

"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. 25 No. 01

Registered Australia Post - Publication PP343214 / 00016

January 2024

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HIDING BEHIND WORDS! by Neville Archibald

Once upon a time, in a fairy tale world, called Conspiracy land, all the bad things were hidden under a veneer of respectability. The witch was in the gingerbread house and until you entered everything was all yummy and sweet.

Driving past one of the now numerous roadside trailers, with digitised signs glowing orange, I read repeatedly that speeding causes licence loss and fines, then as almost an afterthought, causes crashes.

Is the functional deterrent, now the punishment, the authoritarian response? With the real reason an afterthought?

This flashing sign was the start of a reflective process for me. I pulled over to the side of the road and put pencil to paper.

Dangerous driving leads to death and destruction! Our many race car drivers will attest to this. Training and preparedness are the ultimate tool for survival on the roads, along with road maintenance and correct design.

The majority of speeding fines and revenue raised, is from minor excess of speed. Hooning and actual dangerous driving make up little of the total. It is one thing to impose a wake up call to be attentive, which is how I see the 5 to 10 km over. It is another to expect modern car drivers to be paying more attention to a man made limit than their surrounds. In cars today the feel of the speed you are doing is less noticeable than ever before, cars are safer now than ever before and roads most definitely, require much more of our attention than ever before. In a system made for man, an allowance for these things could be made. The spirit of the law judges also the intent.

I know there will be many who, at this point, see me as probably someone who is grumpy from obtaining said fines (never had a speeding fine – touch wood). No! I look at these things, like the illuminated signs, as a sign of our capitulation to being controlled. We are used to so many of these controls that we have become blind to them, we are being limited for our own 'good', the arbiter of this 'good' being first and foremost not us, nor in our control. The punishments and restrictions are built upon until an empire is created and more and more things are included. This in turn has changed how we think. People will argue with you, that because it is law you deserve a fine, no matter the point, you will obey. The COVID impositions show us clearly just how indoctrinated people have become. If a law was passed for people to call each other some non gender defining name, like citizen, there would be many who would obey and even some who would be happy to enforce it. Why is this so significant?

Language is and can be so much more than a mere means of communication, a medium for the exchange of thoughts. It also reflects our beliefs, prejudices and emotions. It actually influences these things too. By what is said around us everyday we are subtly moulded, sometimes obviously other times more insidiously.

If we look at the Church's opposition to drunkenness, it was not from a health perspective but from the loss of control it creates. The ability to make rational decisions was removed. Our wavering sight of the true meanings of words acts in the same way. They have taken control of our intention to say something. Hijacked the meanings of words we know and can form into our thoughts. By putting other words into our mouths our ability to express ourselves becomes a problem. What new words do we use? How can we, who are now on our back foot, regain this true intention? – rarely one of malice. Yet here we stand, accused of 'wrong-think'.

We can be criticised and labelled by our use of words. Words that have often been changed from their original meaning and demonised in the drive to create division. Witness the overly remarked upon generation gap, where one generation can be alienated from another by simple word meanings being changed. This largely man influenced creation has been done to death on both big screen and little, the subject of endless permutations, to

the point were it becomes amusing rather than thought provoking. Entertainment rather than a dysfunction to be remedied. A term bandied about in the early 1960s by sociologists it was a product of the breakdown of true education, the arrival of the Marxist push into our schools and universities.

For my generation, I consider this point one of the major beginnings of intentional social change. Altering our ability to rationally debate a subject and the trivialisation of division. A tool which has been and is still being used against us.

Discrimination, where once a person of discriminating tastes was a refined and level headed individual, able to make smart decisions based on sound judgement. Now it is used as a slanderous word, to shut up any opposition to the intended course.

Equity is another one of those terms that has been corrupted, conjoined with equality and has been used to alter so many parts of our day to day lives.

