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

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CONTENTS

THE BUILDING BLOCKS OF TECHNOCRACY -- Sir James Goldsmith - *The Trap* 1993

Ref: https://alor.org/Storage/Library/PDF/Goldsmith%20J%20-%20The_Trap.pdf

p.71 How do you define a technocrat?

Usually a technocrat is an ex-politician or a civil servant. He is unelected, virtually impossible to dislodge during his term of employment, and has been granted extensive executive and even legislative power without popular mandate and without being directly answerable to the people whose interests, theoretically, he is supposed to represent.

p.70 What was done in secret?

Quietly and progressively, power was transferred to the seventeen unelected technocrats who were the members of the European Commission. Originally, power had been entrusted to the Council of Ministers, which consists of the elected national heads of state or their representatives. As they were more interested in national policies than in the creation of Europe, bit by bit the technocrats of the Commission were allowed to take over executive power. They have been granted the monopoly right to propose new initiatives for the development of the European Union. Their ambition is not modest. Jacques Delors, the outgoing president of the Commission, declared that in future 80 per cent of all laws governing economic, social and fiscal affairs of each European nation would originate in Brussels and therefore from proposals initiated by the Commission.[15]

As was certain to be the case, this rush towards technocratic hypercentralization has created a Europe which is hopelessly weak externally and unable to influence the course of world events. Internally, the power of the technocracy is employed to destroy sovereignty, freedom and self-reliance.

p.68 How is it that the peoples of twelve European nations have agreed to this?

The European Union was built in secret: not through carelessness or casualness, but in a deliberately planned and skilfully executed manner. Claude Cheysson, the former French Minister of Foreign Affairs and a member of the European Commission from 1985 to 1989, described the mechanism in an interview in *Le Figaro* on 7 May 1994.[13] He explained proudly that the European Union could only have been constructed in the absence of democracy, and he went on to suggest that the present problems were the result of having mistakenly allowed a public debate on the merits of the *Treaty of Maastricht*.

The British newspaper *The Guardian* lodged a case before the European Court of Justice in Luxembourg complaining of the secrecy in which European decisions are taken. Lawyers for the European Council of Ministers responded by stating to the judges that 'there is no principle of community law which gives citizens the right to EU documents'. They went on to make the astounding claim that although heads of government had repeatedly called for more openness in EU affairs, their declarations 'were of an eminently political nature and not binding on the community institutions'.[14] So they asked the judges to ignore the repeated declarations at EU summit meetings in the past two years in favour of greater openness. Statements by the twelve heads of government were no more than 'policy orientations' and had no binding effect.

This belief that the nomenklatura knows best and that the public is no more than a hindrance explains why there now exists a profound and dangerous divorce between European societies and their governing elites.

13: Europe: le requisitoire de Claude Cheysson', Le Figaro, Paris, 7 May 1994.

14: EU Ministers tell court to uphold council secrecy', Guardian, London, 31 August 1994.

15: Speech by Jacques Delors to the European Parliament, 6 July 1988.

RESTRUCTURING OF AUSTRALIA By Arnis Luks

Politicising of Our Once Independent Scientific Institutions

The 1982 *Platform, Constitution and Rules of the ALP*, put together under the guiding hands of Neville Wran and Bob McMullan just prior to Bob Hawke's ascent to the prime ministership, listed the following basic objective: ***"Commitment to and participation in the international democratic socialist movement as represented by the Socialist International..."***

Ref: *https://alor.org/Storage/Library/PDF/Lee%20J%20-%20Australia%20 2000%20What%20Will%20We%20Tell%20Our%20Children.pdf*

The 1986 appointment, by the then (Labor) Minister for Science Barry Jones, of Mr Neville Wran as chairman of the new corporate-style board of the Commonwealth Scientific and Industrial Research Organisation CSIRO marked an entirely new direction of this restructured organisation.

Restructuring of our scientific organisations under a dominating CEO has been mirrored at all levels of government and our Universities. We also see the loss of representation with restructured Regionalised Councils under a dominant CEO. The restructuring of industry also began around this time with policies affecting all manner of outcomes, in particular employment security; Israel Folau and Bernard Gaynor being current examples. The pattern is consistent with totalitarianism, whether it is the EU, local council, industry or wayward government departments and CEOs.

