

THE NEW TIMES

Registered at the G.P.O., Melbourne, for transmission by post as a newspaper.

\$5.00 per annum post-free. Box 1226L, G.P.O., Melbourne.

"Ye shall know the truth and the truth shall make you free"

Vol. 36. No. 6

JUNE 1970

DOES FINANCIAL POLICY THREATEN WEST WITH INTERNAL COLLAPSE?

RED DANGER SIGNALS FLASH IN U.S.A.

BY ERIC D. BUTLER

As a student who has investigated at first-hand over a number of years America's internal problems, I am well aware of the exploitation of race and of University students, to advance revolution. I have seen the great American cities exploding and burning, and I have witnessed the police and National Guard striving to maintain law and order in the face of student and other mobs. But much of the revolutionary ferment in the U.S.A., and every other Western nation, including South Africa, where I am writing this article, has only been made possible by a financial policy, which, if persisted with, must result in economic collapse, and a complete revolutionary situation. President Richard Nixon's major basic problem at this critical time is one of the most destructive manifestations of present financial policy: inflation.

The progressive centralisation of credit control internationally, and the closer linking of national economies, makes every nation more susceptible to what is happening in other nations. What happens in the United States today is of vital importance to every other Western nation, particularly as they insist on following the same financial policies of increasing financial debt, heavy taxation, and the inevitable inflation, as are driving the Americans from one disaster to the next. The attempts by the Nixon Administration to control the inflation problem are like lighting a match in a room filling with gas fumes. *Time* magazine of May 18 provides the following current picture in the U.S.A.:

" . . . Almost everybody feels poorer than he once was. The U.S. worker's average real income is lower now than four years ago; his average weekly wages are \$117.55, but in terms of 1957-59 dollars, he earns only \$77.40 compared with \$78.39 four years ago. Corporations are strapped. Their liquid assets -- cash and Government Securities—are about \$70 billion, but their short-term liabilities have soared from \$150 billion in 1960 to \$335 billion early this year. The big commercial banks are hard pressed . . . The economy is generally in far worse shape to support a war than it was when the Vietnam escalation began in 1965."

Financial policy has been a major factor in the disastrous American no-win policy in Vietnam. Supported by a production system served by a realistic financial policy, the American military leaders could have ended the war in Vietnam in a matter of a few short months.

But this would have meant a confrontation with the major supplier of sophisticated weaponry in Vietnam, the Soviet Union, by blockading the North Vietnamese port of Haiphong and cutting the Communist enemy's main supply line. This confrontation has been avoided, one of the major official reasons being given being that such a policy would disrupt an encouraging development of "peaceful co-existence". But "peaceful co-existence" masks the fact, as I showed in an article from the U.S.A. last year, that the American Export Bank was one of the major financial mechanisms being used to try to keep the American economy working by financing growing exports to the Soviet Union—some of the exports being marine engines for the Soviet's rapidly expanding navies.

"CONTROLLED" INFLATION

Inflation is one of the inevitable results of a financial policy, which generates debts faster than they can be liquidated, in the process distorting and subverting the production system. The standard method of attempting to "control" inflation is to use several mechanisms to cut back on the rate of credit expansion. This destructive approach is adopted irrespective of the label of the government. The British Socialists used it until the British elections started to come in sight. There is little doubt that one of the major reasons for Harold Wilson's June election was the realisation that the new increasing tempo of inflation would become disturbing within another few months, with serious political consequences. Prime Minister Trudeau's Liberal-Socialist Government in

Canada has been applying a full-blooded policy of credit restriction, with growing economic disasters and mounting unemployment. In Australia the so-called anti-Socialist Government is at present starting to impose the same type of restrictive "credit squeeze" as the Canadian Government, one which nearly swept the Liberal-Country Party coalition from office in 1961, and which could destroy the Gorton Government. President Nixon's Administration has been attempting the same credit restriction policy. A recent Gallup poll in the U.S.A. finds that two-thirds of a selected group of high-ranking businessmen believe that the American economy is in a far worse state than it was 12 months ago, while 78 percent state that the Nixon policies have led to the stock market decline.

As the restrictive credit policy has made little impact on the rate of inflation in the U.S.A., it is obvious that any greater restrictions must take the American economy towards more chaos, and stoke the fires of revolution. If the restrictive policy is eased, and a greater rate of monetary expansion permitted under present financial rules, then a much greater rate of inflation will follow as inevitably as the night follows the day. This will also generate increasing internal social friction. America's so-called trade deficit problem will allegedly become more acute, the end result being a desperate devaluation of the dollar, this in turn having worldwide repercussions.

VIETNAM'S ACHILLES' HEEL

If one accepts President Nixon's policy of disengagement in Vietnam, then his initiative in Cambodia, one that should have been taken a long time ago, was absolutely essential to protect his troops' flank during withdrawal. But as the eminent Australian reporter, Mr. Denis Warner, has recently reported after a visit to Cambodia and Vietnam, inflation is the Achilles' heel of the Vietnamisation programme upon which the Americans are relying to justify their withdrawal. Mr. Warner writes in the *Melbourne Herald* of May 8, "South Vietnam's economy is in an acutely serious state. Inflation has caused almost unbearable difficulties for the civil servants and the army. On present rates of pay a soldier can afford to buy food for his family for only 15 days in each month. The rest has to come from elsewhere—usually by corruption, or theft". As the American policy-makers cannot, or will not, implement a realistic financial policy to eliminate inflation and deflation, a basic necessity for social stability, then they obviously cannot assist the South Vietnamese with any solution to their eroding inflation problem. Time, and events, are on the side of the Marxists and their allies everywhere.

DESTROYING THE AMERICAN ENVIRONMENT

As the Americans have driven the present finance-economic system more enthusiastically and on a bigger scale than any other national group, it is not surprising that they have bigger problems than anyone else, com-

pounded by their race problem. Anyone who has attempted to peer at the sun through the smog in Los Angeles, or has seen other disturbing manifestations of man destroying his environment, is made most conscious of the urgent necessity for policies of genuine conservation, including conservation of the eternal values. An American authority has made the startling observation that by 1980, while the Americans will have only 9.50 percent of the total world population, the American economy will require 80 percent of the raw materials being used throughout the world. Under present financial policies, the American economy is like a monster with a rapidly growing appetite, which must be fed, even though the individual American gains no real benefit. This fact concerning the American economy helps to explain the growing investment drive from the U.S.A. into countries like Canada, Australia, and the African continent, the sources of enormous quantities of minerals and other raw materials. The lessons to be learned from the American situation, is that the policies being imposed there are policies of disaster. They should be rejected, not slavishly followed. I am not one of those who write off the American situation as hopeless. There are tremendous reserves of moral strength amongst millions of American people. They are some of the best people in the Western world. They are generous to the point where they are foolish. But they face a tremendous problem.

