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

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TOWARDS THE POINT OF NO RETURN

EDITORIAL

The Roman Civilization did not die overnight; the process of collapse and death took place over many years. But there was always the prospect that revival might take place. This would have required a realistic challenge to the policies of centralization, including inflation, debt and oppressive taxation. But the Roman citizens lacked both the knowledge and the will to make the necessary effort. And so their civilization passed from the stage of history.

It has been said that those who will not learn from the lessons of history, are doomed to repeat the mistakes of the past. The central lesson of history is that civilizations grow as individuals learn to make use of the increments of association, and then collapse as power becomes so centralized that the individual no longer has access to the increments of association. C. H. Douglas, perhaps the greatest genius of this century, has observed that running through the rise and fall of civilizations has been the thread of monetary policy. This truth has been observed by a number of historians, but has been generally suppressed. The famous Benjamin Franklin observed that the American War of Independence would never have happened if it had not been for the independent monetary policy pursued by the American colonists.

The evidence is stark and clear that the fate of Western civilization will depend upon whether the individuals of that civilization can bring the finance-economic system under effective control, so that it serves the true purpose of the individual, which is self-development. One of the more hopeful signs is the growing realization, much of it as yet unconscious, that there is something fundamentally wrong with the finance-economic system. While it is true that the collectivists generally have managed to establish themselves as the spokesmen for those concerned about the obvious pollution of man's physical environment, it should not be overlooked that true conservatives were drawing attention to this threat a long time ago, and that the concern about pollution is one of those healthy manifestations which, provided it leads to a questioning of basic causes, could lead to an effective challenge to unrealistic financial and economic policies.

INFLATION SUBVERSIVE

One of the more obvious manifestations of present financial policies is progressive inflation. Financial inflation is a type of measurement of the extent to which the present economic system is being misdirected. Its sub-

versive effects are becoming clear for an increasing number of people to see. How the Nixon Administration handles the inflation issue may be the decisive factor determining whether President Nixon will or will not be returned to the White House in 1972. Generally overlooked by the commentators is the significance of the fact that in the rural areas of the U.S.A., traditionally conservative and Republican, the vote at the 1970 Congressional elections swung hard against the Republicans. The Australian Senate elections paralleled the American Congressional elections, with the rural communities breaking from their traditional voting patterns. When the backbone of the independent peasantry was broken in Rome, the backbone of the nation was broken. If the rural communities of the Western world are "reconstructed"

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HISTORY MAKING IN 1971

This year's Annual "New Times" Dinner, to be held at The Victoria, Melbourne, on Friday, September 17, will be associated with yet another history-making event: the formal launching by The Australian League of Rights of its special division, The Australian Heritage Society, at its Annual National Seminar on Saturday, September 18. It is anticipated that Sir Raphael Cilento will be one of the guests of honour at the "New Times" Dinner, and will present one of the papers at the League of Rights' Seminar. It is hoped that other prominent citizens will be associated with this major move forward in the evolution of the League of Rights.

Forward bookings for the Annual Dinner should be made by all those who wish to be certain of a seat. The donation is \$5.00 per person, and must be forwarded in advance. Private accommodation can be provided for country and interstate visitors if required.

DREAMERS AND DEMAGOGUES

By D. WATTS

Politically, the twentieth century has been one of dreamers and demagogues. The former group has prided itself on its idealism and the latter on its realism; but the two groups, together, have not afforded that complementation which makes for a rounded completeness. Instead, the alliance between dreamers and demagogues has made it as difficult as possible for truth to prevail in the spheres of political and sociological theory; but it is mighty and prevails when it presents the practical results of the general refusal to face up to it.

One result is that leftist-liberal dreamers, making one with the demagogues, have reduced what might have been political and social advancement to a struggle for power between new lords who use their adherents as kings and barons used their armies—to gain power and possession for themselves. Leftism is the recruiting ground of demagogues; while the dreamers' wicked-fairy gift to leftism has been the theory of egalitarianism. Stripped of the dreamers' illusory garment of egalitarianism and of their lop-sided humanitarianism, and with the silencing of the demagogues blare about that freedom and justice which none of them seems to understand, the truth that a new kind of political and economic absolutism is emerging, or has emerged, stands implacable before us. The policies of the leftist political parties have become threadbare and faded. The rightist political policies are almost exclusively businessmen's policies.