Anatoliy Golitsyn, in his book titled *"The Perestroika Deception"* provides a detailed examination of the Iron Curtain's supposed collapse. This restructuring of the Soviets was 30 years in the making to ensure full control of the 'outcome' was maintained by the Communists. The objectives, as presented by the Socialist International, is unhesitatingly towards the New International Economic Order. Nothing has changed from 'before' to 'after' the 'fall'. **Ref:** *https://alor.org/Storage/Library/PDF/GOLITSYN%20 A-Perestroika_Deception_(1998).pdf*

Political parties, as a weapon against democracy, have circumvented our parliaments to make them of little or no representational effect. The party room decisions are simply ratified by Parliament, under the guidance of dominating party-whips and behind the scenes party leadership and industry lobyists.

All government departments require the CSIRO, as the principle scientific authority, to validate their scientific direction. The Local Government Act, the Climate Change and Greenhouse Emissions Reduction Act, the MDBAuthority, as are all other government departments, provided significant guidance from the now politicised CSIRO, heading, as nifty Neville Wran committed the ALP, towards the Socialist International objective of the New International Economic Order - World Government.

Compounding this, our government departments are riddled with activist appointments, including our High Court. This plan has been a long time in hatching.

Ref: https://www.theaustralian.com.au/inquirer/judging-the-high-courts-justices/news-story/6c819b096c60180d761d0ca9ab38b2eb

Global Smart Grid by Patrick Wood

Ref: *https://www.bibliotecapleyades.net/ciencia/ciencia_energy52.htm*

There is a new world wide web emerging right before our eyes. It is a global energy network and, like the internet, it will change our culture, society and how we do business. More importantly, it will alter how we use, transform and exchange energy. - Terrawatts.com

The dark horse of the New World Order is not Communism, Socialism or Fascism: It is Technocracy. The development and implementation of Smart Grid technology in the U.S. - reinventing the electrical grid with Wifi-enabled digital power meters - is proceeding at breakneck speed. Although Smart Grid is the result of years of government planning, the recent kickoff was made possible through massive "green" grants that were quietly included in President Obama's economic stimulus package starting in 2009.

These lucrative grants have drawn in a host of corporate players, from utility companies to digital meter manufacturers to control software vendors. Global companies like IBM, GE and Siemens are putting their full effort behind the "build-out" that will consolidate all of America into a single, integrated, communication-enabled electric delivery and monitoring system, collectively called Smart Grid.

Proponents of Smart Grid claim that it will empower the consumer to better manage his or her power consumption and hence, costs. The utility companies will therefore be more efficient in balancing power loads and requirements across diverse markets. However, like carnival-barkers, these Smart Grid hucksters never reveal where or how SmartGrid came into being, nor what the ultimate endgame aims to achieve; perhaps most of them have no idea either, but simply repeat the mantra as if they know what they are talking about.

Smart Grid is born out of Technocracy and not the other way around. Technocracy is a totalitarian system of government where scientists, engineers and technicians monitor and control all facets of personal and civic life - economic, social and political. **

Transition to Cashless Society, then Carbon Credits

We have previously (1988) reported on the proposal for a cashless society here: *https://alor.org/Storage/OnTarget/Volume24/Vol24No28.htm* Australian study trials since then have occurred in Norfolk Island 2010 (carbon credits) and Ceduna 2016 (cashless society). The cashless society trials 'end position' may be transitional only, ultimately to carbon credits. *(continued on next page)*

(continued from previous page) Once people are fully accustomed to using only an electronic card, (cashless), it is no longer a significant step across to Carbon Credits.
Ref: *https://www.afr.com/companies/cashless-economy-may-be-coming-but-not-here-yet-20180812-h13vb5*

Medical Martial Law

Nearly a year ago we reported that medical martial law was declared in Rockland County, New York. The bureaucratic desire to control or eradicate measles, after a rise in the number of recorded cases was the justification. This was later overruled by the relevant courts.

