where there is no bull to deal with? or where you have fences and a crush to direct and capture the bull solidly, without people getting hurt. I believe that a considered analysis of the corrections we make, allows us to respond better next time (if there need be a next time). It is this responsive attitude that I believe people would call responsible.

This response mechanism has been a part of political development, it is embedded in our system of government to ensure that it is arrived at, by society, in a democratic way, where all are entitled to participate. We are all supposed to play a part in determining societal policy, we are all supposed to benefit by that inclusion. How have we arrived at that, as a whole society? How have we determined, who's benefit our direction is for?

Constitutional limitations on the wielding of that power for a start. Limits that see authority vested in the population rather than the leaders alone. Unfortunately society has allowed this system to be captured by vested interests, and is travelling in the direction those interests desire. The big, the unscrupulous, the power hungry, have a different world view than that of the rest of us. These are the things our political system must be designed to rein in.

I like to think we are looking for a responsive leadership or - better worded - as responsive government. The distinction between the two has been clouded. We have lost focus on what our role in government is, keeping them responding to OUR wishes. We have seen a change in our word usage and in our learning. To me, and to the Pocket Oxford Dictionary 1924,: government is: '*persons governing a state, the state as an agent*' and among the definition of govern are the words: '*conduct the policy and affairs of (state)*'

in both those cases the state is an agent for (the people)

Going then to the Macquarie School Dictionary, 1995. We see a simpler definition of government: '*the group of people who rule or govern a country or state*' and looking at govern: '*to rule by authority, such as laws.*'

Here we see, 'rule' used as if they are over us, not of us! A distinct difference.

To me, the dictionary's change, reflects the simplified version of the thinking we are asked to undertake when we are learning about what society is, and when learning about our past. We have been conditioned to accept authority without really figuring out where authority rises from. We are ruled by authority, simply because they have that authority. A circular argument.

'I have the authority to rule, so I will rule.'

'I rule because I have the authority to do so.'

Who then questions this authority and from whence it arises?
Back to my starting point; If I was elected to lead you, but only in a general direction, who then establishes the destination?

If all roads lead to Rome, then in Rome we will end up.

So, the Pocket Oxford, in saying to govern is the result of policy or affairs of state, is saying who it is they govern for! The 'who' is the country? or the state? It is the electors, the people within that very state, that determines which policy they desire.

In following a leader or leadership group, our policy comes as a package. This is not freedom to choose our destiny, it is a selection of only two versions presented; whereas there are unlimited policy choices in reality. Our ability to determine one thing at a time, policy by policy, is what we want! No package A or package B. We may not want meat stew with potatoes, let's leave them out!

As Eric Butler so well explained in his booklet: *'The Moral Implications of Centralised Power.'*

'A fundamental truth .. I ask you to consider it. If the essence of freedom is freedom of choice, that power to accept or reject one thing at a time, not some of those false package deals which the modern political parties present to you where you agree with one proposition out of ten and completely disagree with the nine others. It means in rejecting the nine you also reject the one you want. But real freedom is the freedom to accept or reject one thing at a time, one proposition at a time. That is, I suggest, something very important to think about as we work through this discussion, to some type of realistic political action.'

and

'One of the most dangerous delusions afflicting the minds of many who have grasped some aspects of the problem is to suggest that we can appeal to power in an attempt to curb power. That, I believe to be a fatal philosophy. We can only curb power by an appeal to that which is outside power, and make power subordinate to it ... proper authority.'

Is this the appeal of Trump and the likes. The use of power to stop power, without proper consideration of where it could lead? Without asking what part of our original power have we, as the Authority, lost to big government?

Many who are looking at Trump, or here, at Albanese or Dutton, are seeing a package, in which the solution to one set of problems (visible and usually spun by media) drags in with it, the other, all encompassing 'will to power', where the stage is set for greater control in the future; but that greater control is now vested in authority other than individual authority. Again from Eric:

'... every increase in the power of the State, in fact every increase in the power of the monopolistic groups whether it is in the big city, or big business, or big finance apart from big government, irrespective of the plausible arguments used to try and justify the increase, must inevitably take from the individual his right, his divine right, to personalise his life in the only way possible .. through exercising of free will.'

At the turn of the previous century, our constitution and that of many of the western style Nations, tried to place power in the hands of the people. Thus the term democracy, or people rule. It is not simply, a Personality who rules, but it becomes more the image of a judge and his fellows in a courtroom. Those who wear a wig, do so to show that they are representing others in their actions. Perhaps if our politicians had to wear a wig that itches, for their duration in parliament, they may remember who they are supposed to be representing. The wig wearers, I guess you could say, are supposed to be a reflection of the moral judgement of the people, the population they are serving.

True political solutions, come not from one responsible person, but from one person responding on behalf of the many who put them there. Thus he re-presents the will of the entire electorate he belongs to. He should ask, or determine his actions solely by speaking with and getting the feel of the whole electorate.

‘It is too much to go back to your electorate each time you vote on each individual thing!’ you say.

‘It would be unworkable to keep going back and forth every time he has to have some question, he needs some autonomy.’

This is a false argument, there is no real reason for the sheer amount of regulation and administration that is continually enacted. A major portion of this arises purely out of the adversarial nature of our divided parliament, a created problem where puff and bluster is all about looking good for re-election. No problem has such an important reason for being, that it needs to be rammed through without consideration and consultation time. The fact that we are used to it, and have watched it get steadily worse, does not mean it is an inevitable fact of life. It is a perversion of a response!

I dare say, the designers of our constitution would never have envisaged the ‘explosion in a printing factory’ that our bureaucracy has become, with endless laws, regulations, and virtual forests of paper covered with ink, detailing every last detail of how we are to live our lives. We have so many written directions that apply to us now, that it is impossible to know it all, or to make sure each one interacts properly with the other. This in itself is designed to be that way, just to confuse us, to lead us into further control. If the majority of these interpretations and regulations disappeared tomorrow and we were left with a simple written guidance, then many of our problems would cease. The unelected creators of this material, are only doing so because some Minister has asked them to. They could, as easily, be doing an efficient summary and turning volume after volume into pages, and then pages into lines or statements.

The issue, in all truth, is not about who is the best leader to choose: Trump good, or Trump bad, or in our case Albanese good, Dutton bad, or vice versa. It is not, *‘is our government responsible?’*, it is, *‘is our government responding?’* Our system must be made to reflect this. If it has been hijacked (and I contend it has), we need to recognise ourselves as the hostages we are, and free ourselves, not wait for

intervention by another force, only to be held hostage again. Authority must come from and reflect truthfully the will of the people, not some charismatic's idea of what 'they' want that can only ever lead us to dictatorship. ***

All quotes by Eric Butler are from, *The Moral Implications of Centralised Power*. Available from: <https://alor.org/Storage/Library/Butler%20ED%20-%20Moral%20Implications%20of%20Centralised%20Power.htm>

Trump's Deregulation of Finance and the demise of the CFPB

By William Waite

The Trump base is what remains of middle America. Their residual self-image is hard-working, independent, resourceful, puritanical. From here it look like they voted for Trump because he was the only hope for a sane border policy, ending the madness of DEI and the broader culture war and making the American economy more self-reliant. There are signs that he will do these things and I hope he does. But what else did they get?

At some variance with middle America is Trump's pick for Secretary of the Treasury who is responsible for the "financial, economic and tax policy of the United States, Mr Scott Bessent. Bessent lives with his husband John Freeman and two children in a pink palace.

Bessent is one of Trump's billionaire picks. He's been an investment banker all his life, notably for Soros Fund Management where he was head of the London office. It was in this role he collected \$1 billion for the fund when the British pound collapsed in 1992. He has donated to both the Democrat and Republican parties. Given this choice it is probably safe to assume that if there were to be a financial crisis during Trump's term Wall Street interests will be well looked after.

On February 3 Trump put Bessent in control of the **Consumer Financial Protection Bureau (CFPB)**. The CFPB was setup in the wake of the Global Financial Crisis to be responsible for consumer protection in the financial sector and, in its relatively short life, has returned more than \$20 billion in restitution to wronged consumers. ¹ It regulates and prosecutes for fraud and scams and sets enforceable rules limiting excessive overdraft and credit card fees, oversight of payday and short term lending, consumer protection against junk fees and excessive mortgage fees on foreclosures. Along with the **Federal Trade Commission (FTC)** the CFPB is also the agency most closely working on regulating the crypto space and tech companies offering digital wallets and payment services. Digital wallets enable users to buy and sell the growing plethora of digital currencies as well as use them to buy goods and services in the regular economy.