British Author and founder of the Centre for Social Cohesion, Douglas Murray was interviewed on Rita Panahi's *Sky News* platform (15th of September 23). Among other things, he spoke about inter generational trauma and the denial of personal responsibility, 'equity is one of the worst terms of the era. it's a smuggling term, a whole load of bad ideas get smuggled in behind the term equity.'

He followed on in this interview to talk about the impact of year zero in Canadian schools, where books before 2008 were being removed due to their content, no longer reflecting the 'today-speak' of our controllers expectations.

Once again this abuse of word use and the redefining of their meanings is making a huge impact on our future and most definitely that of our children. Being fair and making everyone equal has been carried into the realms of the absurd. We are individuals, we are all different and common sense should let us see it, it should not be a problem, yet they are making it one. If all the players on a football field were equal, the position they play would not matter. Yet we see selection by ability and even build, playing a crucial part in a successful line up.

Body image, also mentioned in this interview, is another area of fairness or equity manipulation, peoples shapes and sizes. Instead of recognising that people do come in all forms and that is just who they are, we have found a way to divide people even more. Hate speech regulations recently caused the expulsion of young lady in a university setting for something she said that offended another girl. The offended girl was then sponsored by a large corporation promoting and celebrating her body shape. I won't make a judgement on who was right or wrong, but I will point out that sometimes body shape is unhealthy and should be recognised as such, despite feelings that may get hurt.

What have we become?

As Rita pointed out, we have just gone through a period where obese and morbidly obese people have been affected far more by a virus than people who are not. Statistics in all health related issues will also show the serious problems associated with this affliction. As far as I am concerned actively promoting this, as an okay lifestyle choice, is akin to promoting smoking and other life threatening choices, all the way back to speeding. Why then the double standards? I contend it is strictly to divide and conquer.

A healthy body weight, being fit and active and following a good varied diet was once considered as almost a national pursuit. The reduction in healthcare costs alone would be staggering if these common sense realities were to be pursued. Instead we find celebration of difference has gone into the extreme. Our systems made for man have been corrupted to reflect support for this absurdity and once again division between people, who if they know better, are cowed by legislated punishments and implied shame for speaking up. We all have different shapes and some of us, unusual features, the critics of our appearances can go whistle as far as I am concerned, they are just words without substance.

The danger lies when these words become entrenched in a system that gives them that substance.

Once again it will be our ability to stand up and point out these abuses of language, clear moments when our would be controllers speak against us, that will empower us. Woolworths' non support for Australia day, hurt them, good! It is what is needed. Sports events the same. To pander to things that divide us rather than promoting unity, is the outward sign of controlling forces trying to change us. To fit their mould not ours. To further their eventual plan for us and believe me, they have one!

To listen to the voices at one of their most well known talk-fests, the WEF conferences at Davos, Switzerland, is to hear their intentions for us. You need to wade through the doublespeak that sometimes seems half reasonable and find the intent behind it. The words they use are as corrupted as they are.

Net zero carbon, is the most apparent push. We can see it's influences already, right around the world, in rising costs of living. With many other impositions to come, for our current standard of life. Restricted travel, poorer food, confined area living and a digitised money supply under the control of our 'leaders'.

The West is to be pauperised and the developing world to be kept down, the Elites will still be able to live their lavish lifestyles and do whatever they wish.

To fulfil this program, misinformation and disinformation must be under their control. This year has seen them lamenting the apparent loss of trust the public has in them and their ideas. The heavy handed and failed management of COVID has been rightly

contributed to many of their member groups and to those puppets they have trained.

Many independent news sources have sprung up to fill the vacuum left, when truth has been denied us by the controlled media. This, they can see, could well be their

SYSTEMS OF CHANGE by Neville Archibald

I have recently had the opportunity to watch people working together. Like all systems, the hospital system is one that should be made to service the needs of the patients, not the desires of those entrenched in the system. As a microcosm of the world we live in, this system is but one of many examples of the interplay between people. I couldn't be happier with the service and intent of the workers on the ground, doing their jobs. They believe in doing the right thing, they know their job is to alleviate suffering and help with healing. Personalities differ and compassion levels may vary depending upon how much experience life has thrown at them.