A lead article in today's *SMH* highlights 109 recommendations against the drug methamphetamine, including increasing the number of injection clinics. There appears to be no such political desire to control nor eradicate methamphetamine. Yet the Federal Government on Thursday activated its emergency plan, operating on the basis the coronavirus 'is' a pandemic.
Ref: *https://www.abc.net.au/news/2020-02-28/coronavirus-pandemic-emergency-plan-for-covid-19-outbreak/12006960*

As we go to print, the end position of the virus is not yet clear. Whether we need to go to a fallback position or not, it is important to be like a boy scout and "always be prepared".

Self Reliance

With the situation the world finds itself in over the coronavirus, it is a timely reminder of the importance of individual and national self-reliance. Should China's industrial capacity remain shutdown or significantly hampered, Australia, as is the rest of the world, in quite a vulnerable position. From the home veggie garden, to the local workshop and on to the national industrial base, all are now of increased importance, but the first priority must be to secure a stable food and clean water supply.

Clean Water - Fluoride & IQ: The 64 Studies
Ref: *http://fluoridealert.org/studies/brain01/*

As of December 2019, a total of 72 studies have investigated the relationship between fluoride and human intelligence. Of these investigations, 64 studies have found that elevated fluoride exposure is associated with reduced IQ in humans, while over 60 animal studies have found that fluoride exposure impairs the learning and/or memory capacity of animals. The human studies, which are based on IQ examinations of 23,773 children (62 studies) and 245 adults (2 studies), provide compelling evidence that fluoride exposure during the early years of life can damage a child's developing brain.

Soil and Health

Dr Christine Jones' website "Amazing Carbon" illustrates the importance of perennials, cover crops and syncretic planting. Mycorrhizal fungi - the powerhouse of the soil - plays a key role in the functioning of the food web, drawing down atmospheric carbon dioxide as dissolved organic carbon and providing much-needed energy for the soil ecosystem. Mycorrhizal fungi also improve aggregate stability, enhance soil structure, build stable soil carbon, improve plant water use efficiency and increase the efficiency of utilisation of important nutrients like phosphorus, sulphur and nitrogen.

Enriching Soil Fertility
Ref: *The New Times*, September 5, 1947

...Therefore, our conclusion must be, that as trustees of our country's largest storehouse of wealth, we must give more heed to the humus content of our soil. This means feeding and caring for our soil life, the unseen underground workers in the soil, who produce humus, and can alone, maintain the fertility of our farms. To do this, we must find some appropriate way of returning all possible plant and animal residues to the soil.

The soil life will then, not only provide for the fertility, but will also build in plants and animals, that they may provide the food necessary for the summit of all creation, mankind. Such food will sustain us in robust health, so that we, too, can resist disease and enjoy the beauty and happiness of this most wonderful world; especially this home land of ours, *(Australia-ed)*.

Food Quality, Preparation, Preservation and Health

With improved soil quality comes the opportunity of improved food quality. C.Stanton Hicks' book *"Who Called the Cook a Bastard?"* highlights the importance of proper food preparation to maintain good health. That veggie patch takes on a greater significance when you realise the chain to good health needs to be unbroken. The preserving kit utilised for seasonal crop storage.

Off-Grid Power

Long-term food storage needs to take into account an off-grid power source at least for the fridge and freezer. This may not be as painful as you think if you can team together with a neighbour and share the cost. Powering your X-Box and TV may quickly fall down the list of priorities during any extended power outage. One power circuit (24-7-365) to start with and build from there. Lights become secondary, but if they are a must, LEDs.

Other Resources

Resourcefulness and individual initiative are the key to long term security. As your natural allies local people, shopkeepers, pensioners and tradesmen will be most affected by a cashless transition and need to be kept informed of your efforts. Use alternative 'silent' media to highlight campaigns and results. Use legal tender whenever possible in all your transactions. Establish an alternative trading group within your immediate contacts (farmers' market). Find a tradable commodity and trade with your contacts outside of the conventional system - this will assist you to endure (resist the blackmail as was done to the Greek people by the banksters). **Stockup.** If an issue is "HOT" in your electorate, work with like minded people to focus energy on this "one issue": *see OnTarget 6th March 2020 The Critical Moment.* ***

DO CLIMATE CHANGE POLICIES LINE UP WITH TECHNOCRACY'S IDEAS?

