



ON TARGET

INSERT

The Nature of the Present Crisis and its Solution

By Major C. H. Douglas, M.I., Mech.E.

An Address delivered at the City Hall, Newcastle-on-Tyne, October 7th, 1932

It is a fallacy that any one section of society is the only sufferer from the present economic system. The evil effects are by no means confined to any one class of society, although it is commonly assumed that what is called "labour" is the chief sufferer.

- It is not an unreasonable deduction that those classes in which suicides, and therefore unbearable suffering, are most frequent would also contain the largest proportion of bearable suffering
- The problem is not, in any sense, a quarrel between the "haves" and "have nots." It is not a class problem. It is one which affects everyone.
- The present crisis is not of unemployment, (by unemployment is commonly meant human unemployment). This fallacy is deeply rooted.
- There is no difficulty, for anyone with money, in obtaining all the goods and services.
- Our best brains have been at work for the past 100 (now nearly 200) years, with the specific object of producing more and more goods with less and less human labour.
- "Capitalism," might be defined as production for profit. Included in this definition are administrative relations between employers and employed... these relationships have nothing to do with production for profit.
- What is it that the capitalistic system really claims to do? Broadly, it is a system which enables people to combine together under a suitable organisation, so that together they can achieve results which the same number of people acting

separately could not achieve.

- In technical language, the capitalistic system is a system of organisation designed to use real capital, that is, tools, land, scientific knowledge, administrative ability, and many other things, so as to produce something which we call “the unearned increment of association.”
- Get this idea very clearly in your mind, as it is probably the most important idea that you can possibly assimilate at the present time.
- Socialists made a colossal mistake in arguing about the distribution of what they have called the “product of labour.” The product of labour has become increasingly unimportant as compared with the unearned increment of association, that is, the product of the machine.
- It is this unearned increment of association out of which profits, not merely to the capitalist, but to so-called “labour” are paid.
- The community is, in a money sense, definitely becoming poorer.
- The failure of the present economic system is not in production, it is in distribution.
- Before tinkering with the production system, you ought to make quite sure that other aspects, such as exchange and distribution, are equally successful.
- If you have a production system which demonstrably produces a glut of goods and services, and at the same time not only those who work in it, but those who operate it, are getting poorer and poorer, by which we mean they can get less and less of those goods and services which the production system generates, there can be only one place to look for the difficulty.
- That is in the link between production and consumption, and that link is the money system.
- The nature and source of money. It is no use wanting goods and services of any description, nor is it any use that those goods and services shall be in existence and available, if your request to be supplied with those goods and services is not backed by something which we call money.

- Money and its source: Practically all money is actually created by the banks, and claimed as their property.
- The situation we are faced with amounts to this – no matter what the physical realities in regard to food, clothes, houses and luxuries, and no matter how abundant they may be, we cannot obtain them without obtaining something which we call “money”.
- All money is derived from the operations of the banking system. Please be quite clear in your mind about this.
- But when a bank makes money, it makes money out of nothing, it gives nothing, and lends everything. It has, as we say in technical language, “a monopoly of credit.”
- Only Social Credit seriously attacks the control over human life and Industry which is exercised by the money system. Be quite clear as to what is meant by this.
- The fundamental evil from which the world is suffering at the present time is the control of its destinies by the money system.
- The money system is an accounting system, and if properly operated is of great value as an indication of what is going on in the industrial and productive systems.
- The type of mind which is attracted to banking and finance is not suited to deal with the highly technical organisation of the modern world.
- This matter is so important and so little understood, it must be made clear to you, even at the risk of some repetition. If you look at the physical reality of the productive system in the Western world today, you cannot fail to realise that we are living in an age of material wealth and plenty.
- If you turn to the Press, which is paid to express the views of the financial interests, you will be told that only severe economy, lower wages, higher taxation, and other symptoms of severe scarcity can be deduced from the present situation, and that we have to accept them.

- It must be obvious to ordinary common sense that one set of statements cannot reflect the condition depicted by the other of statements.
- The proposals put forward seem to be unable to get away from the idea, that it is the function of the barometer to control the weather. The first step is to force those in charge of the finance system to reconsider their position in the scheme of things.
- In the higher realms of financial circles the financier regards himself as the vice-regent of God upon earth.
- The question of taxation is interwoven with this idea of moral government by finance, and I am strongly of opinion that the whole system of taxation, as at present understood, will eventually, if not immediately, become obsolete. It is altogether too suggestive of allowing the policeman to make the law and pocket the fine.
- It is a short step to the organisation of this country into a co-operative commonwealth, which will not in the least mean anything like the nationalisation of industry - while at the same time organising the country in such a way that every citizen shall draw a dividend from the activities of the community as a whole – as his or her inheritance.

The nature of the present crisis is complicated by the existence of vested interests, each of them anxious to maintain and increase its importance – interests by no means confined to one class or stratum of society, just as the evil effects of the present crisis are by no means confined to any one class of society, although it is commonly assumed that what is called “labour” is the chief sufferer.

Because I speak tonight entirely without any personal interest to serve, representing neither any special class nor any special business interest, and am merely concerned to tell you the truth (which, I imagine, is a somewhat novel and not necessarily pleasant experience), one of the first fallacies that I should like to expose is that any one section of society is the only sufferer from the present economic system. So far as I am aware, there is practically no method by which it is possible to obtain statistical information as to bearable suffering, and only one method by which to obtain information in regard to unbearable suffering, and this latter is furnished by the statistics of suicides, and it is not an unreasonable deduction that those classes in which suicides, and therefore unbearable suffering, are most frequent would also contain the largest proportion

of bearable suffering. We find that the percentage of suicides, besides increasing at an appallingly rapid rate per 100,000 of the population, is higher in classes which are commonly supposed to be more fortunately situated from an economic point of view than in those commonly classed as destitute. My object in touching upon this is to emphasise that this problem with which we are attempting to deal to-night is not in any sense, as commonly supposed, one which can be regarded as being a quarrel between the “haves” and “have nots.” It is not a class problem. It is one which affects everyone.

Another fallacy is that the present crisis is a crisis of unemployment, and that it would be solved if unemployment were eliminated (by unemployment is commonly meant human unemployment). This fallacy is deeply rooted, because the ordinary man finds it extremely difficult to separate the idea of unemployment from privation and poverty. But, in fact, all our best brains have been at work for the past 100 years, or more, with the specific object of producing unemployment, or, in other words, of producing more and more goods with less and less labour. In addition to that, the unemployment which exists at the present time is not merely unemployment of human labour, but is also, and to an increasingly large extent, unemployment of plant and yet there is no difficulty, for anyone with money, in obtaining all the goods and services which they can possibly require. Incidentally, if the problem were one of employment, its obvious solution would be to destroy as much plant as possible, much after the manner of the Luddites a hundred years ago, and to set everyone to work again by the most primitive methods.

A broader generalisation, very popular in Labour politics, is to attribute all our present troubles to something which is called “Capitalism,” which is not generally defined, but which, I suppose, might fairly be defined as production for profit, including in this definition administrative relations between employers and employed, although, in fact, these relationships have nothing whatever to do with production for profit, and are not sensibly different in a Government Department.

Now, curiously enough, it never seems to occur to those who complain of production for profit that the so-called capitalistic system always works worst when no producer is making a profit, which is, broadly speaking, the case at the present time. It is an astonishing fact, well worthy of note, that the capitalistic system, in the sense in which it is commonly understood, survives shocks and attacks which one would imagine would be quite sufficient to overthrow it, and one of the greatest dangers with which, in my opinion, the world is faced at the present time would be that by superhuman exertion, those in control of the money system will put into operation such arrangements as will permit the

capitalistic system to recover for a time, because I feel confident that if such amelioration can be arranged, the world at large will be only too pleased to return to work on the old terms. So that it is much more correct to say that it is not the capitalistic system, but the breakdown of the capitalistic system, or in other words, the inability of the capitalistic system to do what it claims to be able to do, and as, in fact, in the past to some considerable extent it succeeded in doing, that is the more obvious cause of our present troubles.

Now what is it that the capitalistic system really claims to do? I think that broadly speaking it would be fair to say that it is fundamentally a system which enables people to combine together under a suitable organisation, so that by combining together they can achieve results which the same number of people acting separately could not achieve. To put the matter in technical language, the capitalistic system is a system of organisation designed to use real capital, by which I do not mean money, but tools, land, scientific knowledge, administrative ability, and many other things, so as to produce something which we call the “unearned increment of association.” I want you to get this idea very clearly in your mind, as it is probably the most important idea that you can possibly assimilate at the present time. In my opinion, Socialists have made a colossal mistake in arguing about the distribution of what they have called the “product of labour”. The produce of labour is becoming increasingly unimportant as compared with the unearned increment of association, to which I have referred, the product of the machine.

Now, it is this unearned increment of association out of which profits, not merely to the capitalist, but to so-called “labour” are paid, and we do not know of any method by which these profits representing the unearned increment of association can be paid, either to labour or capital, except by something called “money.” And if, as is most unquestionably the case, there is an enormous and increasingly unearned increment of association and yet on the whole, the community is not only not making profits, but is, in a money sense, definitely becoming poorer, we are, I think, inevitably driven to the conclusion that this breakdown of capitalism has nothing whatever to do with the organisation of production, but has everything to do with the money system. I am not suggesting that the organisation of production is perfect, because I am sure it is not, and I think that by its aggregation into large, unwieldy units it is becoming worse rather than better, but I am quite confident that it is not in the organization of production that our difficulty lies, and that no reorganisation such as, for instance, nationalisation in place of what is commonly called “private ownership,” would in itself effect any change for the better, and might easily result in a very definite change for the worse. The failure of the present economic system is not in

production, it is in distribution.

At this point it may be helpful to deal shortly with the object lesson provided by Russia, since there are large numbers of people in this country and elsewhere, by no means confined to any one class of society, who regard Russia as a model for reconstruction. Now, I think that no serious student of these matters can have failed to regard the Russian experiment with the most profound interest, and further, to have felt their sympathy increased rather than diminished by the flood of inaccuracies and biased propaganda which has been a general feature, at any rate of the London press, for the past fourteen years. I have myself been in fairly close touch with reliable sources of information, and have discussed Russia at first hand with Soviet officials. I know Mr. Polakov, the American Consulting Engineer to the Soviet Government, and have within the last few months discussed industrial affairs with Mr. Stewart, who is Mr. Polakov's partner in Russia, and I think that the first point on which to be quite clear is that the problem facing the Russian people at the present time, and for some considerable time to come, is fundamentally and radically different from the problem with which we have to deal in Europe and America. It is a problem of actual scarcity, and therefore is a problem of production, whereas our problem is a problem of glut, and is therefore not a problem of production at all, but is a problem of distribution. It will be many years under the most favourable circumstances before Russia begins to arrive at the situation which is common elsewhere, and I see no indication that the methods by which Russia is solving her problems of production are in any way fundamentally different to those by which they have been solved elsewhere. That, of course, is why there is no unemployment in Russia.

I might go so far as to say that I have strong doubts as to whether these problems of production are being solved so successfully as they would have been by merely turning Russia over to contractors for what is commonly called "exploitation," but however that may be, so far as our particular problems are concerned, it cannot be too clearly understood that we cannot in the nature of things hope to learn anything from Russia.

I have touched upon this for two reasons, the first of which is that a number of persons, whose confidence in dealing with industrial problems is only equal to their complete ignorance of them, are demanding that what is required for this country is a Five-Year Plan. It seems to me that where you have in operation a production system which has been even more successful than is necessary, that even if it is not perfect, you ought to make quite sure that the other aspects of your economic system, those of exchange and distribution, are equally successful before you begin to tinker with it. And the second reason is that I am confident that, so far from being hostile to the state of affairs in Russia, the international

financial groups are beginning to look upon Russia with great favour as providing a field for their activities of exactly the type that they desire, which is to have control without responsibility. The so-called rationalisation policy of the Bank of England is definitely aimed at the same organisation as the Five-Year Plan, and we all know the state of affairs that it has produced in Lancashire and in the ship-building industry. The head of a well-known trust associated with the Bank of England is speaking openly in favour of a Five-Year Plan for England.

If, then, we cannot, in fairness, look to the productive system for the root of our troubles, where must we look? I think the answer is simple and obvious. If you have a production system which demonstrably produces a glut of goods and services, and at the same time not only those who work in it, but those who operate it, are, as the phrase goes, getting poorer and poorer, by which we mean they can get less and less of those goods and services which the production system generates, there can be only one place to look for the difficulty, and that is in the link between production and consumption, and that link is the money system.

I do not think that an occasion of this character is particularly suitable for dealing with technical details, but certain general ideas are indispensable to any understanding of the situation in which we find ourselves. Unquestionably, the first of these is that of the nature and source of money. As to its nature, I think it is sufficient to say that money is an effective demand for goods and services, by which I mean that it is no use wanting goods and services of any description, nor is it any use that those goods and services shall be in existence and available if your request to be supplied with those goods and services is not backed by something which we call money. Now the second point in regard to money is as to its source, and I will put this as shortly as possible by saying that practically all money is actually created by the banks, and claimed as their property. There is now no argument possible about this, nor is it, in fact, denied by bankers themselves. So that the situation in which we are faced amounts to this – that no matter what are the physical realities in regard to food, clothes, houses and luxuries, and no matter how abundant they may be, we cannot obtain them without obtaining something which we call “money,” and all money is derived from the operations of the banking system. Please be quite clear in your mind about this. When the employer, the so-called “capitalist,” says that he is making money, what he means, and what he only can mean, is that he is making goods for which he gets money which previously belonged to someone else. He is simply exchanging goods for money, but when a bank makes money, it makes money out of nothing, it gives nothing, and lends everything. It has, as we say in technical language, “a monopoly of credit.”

Now there are quite a number of people who are beginning more or less vaguely, to understand this, and they are by no means confined to any particular interest or class, and, as a result, a number of suggestions, almost as numerous as the numbers of suggesters, are beginning to be made in regard to modification of the banking system, to none of which, I need hardly say, do the bankers pay much attention. But it is fair to say that, so far as I am aware, no one of these, other than proposals which have been put forward under the name of Social Credit, seriously attacks the control over human life and Industry which is exercised by the money system as such. I want you to be quite clear as to what I mean by this. It is quite possible, and not very difficult, and it is in fact, being done at the present time by means of inflation, to go some considerable way towards relieving a business depression such as that in which the world has been plunged for the last four years, just as it is most unquestionably true that that business depression was proximately caused by what is called "deflation."

But you do not fundamentally alter the control of an engine by its throttle valve if you open its throttle valve and make the engine run faster, and it is, at any rate, my opinion that the fundamental evil from which the world is suffering at the present time is the control of its destinies by the money system at all.

To push the metaphor, it is not reasonable to slow down an electric light engine (historical locomotive headlamps) when the price of coal goes up. Looked at from any sane point of view, the money system is an accounting system, and if properly operated is of great value as an indication of what is going on in the industrial and productive systems. It is, as one might say, a barometer, or, if you prefer it, a pressure gauge, to indicate the state of affairs in business or industry in a highly convenient form, but it is just as sensible to suggest that the barometer should control the weather as it is to suggest that the money system ought naturally to control the industrial system. The business of a money system or a barometer is to indicate, not to control. Entirely apart from the fundamental and technical unsuitability of the money system as a system of government, which is what it is at the present time, the type of mind which is attracted to banking and finance is not suited to deal with the highly technical organisation of the modern world.

This matter is so important and so little understood that I must try to make it clear to you, even at the risk of some repetition. If you look at the physical reality of the productive system in the Western world today, you cannot fail to realise that we are living in an age of material wealth and plenty. Not only are the shops full of goods, of all descriptions; not only in corn, coffee, rubber, all the metals, and, in fact, every raw material so much in excess of requirements that practically all producers are engaged in all sorts of schemes to endeavour to stem the flow

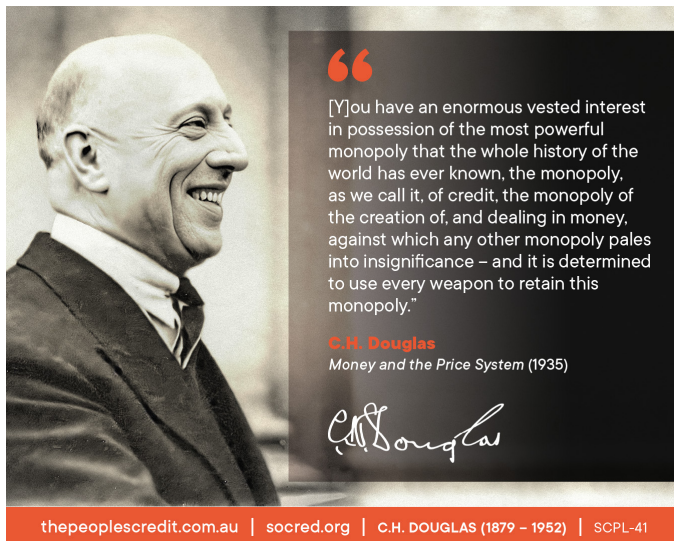
of real wealth, but nearly every farm and factory in this and almost every other country, with the exception of Russia, is working much less than a quarter of its possible output. Yet, if you turn to the Press, and more particularly to the London Press, which is paid to express the views of the financial Interests, you will be told that only severe economy, lower wages, higher taxation, and other symptoms of severe scarcity can be deduced from the present situation, and that we have to accept them. Now I think it must be obvious to ordinary common sense that one set of statements cannot reflect the condition depicted by the other of statements. Either I am deluded in telling you that there is plenty of corn, coffee, rubber and materials, or else, a set of financial figures, which says that we must economise because there is not enough, must be false. In other words, it is impossible that these figures can be a reflection of the facts. So that the first essential in dealing with the situation which arises out of this conflict of facts and figures is to correct the figures. I would point out to you that what the financiers tell us to do is to correct the fact, which is some indication of the state of mind which too much concentration on figures will drive people. Having corrected the figures so that we possess the statistics as to what it is we have to distribute, the radical difference which I suggest to you as necessary is that we should decide on the distribution as a conscious act of policy, and not let those figures in themselves control the distribution.

The complaint that I, myself, have to make about many of the proposals which are now becoming so common in regard to the financial system, is that they seem to be unable to get away from the idea to which I have previously referred, that it is the function of the barometer to control the weather.

You may quite properly ask me how these somewhat general statements can be translated into something which will form a basis for action. The first step in my opinion, is to force those in charge of the finance system to reconsider their position in the scheme of things. It is quite beyond dispute that in the higher realms of financial circles the financier regards himself as the vice-regent of God upon earth. The late Mr J. Pierpont Morgan, who, without using unrestrained language, might be regarded as one of the largest-scale buccaneers the world has ever known, left detailed instructions as to his funeral, and amongst these instructions was the request that the hymn, 'For all Thy saints who from their labours rest,' be sung at his funeral. I honestly believe people like Mr. Montagu Norman, who in his capacity as Governor of the Bank of England, has been directly responsible for more mental and physical misery in the last twelve years than any other living man, are under the impression that it is their divinely appointed prerogative to discipline the country. As I have just said, it is an idea of which they must be disabused, gently if possible but disabused anyway.

We must, then, clear up the defects and inaccuracies of the financial system itself, in which is included the price-making system as well, and quite as importantly as that portion of the system which deals with the issue of credit or purchasing power.

The question of taxation is interwoven with this idea of moral government by finance, and I am strongly of the opinion that the whole system of taxation, as at present understood, will eventually, if not immediately, become obsolete. It is altogether too suggestive of allowing the policeman to make the law and pocket the fine. When we have got so far as that it will, in my opinion, be a comparatively short step to the organisation of this country into a co-operative commonwealth, which will not in the least mean anything like the nationalisation of industry. It is perfectly possible to retain and to extend the present system of private administration and private property, while at the same time organizing the country in such a way that every citizen shall draw a dividend from the activities of the community as a whole, of such magnitude that almost immediately poverty, financial anxiety, economic depression, and all other features of our present social system will disappear like the bad dream that they are. Let no one suppose from this that I am suggesting a state of affairs in which all men and women will be equal. Men and women never were equal, are not equal at the present time, and, in my opinion, never will be equal, but their inequalities rest on a far more fundamental basis than that of differences in a bank pass-book, and the abolition of such artificial inequalities will not only bring into the light of day the real difference in individuals, but will secure by common consent their general acceptance. ***



The Monopolistic Idea By Major C. H. Douglas, M.I., Mech.E.

A speech delivered at the Melbourne Town Hall, Australia on January 22nd, 1934

The title which may be applied to this address of mine tonight is "The Monopolistic Idea." First of all, I wish to point out to you that the idea of world monopoly is not a new one, far from it, although it has taken many forms. Practically all the world's historical empires, beginning with the Roman Empire, although there were others before that, were attempts at world power. That was the first type of an attempt at world monopoly, the military idea. We had an attempt in that direction so late as in 1914. It was the hardly concealed objective of the German Empire to form a military world state which would be supreme. We know that failed.

Another attempt along administrative lines undoubtedly was launched immediately after that in the original idea of the League of Nations, which undoubtedly contemplated the formation of something of the nature of a superior state which should lay down the law for everyone else. That never got very far, because I think its objective was early realised, and imperceptibly it merged into something else, which is undoubtedly a matter for our closest concern to-day, namely, the financial world state, the financial hegemony of the world by a selected group of central banks, crowned by the Bank of International Settlements. That is simply the translation of the same idea into different methods, one after the other.

You can see that it is a constantly recurring idea, and it recurs in different forms. I think it is extremely important to recognise it, because you can then recognise what is the connected meaning of a lot of disconnected things which are going on all over the world at the same time. The form of the attempt at a comprehensive centralised monopoly in Great Britain and the British Empire is something which is called rationalisation, and it is being carried on under the direction - at any rate, the ostensible direction - of the Bank of England. Rationalisation is claimed to be the supersession of small and so-called inefficient undertakings by large trusts, and this is being achieved by a number of methods and in a number of ways.