INITIATIVE FROM NEW NATIONS

Just as initiative towards sanity and construction in a nation must start with a few individuals, with small groups, so we must look to the smaller and newer nations to provide the type of leadership and example so desperately required today if present finance-economic policies are to be modified. As yet they are not as deeply afflicted with the disease undermining the older nations. If America should be plunged into further chaos as a result of present financial policies, there is no necessity why countries like Australia and South Africa should also experience chaos. But this requires that they free themselves from the false dogmas such as the "favourable balance of trade", which I regret to report the Rhodesian Government still slavishly accepts. The Rhodesian debt structure is rising, as is that of South Africa. While it is possible to concede that the South Africans are realistic in attempting to preserve a stable Malawi as a buffer between South Africa and Zambia and Tanzania, if the "outward" policy is geared to the concept of rapidly expanding the South African economy through a "favourable balance of trade" with the rest of Africa, then the red danger signals in the U.S.A. are being ignored. Inflation is already a major problem in South Africa, and recent big pay rises for railwaymen, and new increases in the price of steel, a basic commodity in a modern economy, make it certain that under present methods of credit expansion incre-

continued on page 8

MR. DOUGLAS JAY ON CONSUMER CREDITS

As the Rt. Hon. Mr. Douglas Jay is the most distinguished of the British Labour Members opposing the proposal that the United Kingdom should join the European Economic Community, it is interesting to recall what Mr. Jay had to say on the subject of consumer credits when he was City Editor of *The Daily Herald* before the Second World War. Under the heading, "Consumers' Credits to Cure Unemployment?" Mr. Jay wrote as follows in the financial page of *The Daily Herald* of February 28, 1938:

"If unemployment has fallen so low that most trades cannot expand production owing to shortage of labour, then an increase in the expenditure of all consumers will merely push up prices without increasing real consumption, production or employment. This is inflation.

"But when we have surplus labour and capital is standing idle in all trades it is merely the deficiency of consumers' money incomes and expenditure that is keeping everybody hungry and unemployed. In these circumstances to create money and place it in the hands of necessitous consumers is not inflation. It is economically, as well as socially, necessary and sound.

"Our job therefore, is to discover a method which will enable new money (which of course can be created at any time) safely to find its way into the right hands at the right time."

During the Second World War a new method was discovered to enable new money to find its way into the hands of the consumers without generating inflation. Part of the new money created to finance the war was applied to subsidising food prices in the United Kingdom, as well as in Australia and Canada. The subsidy technique has been continued in the United Kingdom, with the result that British consumers are paying much less for their food than are consumers in the Common Market. It is obvious that every effort is being made to force food prices up in the United Kingdom as part of the drive to force the British to accept the Common Market.

Finance is primarily a question of bookkeeping. At present the books are being "cooked" in the interest of those determined to eliminate independent farmers and other producers. Consumer subsidies, financed out of new credits created for the purpose, is the most effective method of ensuring that consumers have sufficient purchasing power to buy what they have produced through their economic system, without generating increasing inflation. Labor Members at Canberra might have Mr. Douglas Jay's pre-war statement drawn to their attention together with the suggestion that they ask the Government some searching questions on the subject of financial policy.

We remind all readers that the new subscription rate to "The New Times" is \$5.00 per annum. This has been brought about by the added cost of publishing the quarterly insert of "The New Times", "Enterprise", and by generally increased costs of printing, and administration.

Would all those who have overlooked the increase in the subscription rate, and who have sent in their cheques for \$4.00 out of habit, please remit the extra dollar?

THIS CRISIS CAN BE RESOLVED

The Australian League of Rights reports that unless the balance of its budget for the financial year 1969-70 is provided by June 30, it will face a major crisis. The crisis does not concern the League as such, but its programme of expansion. The growth of League activities, particularly in the rural areas, has been so dramatic that it is more imperative than ever that the League's \$25,000 expansion fund for 1969-70 be filled. Unless the League can adequately service and develop the current mounting interest in its work, it will falter at the very moment in its history when opportunities to shape the future were never more fruitful. Lost opportunities rarely come again; they are lost forever.

The League insists that all those who have contributed to the 1969-70 fund make no further contributions, as the League's strategy is based upon planning ahead in depth over several years, and the League's 1970-71 fund will be launched in September. As we go to press, the deficiency for the 1969-70 fund is \$6,170. It can easily be provided by all those "New Times" readers who have not yet contributed, immediately forwarding a comparatively small average contribution. This is the moment to demonstrate in practice those Social Credit principles of voluntary association to achieve an objective. Failure simply means a lack of sufficient realistic faith. Will all those prepared to meet the challenge of the crisis facing The Australian League of Rights, please forward their contributions, however small, TODAY. Send to Box 1052J, G.P.O., and Melbourne, 3001.

"A TEXT-BOOK FOR VICTORY"

"Social Dynamics", by Eric D. Butler, has recently been described as "a text-book for victory, a work which is clearly based upon a life-time of experience, which gives the student of these notes a coherent picture covering philosophy, economics, finance, constitutionalism and realistic political action". For those who wish to equip themselves effectively as Social Engineers, this work is indeed most essential. Order from The Australian League of Rights, Box 1052J, G.P.O., Melbourne, 3001. Price \$1.00.

LEAGUE OF RIGHTS ADVANCES ON WORLDWIDE FRONT

DON MARTIN TO DIRECT BRITISH LEAGUE OF RIGHTS

On Saturday, May 9, The British League of Rights formally appointed Mr. Don Martin, formerly Queensland State Director of the Australian League of Rights, as British National Director. Mr. Eric Butler, who was present at the London meeting on May 9, expressed the opinion that the shift of Mr. Martin from Australia to the British front was a development of the greatest significance in extending the underlying concepts of the League of Rights throughout the English-speaking world. At a general meeting of British League supporters and sympathisers in London on May 1, Mr. Eric Butler introduced Mr. Martin, pointing out that Mr. Martin was a most competent young man who had played a major role in developing the foundations of The Australian League of Rights.