The system however, does have failings, as do all systems made by man. The conscientious employee will find a workaround to enable the job to be done with the best outcome even if the system is faulty in some way. Some may grumble, some may be cautious due to fear of the system punishing them. The attitude of those in the system can be contagious and encourage others to also use their successful workarounds. Thus changing the system.

Without seeing the full ramifications to the actual system in question, I may never know if the problems get rectified. I would hope with enough employees using it, the system would eventually change.

My point is, many lead by example without truly considering the power they have. They make that change happen, they are just getting it done!

In our modern lifestyle, the world at large impinges on us for most of our waking moments. Radios blare in workplaces, cars and at home. TVs appear in waiting rooms across the country, in many fast food premises and almost constantly at home. In our cars, buses and even shopping, the constant chatter of people giving opinions is now interlaced by occasional music instead of the other way 'round. Even the music is fast becoming opinionated content. Much of it, trying to change the normal view on life to be - edgy and new. So much could be said on this whole subject that you could write a book! Further reading: ('Amusing Ourselves to Death', Neil Postman)

I have no doubt that much of this opinionated chatter is orchestrated by those who want to change our world and worldviews. Vested interests have long paid for advertising and political content. By now you would have seen some examples of the will-full perversion of the nation's desires and even of the course of justice. Reporting and discussion on topics affecting the nation

undoing. Anyone speaking out is a danger to them. We need to use our words accurately and often, to further the push for honest reality.

The little boy who cries out that emperor has no clothes, wields a powerful weapon, the truth. ***

and the world have become a saleable item. Witness the one page of the Uluru statement, the suppression of the Epstein Island paedophile list, the true figures on vaccine damage and the whole sorry COVID-19 response.

I know I have not touched on so many more perversions that are regularly pushed down our throats in the 'guise of entertainment/discussion. Each person will see some subjects more than others. My point being, that paid articulation is part of our problem. We who would resist it are neither paid nor trained to use trigger words or certain styles of coercion in our day to day interactions. We can also do little to interrupt these seemingly rational discussions, happening within our hearing. In a small group discussion, that you are a part of, your input can be effective and heard by the others taking part. On TV, radio and podcast it is not refutable, except by other TV, radio and podcasts at a different time. Day to day we are subject to this brainwashing, for that is what it is! It is truly no more than one-sided drivel, passed off as considered enlightenment.

In our busy lives, we often find we have little time to devote to these objections. They pass us by as a form of white noise - or do they?

Studies have shown that this form of influence is effective in causing people's opinions to waiver or change, otherwise all advertising would be pointless. Sometimes an inflammatory remark can get you riled up and even more firmly entrenched in your original position, but the constant bombardment will also subtly change you.

As a second act, this chatter is dis-empowering. It can make you feel alone and insignificant. If the belief is held that everybody is in agreement with this chattering class, (which believe me they are not), you would be right in being disillusioned by your own thoughts. You would tend to think you are in a minority. If you go out of your way to ask people's opinions on this chattering (real opinions, not those that they think their friends or co-workers wish to hear), you will begin to see it is not a majority. Witness the outcome of the voice referendum! Press and so-called public opinion was in favour, those against were slammed as merely racist or otherwise demonised, yet the final outcome was NO! Many have paid lip service to the chatter to keep from being targeted, yet still spoke their mind when it mattered, at the ballot box.

In the man made systems where we exist, our actions and opinions matter; the weight of the world pressing

down on us needs to be alleviated! Turn off your TVs, radios and such, using them only to do a brief information tour at selective times. Stop the constant bombardment.