One interesting example of how the mechanism works, came into my experience as an engineer and company director. It is a very interesting instance of how these things come about. We found that in competing for a certain class of work we were always amongst a few high tenderers, and those high tenderers with us we knew to be practically the only solvent firms in that particular business, at any rate in that particular district. But we found that firms which were notoriously inefficient and notoriously insolvent, owing enormously large sums of money to banks, were quoting prices for particular types of work which

were sometimes half the prices we could quote. Of course, no explanation was given, but there were only two possible explanations of this.

One was that these inefficient firms, being completely in the hands of financial undertakings with their shareholders having no hope of ever obtaining any money or anything else, instructed their estimating staffs and operating staffs to quote any price which would get the work, because they knew that would merely have the result of increasing their overdraft with the bank, and that the bank could not shut them down, because they had no value as a scrapped concern, whereas they had a value as a going concern. The result of that state of affairs was peculiar, and it was that all the work went to the most energetic firm, or a considerable amount of it did, and the result of that, in parts of England has been to put all except a certain selected number of firms out of business.

Those firms are amalgamated, and they form the nucleus of a class. What happens to the unfortunate people not in that class does not matter from the point of view to those in the class. That is one form that this centralised monopoly takes with rationalisation in a country. The excuse which is given for that policy is, *"Oh, yes, it may seem that a good deal of hardship is being inflicted at the moment, but we cannot help that; ultimately industry will be much more efficient."*

Now, there are two comments which may be made upon that. The first is that industry already is so efficient that it does not require to be worked at more than a small proportion of its possible output to supply all the goods which people can absorb at the present time, so that, quite obviously, efficiency is not a pressing matter. The second comment which may be made is that it is by no means proved that large undertakings are very much more efficient than small ones. In many instances exactly the reverse is the case. This rationalisation into a series of trusts, all controlled at their apex by banking concerns, is the form which the monopolistic idea is taking, I think we may say, in the British Empire. One would think at first sight that nothing could be more remote from that than Russia.

During the past two or three years I have devoted a good deal of attention to Russia. Various attaches from the Russian Embassy in London have been to see me, and I have talked to the American consulting engineers who have done and directed most of the actual work and so forth in Russia. Therefore, I think I have reasonably clear and sound ideas as to what is happening in Russia. The position there is alleged to be a **dictatorship of the proletariat**. What is the case, without a shadow of doubt, is that Russia is an example of a **dictatorship over the proletariat**.

There, is no doubt that Russia is a very highly centralised organisation, over

which the individual Russian has no control of any kind whatever. He does what he is told; he works as long as he is told; and he eats what he is given. I think in fairness I ought to say that almost all people who have been to Russia unite in agreeing as to the extraordinary enthusiastic spirit which is present in the average Russian worker. Whether he really sees something outside this particular place to which he is going or whether he is hypnotised by an idea - and the Russian is a highly emotional, easily hypnotisable individual - I do not presume to say.

All I can say is that there is undoubtedly great enthusiasm amongst the average Russian for the state of affairs which is existing.

Now, one thing is very clear about Russia. I am not in business as a prophet, but I will venture on a prophecy about Russia. It is a country which is being rapidly brought up, or an attempt is being made to rapidly bring it up to the industrial level of Western Europe.

It was a great deal behind that, and an endeavour is being made to bring it up, by the method of gigantic centrally administered industries, on a scale which the world has never seen anywhere else. A great many things have been achieved in Russia in the past ten years or so, but they have all been in the form which might be called building factories.

The results have all been achieved by obtaining good engineers, chiefly from America, though to some extent from Britain and Germany, to put up enormous plants. Those plants are, in many ways, bigger than any which exist even in the United States of America, where the management of the very big concerns is beginning to be a very great problem, as we can all learn by reading our newspapers.

There they have the advantage of a skilled population and probably the highest class of administrators that you could get anywhere; yet they do not find it a particularly easy task.

But in Russia there is a very much larger set of industries, with a population which is completely untrained, and with no class of traditional administrators, business managers, engineers, organisers, and so forth; so I believe we shall see in Russia a most colossal breakdown as a result of an attempt to run industries on a scale which is completely outside the capacity of the country. However, that may be, what has to be remembered about Russia is that her problem is one of production and not of consumption, and when you hear stories about there being no unemployment in Russia, and other suggestions that the problems with which we have to wrestle have been solved, you must remember that they are not within 25 years of the stage which we have already reached. In my opinion, they will have great difficulty, by the methods which they are pursuing, in reaching our stage of production.

Our problem, as my Chairman so lucidly said, is the problem of piles of production on one side, with consumers on the other, unable to get at the production which is waiting for them.

Russia's problem is one of producing, and not of distributing. There is another form of centralised monopoly, though it is very different from the rationalised form. The third form in the world at the present time is Fascism in Italy, where it has reached its highest point so far. Fascism is really a mixture of the old so-called capitalism with what was called Guild Socialism, and there is no doubt at all that it has restricted both the freedom of the manufacturer and the freedom of the worker.

Very useful things have been achieved in Italy during the past 10 or 12 years. Those of us - and I am one of them - who do not like the form that society is taking in Italy - and, in fact, actually dislike it - I think must admit that a great deal of most admirable work has been done under the Fascist regime in Italy. What we can see quite plainly is that, having done such good work, it is in the position of having to find more and more and more work; otherwise the system breaks down of its own weight.

These systems always require some kind of a war - either an economic war or a war against disease, if you like - to keep them going, and Italy, having brought her affairs up to a fairly high standard of efficiency, is undoubtedly in a difficulty to find what she is going to do next. It is very often thought that the issue in the world or, at any rate, in the industrial and economic world, at the present time, is that between something called capitalism, and, let us say, socialism.

The first thing about which to be clear in your minds is that there is an actual revolution from anything that could be recognised as the old form of capitalism going on under your notice. The sort of thing that would have been recognised as capitalism even 25 years ago is practically dead. It has been superseded by other things under different names, but all, in my opinion, actuated by the desire to establish effective monopolies.

The great monopoly which gives the power to monopolise other things is what we call the monopoly of credit.

I want to give you a very short idea as to what is actually meant by that, as to how it came about, and as to what may be the outcome of the existing position in regard to it. In the first place, what is it?

Credit, of course, comes from the Latin word *credo* (I believe), and one of the best definitions which exists of "credit" is contained in the words of St. Paul: "*Credit or faith is the substance of things hoped for, the evidence of things not seen.*" Money is a credit instrument. Just compare that with the definition I have given. There is a curious faculty in the human makeup - the makeup of the cosmos if

you like - which enables it to project forward its ideas, and then to fill those ideas with solid fact. When your great Sydney bridge was built, first someone conceived an idea that there should be a bridge across the harbour. Then someone had an idea as to what sort of bridge it might be. They put the bridge on paper, they altered it a little; they calculated it, and so forth, and eventually the idea became a bridge. Behind that conception was the belief that it could be done. No one would have gone forward from that idea, but for the perception of the truth that this curious system of ours, which we call the financial system, is the embodiment, or, if you like to put it that way, the debasement, of that peculiar faith - the faith that things will be done. For instance, when I come to you and offer you a £1 note you will have faith in that £1 note; you have faith that something will be given to you in exchange for it if you want that something. That is why you accept the £1 note, and that is why this question of money is wrapped up with something which at first sight does not seem to have anything to do with it at all; and that something is this thing credit. What is credit, and why is credit so important in the modern world?

Let me give you an illustration. Suppose I go to the railway station, and want to travel from here to Sydney; the first thing I have to do in order to make the journey is to get a ticket. When I get that ticket I do so in a state of faith that without a ticket I shall be unable to travel to Sydney. I take the ticket as a sort of definite concrete evidence that the means of travel to Sydney by rail exist; and it is quite obvious that if I begin to associate the idea of travel to Sydney by rail as being indissolubly or inseparably connected up with the idea of getting a ticket the ticket will very soon begin to appear to me to be the most important part of the railway. I do not have to know how the locomotive works; I do not have to know how the tracks are laid; I do not have to know how the signals are run, or anything of the sort. But I know that if I have a ticket I can travel on the railways to Sydney. So I have the idea of the ticket and nothing else.

Now there is no difference whatever between that railway ticket and a £1 note, except that the railway ticket is what we call an effective demand for a railway journey, or a faith demand, and the £1 note is a faith demand for anything that can be bought for £1; and so hypnotised have we become by this system that we have begun to believe that the £1 note and the ticket are more important than the railway journey or the thing that we purchase. Now let us see what an enormous power is involved in this power to issue or not issue a ticket. Imagine for a moment the extraordinary state of mind which takes place, and let us suppose that there is a legitimate reason for it, when large numbers of the population are told that they must starve or cannot have necessary things because unfortunately there are not enough tickets; or they are told,

"It is an unfortunate thing that you cannot make this journey, because unfortunately there are not enough tickets." Now if you are on a railway journey, you know that it is part of the business or functions of the railway - of the traffic department of the railways - to deal with the tickets, to make provision for the issue of the tickets. But let us consider the position in the world at large in regard to this more generalised thing that we call money. All of you probably have a hazy sort of idea that when you grow an acre of wheat you grow or create the money wherewith to buy that wheat. Of course, you are always being told that you are wealth-producers, but you do not find that the theory has worked out too well in practice after you have grown that acre of wheat. You may be wealth-producers, but you begin to realise that £1 notes do not really grow at the roots of the wheat in the field.

The fact must be realised that the wealth of the world is really produced by production; the tickets which are the effective demand for that wealth are produced by the financial system; and the two things are not necessarily connected at all.

You can grow wheat until your barns are filled to bursting point, and you can manufacture motor cars until your roads are black with them; and yet you will not increase by one penny so far as those processes are concerned, the amount of purchasing power in the world. I want to point out to you how it comes about that the ticket system has become separated from the production system or the transportation system. Just imagine what you would say, what you would think, if you were called upon to build a railway, if you had to provide all the work and all the material, and then somebody set out in the principal towns to establish a ticket office from which to issue the tickets for that railway as a monopoly.

Yet that is the sort of thing that is happening in the world at the present time. I want to show you what has taken place, how that state of affairs has come about because I think it is explanatory of the present position. If we go back to the beginnings of the money system, the recorded beginnings that are well authenticated, we find that wealth was represented by cattle. The owner of the cattle, of course, very often bartered some of his cattle for grain in order to feed the rest of his cattle. The man who grew or sold the grain was an itinerant vendor who moved about, and he got into the habit of taking from the owner of the cattle a round disc of leather, and sometimes that disc bore the imprint of a rude image of a cow's head, and sometimes it did not. We have a reminder of that fact in the words that we use at the present time. We talk about a money transaction as being a pecuniary transaction, and the word "pecuniary" comes from the Latin "pecu," which means cattle.

Now when this state of affairs was in existence there was also one very

extraordinary fact - the owner of the cattle, the owner of the wealth, and the owner of the money, the owner of the leather discs, comprised really one and the same person. So there you had the production system and the money system concentrated under the one control, in the one set of hands. Obviously a system like that could not be expected to work for very long. Some bright gentleman no doubt got the idea of punching out a few additional bits of leather, and that was really the first form of inflation.

Now I would like you to follow me in a jump over a long span of years to the middle ages. In the middle ages the goldsmiths were the world's bankers; the goldsmiths were primarily and originally artisans in precious metals, and because of that fact no doubt they had the best strongrooms in those days. As a result of that fact it came to be the habit of the Feudal nobles of the middle ages to leave their gold plate and other movable and portable valuables with the goldsmiths for safe keeping. The goldsmiths in turn gave the owner of the plate or valuables an ordinary receipt which in those days was written on parchment, because parchment was fairly enduring. The goldsmith would sign that receipt in the same way as anyone would sign a receipt at the present time.

As these signed receipts came more and more into use they really became the lineal ancestors of our modern bank notes, because people began to use those receipts for paying for other things without bothering to draw out the plate and valuables to which the receipts referred. So that if a man bought a piece of land in those days he would very often pay for that land by means of one of these goldsmith's receipts, and the seller of that land would not bother to draw out the gold plate to which the receipt referred, but in turn would exchange the receipt with someone else for something that he required.

So it will be seen that these receipts really constituted the first bank notes. There is something else to be emphasised here, and that is that at this point a very important thing took place. When this money or when these receipts began to pass from hand to hand they were issued, and their validity was accepted, not so much on the basis of the name of the man who had actually deposited the gold plate with the goldsmith, but on the basis of the signature of the goldsmith who actually issued the receipt.

It was the fact that the goldsmith was known to be a reputable person which really made these notes or receipts acceptable. So that at that stage you get a very significant change which took place, a transfer from the producer of the wealth to the custodian of the wealth, of this power of issuing something which would be accepted. Then there was a third and final transfer, which was consummated at the time of the outbreak of the Great War in 1914. It was the conventional belief before that time that there was one piece of gold in a bank to represent

every pound deposited, drawable either by cheque or in some other way; it was a conventional belief that if you had £100 in the bank you could go to the bank and demand 100 sovereigns.

And, of course, you could do so as long as everybody did not go along and make the same sort of claim at the same time. But the position arose in August, 1914, in Great Britain that everybody conceived the wild idea of doing that at once, and practically everybody attempted to do it, with the result that within a very short time every bank in Great Britain, including the Bank of England, was bankrupt. The banks were completely unable to meet their liabilities on the terms under which they had contracted to do so - in gold.

There were, I think, nine hundred millions of deposits in the Joint Stock Banks in 1914, at the beginning of August, 1914. Practically all the gold was drawn out of the Joint Stock Banks, and I am informed that the gold at the Bank of England was reduced to something like ten millions - a very small amount for the Bank of England. There were six hundred millions of deposits still undrawn, or being drawn at a very rapid rate, when that gold was exhausted. As you will probably remember, a moratorium was declared - that is to say, all debts were held up for three or four days, all the banks were closed, and so forth. Then the banks reopened with a nice stock of clean white little notes, which said, "**I promise to pay the bearer £1 on demand.**"

If you had taken one of those little notes to the Bank of England they would have taken it and given you another little note exactly like it, saying "Here is your £1." That worked perfectly, and everyone was happy. People took the notes, and business was carried on in exactly the same way. I want you to notice what these £1 notes represented. They were issued by the Treasury, although, unfortunately, they were issued through the banks, which gave the banks control over them. But those £1 notes received their value not because of anything deposited in the banks, because all the deposits in the banks had been drawn out; they received their value because they rested on the general credit of the country. That was the first stage.

What do we mean by the general credit of the country in this connection, and what is its important factor?

The general credit, the real credit of the country, I think is correctly defined as being the ability to produce and deliver goods and service as, when and where required.

It is quite obvious that these little bits of paper on which we place so much store, are of no importance whatever if no one will deliver something in exchange for them. It is the fact that they are accepted as what we call effective demand for goods, which makes them important.

This credit and this power of issuing money have become, through the process I have explained to you, a monopoly, and that monopoly remains.

It is quite obvious that such monopoly achieves enormous power by restricting its output, as you might say. If everybody has enough money money becomes less important in proportion to the amount of money you have. If you do not know from where your next meal is coming, and you cannot get your next meal without money, money looms before you as the one essential of your life; but if you have a reasonable income it does not loom quite so large; you are not quite as much worried as to whether something costs you 6d. or 7d.

Therefore, it is in the very nature of monopolies of all kinds - and I say this after great consideration and as being a very important thing to consider - that they shall restrict their output, so that you shall desire it, to make it have a scarcity value.

I do not believe it is conceivable, or in the nature of monopolies, for a monopoly to supply the world to the extent either that the world is capable of producing a commodity, or is really desiring it.

That is one of the strongest objections to monopolies. You will notice in the world at the present time that restrictions of all kinds are increasing - restrictions on the growth of wheat, possibly restrictions on the shipment of wool, I do not know, but there are restrictions of this, that and the other kind, restrictions on entering this country or that country, restrictions on taking this thing into one country or taking something out of another country. All of these restrictions are part and parcel of this policy of growing monopolies of various kinds.

Now, what does this credit really rest upon?

This is a very important matter, because it has to do with who is the real owner of the money which represents the effect demand tickets. I pointed out to you in the beginning of this explanation that originally money started with the owners of wealth. Of course, it is the orthodox Labour argument that labour produces all wealth. If that were true it would be perfectly right and proper in my opinion to say that all money belonged to labour, but I am afraid it is not true. That is not the case.

The case is much better than that, even from the point of view of labour. The great factor in production under our modern system is the labour supplied by the sun. By that I mean water-power, oil-power, coal-power, power through the agency of electricity, and so forth. Production today is almost entirely a question of power. When labour supplied the whole of the power by muscular effort and so forth, I think it would have been a fair and equitable thing to say that labour produced all wealth either by hand or brain.

But we of the Western world are the inheritors of a magnificent culture which

we ourselves did not produce, but which largely was handed down to us from previous inventors, engineers, organisers and so on.

We are merely the administrators of that cultural inheritance, and to that extent that cultural inheritance is the property of all of us, without exception.

You must remember that your best engineers, organisers and administrators definitely have been trained to put the world into a state of unemployment for the past 150 years. That is what they have been trying to do. When you have achieved that thing you do not know what to do with it. But what you have to do is the simplest thing in the world. You have to represent this real credit, this capacity to produce enormous quantities of wealth, by financial credit in the form of money-tickets.

It is a technical matter into which I am not going tonight, but you have to recognise that the ownership of that part of the ticket which represents the cultural inheritance is one in which we are all joint owners.

I believe that not only from the commonsense point of view of making the machine work, but from the ethical point of view and from every other point of view you can conceive, the time is ripe, is overripe, for the issue of a national dividend in some form or other. You are going to be faced, if you allow your best brains free play, if you like to put it that way, with a rapidly increasing problem of so-called unemployment, and that problem of so-called unemployment is simply the stopping of the work of those people who are not required.

Are we, as a world of presumably sane people, going to say that because we no longer require the work of these people, and yet can make all the goods that they require, we are going to prevent them from having the goods? The thing is insane.

But the situation has an even more tragic aspect - that is, that this determination to recruit the employment of the whole population as being a permanent and inevitable accompaniment of any economic system which will be tolerated, means that as soon as you possibly can use in any modern country all that the whole population with modern machines can produce, you must strive for export markets.

That is a perfectly straight-forward proposition for two or three countries in a world of 40 or 50 countries, to strive for export markets, but when the whole 50 countries are striving for export markets, then, short of exporting to Mars, there is no solution of that particular problem. The result of that struggle to capture export markets and to maintain the technique of the present obsolete system is inevitably war. That is the danger with which you are faced - possibly the imminent danger - so that if I have made my point clear there is no subject in the world at the present time of such vital concern to every man, and particularly to every woman who has children, or hopes to have children, than this problem of

credit.

I repeat that the problem of credits must be solved, and that increased purchasing power in the form of a national dividend should be given every person.

A national dividend is justified economically, by the increased power of production, and morally by the fact that this increased production is not due to any section of the community - neither the labourer, scientist or capitalist, but to all.

The world will have plenty of problems to solve after this problem has been solved, as it can be, but I assure you there will be very few people left in this world to solve any problem, if you do not solve this particular problem very soon. ***

Security: Institutional and Personal By C. H. Douglas

An Address delivered in the City Hall, Newcastle-upon-Tyne, on 9th March, 1937.

The matters on which I propose to speak to you tonight are so simple that, were it not for one fact of human, experience, I should hesitate to trouble you with them. The fact is that it is the simplest matters that always form the subject of the most profound misunderstanding, and in regard to which the average individual is the most difficult to convince of any error in his belief. You will remember that it was a matter of common certainty for many thousands of years that the sun revolved round the earth, and when the astronomer Galileo produced quite unshakable evidence to show that, on the contrary, the earth revolved round the sun, he was regarded as a blasphemous heretic and was severely punished.

Now the first of these very simple matters which I propose to bring to your attention is the difference between policy and administration, together with the primary importance of policy. If a man is standing on the platform of Newcastle Central Station it is obviously of primary importance whether he decides to go to Edinburgh or Darlington. The question as to whether he goes by a fast or a slow train, whether he finds that the railway is well or badly operated, or whether he decides finally to go by motor-car is of secondary importance to the question of his making up his mind where he wants to go.

A Policy of Work

In all the discussions which are allowed to obtain wide publicity on the affairs of the world at the present day, every effort is made to concentrate attention upon questions of administration, on how to make the railway in my allegory better, or how to improve the road or the motor-car.

The point I want to impress upon you at the outset is that we are having a policy imposed upon us, and that policy is the cause of our troubles. Any

discussion as to how that policy shall be administered, whether by a dictatorship, so-called democracy, Fascism, Bolshevism, Nazi-ism, or otherwise, is merely irrelevant.

This policy, which is practically identical everywhere, whether in Russia, Italy or Germany, is the gospel of work. “If a man will not work neither shall he eat.” It is not for nothing that Paul, the Roman Jew, is the patron saint of the City of London.

I must emphasise the point that the policy is *not* “If a man does not work there will be nothing to eat.” To the extent that such a statement is true, the other statement is reasonable. But to say that all men have to work in industry at trade union rates for trade union hours before it is possible for all men to eat, is flagrantly untrue, and becomes less true everyday, *except as a policy*.

I propose to bring as forcibly as possible to your attention that it is not the prime object of existence to find employment. I have no intention of being dogmatic as to what is the prime object of existence, but I am entirely confident that it is not comprised in the endless pursuit of turning this originally very beautiful world into slag-heaps, blast-furnaces, guns, and battleships. It is just at this point that the extreme simplicity of the dilemma in which the world finds itself becomes evident, and it is at this point that it is so difficult for most of us to grasp what is equally simple, which is that the mere fact that some of us may earn our living by building a battleship does not in itself mean that it would not be possible for us to live much better, more comfortably, and more safely, if that battleship were not built.