Consistent with the recent de-fanging of the FTC and the Securities and Exchange Commission (SEC), Bessent's first order to the agency was to cease all supervision and examinations. In the last few days the CFPBs office has been closed, Musk's DOGE crew (Department of Government Efficiency) has been given access to its system, parts of its website has disappeared and its X profile deleted. On Friday Musk posted on his X account "CFPB RIP" with an emoji of a

tombstone. This morning I wake up to the news that it will not have access to its next draw of funding. “Trump, Elon NUKE ‘Anti-scam’ Agency” is the headline on *Breaking Points*.² The CFPB and in particular its boss, former head of the FTC Rohit Chopra, was one of the most assertive regulators of Big Tech’s advance into the financial sector. It speaks to its importance that both Zuckerberg and Andreessen have recently complained about the agency. It is therefore noteworthy that one of Bessent’s initiatives was to provide a belated protection for Big Tech. In a second email to the agency, Bessent’s office specified that the CFPB is “not to initiate supervisory designation proceedings or designate any nondepository institution for supervision.”³ These nondepository institutions is a reference to, among other entities, Big Tech corporations moving into the financial sector. With the innovations in fintech (financial technology) over the last decade or more it was necessary that regulators expand their range to include companies offering digital wallets, payment facilities and other services traditionally provided by banks.

One such corporation which was to come under the supervision of the CFPB is Elon Musk’s X as he seeks to expand the services available to users to build an “everything app.” On the road to his everything app is Musk’s recent deal with Visa for a payment system through X which would have undoubtedly attracted the attention of Chopra and the CFPB.⁴

Aside from the CFPB’s function as a defender of consumer’s financial interests it is very dangerous to throw open opportunities for private companies to basically issue money outside the conventional banking system. I’m not saying that the central and commercial banks are doing a good job but I doubt letting Silicone Valley monopolists in on the money game will do anything for either the restraint of the financial sector or the stability of real economies. I’m talking largely about crypto here. Digital exchanges like Coinbase that readily convert crypto currencies to national currencies and enable payments in the regular economy are essentially a mechanism for an increase of money completely out of step with the performance of the real economy. Combine this with the public reach of Big Tech companies with billions of users on their social media platforms and no regulation — what could go wrong?

The idea that we should open the creation of the money supply up to market forces (whatever that means) is a Pandora’s box with potential repercussions that are difficult to imagine. It seems the CFPB saw the danger and now it’s all but gone.***

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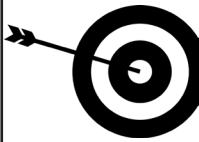
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The Price of Freedom is Eternal Vigilance

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**The Illusion of Renewable Energy:
It's Fossil Fuels or Bust! By James Reed**

In the early 2000s, it was trendy to be an ardent advocate for renewable energy. The promise of harnessing the sun and wind to power our world seemed not only feasible but imperative. The idealistic folk envisioned a future where solar panels adorned every rooftop and wind turbines dotted every horizon, leading us to a sustainable utopia free from the shackles of fossil fuels. This vision was shared by many, and significant investments were made to turn it into reality.

However, as the years progressed, the flaws in this vision became increasingly apparent. One of the most pressing challenges was the intermittent nature of renewable energy sources. Solar panels, for instance, are at the mercy of weather conditions. In North America, the average solar farm generates meaningful power less than 20 percent of the time. Wind energy is similarly unreliable, fluctuating with seasonal and daily wind patterns. This inconsistency necessitates reliable backup systems, which invariably means fossil fuels or nuclear power must remain part of the energy equation.

Initially, renewable energy advocates pointed to battery storage as the answer. Yet, the reality proved more daunting. Current battery technologies can store energy for a few hours, but storing enough electricity to power entire regions during prolonged periods without sun or wind is not feasible. The sheer scale of storage required presents both technical and economic challenges that remain unsolved.

Moreover, the environmental footprint of manufacturing renewable energy infrastructure cannot be overlooked. The production of solar panels, wind turbines, and batteries demands significant mineral resources, leading to increased mining activities. This surge in mining has its own set of environmental and social implications, from habitat destruction to the displacement of local communities.

Ironically, in the name of “saving the planet,” the renewable industry is causing significant ecological harm while failing to meet energy needs efficiently.

A poignant example is the Wayuu Indigenous community in Colombia’s La Guajira region. Plans to develop wind farms on their ancestral lands have been met with resistance due to concerns over environmental degradation and cultural erosion. These communities are being asked to sacrifice their way of life for energy solutions that do not deliver on their promises.

Furthermore, the integration of renewable energy into existing power grids has revealed economic challenges. In Queensland, the cancellation of the Pioneer-Burdekin hydroelectric project, which was intended to store renewable energy, has led to projections of a 60 percent increase in wholesale electricity prices by 2035. This highlights the financial burden of transitioning to a renewable-based energy system without sufficient infrastructure to support it. Across Europe, heavy investments in renewables have resulted in rising energy costs, with countries like Germany facing some of the highest electricity prices in the world.

International dynamics further complicate the narrative. European countries, eager to enhance their green credentials, have turned to North Africa for renewable energy imports. However, this strategy has been criticised for perpetuating energy dependencies and environmental burdens on countries like Morocco and Egypt, which continue to rely on imported fossil fuels. This raises the question: if renewable energy is truly the future, why do so many regions still require fossil fuels to sustain their economies?

At the heart of this push for renewables lies an even larger issue: the assumptions behind climate change policy. The prevailing narrative asserts that fossil fuels are causing catastrophic global warming and that an immediate transition to green energy is necessary. Yet, climate models have consistently overestimated warming projections, and predictions of climate disasters have failed to materialize at the scale once feared. Meanwhile, fossil fuels have played an undeniable role in global economic prosperity, lifting billions out of poverty, enabling industrial progress, and providing the most efficient and reliable energy source humanity has ever known.

If we are truly concerned about energy security, economic stability, and human well-being, then dismissing fossil fuels is not only impractical but reckless. The reality is that renewables alone cannot sustain modern civilization, and fossil fuels will continue to be the backbone of global energy for the foreseeable future. Instead of chasing the illusion of a green utopia, we should focus on improving existing energy systems, investing in cleaner fossil fuel technologies, and acknowledging the undeniable benefits that coal, oil, and natural gas have brought to humanity.

The renewable energy idealism of the past few decades has led us down an expensive and impractical path. It is time to reassess our priorities and embrace an energy policy grounded in realism rather than ideology. The world needs energy solutions that work—not just ones that sound good on paper. Fossil fuels must be

with us for the foreseeable future. And that means coal-fired power stations, Albo!

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The Brain Valve - Notes on a Pallid Reality By William Waite

In 1953 Aldous Huxley was the human subject in an experiment that saw him taking the drug mescaline. His report on the experience is called *The Doors of Perception*.¹

One of the curious effects of mescaline reported by Huxley was that it seemed to induce an extraordinary interest in everyday things. For instance, under the influence of mescaline, the legs of a chair became a source of intense fascination:

The legs, for example of that chair - how miraculous their tubularity, how supernatural their polished smoothness! I spent several minutes - or was it several centuries? - not merely gazing at those bamboo legs, but actually being them - or rather being myself in them; or, to be still more accurate (for "I" was not involved in the case, nor in a certain sense were "they") being my Not-self in the Not-self which was the chair.

He felt this degree of fascination in books on a shelf and in the folds of his pants. He surmises that mescaline brings the perception of the ordinary person closer to that of the artist allowing him to appreciate details in his environment that ordinarily escape unnoticed.

Exciting as Huxley's description sounds there is a drawback to all this heightened awareness:

Though the intellect remains unimpaired and though perception is enormously improved, the will suffers a profound change for the worse. The mescaline taker sees no reason for doing anything in particular and finds most of the causes for which, at ordinary times, he was prepared to act and suffer, profoundly uninteresting. He can't be bothered with them, for the good reason that he has better things to think about.

From these observations he proposes a certain theory about the function of the mind. He quotes some learned eminence:

The function of the brain and nervous system is to protect us from being overwhelmed and confused by this mass of largely useless and irrelevant knowledge, by shutting out most of what we should otherwise perceive or remember at any moment, and leaving only that very small and special selection which is likely to be practically useful.

Then, a bit later:

To make biological survival possible, Mind at Large has to be funneled through

the reducing valve of the brain and nervous system. What comes out at the other end is a measly trickle of the kind of consciousness which will help us to stay alive on the surface of this Particular planet.

In short:

The suggestion is that the function of the brain and nervous system and sense organs is in the main eliminative and not productive.

If there is any truth in this metaphor of the brain valve it would be useful to consider at least two aspects of our situation.

Firstly, there seems to be, by accident or design, a significant narrowing of the sensory information coming within range of ordinary people. The obvious culprit is “the device” where everything is artificial, two-dimensional and without texture, taste or feel, but it’s happening in the unplugged world as well. I have noticed this in a marked reduction in tolerances. Temperatures must be between 22 and 25 degrees celsius; chemical air “fresheners” and sanitizers are deployed to eradicate offensive smells and invisible pathogens; a mania for sunscreen and covering up as though the sun were the most dangerous thing; a widespread zoophobia indicated by panic at a spider scuttling across the table or a wasp in proximity. My brother told me he had read something about an increase in depression amongst people who never saw horizons, a kind of slow burn, generalised claustrophobia.

Some anecdotes:

Some years ago I was involved in the delivery of a remedial reading program at a high school in Queensland. We started with a simple test to determine how smoothly students could track a finger as it moved across their field of vision. Many of the students were unable to track smoothly. Their eyes involuntarily jumped back and then forward as they lost and picked up the finger again. This, of course, had serious implications for their ability to read comfortably. The theory was that as a result of excessive screen use many children had insufficient training tracking objects through three dimensional space.