Explaining why he had returned to his native country after 14 years in Australia, Mr. Don Martin said that it was through the education he had received in The Australian League of Rights that he had come to understand more realistically his British heritage. Mr. Butler said that the move by Mr. Martin had been made after consultation with British supporters of The League of Rights, and a deep consideration of the effect on the Australian front. The conclusion was that the move would not seriously hamper the expanding Australian League of Rights programme, would make a decisive contribution to the expansion of The British League of Rights at a most critical time, and assist the general international programme of the League.

Mr. Martin travelled to the United Kingdom through Victoria, South Australia, Western Australia, Mauritius, South Africa, Rhodesia and Greece. The decision to make a major expansion with The British League of Rights came after some years of careful preparatory work. When the British League was formally established in 1967, it was made clear that the League was not going to try to obtain useless publicity through cheap stunts: that it was not going to suggest that there were any short-cuts to achieving what was required. During his annual visits to the United Kingdom, Mr. Eric Butler has concentrated quietly upon making contacts and interesting them in the type of programme which the League of Rights had successfully evolved in Australia, and introducing them to League literature. Several visits were so short that no extensive speaking programmes were possible, Mr. Butler confining himself to a few general meetings. However, in 1967 he did a more comprehensive tour of the United Kingdom, speaking to well-attended and enthusiastic meetings on the Rhodesian issue. Many valuable new contacts were made. One of the best meetings during this tour was in Belfast. Mr. Butler also spoke in Dublin under the auspices of the Natural Rights Society.

Mr. Martin has already started to apply himself to the task of developing in the United Kingdom the well-tried and successful educational and organisational tech-

niques upon which The Australian League of Rights and The Canadian League of Rights have been built. The same techniques are also being followed by The New Zealand League of Rights. The co-operation between Australia, New Zealand and Canada in the publication of books and booklets, which helps to reduce unit production costs, will now be extended into the United Kingdom, this making it possible to gain further advantages. Mr. Martin already has available a British edition of Mr. Butler's bestseller, *The Red Pattern of World Conquest*. A wide variety of other League publications is also being handled by Mr. Martin.

TREMENDOUS EXPANSION IN CANADA

The firm establishment of The League of Rights in the four major Crown Commonwealth nations will also make it easier to develop the exchange of top speakers. This exchange has already resulted in one Commonwealth tour by Mr. Ron Gostick, National Director of The Canadian League of Rights, two tours by Mr. Patrick Walsh, Research Director for the Canadian League of Rights, and nine tours by Mr. Eric Butler. Mr. Eric Butler's 1970 tour of western Canada witnessed a tremendous expansion in depth by the Canadian League of Rights, with the farming crisis helping to stimulate the new growth of Social Credit concepts to the stage where it is clearly becoming a major force. It is planned to give this growth a further major stimulus in the spring of 1971 when Mr. Don Martin will join with Mr. Butler in Canada for a series of seminars, lectures and organisational schools. The development of the League in Canada has been such that Mr. Ron Gostick is attempting to ease the pressure on his national headquarters by decentralising with the establishment of a western headquarters. Mr. Butler has stressed that the growth of The Canadian League of Rights is of the greatest strategic significance, because the underlying concepts of the League, and its work on realistic finance and economics, can influence conservative groups in the United States. Mr. Butler reports that during his last two visits to the United States to lecture and conduct seminars, there is

an increasing interest in the importance of financial policy in the struggle for the world.

SOUTHERN AFRICAN ACTIVITIES

The Australian League of Rights in particular, primarily through the visits of Mr. Eric Butler, has maintained a close and developing liaison with conservative groups in both Rhodesia and Southern Africa. Since 1964 Mr. Butler has addressed a large number of meetings in all parts of Rhodesia, and has become a familiar figure on television and radio. During his visit to Rhodesia last month Mr. Butler took his educational work forward with the introduction of the League's Social Dynamics course. Two excellent schools were conducted in Salisbury, with some students travelling long distances to be present. Arrangements have been made for a much wider sale of League literature in Rhodesia. At the conclusion of a well attended and most enthusiastic, semi-public meeting in Salisbury, Mr. Butler was thanked by the chairman, Dr. Ian Anderson, "for one of the most brilliant addresses he has given us". Dr. Anderson said that with every visit, "Mr. Eric Butler always leaves us with a trail of new and stimulating ideas." Mr. Butler had spoken primarily on the threat of Marxism-Fabianism, with particular stress on the manner in which governments are manipulated by those fashioning financial policy.

Mr. Butler concluded his Southern African programme with an intensive lecturing tour of South Africa. Here again Mr. Butler built upon the growing interest he had generated last year in the finance-economic issue. After a heavy programme in the Pretoria-Johannesburg area, including an address to the annual conference of The Friends of Rhodesia, Mr. Butler lectured in the Durban area for three days, before proceeding to Port Elizabeth, East London and Cape Town. Arrangements have been made for increased sales of League literature in South Africa.

Mr. Butler reached Perth, Western Australia, on June 1, to start an intensive educational programme of three weeks, a follow-up to the most stimulating tour conducted by Mr. Jeremy Lee in March. Mr. Butler will be the guest speaker at the Annual Dinner of the W.A. Council of The League of Rights, to be held in Perth on Saturday, June 20. He will start his South Australian tour on June 21.

The first half of 1970 has seen an ever-quickenning growth of The Australian League of Rights, with League campaigners hard pushed to meet the growing demands. Mr. Eric Butler will be visiting Queensland in August, following up on the work of Mr. Jeremy Lee and Assistant National Director Edward Rock. It is proposed that Mr. Rock will in October be the lecturer for the third Western Australian tour.

"THOSE WHO KNOW WHAT TO DO"

Encouraging reports come to hand from New Zealand where there is growing interest in The New Zealand League of Rights under the direction of Mr. Sidney

Wood. No sane person would dispute the seriousness of the overall situation, but over the last 10 years the international development of the League of Rights concept has provided one of the few real rays of light. It has been demonstrated what can be done with adequate education in depth and the application of organisational principles which enable individuals to associate effectively and to overcome that deadly feeling of despair which weighs down so many good people. C. H. Douglas said that the future of Civilisation would be decided by a comparatively small number of people "who know what to do and how to do it". The League is producing that small number. Internationally it is a line of defence, slender though it may be, held by informed individuals who can yet change the course of history.