Do not misunderstand me. This is not an address on pacifism. On the contrary, I think the determined opposition of the oligarchy which rules us to any effective financial reform has made war nearly inevitable and rearmament imperative. What I am endeavouring to explain is that the fact that you were paid wages for designing and building a battleship, and that with those wages, salaries (or, if you are shareholders in the companies that build them, the dividends), you buy yourself the amenities of life, does not mean that it is written in the law of nature that you cannot get those amenities unless you build a battleship. If, in addition to having your energies diverted to building a tool of destruction instead of a tool of construction, you are going to be taxed to pay for it and for the money the banks create out of paper and ink to pay your wages, you will be a triple loser.

Passports to Prosperity

But you have no doubt noticed—though you have perhaps not noticed it so much on the North-East Coast as we have noticed it in the South--that the setting to work of a large proportion of the industrial population of this country on the manufacture of things intended to kill or wound or otherwise inflict pain and

misery upon other human beings, has been accompanied by what our lords and masters refer to as a revival of prosperity. And they are already explaining that their best efforts are being devoted to finding methods by which we shall be kept busy, when, if ever, we have enough battleships. The most hopeful avenue, they consider, is to capture further export markets. But they do not explain that other countries also, under this remarkable system of ours, wish to capture export markets--that this effort to capture further export markets will, therefore, require the building of further battleships so as to keep other people in what we consider is their proper place.

If you were to say to an intelligent child that the aim or objective of the average human being was to live in a pleasant house, have sufficient to eat, and to be well clothed, I think that child would say at once that what you ought to do was to build sufficient pleasant houses, grow sufficient food, and weave whatever clothes you require and then stop and enjoy yourself. But most of us, I am afraid, are not intelligent children. Some of us are even economists! And to be an economist it is impossible, apparently, to imagine a state of affairs in which, if you want something, you proceed to make it. The economist says it cannot be done that way. If you want a loaf of bread you must obtain employment making radio-sets, or machine-guns, or something else.

Once again, do not misunderstand me. I am not saying that you should not make radio-sets or machine-guns. What I mean is that it is not fundamentally necessary to make radio-sets or machine-guns in order to obtain a loaf of bread. An easier and shorter way is to grow and grind the wheat and then bake the bread. The radio-set which you do make will probably be used for the purpose of misinforming you in regard to the true price of bread, and the machine-gun will probably be used to shoot you down. But that is entirely your business.

Now if you say this sort of thing to an orthodox economist or to your bank manager, he will probably look at you with pity for your simplicity and will say, "Ah, but this country cannot support its own population." The first reply which I think most of us would make to this remark is that it does not support its own population very well at the present time; and the second comment one would make is that if it is a question of feeding the population, how is it that the amount of home-grown food which is produced is steadily decreasing, rather than that efforts are being made to increase it?

The point which I am endeavouring to get you to realise is that what is called full employment is always put forward as being the aim of our modern society, and it is assumed, and never argued about in official circles, that without full employment it is impossible for the population of the country to be fully supported in food, shelter and clothing, and that it is better to have full

employment making poison gas, than any unemployment.

Institutions Filching Security

I do not propose this evening to go over the well-known fact of the startling increase in productivity per unit of human labour during the past 150 years. I am going to ask you to take it from me that it is only the diversion of a very large percentage of human activity to ends which either do not conduce to its health and happiness, or are even a direct threat to those desirable ends, which prevent us from supporting ourselves in great comfort and security with the accompaniment of an amount of leisure which would enable us to make the fullest use of our opportunities.

Employment as an end, in itself is a concerted policy to be found in practically every country. It is an international policy; and it proceeds from the great international power in the world— the power of finance. It is conscious, and it is sustained by every argument and force at the disposal of that great international power, because it is the means by which mankind is kept in continual, if concealed, slavery.

May I ask you to divest your minds as far as possible of every political preoccupation and to consider whether the fundamental policy of Fascist Italy, so-called Communist Russia, the United States, Germany, and Great Britain is not identical, and that it is, by varying methods but with identical objectives, to force people to subordinate themselves, for a number of hours per day greatly in excess of those really necessary, to a work system?

It is a matter of common observation that this full employment becomes increasingly difficult to insure in respect of what is called the home market; therefore, foreign markets, which it must be remembered are equally desired, under this insane system, by every country and, therefore, are matters for fierce competition, are stated by our bank chairmen to be essential to our prosperity.

Since these foreign markets are equally matters for the competition of every country, sooner or later this competition leads to friction, and from friction to the threat of war, with the result, which is very much to the advantage of our lords and masters, that we have to build large and expensive navies and air forces to deal with the situation which our competition for foreign markets has brought about. Of course the building of these fleets provides more employment, and therefore the system is carried on a little further towards the inevitable catastrophe.

If you have followed me so far, you will begin to see that all the efforts which we make towards so-called security at present are merely action taken to preserve, for a little longer, institutions, and notably the financial and industrial institutions, and that in working to preserve these we only insure ourselves, as

individuals, further hardship and anxiety and eventual catastrophe.

Correct Action the Only Saviour

It is not too much to say that the whole future of the human race depends, if not upon an understanding of the problem which I am trying to put before you to-night, at any rate upon correct action in regard to it.

I can at once imagine that you will say, "How is it possible to obtain correct action in regard to this problem until a very large proportion of the people concerned understand what the problem is?" Well, the answer to that is really very simple too.

If you could only persuade people to ask for what they want, instead of for some method through which they think that what they want can be given to them, the problem would be half solved already.

Nothing is more dangerous than inexact knowledge. It is the man who thinks he can sail a boat who wrecks a boat, not the man who knows he can't and doesn't try, but merely says, "Let me out. " At the present time the affairs of practically every country are at the mercy of a small group of people who know exactly what they want, which is not what you want. This small group manipulates much larger groups, who don't know what they want, but think they know how to get it.

The working man of this country has been taught by propaganda of all kinds that it is a meritorious thing for him to say "I want work," but a contemptible thing to say "I want money. " Once again, please do not think I am suggesting that there is anything virtuous about laziness. Far from it. There is nothing specially virtuous about work either. I have worked at least as hard as most people, and most of the time I did it, because I liked it. The healthy human individual requires work of some kind, just as he requires food; but he is not a healthy individual, mentally at any rate, if he cannot find work for himself, and probably find work which he can do far better than that which is arranged for him by somebody else. If he cannot, he ought to be in a mental institution, which, in fact, is where most of us are, the headquarters being the Bank of England.

There has been a cant-phrase in politics in this country since the days of Mr. Asquith that the will of the people must prevail. (*ed* - cant is the jargon or language of a group, often employed to exclude or mislead people outside the group.) Mr. Asquith was probably one of the greatest experts in modern history at arranging that the will of the people did not prevail. And the method which was followed though not initiated by him—a method which still appears to be successful—is to divide up the population into warring sects, each of which imagines that it has a complete set of blueprints for the construction of an immediate Utopia. Since practically all of these Utopias are schemes for penalising someone else, you have only to adopt each in turn and eventually you

will have reduced everyone to a dead level of slavery, which is what is happening.

Escape from Utopia

Now, once again, I can imagine quite a number of people in this audience saying that I am one of those people who has a complete set of blue-prints for the construction of a Utopia, and therefore, perhaps you will allow me to explain exactly why I should not agree to that charge. I have no views whatever as to how my neighbour should spend his time, so long as his method of spending it does not infringe upon my own liberties.

To me it is a matter of no consequence whatever that many or most people are very much richer than I am. The only financial matter which is of consequence to me is that I shall be well enough off to meet my own needs, which are quite modest, as I believe are those of most people. The technical proposals which I have put forward from time to time may be considered to differ from, let us say, the well-known beliefs of Utopianism, such as Fascism, Communism, State-Socialism, and so forth, in that, so far from exerting further compulsion upon individuals in order that they may conform to some machine-made conception of a perfect state, *I should like by the simplest possible methods to provide people with the means of making their own individual lives approximate to their own ideas, and not to mine.*

The more I see of Governments, the lower is my opinion of them and I am confident that what the world wants at the present time is a great deal less government, and not a great deal more.

Now I want to get a further perfectly simple idea into your minds. And that is that *Governments are your property and you are not the property of Governments.* There is no more pernicious and blasphemous nonsense existent in the world to-day than the statement which has been incorporated in the constitution of the modern dictatorships, which claims that the State, by which is indicated the Government, is everything and the individual is nothing. On the contrary, the individual is everything and the state is a mere convenience to enable him to co-operate for his own advantage. It is this idea of the supreme State in its various forms which has made the State the tool of the international financier who has mortgaged all states to himself.

The first step towards the security of the individual is to insist upon the security of the individual. I hope that is not too difficult to understand. If you place the security of any institution before the security of the individual, you may prolong the life of that institution, but you will certainly shorten the lives of a great many individuals. Institutions are means to an end, and I do not think it is too much to say that the elevation of means into ends, of institutions above humanity, constitutes an unforgiveable sin, in the pragmatic sense that it brings upon itself the most

tremendous penalties that life contains.

A great deal of our trouble in this country arises from the fact that, while we place great faith in the aristocratic ideal (if you prefer to call it the principle of leadership I shall not object), yet we have allowed all those influences which make the aristocratic ideal reasonable and workable to be sapped and wrecked by the exaltation of money as the sole certificate of greatness, and have allowed cosmopolitan and alien financiers to obtain a monopoly of money. We have retained the ideal and allowed the material of which it is constructed to become hopelessly degraded. In consequence, we are governed in the aristocratic tradition by a hypocritical and selfish oligarchy with one idea, and one fundamental idea only; the ascendancy of money, and the essential monopoly of it.

The essence of the aristocratic tradition is detachment—the doing of things in the best way because it is the best way, not because you get something out of it. That requires that the leader shall be secure. No one is secure nowadays. At the root of the growing danger of Government and other embodiments of execution is the idea that human beings are all alike. So far from this being the case, I believe that as human beings develop they become increasingly different. But they have common factors, and those common factors are the only part of the human make-up which can be dealt with by a democratic system, and ought to be dealt with by a democratic system.

It was, I think, Emerson who said that “we descend to meet.” Whoever said it, it is profoundly true. We all require food, clothing, and shelter; and we can combine, and ought to combine, to get those necessities as a condition for our further acquiescence in combining for any other agreed purpose. The primary use of a Government in a sane world would be to make it certain that the greatest common measure of the will of the population, from whom it derives--or ought to derive--its authority, is enough money for decent sustenance.

The Menace of Utopianism

Now, a great deal of what I have been saying can be reduced to the good old English advice to “Mind your own business.” But I should like to expand this to “Don’t meddle with your neighbour’s business, but assist him to mind his own.” The difference is the difference between saying to a destitute friend, “I will convey you to a Poor-Law institution where you will be given three meals a day if you do exactly as you are told,” on the one hand, and on the other hand saying, “I will settle £50 a year upon you for life, which will at any rate keep you in necessities; what kind of necessities you obtain you can judge for yourself.”

There is no more dangerous individual in the world at the present than the Utopianist. Mr. Montagu Norman, Governor of the Bank of England, is a Utopianist. Mr. Chamberlain is a Utopianist. Lenin was a Utopianist, Hitler is

a Utopianist. Just see where Utopianism has landed us. It is the Utopianist who provides the public excuse for nearly every theft of public property which has ever been committed.

Let me give you a simple instance of what I mean. We have all heard of the agitation for the nationalisation of the coal industry, and, in particular, of the raw material, coal itself. Now the actual amount which is obtained by the royalty-owner averages about three-pence a ton, so that whatever the ethical aspect may be, the practical effect upon the price of coal is quite trivial. But the international bankers who hold this country in pawn consider that their mortgage upon it would be more secure if it was backed by the coal deposits, and I can assure you that the result of nationalising coal would merely be to increase the security of the debt which we owe to certain international financial houses, and would not affect the well-being either of the miners or the consumers of coal to any perceptible degree.

Freedom the Only Policy

It is not my intention in speaking, to you to-night to go to any extent into technical details, or I should like to explain to you the colossal fraud of taxation. But the device of arbitrary taxation, for which the public justification is obtained from carefully worked up “popular” opinion, is one of the most powerful weapons by which the various sections of the population are kept in antagonism with each other, and by which at the same time the power and independence of each one of them is reduced.

One of the greatest difficulties with which we, in the Social Credit Movement, have been faced has been the skilful exploitation of human frailty by our opponents, the financiers, so that the community, and even the Social Credit Movement itself, has been split and kept from effective action. Another has been to persuade the industrialist that the financier was just as much his enemy, as he is of every other section of the community at the present time.

There is only one policy which will obtain the unquestioned acceptance of everyone for himself, and that is comprised in the word “freedom.” And it is exactly that policy which, in my opinion at any rate, requires to be made universal. The oligarchy which rules us is, of course, favourable to freedom for its own members, but it is implacably opposed to freedom for the general public. Since the key to economic freedom, as the world is organised today, is the command of money, it follows that differential and arbitrary taxation is the greatest enemy of freedom which the legislative authority has at its disposal.

Taxation is a negative dividend. There is a short cut, straight and simple from the present system of modified slavery to one of comfort, security and freedom, and that is the abolition of a negative dividend and the substitution of a positive dividend.

As many of you here are aware, the money system is an entirely arbitrary system, and the manufacture of money in the modern world costs little more than the cost of paper and ink. In saying that, I do not mean that a money system can function satisfactorily without some underlying theory which ultimately governs the amount of money which it is desirable to have at our disposal.

But I've no hesitation in stating categorically that the existing taxation system is, completely unnecessary, is wasteful, irritating, and predatory; and, further, that, in place of it, it would be possible to issue a dividend to every man, woman, and child in this country without depriving any individual of the privileges which they may now possess, but, on the other hand, increasing the privileges of everybody. But such a policy would deprive certain individuals of unjustifiable and anti-social power over others which they now possess, and since, unfortunately, these persons have come into control of the sanctions of government, the problem is not so much a technical one as a political one.

Now I am entirely convinced by my own investigation and experiences, not merely in this country but in many parts of the world, that while democracy in policy is absolutely essential to the functioning of the modern world; there is at the present time no such thing as a genuine democracy anywhere, and probably less in this country than anywhere else.

In this country the two main obstacles to a genuine democracy are the party system, with its offshoot, the Front Bench oligarchy, and, secondly, a mistaken idea on the part of the Member of Parliament that he is supposed to understand the methods by which results desired by the general public should be attained, and to pass laws which specify the actions of executive bodies and interfere with technical undertakings. None of these is correct.

A Member of Parliament should be a representative—not a delegate. It is his business to learn what it is his constituents want and see that they get it—not to tell them what they ought to have or to make himself responsible for its production. Policy and administration are two entirely separate things, and administration in this country is admirably carried on by a trained Civil Service. I include in the phrase “Civil Service” the staff of great productive undertakings just as much as the officials of Government Departments. They are all technicians, and on the whole, they are admirable. What they lack is clear instruction regarding policy, and it is your business to give them that instruction through your representative, your Member of Parliament.

Action

Now we have devised a mechanism which, if we could induce you to carry it out, would impose your policy upon your Member of Parliament quite infallibly, and if you imposed the same policy upon a majority of Members of Parliament

that policy would come into existence. First of all, you have to *agree* upon that policy, and, secondly, you have to take very simple *action*.

To agree upon a policy, it is only necessary to find a common factor of human experience. There are certain people who foolishly say that it is impossible to agree upon a policy. I think that is ridiculous. It is sometimes difficult to get agreement upon a policy for the other fellow, but there is no difficulty in getting an agreement about a policy for oneself. *The first thing that we all want is at least a minimum supply of money.* We may want more, but none of us, I think, wants less. If there is such a person in this room and he will give what he does not want to me, I will see that good use is made of it.

What is *certain*, however, is that the mechanism of democracy can *never* be applied with success to *methods* of realising a policy. An understanding of this has enabled our lords and masters to split the so-called democracy of this country on every occasion on which it was desirable to the maintenance of their power.

To submit to a democracy a highly technical question such as Free Trade or Tariff Reform, with its endless implications, is as absurd as to submit to a democracy the relative advantages of driving a battleship by steam turbines or diesel engines. Any decision obtained upon such a subject by means of a popular vote, can be demonstrated mathematically always to be wrong. The more complex a subject is the more certain it is that an understanding of it will be confined to a few people who will, of course, always be outvoted by the majority who do not understand it.

But this is not true of policy. Any man who is not a congenital idiot can decide for himself whether he wants to starve to death, live in misery, or live in comfort; and I can assure you that you have only to unite implacably upon a common policy, and to pursue it, and the proper means for realising that policy will be found for you. ***

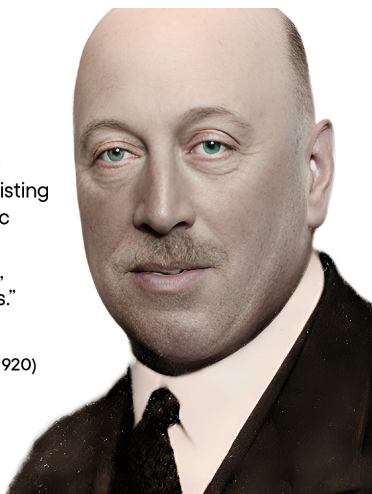
“

The essential nature of a satisfactory modern co-operative State may be broadly expressed as consisting of a functionally aristocratic hierarchy of producers accredited by, and serving, a democracy of consumers.”

C.H. Douglas

Credit-Power and Democracy (1920)

C.H. Douglas



Faith, Power and Action By L. D. Byrne (First Printing 1946)

Faith is the very essence of Social Credit and the only basis upon which an enduring human society can function.

Publisher's Note

This treatise was published originally shortly after the Second World War by the Alberta Social Credit Board. This was a body established by Statute of the Alberta Legislative Assembly “ . . .to devise ways and means for the evaluation, conservation, enhancement, advancement and realization of the social credit of the People of the Province.” This Board must not be confused with “The Alberta Social Credit League,” the *party* political organization of the “Social Credit” government in office at that time.

Throughout the time he was Technical Adviser and later also Deputy Minister of Economic Affairs, Mr. Byrne continued to stress that only by the abandonment of party politics in favour of non-party political action could the cause of Social Credit be advanced. That his advice was not heeded, has resulted in widespread misunderstanding of the nature of Social Credit.

The responsible political parties which have exploited the name and distorted Social Credit to serve their ambitions in futile competition with other political parties, have brought discredit and disaster on themselves as might be expected. In the Federal field in Canada the so-called “Social Credit” party has all but been eliminated. In Alberta, after more than thirty years in office, it survives as an ineffective opposition — the price of its abandonment over the latter years it formed the Government of any pretence of adhering to Social Credit principles. The parties in Quebec, Ontario, Manitoba and Saskatchewan, for all practical purposes have been wiped out. In British Columbia the so-called “Social Credit” Party, while retaining its name, has become submerged in a coalition with Liberals and Progressive Conservatives, formed to defeat the discredited socialist New Democratic Party government which preceded it. As a government, it is pursuing orthodox policies diametrically opposed to Social Credit.

This work by Mr. Byrne is addressed to Social Crediters — *genuine* Social Crediters — but it reaches out to every person of the Christian Faith, for it provides a fitting introduction to a study of that fundamental field of knowledge termed Social Credit as it was given to the world by the late Major C.H. Douglas.
October, 1977

Foreward

Here is an article addressed to men and women who are earnestly seeking Truth—men and women who will not be deterred by the necessity to do some deep thinking; for here are discussed such questions as: What is Faith? What is

Reality? How can Fear be removed? Is there a spiritual "increment of association?" What is the meaning of Time? The answers reflect the author's personal views—not those of any organization or movement—and for those who are sincerely seeking Reality he offers a deeper and more satisfying meaning to life and human experience.

His approach to Reality penetrates to first principles. It represents a metaphysical analysis which, when understood cannot fail to thrill and inspire the Christian with a fuller realization of the tremendous implications of his Faith. It cuts across and bridges the denominational differences which tend to divide Christians, providing a deeper understanding of Christ's assertion: "In my Father's House are many mansions." It provides the foundation for a personal policy without which there can be no basis for an effective association of Christians.

However, the reader must not expect to obtain this by a casual reading of the contents. The subject matter of the article is highly condensed. It requires concentration, and, as the author states in the conclusion, it should be read several times and thoroughly studied, before the reader should presume to have anything like a full understanding of it.

He will find that Part One requires his undivided attention, but after having made the necessary effort to grasp the meaning of these few pages, he will discover the remaining parts much easier to master and truly inspirational— if he is one of those who are destined "to turn the world upside down."

I—TOWARDS REALITY

Each individual person lives in eternity, though few gain a realization of this fact. There can be no consciousness of Reality for any of us except the "here and now." What is happening to us—our experiences—here and now seems vividly real. What happened a minute ago, an hour ago or a month ago is but a memory. It has no Reality for us. What may happen a minute hence, an hour hence or a month hence can be but an anticipation born of imagination. Neither has it any Reality for us. The only consciousness of Reality for each of us is what we are actually experiencing in the present—in the "here and now." But the "here and now" is ever present. From moment to moment throughout the day it is the "here and now" for each of us—it is the only Reality of which we are conscious. At night we retire to bed and in deep dreamless sleep our human consciousness "dies." But in the morning comes the resurrection, and again our consciousness becomes aware of the only Reality we can know—our experience in the ever present and eternal "here and now."

When we enquire more deeply, we are forced to recognize that this fleeting time-and-space-bound glimpse of apparent Reality we experience comes to us

through our physical senses. We say, "I feel ... I see ... I smell . . . I hear ... I taste . . . " Who or what is the "I" which has the experience? Is it simply the human body? If it were, then how could "I" observe and analyse "my" experience and say "I think . . . " "I believe . . . " We call that observer "the Mind," which must necessarily be distinct from "the body"—gaining experience and finding expression through the physical body.