The wearing-out of the leftist policies and the shrinking of the rightist policies are resulting in the rise of another contender for power. This rival, already, in spite of setbacks, is very strong. It is the Trades Union group of bosses. If things go on as they are going now, the future Trades Union struggle will not be between workers and employers, but between the Trade Unions and the general public, for the latter comprises the army of the political heads.

As for the Communist lords—the present question is whether they will first settle conflicts among themselves, leaving the victor free to engage the winning group of Western bosses, or whether they will work out an agreement to unite to overthrow the Western ruling groups first and afterwards fight it out among themselves for the prize of supremacy. Communist action has been such a mixture of barefaced aggressiveness and underhand intrigue that it is not altogether easy to know if the splitting of the party is that development which almost invariably occurs when achievement of the original purpose has been too long delayed, or if it is a feint to distract attention from the reloading of the underground weapon.

The Russian leaders, at least, appear still to have faith in the doctrine of the historical inevitability of the coming of worldwide communism, but they are not as confident as they used to be some time ago that that state of the world will bring with it world government by Russia. While continuing to work hard at making the inevitable be inevitable, the Russian leaders are, at the same time, doing what they can to make sure that Russia will be

already there to take over when historical inevitability becomes historical actuality.

CONSERVATISM

A conservative political party does begin by supporting the ruling class; but in doing that it also conserves the values of that class, especially the ethical values. When a new ruling class rises to power it should bring with it its own characteristic standards and values. The conservative political party then becomes chiefly the defender of the new upper class, but in socially useful behaviour it should continue to conserve the best of the old values while adding to these the cultural values of the new rulers. For example, the old aristocratic class of Britain held, besides others, honour, courage and devotion high among the virtues. When an upper middle class rose to power it brought with it respect for honesty, propriety and fairness. The British Conservative Party was making a rather good job of combining the more cherished values of the old and the new upper classes until the dreaming reformers appeared on the scene.

In America the story is different. The original upper class did bring over to the American colonies and the new republic the ideas and ideals of the progressive British intellectuals of that time. Any type of ruling class needs to become well established and to remain so for two or three generations while it stabilizes its values; but before the original American ruling class had had time to do this it was overwhelmed by new ruling industrial and commercial classes which, themselves, had not been long enough an upper middle class to find their own characteristic, ethical values.

To make the situation worse, besides coming too quickly to the top, the inheritors of those British traditions which would have given them a solid cultural foundation were practically swamped by immigrants who, whatever useful traditions they had in their own countries, could not transplant these to culturally alien soil. The old British aristocratic values were lost and were not replaced by others growing from some well-rooted stock. A parroted repetition of "Liberty, Fraternity and Equality" with a saluting of the Stars and Stripes has become an empty political and ethical shell which is the home of no living meaning.

Australian dreamers are unable to learn from this that a large importation of aliens from here, there and everywhere will result not in the importation of the best of their native cultures, but in a confusion of cultures, which ends up as cultural poverty. Nor will they observe the

bad influence of an America, with its shallow political chant, upon Britain's foreign policies and domestic behaviour.

An example of ill-conceived pressure and bad advice from America is that which led to the abandoning by Britain, even the British Conservative Party, of the Suez Canal. Had Britain retained possession of this it is unlikely that it would have been closed, and her Red Sea stations would have remained useful to her. With her stabilising presence and her ability to preserve a fair amount of order, the Middle East squabbling might have remained a local affair and not become the international menace that it has been and may continue to be.

Again America must accept responsibility, or a large part of it, for what has resulted from her pressure on British Government to throw a sop, in the form of an unrealistic and over-hasty African decolonisation, to that mongrel Cerberus, Dreamer out of Demagogue. The consequence of that is that Britain lost the two African States best worth having, and found herself laden with a lot of unreliable, political junk.