SIR REGINALD SHOLL'S BRAVE WORDS

Former Australian consul-general in the United States, Sir Reginald Sholl, who is also a former judge of the Victorian Supreme Court, said many things, which need saying, in his Sir Richard Stavell address in Melbourne. Sir Reginald demonstrated real courage by not only attacking "the Leftist-oriented news media of the world", but by pointing out that much of the news media in the United States is Jewish-owned, and that the American Government was being attacked for concentrating on Vietnam instead of concerning itself about Israel. "The Jewish owners have not yet learned to use their powerful interests in press, radio and television with any sense of national responsibility". Sir Reginald said.

As pointed out by Mr. Alfred Lilienthal and other American anti-Zionist Jews, those controlling the Zionist power-machine in the U.S.A. are not concerned about American national interests, only about the interests of Israel and those using Israel for much wider objectives. If Zionists inside the U.S.A., or any other country, insist on making Israel, with its provocative policies in the Middle East, their primary interest and object of loyalty, then they should not be surprised if they are regarded as dangerous aliens and treated as such. No society can possibly survive if it contains an alien group not loyal to that society and its undergirding values and institutions.

BRITISH AIRMAIL EDITION OF "THE NEW TIMES"

Mr. Don Martin will be providing through The British League of Rights, a monthly airmail edition of "The New Times", and the quarterly supplement "Enterprise". Present British subscribers may also arrange to obtain their "New Times" through Mr. Martin. Until a permanent address is established, Mr. Martin can be contacted at The British League of Rights, 29 Pembridge Crescent, London.

Reprinted from *New Times*, February 9 1940.

THE WIZARDS OF ENG

Being a Brief History of the Land of Os, as Recorded
by Philgarlick, the Scribe.

Translated from the Original by H. J. Millard

I, Philgarlick the Scribe, a dweller in the tents of Os, being full of years and like unto a snail with the rheumatism, do write these things, that they who run may read, and having read, take heed lest worse things befall them.

STAN, THE SERVANT OF THE WIZARDS. It came to pass in the days of Stan, a servant of the Wizards of Eng, that the people of Os were bewitched by reason of figures written in books, so that they forsook the Lord their God and worshipped the figures written in the books of the Wizards. And they beheld no longer the glory of the heavens, and the beauty of the earth was hidden from their sight, so that the souls of the people dwindled within them, and they strove among themselves who could swindle his brother, and counted it wisdom to score every man over his neighbour for the sake of the figures. For the spell was heavy upon them.

Now in those days was a judge set up over the common people to decide what they should receive in return for their labours. And the people of Os received not sufficient money to buy the goods they produced, so that many starved and many became entangled in the snares of the servants of the Wizards, who were Dealers in Debt. And when the Wizards saw that the people had no faith in the Lord their God, but only in the figures in books, they said in their hearts, "Behold, Satan has delivered them into our hands." And they took counsel among themselves how they might subdue the people and take away their homes. Then Monty the Magician, the chief of the Wizards of Eng, sent word unto Stan, his servant saying, "Behold, there is too much money in the pockets of the people. Put down therefore the judge that presideth over the courts that the money may be taken from them." But when the people heard this thing they waxed wrath and cast out Stan into outer darkness. And he straightway went and dwelt in the land of Eng with the Wizards his masters, and Scull reigned in his stead.

THE REIGN OF SCULL. Now it happened in the reign of Scull that the land was blessed with an exceeding great abundance, so that the flocks and herds increased mightily, and the earth brought forth fruit in such quantity that no man dared pray for more because of the abundance. Nor could they store up the fruits of the earth, for each season brought forth enough and to spare, so that the rulers were sore perplexed and took counsel among themselves what they might do, for the common people went hungry and naked in the midst of plenty, and poverty stalked the land because of the spell.

And when the Wizards beheld the sorry plight of the people they sent a bailiff, named Otto, to take possession of the land; and when he was come, the rulers of Os bowed themselves before him, saying: "Speak to us, O sage!" And Otto lifted up his voice and said: "Command the judges that they take away from the people one-tenth of the contents of their pay envelopes." And there was taken away one-tenth of his pay from every man, so that the plight of all the people was worse than before. And there arose an economic blizzard, which smote the people, so that their homes and their farms and their lands were taken from them and became the property of the servants of the Wizards, who were Dealers in Debt. And many starved and were homeless.

And the people made a great moan and said: "Behold, we starve unto death, and our wives and children starve also. It must be the fault of Scull. We will throw him out." And they threw him out, and elected Jo to rule over them.

HONEST JO. Now, the name of Jo was famed through the lands as "Honest" Jo, because he had forsaken his own people to serve the Wizards of Eng that had cast a spell upon the people of Os. And the Wizards had confidence in him and wrote figures in their books, that the people might live. And all the people fell down and worshipped the figures in the books of the Wizards, declaring them greater than the fruits of the earth and greater than their own flesh and blood. And, behold, the figures increased like rabbits in Gippsland, but the birth-rate of the people of Os increased not at all, so that the servants of the Wizards said among themselves: "Lo, the slaves which we have bred to toil for us are perishing from off the face of the earth." And they did moan exceedingly, for about this time came wars and rumours of wars as nation strove against nation and men slew each other because of the spell.

And the servants of the Wizards went unto Jo and said: "Behold, the peoples of the earth are at war. Take, therefore, all the young men from their homes and from their studies and teach them to kill their brethren, that they may go forth and kill whosoever we shall command."

But Jo pondered this request, whether it was of God or of Mammon. And he knew in his heart that the nations of the earth made war one against the other because of the buying and selling, and because of the figures in books. And he answered and said: "I will not do this wicked thing." And he did it not. And, because he did it not, the name of Jo shall be numbered with the illustrious forgotten men who have fought against their sins.

And the days of Jo were three score years when he was gathered to his fathers; and after many days his mantle fell upon the shoulders of Menz.