But when I say: "That is a beautiful red rose," how do I know that the experience of which I am conscious is identical with the experience of which you are conscious in viewing the same flower? How do I know that what I describe as "red" does not appear to you as what I would describe as "violet" and that what I would call "violet" does not give you the colour experience that I would describe as "red"? Words have no meaning except to describe a relative experience of our Minds.

Mind the Creator

However, the matter goes deeper, for how can I prove that the rose actually exists? I can reach out and touch it, but until my sense of touch conveys a message to my brain and from thence to my Mind, it means nothing. You may argue that the fact we both see the rose and describe it alike is evidence of its existence. But is it? I see you and I hear you, yet what I see and what I hear is what my Mind creates for me through my senses of sight and hearing. Outside my Mind you cannot have any existence **for me**.

This brings me to the disconcerting conclusion that everything I see or feel or hear is literally a creation of my Mind, and that in the "here and now" in which I am "having the experience" it has for me the same degree of Reality as the objects seen or felt or heard in a dream experience during that phase of sleep when consciousness remains. Both are creations of my Mind.

But who is the "I" that "experiences" the creations of the Mind in the "here and now" from moment to moment? Is it the Mind itself? But can the Mind be its own ultimate observer? Hardly, for how could the Mind, itself subject to change from moment to moment, at the same time be aware of both its limitations and its limitless potentialities? There must be a deeper Inner Self of which the Mind is the reflection that is the ultimate observer finding expression and seeking development through the Mind both in its conscious state and during unconsciousness.

The only "Reality" of which the Mind can be conscious within the prison of its three dimensional time- bound physical body is that which it experiences in the "here and now." But the "I"—the Inner Self and ultimate observer—being spiritual, reaches out in search of Absolute Reality —towards timeless and spaceless eternity. But the consciousness of its body-bound Mind is incapable

of realizing this. It can only grasp at the ever-dying present. The past is but a memory shrouded in the mists of time. The unborn future is obscured in darkness—the darkness of "the unknown." Human consciousness is bounded by birth and death—by "a beginning" and "an end" to everything. The fleeting glimpse of apparent Reality in the "here and now" seems but a creation of the human Mind no sooner born than it dies. And beyond Life is what? Death and annihilation? The human Mind thus looking outward through the windows of its physical prison is confronted by a sense of utter frustration.

Looking Inwards

Yet if, instead of looking outward, it turns inwards, towards the "I"—the Inner Self—from whence emanates the impelling urge to seek absolute Reality, the human Mind is freed from its physical prison, for the Inner Self is "spirit," it is not confined by three dimensional space and the limitations of time; it can reach out beyond the narrow bounds of human experience to glimpse Reality. But this vision—this "knowledge"—that is imparted to the Mind does not follow any process of reasoning, recorded by the vibrations of the human brain. It is above and beyond human experience; it is spiritual.

It is this spiritual experience which imparts to the individual Mind "the knowledge"—the enduring conviction—to relate the ever unfolding present to "the unborn tomorrow and dead yesterday," to bind back this Life to Reality. This knowledge—this enduring conviction—is what we term Faith; and its manifestation in "binding back" the fleeting "here and now" of our conscious experience to the ultimate Reality of eternity we term Religion—using these two words in their correct meaning.

When the human Mind turns inwards in search of Ultimate Reality, it asks: "Who am I? Why am I? I know that I am, but what is the purpose of Life? Is Life purposeful? Is the Universe purposeful? What is the Source of my being—of the Earth—of the Universe? How did it all start and towards what is it developing? What was there before there was anything?

What is Ultimate Reality?" And so the enquiry proceeds. Step by step the clumsy process of human reasoning leads on to a realization that just as the only fleeting glimpse of apparent Reality which each of us can experience in the "here and now" is, for us, a creation of the individual human Mind, so Absolute Reality—timeless and spaceless but embracing time and space—is the creation of the all-embracing Universal Mind of the Absolute—of God. Human personality is, therefore, a creation of the Universal Mind— of God; and that creation embraces the Mind of each human being with its attribute of creating for the individual the only glimpse of apparent Reality of which he can be conscious. Thus each human entity is a creation of God— "a child of God"; and all humanity

are "children of One Father " To the extent that the individual—the inner human personality—can bring his Mind into harmony with the Universal Mind—with God—he will gain a realization of Reality.

Power of Faith

To the human Mind, itself an emanation of the Universal Mind, the universe appears to be time and space bound, developing from moment to moment, decade to decade and century to century, in obedience to "natural laws"—for ever in a state of ceaseless change, a continuous process of annihilation and re-creation. But this is the concept of the universe created by a time and space bound human Mind, which can be conscious of no Reality except that which it creates. In reaching out towards Absolute Reality it must break through the limitations of its human prison and by an inner personal spiritual experience acquire a deeper knowledge than human reason can impart. Only thus can the human Mind, for a rare moment, achieve that harmony with its Creator and His Universe. Thus is born Faith by which the individual can tap the inexhaustible Source of All Power; thus can the individual "tune in" to the Universal Mind and adjust his time and space bound Life to the Canon—the Universal Law—in obedience to which the changeless and eternal creation of the Universal Mind which we call the universe is ceaselessly changing, evolving, and being. To the extent that the individual seeks, finds and, in his Life in the ever present "here and now," obeys this Canon, he will achieve harmony with the purpose of Creation—he will fulfill the purpose of Life.

The Faith inspired individual consciously "lives" in eternity to the extent that his Mind remains in harmony with Ultimate Reality. He will live in the "here and now" as if it were—as it is for him—eternal, from moment to moment seeking and observing the Canon. His Mind being attuned to Reality, he will "know" that the apparent Reality presented to him in the ever present "here and now" is but a creation of his Mind—that what appears to him as the solid Reality of a material environment is, in fact, not Reality, but merely one channel through which he may seek Reality. The Faith inspired individual consciously living in the eternity of the "here and now" will not be dominated by any consideration—any fear—of yesterday or tomorrow He will "know" that if he seeks and finds and observes the Canon from moment to moment, he need not be concerned what happens an hour or a month or a year hence. His creative Mind being attuned to and having access to the Source of All Power, there is nothing of which he is incapable, there is nothing which he cannot attain, in fulfillment of God's purpose for him To the extent a person has Faith, he is without fear.

Looking Outward

How different is the case when the human Mind persists in looking outward, to the so-called material world of its creation, in response to the inner urge for the fulfillment of Life's purpose. For it the only Reality which exists is that of the apparent material environment of which it is made conscious through the senses of its physical body. That which cannot be seen, heard, felt, tasted or smelt can have no Reality. Balanced precariously on the pinnacle of the "here and now," the past ceases to matter and the future is an impenetrable darkness in which death and annihilation is ever lurking. All evidence points to human Life being bounded by birth and by death as the end. The human Mind shrinks back in fear—fear of the unknown tomorrow, fear of death, fear of Life itself. And why not when Life appears to be a one-sided struggle in which all the forces of Nature are pitted against the individual, seeking to exterminate him? Therefore if he is to survive he must tame those natural forces, he must render his material environment subservient to the preservation of his human life and he must wrest from nature the secrets hidden from him so that he shall be safe from the constant fear of the unknown.

Looking outward the human Mind can see no higher creation than Man in the material world of which it is conscious. Yet in order to overcome its fear-haunted concept of Life it is forced to respond to its instinct of an omnipotent power. So it proceeds to create God in its own image and, to bolster its case, to assert that the reverse is the fact. Having created God in its own image, the outward-looking human Mind proceeds to endow Him with the human attributes which serve its purpose in reconciling the impact on the human emotions of the experience gained through the physical senses in an apparently material environment governed by ceaseless change and decay, creation and destruction. God is conceived as the Giver and Destroyer of Life, a kindly and benevolent dictator when obeyed, but ruthless and brutal when disobeyed. He is a bloodthirsty God, whose anger can be assuaged only by sacrifices. He is the God of Battle with a strong bias for the favoured tribe or nation to which He will make all mankind subservient, so that the world may be made safe for his chosen people. He is a God of Might and therefore Might—i.e., physical force—is the final argument of what is right and which side He favours—and so on, *ad nauseam*.

It is but a short cry from this concept of deity created by the outward-looking human Mind, to recognition that, after all, it is but a human creation symbolizing the group Mind, and having for its purpose the subordination of the individual to material objectives desired by the group. The outward-looking human Mind, therefore, rejects this Man-created concept of God as superstition, and replaces it by a new deity, even more firmly rooted in fear-ridden superstition, symbolizing an all-powerful State as the object of glorification, worship and abject obedience.

II—FAITH AND SOCIETY

The social implications of the foregoing are far-reaching and fundamental. The individual whose inward-looking, Faith-inspired and God-centred Mind impels him to strive to live consciously in the eternity of the ever-present "here and now," is deeply aware of the sanctity of his personality as a creation of God to be expressed and expanded in accordance with His purpose. Everything else must be subservient to this. His life is governed by Principle rooted in Reality. And according to the power of his Faith he will resist, and overcome anything and everything which violates that Principle in his Life—and, knowing no fear, he will do so to even having his human body killed, for he knows that he lives in eternity and his experience in his human body is but an episode.

Being aware of the sanctity of his own personality, he would recognize that every other human personality is likewise a creation of God—a child of the same Divine Father. Therefore every individual should be free to express and expand his personality, and no person should attempt to impose his will or to sit in judgment upon another without that individual's consent. In short, all human associations must be rendered subservient to the freedom of the individual.

Foundation for Society

Again such an individual could not fail to find expression for his Faith in God and the consequent depth of feeling (which can be expressed only by the term "love") for God, by faith in and love for his fellow men. In fact the strength of his Faith in God will be reflected by the degree of faith in his fellow men which finds expression in his life.

The social structure which would be built on such foundations would involve:

- (1) Recognition that ultimate power is with the Source of All Power—with God—that all human associations must be subordinated to the freedom of the individual to express and expand his personality in communion with God—and that to that end every person recognizes the sovereign integrity of every other person.
- (2) The inalienable right of individuals to be free to associate as a group for any purpose provided that thereby they do not infringe upon the same sovereign right of any other persons. No person would exercise authority over another without his consent, and such a person could be in a position of authority only as the servant and steward of those under him.
- (3) No person should be compelled to do anything other than recognize the sovereign integrity of every other person. If he enters into association with others for an agreed purpose, he must abide by the decisions of the group but at all times he must be free to contract out.

It will be recognized by Social Crediters that such a society would constitute a genuine democracy functioning under the dynamic of Social Credit—the core of which would be the ever strengthening Faith that would find expression in human relationship. The focus of that Faith being spiritual—expressed in a striving to achieve a binding back of Life in a physical environment to Ultimate Reality—its impact on human affairs would be progressively to render the material primarily as a means whereby individuals can express their personalities. The business of providing for the material necessities would rapidly tend to become a matter of secondary importance.

Roots of Dictatorship

The social implications of the outward-looking materialistic-centred and fear-dominated human Mind are in sharp contrast. Viewing the physical world, bound by space and time, the individual becomes obsessed either by a desire for power or, to preserve his Life, by the acquisition of its material necessities to the point of submerging his individuality and rendering himself subservient to domination by others. In short such a person seeks to be a planner or one of the "planned."

These tendencies are the result of natural reactions to a concept that the material world around him as created for him by his human Mind solely through his physical senses, constitutes Reality. He sees a world in which all forms of Life are waging a bitter struggle for existence—in which the strong, the cunning and the ruthless survive and prosper. He views society as a means solely for the acquisition of economic security in which the richest prizes go to those who can exploit their fellow men. Therefore the purpose of human existence must be to accumulate material riches and power. The focus of living must be to take little thought for to-day in order to provide for old age, to advance in business, to get to the top of the profession and so forth.

And what is true for the individual must be true for the nation. In order to gain material security its Life must be planned. Only the superior intellects are capable of this—so they must be the "planners." But this is possible only if "the others"—the masses—conform to "the plan." They will do so only if they are forced to carry out the orders of the planners. So the planners must have the power to control and impose their will on the masses—and this implies the application of laws devised by the planners and backed by force.

In short the social implications of the materialistic philosophy of Life developed by the outward-looking fear-dominated Mind is the Supreme State—Dictatorship.

The Real Conflict

It should be apparent that each of the respective concepts of Life—the spiritual and materialistic— which have been examined is in every respect the antithesis

of the other. The principles in which they are rooted and their social implications are opposite and conflicting.

However, their impact on human affairs is complicated by the fact that few, if any, individuals entirely possess either the disciplined inward-looking Mind in constant touch with Reality or the fear-dominated outward-looking Mind completely materialistic in its concept of Life. Most individuals are themselves a battleground for the struggle between these two conflicting concepts.

The person who has experienced the inner spiritual rebirth and, through a deep and enduring Faith, has acquired the self discipline consciously to seek the Canon—the Universal law of Righteousness—in his Life from moment to moment, is being influenced constantly by his experience in the material environment of which he is being made vividly aware through his physical senses. There is a continuous and powerful tug on his human Mind to keep turning outward.

Then again the person with the constantly outward-looking Mind, attempting to anticipate Life in the future in a make-believe world, finds a recurring tug from this Inner Self, which, being spiritual, seeks the escape of the Mind from its space and time bound prison.

The Life of the individual—and the consequences of his thoughts and actions within his material environment—must, in the final analysis, be determined by the quality and extent—the power—of his Faith, involving as it does, his “knowledge” of Reality.

The Mind of the individual with a dominantly materialistic concept of Life will lose the desire to look inwards to find Reality—and, indeed, will be rendered impotent to do so consciously—to the extent it feeds itself on “knowledge” of the apparently real physical world around it—which, for the individual, is nothing more than the creation of his human Mind—under the illusion that this represents a knowledge of Reality.

Evidence of this is provided by the flood of agnostics, atheists, socialists, communists and other combinations of individuals with a materialistic concept of Life which pour out from our universities, schools of economics and other “training” centres. And a curious feature of such minds is that, in order to bolster their fear-dominated outlook on Life, they sneer at Faith as sheer superstition, yet they will accept readily and without question the ideas presented to them in text books. Yet so blind are their Minds to any concept of Reality that they are unable to see that their misplaced kind of faith—a baseless belief—in accumulating the illusion of knowledge is the complete answer to their professed contempt for Faith.

The Dynamic of Faith

Faith is Power in a very real sense. Though the term is used loosely, Faith is not mere belief or trust, although these can be evidence of Faith. Faith is the "knowledge" of Reality acquired by an inner spiritual experience. It is this knowledge of Reality that brings the human Mind into communion with the Universal Mind and the One Source of ALL Power. Thus Faith is a dynamic—a power with limitless potentialities depending upon its quality and conscious realization.

Up to apoint Faith is an instinctive attribute of Life, for the Inner Self—the I—which is the reality of each individual is itself a creation of the Universal Mind; and although the outward-looking human Mind is unable to realize this consciously, it cannot fail to be influenced by "experiencing" by its observation in the physical world— (which for it can be nothing more than its own creation) that that which conforms to certain principles—to the Canon—"works," and instinctively it manifests a degree of Faith which comes from within. This instinctive Faith derives from an unconscious inner spiritual experience—unconscious because the outward-looking human Mind is spiritually unaware.

Now Faith—whether instinctive or consciously experienced—must find expression in action. In fact it is the dynamic of human action. Instinctive Faith, though derived from an unconscious inner experience invoked by the experience of the outward-looking human Mind within the physical sphere, is a cumulative power on the human Mind. It exercises a profound influence on the individual's thoughts and actions in revealing the relationship of events in the physical sphere to the Canon. The apparent Reality of this physical world from moment to moment created by his Mind for the individual is profoundly influenced thereby — and to the extent that it results in a deeper understanding of the Canon, it will be reflected in richer unconscious spiritual experiences generating a deepening of Faith and a strengthening of the consequent power it confers upon the individual. If this process continues—that is to say, if the outward-looking human Mind consciously applies the power of its instinctive Faith in the physical sphere—that instinctive Faith will deepen and strengthen until it draws the vision of the Mind inwards.

The Source of Real Power

It will be evident that being the outcome of the individual's experience in the apparent Reality of the "here and now" in the physical world, the power of instinctive Faith will be limited by the limitations of the outward-looking human Mind. And if the Mind progressively seeks Reality solely in the space and time bound physical world—which, for the individual, is of its creation—it will progressively insulate its capacity for using the power of instinctive Faith, to the

point of impotence.

However, there can be no such limitations on the power of consciously conceived Faith—Faith born of a conscious turning inwards of the human Mind to the Inner Self in search of Reality through communion with its Creator, the Universal Mind of the Father—of God. The apparent Reality from moment to moment of the physical world being for the individual a creation of the human Mind, to the degree that the human Mind gains a realization of Absolute Reality, it will have the power to create the apparent Reality of the physical world in harmony with that Absolute Reality. In other words, to that extent it becomes a vehicle for the Universal Mind, being in harmony with and a reflection of the Universal Mind. This power to determine and literally create its physical environment is limited only by the quality and strength of the Faith acquired by tapping the One Source of All Power. Such consciously conceived Faith can in very truth remove mountains.

Fear—The Destroyer

Fear is the absence of Faith. Just as the power of Faith is knowledge of Reality born of an inner spiritual experience, fear is the impact of an ignorance of Reality upon the outward-looking, space-and-the-time- bound human Mind confronted with the darkness of the unknown. To the extent that there is Faith there can be no fear. Faith is the Light of the human Mind; Faith is the realization of Life in Eternity. Fear is the terror of darkness which engulfs the human Mind; fear is the apprehension of annihilation in a time-bound illusion that the conscious experience of the outward-looking Mind in the physical world is Reality.

Just as Faith is the power which enables the human Mind to have dominion over its physical environment, so fear is the negation of power which renders the human Mind the victim of the physical environment it creates through the experiences communicated to it by the physical senses. Thus the impact of fear on the human Mind can, and very often does, result in the individual bringing upon himself that which he fears.

The inward-looking Faith inspired human Mind is deeply conscious that it is a creation of the Universal Mind, as is its power of creating for itself the apparent Reality of the physical world communicated to it by the senses of the body. Being conscious of this, it cannot fail to realize that the Mind of every other individual is likewise a creation of the Universal Mind with the same attributes and it cannot have communion with the Universal Mind, without having communion with other human Minds; to the extent that it is in harmony with the Universal Mind, it will be in harmony with other human Minds which have achieved such harmonious communion with Reality. But the Mind of every human individual being a creation of the Universal Mind, it is inescapably linked to every other

human Mind, influencing and being influenced by them through their respective powers of creation for themselves. Thus the power of creating for themselves a concept of Reality which they share is increased for each of them, when two Minds are thereby brought into harmonious association, and that power is correspondingly increased for each when three, four or a greater number are brought into such association.

Thought

Thought is Mind in action, it is the dynamic of Mind. It is by the power of thought that the human Mind turns inwards to the inner Self in seeking communion with the Universal Mind; it is by the power of thought that the human Mind creates for itself the apparent Reality of the physical world in the "here and now" transmitted by its bodily sense, and it is by the power of thought that the Mind of an individual finds communion with other human Minds and transmits to them its concept of Reality.

When we view a picture, it is the materialization of the artist's thought—and it is the creating power of his Mind expressing its concept of Reality which is influencing the creating power of our Minds in the "here and now." When we see an aeroplane flying through the air, that represents the materialization of the thoughts of many Minds, and their impact on each other in expressing their creative power. But what of a tree we see growing in solitary splendour, or of the glory of a sunset? Those too must be for each of us creations of our own Mind influenced by the materialization of the creating power of the Universal Mind.

To the extent human thought reflects the power of Faith, it will be in harmony with the Universal Mind and have access to the One Source of All Power; its potential powers of creation will be unlimited.

To the extent human thought is devoid of the power of Faith, it will be shut off from the Universal Mind and it will be dependent on its own human powers of creation. Accepting as Reality its time and space bound creation from the experiences conveyed to the Mind through the physical senses, the individual will either become a slave to his fear dominated materialistic concept of Life, influencing others sharing the same concept by this creation of his Mind—his "thinking"—or he will become obsessed with the omnipotence of the creating powers of his Mind and he will influence others whose Minds are receptive to join in association to exploit this power.

Having a false concept of Reality and being shut off from the Universal Mind, the thought creations of such individuals cannot be in harmony with the Canon. In their ignorance they will flout the Canon, in the belief that the creations of their thoughts—be it a concept of deity, a concept of Life or a concept of human society—represent Reality.

Evil

The tremendous impact on humanity can be gauged if such perverted power of thought becomes centred in a tribal or racial God conferring a messianic mission on His people. But of very greater importance in the present world situation are the disastrous consequences of the perverted powers of human thought consciously striving to subordinate the Canon to a false materialistic concept of Reality of its own creation. Such individuals having no knowledge of the Universal Mind—of God—and having an "upside down" concept of Reality, will in the process of resisting and striving to overcome the Canon, by thought, generate a positive force operating against Reality. In other words they will create what we term a power of evil— of darkness—of destruction—operating in defiance of God.

This power for evil conceived by the human Mind being born of fear, generates fear and exercises an influence on the human Mind in opposition to Faith. In fact "the Devil" is actually a positive force in human affairs.

However, being a creation of the human Mind this evil force lacks Reality and, operating in defiance of the Universal Mind ultimately—speaking in terms of the space and time bound concept of the human Mind—it cannot survive, for it has no Reality in the Absolute. And within each individual lies the power of its destruction, for it must cease to exist when confronted with the power of Faith emanating from the One Source of All Power.

This matter may appear complex when presented in such a condensed form, but its implications are of such far-reaching importance that it deserves the most painstaking thought.