The radio in my car argued with the cars system when I changed out a starter motor and is now sulking. A \$200 potential repair I felt was unnecessary, so it remains silent for the most part. Never before has a drive allowed for free thinking and even discussion when others are present. It is amazing how much your thoughts are your own by this simple action. If you try it for a week or so, along with restricting the chatter elsewhere you will see a difference in clarity of thought. Once you have achieved this, our systems become easier to witness in action. Our own thoughts become our own once again and we are able to look more clearly at what we can do about it.

I know I have no immediate influence on outcomes in foreign countries, on sanctions or wars. Heck, I even realise that I myself, have little ability to change the outcomes in my own government, yet I can see that every action has a reaction. Every little step I take will

DOUGLAS SOCIAL CREDIT ... BY WAY OF METAPHOR by M. Oliver Heydorn

For whatever reason, Douglas Social Credit seems to exhibit an unusually high informational “barrier to entry” and yet it is vital that as many people as possible would come to understand it as quickly as possible because the financial analysis and remedial proposals of Major C.H. Douglas (1879-1952) are the solution to 90% or more of our financial, economic, political, cultural, environmental, and international problems. In what follows, I will focus on the monetary dimensions of Douglas Social Credit, though the reader should be aware that DSC constitutes a much broader body of thought which incorporates a social philosophy, a political theory, and also a theory of history. Since the easiest way to grasp something new and therefore unknown is to approach it by means of the known, this article relies heavily on metaphors to communicate the truth of Douglas’ vision.

Let us begin by contemplating the quasi-miraculous phenomenon of air travel. In order for a plane to fly effectively, efficiently, and safely, transporting passengers from one location to another, it is necessary for the plane to have been designed and constructed in keeping with the principles of aerodynamics. These principles are the manifestation of the natural law in the domain of air travel. It’s of no use to say: “we don’t care what the principles of aerodynamics are, we are going to design the plane as we see fit or as we think the law of aerodynamics ought to be.” Disregarding the objective principles that govern reality in favour of one’s own preferred principles is a recipe for failure – any

snowball, as others realise that they too, can do the same. The 'Think Global Act Local' mantra of the woke brigade works just as well for us. For our actions are far more effective when directly local, and the intent, as it rubs off will finally be felt globally if taken far enough.

In every system, those rocking the boat will influence its course. At the present time, only those being paid to dance are doing it, many only because of that payment. If they were to hear a different Piper playing the tune, they would dance differently. Those of us within these systems need to stand up for ourselves, no longer staying quiet when others repeat the chatter they hear. 'What can I do?' needs to be replaced by, 'When can I do it?'. Ask yourself this question daily! You don't need to be as verbally offensive as much of the chattering class is, just factual and polite, but disagree and do so with pride. The opinions of reasonable people, I'm sure, still far outweigh those being paid for their opinion. Our workarounds, inputs or changes can inspire others and will lead to further discussions. This will allow the usually quiet to take part, without fear of being alone. Trust me you are not alone! ***

plane constructed on this basis will, at the very least, not fly, and may even result in all manner of carnage and destruction in the interim should a foolhardy attempt be undertaken to initiate a flight under such conditions. The observation of this fact enables us to draw a general inference: **functionality, in whatever sphere of activity, is dependent on the conformity of our action with reality, on observance of the natural law – in a word – on truth.**

In the same way, the financial system – by which we mean the banking, cost accountancy, and taxation systems – must be designed in keeping with natural law if it is to be successful in fulfilling its particular true purpose: the facilitation, to the greatest extent possible and desirable, of the production and consumption of goods and services that answer to human needs, with the least amount of labour and resource consumption.

When it comes to the financial system, the relevant natural law principle is grounded in the nature of effective measurement tools. Any such tool is only useful to us insofar as it provides us with accurate information about the real, mind-independent or objective world. A thermometer, for example, only qualifies as a good tool if it does what it is supposed to do, i.e., if it provides us with accurate information regarding the temperature of whatever it is that we are measuring. A thermometer that consistently overestimates or underestimates the objective temperature, or worse, arbitrarily alternates from overestimating to underestimating and vice versa, is not worth purchasing, holding on to, or even

manufacturing when there are more accurate instruments available.