As soon as the new African States became independent, Britain and America had to start bribing them to refrain from allying themselves with Communist Russia. Natural or traditional loyalty is more dependable than is bought loyalty. South Africa and Rhodesia, both anti-Communist, both Britain's civilisational equals and with an understanding of the best British values, had they not been betrayed by Britain's governments and British dreamers for the sake of a conglomeration of backward States, would have acted with her and America to keep Black Africa within the Western pale. And it was the Conservative Party of Britain that was initially responsible for this infatuated trading of a realistic alliance for a dreamer's alliance with a Negro Utopia.

To be sure, practical politics is no career as yet for a trusting man of principle. It is, at the present general stage of human development, impossible for it to be that. He who deals honestly with rogues will be cheated; he who offers wisdom to fools will be crucified; he who tries to act fairly towards a lot of bullying barbarians will be despised as a weakling and get his teeth kicked in. In national and international politics the ugly types of men outnumber by far the more intelligent and honorable types. It is necessary to meet them in the only kind of action they are able to understand. At the same time, the unavoidable political comprising with men and conscience should be but the temporary expedient of far-sighted statesmanship. The leaders of a Conservative Party, keepers of the best that history has brought, should have been proper statesmen instead of disciples of Machiavelli in dunces' caps. Now Conservatives are faced with the task of trying to repair some of the damage done by dreaming fools and scheming demagogues. They may find small comfort in the thought that their own party took an active part in building up the opposition with which they are now meeting.

LEFTISM

Idealistically speaking, leftist thought and action should complete the picture of society partially shown in conservative philosophy and policy. That is to do more than to take up cudgels for the lower social and economic classes against the upper classes. It should do something to keep social movements balanced in concrete time. That is to say, whereas conservatives should conserve the highest and best that the past brought forth, while relating that to the highest and best offerings of the present, leftists should, while standing in the present, reach towards the better things which it is hoped the future will bring.

This, some of the leftists realized, and they dreamed that they were being progressive. What has lost to them that title has been the development of a peculiar leftist

FUNDS REQUIRED FOR YEARS OF DECISION

Objective political observers have pointed out that the recent Senate elections have demonstrated that the old political pattern is starting to break up. One of the major contributions to this changing pattern has been the rapidly growing momentum of the grass roots League of Rights program, particularly in the rural communities. The D.L.P. had the political sense to grasp the significance of this program, and its impact, and fashioned their Senate rural program to meet the growing demand for a change in financial policy. Also of significance was the success of Independent Negus in "tapping" the deep resentment against death taxes.

The coming two years, before the next Federal elections, could prove to be the years of decision for Australia. The League of Rights has demonstrated that it now has the program and the organization to do what is necessary. But it must have the funds. Its basic operational fund is \$25,000. With this guaranteed the League has demonstrated that it is capable of financing its expansion out of the increased financial support—collections, school fees, book sales—generated by its expanding program.

As we go to press only approximately half of the \$25,000 for 1971 has been subscribed or pledged. The majority of our readers have not yet contributed. A large number of small contributions will solve the basic problem easily. We agree that we now have what may be a last chance to decisively turn the tide of totalitarianism. Let us all rise to the occasion. Contributions should be sent to The Australian League of Rights, Box 1052J, G.P.O. Melbourne, Vic., 3001. Northern New South Wales and Queensland supporters may send their contributions to The Australian League of Rights, Box 17, Alderley, Queensland, 4051.

conservatism. Those making up the leftist majority certainly do not seek to conserve values and standards, but they do strive to conserve situations. For instance, in the West, the nineteenth century situation in which were to be found overworked, underpaid workers exploited by callous bosses is no longer the real one, but it is the situation that most leftists try to preserve and many still to exploit.

Again, the situation between whites and Negroes was often one of arrogance on one side and humiliation on the other. Now it is largely one of arrogant Negroes doing their best to humiliate whites. In the beginning of the attempt to right a wrong a policy of "racial equality" and specified Negro "civil rights" did to the less analytical, seem to be corrective. Although the situation has changed, most leftists have failed to adjust their thinking to the new situation. There is an emotional attachment to the old picture of racial relations. Fixing this emotion is attachment to the idea that in supporting lower classes leftists are fighting against oppression. As the workers cease to be oppressed and draw much nearer to the middle than to the degraded and degenerate dregs, and as Negroes, in civil and national masses, come nearer to being primitive oppressors than to being the enslaved, the leftists shift their support from the useful members of society to those who are a burden upon it.