III—CHRISTIANITY

The approach to Reality condensed into the foregoing attempt to express in words that which only can be experienced, is inherent in Christianity—that is to say in the teaching of Christ which has been preserved for us in the four Gospels of the New Testament, despite their obvious imperfections as accurate records. That the essential nature of the Christian message has been distorted by a multitude of interpretations is not surprising. In the first place it is difficult for a Western mind to comprehend the method of expression employed for Eastern minds—the parable, the comparison with traditional belief or custom and so forth. But by far the greater factor in the distortion of Christianity is the attempt to reconcile the Gospels with the Old Testament in terms of the apparent Reality of the physical world.

The emphasis of the Christian message is on the eternity of the "here and now" and the Kingdom of Heaven—a term completely expressive of the domain of the Universal Mind—of God. And in the light of this what could be more pregnant

with profound meaning than the simple statement: "In my Father's house are many mansions"? Just as for each of us the Universe around us is a creation of our Mind, and for us cannot have any existence outside our Mind, so for each the limitless potentialities of the Kingdom of Heaven are those of a veritable spiritual empire—or to reduce it to terms likely to be understood by an Eastern peasantry, in the Father's house is a spiritual mansion for each of those who enter.

Without going into the matter more deeply, the following quotations should provide the necessary incentive for re-reading the Gospels with a deeper appreciation of the tremendous power of Christ's teaching—a power which terrified the ruling Jewish hierarchy of His day within the short space of four years and drove them to commit the most hideous crime of all time: "Therefore I say unto you, take no thought for your life, what ye shall eat, or what ye shall drink; nor yet for your body, what ye shall put on. Is not the life more than meat, and the body than raiment? . . .

* * *

"Therefore take no thought, saying, What shall we eat? or, What shall we drink? or, Wherewithal shall we be clothed?

"But seek ye first the kingdom of God, and His righteousness; and all these things shall be added unto you.

"Take therefore no thought for the morrow: for the morrow shall take thought for the things of itself. Sufficent unto the day is the evil thereof".

* * *

"The kingdom of heaven is like to a grain of mustard seed, which a man took, and sowed in his field:

"Which indeed is the least of all seeds: but when it is grown, it is the greatest among herbs, and becometh a tree, so that the birds of the air come and lodge in the branches thereof."

* * *

" . . . The kingdom of heaven is like unto leaven, which a woman took and hid in three measures of meal, till the whole was leavened."

* * *

" . . behold, the kingdom of God is within you."

* * *

"Not every one that saith unto me, Lord, Lord, shall enter into the kingdom of heaven; but he that doeth the will of my Father which is in heaven."

* * *

"Ask, and it shall be given you; seek, and ye shall find; knock, and it shall be opened unto you;"

* * *

"He saith unto them, But whom say ye that I am?

"And Simon Peter answered and said, Thou art the Christ, the Son of the living God.

"And Jesus answered and said unto him: Blessed art thou, Simon Barjona: for **flesh and blood hath not revealed** it unto thee, but my Father which is in heaven."

* * *

"Jesus said unto him, **Thou shalt love the Lord thy God with all thy heart, and with all thy soul, and with all thy mind.**

"This is the first and great commandment

"And the second is like unto it, **Thou shalt love thy neighbour as thyself."**

* * *

"Judge not, that ye be not judged.

"For with what judgment ye judge, ye shall be judged, **and with what measure ye mete, it shall be measured to you again.**

* * *

"And Jesus answered him, saying, It is written, **That man shall not live by bread alone, but by every word of God.**

"And the devil, taking Him up unto an high mountain, **shewed unto Him all the kingdoms of the world in a moment of time.**

"And the devil said unto Him, **All this power will I give thee, and the glory of them; for that is delivered unto me; and to whomsoever I will I give it.**

"If thou therefore wilt worship me, all shall be thine.

"And Jesus answered and said unto him, Get thee behind me, Satan: for it is written, Thou shalt worship the Lord thy God, and him only shalt thou worship."

* * *

"And Jesus answering saith unto them, **Have faith in God.**

For verily I say unto you, "**That whosoever shall say unto this mountain, Be thou removed, and be thou cast into the sea; and shall not doubt in his heart, but shall believe that these things which he saith shall come to pass; he shall have whatsoever he saith.**"

* * *

"**Lay not up for yourself treasures upon earth**, where moth and rust doth corrupt, and where thieves break through and steal:

"**For where your treasure is, there will your heart be also.**

"The light of the body is the eye; if therefore thine eye be single, thy whole body shall be full of light.

"But if thine eye be evil, thy whole body shall be full of darkness. If therefore the light that is in thee be darkness, how great is that darkness.

"**No man can serve two masters:** for either he will hate the one, and love the other, or else he will hold to the one, and despise the other Ye cannot serve God and mammon."

* * *

"Jesus answered, Verily, verily, I say unto thee, **Except a man be born of water and of the Spirit, he cannot enter into the kingdom of God.**

"That which is born of the flesh is flesh: and that which is born of the Spirit is spirit.

"Marvel not that I said unto thee, **Ye must be born again.**"

* * *

"Neither pray I for these alone, but for them also which shall believe on me through their word:

"**That they all may be one; as thou, Father, art in me, and I in thee, that they also may be one in us:** that the world may believe that thou hast sent me."

* * *

"Jesus said unto them, Verily, Verily, I say unto you, **Before Abraham was, I am.**"

IV—ACTION

These matters have a stupendous significance for Social Crediters in the present critical situation—a situation which continues to develop with increasing momentum towards its shattering climax. The plight of humanity is of its own making. It is the inevitable outcome of a progressive violation of the Canon—of shutting off the outward-looking, fear-dominated Mind from Reality. The resulting conflict in the sphere of human affairs is fundamentally a conflict between the spiritual concept of Life and the "materialistic" concept of Life—between the power of Faith and the forces generated by fear—between the power of God and the forces of Mammon—between Christ and anti-Christ.

Upon the outcome of the conflict there can be no doubt, for the forces of evil having no Absolute Reality cannot prevail against the power of Faith stemming from a realization of Reality. It is not simply a case of the forces of evil ultimately bringing destruction upon themselves, but in terms of Reality they are defeated now.

Put in another form, the havoc which is being wreaked upon the material world around us by the unleashed forces of evil—of destruction—is merely evidence of the self-annihilation of those forces and the materialistic concept they engender, viewed in terms of space and time.

Once this fact is grasped it becomes plain that it is merely futile to attempt to combat the forces of evil manifesting themselves in an orgy of destruction by means which confer upon them any semblance of Reality. Major Douglas once stated that the only way to deal with Black Magic—the cult of evil—was to treat it as if it did not exist. To do otherwise would confer upon it Reality and thereby give the forces of evil power over the Mind.

The stark folly of attempting to fight money with money, the party system by organizing a new party, the strangling hypnotism of material gain by appeals for social security measures—and so forth, should be evident. All they can achieve is to strengthen the very forces they seek to combat.

Social Credit

Now what we term Social Credit is the policy which naturally stems from the spiritual, Faith-inspired, God-centred and Christian concept of Life. It is the policy which will bring the apparent Reality of the "here and now" in the physical world into harmony with the absolute Reality of the limitless and eternal domain of the Universal Mind—of the Kingdom of Heaven. The key to the Kingdom is Faith, and the essence of Social Credit is Faith. Faith is Power; it stems from the One Source of All Power and its potential is limitless. In human affairs Faith must find expression in action—and the power of Faith can achieve anything in the apparent Reality of the physical world. It can literally remove mountains—inspire

and bring Light to Human Minds—and prevail against all the forces of the Devil and the Hell of man's creation.

A person cannot be a Social Crediter in any true sense unless he is pursuing the policy which stems from the spiritual, Faith-inspired, God-centred and Christian concept of Life. In other words his Life must be an expression of the Faith which he professes. The sense of frustration, the floundering around, the pathetic attempts to organize political parties and the complete submergence of the Social Credit movement in the social environment is evidence that, as yet, the number of real Social Crediters is small.

Yet it should be apparent that it is not numbers that matter—but quality. It is not the size of the counter- force which can be mobilized against the forces of evil—against the plotters, the planners, the materialists and their fear- dominated human fodder—but the power of Faith which will decide the issue.

Once the tremendous implications of this are grasped we shall witness a re-orientation of Social Credit action, the impact of which will be so staggering that it will sweep everything before it.

The battle for Social Credit is the battle for Christianity—for Christ's Kingdom of Heaven on earth. Social Credit action is meaningless unless it is a manifestation of Faith—the living and vital Faith which stems from a realization of the Christian message. Nothing can prevail against the power of such Faith expressed in action. Such Faith-inspired action can know no fear. It cannot attribute Reality to the manifestation of forces which have no Reality. Propaganda, police, threats, the State, income tax and all the paraphernalia of Black Magic will stand revealed for what they are—a colossal hoax.

Key to Action

Now it should be evident that any attempt to go out and "organize" men and women to support so-called Social Credit candidates, or to unite merely in demanding better homes, more incomes, and other material advantages, are fore-doomed to failure.

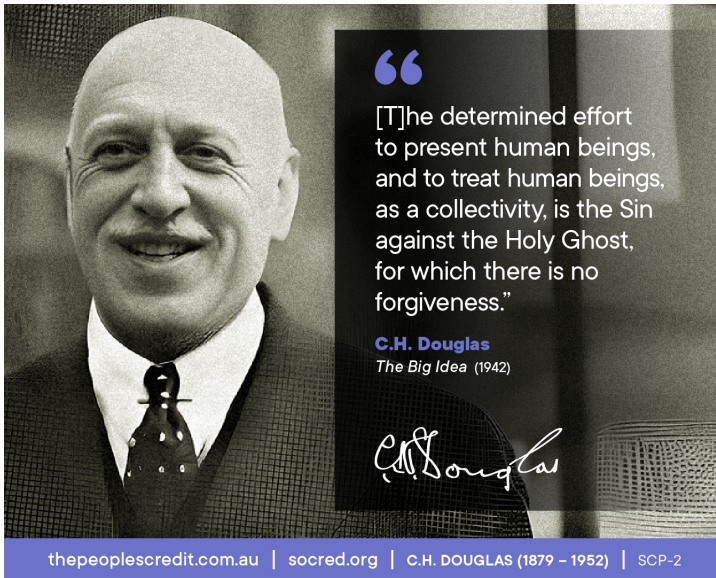
Social Credit action must start with the individual. It must come from an inner spiritual re-birth opening the way for the power of Faith which must find expression in his Life—in action. Under this impelling potentially all-powerful dynamic of Faith the individual will fearlessly tear aside the veil of humbug and make-believe—he will expose the Great Conspiracy—name the arch-conspirators—refuse to bend his knee to Mammon—ignore and resist the demands to render unto Caesar the things that are God's. And in so doing he will bring Light to other Minds—inspiring them and pointing the way to their spiritual re-birth. Thus will grow a Faith-inspired association of individuals, whose power will be manifested in action—action of a nature that will sweep

triumphantly onwards to the establishment of the Kingdom.

The nature of the action required in the political sphere has been stressed and re-stressed by Douglas. Harnessed to the potentially limitless power of Faith we can go forward into the space and time bound future in human affairs with the sure knowledge that nothing can prevail against us.

In conclusion it cannot be stressed too emphatically that, despite the patience and thought it may have required, it is not enough merely to read through this all too inadequate and cursory attempt to bring Social Credit into focus for Social Crediters. An understanding can be gained only by re-reading it several times—pondering its implications—directing the Mind to a full realization of these—and relating the principles involved to the entire field of action.

Bearing in mind the expressive definition: "The Devil is God upside down," the essential nature of the task confronting Social Crediters, is to fulfill the accusation levelled at the early Christians and turn the world of human affairs upside down. With an understanding of the matters we have been discussing, the nature of the action required will be evident, and the time is NOW. ***



Annual Subscription to 'On Target' \$75.00 pa which includes an Insert, the On Target and the NewTimes Survey journals - printed and posted monthly.

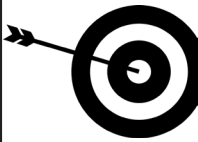
Postal Address: PO Box 27, Happy Valley, SA 5159.

Telephone: 08 8322 8923 eMail: heritagebooks@alor.org

Online Bookstore : <https://veritasbooks.com.au/>

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

On Target is printed and authorised by Arnis J. Luks
13 Carsten Court, Happy Valley, SA.



- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS



The Price of Freedom is Eternal Vigilance

Vol. 62 No. 21

5th June 2026

IN THIS ISSUE

What is the Purpose of a Budget? By Neville Archibald

51

What is the Purpose of a Budget? By Neville Archibald

For most of us it is the intention to see that we do not spend more than we earn, to keep within our means. If we must overspend or have a deficit that cannot be avoided, we must find extra money from somewhere. That could be an overdraft, a loan or another job.

Government – not exactly known for its ability to keep within its means – seems to treat the taxpayer as a never-ending resource of ready funds, via new or increased taxes. Policies espoused before an election are often sweetened by promises of tax breaks or even the supposed promise of not introducing or increasing taxes. In the aftermath of a change of government or even after re-election we have seen these ‘promises’ relabelled as ‘a change in policy’ or just downright ignored. In this regard we have seen the ‘never ever GST’ (Liberal) and the Keating government’s 1993 budget when Labor abandoned the infamous ‘L-A-W’ tax cuts.

The most recent reversals of course should be well known, even the mass media have mentioned them.

These include: (Google synopsis re: Sky News.)

- **Negative Gearing:** Labor reversed its promise not to touch negative gearing. The government announced that, effective immediately, negative gearing will only apply to newly built homes, though it grandfathered investments held before May 12, 2026.
- **Capital Gains Tax (CGT):** The government scrapped the 50% CGT discount (which it previously ruled out altering), replacing it with a cost-base indexation and a 30% minimum tax rate.

- **Trust Taxation:** Despite pre-election reassurances, Labor announced plans to introduce a 30% minimum tax on discretionary trusts, beginning July 1, 2028.

This is; however, not the thing that causes most issue with me. Broken promises seem to go with party politics, like a walk with your dog requires the carrying of a plastic baggie. No, the thing I dislike is the ambiguity of the budget bill itself. Being just passed in the House of Representatives, it now goes to Senate for its next stage. All this time the ramifications are still being discussed and people on both sides are unsure of the final impacts being made. This is being shrugged off as something that can be tweaked as they go. The bill passes, and then the details will be left to the department to 'figure out'.

Channel 9 interviews Jim Chalmers (our Federal Treasurer) and he is asked about working out the details of the bill later. His response is very Tom Jones, in that ***'it's not unusual .. in tax legislation for the definitions to be settled in what's called, legislative instruments'*** and while he admits those instruments are disallowable by parliament, I still get the feeling that we are expected to accept this planning on the go. Not having parliament voting on definite changes, but more like intentions, that we may have to fight to stop later (which I see as less than optimal). This means that these changes will end up being enacted, and if they are detrimental, the process of removing them will be difficult. All laws, once enacted, might be changed a little, but each respective government rarely ever overturns them once the hard part (getting it through parliament) has been done (the money is too good).

The interviewer, Sarah Abo, also questions some of the figures used for the modelling, which were from 1991, what's the go there? Chalmers didn't really counter it – seems a bit of a slip – I guess he realises that those figures are 35 years old? Many alterations have happened since then! Must be alright though, he sort of breezed over it (sarcasm). Watch it yourself here:

<https://www.youtube.com/watch?v=Tz1OOLTeKxE>

Treasury itself doesn't see the budget improving productivity or boosting the economy and the public is also dubious, but as I said, my concern is the acceptance of an incompletely thought out set of tax alterations – as this seems to be. Government by discretion rather than by vote in parliament.

In AI news

Several of the bigger companies out there are now finding out that the cost of AI replacing people, is working out to be greater than just staying with that personal touch. Microsoft and Uber are both finding that out, Nvidia also admitting that the **cost** of AI often outpaces the salaries of the human employees

it replaces. Could it be that Greed might be the downfall of greed in AI?

Despite that, the rate of construction of these Data centres is staggering, across the world it is almost comparable to the 'space race', or the cold war arms build up. Australia is fast tracking approvals country wide, in some cases without the public really knowing what it means. The story is breaking as I write and it is becoming an issue to watch out for, perhaps a discussion to partake in.

A surveillance state depends on Data collection and processing, far from just being a means of making funny cat memes, or all that other 'me me indulgence' that so many find important, these will enable control of us by whatever means our government foists upon us.

I believe that the testing during COVID (of contact tracing, digital permissions and digital vaccine passports) showed the inability of the current processing facilities to cope with total surveillance. They now know they must up the ante to have it successfully integrated, and they must do it before we realise why – thus the fast tracking and enabling support.

What we wish to do about this future is in our hands ultimately, we need to let our elected officials know! We need to bring the discussion to the fore in our communities, not just for the mainstream media reasons of electricity and water use, but for the danger it poses to our freedom.

The use of Cognitive Dissonance.

Cognitive dissonance is having two beliefs that are contrary. Often we accept these beliefs (or are asked to) because it is easier to do so than to actually look for the real truth. Engineers who are asked to manage water storage facilities and flows, yet must act as if the 'bathtub' can hold more than it is capable of. Farmers will know about this, as since speculation was introduced into the irrigation system, investors seem to 'carry over' water assets into the next year or the year after (waiting for a better price when they sell it on to the real user), thereby reducing the ability to use actual seasonal availability to best advantage. While we always had some 'carry over', recent floods, I suggest, have more to do with keeping storages far too full (for these financial reasons) than any 'excessive' rainfall events – but what would I know.

Full employment is another example, where we increasingly push for labour saving devices and mechanisation, yet cannot seem to put unemployment in a positive light. Monetary needs are not being met for those replaced by labour savings, but the product to be bought is still being made. The answer is 'looking for other work', which only makes more material to be purchased (unless it is a 'make work, not product for sale' job). This in turn is also soon mechanised, as we find ways to improve, adding once again to more product, less wages. The lack of money in wages is obvious, but the disconnect with the increasing amount of

product made is never mentioned – we put it in the too hard basket or believe the economists’ versions of truth, despite the ever rising missing money (debt). All this excess product that we cannot afford to buy, must be exported (or dumped). The creation of leisure, far from being the good thing you would expect, puts us into poverty instead.

Climate change, the ever changing weather, once a safe daily topic of conversation between outdoor people, is now fraught with dangers. We have come to believe that the observations of others are far better than what our own eyes would tell us if we dared to look. The rising sea levels so many are scared of, are not reflected in our beach going summer days. Local beaches might grow or recede from the action of storms, but the buildings on the beach roads are still there, our spot for our towel is still the same.

Floods and fires have always been a part of this country, much of the variation is due to weather, but a lot of the increase in damage is due to us. We build in locations we never would have before. We interfere with water flows by building things in the path of the flow, raising ground levels to build more houses, putting in raised roadways with too few culverts. Each time we make a change and feel the result, they say, 'it couldn't possibly be our fault, it must be climate!' We lock up Parks and refuse to remove the dead wood or manage undergrowth properly, we again, build in areas subject to fire and then complain later of danger or damage.

Yes we are seeing fluctuations locally, but we always have. The link from that to catastrophic global impact is tenuous, each of those global stories of woe they use to scare us are more of the same fluctuations as here. Everywhere humans are, we alter things to suit us, sometimes well, sometimes not so well. We can see it at home, and if we look carefully we can see the reality, most of it is just weather! Overseas it is much the same, just weather! We are led to believe we are at fault, so it is time to tax us to fix it, yet the ‘scares’ that are brought out to make us happy to pay, keep being just that, scares – never real.

There will be those who disagree with me, and that is their right, I can only encourage people to look carefully at what is said and the actions we are expected to take to ‘fix things’. If those doing the scaring are still buying beachfront mansions, then - I’ve got a bridge to sell you!

Much of what passes for **cognitive dissonance** can be linked to political direction. An unwilling population, unwilling to put up with increasing controls over us, must be convinced to do so by something that is basically untrue! It goes against the nature of man to be limited, to accept the loss of inherent freedoms; therefore, we must be tricked into it. Enough reality must be included to gain our attention, but our lack of education or historical context, is then used to

build on it. The trick, whatever it is, also sometimes demonises one side, the side they don't want looked into. It stops us from looking. Only by learning about things can we counter it, the abuse we cop when we say we are 'doing our own research'(as though that is a bad thing), is done to stop this education. To dis-empower us! We must engage our enquiring nature, and ask questions each and every time a politician or public official tells us something is 'for your own good, just do it'.

Like communities of the past who had little education, we must be diligent, we must improve our own education, lest the snake oil salesmen and the con-men take away our freedoms as well, not just our money.

Make it a habit to second guess, to look for an ulterior motive. Our country is not going downhill by sheer accident. Eric Butler used to talk of the 'Village Idiot' version of history, where it all just happens. If you threw a coin for every political decision made, you would get at least half right! We have supposedly educated officials, yet even this 'half right' example seems a stretch to me. I would've thought the bias in the game would've been to our advantage, a bit at least. So what is really going on, whose bias is winning? Who should be advantaged?

If Australia is meant to be managed to benefit us, as shareholders, then we need to change the managers. A complete change, not just the swapping of one set of suits for another. We need to look for real truth and honesty in candidates, if they cannot give a straight answer to the most basic of questions, like who is a woman, or some other politically correct challenge you may level at them, then move on to the next candidate – who wants another wind-sock?

People are waking up to this need for change. The real manipulators are beginning to appear in everyday conversation. The role of global think tanks and policy makers are fast becoming known, and known as the ones to benefit most, more so than the people they are looking to control. The New World Order is no longer a fringe conspiracy theory. Mentioned by leaders across many continents and the message of 'reform' for an 'improved world' is couched in political spin which speaks of the same outcomes, no matter the language spoken.