In the same way, an effective financial system will be one that provides us with accurate information concerning the real or physical economy. The financial system is or is meant to be ‘the tool’ with which we ‘measure’ and represent the real economy, therefore the picture it paints in the abstract world of numbers should map on isomorphically to the real world. Indeed, this is the basic contention of Douglas Social Credit: **the financial system should be so structured and should so function as if it were nothing other than an accurate mirror in which all the relevant facts of the physical economy are duly reflected.**

In order to make the due relationship clear in the mind of the reader, let us consider the following image of a lion standing in front of a mirror:

The image of the lion that appears in the mirror maps on perfectly (apart from the phenomenon of lateral inversion) to the real lion which is standing in front of the mirror and to his various body parts that are exposed to the mirror. The mirror itself may therefore be described as an accurate mirror, a non-distorting mirror.

The financial system could be designed in such a way that it functions as if it were an accurate, non-distorting mirror, which truthfully reflects the physical economic reality. Whatever exists in the physical realm that is of economic significance could be fully represented in the virtual world of finance. As the physical economic facts change, the quantitative representation of those facts within the financial system would also change accordingly. Notice that in this conception of the due relationship between finance and the real world, the real world is in the driver’s seat; i.e., the mirror of finance is designed to merely follow whatever is happening in the physical realm. The real world is the determining factor and the financial system is the determined factor and thus the financial system is completely subordinate to the real economy.

According to the natural law and to Douglas Social Credit (which, as a body of thought, is merely insisting that the natural law should be observed in the arena of finance and economics), the financial system *should be* designed so as to provide this kind of accurate representation of the real, physical economy. That is, it should be a system that embodies truth, that is structurally honest, and that operates, in consequence, as dutiful servant of the real economy. The instant this kind of arrangement is in place, the financial system will be able to fulfill its true purpose in an effective, efficient, and fair manner. Once again, we see that functionality in the realm of finance and hence economics is dependent on conformity with truth. **It falls, above all, to the public authority which is responsible for the common good, i.e., to the government, to ensure that the**

financial system is regulated appropriately, i.e., in line with reality and the natural law.

Analogies often fall short, however, of a perfect comparison because, by their very nature, they combine similarities with differences when approaching the targeted object via the analogue. That kind of imperfection is observable in the case of the previous analogy that was made with the thermometer. You see, the financial system is not just a way of representing the real, or physical economy, in the way that the thermometer is meant to measure and represent the real temperature, as it also provides the essential mechanism and tools, i.e., the system of money and prices, by means of which economic actors are able to initiate change in the real, or physical economy, either on the level of production or consumption. In other words, unlike the thermometer, the financial system is not just a set of representative symbols, but a set of tools that can effect what they signify. There is a sacramental or interactive dimension to the financial symbols that is not present in the case of the thermometer. It is important to keep this in mind as we discuss how a structurally truthful financial system would operate.

So what would this mirroring of an honest, optimally functional financial system look like in concrete terms?

On the level of production, there is a reality that we can identify within the physical economy as “the useful productive capacity”. Whenever we have, on the one hand, a legitimate need or desire on the part of the consuming public for some good or service, say a need for housing, or healthcare, or transport facilities, etc., and, on the other hand, the physical productive capacity to fulfill those needs or desires in terms of raw materials, labour, technology, etc., our society possesses what Douglas referred to as the ‘real credit’ or as ‘useful productive capacity’, i.e., the ability to deliver goods and services as, when, and where required. Now, if the financial system were to accurately reflect the reality of this useful productive capacity, it would be structured in such a way that financial credit could be issued to catalyze this production as, when, and where required, i.e., on demand. In other words, **what is physically possible and desirable should be automatically financially possible.** There should be no artificial financial limit with respect to the full actualization of the useful productive capacity. Once again, the real economy, in this case its useful productive capacity, should be in the driver’s seat, and the financial system should just function as an administrative tool that makes what is possible, real through the mechanism of money.