On a recent family trip to the Sunshine Coast this contrast between the three dimensional and two dimensional world was on full display. We took our three kids (ages 3,4 and 6) to Australia Zoo to admire their animals. It was the full sensory experience: crocodiles, people, rhinos, food, swimming, snakes, noise, smells and lots of walking on hot roads. I also felt a certain sympathy for the animals in the enclosures being deprived of the real life enjoyed by wild members of their species. The next morning I let the kids watch ABC kids while they ate their cereal. Normally our kids get neither television or cereal. Looking over at the breakfast table was like looking at a painting. No exaggeration. No movement disturbed the still life of my children staring at the multi-coloured procession of taxpayer funded incoherence that is ABC kids. I switched the television off and watched the painting slowly re-animate, then begin to complain. Just out of interest I repeated the experiment with exactly the same results before deciding that it violated standards of ethical scientific inquiry. I recognised the uneasiness I had felt about the animals in

the zoo. Click. I killed the babysitter.

This little vignette brings me to the second aspect that arises when I consider the brain valve. At the same time as our sensory experience is impoverished it is also true that the valve itself is being regulated by individuals and organisations unconcerned about our survival on “this Particular planet.” An old friend of mine used to say that people won’t believe anything until they see it on television. The means of delivery may have changed somewhat but control of the important details of the driving narrative remains highly concentrated. I have no doubt.

The best evidence of this occurring at scale was the assault on brain valves that induced the great flu panic (GFP) of 2020. I recall the daily briefings (though I hardly ever watched them), the dead, the dying, the infected, the hospitalisations, the super-spreaders, the vaxed, the unvaxed, the mandates, masks and social distancing. What we saw there, I think, was the hostile takeover of brain valves. Not only was our environment laden with the messaging of the regime but we were actively discouraged from thinking about obvious things. Baseline health, exercise, nutrition, Vitamin D, existing treatments, even natural immunity was the dangerous derangement of conspiracy theorists.

Former colleagues have described Dr Kerry Chant as honest and uninterested in politics, which might explain her longevity in the role of NSW Chief Health Officer - Covid brain-valve operator Kerry Chant

I think the remote regulation of brain valves has special relevance to our topic of Douglas Social Credit as well. It is a constant source of puzzlement that the whole world can be obsessed with money yet continue to be plunged in ignorance as to what it is and how it operates as a limiting factor in human affairs. It is as though we are under a spell, unable to come to grips with the tangible facts of our economic reality. The truth is we have been conditioned to not look for solutions to our problems in the financial system. Our brain valves have been so tinkered with that the source of our discontents can be anything but financial in origin and until we can wake up to the facts which Douglas revealed I see little hope for a lasting change of direction.

In an address Douglas gave in 1936 called *The Approach to Reality*, he made the point:

The abolition of poverty in the midst of plenty, important as that is, is not the core of the problem. It is conceivable that people might be provided for as well-fed slaves. It is fundamental that the freedom inherent in things should be conditioned only by the nature of the world, as one might say.²

It is “the nature of the world” which must be perceived and conformed to. This virtual existence that moves us through a sort of insipid, prepared “reality” interspersed with digitally induced comas is not the sort of experience upon which we can build meaningful lives and societies. Furthermore, it is not the sort of experience from which any sort of resistance can be raised against whatever it is the powerful want to do to us. It makes us malleable. That’s the point of it.

References

- 1 Huxley, A. 1954. *The Doors of Perception*. Harper & Brothers, New York
- 2 Douglas, C.H. 1936. *The Approach to Reality*. Available from:
<https://www.versdmain.org/images/pdf/Douglas-The-Approach-to-Reality.pdf>

Major C. H. Douglas, M. I., Mech. E., M.I. Mining E., M.I.E.E., London Visit to Australia 1934

Major C. H. Douglas, whose social credit analysis and proposals are arousing interest throughout the world, is shortly to pass through Melbourne *en route* to New Zealand, he will stay for a period of six weeks. His stay in Melbourne will be brief. He is expected to arrive from Adelaide, on January 21, and will leave on January 23. He will deliver a public lecture at the Melbourne Town Hall on the evening of Monday, January 22 1934.

Major Douglas is a Scotsman, son of a clergyman, and a cousin of Lord Weir. He was educated at Cambridge University, and is an engineer of world-wide reputation. Those who have known him personally speak in high terms of his cultured and charming personality, and describe him as an alert business-like man, with a most hospitable nature.

Major Douglas is recorded in Vol. 11. of “*Europa*,” the European “Who’s Who,” in the following terms:— “Douglas—Clifford, Hugh, Major, British engineer and financial expert. Born 1879. Educated Cambridge University.

Chief construction engineer, chief engineer and manager, India, 1900-1910.

Deputy chief electrification engineer, Buenos Aires Pacific Railway, 1911.

Engineer P.O. Railway, London, 1913-14.

Assistant superintendent, Royal Aircraft Factory, 1917.

Chief European witness, Canadian Parliamentary inquiry on Banking and Commerce, 1923.

Member of the World Engineering Congress, Tokyo, Japan, 1929.

Witness, McMillan Committee on Finance and Industry, 1930.

Published. “*Economic Democracy*,” 1919; “*Credit Power and Democracy*,” 1920; “*Social Credit*,” 1927; “*The Monopoly of Credit*” 1931.

A fellow Scotsman writes of Major Douglas: “He will be discerned in retrospect as having been one of the great contributors of re-orientated Scottish genius to world affairs.”

Mr. A. R. Orage, the brilliant English Editor and Economist, has written his impression of Major Douglas in these terms:

“His knowledge of was extraordinary; from our first conversation, everything he said concerning finance in its relation to industry—and indeed to industrial civilization as a whole —gave one the impression of a master-mind perfectly informed upon its special subject. After years of the closest association with him, my first impression has only been intensified. In the scores of interviews we had together with bankers, professors of economics, politicians, and businessmen, I never saw

him at so much as a moment's loss of complete mastery of his subject. Among no matter what experts, he made them look and talk like children."

At the World Engineering Congress, held at Tokyo, Japan, 1929, Major Douglas read a paper, "*The Application of Engineering Methods to Finance*," ** as a result of which many thousands of his published works have been translated into Japanese, and are widely read throughout that progressive nation. It is believed that it is by the application of some of the essential principles enunciated by Major Douglas that Japanese industry is able to more successfully compete, commercially, in all other countries."

Those who have studied the various published works of Major Douglas cannot but be struck by the fact that the philosophy, logic and natural truths therein indicate his as one of the best-swept minds of the British Empire.

Melbourne will shortly have the opportunity of seeing and hearing this much-quoted authority on world affairs.

– from *The Dandenong Journal*: January 11, 1934

<https://trove.nla.gov.au/newspaper/article/213861433>

**** Appendix II page 149 - The Development of World Dominion: <https://alor.org/Storage/Library/PDF/Douglas%20CH%20-%20The%20Development%20of%20World%20Dominion.pdf>**

X Comment:

The question has often been asked: what is a Canadian? How does Canada differ from the USA (besides the King and the French)? Why should Canada be a separate country?

The recent episode with Trump's tariffs has actually had a positive effect in that it has stoked Canadian nationalism (something which has been dormant for decades, due to a deliberate programme of institutional and cultural sabotage). In any case, just today a Canadian speaker on an X space (social media platform-ed) has crystallized for me the nature of the difference between Canada and the USA. The question was put to him: would you want to become an American? He responded: "*Me, personally? No. I would probably be better off economically if we joined the US, but that doesn't matter to me. I have deep roots in this country and I want to maintain who we are and what we have.*"

Canada, traditionally, is a Tory country; i.e., there are values beyond money values and indeed some of these other values trump (no pun intended) money values ... and, at times, it is even worth sacrificing economic advantages in order to safeguard those values. In spite of so many years of subversion and perversion, of sabotage and of corruption, this attitude towards money and economics still marks the general cultural to a significant extent.

This is what makes Canada different - perhaps more than any other factor - from the USA (the US is a Whig nation on steroids, where money and money values are the bottom line par excellence).

“The modern economic system, as controlled by Finance, at one and the same time saves labour and exalts Labour into a religion and a virtue. In consequence, it condemns man to perpetual bondage. (a) It derides all spiritual values. What can't be sold has no value.” --- C.H. Douglas, “Whose Service is Perfect Freedom”

There are cultural limits in Canada on this financial and economic Leviathan that threatens the whole world because of the Toryism that lingers in the collective consciousness. I don't see any such limits in the USA. ***

The Supreme State, Planning, and Scarcity

Extracts from a speech by Major C.H. Douglas at Calgary, Alberta, Canada, April, 1934

I will put the objective as I see it for your consideration in a very general form and that is, we want to establish a correct relationship between the individual and the group so that the group, and the attributes of the group shall serve the individual and not the Individual be the slave of the group.

The whole of society exists from my point of view - it may not be yours - but from my point of view the whole of society exists for the benefit of the individual... The great danger at the present time is not that the present financial system will persist ... but that under the confusion that will exist as a result of the crises caused by the breakdown of the financial system, an even greater tyranny may be put over on you as in the cases of many countries at the present time, and which is in active progress in still more countries even as I speak.