THE MISSION OF MENZ. Now Menz was a man of talent, having brains and courage. And he perceived in his youth that there were many things that a man should know, and he dreamed dreams of service to humanity after the manner of youths the world over.

But, because the schools of Os worshipped the figures in books, the only things they knew how to teach were how to play the game of life, according to the rules of the Wizards, and how to gain power, or pelf, or position; and how spiritual things may be discreetly and reverently adapted to material ends, that all the hopes and ambitions of youth might be guided into the service of the Wizards. For they knew in their hearts that the power and high places were given unto the servants of the Wizards. And the reward of cleverness was called success.

So it came to pass that Menz was smitten with a great curse, so that, whatsoever the Wizards commanded, seemed right in his sight. And he was condemned to serve the Wizards all the days of his life, even though his country became as a mortgaged estate and his people as serfs under the yoke of the Dealers in Debt. And there were given unto him honour, and power, and position. And, behold, the fruits of office were as ashes in his mouth, and he said in his heart: "What shall it profit a man if he gain the whole world?" But he could not forsake the service of the Wizards, because of the curse, which had been laid upon him in his youth.

And there came a war upon the land of Eng and upon the land of Os, by reason of the spell, which had been cast upon the nations. But the nations stayed their hands, for they feared the slaughter. And certain of the people said: "Let us take counsel together whether this thing may not be settled without further carnage." But Menz harkened not to the voice of the people, but gave heed unto the Wizards his masters. And he lifted up his voice, saying: "This is but the beginning. More and greater sacrifices will be required of you. For the people of Eng must be slaughtered and their towns and cities laid waste, and many of the children of Os must perish, and there shall be weeping and gnashing of teeth. So shall the evil which is in Germ be purged, and the nations be made free."

Then entered he into all the pulpits of Koo and preached to the people, so that the word of the Lord was heard no longer throughout the city, but only the gospel, according to Menz. And, because he spoke bravely and with fair words, and the memory of the people was short, they were deceived, and said: "Surely this war is due to Hit, or to Stal, or maybe to Muss, of even to the people of Timbuctoo. First, let us destroy the spirit of militarism by means of a Great Universal Slaughtering, then we will have a peace conference." And while they were listening to the words of Menz their young men were taken from them, and they were delivered still further into the bondage of the Dealers in Debt, who had become Dealers in Death.

And the Wizards of Eng sent word unto Menz day by day what he should do. And he did according to their commands.

THE AWAKENING OF OS. Now there dwelt in the land of Os certain people who had escaped from the spell of the Wizards, and who marvelled greatly that any could be deceived thereby. For in those days the

schools of Os gave courses in Bilge and conferred degrees in Stupidity because of the spell. And they that took degrees were hired by the servants of the Wizards of Eng to deceive the people and to confuse their minds, that they might not seek the real reason why they were deprived of the abundant wealth, which God had given them, but might continue under the yoke of the Wizards forever.

And the people spake together concerning the figures in the books and concerning the spell that had been laid upon them. And their eyes were opened, that they might perceive the iniquity of their rulers.

And when the students of Bilge saw that they could no longer deceive the people, they were afraid and began to proclaim such of the truths that could no longer be hid. And, behold, they ran breathlessly after the people and caught hold of their skirts to restrain them. But the people paid no heed; and said: "If ye knew these things, why did you not tell us before? Have we not slaved under the yoke of the Wizards these many years, until our eyes are dim and our backs bent, and we were like to become as brute beasts, fit only to mind the machines and to toil in the counting houses of the Dealers in Debt?" For the Wizards had sought to kill the spirit of God that dwells in the souls of men, that they might become as trained beasts, fit only to breed and to toil.

And when they were free of the spell the people saw that their lot was just as hard, whether they were governed by Stan, by Scull, by Jo, or by Menz, for all the political parties of the land were controlled by the servants of the Wizards of Eng. So they wrote every man to his representative in the councils of the land, saying: "Too long have we laboured for the Dealers in Debt, who are also dealers in misery and in death, and we are determined to throw off the yoke of the evil ones. Therefore, shall you renounce all parties and factions, rendering account to no man, but to the electors." And they that paid no heed were cast into outer darkness. And the vested interests, which made vast contributions to party funds, that the Wizards might be served instead of the people, were sorely vexed, for no representative would take their money, fearing the wrath of the electors.

Then the representatives of the people stood erect in the councils and spoke fearlessly those things, which the people commanded. And peace came upon the land of Eng, because of the wisdom of the people of Os. And they called together the wise men of the land, who summoned Dr. Ro, the Keeper of the Records of Os, that he might tell them of the wealth of the nation, of all the primary and secondary products, of the value added in process of manufacture, and of all the beasts of the field, according to the records. And, behold, there was enough and to spare for all the inhabitants of the land; and claims were given unto all men, that they might buy goods from all who wished to sell. Now, as the Lord caused the sun to shine upon the just and the unjust, so were the claims given to the rich and to the

poor, to the clever and to the foolish, to the righteous and to the unrighteous, to every man, because he was the child of the most high God.

And the servants of the Wizards uttered a great moan and prophesied woe unto the people of Os, because they had thrown off the yoke of the Dealers in Debt. But when all the inhabitants of Os were fed and clothed, it was found that there was abundance left over, even an abundance of wool and wheat and butter and eggs and of all the foodstuffs meet for the well-being of mankind. So the people of Os took the surplus wool and sent it to Eng, where millions of children were cold and ill-clad, and they gathered together the surplus foodstuffs and sent it all to the ends of the earth, wheresoever the peoples desired. But to no land was anything sent that was not desired by the inhabitants thereof.

And, because the representatives no longer served the Wizards, all social evils were gradually abolished, according to the vision of the people. And the vision of the people was increased an hundredfold, because they served the Lord, their God, and worshipped no longer the figures in the books of the Wizards. And, behold, brother no longer strove against brother, nor was the doctrine of Menz preached from the pulpits any longer, but only the Gospel of the Man of Galilee.

Then was the name of Os blessed among the nations, and the people were joyful, and said: "Come, let us go up to the mountain of the Lord, and He will teach us his ways, and we will walk in His paths." And the priests of the Lord read aloud to the people the words of Micah, the Prophet, saying: "They shall beat their swords into plough-shares, and their spears into priming-hooks; nation shall not rise up against nation, neither shall they learn war any more. But they shall sit every man under his vine and under his fig-tree; and none shall make them afraid: for the mouth of the Lord of Hosts hath spoken it."