Back in the late 1980s, Jeremy Lee and Eric Butler both spoke at length of these global economic agendas. The intention of some for that very 'New World Order' and the rise of the Agenda 21, 23 etc arising from the WEF (which is still being pushed - albeit now Agenda 2030).

Their talks can still be found in our archives and make a good start to recognising the pattern of implementation that is still occurring. Further podcasts by others also mention the history of this global development of control.

A recent compilation of 'Forgotten History' episodes is also a good primer to make that start. I suggest you watch both the old and the new as they take you through the real history of political development and who pulls the strings of that management we need to change. Knowing what questions need to be asked of the potential replacements for our failed government is crucial if we are not to repeat the same mistakes. ***

Recommended Viewing:

Eric Butler: *The Planned Surrender of Australia.*

<https://www.youtube.com/watch?v=X6neEWS5HyE>

Jeremy Lee: *What is the New World Order.*

<https://www.youtube.com/watch?v=E45SLf5kiA>

Forgotten History: *RISE of the New World Order.*

<https://www.youtube.com/watch?v=Hwlmxn0z41w>

“

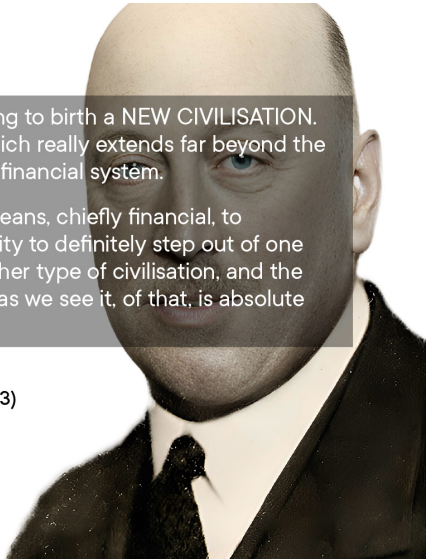
We are endeavouring to bring to birth a NEW CIVILISATION. We are doing something which really extends far beyond the confines of a change in the financial system.

We are hoping by various means, chiefly financial, to enable the human community to definitely step out of one type of civilisation into another type of civilisation, and the first and basic requirement as we see it, of that, is absolute economic security.”

C.H. Douglas

Major C.H. Douglas Speaks (1933)

C.H. Douglas



thepeoplescredit.com.au | socred.org | C.H. DOUGLAS (1879 – 1952) | SCE-32

Annual Subscription to 'On Target' \$75.00 pa which includes an Insert, the On Target and the NewTimes Survey journals - printed and posted monthly.

Postal Address: PO Box 27, Happy Valley, SA 5159.

Telephone: 08 8322 8923 eMail: heritagebooks@alor.org

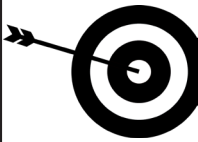
Online Bookstore : <https://veritasbooks.com.au/>

Our main website of the Douglas Social Credit and the

Freedom Movement "Archives" :: <https://alor.org/>

On Target is printed and authorised by Arnis J. Luks

13 Carsten Court, Happy Valley, SA.



- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS



The Price of Freedom is Eternal Vigilance

Vol. 62 No. 22

12th June 2026

IN THIS ISSUE

Still Playing God By Neville Archibald	57
Recap: Vaccination Conversation Canberra (28th May 2026) By Judy Wilyman PhD.	63

Still Playing God By Neville Archibald

A recent release on the official Website of the US government, the 'National Library of Medicine', is an article on mouse lethal H5N1 (or bird flu). This abstract awaits further publication and is online ahead of complete print, but it seems they are still altering the avian flu. So, if you thought gain of function was bad? It is still happening. Our attempts at understanding various virus activity, still includes creating extremely lethal and transmissible pathogens. In layman's terms virtually weaponizing something that has not yet crossed the species boundary - until now. You must remember, it is extremely rare that these things go from species to species, unless of course, we are splicing things in. The origin of the recent 'pandemic' was almost certainly, a lab leak.

The overwhelming consensus from US congress, the FBI, DOE and other agencies point to such a lab leak. Yet here we are still emulating Dr Frankenstein with no regard for the potential outcomes. They talk of the characteristics that must change to create and '*to maintain high lethality in mice*'. Mice are mammals and thereby a significant adaption of the virus in normal times. Mice have lived in and around birds since time began, yet we've seen no real issues there. Mankind are mammals too and further in the article they also mention the sequence needed to '*augment its capacity to interact with human ANP32A/B protein.*' just what are they really playing at? What gives them the right to risk the lives of entire populations?

Our track record with environmental manipulation is fraught with dangerous precedents, the cane toad here in Australia, crown of thorns starfish (spread by ships in ballast water, not deliberate as such), typhoid, smallpox and

many other things we unknowingly at the time, unleashed. Now we are playing God with nuclear comparable examples, knowingly, and expecting the 'security' of a laboratory to stop it. There have been escapes from labs before and there will be again as the human element is always the weakest. The 1977 H1N1 flu pandemic showed clear signs of lab origin, as have others. Proper accounting for these 'accidents' is always difficult to obtain as much of it is hushed up to protect further research and development. Weaponized material notwithstanding. Financial gain, career moves, and political control motives always find individuals who will take advantage. Leaving certain individuals in charge, despite questionable past decisions they have made, gives me absolutely no confidence in the political sphere of control. Many in this realm have openly stated that the world would be better with fewer people; but that is another story.

<https://pubmed.ncbi.nlm.nih.gov/42246480/>

Are they playing God?

Tick numbers explode in America, coincidentally as the rise of Alpha-gal from the lone star tick also is on the rise. Blamed on warmer overwintering and the inevitable claim of climate change, academics and political manipulators are quick to shoot down the real-world people who are refuting that 'warm winter' hypothesis (not their lived experience this year). Those commenting online and even posting footage of massive amounts of ticks (unusually active) are being called all sorts of things. The 'fact checkers' are out in force and algorithms appear to be hard at work, removing many posts. I watched a great many before deciding to seriously look at this question. The 'false flag' and 'look at me' posts are full of misdirection and manipulation. This time however, I remembered a previous ethics committee podcast that mentioned 'ticks'. Much like Bill Gates and his 'if we do a real good job with vaccines' speech, that talked of population reduction; this one was talking about a reduction in meat consumption by tick induced allergies. It took me a little time to find a part of that original discussion (someone else beat me to it – the Instagram post contains the part I remembered). It came from, conveniently, a WEF bioethics discussion and was talking about this very thing - as a way to reduce climate change. Human bioengineering to make red meat (one of the nastiest CO2 and methane polluters) a less consumable product.

This is the paper referring to Human Engineering and Climate Change: Liao *et al.* (2012) <https://doi.org/10.1080/21550085.2012.685574> see quote on adjacent page.

The ethics of altering human physiology appeared less dangerous than the geoengineering that was being contemplated at the time.

'In this paper, we consider a new kind of solution to climate change, what we call human engineering, which involves biomedical modifications of humans so that they can mitigate and/or adapt to climate change. We argue that human engineering is potentially less risky than geoengineering and that it could help behavioural, and market solutions succeed in mitigating climate change.'

The lone star tick, often known for carrying Lyme disease, also now carries something called 'Alpha-gal' which causes an allergic reaction to red meat. This syndrome is on the increase in America in a big way. The 'National Library of Medicine' has this to say,

'Mammalian meat allergy (MMA), increasingly linked to delayed hypersensitivity reactions such as Alpha-gal syndrome, is a growing public health concern. This study evaluates the incidence, prevalence, and incidence rate of MMA in a large, diverse population of over 114 million individuals across two time periods (2015-2020 and 2021-2025), with stratification by age, sex, race, and ethnicity.'

'MMA increased dramatically across all demographics. Overall incidence proportion rose by over 5,500%, with the most substantial increases observed in individuals over 40 years old.' <https://pmc.ncbi.nlm.nih.gov/articles/PMC12365936/>

Since Alpha-gal syndrome could be used to reduce meat consumption and thereby help mitigate climate change (and reduce population size), could it be possible that there is a link? The WEF is known for its forward thinking and thinking outside the box. They know what is good for us and seem happy to tell us.

See Matthew Liao explaining his idea here:

https://www.instagram.com/reel/DXom70bgS_q/

While I realise the above is an Instagram video, there are also TED talks, the BBC and this article (with a link to X and the TED talk) that allows you to hear what he proposed to the WEF.

<https://www.sheepcentral.com/opinion-when-bioethics-crosses-the-line-in-the-war-on-red-meat/>

In short, this extract from the above article, gives you an idea of the discussions being had at a world level.

'In a paper titled 'Beneficial Bloodsucking' published in the medical journal 'Bioethics' earlier this year, two professors of medical ethics argue that ticks could be engineered to spread Alpha-gal syndrome (AGS) — a natural condition that causes a debilitating red meat allergy. They argue that eating meat is ethically wrong, and contend that actively promoting this tickborne disease to force people to give up meat is not just permissible but 'morally mandatory'.'

I find it very convenient that this very tick explosion and Alpha-gal syndrome now seems to be on the rise! The starting point for this discussion seems to be around 2012, could there be a connection here?

I would not be asking this seriously unless there were other examples out there, of human modification by coercion. People of all types, the world over, have often suggested some radical solutions to our supposed problems, some real crazies among them! It is still no different today, we have not advanced so far as a civilization, that evil, true evil, has been wiped from our species. It still exists, justified often in 'the call for a greater good'.

In my searching I also came across this, dated July 22nd 2025:

'Abstract

The bite of the lone star tick spreads Alpha-gal syndrome (AGS), a condition whose only effect is the creation of a severe but nonfatal red meat allergy. Public health departments warn against lone star ticks and AGS, and scientists are working to develop an inoculation to AGS. Herein, we argue that if eating meat is morally impermissible, then efforts to prevent the spread of tickborne AGS are also morally impermissible. After explaining the symptoms of AGS and how they are transmitted via ticks, we argue that tickborne AGS is a moral bioenhancer if and when it motivates people to stop eating meat.

We then defend what we call the Convergence Argument: If x-ing prevents the world from becoming a significantly worse place, doesn't violate anyone's rights, and promotes virtuous action or character, then x-ing is strongly pro-tanto obligatory; promoting tickborne AGS satisfies each of these conditions. Therefore, promoting tickborne AGS is strongly pro-tanto obligatory. It is presently feasible to genetically edit the disease-carrying capacity of ticks. If this practice can be applied to ticks carrying AGS, then promoting the proliferation of tickborne AGS is morally obligatory.

<https://pubmed.ncbi.nlm.nih.gov/40693342/>

Justifications are being made by many people, for many reasons. False ideals or alarms give rise to false solutions, even solutions that no one would contemplate seriously in other times. When a section of our community on earth, have both the ability and the moral justification (in their eyes) to create change, will they follow on with it?

As I said, tick numbers have exploded this year, claims of 'tick boxes' being found in some areas are reminiscent of the release of mosquitoes in other years, justified by malaria control trials. Male mosquitoes have been used in the past to reduce overall mosquito numbers. They are sterile when released, and after mating with females, those eggs do not hatch. Bill Gates (through his foundation) has done similar things in Africa and elsewhere, but with different

alterations. This form of control mechanism is an entirely plausible scenario to reduce numbers and has seen similar uses across species. Sadly, with the release of a 'novel vaccine' forced upon a scared world, with insufficient and downright faulty testing, the moral compass of those in charge is already questionable in my opinion. What is to stop those faulty moral compasses from pointing to a reduction in meat consumption by any means necessary?

<https://www.fastcompany.com/91553299/something-is-causing-tick-populations-to-explode-in-these-states-and-experts-are-alarmed>

We won't be eating meat.

The WEF tell us 'You will be eating replacement meats within 20 years.' I see shades of Soylent Green (1973 Sci-Fi), if you have not seen it, it is disturbing movie which shows just what 'people' are prepared to accept, what 'we the plebs' can be made to put up with, while those in control, swill, belch and chew their way through the elite menus of the world.

Some of the benefits of synthetic meat (according to WEF) are:

'What's more, epidemic risks including mad cow disease and bird flu are not a concern as the production process is subject to strong quality management requirements, which will lead to greater levels of security in the supply chain.'

So, I ask you, is the current parallel research into manipulation of bird flu to cross over into mammals, just a coincidence? Is the push to financially force the feeding of 'wrong foodstuffs' to cows, just to stay profitable, and that link to mad cow disease, also just a convenient parallel that is happening? Financial restrictions are putting natural farming methods at a disadvantage, forcing farmers into more industrial style practices and leading to greater disease and therefore medicinal interventions! This most certainly does not help the situation! Then there is the talk of conversion efficiencies and ability to feed more people with artificial meat rather than naturally raised livestock. (Again, much of this is induced by the faulty financial system).

'The conversion of grain (when used as livestock feed) in dry weight to meat with similar amounts of calories is around 15% across all meat types, as most of this energy is lost in keeping animals' body temperature constant, creating by-products and excreting waste. If by-products are considered as edible meat, the conversion rate rises to 23%. Meanwhile, novel vegan and cultured meat need significantly less material input and water to create the same amount of meat. Their conversion rates are 75% and 70% respectively'.

These calculations rely on 'grain fed conversion rates', growing grain to feed cattle, not basic grazing or traditional foraging, which uses otherwise inedible natural foods (inedible for humans and a part of the environment that has been

included in the life cycle of the planet since the very beginning). The mention of water and material input to create the same amount of meat, does it neglect the labour, power and all other 'factory' running costs to get their 70% efficiencies (both monetary and actual costs! – what about pollution, energy use and the whole ecological impact of removing animals, and then everything else that relies on them, from the environment?). I suggest these figures are entirely suspect, not to mention the true chemical composition and compatibility issues that will arise with the human digestive system and related nutrient uptake. I believe this part is even more crucial.

Sickness and disease, obesity and general ill health are on the rise, largely from the proliferation of processed foods and the denaturing of nutrients. The further we move away from natural sources, the more we are at the mercy of the big processors, whose past history is not reassuring. Who is to say the profit motive interfering in the manufacturing of artificial meat, will not play its part in final production? So many times, have I seen good quality foods, slowly degraded, as the chasing of that very profit margin occurs.

Many available vitamin and mineral supplements today are poorly designed and made, resulting in a far less benefit than many expect from them. Natural Food sources of vitamins and minerals are already human compatible compared to these artificially created ones, our bodies have had millennia to adapt and use what is out there. This subject is a whole other level of interest and something I have been following for decades. Don't get me wrong, some supplements are good, but many are not! Many are an attempt just to make money out of the cheapest methods of manufacturing. Biochemical pathways for use in the human body, are incredibly important and synthetic manipulation can often result in structural differences within chemical compositions, that while the same atoms might be used, their orientation changes. Look up cis and trans configurations of molecules, for a better idea of what I am talking about. Locator compounds for attachment sites in our body (medical compounds fit in here too) need to be the right shape (like a jigsaw puzzle piece) to be used in the body. You can be taking something called 'nature identical' and still be slowly starving your body of its needs if the shape is wrong. This is well known in pure nutritional circles and is why many naturopaths seem to charge more for their supplements, why you also should 'do your own research' to get the best benefit.

I still see Doctors prescribing minerals to help that are effectively useless, especially to aged patients, whose body cannot uptake the various forms offered. Iron, the classic example (red meat and liver wins here) cannot be absorbed readily unless in natural food form. Supplemental iron oxides have given way to ferrous sulfate, ferrous fumarate, and ferrous gluconate as this knowledge

has filtered down. This push has largely been from public expectation and the pressure exerted by our 'doing our own research' into biochemical pathways. In many cases the medical establishment has been dragged along as I see it. Natural sources remain the best option in most cases. They are also present with other nutrient combinations that increase the availability, something that, again, we have adapted to since our rise from Adam.

I had not intended to go into such depth on this subject of manipulation of human life, but the interferences I see happening on all levels, to a largely unsuspecting public, makes my blood boil. Playing God with our lives, in both foods (my closest experience) and with genetic tinkering of any and everything around us, just because we can, or because we see a profit in it, links too closely with the concept of evil. Whether intentional, by neglect, or by a shallow vision of our future, much more thought needs to be put into just what is ultimately beneficial, and to whom. I suspect those in positions of power are the one looking out for themselves – after all, 'it's only business'.

<https://www.weforum.org/stories/2019/06/you-will-be-eating-replacement-meats-within-20-years-heres-why/>

ASIO Bill in Senate.

Previously reported on, the current ASIO powers bill is still on its journey through our Parliament. The removal of a sunset clause (that saw the needs of this bill revisited by our parliament regularly, as it came in under terrorist activity scares and was emergency use) and the inclusion of detainee rights (or lack of them) is under review. We lost certain freedoms with this bill when it came in, now it is to be made permanent. Any loss of freedoms needs to be fought, for once we lose them it becomes extremely difficult to regain them. ***

Recap: Vaccination Conversation Canberra (28th May 2026)

By Judy Wilyman PhD.

Hi all,

As you know we recently held a seminar in Canberra titled '***The Vaccination Conversation***'. It was a very successful event with many people grateful to us for exposing this medical fraud.

The problem is that if we don't keep this conversation going then this fraud will continue and we are already experiencing the sickest generation of children yet. Now, they have also been targeted with novel mRNA technology for which there was no long-term data. However, all the evidence is revealing significant increases in many life-threatening diseases in the younger generations and reproductive conditions that are skyrocketing.

Here is a video link to the seminar and I hope you will be able to watch it and

send it on to your networks. We have provided information underneath in case you are unable to watch the 3 hours in one go:

The Vaccination Conversation

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

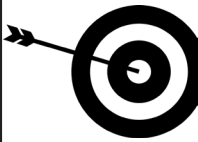
1. **Dr. Phillip Altman's** talk starts at **8:12mins**. In his presentation he reveals the false information that governments provided to the public about the safety and efficacy of the COVID injections. He discusses the fact that the injections are not 'vaccines', and they were not tested in properly controlled clinical trials before they were marketed, and *mandated*, to the public as 'vaccines'. He also discusses the deaths and serious illnesses that have escalated in the population since 2021 when the injections were rolled out.
2. **Wendy Daniel's** talk starts at **42:12 mins**. In her presentation she addresses the myths that have been spread by governments about the safety and efficacy of the childhood vaccination program for decades. She describes the history that exposes these myths and she provides studies to show that vaccinated children have significantly more chronic illnesses than unvaccinated children. This exposes the fact that these policies are not creating healthier outcomes, they are creating sick children.
3. **Dr. Judy Wilyman's** talk starts at **1:12: 40 mins**. In her presentation she describes the strategies that are used by governments to tell the public what to think about vaccines. Governments do not provide empirical evidence of efficacy and safety of vaccines because there is no regulation requiring them to prove these drugs are harmless before they are marketed. The government does not use the *precautionary principle* in policy design to protect public health, and it is not a requirement to prove that these drugs can create herd immunity before they are listed as 'vaccines'. She also discusses the powerful lobby groups and their influence in the government / institutions, and in censoring this debate over the last three decades. ***

Kind regards,
Judy

Annual Subscription to 'On Target' \$75.00 pa which includes an Insert, the On Target and the NewTimes Survey journals -
printed and posted monthly.

Postal Address: PO Box 27, Happy Valley, SA 5159.
Telephone: 08 8322 8923 eMail: heritagebooks@alor.org

Online Bookstore : <https://veritasbooks.com.au/>
Our main website of the Douglas Social Credit and the
Freedom Movement "Archives" :: <https://alor.org/>
On Target is printed and authorised by Arnis J. Luks
13 Carsten Court, Happy Valley, SA.



- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS



The Price of Freedom is Eternal Vigilance

Vol. 62 No. 23

19th June 2026

IN THIS ISSUE

The Cost of Paper By Neville Archibald	65
From the Archives: J.D. Malan - Natural Cost and the Ownership of Money	73

The Cost of Paper By Neville Archibald

‘Data centres are the libraries of the future!’ so, it is said.

What future are we really heading toward, and is it truly for our benefit in the long run? I must ask these questions now, as the monstrous builds being pushed onto us threaten to add significant costs to our future. Not just monetary cost either, cost in terms of resource usage (water, power, diesel for back up generation and more), significant environmental changes if you live nearby, and lastly the social aspect (possibly the biggest threat, and the most neglected in the media).

I’m no Luddite, clamouring for the destruction of the looms that are putting us out of work. No, I long for the day that machinery takes over all my mundane work. The only issue I have is the connection of this ‘freedom from drudgery’ to earning a living! I may not work at producing the mundane things of life that machinery makes, but how then, am I to share in its product - without a wage for making it? Leisure is the intended outcome of labour saving; however, unaccompanied by monetary reward (wages) I cannot enjoy the outcome! Unemployment becomes simply un-empayment, and a disconnection to the larger economy, which relies solely on wages for income, for the sharing of these benefits of being ‘at leisure’.

This discrepancy, this failure to take into account the natural extension of labour-saving devices in our economy, has driven us into a poverty of sorts, whereby we must find alternative work, at unproductive endeavours to substitute that ‘lost’ wage.

The inability of our existing economy to deal with this natural rise of leisure and still distribute the resultant continued production, is dragging us down.

Removing us from the advances it promised so well in the beginning.

I say that this inability is not so much that we are not capable of solving the problem, but that it serves those who 'run' the economy to keep it from us. It helps create the very Feudal architecture we are seeing as the outcome of keeping this freedom from us. Big business and billionaires (behind the scenes in many cases) now control both our government policy development and our working lives. With their finger in every pie, we try to take our own little slice of, all pieces are contaminated by them, they get a part of every portion. Kings in their international castles, they appear to be untouchable by the serfs we've become.

This is where my paper cost comes in. Data centres are now the growth industry of choice, getting special treatment in development departments and fast tracking to builds on a grand scale. In the last few On Targets I have mentioned this and the more concerning surveillance side which is being overlooked. Now I am going to ask you what sort of future do you see with their rise?