That is the danger, and you must keep in your minds to avoid that danger, some clear objective, and that objective, the proper relationship of the individual to the group, is in my opinion, the relationship and objective to which we want to strive. ...

We are at the present time unquestionably under the domination of a financial system, which rules us. It rules us in our most basic necessities; the necessity for bed, board and clothes, and the other things that go to make up the standard of living. But we do not want to transfer that domination from, let us say, what we can call the banking system under another name to something we call the State.

We have no desire whatever if we will analyse what our objective is, to change one master for a still more powerful master. That is one of the greatest dangers at the present time - that large bodies of people will be carried away by words of which they have not analysed the meaning...

The opponents in this matter - we will put it on its lowest terms - can either allow the world to be plunged into another great *delirium tremens*, another great World War, or the opponents themselves can take steps to change the system. Now I have myself no doubt as to what is happening at this particular time, and that is that the opponents are endeavouring to change the system, and the endeavour is being made to change over from the tyranny of finance to a tyranny of administration. That is being pursued with extraordinary sagacity.

It is coming in many nations, at this particular moment almost under your very

eyes... In Great Britain the phrase under which this change is taking place is called *Rationalisation* or *Planning*; in Italy as the *Fascisti* or Corporate State; in Russia it is the *Dictatorship of the Proletariat* ... and is being aimed at in Germany by the Nazis... Whether it be by accident or design, the world is steadily moving over from a financial tyranny which has both the elements of breakdown and has also been found out to another tyranny, a tyranny of administration ... the setting up of an entire State which can say, “You shall do so and so”. “You shall have such and such rations”. “You shall live in such and such a house, you shall work such and such hours”. “You shall be taught such and such things”. “And any deviation from those laws which we lay down for you will be penalised by either starvation or by all the rigours of the law”.

Nationalise The Banking System Alone? A Fate Worse Than Debt!

by Betty Luks

Last week (25 July 2014-ed) James Reed wrote of the IMF proposals to ‘dethrone the bankers’ ‘slashing debt’ and promotion of an updated version of the 1930’s ‘*Chicago Plan*’ thereby ending the “fractional reserve banking” and the banking system’s power to ‘create money out of thin air’.

James Reed noted: *“That could be good, but is still a long way from social credit and in the long-term could have the unexpected result of killing off the development of a social credit economy. If the 100% money idea alone is tried, and is observed to fail, then people will lose faith in social credit for a number of generations...”*

This morning I received the latest email from the UK “Positive Money” group with their explanation as to “Why it’s time to switch to a sovereign money system...”. It reads: *“A couple of months ago Martin Wolf wrote that we should “strip banks of their power to create money” in the Financial Times. He referred to the proposals we put forward in “Modernising Money”, and ended his article with: “Remember the possibility [of this reform]. When the next crisis comes - and surely it will - we need to be ready.”*

That article sparked a significant debate between economists and bloggers, both for and against the idea of stopping banks from creating money. Of those against, many critiques either misunderstood the proposals or simply made claims without providing evidence. To respond to some of the common objections, we’ve revised the paper that outlines our proposals and can be downloaded from here:

<http://modernisingmoney.org/>

Bank Nationalisation in the 1940s

How many Australians are aware the Australian League of Rights ‘cut its first teeth’ on the Bank Nationalisation issue way back in the middle 1940s? Eric Butler recalled those years in “Social Credit Opposition to Bank Nationalisation” in The New Times, October 1995 (found here: <https://alor.org/New%20Times/index.html>)

At the time Eric Butler wrote: “There was no hint of banking nationalisation during the 1946 federal election campaign. Those who claimed that Chifley’s decision to nationalise the banks was made in a sudden “fit of pique”, overlooked Chifley’s background, and that at Canberra he was surrounded by bureaucratic planners like Dr. H.C. Coombs who openly advocated the creation of the centrally planned State.

The most devastating criticism of the Chifley government’s policies came from the controversial former Labor Premier of New South Wales, J.T. Lang, who had been elected to the federal parliament as an Independent at the 1946 elections. Lang correctly pointed out that bank nationalisation was but a logical step in an ongoing programme to destroy the federal Constitution. Lang vividly recalled that back in the Great Depression era, Chifley had, as a Minister in the Scullin Labor government, been a strong supporter of the infamous Premiers’ Plan, imposed at the insistence of Sir Otto Niemeyer of the Bank of England, who was accompanied on his 1930 visit to Australia by Professor Theodor Emanuel Gregory, a member of the teaching staff of the London School of Economics at a time when one of the dominant influences at this Fabian-created institution was Dr. Harold Laski, a dedicated Marxist pro-Zionist Jew who openly expressed his detestation of Christianity.

Laski had strongly influenced large numbers of students from around the English-speaking world. Numbered among these were Pierre Elliott Trudeau, Canadian Prime Minister, who openly boasted that he was taking Canada down the Fabian Socialist road; John F. Kennedy, USA President; and Dr. H.C. Coombs, who was a key adviser to both Labor and Liberal governments at Canberra. Laski said that Coombs had been one of his best students.

Dr. H.V. Evatt, Australian Attorney-General, who was the major driving force behind the thrust to destroy the federal Constitution, spoke glowingly of the advice he received from Laski, who lamented the defeat of Evatt’s 1944 powers referendum.

Chairman of the British Labour Party during Attlee’s Labour government - which was stacked with large numbers of London School of Economics products - Laski visited Moscow in 1946 to meet with Soviet dictator Joseph Stalin. Laski made the historically significant statement that he had pointed out to Stalin that while he and the British Socialists were travelling on separate roads, Stalin on the Marxist-Leninist road, and the British government on the Fabian-Socialist road, they were travelling towards the same objective, both inspired by Karl Marx’s famous 1848 *Communist Manifesto*, which included Marx’s ten steps for communising a State. These steps were all designed to centralise all power. Marx advocated the establishment of a State Bank monopoly.

It is not too much to say that Harold Laski was one of the most influential Marxists of the twentieth century, reflecting Shakespeare’s famous observation that: “*The evil that men do lives after them, the good is oft interred with their bones*”.

Ten Most Important Questions: 1933 Address By Major Douglas

Please note: This document was prepared from a rather poor copy of what appears to have been a type-written draft of Major Douglas's address to the Social Credit Council. The document was found in the personal papers of the late Leslie Denis Byrne who was a close confidant of Douglas. Wednesday, 4th October, 1933:

"I would like to begin by saying that I am very much impressed by the Questions submitted. It would have been very difficult to draw up ten questions which seem to go more to the heart of the matter than these do.

Question 1. Are you in favour of the Nationalisation of the Central Bank, i.e., the control and issue of all forms of money by the Crown? *

** It has been brought to our notice that some folk don't have a clear understanding of what the term "The Crown" means in the United Kingdom. The term does not refer personally to the reigning King or Queen. "The Crown is a term used to mean, in effect, the state. It is a symbol of the power of the state, which was formerly vested in the monarch. Thus, for example, the prosecution of crime is said to be on behalf of the Crown."*

This question is one of the most important which can be asked of anybody making pretensions to understand [the] bearing of [the] money problem on social conditions. Extraordinarily subtle question - requires good deal of technical experience to assess its importance.

To give you a sort of picture of the thing, I am going to ask you to dismiss from your minds the whole idea of money. Try and put yourselves in a state of mind which you would be in if you have never heard of money, and there was none. Imagine that you had an unlimited supply of water, supplied in unlimited quantities from the clouds and the rivers, and that the whole problem was one of the distribution of water. Substitute for it, the idea of a water system.

Problem is the distribution (administration) of the Water

Imagine also that you had a conception in your mind of a reward for service and that the people who were responsible for the satisfactory distribution of this unlimited supply of water - which was absolutely vital to every member of the community - were going to be remunerated for their services by a share of the water. Remember also that the amount of water is fundamentally unlimited. The problem is that of the distribution of the water.

Under these conditions you will see that the question of whether the 'State' should undertake the distribution of water, or whether you should have a state of affairs in which a local organisation undertakes this distribution, is simply a problem of administration. Fundamentally the question is, which of these possible organisations will distribute the water most satisfactorily?

Your personnel (preference-ed) is likely to be the same in both cases. Therefore, ultimately it becomes a question as to how you can transmit the desires of the general population to those people in control of the distribution of water.

If the desires of the population are not satisfactorily represented by the

administrators, what will be the most easily flexible form of pressure to bring upon them to bring them back into the ways of rectitude, e.g., the successful translation of the desires of the general population in regard to the distribution of water?

Amount of water is a side issue

Remember that the question of the amount of water that these people get themselves is a very side issue. There is a lot of water - more than you can possibly use. They can have – if they want it - a great deal more water than they themselves can possibly use. If you assume as a postulate, that the amount of water is not limited, this question as to how much administrators get is a side issue. The important thing is that everybody should get enough water.

Let us imagine that you have a ‘State’ organisation in connection with the water system which is immune from public pressure - as public servants are supposed to be and as civil servants actually are - the only way in which you can bring public pressure to bear upon the organization is by the extremely cumbersome way of Democracy and the Ballot-Box - a very long and complicated process.