Technocracy advocates that:

: In order to operate the economy, Carbon Rationing Energy Certificates *(carbon credits-ed)* must be issued individually to every adult in the population.

: The record of one's income and its rate of expenditure kept by the Distribution Sequence to ascertain the state of customer's balance.

: When making purchases of either goods or services an individual surrenders the Energy Certificates properly identified and signed.

: Money is generic to the holder while Carbon Rationing Energy Certificates *(carbon credits-ed)* expire.

During Cancun COP16 – calls for a return to WWII style rationing by Anthony Watts, November 29, 2010

My parents used to talk about rationing during the war with great apprehension. Clearly the nutters in and supporting Cancun are clueless as to how such a scheme would be viewed by the public. My inbox has lit up today from all around the world over this issue. Short of Climategate itself, I haven't quite seen any other similar reaction.

Excerpts from *The Telegraph*

Cancun climate change summit: scientists call for rationing in developed world. Global warming is now such a serious threat to mankind that climate change experts are calling for Second World War-style rationing in rich countries to bring down carbon emissions.

In a series of papers published by the Royal Society, physicists and chemists from some of world's most respected scientific institutions, including Oxford University and the Met Office, agreed that current plans to tackle global warming are not enough.

In one paper Professor Kevin Anderson, Director of the Tyndall Centre for Climate Change Research, said the only way to reduce global emissions enough, while allowing the poor nations to continue to grow, is to halt economic growth in the rich world over the next twenty years. Prof Anderson admitted it "would not be easy" to persuade people to reduce their consumption of goods. He said politicians should consider a rationing system similar to the one introduced during the last "time of crisis" in the 1930s and 40s.

This could mean a limit on electricity so people are forced to turn the heating down, turn off the lights and replace old electrical goods like huge fridges with more efficient models. Food that has travelled from abroad may be limited and goods that require a lot of energy to manufacture.

"The Second World War and the concept of rationing is something we need to seriously consider if we are to address the scale of the problem we face," he said.

Ref: *https://www.telegraph.co.uk/news/earth/copenhagen-climate-change-confe/8165769/Cancun-climate-change-summit-scientists-call-for-rationing-in-developed-world.html*

UN's "Climate Change" to Transform the Economic Structure of the World

Video: *https://www.youtube.com/watch?v=DPQMV4XZZ54*

Radical Environmentalism vs. Jobs and the Economy by Cathie Adams, Eagle Forum

"Regardless, consensus is the way major decisions are made by the UN, not votes. In Warsaw, the UN is seeking consensus on three objectives before the meeting concludes on November 22, 2013

• Clarification of finance for its Green Climate Fund, which could mean a global tax scheme to transfer wealth from rich to poor countries.

• Creation of a "loss and damage" mechanism to compensate poor nations that suffer climate-related tragedies like the typhoon that just happened in the Philippines and is the focal point for funding pleas in Warsaw. Americans have already sent at least $100 million, plus food, medicine and troops.

• Clarification of elements for a draft of next year's meeting document in Lima, Peru. The UN has predetermined that a new legally binding treaty to replace the 1997 Kyoto Protocol will be completed in Paris, France in 2015 and will go into affect in 2020. The European Climate Foundation based in The Hague, is a typical green — ignore the science — organization that uses United Nations meetings to push radical environmentalism to destroy liberties, kill jobs and industries, and lower our standard of living…"

Ref: *https://eagleforum.org/topics/global-warming/radical-environmentalism-vs-jobs-economy.html*

Productive capacity is not the problem – it is the distribution system that is at fault!

The above report from *The Eagle Forum* is typical of most folk in their attitude to the present world situation. Of course humans have no control over Mother Nature's climate change, but humans do— or should— have control over their environmental management. That is if Mammon did not control them and their institutions, both directly and indirectly.