If they truly are the 'libraries of the future,' what does this look like in reality? Like the disconnect of wages and leisure before it, what sort of manipulation may very well accompany this stash of information?

We saw television as a good idea for increasing our knowledge and community connectedness but have seen it turn into divisive and advertising riddled programming, along with continual bad news stories and violence in shows and movies. They tell us that they are only pandering to our desires, that numbers watching are the driver of programming, but I do not believe it has all been our decision. I now believe it divides us more than ever before.

Data collections and storages are huge, and AI is now being used to retrieve and present this material. Manipulation of data via algorithms (or programming/software) is ever present and used currently for nefarious reasons.

For an idea of just how much this affects us, see:

Weapons of Math Destruction, by Cathy O'Neil.

<https://www.penguin.com.au/books/weapons-of-math-destruction-9780141985411>

Thinking about this usage and the perversions it is capable of, you must ask yourself if this current climate of increasing control over us, makes this a good time to bring it in? It is the history of political and financial manipulation and the pedigree of those driving this push, that worries me most. Are we handing loaded rifles and handcuffs to our feudal lords? Are we now looking to build our own prisons too?

While I believe the electronic storage and retrieval systems are a big boost for availability of information, the cost in all terms of providing it, eclipses the cost and availability via traditional libraries, both public and technical. Not only that,

the cost to community engagement is huge! Having paper-based libraries and the interactions that occur within them, make a far better social impact than just sitting alone in your darkened room on a computer. To remove all social contact and rely on screens and words to convey any thoughts or discussions, removes the personal side. Expressions read on faces and the casual physical interaction, brings human moments into our community equations; the side that you miss in face-time or 'zoom' meetings. The clinical approach of social interaction over devices, without these real moments, is a difficult thing to quantify – but I do believe we are seeing some of that impact now. I don't like what it appears to be doing. Think about it!

Paper itself is recyclable, it lasts well when looked after and is only ever upgraded if it is truly out of date or damaged. The worst pollution outcome is mild. I cannot say the same for the items in the digital revolution.

I miss the days of Maps: real, folding, paper maps! Navigating from the same issue of Melways I had as a youngster (I probably could update that), or the planning and long view of getting to your destination. The towns on the way, the various roads and sights that might be encountered. Paper maps never ran out of power, or lost connection to a server. They opened out to see the whole distance being travelled. Words, names and marked interest spots never faded from view as you looked at the bigger picture. It cost but a few dollars for a map, you stored it in your glove-box or seat-back. You didn't pay a monthly fee, or one to upgrade your purchase. It didn't rely on running a complete infrastructure of power hungry devices and repeaters, nor did it incur the costs we are now being asked to foot the bill for, for these new data centres (and we will foot the bill – they are profit making enterprises relying on us, the consumer to pay in the long term).

What is the real impact of going fully digital? Is there a price to pay for 'convenience' that is actually greater than the monetary cost? Every-time we advance, it is not always in a forward direction, sometimes there are unseen ramifications that take time to see. The difference between being prepared and convenience, is also a mental one. Forward thinking and planning, rather than relying on instant access, I liken to processed foods, convenient; but not healthy in the long run.

Like built in obsolescence (that we now almost take for granted), these digital map readers, be they dedicated, or phone based, are subject to a continual upgrade cycle. It is this push for growth, that props up our failing economy. This never-ending growth cycle that we must have to keep GDP high, has no real regard to the social or environmental impact on the greater community. I ask at this point, where is the concern for 'climate change' now? Each centre proposes to use the equivalent of thousands of homes in power consumption, the

same with water. If we were so concerned about emissions before, why are they allowing this. They will also have around one hundred big diesel generators (with giga litres of diesel stored) to be used to supplement-and-ensure power availability (that number will vary with size – I am using figures from the ABC link here). Look to the plans being spoken of, and listen to the impacts that the likes of Erin Brockovich and others are talking about.

More on Diesel and data centres here in this ABC clip:

<https://www.youtube.com/watch?v=9EEjJCjzVVQ>

Erin Brockovich interviewed on American PBS:

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

Scott Kuru provides a good overview here, although he does seem to like economic growth and AI more than I do, it is a good primer for what is going on.

<https://www.youtube.com/watch?v=yv-zglknZHw>

Even Senator Hanson-Young has this to say! Despite the fact that I disagree with a lot of what she says, a broad view from all sides is required to make an intelligent decision. I can only continue to emphasise that each of you, needs to take personal responsibility for forming your own views, learning to look for the truth in all cases.

<https://www.instagram.com/reel/DZwS33exAdR/>

There are many others posting about data centres at the moment, few are dealing with the social impact side of going fully digital or making the connection to surveillance centres and the coming digital ID (and possibly even Chinese style Social Credit). Keep these risks uppermost in your mind when researching this subject. The hidden questions are often the most important ones.

As for society and its direction, is this advance truly one which will make us more connected in reality? Or is it just wiring us together on a long lead to be pulled in a desired direction.

AI manipulation of information availability.

It is not just map reading skills that suffer either, our ability to think and reason is being eroded too. With everything at our digital fingertips, actually knowing things is not important – we can just look it up! This has two problems, the first being that we rely on it more and more, and use our brain less and less. We are learning to be dumbed down. I see many who automatically reach for ‘google’, when confronted with a simple problem. This brings us to that second problem, we are being conditioned, often without realising it. When selected answers are the only answers, or the first, second and third options, then social conditioning is complete.

Currently the information we do get, is increasingly selected for us!

The case in point here is the rise of AI in search engines. Google has lost a significant market share to 'duck duck go' in recent times, as consumers are increasingly fed up with searches that yield the same result, despite the asking of different questions. <https://www.youtube.com/watch?v=z7BzWgxfFeM>

AI in almost all search engines, makes the prediction of what it is you are looking for, it provides the answer (subject to algorithms based on marketing and the woke political ideals of the time, in many cases)! While the links to the articles the AI answer is based on appear, we do not have to decide which of those possible answers is the real, or true, one.

I recently searched for 'social credit Douglas', and it took five pages to find a link mentioning Douglas (C.H.Douglas), the rest were Chinese social credit and no mention of Douglas, despite it being my third word. I know we are 'persona non grata' in economic circles and therefore listed as undesirables, but it makes a mockery of the concept of a search engine, does it not?

When I did find an article, it was a debunking of the theory (at least it mentioned it I suppose), and further scrolling found more. I ask you, how many scroll past the first page? How many know exactly what they are looking for when asking about facts they know little about. As a repository of knowledge, data centres could be of benefit, (like a library), but if the librarian only pulls books from the censored section, the politically correct section, then we only get selected facts. We are directed to believe! It becomes the ministry of truth from Orwell's 1984.

Another side of this, it is affecting those who publish on social media or the web itself, reputable organisations, medical journals and other legitimate research sites are now suffering from these AI led answers. Google and others with their summarised answers, provide a short synopsis and therefore no need to visit to the original sites for the full version. This means no funding from logged views of the site that provided the information, thus true research misses out on the benefits of the traffic.

There is always more than one view on a subject, sometimes many, and debates and clarifications occur until the truth is arrived at. Even then, new discoveries or further refining of research can change things radically. I have lost count of the times I have heard something, only to look for it and find it is a wrong interpretation or entirely made up! April fools day is no longer limited to just April now.

Bioethics gone bad

A recent discussion in the US senate, concerned the number of biological research labs still operating. Laboratories conducting this research are still being funded and, I suspect, still engaging in viral experimentation. Doing this in

normal times is risky enough, but the fact that some of them are in the Ukraine and some in other areas subject to bombing or destruction, gives rise to the question of just how safe are they? Containment of Frankenstein virus samples is bad enough when labs are intact, but when subject to the damage associated with war, who knows just what might leak. This comes to light now, after Tulsi Gabbard declassified information that for years critics (of gain of function work), were told were conspiracy theories.

'A renewed debate over gain-of-function research, overseas biological laboratories, and government transparency is gaining momentum after Director of National Intelligence Tulsi Gabbard declassified documents detailing U.S.-supported biological research programs worldwide.'

"For years, when people pointed out that these labs existed in places like Ukraine, they were told it was a conspiracy theory," Paul said. "Now we're finding out they did exist." says Senator Rand Paul.

'According to Gabbard, the newly declassified documents show that the United States supported or funded more than 120 biological laboratories across more than 30 countries, including facilities in Ukraine that worked with potentially dangerous pathogens.'

See: <https://abc45.com/news/nation-world/rand-paul-calls-for-new-scrutiny-of-overseas-biolabs-after-gabbard-declassifies-documents-covid19-trump-administration-biological-research-ukraine-dangerous-pathogens-research-experiments-influenza-pentagon>

This continued questioning finally yielded the above results: this dangerous research is still going on! Couple this with the research paper I wrote about in last week's *On Target* (<https://pubmed.ncbi.nlm.nih.gov/42246480/>) and all those we do not know about yet (which are in the process of being written up or still ongoing), and it becomes just a matter of time before something happens.

Where is the accountability, where is the learned lesson from COVID? Why are these people not listening? Are we not yet loud enough? This continued research and the denial that it has been going on for so long, is another reason for the growing mistrust in our government agencies. It is even more reason to vote appropriately at election times and keep on badgering our political representatives to do our bidding, the electorate's, not the lobbyists. Keep this in mind when next you are asked to trust or vote for them.

The Diversions of Woke

We are at a crucial time in our history. We can, most of us, see the decline happening around us. While our leaders continue to tell us they have policies to deal with it, or economic adjustments to fix it, each time they make a change, the only thing that results, is further centralisation of control and increased economic

hardship. You would think we would know this by now, yet the diversions of woke keep us busy – too busy to think clearly.

What is a woman? ... seriously!

How many Genders are there? ... seriously!

Hate speech, when you don't like debate! ... it keeps on keeping on.

There are ludicrous claims or observations being made, that are as ridiculous as we are, for debating them. We waste far too much valuable time and court space on this rubbish, we are almost forced to take a side – no thanks! All you are doing in participating is deflecting from the real issues we face. This attempt to break us all into conflicting tribes of every imaginable grouping and get us fighting each other, is done so that we are too busy to fight the real fight, against an increasingly feudal society, where the multinational and mega rich entities (the new lords) create the landscape into which we must fit, - or be outcast.

The test run we had during COVID, to make the 'unvaccinated' outcasts, worked to some degree, but it also woke many from their slumber. We must capitalise on these dichotomies that divide us, and colour them in, make them stand out as the ridiculous concepts they truly are. We must show why they are being used on us: as a deflection from the true issues, we face. This smoke and mirrors of social programming is fragmenting us like never before. Opinions are being treated as sacrosanct, almost like a line in the sand you must die over. Common sense is not allowed to prevail and alternative opinions must be shut down. This is the example being set for us by selected celebrity or influential social manipulators and we need to call it out! Not doing so, only allows this division to grow. It must be done from a factual stance, calmly and with truth out front. There is no need to violently argue, that in itself is the purpose these absurdities were created for. We are being played and we need to realise it, but not accept it. We must stay silent no more.

And the future?

Whoever we are, our future should have some common ground for us to look forward to. A vision, of sorts, of what we expect, what could be. This should be our coming together point, our reason to unite and create something better going forward.

This ideal is in us, it just needs to find expression and it cannot take hold while we are at each other's throats over the ridiculous!

Unlike our leaders, who only seem intent on managing our decline, with words like 'the new normal' and 'we won't be going back to old Australia', we must focus ourselves on what can unite us in a positive way. We must revisit the concept of a fair and forward-looking Australia and point out what our future could be.

Many of our leaders are bound to the WEF concepts of fifteen-minute cities and micromanaged lives (ours, not theirs). What we now have to look forward to (according to them), will be of a lesser not a greater expectation. This despite our continued technological advancements and the reduction of labour in the production process. When are we to see this concept of leisure celebrated, not sneered at.

In the past our civilisations built great things on the back of slaves, the ruling population had plenty of leisure! Now that we have mechanical slaves doing our work, we still have no leisure. Our unemployment is seen as a bad thing, for we have not dealt with the concept of less work for more production, and monetary policy is still strictly connected to work (which we are no longer required to do to achieve the same production results).

This monetary discrepancy is at the heart of our problem! This is the talking point we should all be getting our heads around. Never before in our history have we had the ability to be so well off, without the enslavement of a part of the population. This ability has been sabotaged by economic absurdities, like 'a favourable balance of trade', where we compete to give away real wealth for bits of foreign paper! Or the idea of ploughing in crops that could feed the hungry, simply because someone won't issue the tickets to allow them to be used. It has already been grown; but they want us to destroy it in case someone gets it for free and upsets the economy! This is truly absurd!

We need to be asking ourselves these basic questions: what is the economy for? How is it that money, a unit of exchange, can vary in value? Do builders have to deal with shrinking centimetres? Do butchers have to keep adjusting the kilograms on their scales?

No! These things are set values, as our monetary system should be. What good is it saving \$10,000 over 10 years, if it will then only buy half of what it was worth ten years on. The real labour, the real wealth it represented then, should be of equal worth now should it not.? These ponderings are the core of our problems. The same people manipulating our lives, manipulate the money market and issue the 'credit' which we must use to exchange our real wealth. They also claim full ownership of what it represents, not just a printing, or management fee. It is not their wealth they are monetising, it is ours! We are making a future claim on an action or produced object of worth, our product, all we need is a paper that recognises this value so that we can exchange it. The banker is the middleman in the transaction, not the owner of the wealth being transferred. Why is it that we must pay it back as if we did not own it, just borrowed it?

As mechanisation replaces labour, so too must the economic distribution allow us to buy what is produced, regardless of our employment in its production.

In a fully automated factory, who gets the wages to spend on what is made? Expand this out to include the automation of a majority of production, and the wage discrepancy must have an impact! This is what we are seeing now - yet no one will talk about it! We must, for if not us, then who?

We must be the ones raising these talking points in conversation. Pushing others to think about the culture we wish to retain, the concepts we have of good and evil! It is truly that simple – we seem to have lost our sight when it comes to what the future should look like. We are being told to focus on past issues, many of which are already resolved.

We must push people to look to the future and try to define what it is that everyone has in common; that they want out of our association as a society. We must be the agents of positive change! ***

From the Archives: <https://alor.org/Storage/navigation/Library1.htm>

J.D. Malan - Natural Cost and the Ownership of Money

A realistic examination of the basic cause of inflation

Natural Cost And The Ownership Of Money

Before embarking on any course of action a belief must exist that the objective is attainable. At present there is a general belief, encouraged by propaganda from apparently reliable sources, that inflation is an extremely difficult problem with no easy or popularly acceptable solution. The purpose of this paper is to demonstrate that, on the contrary, inflation is a simple financial phenomenon capable of eradication without social upheaval, once the correct cause has been examined and understood. To do this it is necessary to understand the importance of the question of ownership of a community's money supply and to introduce the concept of "Natural Cost".

What Is Meant By "Cost"?

When the word "cost" is used by an accountant, economist, business man, or anyone else, it is assumed that the meaning is clear and needs no further definition. But is it clear? The dictionary definition of "cost" is no help because it is simply equated with "price", while "price" in its turn is equated to "cost". As the term is used in accounting, it is simply the addition of all the money expended in the production of the article under consideration, irrespective of when the expenditure occurred or what has happened to the money in the meantime. If "profit" is considered to be one of the components of "cost", then "cost" and "price" would be the same figure, but there is a vital difference between this figure and "natural" cost.

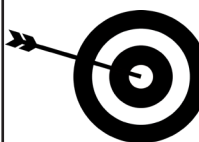
What Is “Natural” Cost?

Natural cost is the real, or physical, cost of producing an article or a service. It could be expressed in symbolic form by listing the individual items in terms of weight, volume, energy units, etc.—and such lists could be used to compare the relative costs of two articles, or of the same article produced at different times or under different conditions. But comparisons of cost expressed in such a multiplicity of units are unnecessarily difficult, and can be simplified by combining them using one common symbol—money. This has one other important advantage by enabling us to observe differences between the figure thus obtained for “natural” cost and what accountants simply refer to as “cost”, but which should be described as “financial” cost. These differences will be items included in financial cost but not in natural cost, and they will all have one common feature—they will relate to items which were physically completed at some time in the past. If price is based on financial cost, as is inevitable under our present financial system, cost inflation is unavoidable. It is the primary theme of this paper to demonstrate that prices **MUST** be related to natural cost before inflation can be eliminated.

What Is Inflation?

Inflation is considered by both “experts” and the general public to exist in two forms—demand inflation and cost inflation. Since all inflation results in a rise in both prices and the amount of money available to match them, much discussion occurs on the quite unimportant question of which is the cause and which the effect. In other words, do we have demand inflation in which “too much money chases too few goods” or do inflated costs, and hence higher prices, cause the demand for more money? The question, in that form, is both futile and unanswerable. Demand inflation is a relic of days of physical shortages and is not important today. It did, however, give rise to the so-called “law” of supply and demand, which is the only basis on which present-day economists try to build their explanations. They have no explanation for cost inflation. But inflation, no matter what adjective is used to qualify it, is in reality only the effect of a fundamental fault in the way our money symbols are used. Examination of the so-called “cures” for inflation shows that they are based on the erroneous belief that the problem is simple demand inflation, while the occasional references to “cost” inflation, and the need to reduce “costs”, shows that there has never been any attempt by economists to look at the question of “natural” cost. ***

Postal Address: PO Box 27, Happy Valley, SA 5159.
Telephone: 08 8322 8923 eMail: heritagebooks@alor.org
Freedom Movement “Archives” :: <https://alor.org/>
On Target is printed and authorised by Arnis J. Luks
13 Carsten Court, Happy Valley, SA.



- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS



The Price of Freedom is Eternal Vigilance

Vol. 62 No. 24

26th June 2026

IN THIS ISSUE

Are Borders Moral Failings? By Neville Archibald	75
Ongoing Budget Issues By Neville Archibald	77
Victorian FOI – Machete Bins By Neville Archibald	79

Are Borders Moral Failings? By Neville Archibald

The elites and globalists would say they were! The push to water down all existing societies and create the ultimate universal man, only seems to apply to those who are not of that elite grouping! Our individual cultures and rule books are supposed to be swept aside in the all-encompassing universal melting pot. What it really looks like in the western world, is rather different.

We see the rules that once applied to everyone, now relaxed and lenient on offenders, whose past may have included witnessing violence daily. Slap-on-the-wrist sentencing, and revolving-door-like bail procedures, see violent offenders back on the street same day in some cases. Gangs of young youths repeatedly flout the law and are killing each other as well as others daily on the streets. Police say they know who they are, and are watching them, but reality says otherwise! They are still out there!

What do we do with them? Commentators regularly decry the call for deportation, back to where they came from, as racist or heartless - the epitome of white privilege.

Concern for the greater population, those who abide by societies rules and who created the infrastructure we live in, is taking a back seat, we are no longer allowed to have a say in what the political elite want!

The paid talking heads of social control, rant and accuse anyone with Australian lifestyle views as anti – anti- what? - it doesn't matter. As long as it appears like they are 'privileged' and snobbish they can be derided for it. Make no mind that these are the very people who made this country what it is and continue for the most part to pay for it in their taxes.

Pauline Hanson recently called for a mono-culture Australia, in that we all live under the same rules and expectations. She rightly described 'multiculturalism' as unworkable! I agree, you cannot have a stable society where all cultures keep their own rules and ideals – it can only lead to friction where they differ! By all means keep some cultural identity, remember your heritage and your past, but we must all live by the same creed in this country. The reason migrants moved here in the past was for a better life, one that arose from the systems we live under! The development of this culture (and yes! We do have one!) is what has provided the stability and freedom we take for granted. Others who have fled persecution or war have left a less-than-ideal society, in many cases a failing one, falling under the spell of religious or political tyranny. The culture and the people of those countries have allowed this to happen. Do we want that culture repeated here? Are we 'bad' for not wanting the very thing they left, to take hold here too?

Multiculturalism is not a workable ideal, it can only ever fragment our society. Multi-racial or many variations of people is what we have been built on to some degree and I don't know many who would deny that, but the acceptance of a new life and an adherence to the developed rules we live by, in Australia, has always been foremost – until now!

The vicious attacks and political scrambling in Parliament to demonise Pauline Hanson for her correctly stating what multiculturalism will do, only shows me the lack of depth of thinking, that those bleating, are prepared to do. Knee jerk political posturing, without looking crucially at what she is saying, is simply another method they are using to make out that One Nation, and Pauline in particular, are white supremacists or worse. Critical thinking and understanding are in limited supply in these discussions concerning what our future country should look like. I for one am glad Pauline has started the conversation again; we should be asking these questions in our own circles too!

I am reminded of the purpose of citizenship here, Walter Murdoch's book *The Australian Citizen*, explains much of the responsibility we have to maintain our society, to keep the hard-won freedoms we live under (many of these are rarely even thought of – until they are threatened).

"All the liberty we enjoy, the peace, the safety, the comfort, the well-being which our form of government secures for us, - all has been won for us by the efforts of those who went before us, and in some cases by their agony and blood. They fought and died to hand down to us what we accept almost without noticing it. And it is only by our own effort that this machine can be kept running smoothly and doing its work well; it is only by our own effort that it can be improved, so that it may do its work better."

It is a timely read to fix in our minds, just what we should be doing and what we should be thinking about, while those in control in our current government are arguing, without as I see it, any real idea of what we as a people really want!

https://alor.org/Storage/Library/PDF/Murdoch_W-The_Australian_Citizen.pdf

What we actually have now, is another discussion. Our 'taken for granted' common law, has risen over centuries to become what it is today. It is a sad thing that much of what we expect under common law, has been partially usurped by continued government decrees. But if we know our history (and that of common law) we are much better prepared for the arguments against it that follow this 'new direction' we are being pushed in. That which Pauline Hanson is trying to bring to our attention (whether she knows it or not, that is the crux of our discussion when talking of multiple cultures in one location).