And all the people did answer and say, "Amen".

Continued from Page 2

sing inflation is inevitable. Race problems cannot be resolved in a society where destructive financial policies are operating. The lessons of the U.S.A. should be carefully learned in South Africa and Rhodesia.

THE INSPIRATION OF EXAMPLE

Whether one takes the view that what is happening in the world is the result of conscious conspiracy, or whether it is happening because the present finance-economic system is inherently doomed to self-destruction, it is certain that the Western world is rushing towards one major disaster after another so long as the present financial policy of expanding debt, heavy taxation, inflation, and centralised credit control is persevered with. As the warning lights flash increasingly bright in the U.S.A. it is urgently necessary that the newer nations, with a greater opportunity for flexibility and change, should start to slow down the direction in which they

are moving, and then reverse before it is too late. Those who argue that the newer nations should not attempt a change of financial policy because they might be attacked militarily, credit the enemies of Civilisation with a power in excess of which at this moment they possess. Even if any of the newer nations were threatened in this manner, as Harold Wilson once sought to threaten the Rhodesians, this would help focus world attention upon how they were attempting to lead the world away from the edge of the abyss. Nothing is more contagious than example and courage. If the peoples of the newer nations were to rise to the challenge now presented, millions of the Americans and British people would be inspired to join with them.

WILSON GOVERNMENT CAPITULATES TO REVOLUTIONARIES

Commenting on the Wilson Government's pressure to force the MCC to cancel the South African cricket tour of the United Kingdom, South African Prime Minister John Vorster made the pertinent comment that "I would like to say that every lawyer will tell you that if you once pay a blackmailer you will have to meet increased demands as time goes on . . . For a Government to submit so easily and so willingly to open blackmail is to me unbelievable . . . it is not cricket or sport that lost but the forces of law and order which suffered a heavy defeat."

The Wilson Government openly admitted that it could not provide law and order for law-abiding citizens who wished to see British cricketers playing South African cricketers. It capitulated to revolutionaries who have no interest in sport except to exploit it as part of their revolutionary programme against South Africa. Australians must make it clear to their Federal Government that they will not tolerate in Australia the type of break down of law and order threatened in the United Kingdom. If the Rule of Law is destroyed, then barbarism takes over.

TWO IMPORTANT BOOKS

SOCIAL DYNAMICS by Eric Butler. \$1.05 posted. The handbook of the Australian League of Rights establishing fundamental principles of organisation, politics and economics, in a Christian society.

RESPONSIBLE GOVERNMENT IN A FREE SOCIETY by Geoffrey Dobbs. 55c posted. A brilliant analysis of the proper functions of government.

Heritage Bookshop, Box 1226L, G.P.O., Melbourne, 3001.

Enterprise

Organ of the
INSTITUTE OF ECONOMIC DEMOCRACY
P.O. Box 33, Paddington, Queensland, 4064

No. 2

JUNE 1970

INSTITUTE OF ECONOMIC DEMOCRACY HITS HOME!

Early in May, last month, Dr. H. P. Schapper, Reader in Agricultural Economics at the University of Western Australia, fired broadsides, via an address over the A.B.C. "Country Hour", against the Australian League of Rights, and against its special publication — "They Want Your Land". This booklet has been a key weapon in the armoury of the "Institute of Economic Democracy", a branch of the Australian League of Rights, which concerns itself principally with the problems of the rural industries.

Dr. Schapper reveals a sneering disbelief in the influence of the Fabian Socialists. He has no conception at all of the nature of the real forces at play throughout the world to prevent the implementation of policies of political and economic realism. He is abysmally ignorant concerning the facts of credit creation, and hence is unable to grasp the true facts underlying the generation of costs. As an orthodox economist, he subscribes to economic determinism: — "The cost-price squeeze can no more be abolished . . . than can figs be obtained from thistles". Small farms must go.

He asserts that the totalitarian (Communist) powers in the world have, or have had, the greatest proportion of farmers. Whereas he denies that greater numbers of independent farmers are a safeguard against the centralization of power, he omits to mention that, for example, in the Ukraine alone, in the 1930's, some thirty million people, from farms, were liquidated AS A MATTER OF POLICY in order to destroy a source of vigorous opposition to collectivism.

Mr. Jeremy Lee, the Secretary of the Institute of Economic Democracy, replied to Dr. Schapper, again via the A.B.C. "Country Hour", on the 25th May, last, and the text of his excellent reply is as follows: —

Dr. Schapper's pernicious attack on the booklet "They Want Your Land", published by the Australian League of Rights, is so misleading that some comment is necessary, although it is unlikely that Australian farmers will be content with the vague and ill-informed criticisms which he has made. Indeed, the enquiries which we have received since the broadcasting of Dr. Schapper's statement have confirmed our view that farmers are not satisfied with the performance of a number of economic advisers, and are going to insist on some much more realistic answers than the dismal "Get Bigger or Get Out" policies propounded by Dr. Schapper and some other advisers.

By far the most offensive of Dr. Schapper's remarks was directed at farmers themselves, rather than the League of Rights. He implies that farmers are incapable of mature judgment, and are falling for "nonsensical ideas". Obviously, if one accepts this sort of suggestion, farmers are unable to decide what policies should be adopted, and must have this done for them by the "experts".

It is this academic arrogance, suggesting as it does that experts should be on top, rather than on tap, that threatens the independence of primary producers. It is made all the worse by the fact that the policies being offered are similar to those that have resulted in sixteen million people leaving the land in the United States during the last twenty years, and a similar exodus of farmers from countries in western Europe, the United Kingdom and Canada.

The productive achievements, and enormously increased efficiency of independent farmers working within a free-enterprise system throughout the western world, should logically result in increased security, less debt, more stability and genuine freedom than ever before. The farmer is doing things undreamed of even twenty years ago. His achievements are stupendous.

The financial system, instead of reflecting the obvious physical benefits, which should accrue from this productive achievement, has resulted in the exact opposite. Farm debt has increased by over 800% in Australia in the last

ten years. Farms which are economic one year become uneconomic the next. Already the exodus from the rural areas has had tragic implications for many farming families, for small country towns, for businesses and for local Government. Dr. N. Ashton, chairman of the State Planning Authority in New South Wales, was reflecting widespread concern when he stated last year that this is one of the most urgent domestic problems with which Australia is confronted.