What they do not grasp is that physically the industrialised, technological, automated production systems can produce more than enough for every citizen of a modern nation, it is the distribution of that production that we should be looking at— there is the problem. Until they come to grips with understanding how the financial system is cheating them and rise up and throw mammon out, nothing will change for the better.

Originally published in OnTarget: https://alor.org/Storage/OnTarget/Volume49/Vol49No47.htm

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SOCIAL CREDIT & MODERN MONETARY THEORY by M. Oliver Heydorn Ph.D.

In recent years, people in the monetary and economic reform movements alongside the general public have been hearing more and more about something called "Modern Monetary Theory". Modern Monetary Theory, or MMT for short, is a heterodox macroeconomic theory principally focused on how the financial system works and how it could be used to achieve more satisfactory economic outcomes. It seems that it has largely grown out of the tradition of chartalism and is sometimes referred to as neo-chartalism as a result. Warren Mosler appears to have served as the single greatest progenitor of the movement. Other 'big names' in the MMT world include: L. Randall Wray, Stephanie Kelton, Bill Mitchell, and Pavlina Tchernerva.

The *point de départ* of Modern Monetary Theory seems to be the observation that a government that exercises its monetary sovereignty by issuing its own currency can never run out of money. A chief corollary of this claim is that such governments cannot go bankrupt either so long as the debts are denominated in their own currency. Monetarily sovereign governments are typically federal or national governments. As the currency-issuers for a given political jurisdiction, they possess a natural monopoly on a nation's currency in all of its various forms: bills, notes, and electronic central bank credit. Hence, if such governments need more money, they can always create more for themselves, rather than borrowing it or taxing to obtain it. That seems to be correct as far as it goes and it is something with which Social Credit would agree.

From there, MMT supporters go on to argue that in order for an economy to fully actualize its production potential, which necessarily implies a state or condition of full employment, the government should create and spend as much money as is necessary to achieve that end, while taxing or taking back the money spent at a high enough rate so that there would be no inflation. Relying on the government to do the supplementary spending would have the added advantage of ensuring that the additional production (which is required to fully utilize existing economic resources) would be composed of, presumably, much needed public goods that would benefit everyone: things like better educational services, universal high quality health care, upgraded infrastructure, and so forth.

Since MMT is receiving more and more press and would appear, in my view at any rate (and more on this shortly), to be the system's answer to the neo-liberalism of the past 30-40 years, it is crucially important that Social Crediters become aware of what MMT claims and what it proposes and also what the due Social Credit response to MMT should be. In what follows, I will attempt to outline some of the more salient MMT propositions and policy-prescriptions and to indicate both the points of contact and commonality with Social Credit, as well as the key areas of disagreement where the two part ways. This survey does not pretend in any way to completeness. In my experience, MMT is not as clearly and as thoroughly expounded by its proponents as it presumably could and should be and thus the scope for genuine misunderstandings, obfuscation, changing goal-posts, hand-waving, and incomprehensible word salads has been enormous.

Technical Claims

That there should be no artificial financial limits or constraints on productive activity is something that both MMT and Social Credit can agree on. As an old Social Credit axiom puts it: "whatever is physically possible and desirable should be financially possible". The real economy should be in the driver's seat and finance or money only serving as a mere adjunct to catalyze production. When MMT proponents argue that we can or should be able to afford whatever public goods and/or social programmes that are needed by the population provided that we have the physical economic resources to satisfy those claims, they are surely right.

Another central pair of MMT claims is that federal taxes can only be paid with currency and that taxes are therefore what give value to currency. 'People demand currency because they need to pay taxes' or so the MMT narrative runs. These claims seem dubious for a number of reasons.