On the level of consumption, there is, in any given economic period, a flow of real wealth coming forth from productive processes. This flow of consumer goods and services can be measured by the financial system in terms of remunerative prices, i.e., the prices that will

cover all costs of production plus a reasonable profit-margin. Now, if the financial system were to accurately reflect this flow of real wealth in terms of money and not just prices, it would also ensure that there is, in every economic period, sufficient consumer income being automatically distributed to consumers to offset those remunerative prices, in order to effect in full the transfer of goods and services to consumers and to meet all the costs of production. **What has been paid in physical terms (and every completed consumer good or service has been paid for in full in physical terms, i.e., various things like raw material, labour, and technology have been consumed in the process of production, otherwise the consumer good/service would not exist) should also be capable of being paid for in full in financial terms by consumers once and for all (without incurring further debt, because debt only postpones payment).**

Unfortunately, our existing financial system fails to accurately mirror the physical economic reality both on the level of production and consumption. Instead, because of the way in which it is designed and the way in which it functions, the financial system systemically underestimates the real, physical economy. The system makes it appear that we are poorer than we actually are, both in terms of our productive capacity, but also in terms of our ability to freely consume the wealth that we do produce.

In order to clarify further the nature of the problem with the current financial system, let us return to the analogy of the lion standing in front of the mirror, but with an important modification: the mirror is no longer an accurate mirror but a distorting mirror. Instead of the image in the mirror mapping on perfectly to the real lion, the mirror makes the lion appear as if he were as small and as weak as a common house cat. It's as if the mirror in question were modelled after a fun house mirror that one might find in an amusement park.

In the same way, the 'mirror' of finance under the existing financial system is a structurally dishonest mirror that artificially limits and distorts our conception of the real, physical economy. Because we have to interact with the real economy (insofar as it has been monetized) through this artificially limiting and distorting lens, the financial system becomes the determining factor, and what it allows us to do in the real economy becomes the determined factor. Thus, the real economy becomes subordinated to the financial system. The financial system (and those who own and control it) then occupy the driver's seat as what was meant to function as a mere neutral tool (money and the money system) can be leveraged by those owners to impose self-serving policies on the economic associations. They can, in various ways, compensate for some of the artificial limitation and distortion, but will only do so under terms that promote the advancement of their

own wealth, power, and privilege. The opportunity cost of having a structurally dishonest financial system that serves oligarchic interests is that it will simultaneously fail to serve the common good in an optimal manner.

So how does our existing dishonest and dysfunctional financial system malfunction in concrete terms so as to produce these baleful outcomes?

On the level of production, we often encounter many situations in which real credit is indeed present, i.e., there is a legitimate need co-existing with the physical means to meet that need and yet the useful production does not come into being for one very important reason: there is a lack of money. In other words, needs go unmet, while useful productive capacity goes unused because the existing financial system is not designed to ensure that sufficient producer credit to catalyze the real credit can be created and issued as, when, and where required. Even in well-developed, first-world nations, there are sick people, or elderly people, or disabled people who are in need of adequate medical care who cannot access the care they need to the degree they need it ... not because the physical resources don't exist in the nation but because the money does not exist with which those resources could be marshalled and harnessed for productive purposes. The system thus fails to mirror the useful productive capacity.

Why does this failure occur? The lack of adequate producer credit is a feature of the existing system because under the rubrics of any appropriately designed financial system producer credit should only be advanced when consumers can afford to pay for the costs of the resulting production, whether that production be public (in which case consumers pay in taxes) or private (in which case consumers pay in prices). To finance something that cannot be paid for by the intended target market is to put one's self on the path to bankruptcy. Somehow the costs must be recovered so that the producer loans can be repaid in full and on a timely basis. But if there is real demand for certain forms of production that are never actualized, why can't the intended consumers pay for it? Why is real demand not adequately represented by effective demand? This has to do with the second manner in which the existing financial system fails to adequately represent reality and it occurs on the level of consumption. In other words, the lack of sufficient producer credit is directly caused by the lack of sufficient consumer credit which is endemic to the system.