Rather than taking the objective approach of questioning a financial system which is inducing these problems, and a growth of poverty by no means confined to the farming sectors, during a period of unprecedented and overwhelming abundance in Australia, Dr. Schapper strikes a position in which it is not the system which is at fault, but those whom the system is supposed to serve - in this case the farmers themselves. The problem, he claims, is that we have too many farmers. And so, instead of rectifying a drift from the rural areas, which has already had tragic consequences, he suggests that we perpetrate an even greater drift, under some formal reconstruction plan. There should be no compulsion, he says, with a rare brand of humanitarianism, omitting to mention that grinding poverty is probably the most compelling force of all. A recent survey on the north coast of New South Wales indicated quite clearly that the overwhelming majority of country people prefer their way of life to any other. Given any sort of incentive to remain, they would not exchange it for the world. There is nothing voluntary about the reconstruction schemes which Dr. Schapper would like to see, unless alternative incentives are offered to producers, making it possible for them to retain their independent status and their farms should they so desire.

Why, at a period when Australian people in every sector of the economy, through their productive resourcefulness have achieved a range, quality and abundance of consumer goods of every description, never before approached in this country, should we be entering a period of recession, with all the symptoms of inflation, exorbitant taxation, mounting debt, increasing prices, industrial unrest and bankrupt farmers?

It is against the background of this question that the booklet "They Want Your Land" was published by the Australian League of Rights. It gives a factual and documented description of the political determinism, which has always surrounded financial policy. To imply, as Dr. Schapper has done, that neither the Fabians nor the Communists are concerned with financial policies is inexcusable. "They Want Your Land" offers some realistic financial policies as an alternative to those currently pursued, which have already had some precedent in Australia. Dr. Schapper's superficial and biased criticisms cannot hide this, nor, judging by the demands, which are being made on the League by an increasing number of farmers, are they likely to do so even temporarily. The price subsidy scheme, which he so lightly dismisses, is in fact the policy upon which the present Federal Government cam-

paigned and was elected in 1949, in order to "put the shillings back into the pound". I don't believe it is fair comment to suggest that the stated policies propounded by the then Mr. Menzies, and Sir Arthur Fadden, the leaders of the coalition, were, as Dr. Schapper puts it, "nonsensical ideas," particularly when the present system, based as it is on the premises of the Fabian Socialist John Maynard Keynes, is producing such disastrous results.

On the other hand, there are very good grounds for asking why those policies were never in fact implemented, and what might have been the result had inflation been halted, and prices reduced by the "shillings back into the pound" policy.

There are even better grounds for insisting that a price subsidy system, without the rigidity of price controls, should be implemented at the present time, twenty years after it was first promised, so that the cost-price squeeze is completely halted, and prices reduced, not only to primary producers, but to all consumers in Australia.

A policy such as this, linked with a heavy reduction in both direct and indirect taxation, **without** the Keynesian technique of restricting demand, would serve to return some incentives to cost-beset farmers instead of eliminating them, as well as increasing the purchasing power of every wage. We might then see a result which has been the haunting dream of every political party, and the great majority of Australians for many years; namely, a situation where the rural population begins to grow, where small country towns, at present decaying, regain their vigour; where Local Government, the most decentralised and the most efficient type of Government we have, develops a new stature; where young Australians have a genuine chance of a farming career, and new rural communities develop; where farming families are able to look forward to real stability and a secure future; where the growing and never-ending list of taxes, licences, controls, forms, returns and levies become an outworn relic of the past, instead of the nightmare of the present; and where the population pressure is taken off our overloaded urban centres, and a genuine balance between city and country is achieved.

Dr. Schapper's proposals substitute statistics for human values. One is tempted to wonder what he would say were it suggested that we have too many economists, and that we should "re-habilitate" some into another occupation, under the slogan "Get Better or Get Out." I feel that he would then be a little more concerned about the rights of the individual, and a little less affronted by the criticisms of a man-made, and therefore a fallible system. He does not believe that the policies, which underlie a free-enterprise system —built as it is round the small, independent producer -- are feasible. It remains to be seen whether primary producers agree with him.

I find it hard to believe that Dr. Schapper is unaware of the impact that socialist philosophies have had on the moulding of current financial policy. Nor is it easy to believe that he cannot foresee the grim results, which lie

ahead if the same policy is pursued. Where is it to end? Dr. Mauldon, of the University of Sydney, has suggested that the economic farm of today will be the uneconomic farm of tomorrow. He is undoubtedly correct if the policies of inflation and rising costs are allowed to continue. Where does this leave the primary producer, or any independent producer for that matter, in ten years time?

The present situation is the result of a deliberate policy, which is perhaps more clearly described by one of the best-known economists of his day, Mr. John Strachey. a one-time Communist, a Fabian Socialist, and an economic planner in the Attlee Labour Government in the early post-war period in Britain, in his book "Programme for Progress." Mr. Strachey wrote that inflationary credit policies were "an indispensable step in the right direction." He continued by saying "the fact that the loss of objectivity which is involved (i.e. inflation) will sooner or later make necessary, on pain of ever-increasing dislocation, a growing degree of social control . . . for the partial character of the policy will itself lead to further measures. The very fact that no stability, no permanently workable solution can be found within the limits of this policy will ensure that once a community has been driven by events to tackle its problems in this way it cannot halt at the first stage, but must of necessity push on to more thorough-going measures of reorganisation."

The Australian League of Rights suggests that there was never anything inevitable about a policy, which drives people from their homes and their farms. But it is only by tackling the root-cause of this mess that any alternative can be achieved. That root-cause is inflation. This can be done, and a start might well be made by demanding some better results, and some alternative policies from those economists who seek refuge from their responsibilities by eliminating farmers.

J. W. D. Lee,

Secretary. Institute of Economic Democracy.

KEYNES ON INFLATION

The policy of "controlled inflation" is a basic feature of Keynesian economics. Inflation is "controlled" by periodic doses of credit restrictions, which liquidate smaller business organisations and smaller farmers. When it is decided that enough economic destruction has been achieved, the flow of credit is turned up again to provide a further upsurge of inflation, this in turn used as the justification for further destruction.