In doing this they imagine that they are conserving the old situation of underdogs versus master dogs; but instead of elevating unjustly suppressed underdogs—a task that has on the whole been accomplished—they have come to support the lower social and moral standards of backward individuals and races. The criminal, the savage, the morally obtuse and the weakling are not helped, but are held in their inferior state by the deference of leftists to their low moralities and crude or degenerate behaviour.

COMMUNISM

Karl Marx believed that he was taking political theory out of the indefinite realms of philosophy and making it scientific. He thought that he was offering, not an ideology, not simply a system of ideas, but a reliable pattern of facts and universal laws. This perhaps explains why his teachings have had an appeal especially for the young. In an age of hard, exact knowledge and in a mechanized world, they provide an escape from science while still apparently paying homage to science. Communism, to those who can ignore the pragmatic test of its practical application, or who are ignorant of that, can have the romance and mysticism for which the young heart yearns—the splendid cause, the promise of exciting adventure, the mystery of exclusive knowledge which only initiates may know, the demand for commitment which is like taking vows, the dedication and discipline that set neophytes apart and make them feel important, the intrigues and whispered secrets which take the place of magic spells and communion with occult entities—and with this romantic mysticism may be a conviction that it is all scientific and realistic, that it is the truth of gods whose

faces are the faces of humanity, but whose powers are those of universal nature and so, in a scientific way, divine.

The practical exploiters of this political romanticism use it as an aid to retaining the position and power, which they have achieved or hope to achieve. They direct the idealist enthusiasm towards destroying their rivals. The revolution, so described, must be preserved, they proclaim. What they mean is that the results of the "revolution" must be preserved; and these are not the bringing of the industrial or peasant proletariat to the top of the social or political organization, but the fall of one set of rulers and the rise of another set—themselves.

Marxism, with its illogical theory of dialectical materialism, is used to veil this situation from the eyes of the worshippers. In the dialectical movement as described by Hegel, continually a thesis produces its own anti-thesis and with it becomes a synthesis, which, in turn, becomes a new thesis. The movement is perpetual, as logically it must be. Marx, with his materialistic bias, took the aristocratic classes to be a thesis and the bourgeoisie to be its anti-thesis. These, he assumed, would form together a synthesis, which on becoming the new thesis, would call forth an anti-thesis in the form of the proletariat that would absorb the former thesis into itself, producing a proletariat thesis. When he came to the proletarian, political thesis, he came to the end of his theoretical dialectical movement. That should have warned that there was something wrong somewhere. There is nowhere further for the Communist theorist to go and nothing is left for him but to perpetuate the revolution. Actually, classes in organization are not antithetical, but co-ordinative.

Marx would have come closer to the historical movement had he observed that with the dialectical movement discernible in concrete reality are others, among them a cyclic movement which perpetuates any true dialectical movement found in historical development, so that the establishment of something resembling a Communist society brings it back to another beginning, perhaps on a different level or somewhat different in character. After Communism would inevitably come again some form of absolutism. Many of those who have seen this actually happening, whether or not they have explained it as herein suggested, have lost their dream without finding in modern conservatism or leftist conservatism the spiritual stimulus that they crave. The young in years or mind or heart may give vent to their exasperation in anarchical thought or action. Others may seek escape from a reality, which has refused to conform to their theories or substantiate their dream in a rejection of all reality, ranging in expression from the philosophical pessimism of existentialism to the hysteria of permissiveness or even the illusory world of the drug addict.