First off, virtually no one, no worker, consumer, or businessman literally pays taxes in bills and coins (central bank reserves are not part of the money supply, but count as part of the monetary base), but in bank credit. People go into the market as workers or investors or speculators to obtain money, any kind of money, and that money is usually received in the form of commercial bank credit (because the vast majority of the money supply exists in the form of bank credit). They do this for many different reasons, not just to be able to pay taxes (more on this in a moment). But even when it comes to paying taxes, no one seeks out currency in particular to pay federal taxes. In fact, the vast majority of people would be surprised by the MMT claim that federal taxes have to be paid in currency; they would not have been aware of any such stipulation. If it is indeed true that federal taxes must be paid in currency, MMT proponents are going to have to do a much better job of explaining how the mechanism actually works and proving that it does, in fact, work in the manner described.[1]

As far as what makes currency acceptable or accepted by people, I think there is a simpler explanation in any case than that currency is special and must be obtained for the purpose of meeting tax obligations: currency is legal tender.

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People have to accept bills and coins, for example, in exchange for their goods and services because the state has, by fiat, decreed that these bills and coins are money and must be accepted in payment of debts.

Finally, from a Social Credit point of view, what ultimately gives value to money, whether in the form of currency or credit, is not that people need money to pay taxes, but rather the fact that there is real wealth in existence (potential or actual) that can be claimed by the money tokens. It's the existence of real goods and services with costs and prices attached to them, or the raw capacity to produce such real wealth, that ultimately gives value to money. This can be proved quite easily by a thought experiment: if no taxes were levied and the regular flow of production were unimpeded, there would be still be a demand for money in order to obtain goods and services in exchange for it.

Closely connected with the idea that taxes give value to the currency or money in general, is the MMT claim that, contrary to the common perceptions of politicians and of the public at large, taxes don't fund federal government spending. What they mean to say with this is that it is not the case that the government first collects taxes and then spends money into the economy on this programme or that one. Rather, the government spends first and then re-collects some of the money it has spent in taxation. This, I think, is true. The government first obtains the money it needs to spend from the banking system before it charges consumers for it in taxation.[2] However, this time sequence does not obviate the fact that consumers still pay for government goods and services in their taxes. Taxes merely serve the role that prices serve in the private sector, where the private provision of goods and services are concerned. That taxes don't fund the government upfront does not mean that they don't fund the government after the fact; we pay for government goods and services just as we pay for private goods and services. Government production does not cost nothing; it is not for 'free'.[3]

Besides this disingenuous attempt to demystify taxation, MMT actually goes a step further and asserts that borrowing does not fund federal spending either. MMT basically says that whenever a monetarily sovereign government spends it creates the money that it spends through the balance sheet operations of the central bank.

This claim is more problematic. Firstly, it is not always clear just what is being affirmed. It is undoubtedly true and it is contested, I believe, by virtually no one that the central banks can create money in the form of electronic central bank credit for a monetarily sovereign government. But saying that something can be the case is not saying that it always is or must be the case. MMT proponents often seem to give the impression that we are dealing here with a strict necessity of the system and that every dollar of federal spending involves money creation, first by the central bank on behalf of the government and then, presumably, by commercial banks who receive the corresponding reserves from the government when the government wishes to spend.

In a very important research paper available on the Canadian Library of Parliament website that was published in 2011, Penny Becklumb and Mathieu Frigon, researchers from the Economics, Resources, and International Affairs Division of the Parliamentary Information and Research Service, unequivocally state that, as far as Canadian federal government operations are concerned, only a small portion of the federal government's money is created by the central bank and very often it is held on reserve in view of contingencies and not spent into the economy at all. The rest of the governments bonds and treasury bills are purchased by commercial banks (which create the money with which they effect said purchases), brokers, and investment dealers. I will quote all the relevant parts of this document in full as this issue is such a bone of contention and this paper quite conveniently and clearly contradicts the standard MMT position in multiple places (emphasis in bold is mine):