The Book *Christian Philosophy in the Common Law*, by R. O'Sullivan, K.C. has a chapter entitled, The Fellowship of a Free Community, it is about breaking the chains of slavery, be it to the plough or to another man. About the reasons we sought the freedom expressed by common law. If we are to understand what exactly it is to be free, we must educate ourselves as to the origins of our emergence from all forms of slavery. We can then argue from a place of knowledge and remain clear, just what it is we mean. There are many other cultures in the world that do not have the freedoms we have, they are limited or restricted by their culture in ways that we would not put up with. The act of bringing in those cultures without true assimilation, or at rate where assimilation does not occur, just sees the development of enclaves (who then lobby for recognition) which will be disrupting at best, and destructive at worst. To keep a country in harmony, we must all live by the same rule. ***

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

Ongoing Budget Issues By Neville Archibald

More questions are beginning to arise from the federal budget (still not entirely finalised despite it being pushed to be accepted). One of the more recent comments came from David Williams, best known for rescuing Tassel (Tasmanian salmon and aquaculture company) from receivership. Involved in investment and growth of companies, he said of the new tax overhaul, that it shows a "*fundamental lack of understanding about how long it takes to build a company and bring a product to market*".

In the *Sun Herald* news item, by Jarrod Lynch, June 22, 2026. he is reported as saying "*it will kick a big hole in Australian innovation and force new start-ups to go overseas - unless it is fixed in the finalisation of the tax overhauls' design.*"

Once again, I can only look on in wonder at the policy decisions being made on the fly. Do they really know what they are doing, or are they just following along with WEF intentions that ‘we own nothing and are happy’? How are we supposed to know? ***

The Fall of Keir Starmer By Neville Archibald

Another day another UK prime minister, or so it seems (the seventh in ten years). Loss of public support, seen in the loss of local elections (May 2026 Labour won only 17% while Reform UK achieved 26%) has certainly helped the party make this decision. What will it change, is the bigger question. Starmer is set to take a step back; but will still be in parliament and still taking a part in governing – even if on the backbench. Like our Prime Minister, Anthony Albanese, Starmer was struggling to keep popularity after reneging on promises (not unlike the previous PMs) yet changing the face out front changed little, it just bought time. Time which now seems to be almost up for the two original heavyweight parties. Reform UK is attracting votes from both, as the continuation of the global policies being enacted, are putting more and more people at odds with them. Like One Nation here, Reform is now being seen as a better alternative, even as the denigration and demonisation of that party continues. The playbook to refute Reform’s popularity and create a wedge of division on politically correct grounds is no longer working. The politically correct arguments are no longer holding out, people are becoming sick of being told facts are immutable and science has all the answers (when it is about control), while on the other hand, are being asked to believe basic contradictory physical things. The days of Orwell’s solid wind are limited.

One Nation here at home also stands accused of similar things, making comments that are supposed to be ‘conspiracy’ or denying the gods of man-made climate change and green electricity production.

Largely, the responses from the public to these accusations have been less dramatic and less widespread than the accusers hoped for. Many ‘normal’ people have already been questioning these very things, as the proofs are appearing. The great destruction of the environment where these energy alternatives are being built, the waste around the oldest of them being decommissioned. It was only a matter of time before the pudding cooked and the proof was in the tasting. The ramifications of other equally questionable policies are also being felt, as the pain of reality hits.

I believe the change of faces at a political level, no longer fools all the people all the time. As our countries gradually awaken, the serious questions will be asked. Those of us prepared, can answer truthfully only if we understand fully the extent of the problems we face and the potential solutions that Douglas Social Credit has

to offer. We must be prepared to play our part. We must continue to brush up on our education about these things. ***

Europe is Backing Away from US Tech By Neville Archibald

Microsoft and google appear to be 'on the nose' in Europe, as the member countries seems to be exiting away from the US based internet and data companies. France is moving to Linux based technology, while Germany has rejected Palantir, and similar moves have been made in the Netherlands and elsewhere.

This comes at a time when the restructuring of world alliances seems to be happening. I wonder if this separation and the rise of AI data centres worldwide is bringing about competing companies, dividing up the world into groupings. Orwell's three great superstates, Oceania, Eurasia and Eastasia may be closer than we think. We are already seeing the three pillars of Ingsoc (English Socialism) appearing around us:

Newspeak artificially restricted language, designed to eliminate complex thought and make political rebellion literally unnameable. (hate speech laws).

Doublethink the ability to hold two mutually contradictory ideas as absolute truth. (what is a woman?)

Mutability of the Past or the revision and eradication of the past historical records, so that the party (or political correctness and whatever party is in power) is never wrong! (all the wrongs of our culture being pushed without the recognition of all the benefits it has delivered to us – and delivered us from).

What would Orwell think if he was witnessing our political direction today?

"Political language... is designed to make lies sound truthful and murder respectable, and to give an appearance of solidity to pure wind!" George Orwell.***

Victorian FOI – Machete Bins

Recently released FOI (freedom of Information) has revealed to Victorian taxpayers that they footed a \$3.6 million bill for advertising around the Machete Bin roll-out. In an attempt to lower the level of machete attacks (becoming all too real) very expensive steel bins were put outside many local police stations to encourage the 'law abiding' crazed machete wielders to surrender them. Cameras and proximity to police notwithstanding, they were expected to make a dent in the crimes being enacted by these violent criminals. The over-the-top cost however, made headlines from day one. A \$13 million budget all up, and only for

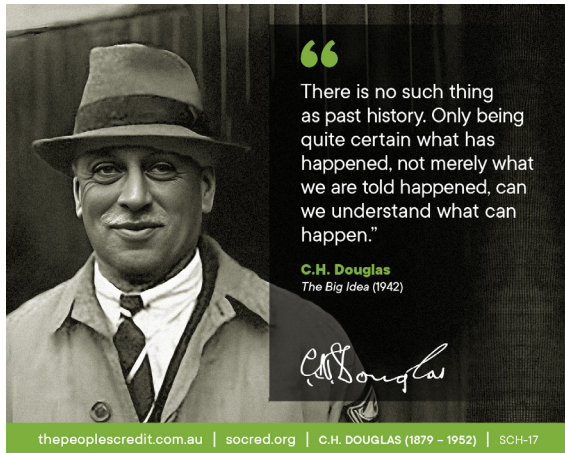
a three-month span, it would have made more sense to people if they just funded more policing or ensured that the courts dealt with them appropriately.

We now find that the advertising, cost more than the bins themselves, that a film production for it was done in Sydney rather than in Victoria and they had to buy the machetes they used as props.

The cost of the 40 bins and the cost of destroying the weapons deposited in them came to \$2.2 million, far less than the promotional material being used to convince us that we were going to be safer now.

What we fail to see after all that, is the resultant reduction in machete attacks. I guess it is hard to really tell what impact they might have made, but in a similar timeframe the Allan Labor government cut \$50 million from the police budget (2025 – 2026). For a government trying to convince us they are being hard on crime, I fail to see how that is working out.

Violent street attacks and knife related crime (along with continued Machete attacks) still appears to be rising. There are newspaper reports daily and plenty that are unreported too I'm guessing. Like the gun buybacks before them, only the responsible owners seem to have surrendered theirs. Take a look around leafy suburbia and look for unkempt gardens and rampant ivy, probably the home of a formerly legal machete owner – I guess they handed theirs in! ***



Annual Subscription to 'On Target' \$75.00 pa which includes an Insert, the On Target and the NewTimes Survey journals - printed and posted monthly.

Postal Address: PO Box 27, Happy Valley, SA 5159.
Telephone: 08 8322 8923 eMail: heritagebooks@alor.org

Online Bookstore : <https://veritasbooks.com.au/>
Our main website of the Douglas Social Credit and the Freedom Movement "Archives" :: <https://alor.org/>
On Target is printed and authorised by Arnis J. Luks
13 Carsten Court, Happy Valley, SA.

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



THE NEW TIMES

SURVEY

THE AUSTRALIAN

LEAGUE OF RIGHTS

Vol. 27 No. 06

June 2026

IN THIS ISSUE

The Canadian Federal Debt Debate: Auditor General Numbers, Framing, Causality, & a Social Credit Lens By M. Oliver Heydorn

81

The Canadian Federal Debt Debate: Auditor General Numbers, Framing, Causality, & a Social Credit Lens By M. Oliver Heydorn

The rapid growth of Canada's federal debt from the mid-1970s onwards is one of the most contentious topics in Canadian economic history. One common narrative, often amplified in alternative economic circles, points to a pivotal 1974 policy shift under Prime Minister Pierre Trudeau — involving greater alignment with the Bank for International Settlements (BIS) and its Basel Committee recommendations — as the moment when Canada abandoned low-cost financing through the Bank of Canada in favour of borrowing from private financial markets at compound interest. The critics argue that this was what triggered the subsequent exponential growth in federal debt levels. Central to this framing of the facts is a citation from the Auditor General of Canada's 1993 report, which appears to show that compound interest, rather than programme spending, drove the vast majority of accumulated debt.

In what follows, I wish to address this claim in some detail. I will first present the Auditor General's findings, analyze the strengths and limitations of the dominant framing, offer an alternative causal perspective grounded in fiscal flows and policy agency, demonstrate why the alternative explanation is more accurate, and finally explore how the 1974 shift functioned — within the constraints of the conventional monetary system — as a palliative mechanism for injecting purchasing power to address structural demand gaps, albeit at significant long-term cost. This analysis draws on standard public finance principles while incorporating the vitally important insights of C.H. Douglas' Social Credit financial and economic analysis.

a) The Auditor General's Claims (1993 Report)

In its 1993 report to the House of Commons, the Office of the Auditor General of Canada provided a striking long-term decomposition of federal debt accumulation. Covering the period from Confederation in 1867 through to the fiscal year 1991-92, the report (notably in Section 5.41) observed that the federal government's net debt had reached approximately \$423 billion.^[1]

Of this total, only about \$37 billion represented the cumulative net shortfall in meeting the costs of government programmes (goods, services, transfers, and other non-interest expenditures) over the entire 125-year history. The remaining \$386 billion — roughly 91% of the accumulated debt — was attributed to the cost of borrowing and the compounding effects of interest payments on earlier debt. In 1991-92 alone, interest on the debt amounted to \$41 billion, a major contributor to that year's deficit

The report framed interest not merely as one annual expense, but as a powerful amplifying force: once primary shortfalls created initial debt, interest obligations grew exponentially unless offset by surpluses, economic growth, or inflation. This retrospective accounting exercise highlighted how relatively modest cumulative programme shortfalls, left unaddressed over decades, had ballooned into a massive debt stock due to compounding interest.

Proponents of this “debt trap” narrative often pair the data with pre-and post-1974 debt figures. From 1938 to 1974, the Bank of Canada acted more like a public utility, providing low-or near-interest-free loans for major infrastructure (e.g., the Trans-Canada Highway, St. Lawrence Seaway). Federal debt remained relatively stable, rising modestly to around \$20-21 billion by 1974. After the shift toward private market borrowing, debt surged to roughly \$160 billion by the end of Pierre Trudeau's tenure in 1984 and continued climbing sharply thereafter.

This data has been widely cited to argue that the 1974 pivot — ending preferential central bank financing in favour of market-rate borrowing aligned with international norms — marked the beginning of unsustainable exponential growth driven by private compound interest.

b) The Dominant Framing and Its Limitations

The standard interpretation of the Auditor General's numbers is a **retrospective stock decomposition**. It treats the \$423 billion net debt as a final accumulated pile and asks: how much of this ending balance originated from “real” programme spending shortfalls versus interest compounding on prior borrowing? The answer — only was 8-9% primary, 91%+ was interest — leads to the claim that “interest caused most of the debt.”

This framing has rhetorical power. It vividly illustrates the self-reinforcing nature of debt: past deficits create interest costs that require further borrowing,

which generates more interest, and so on. It supports critiques of the post-1974 system as eroding monetary sovereignty and turning government into a vehicle for transferring taxpayer funds to private bondholders. In this view, the government shifted from “builder” (using cheap public credit for productive infrastructure) to “debtor” trapped in a cycle dictated by international markets and the BIS.

But what is wrong with this framing? Several issues arise when this interpretation of the raw data is presented as if compound interest were the primary causal explanation:

1. It confuses accounting attribution with forward-looking causality.

The decomposition is a valid counterfactual exercise: *If* there had been no interest costs and the same programme spending levels, the total outstanding debt would have been far smaller (closer to the \$37 billion cumulative primary shortfall). But this does not mean interest was an independent, exogenous force that “caused” the borrowing. The interest was rather a consequence of prior borrowing, which itself stemmed from policy decisions.

2. It obscures the flow mechanics of government budgeting. In reality, interest is a prioritized annual expenditure paid primarily from current tax revenues. New borrowing finances the *overall* deficit: total spending (programmes + interest) minus total revenue. Borrowing is not typically “used to pay interest” in a direct sense; rather, it enables governments to sustain desired programme levels when revenue after interest falls short. The entire debt stock thus reflects cumulative choices to spend beyond revenue.

3. It downplays agency and policy choices. Governments were not mechanically forced into ever-larger deficits solely by interest. They could have restrained programme growth, raised taxes, or run primary surpluses (non-interest revenue exceeding non-interest spending) to stabilize the debt trajectory. The fact that they often chose not to — amid economic challenges like stagflation, recessions, and political priorities — is central to understanding the rate of growth. The successful 1990s turnaround under Prime Ministers Chrétien and Martin, which involved significant programme restraint, demonstrated that choices mattered.

4. It risks rhetorical sleight-of-hand. Saying “91% of the debt is interest, not real spending” can misleadingly imply that programme spending was minimal or irrelevant, when in fact vast sums were spent on various programmes over decades. The debt records the *borrowed portion* of that spending, enabled by decisions to run overall deficits rather than live within (post-interest) means.

In sum, while the framing is useful for highlighting the role of compound interest, it becomes misleading when it is used to obscure fiscal policy, i.e., when it is used to portray the debt as almost entirely a product of a 1974 “pivot” rather than sustained overspending relative to revenue.

c) An Alternative Framing: Causal Flow, Payment Priority, and Policy Agency

A more accurate perspective, in my view, would be to consider the entire \$423 billion (and subsequent growth) through the lens of **annual fiscal flows and policy choices**. Debt accumulates because, year after year, governments decide to spend more than they collect in revenue. Interest is a real and growing *component of spending* — a mandatory priority claim on tax revenue — but it does not autonomously drive new borrowing. New debt arises when total desired expenditures (programmes plus interest) exceed revenue.

In this view:

- Tax revenue first services interest and other obligations.
- Remaining revenue supports programmes.
- If governments wish to maintain or expand programmes beyond what is left, they borrow the difference. That borrowing supports higher programme activity than a balanced budget would allow.
- Over time, the full debt stock represents the cumulative record of programme spending financed by borrowing due to insufficient revenue after interest.

The Auditor General’s \$37 billion figure usefully shows the *net primary shortfall* after all compounding. But it does not mean only \$37 billion in borrowings was “spent on programmes.” Far more was spent; the debt simply captures the excess over sustainable tax financing. The higher interest burden post-1974 reduced fiscal space, requiring larger deficits to sustain programme levels — but this was a policy choice, not inevitability.

d) Why the Alternative Framing Is Superior

The causal flow/policy agency perspective is more accurate for several reasons:

- **Better causality:** It correctly identifies repeated decisions to run overall deficits as the fundamental cause behind the growing debt. The stock decomposition is backward-looking arithmetic; the flow view explains *why* the pile kept growing year after year.
- **Aligns with accounting reality:** Governments budget and borrow on a flow basis. Interest is paid from current revenues; borrowing fills the total gap.

- **Emphasizes accountability:** It holds elected governments responsible for spending and revenue choices rather than attributing outcomes primarily to “the system,” compound interest, or the BIS. This is crucial for understanding both the problem and putative solutions (e.g., the 1990s restraint that stabilized the growth in debt).
- **Avoids misleading implications:** It acknowledges that without interest costs, debt would have been lower *for the same programmes*, but does not suggest that programme spending was insignificant.
- **Compatibility with heterodox insights:** It accommodates demand-side concerns without romanticizing debt.

The Auditor General numbers remain valuable as a warning about compounding, but are better interpreted through this lens than as proof that interest “caused” the debt independently.

e) The 1974 Shift as a Palliative for Demand Injection in the Conventional System

Within the context of Social Credit theory, C.H. Douglas identified a structural “price-income gap” (A+B theorem): the costs/ prices generated in production (including bank charges, depreciation, etc.) exceed the incomes simultaneously distributed to consumers. This can lead to an insufficiency in consumer purchasing power, gluts, and economic instability unless addressed.

In the conventional debt-based monetary system, one blunt way to bridge this gap is government deficit spending: borrowing money to inject additional purchasing power through programmes, transfers, and related expenditures. Interest payments further recycle funds to bondholders, who spend or invest portions of it.

The post-1974 shift to market-rate private borrowing had the *effect* — whether intended or not — of facilitating greater net injection under this system, at least for a time:

- Higher interest costs claimed a larger share of tax revenue, shrinking the fiscal space available for programmes from taxes alone.
- To sustain or expand desired programme levels (and thus economic support), governments ran larger overall deficits, issuing more debt.
- This new borrowing directly funded additional programme spending, injecting money into the economy.
- Simultaneously, interest payments redistributed tax revenue to bondholders (banks, pension funds, individuals), some of which flowed back as consumption or investment.

In this sense, the higher interest burden acted as an automatic (if inefficient) mechanism that “created space” for greater deficit-financed injection. It allowed the conventional system to pump more purchasing power into circulation to address any price-income gap, supporting demand amid stagflation and structural changes. This was palliative: it provided short-to-medium-term relief without fundamental reform, enabling continued programme expansion beyond immediate tax capacity.

However, as acknowledged, this came with heavy long-term costs: compounding debt servicing obligations, reduced fiscal flexibility, higher future taxes or cuts, potential crowding out of private investment, and eventual austerity. Social Credit alternatives — such as a National Dividend (direct consumer credits distributed periodically to citizens) and compensated price discounts — would have been a superior approach, injecting additional purchasing power without accumulating interest-bearing debt or relying on ever-growing deficits. The 1974 shift did not solve the gap; it managed it in a costly, unsustainable way within the existing framework.

Conclusion

The Auditor General’s 1993 decomposition powerfully illustrates the dangers of compound interest, but should not be read as evidence that interest alone caused Canada’s debt crisis. A causal flow perspective centered on policy choices to spend beyond revenue, with interest as a prioritized constraint and amplifier, more accurately reflects the actual reality. The 1974 shift amplified these dynamics, functioning as a flawed palliative that enabled greater monetary injection to support demand — consistent with the Social Credit diagnosis concerning the chronic, underlying gap in consumer purchasing power — while sowing seeds for later instability.

Understanding this question concerning federal debt in precise terms matters. It moves us beyond simplistic “debt trap” stories or denials of fiscal pressures toward a nuanced recognition of trade-offs, agency, and alternatives. Sustainable fiscal policy requires primary balance discipline, growth-enhancing reforms, and — in line with the Douglas Social Credit monetary reform proposals — exploration of more direct, less burdensome mechanisms to ensure adequate purchasing power. Canada’s experience from 1974 onward offers lessons in both the power and perils of relying on debt-financed demand management. ***

^[1] https://publications.gc.ca/collections/collection_2015/bvg-oag/FA1-1-1993-eng.pdf

On Target Subscription - details

Title: _____ Name: _____

Postal Address: _____

Suburb / City _____

Postcode: _____ State: _____

Telephone : _____

Post Subscription details to ALOR c/o PO Box 27, Happy Valley, SA 5159

On Target Subscription - details

Title: _____ Name: _____

Postal Address: _____

Suburb / City _____

Postcode: _____ State: _____

Telephone : _____

Post Subscription details to ALOR c/o PO Box 27, Happy Valley, SA 5159

Annual Subscription to 'On Target' \$75.00 pa which includes an
Insert, the On Target and the NewTimes Survey journals -
printed and posted monthly.

Donations & Subscriptions can both be performed by
Direct Bank Transfer to:

A/c Title Australian League of Rights (SA Branch)

BSB 105-044

A/c No. 188-040-840

Postal Address: PO Box 27, Happy Valley, SA 5159.

Telephone: 08 8322 8923 eMail: heritagebooks@alor.org

Online Bookstore : <https://veritasbooks.com.au/>

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

On Target is printed and authorised by Arnis J. Luks

13 Carsten Court, Happy Valley, SA.

On Target Subscription - details

Title: _____ Name: _____

Postal Address: _____

Suburb / City _____

Postcode: _____ State: _____

Telephone : _____

Post Subscription details to ALOR c/o PO Box 27, Happy Valley, SA 5159

On Target Subscription - details

Title: _____ Name: _____

Postal Address: _____

Suburb / City _____

Postcode: _____ State: _____

Telephone : _____

Post Subscription details to ALOR c/o PO Box 27, Happy Valley, SA 5159

Annual Subscription to 'On Target' \$75.00 pa which includes an
Insert, the On Target and the NewTimes Survey journals -
printed and posted monthly.

Donations & Subscriptions can both be performed by
Direct Bank Transfer to:

A/c Title Australian League of Rights (SA Branch)

BSB 105-044

A/c No. 188-040-840

Postal Address: PO Box 27, Happy Valley, SA 5159.

Telephone: 08 8322 8923 eMail: heritagebooks@alor.org

Online Bookstore : <https://veritasbooks.com.au/>

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

On Target is printed and authorised by Arnis J. Luks
13 Carsten Court, Happy Valley, SA.