REVOLUTION IN THINKING NEEDED

What is needed is a true revolution in thinking. Those wedded to the conventional beliefs of today either cannot

expand their present conception of reality—the materialist conception—or dare not, fearing that in losing some of what they have, they will lose what scientific thinking has given the world. That general inadequacy of present, general thought, and of political ideas in particular, is responsible for the dead-end in chaos or nothingness to which inspiration has been brought. Real though the material universe is, it is but a small part of universal reality. It follows that an exploration of the greater reality beyond the confines of the material reality need not be speculative, but in its way could be scientific and of practical use in ordering the affairs of men. However, the mentally timid and mentally hidebound exhibit

the ridiculousness of their limitations while ridiculing the mental or spiritual explorer of the greater reality. Where can the intrepid ones find a patron and a following? Not among the deluded dreamers or shallow demagogues. Not among the paid publicists or the opportunists. It should be among the more intelligent of the intellectuals; but most so-called intellectuals of today are emotionally committed to failed theories and but few are really thinkers. Yet the people, the multitudes of ordinary people, are plainly showing that they are casting about for a new and sane leadership. But they must have emancipated thinkers before they can have more realistically directed action.

A CHANGE OF HEART BY PROMINENT KEYNESIAN SOCIALIST?

Professor John Kenneth Galbraith has long been recognized as one of the U.S.A.'s most prominent Keynesian Socialists. In 1958 Galbraith became the first Western economist to lecture behind the Iron Curtain since the Bolshevik Revolution in 1917. He spoke throughout Communist Poland under official auspices, being escorted by his friend, Oskar Lange, a former Communist agent in the U.S.A. In Galbraith's book, "Journey to Poland and Yugoslavia", readers are introduced to alleged similarities between American democracy and Communism.

However, recent statements by Galbraith may indicate that he is becoming concerned about the direction and results of the type of Keynesian economic policies he has been advocating for so long. Our contributor, H. A. Marsh, raises the question of a possible change of heart in the following examination of some of Galbraith's current viewpoints as published in "The Age", Melbourne.

In an article, which appeared in *The Age*, Melbourne, December 5 1970, Professor John Kenneth Galbraith gave replies to questions on the policy of modern economics, which indicate that he has serious doubts concerning the direction, which the modern economic machine is taking.

Professor Galbraith is Professor of Economics at Harvard University, and is now spending a year at Trinity College, Cambridge. He is a former editor of *Fortune* magazine, and was President Kennedy's Ambassador to India.

Galbraith confesses, that in his opinion the relentless pursuit of the Gross National Product does not equate with human happiness, that expanding consumption is not the guarantee of utter happiness, which the orthodox economists propound it to be. Galbraith is quite blunt—many of the new generation realize that very many people consume what they are persuaded to consume (to keep the wheels of industry turning and thus maintain "full employment"). The implication here is that there is no urgency for production, and also that consumption is greatly distorted. If persuasion is highly developed, then, says Galbraith, so is consumption. We know this is so, and the driving skills of the advertising "industry" are marshalled to this end.

He asserts that where persuasion is ineffective, as in public transport, or housing, then consumption and investment lag behind. This may be so in the U.S.A., where mass transport, as they call it there, is privately owned. This situation cannot obtain to the same extent in Australia, where public transport is largely government-owned. However, it would appear that finance for an

automobile is far easier to come by than finance for a home, even where the same percentage of deposit is in hand.

Galbraith seems rather unrealistic concerning the economic system, which he trains others to operate. His instincts are sound—"At the public level (of the economy) we need to think less about growth and more about its social costs." Such costs as pollution, too many automobiles, screaming supersonic jets to fray the nerves, then more. We agree, but we know that the modern finance-economic system, as operated, cannot afford to stop. It will break down; the only point at issue is the time factor. This could be relatively short.

A FALSE MEASURE OF ACHIEVEMENT

At least Galbraith does hit the nail on the head when he claims that consumption has become a measure of achievement (keeping up with the Joneses) and that people are beginning to realize that a life-style that depends on such consumption is contrived and rather silly. Sensible people have always known that, but this will be bad news for the "nobs" and "socialites", the "jet-setters", of Western society, whose position is maintained largely by money. A reversion to an aristocracy based upon worthwhile achievement, character and ability, as in the days of chivalry, will come, but only after our unrealistic economic system is swept away. Galbraith sees this awakening; a keener awareness of it is evident in the younger generation. He thinks, that in general, economists have not seen this change, especially in the young . . . "In the United States, and to a lesser extent in Britain and Europe, a whole generation is rejecting the standards of persuaded and competitive consumption".