As we have already seen, there is, in any given economic period, a flow of real wealth issuing forth from productive processes. This flow of consumer goods and services can be measured by the financial system in terms of remunerative prices, i.e., the prices that will cover all costs of production plus a reasonable profit-margin. Unfortunately, the existing financial system does not accurately reflect this flow of real wealth

but systematically under-estimates it. How? By only automatically representing a certain portion of this flow of real wealth with the corresponding incomes that are distributed to consumers. Let's say that 100 million dollars in remunerative prices have been generated in consumer goods and services in a particular nation over the course of a year. Given those assumptions for the sake of illustration, it may be that only a proportion of that value has been distributed to consumers over the same period of time, say 60 million, in wages, salaries, dividends, and other forms of profit. If the financial system were an honest system and 100 millions' worth of consumer goods and services were coming on to the market, then 100 millions would appear in consumer pockets as income to offset what they are being asked to pay by the system. Instead, there is an in-built structural imbalance between the two sides of the equation. There is a chronic, underlying deficiency of consumer incomes relative to the prices that are being built up by the same productive processes.

This deficiency of consumer incomes has various causes, and can be exacerbated by consumer savings, but it is, in the main, due to a phenomenon that C.H. Douglas described using his A+B theorem.¹ This theorem demonstrates that as producer credit flows through productive systems under the existing financial system, the rate at which costs and prices are being built up in the production system necessarily exceed the rate at which consumer incomes are simultaneously being distributed. Beyond that, the re-investment of savings, profit-making and retained profits, and periodic deflationary banking policies also contribute to the structural or in-built deficiency of consumer incomes relative to prices.

Naturally, the existing financial system has various palliatives that it can rely on in order to compensate for this chronic, underlying deficiency of consumer incomes. In the main, however, it depends on some economic agent, whether governments, businesses, or consumers, to borrow additional money into existence (as the counterpart to a loan) from the banking system. Whenever governments or businesses spend money on additional production that the consumer will not buy or

¹ Money is being created and destroyed all the time through the banking system. As it is being created and destroyed costs and prices are being generated in the production system and liquidated by the consumer. If all of the costs that have been generated were liquidated by the consumer by the same volume of money as it runs through the cycle of being created and destroyed, there would be no issue. The problem is that while costs and prices are being generated, only a portion of them are being liquidated by the consumer. In other words, the two cycles of money creation and destruction and price creation and destruction (i.e., liquidation by the consumer) are not in sync. As a result, some portion of production cannot be liquidated by the flow of money that produced it. It is represented by unprovided-for costs that will be charged into future cycles of production.

will not pay for in the same period of time, consumer incomes can be augmented without increasing the flow of consumer prices. If the production is exported without corresponding imports (a 'favourable' balance of trade) so much the better. In the same way, loans to consumers can help to bolster the existing flow of consumer purchasing power. (N.B. every bank loan creates money *ex nihilo* in the form of bank credit and every repayment of a bank loan destroys bank credit. The vast majority of the money supply exists in the form of bank credit and most of the bank credit is issued in the form of a repayable debt).