Suppose you have in your village a couple of shops, both selling the same sort of cigarettes. In one of them, when you go in, you get courtesy and instant service, and in the other you are met by the announcement, “I will give you your pound of tea as soon as I have washed up,” (or done some other thing), you immediately apply effective pressure by going to the other shop.

In my own opinion the first thing to recognize is that it is secondarily a problem of administration and that so far as it is a problem of administration, all the evidence we have is in favour of private competitive administration, which is much more amenable to pressure than is nationalized administration which is only a changed administration and has no relation whatever to policy.

What is the policy in regard to the money system?

This can be answered by saying that the whole question at issue in regard to the policy of the money system is “Does the effective demand represented by money, belong to the banking system or to the public?” That is the whole issue of the money question. It is only secondarily a question of administration at all. Whether it is administered by the civil service or by the joint stock banks is not the point of issue at all. I have no doubt whatever that to transfer ‘money-power’ to the Government before you have altered the money system (that it cannot be an additional source of tyranny, as it is at the present time), is simply to concentrate your tyranny. I have no doubt whatever that to nationalise the Bank of England at the present time, would not only be one of the most cardinal errors that could take place, but would make impossible any changes in the money system as such, without an armed revolution.

Question 2. Do you advocate the abolition of the Gold Basis?

Yes. The Gold Basis has no relation whatever to the necessities of a scientific money system - is simply devised for the retention of control of credit in the hands of the international financial organisers.

Question 3. What Basis do you advocate?

This is a very highly technical question. The short answer to it is that the proper basis for a money system is the ratio of production-to-consumption. There is no such thing as a “standard of value” at all. The whole idea of a standard of value is a complete misapprehension of reality or anything else. All values are relative. They do not bear any relation to gold as such, because gold is no more a standard in this sense than anything else is. For example, every time you may conceive of yourself as inventing a new use for gold, you obviously alter the relative value of gold to everything else. What you can do is to generalise all production and all consumption, not in regard to some perfectly arbitrary thing like gold, but in regard to each other. In this way you have a flexible standard which takes into account from second to second all the changes that take place in production and consumption. These changes are what is important in regard to the answer to the next question.

Question 4. What should be the purpose of money?

In many places there is a complete misapprehension as to the use of [a] money system at the present time. In the first place all the vocal orthodox economists are quite obviously and honestly unaware of any change whatever in the reasonable functions of money and in the economic system in the last 300 or 400 years. For example, I saw a letter attacking me in ‘*The Listener*’ from someone who said that my views on Economics had been exposed by Sir Francis North in 1641! To my mind that is one of the most completely damning things that could be said. Anything I can contribute is based on the conditions which have come into prominence within the past fifty years.

The first thing to be clear about is that the idea of money as a medium of exchange is, if not obsolete, so rapidly becoming obsolescent it is really not worth considering [i.e.,] the idea of an economic system carried on by isolated craftsmen or farmers exchanging their products with each other on a basis which will ensure that the products are in fact, exchanged.

The modern economic system is not in least like that. It is a system in which you have a central pool of production through enormous industrial organisations in which by far the most important factor is real capital - machines, power, etc., and the problem is not to exchange between these institutions. It is to distribute from them to people who fundamentally have nothing whatever to exchange. They are simply standing on the outside line of an organisation which is productive, and the problem is to get the goods over from the organization to these people - not to exchange at all.

The idea of a money system as a means of exchange is only applicable to a small and diminishing fraction of the total production of the world. Therefore, it is of the most fundamental importance to enquire what is the purpose of money. It is that it is first of all an effective demand - a ticket system - a valid demand for goods and services. Consequently, it is the most extraordinarily flexible voting system which

the mind of man can conceive. Every time I go into a tobacconist's shop and buy a pack of Black Cat in preference to Gold Flake; I vote for Black Cat in preference to Gold Flake. Every time I buy Cadbury's cocoa in preference to Fry's; I vote for Cadbury's. This preference is transmitted day by day to the companies concerned and they know whether or not their goods are meeting with public approval.

This is the whole essence of the economic system. The problem is to produce what the public want and to get it over to them. The fundamental purpose of a proper money system is first to give the most rapid and flexible indication to producing organisations as to what the public want, and secondly to see (the public-ed) get it.

Question 5. In what form do you consider money should be put into circulation?

This does not matter. My own opinion is that ultimately something like the cheque will supersede all other forms of money. (Remember Douglas was speaking in 1933-ed) It is anyway not a matter of the slightest importance.

Question 6. Do you consider that a standardisation of currency or of values is necessary?

From my point of view, this question is meaningless, though it is important to make this clear. It is in the phraseology of an outworn type of thought. The first essence of appreciation of the problem is to divest yourself from the classical type of thought. Standardisation of currency, does not mean anything, for example, a standard weight. The whole idea of relating this problem to the physical idea of standards is a complete misconception. It is one on which more people have fallen down than anything else, and it is being used at the present time by orthodox financial people with the greatest success. (For example, Strakosch at a recent meeting of engineers pointed out the absurdity of taking a tube of mercury, which altered with every movement, as a standard.) To ninety-nine people out of one-hundred, this sounds like a conclusive argument. It has nothing to do with the problem whatever.

The problem of the distribution of the products of production is not an ethical problem or one of measuring what has been produced. It is primarily a problem of estimating what can be produced and is desired (that the products of production-ed) shall be distributed. The actual rate of production of the machinery of the world changes from minute to minute and from day to day. Every time you have a new invention it may add five per cent or six per cent to the productive capacity of the whole world, in regard perhaps to every other machine that has previously been invented.

The idea of standardization is one which has to do with a particular type of thought, all mixed up with "justice" and "equity" and these sorts of things. Take this question of justice. Supposing you had ten men who were crossing the Sahara Desert in a caravan and had a limited supply of water, and a long journey to take. Quite obviously the exact distribution of that water is not merely a matter

of justice but one of efficiency. There will not be enough to go around unless you measure it out, a certain amount every day. You will create friction if one man gets more than another. But if you take the men out of the Sahara and put them by the shores of Lake Superior, * is it reasonable to go on ladling out teaspoons full of water when there is so much they can drown themselves in it if they want to?

All these ideas may have been sound when there was a genuine scarcity. At the present time the problem is to distribute abundance and not to measure the scarcity.

** Lake Superior is the largest freshwater lake in the world by surface area and the third-largest freshwater lake by volume*

Question 7. What method of international exchange of goods do you propose?

This is a highly technical question. The short answer is that the Bill-of-Exchange is a perfect mechanism under premises of ideas discussed this morning.

Theoretically, exchange works in this way. The price of exchange of the currency of a community is inversely proportional to the price level of the country to which it relates. Supposing you have the exchange level between *francs* and *pounds* this week, of one-hundred to one. This means that the Frenchman will pay one-hundred *francs* for every *pound sterling*. He can buy of English goods for one pound what he can buy in French goods for one-hundred francs. He will not pay for the pound, more or less than this amount.

Then suppose that by some process, next week, I reduce the general price level from a price level of one-hundred to a price level of fifty (francs-ed). Immediately, the Frenchman is prepared to pay two-hundred francs for every pound because with one pound he can buy in England what he can buy in France for two-hundred francs.

The fly in the ointment of this theory is that the Exchange Brokerage is a closed corporation. If you want to buy a large number of francs you will come ultimately to six or seven people all of whom are international brokers and have control of the exchange. They can raise or lower exchange, or refuse it altogether in which case an impasse is reached very shortly. If they raise the exchange of a country, e.g., England - if they put a premium on sterling, they would penalise our products, but at the same time it enables this country to buy a great many imports much cheaper.

These two things off-set each other to the extent that we make the necessary arrangement to absorb imports without creating an internal economic situation.

If they take the opposite line - to hammer the exchange down - immediately they create a tremendous pressure on export and if any change in the economic system occurs at all we are put in a very advantageous position to capture foreign imports. People can buy sterling at a low rate and therefore can buy British products at a low rate. This is a very serious problem to exchange brokers.

Question 8. Are you in favour of an international currency?

No. There is no necessity for an international currency, and you never solve any problem by making it bigger. One of the very strongest lines of defence of the

international financier is this curious idea which has been inculcated in people's minds that you do solve a problem by making it bigger. They desire to get people to believe that although one state cannot solve its problems or one town, if you make the town subservient to the state, that will solve the problem. But it will only defer the solution of the problem.

It is a Military Problem

This problem of currency can be solved nationally - not because theoretically it could not be solved on a much smaller scale, i.e., a municipal scale - but it is not a theoretical problem; it is a military problem. What you have to do is to decide the unit of population which can effectively challenge the measures brought to bear on any state or town which departs from those rules favourable to high international finance.

Wherever this problem is effectively challenged, first, the whole weight of World International Finance will be brought to bear on this spot.

The only question is what can they do? And how can it be resisted? I think this is a very large bogey. If you get to the point when you get to action, international finance can probably do very little. The problem must be made smaller and smaller and smaller till you have got it under control.

Question 9. What is your method of getting and continuing control?

Constitutional pressure. The real problem is not a technical problem. Having once got the ideas clear, the ideas can be pigeonholed away. Ultimately it is a military problem.