Irrefutable evidence has been produced (see *The Fabian Socialist Contribution To The Communist Advance*, by Eric D. Butler. Price 45 cents, post free) to show that Keynesian economics are designed to destroy the foundations of the free enterprise economic system, and private ownership of property, and to drive it towards the Marxist concept of society. Those who are imposing Keynesian economics cannot claim that Keynes did not understand the destructive role of inflation. In his book,

The Economic Consequences of the Peace, published after the First World War, Keynes wrote:

"By a continuing process of inflation governments can confiscate secretly and unobserved an important part of the wealth of their nations . . . There is no subtler, no surer means of overthrowing the existing basis of society than to debauch the currency. The process engages all the hidden forces of economic law on the side of destruction and does it in a manner which not one man in a million is able to diagnose." Keynes also observed "while the process impoverishes many it actually enriches some."

Inflation is like a drug. It provides some short-term relief, but produces a condition requiring progressively bigger doses of the drug. The end result is complete collapse. Every politician who says that there is no solution to continuing inflation, except to "control" it by periodic doses of destructive credit restrictions, might be politely asked if he does not think that under these circumstances he could be taking money from those paying him his electors, under false pretences.

The Hon. D. Anthony is on record as telling a meeting of Victorian farmers that the basic wage in Australia will double in the next ten years, and that farmers, like second industry, must accept the centralising results of this. Mr. Anthony and his colleagues must be instructed to insist that their "advisers" find ways and means of solving the inflation problem, or failing this, to make way for those who can.

READ.

THEY WANT YOUR LAND!

35 cents posted

Order from **The Australian League of Rights,**
Box 1052J, G.P.O., Melbourne.

REALISM REQUIRED CONCERNING WOOL SELLING

The desperate position of the great majority of the Australian woolgrowers is being exploited to stampede woolgrowers into believing that a change in traditional selling methods will contribute substantially towards solving their financial problems. Prime Minister Gorton has merely demonstrated once again his lack of understanding of financial and economic realities by suggesting to the Japanese that the auction system be abolished and a minimum price be negotiated with Japanese mills.

Like every other purchaser of raw materials, the wool buyers of the world naturally wish to buy at the lowest possible price. Every farmer at a cattle or sheep sale hopes to purchase at the lowest possible price. All the loose talk in the world cannot alter the fact that if the Japanese pay more for wool, then this increased financial cost has got to be charged into ultimate retail prices. But they naturally wish to keep prices as low as possible in order to compete against other producers. So long as there is genuine competition, prices charged in any economic operation are kept to the minimum. But what is that minimum?

The minimum price, which the woolgrower must receive, is one, which includes all the basic financial costs of production. Wool prices are disastrously low at the present time, but most wool producers will recall that similar prices twenty years ago were comparatively profitable. They have become much more efficient in the meantime, generally being spurred on by the whip of rising financial costs - inflation. These increased financial costs are the direct and indirect result of the financial policy, which have resulted in over-expanding community and private debt, heavy taxation and never-ending inflation. How can Japanese, or any other wool producers be forced to pay a sufficient price to the Australian woolgrower to cover increasing inflation? It is only necessary to ask this question to have it answered. The acquisition of the wool clip will no more guarantee a profitable price for the woolgrower than has the acquisition of the wheat crop guaranteed the wheatgrower a profitable price. Consider his present plight.

Those opposing any policy of offsetting the inflationary burden being carried by the woolgrower, talk in specious terms about the "enormous cost." But "enormous cost" to whom? Every other section would benefit along with the wool industry if new financial credit were made available to pay a price subsidy on every pound of wool actually sold. Such a policy would be anti-inflationary, in that it would provide increased purchasing power for the woolgrower, helping him to liquidate his growing financial indebtedness, and interest bills, without generating increased financial costs.

If the woolgrowers surrender control of their own production in exchange for what is being offered by those who dislike real independence, then they will find that they have sold their independence in exchange for a mess of pottage. Bigger woolgrowers who oppose any form

CREDIT CREATION AND INFLATION IN SOUTH AFRICA

The Natal Mercury, South Africa, of May 26, carries the following revealing news item: "Banking credit curbs were further relaxed last night to the extent that about 50 million Rands extra will be pumped into the South African economy from June 1 . . . Dr. T. W. de Jongh, Governor of the Reserve Bank, announced that the bank had decided to ease by 3 percent the overall ceiling on lending which applies to certain advances. But he stressed: 'this increase is effected to enable the banks to expand production credit for manufacturers and agriculture. Banking institutions are earnestly requested to ensure that credit under this concession is granted for the mentioned purpose only'."

The above item is a frank admission that the banking system creates a nation's money supply, mostly in the form of financial credit, and that the Central Bank in South Africa exercises the same control over the volume of credit creation as is exercised by central banks in every modern nation. South Africa is experiencing exactly the same finance-economic problems as other nations, although these are compounded by the race problem. What South African conservatives have to face is that the destructive policy of "controlled" inflation was also operating under the late Dr. Verwoerd, one of the results being increasing financial indebtedness. One of Dr. Verwoerd's top economic advisers was a product of the Fabian Socialist London School of Economics.

The South Africans have been attempting to curb inflation by a policy of restrictive credit controls, exactly as has been attempted in every other country. Small business enterprises, and the farming community, have been taking exactly the same type of "medicine" being imposed at present in Canada under Liberal-Socialist Trudeau. South African farmers are at present also being lectured on the same type of Fabian-Socialist programme advocated by the "advisers" to the Australian Government. There are too many "uneconomic units" who must be eliminated and amalgamated. More and more financial organisations with no previous interest in farming, are buying up increasing tracts of land, the Oppenheimer Empire being an outstanding example. Mr. Harry Oppenheimer has been reported as saying that he is not sure what causes inflation. Well, we will predict now that the policy of a greater rate of credit creation, permitted it should be noted only by the Central Bank of South Africa, will under present financial rules, generate a greater rate of inflation. The R 50 million could, of course, have been created as a credit and made available without increasing financial costs.

of acquisition, but also oppose any policy of price subsidisation, are playing into the hands of their opponents. They are extremely short sighted if they believe that the elimination of many of the smaller and medium-sized growers will assist them to survive. It will—but only until their time comes for economic liquidation also.