There are serious consequences, however, that follow on from the use of additional debt-money to fill the price-income gap. This should come as no surprise given what we have previously discussed, because injecting debt-money to buoy up consumer buying power violates the principle that what has been paid for in physical terms should be payable in full in financial terms without incurring any additional costs or debts (assuming that the financial system should be an honest system and function as an accurate, non-distorting mirror). In other words, the debt palliatives fail to reflect the physical economic reality. Instead they are built on a lie, i.e., the automatic and erroneous representation of 100 million dollars' worth in goods and services with only 60 millions in consumer income as the counterpart. The long-train of deleterious consequences include: the business cycle, constant inflation (mostly cost-push, but also demand-pull), the misdirection of economic resources, economic inefficiency, economic waste and sabotage alongside forced economic growth, an ever-increasing mountain of societal debt that is, in the aggregate, unrepayable, recurring financial crises, heavy and often increasing taxation, wage and debt-slavery, servility, forced migration, cultural dislocation, unnecessary stresses and strains, social conflict, environmental degradation, and international economic conflict leading to war, etc.

Why is all of this dysfunction, which is consequent to the use of a structurally dishonest financial system, tolerated? If a thermometer is not giving us accurate information, we throw it out. Why do we persist with a financial system which, because of its inaccuracy, artificially limits and distorts our economic activities and everything else which relies on those activities? As has been explained earlier, It's because the underlying chronic deficiency of consumer income provides the pretext which the banking system (which has a monopoly on credit creation) can use as leverage to impose its own self-serving policies on all other economic agents (who are dependent on the additional credit that only the banking system can provide). In exchange for filling the gap, conditions regarding policy can be imposed and also very favourable charges can be levied for this service. In other words, the structurally dishonest and dysfunctional financial system is tolerated, and is indeed a requirement,

in order for the proprietors of the banking system to usurp the unearned increment of association and to enjoy the centralization of economic wealth, privilege, and power in their own hands.

In lieu of these debt palliatives to deal with the chronic underlying deficiency of consumer incomes relative to prices, Douglas Social Credit insists that the financial system should accurately reflect the physical economic reality *automatically*. This would require that the price-income gap be measured by a National Credit Office and that sufficient consumer credits be created and issued free of debt to, or on behalf of, consumers. This would bring the flow of incomes into alignment with the flow of remunerative prices attached to consumer goods and services, enable these goods and services to be purchased in full, and also cover all of the costs incurred by productive organisations without incurring any additional debt. The direct payment to consumers would be issued in the form of a National Dividend, a periodic payment issued to each citizen independently of his employment status. This would reflect the reality that citizens are rightly regarded as shareholders in their economies (due to their share in the natural resources, the unearned increment of association, and the cultural heritage of society) and that as technology develops and displaces labour, fewer and fewer people are actually needed by the productive system. This decrease in the need to work on a physical level to provide us with the goods and services we need to survive and flourish should be reflected on a financial level with increasing opportunities for paid leisure. The dividend thus fulfills a variety of ends where a structurally honest financial system is concerned.

The other infusion of compensatory consumer credits would be issued in the form of a National Discount in keeping with the consumption/production ratio. Since the true or real cost of production is consumption, the financial system, when designed as a structurally honest financial system, should also reflect this reality. By measuring the value of what is consumed in manufacturing a certain volume of production and then by multiplying this ratio by the standard financial price we arrive at the due discount price that reflects the true costs of production. Retailers would lower their prices by this ratio (thus indirectly increasing consumer purchasing power) and would be reimbursed by the National Credit Office to the extent of the discount with debt-free credits (thus enabling them to meet their costs).

So while the bad news is that the current financial system does not function as an accurate mirror would do, merely registering on the financial plane what is going on in the physical economy, the good news is that the Douglas Social Credit remedial proposals ingeniously take advantage of the flaws in the existing system to, by means of a compensatory flow of debt-free consumer

credits (the dividend and the discount) and in lieu of all existing palliatives, transform the financial system into the accurate mirror that it could and should be. Once respect for truth and natural law is restored in the design and operation of the financial system, full functionality and the increased satisfaction of all members of an economic association will be in reach. ***

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Douglas Social Credit is the disciplined science of social engineering measured in terms of human satisfaction.

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**NewTimes Survey is printed and authorised by
Arnis J. Luks, 13 Carsten Court, Happy Valley, SA.**