Ultimately the decision rests with the last squadron of bombing aeroplanes. If you are going to do things which the rules of the game forbid, all the sanctions of the State will eventually be brought to bear against you and the last final sanction is stark force.

Very largely speaking, stark force in any modern country is very nearly neutral or agnostic. It does as it is told. If a military officer gets orders from the right room in the right building, he does not care whom he gets them from. Your business is to get the right people in the right rooms in the right buildings.

There is only one practical way of doing that—not to worry about electing a Government of your own. What you have to do is to make the life of every existing member of the existing constitution a misery till they do as you want. This can be done, if you really mean it.

Question 10. Will your system ensure economic freedom for the individual so that each is free to express his own life in his own way, providing that it does not interfere with the welfare of the community?

Yes. There will be a very large number of things that will still want doing in the world when the financial problem is satisfactorily settled. But I am absolutely certain that none of them can be done till the problem is settled. It is a problem of priority.

When you have the individual free from all the artificial stresses which are brought to bear on him by the control of the press, the constant pumping into him of ideas not grounded on fact, when you have the B.B.C. controlled by the Bank of England, you cannot hope to solve any problem. The problem is not even stated, with any hope of its being understood.

This financial problem is so difficult because it is not humanly possible for any but a small number of people to understand it. When the financial problem has been solved, you will be at Stage One in which the provisions of this Question will have reasonable hope of fulfilment. ***

The Social Significance of Plenty - CH Douglas - *Approach to Reality*

...The abolition of poverty in the midst of plenty, important as that is, is not the core of the problem. It is conceivable that people might be provided for as well-fed slaves. It is fundamental that the freedom inherent in things should be conditioned only by the nature of the world, as one might say. The moment that conditions are made about making people wealthy, you are not making them wealthy in accordance with the wealth they might have from the free play of invention and progress and organisation. You are making them wealthy only according to somebody's conception of what should be the conditions under which they should be allowed to be wealthy. That is quite a different thing.

Of course you must have a certain amount of organisation in the world and just as in regard to the economic system you must make money reflect facts, so that you can choose what to do instead of being forced into doing what you do not want to do, so with your governmental system. It should reflect the fundamental relationships of human beings to each other.

When you receive a sheaf of buff papers at the beginning of the year, followed by blue ones and then a little later on, red ones, all of them stating you have received a lot of money you have never seen, and that further money must be produced, or unpleasant things will happen, the gentleman who signs these notices signs himself, on the first two at any rate, "Your obedient servant." What I am proposing is that he should be exactly right.

There is only one sane objective of government and that is to make it easier for everybody to do those things that are possible. That is the only justification for government—that by organisation and doing things according to certain rules you can do things more easily and comfortably. To imagine that we are born into the world to be governed by something not inherent in the cosmos is one of the most astonishing pieces of hypnotism that has ever afflicted the world...

Editor's Note

Giving over the financial power to bureaucrats to ration out any new credits, especially via CBDC's - central bank digital currency, a monitoring and controlling mechanism, would be the ultimate form of governmental tyranny. Constitutions limit power within clearly defined bounds. Why enhance bureaucratic power further?

Whitney Webb By William Waite

About a year ago I came upon the work of Whitney Webb who is behind the website www.unlimitedhangout.com. Webb reports on a range of topical issues but her specialty is the labyrinthine underworld that links intelligence, business, organised crime and government. In 2022 she published a two volume exposé titled *One Nation Under Blackmail* which begins at the end of the second war and details the sordid backstory to the Jeffrey Epstein scandal. It is meticulously referenced. Chapter citations run into the hundreds with source material drawn mainly from mainstream media, official reports and investigations.

Webb's work looks behind the thin veil of business, government, intelligence and organised crime connections almost never breached by mainstream news media. What she reveals is a cesspool of dirty deals, blackmail and criminal behaviour at the highest levels. A veritable web of corruption and deceit which in large part explains the disintegration of our public and private institutions. Reading Webb one wonders how salvageable they are.

In my opinion there are at least two things which make Whitney Webb's work exceptional. Firstly, she does not allow herself to be preoccupied with endless analysis of the false paradigm that is left-right politics. To her the political spectrum is the "uniparty", merely a clever device for keeping the public locked into a manufactured conflict while the powers-that-be pursue their aims behind the charade. Their economic policies she calls the "uneconomy" which describes the endless oscillation between regulation and government power on the left, and deregulation and corporate power on the right. The same phony dichotomy projected into the economic sphere. Secondly, she understands the central importance of finance. This is a central theme in her book tracing the misdeeds of the leading personalities right back to their lines of credit. Banking, as we know, is at the middle of the story.

As an entry point I recommend this podcast from unlimitedhangout.com *The PayPal Presidency Pt. 1: Biotech and Biosurveillance with Max Jones* which is typical of Webb's analytical style and may help shed some light on the somewhat bewildering events taking place in the United States. ***

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



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Douglas Social Credit Through the Lens of Market Failure By M. Oliver Heydorn

Recently, perhaps as a result of some interactions on social media, it has occurred to me that the best angle for approaching the Douglas Social Credit analysis and proposals for the benefit of those on the conventional right of the economic and political spectra is to frame Douglas' stance in terms of the concept of market failure. To the question: "What is Douglas Social Credit all about?", we can respond as follows: Douglas Social Credit is an economic model that is based on a diagnosis and a set of prescriptions. The diagnosis is that the number one cause of economic failure is a specific category of market failure, and the number one cause of the market failure in question is the existing financial system.¹ The remedy is to reform the financial system, to correct its faulty design in such way that not only will it no longer interfere with the operation of the free market, but it will henceforth positively enhance the ability of the free market to maximize the general societal welfare.

The Concept of Market Failure

According to neo-classical economic theory, when free markets operate as intended they also maximize societal welfare (in economic terms). For the purpose of this paper, we will refrain from either investigating or challenging this assumption to any great degree.² It is based on the principle that individuals, when acting in their own rational self-interest through free market exchanges, inadvertently contribute to a socially optimal outcome where the overall well-being is well served. This alignment of individual and societal benefits is encapsulated in the concept of the "invisible hand," which asserts that the market, when left to its own devices, will efficiently allocate resources to enhance total welfare, ensuring that we reach a stage of 'optimality' in which no one can be made better off without making someone else worse off. What benefits one person (through voluntary exchange) will benefit others, so that in some significant,

though not necessarily equal or equitable sense, everyone ‘rises together’. The market is thus supposed to provide us, individually and collectively, with the best possible world in terms of material benefits.

Unfortunately, for various reasons, the market mechanism sometimes fails to deliver this outcome; i.e., individuals acting in their own self-interest through voluntary exchanges do not always result in the maximization of the overall societal welfare. Instead, the market allocates goods and services in a manner that leads to a net loss in overall well-being *vis-à-vis* the outcome that could and should ensue. This phenomenon is often referred to as ‘market failure’. In cases of market failure, the allocation of resources is inefficient or grossly inequitable, meaning that some individuals or groups benefit at the expense of others and hence at the expense of the collective well-being. In other words, market failure occurs when the market fails to maximize both individual and social benefits as expected.

The Causes of Market Failure

Whenever the market fails to achieve in practice what it is supposed to achieve in theory, i.e., a state of *pareto* * efficiency where no one can be made better off without making someone else worse off, it is due to some kind of *interference*. Some external or internal factor is preventing the market mechanism from delivering the socially optimal result, either by act or omission. Depending on the nature of the factor in question, we can identify different categories of market failure in terms of their differing causes. Some of the most commonly recognized forms of market failure can be adumbrated as follows:

** pareto: formula used to express the income distribution of a society*

1. **Market Failure Induced by Externalities.** In the case where the production or consumption of a good or service affects third parties (whether positively or negatively), market failure can result because there are costs or benefits that are not reflected in market prices. The decisions then made on the basis of those “inaccurate prices” are misleading as they do not take into account all of the relevant information that market players require in order to make decisions that are pareto efficient. A good example is that of companies who profit while imposing pollution and its ill-effects on the general population (the costs of which are not represented in the price of the products the company makes). Had the cost of the pollution been included, the people, especially the people affected, would have bought less of the good. Both profits and pollution would have been reduced.

2. **Market Failure Induced by the Public Nature of Certain Types of Production.** Goods and services that are of a public nature because they are non-excludable (no one can be excluded from using them or benefiting from them) and non-rivalrous (one person’s use does not reduce its availability to others) can also cause market failure. Due to their non-policeable accessibility, people can make use of them without paying for them and so private providers are not sufficiently incentivized to provide them (they would lose rather than make money if they

tried). The market therefore does not provide them or tends to underprovide them. The only way to ensure that people pay for them would be through government taxation and thus the government becomes the natural provider of these public goods. National Defence is one of the most obvious examples of a public good that cannot be adequately provided for by the market.