> "This paper explores the operational and legal aspects of how, by buying newly issued federal government bonds and treasury bills, the Bank of Canada creates money**1** for the federal government. Information about how private commercial banks create money is also provided.
>
> "In June 2011, as part of the debt management strategy**2** included in its 2011 Budget, the Government of Canada announced its intention to borrow $35 billion over the next three years in order to increase its deposits with financial institutions and the Bank of Canada by about $25 billion and to increase liquid foreign exchange reserves by US$10 billion. The intention of this "prudential liquidity plan," as it is known, is to ensure that there are sufficient liquid assets to cover at least one month of the federal government's net projected cash flows, including interest payments and debt refinancing needs.
>
> "The government justified this plan by stating that liquid financial assets "safeguard its ability to meet payment obligations in situations where normal access to funding markets may be disrupted or delayed," and that this "supports investor confidence in Canadian government debt."**3** In response to the government's June announcement, **in October 2011 the Bank of Canada announced its intention to increase from 15% to 20% its minimum purchases of federal government bonds.4**

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As explained in this paper, the Bank of Canada's purchase of federal government bonds is a means by which the Bank creates money for the Government of Canada. The Government of Canada may elect, as it did in the context of the prudential liquidity plan, to keep this money in its deposit account with the Bank rather than spend it.

2 How the Bank of Canada Creates Money for the Federal Government

"The Bank of Canada helps the Government of Canada to borrow money by holding auctions throughout the year **at which new federal securities (bonds and treasury bills) are sold to government securities distributors, such as banks, brokers and investment dealers.** However, the Bank of Canada itself typically purchases 20% of newly issued bonds and a sufficient amount of treasury bills to meet the Bank's needs at the time of each auction.**5** These purchases are made on a non-competitive basis, meaning that the Bank of Canada does not compete with the distributors at auctions. Rather, it is allotted a specific amount of securities to buy at each auction.**6**

"In practical terms, the Bank of Canada's purchase of government securities at auction means that the Bank records the value of the securities as a new asset on its balance sheet, and it simultaneously records the proceeds of sale of the securities as a deposit in the Government of Canada's account at the Bank – a liability on the Bank's balance sheet (see Appendix A).

….

"By recording new and equal amounts on the asset and liability sides of its balance sheet, the Bank of Canada creates money through a few keystrokes. The federal government can spend the newly created bank deposits in the Canadian economy if it wishes. ….

3 Money Creation in the Private Banking System

"Private commercial banks also create money – when they purchase newly issued government securities as primary dealers at auctions – by making digital accounting entries on their own balance sheets. The asset side is augmented to reflect the purchase of new securities, and the liability side is augmented to reflect a new deposit in the federal government's account with the bank.

"However, it is important to note that money is also created within the private banking system every time the banks extend a new loan, such as a home mortgage or a business loan.

Whenever a bank makes a loan, it simultaneously creates a matching deposit in the borrower's bank account, thereby creating new money (see Appendix B). Most of the money in the economy is, in fact, created within the private banking system.

"A key similarity between money creation in the private banking system and money creation by the Bank of Canada is that both are realized through loans to the Government of Canada and, in the case of private banks, loans to the general public."[4]

Finally, while there is no explicit acknowledgement in MMT of a price-income gap or the discrepancy between the flow of costs/prices in the economy vs. the flow of consumer incomes, with the former surpassing the latter (and therefore no attempt to investigate its various causes), there is an implicit recognition of the Social Credit gap insofar as government deficits are seen as necessary for maintaining economic functionality (equilibrium) and the avoidance of recessions.

But, as I have tried to show elsewhere: https://www.socred.org/s-c-action/social-credit-views/living-beyond-your-means, it is not just the government that is or must be in deficit to maintain equilibrium, consumers and businesses are also not running balanced budgets by spending more than they receive in income or revenue and borrowing the difference.

Philosophical and Policy Claims

It is in the realm of 'philosophy' and policy that the greatest differences emerge between MMT and Douglas Social Credit. The contrast is so stark that MMT, like Keynesianism before it, can rightly be described as an inversion of Douglas Social Credit, as if it were an attempt to stand Social Credit on its head in the service of increasing centralized power.

Whereas MMT appears to stand for the full actualization of the economy's productive potential as an end in itself, as if the purpose of the economy were simply to produce as much as we can, Social Credit stands for the full actualization of the economy's *useful* productive capacity, i.e., production which answers to *bona fide* human needs, which is a very different thing.

The objective of economic life as MMT perceives it necessitates a policy of full employment. In order to achieve that end, MMT proposes the introduction of a federal job guarantee so that anyone who needs work can be put to work on public production by the government at minimum wage. Social Credit, by contrast, says that if we can actualize the useful productive capacity with only a minority of the workforce actually being employed in production (which is undoubtedly the case in any first-world, industrialized nation), then that is a good thing because it means that we can start distributing increased leisure. Thus, over and against MMT's policy of full employment, Social Credit champions a policy of the minimum employment necessary.

Now, in an era of increasing automation, a federal job guarantee also bears a very sinister implication. As the private sector can meaningfully employ fewer and fewer people – it has been repeatedly predicted by...

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...several commentators, social critics, and futurists that 50% of American jobs, for example, will be automated within 20 years – the job guarantee means that the government will have to provide the work for the people who are losing their jobs due to automation. The logical endpoint of this type of progression would be for the government to serve, not merely as 'the employer of last resort', but as the main employer in society. Should the government eventually start to employ the majority of workers, all at a minimum wage, there will be very little difference between that and a communist economy in which the government owns the means of production, all economic decisions are made according to plans executed by centralized bureaucracies, and all workers are paid equally. In other words, it seems to me that the pledge of a federal job guarantee within the context of the fourth industrial revolution may very well eventuate in a communistic or communist-like economic order. This would mean that MMT is communism through the back door. Indeed, given the current SJW political and cultural climate, one can imagine that the MMT society of tomorrow might be even worse, in certain respects, than the communism of the past. Will people be paid minimum wage by the government to, for example, dress up in drag and read stories to little children? Would "Drag Queen Story Hour" be one of the eligible activities for job guarantee recipients? Might people even be coerced into doing things of this nature if there is nothing else for them to do? ***

OUR POLICY

To promote service to the Christian revelation of God, loyalty to the Australian Constitutional Monarchy, and maximum co-operation between subjects of the Crown Commonwealth of Nations.

To defend the free Society and its institutions -- private property, consumer control of production through genuine competetive enterprise, and limited decentralised government.

To promote financial policies which will reduce taxation, eliminate debt, and make possible material security for all with greater leisure time for cultural activities.

To oppose all forms of monopoly, either described as public or private.To encourage all electors always to record a responsible vote in all elections.

To support all policies genuinely concerned with conserving and protecting natural resources, including the soil, and an environment reflecting natural (God's) laws, against policies of rape and waste.

To oppose all policies eroding national sovereignty, and to promote a closer relationship between the peoples of the Crown Commonwealth and those of the United States of America, who share a common heritage.

References:

1. It has been suggested by certain MMT proponents that I have read more or less recently that what happens with respect to federal or national taxes is something along these lines: people pay bank credit via taxes into government accounts at commercial banks. The government then directs the bank to pay back the equivalent in central bank deposit or reserves to the central bank and both the bank credit and the reserves are cancelled out of existence. But even then it remains true that people are not paying their taxes directly in currency and thereof they would have no need to demand it. It is likewise true that government expenditures must be made in bank credit, not cash or central bank deposits, so the MMT emphasis on currency with respect to this question of money's 'value' would seem to be misplaced.

2. But this is not exclusive to the federal or 'monetarily sovereign' government; it is probable for reasons of convenience and need that all governments spend first and then tax the money spent or some of it back.

3. In this and a number of other ways, MMT distinctions seem to be 'distinctions without a difference' rather than novel revelations about how the financial system actually works.

4. https://lop.parl.ca/sites/PublicWebsite/default/en_CA/ResearchPublications/201551E
Cf. also this statement from the Bank of England paper "Money Creation in the Modern Economy":
"Banks buying and selling government bonds is one particularly important way in which the purchase or sale of existing assets by banks creates and destroys money."

https://www.bankofengland.co.uk/-/media/boe/files/quarterly-bulletin/2014/money-creation-in-the-modern-economy.pdf?fbclid=IwAR1C714MNuK_vOf_4_9skFq14PRfvAb2FvTdYY0eN2vW8hzsrPTLRlHawI ***

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