3. Market Failure Induced by Extreme Market Power (Monopolies and Oligopolies). Whenever a particular market is dominated by a single firm or a small number of firms, these firms can impose self-serving conditions that distort the operation of the market. For example, if a firm has monopoly power, it might restrict output to keep prices high, leading to fewer goods being available at the higher prices than what would otherwise be the case in a competitive market. The reduction in consumer goods then reduces the overall welfare, as more people would have benefitted from increased production at the lower prices. In this way, imperfect competition can prevent markets from delivering the most efficient results possible. It is not often appreciated by free market ideologues that the only type of free market which fully delivers the benefits which we associate with the free market generally, i.e., physical efficiency in resource use, capitalist justice or a dollar paid for a dollar's worth, and consumer choice, is the perfectly competitive market ... something that tends to be rarer than hen's teeth. If a nation only has two or three main supermarket chains, for example, the lack of competition can lead to collusion or price rings among the few major players to keep prices artificially high so that larger profits can be made at the expense of the consumer.

4. Market Failure Induced by Information Asymmetry. Whenever one party in a transaction has more or better information than the other, decisions are being made that are based on incomplete or misleading information. As a result, market failure can occur because one party is led to make adverse selections or is baited into moral hazard. An example: someone in need of air conditioning in a car could be told by a car dealer that installing such a/c units is not done by the company, while omitting the fact that private mechanics do it all the time. The end result is that the customer is induced to buy a new vehicle just to have one with a/c. A lot more money is then spent that would not have been spent otherwise.

5. Market Failure Induced by the Misuse of Common Resources. What is known as the 'tragedy of the commons' can occur whenever rivalrous but non-excludable resources are overused by individuals acting in their own self-interest. This can lead to market failure by eventually causing a depletion, perhaps even a permanent decline, of the resource in question. Overfishing is a good example.

An Overlooked Cause of Market Failure – Faulty Institutional Frameworks

There is, however, a sixth category of Market Failure which can be identified, one that is often underplayed or even ignored. Market failure can also occur due to institutional frameworks which are somehow faulty or inappropriate.

Rules, regulations, or operational procedures, whether public or private, may fail to facilitate efficient market operations; they may create barriers to market participation; or they may fail to provide incentives that are aligned with the general societal welfare. For example, overly restrictive zoning laws that limit housing development, can, by reducing supply, have the effect of inflating prices and preventing the market from meeting societal needs for affordable housing. In the same way, private companies can, through the use of patents on essential items, limit access by adopting high pricing strategies or restrictive licensing. This induces a market where the distribution of certain key benefits does not reflect societal demand or need. In both cases, institutional regulations mandate or permit the emergence of an artificial scarcity of particular goods, which then distorts market operations to the detriment of the wider societal welfare.

The Single Greatest Institutional Framework Failure: The Current Financial System

Now, I want to suggest that the single most significant example of this 6th type of market failure, and indeed, the single most significant form of market failure period, has to do with the faulty nature of the reigning financial system. The existing financial system involves certain institutions and a set of rules that can be likened to computer software. According to the Douglas Social Credit analysis of that software, the reigning financial system is not designed as an honest system; i.e., it does not accurately reflect the physical economic facts. Instead, it systematically underestimates our ability to produce and consume. As a result, it fails, *ab initio*, to respond adequately to the real demand of economic agents for money in the form of bank credit. It mandates a certain type of artificial scarcity where money is concerned.

In other words, there is a market in bank credit and that market is not at all saturated in the way that it could and should be if overall well-being is to be maximized. This type of market failure is due to poorly designed institutional rules which interfere with transactions (either by acting as barriers to transactions or increasing transaction costs), making them much less feasible or profitable for the providers to supply the bank credit at the socially optimal level and in the socially optimal forms. The interference of the institutional framework leads to market inefficiencies, or even to the outright failure to provide in the market for bank credit.

The First Level of Finance-Induced ‘Market Failure’

For example, on the level of production, whenever there is, on the one hand, a legitimate need or desire for some good or service on the part of the population, and there is, on the other hand, the materials, labour, technology, know-how, etc., available to meet that need, then sufficient producer credit should be issued by the financial system to ensure that the production of the requisite goods or services will be catalyzed. Unfortunately, the existing financial system often fails to issue sufficient producer credit for this purpose and needs then go unmet (even though the

physical resources are all present). This is a failure to provide sufficient producer credit to maximize the overall societal welfare.

The Gap

Similarly, on the level of consumption, whenever there is, on the one hand, a flow of real wealth, of goods and services with remunerative prices attached, there should be, on the other hand, a corresponding flow of consumer incomes so that all goods and services can be purchased and all costs of production can be met. Unfortunately, the existing financial system fails to *automatically* provide sufficient consumer buying power in the form of income to offset the prices of the corresponding flow of goods and services. The resultant deficiency is known in Douglas Social Credit literature as the price-income gap. This is a *distribution failure* which is embedded in the very operation of the system and it prevents the maximization of the overall societal welfare.

Now, what I have briefly described here is the first level, or the first layer, of market failure involving the financial system. The banking system, because of its institutional design, fails to automatically issue sufficient and appropriately structured bank credit so as to meet the need, the real demand, of economic agents for bank credit in such a way that the societal welfare is maximized to greatest extent that is physically possible.

If the recurring price-income gap which the system generates is not filled or to the extent that is not filled, a certain percentage of production will be wasted and producers will not be able to meet all of their costs, leading to bankruptcies and increased unemployment. Sometimes, when austerity policies are in place, the system does deal with the gap in this way, but it comes at a heavy cost. This is a kind of non-response or negative response, a non-solution to the problem of the gap.

The Second Layer of Financed Induced ‘Market Failure’

There is, however, a second layer, a second level, of market failure involving the market in bank credit which emerges when the financial system attempts to respond to the existence of the gap in a more positive or proactive manner instead of doing nothing, i.e., by filling it with additional debt-money. Because of its design as a debt-only system with monopoly control on credit creation exercised by the banks, the financial system can compensate for the lack of endogenous consumer buying power by issuing additional debt-money to governments, businesses, and/or consumers. These loans will, directly or indirectly, augment the level of consumer purchasing power. Naturally, the system only does this on terms which disproportionately benefit the credit monopolists (in whose hands wealth, power, and privilege are centralized) at the expense of the common individual and the wider society as a whole. Thus, while this type of action can alleviate some of the deleterious effects of the first type or layer of market failure, it simultaneously induces or exacerbates other manifestations of market failure and market inefficiencies. In both cases, whether a general policy of austerity or stimulus is being followed, there is a long

train of negative consequences that ensue.

For example, both the gap and the filling of it with debt-money (to the extent it is thus filled) can cause or exacerbate 1) poverty in the midst of plenty, 2) servility in place of freedom, 3) economic instability (including demand-pull inflation and deflation), 4) exponentially and ever-increasing total societal debt, 5) periodic financial crises, 6) cost-push inflation, 7) forced economic growth, 8) economic inefficiency, waste, and sabotage, 9) unnecessary conflict, 10) social problems, 11) mass migration, 12) environmental degradation, 13) international conflict, and 14) the centralization of wealth, power, and privilege in the hands of those who own and operate the financial system.

All of these deleterious consequences of the gap and the attempt to fill it with more and more debt-money (or the failure to fill it fully) can, in turn, be understood and classified in terms of different categories of market failure.

For example, things such as economic instability (sometimes too much debt-money is issued to fill the gap, sometimes too little), cost-push inflation (caused by forever increasing debt-servicing burdens which then result in demands for wage increases and wage-price spiralling), unnecessary conflicts between producers and consumers and between workers (as people fight over an insufficient flow of consumer buying power), social problems (that are caused or exacerbated by artificial financial pressures), environmental degradation (caused by cutting corners to keep prices low because consumers can't afford the environmentally friendly alternatives) might all be regarded as negative externalities. They inflict harm on the whole society to be sure, but these costs are not borne by all equally. Those who benefit the most by the creation of debt-money under the existing system do not pay for these costs in any special way or manner that is proportionate to their benefit, while those who benefit the least from the existing system pay as much or even more (proportionately) in terms of the fallout.

Similarly, the undue centralization of wealth, power, and privilege in the hands of a few who then exercise tremendous social, cultural, and political power (above all), is a direct consequence of the market power afforded to the credit monopolists. Only the banks can, for all intents and purposes, fill the gap under the existing system by issuing additional debt-money to governments, businesses, and/or consumers. This means they can hold the wider economy at ransom, as it were, by only agreeing to alleviate the deficiency on terms which serve their own narrow interests (i.e., they can impose policy) at the expense of the general interest. This has a negative impact on the social welfare, preventing markets from maximizing that *desideratum*. The banking system's monopoly on credit-creation within the context of an accounting system that generates a recurring price-income gap is what gives rise to this specific manifestation of market failure.

Finally, consequences such as: forced economic growth and economic inefficiency, waste, and sabotage arise because the economy is driven by the need to

fill the gap and/or service existing debts rather than to respond first to human needs and demands. This qualifies as an inefficiency in resource allocation which likewise weakens the general societal welfare.

The 3rd Layer of Finance-Induced ‘Market Failure’

Now, since the market in bank credit affects every other monetized market (since everyone else’s business is dependent on the operation of the banking system), the 1st layer and 2nd layer market failures that arise from the current financial system’s faulty design also contaminate all the other markets in existence. In general, we can observe that the lack of credit for production and for consumption artificially limits market outcomes, while the need to fill the gap with more debt-money misdirects economic activity in a thousand and one different ways. As a result of these interferences, the economy cannot, through the mechanism of the market, fire on all cylinders in an effective, efficient, and fair service to the common consumer. This 3rd layer of market failure that is induced by the financial system can manifest itself in very particular ways, causing or exacerbating additional market failures depending on the specific markets in question.

In other words, the financial system, because it is improperly designed, because it is not “fit-for-purpose” (which would require it to reflect or mirror the physical economic facts in the virtual world of monetary figures and to change these figures as the facts change), artificially limits and distorts market operations in all other sectors. When a specific free market fails, to the extent that it fails, to maximize societal welfare, it often does so because (amongst possible other causes) the current financial system is actively interfering with its activity. The structurally dishonest, monopolistic, and dysfunctional financial system is a hitherto unrecognized cause of market failure on a general or macro-economic level, a general market failure that nevertheless admits of many different permutations. Indeed, the institutional market failure which the financial system generates may be regarded as “the mother of all market failures” in the sense that it is the primary factor that is interfering with the operation of the free market and preventing it from maximizing the social welfare in practice as it is supposed to do in theory.

Douglas Social Credit as the Remedy for Financial Market Failure and hence for Financially-Induced Market Failures in Other Sectors.

To correct this situation of market failure in bank credit, and the cascading market failures which stem from it, no form of communism, socialism, social democracy, *dirigisme*, or market socialism is necessary. All that is necessary is for the state to regulate the private financial system sufficiently in line with reality and the natural law in order to ensure that the financial system will function as a structurally honest financial system should. Once the financial system is designed to provide us with accurate information in the virtual world of numbers to correspond to the physical facts of the economy, the invisible hand of the market will be much freer to work its magic. It will then be in a much better position to deliver the kind of results that are

optimal for individuals and for societal as a whole.

This is what Douglas Social Credit proposes to do: let us introduce monetary reform based on reality and natural law in order to free the invisible hand of the artificially limiting and distorting effects of conventional finance. By bringing finance into alignment with reality, the financial system will cease interfering and instead empower the free market to function much more efficiently. This will allow the overall societal welfare to be maximized and the specific market failures which have been identified in connection with the financial system would no longer exist.

Thus, as an economic model, Douglas Social Credit is simply free enterprise plus an honest financial system.³ It corrects the structural, technical defects in the financial system without curtailing or in any way controlling the freedom and dynamics of market participants. In fact, it serves a facilitative or supportive role where free markets are concerned, supplementing the private sector's credit system when necessary via the issuance of debt-free credit (the National Dividend and Discounts). DSC may thus be described as a partially state-managed credit system in which the state acts only like an umpire or referee. The task of this referee is to ensure that the monetary system remains in balance and in alignment with the productive capacity of the economy, but without overriding in any way the autonomy of the private sector. This type of state intervention in the money market is governed by reality (the facts of the physical economy) and the rule of law and is therefore limited and non-intrusive. Instead, it is a market-enhancing state stewardship, just as a refereeing is a game-enhancing stewardship.

More concretely, what does DSC as a reality-based monetary reform involve? Well, there is the need for a National Monetary Policy which would have to be imposed on the private banking system. The institution that would administer this policy could be designated as a National Credit Office or a National Credit Commission. This entity would be tasked with drawing up a National Set of Books, a National Balance Sheet, and a National Profit & Loss Account. The purpose of the National Balance Sheet is to establish a physical foundation (the nation's net worth) to justify the creation of additional producer credit up to the level that is required to actualize the whole of the nation's useful productive capacity.

Similarly, the purpose of the National Profit & Loss account is to measure the size of the price-income gap in any given economic period. Once the gap – which can also be conceptualized as the nation's profit – has been measured (remunerative prices of goods and services produced minus incomes distributed), the gap can be monetized *via* the creation of a sufficient flow of debt-free credit and distributed to or on behalf of consumers so as to balance the financial system in a self-liquidating equilibrium. The dividend would provide every citizen with a share of the national wealth or productivity, ensuring an income independently of employment status that would help to close the price-income gap directly on the consumers' end. The discount mechanism would lower prices at the point of sale, reflecting the real

cost of production, rather than the artificially inflated prices that arise from the financial system's failure to reflect physical reality. The steady injection of debt-free compensatory consumer credits would correct the price-income imbalance without the negative effects of debt, thus removing artificial limits on consumption without imposing debt-based trade-offs.

By ensuring that the financial system enables all useful production to be catalyzed and the flow of real wealth to be automatically fully distributable and all costs of production to be covered without necessitating any further increase in debt, the Douglas Social Credit monetary reform transforms a dishonest financial system into an honest system. It thereby neutralizes: a) the first layer in finance-induced market failure: the artificial scarcity of bank credit for production and consumption, b) the second layer in finance-induced market failure: the attempt to compensate for these scarcities via the provision of additional debt-money (which compounds the problem by misdirecting economic activity and impeding stable functioning in a thousand and one ways), and c) the third layer in finance-induced market failure: the interference of dysfunctional finance in the market operations of every other sector of the economy. Far from acting as an obstacle, an honest financial system would act as a good servant that actively assists the free market in delivering the maximization of societal welfare as the inadvertent consequence of its normal activity. ***

References:

[1] Economic failure should be defined as the failure to deliver the goods and services people need to survive and flourish with the least amount of labour and resource consumption to the extent that this ideal is physically realizable.

[2] On this point, Arindam Basu has shared with me the following important critical remarks with respect to neo-classical theory and its concepts of markets and market failure in private correspondence: "I consider the term 'market failure' to be a misleading euphemism for serious economic dysfunction - especially since by adopting the term, one is essentially assuming that if 'markets' (the term market has half-a-dozen definitions incidentally) didn't 'fail', all would be well. Of course, historically, the emergence of central planning (first by corporations, then by governments) was not because 'markets failed', but because the market mechanism was too slow, cumbersome and inefficient to meet the needs of a complex industrial economy. Alfred Chandler's *The Visible Hand* is the classic on this subject. Williamazonick's *Business Enterprise* and the *Myth of the Market Economy* and J. K. Galbraith's *The New Industrial State* are also most instructive on this point."

[3] Free enterprise is not to be confused with laissez-faire capitalism. They are closely related but not identical concepts. Free enterprise generally refers to an economic system where private individuals or businesses, rather than the state, own the means of production and are free to compete with minimal government intervention. Laissez-faire, by contrast, is a more extreme version of this idea, advocating for virtually no government interference in the market at all, including no regulations, subsidies, or taxes beyond what is necessary for maintaining basic functions like defence and law enforcement, etc. While both systems promote economic freedom, free enterprise can still accommodate some level of government involvement for public goods, safety, market failures, or maintaining/promoting fair and genuinely free market conditions, whereas laissez-faire strictly opposes any such interventions. As Arindam Basu has put in recent private correspondence: "free enterprise means that enterprises are at liberty to wholeheartedly serve the customer - free of interference by third parties, be they governments, other enterprises, or even shareholders. (We conventionally assume that shareholders will not hinder their firms from serving customers - but this is not always the case)."

Vale Doug Holmes

Doug and wife Jean Holmes first made contact with ALOR in the mid 80's through the Adelaide Conservative Speakers Club and Heritage Bookshop.

They both quickly became close friends with Betty Luks, (former ALOR National Director). The three became almost inseparable with their support and involvement in ALOR activities, many National Weekend trips interstate, several trips to Inverell, NSW to attend the Inverell Forum.

Doug and Jean would regularly take a fortnightly day-trip to spend with Betty Luks, and then dropping in to the nearby Head Office for an afternoon cup of tea.

Doug, with Jean's continuous support, went on to become the Heritage Bookshop Manager, Conservative Speakers Club Convener, and ALOR SA State Director.

Doug and Jean, with Betty twice went to Victoria to place the ED Butler Library into safe storage for transportation across to its new home in Adelaide.

Doug traveled (accompanied by Louis Cook) to Toowoomba, Queensland to rescue another Bookshop back to Adelaide. Eventually the Adelaide Heritage Bookshop was integrated into the online Veritas Books.

In his later days Doug handled all the online DVD orders.

Doug reliably performed his civic duty across many, many years.

Well done thou good and faithful servant.

BASIC FUND

The Basic Fund for this financial years is open. I am making a special call to all those who have planned to make a donation but maybe have over-looked doing so. The fund did not fill this past year so it will be wonderful if we can make a special effort with new donations. As always, we appreciate your contributions no matter how large or small. Each donation is really a vote of thanks for the work of the League and acknowledgment of the dedicated effort of those in the 'engine room'.

EXPANSION FUND

There are plans afoot to considerably expand the number of League Speakers going into the field. They will require logistical and some financial support in advance, ready to respond to events as they occur. These forces of freedom offer leadership to a misguided public looking to restore their ancient rights and freedoms.

BEQUESTS

Apart from the Basic Fund, the League is also a recipient of bequests from supporters who remember us in their Will. These dollars are the backstop and while we are grateful, it is unfortunate that on those occasions we are unable to personally express our thanks. Best details for establishing a bequest are available from HO.

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