Economists see with remarkable clarity what existed 25 years ago. This new awareness of the misdirection of modern economics is summed up by Galbraith thus: "The goal in this world is not consumption, but the use and enjoyment of life".

Galbraith says that he can imagine a type of society in which companies can operate without the fervent drive for expansion. He makes a telling point . . . "If maximization of consumption is the goal in life, then the people who provide consumer goods will be the most important people in life, and those who write leaders on how to increase growth and consumption will be the John Miltons of the age."

THE "MOST IMPORTANT PEOPLE"

We can take this argument a stage further, and make a still more telling point. As the people who provide the consumer goods (manufacturers) cannot, in this age, function without financial credit (banking system), it is finance, which supports Galbraith's "most important people". Realistically, they are nowhere as important as they, and the economists, think that they are. He continues by stating that if people take on a changed attitude to life, live more simply by eschewing the acquisition of possessions, then they will no longer be so dependent upon the large manufacturing organizations. The fallacy is that Galbraith fails to grasp that people **MUST** consume to maintain the unrealistic economic system with which we are saddled: agreed, against our will. Who will buy the goods to keep the wheels of industry turning, to pay wages to buy the goods? Many, even large manufacturing organizations are now delicately balanced (e.g. Rolls-Royce). Even a small contraction in consumer demand can wreak havoc. Consider the "horror" budget in Australia in 1952. Rapidly accelerating unemployment, abolition of overtime, less wages to buy goods. Galbraith's "most important people" were all there, screaming their heads off for orders, as they were during the Great Slump of the early 'thirties, but, finance wasn't there. Aren't you mistaken professor? There is a force without which your "most important people" are powerless. And this

force is manipulated by a few most mysterious people. What are **THEY** up to?

It is naive, for the above reasons, for Galbraith to claim that company directors will meet and report an increase or decrease in business and nobody will notice. This is the way we would like to see it, and it **COULD** be thus once economic realism prevailed. But finance will fight to the last ditch before this will be allowed to happen.

Galbraith thinks little of the advertising "industry". It is rank with dishonesty, and props up a fragmenting finance-economic system, which is doomed. He says that advertising men claim they are really meant to be poets, but got caught up in the rat race themselves. This isn't my experience of them; albeit they take poetic licence!

POLLUTION THE TRIGGER?

Pollution is a most worrying cost of rapid industrial growth, and this alone could trigger off, eventually, the inevitable re-think on the purpose and quality of life. Little is being done about pollution; it will grow much worse. President Nixon has suggested that the cost of disposing of goods without damage to the environment ought to be included in their price. Galbraith rightly ridicules this notion: "Internalize the external diseconomies", as he puts it sarcastically, which is economic jargon, and means the incorporation into the cost-structure of an article the cost of the likely damage which that article will do when in use, or used. Crazy? We think so, too!

But we are with you all the way, Professor Galbraith, when you say: "In a rational life-style some people could find contentment working moderately and then sitting by the street and talking, thinking, drawing, painting, scribbling or making love in a suitably discreet way. None of these requires an expanding economy".

This change of attitude in a foremost contemporary economist could be highly significant, and may augur well for the future. But this correct vision won't become a reality until the power of finance is broken. This will happen, but its dying convulsions will exact a terrible price from humanity.

REVOLUTIONIZING THE AUSTRALIAN WOOL INDUSTRY

The development of the wool industry has been a major feature of the development of Australia, the world's largest island continent. The revolutionary program being imposed upon the Australian wool industry by the Fabian Marxists is symptomatic of the revolutionary processes now undermining the Australian Federation.

Speaking to the Federal Convention of the Women's and Children's Fashion Industries of Australia, Sir William Gunn is reported in "The Weekly Times", November 25, 1970, as saying that long overdue winds of change are now sweeping through Australia's wool industry.

Revealing the thinking, which the policy makers operating through Sir William have pursued over the years, Sir William said, "While it was regrettable that the decision to set up the Australian Wool Commission was not taken in 1951, it was a tragedy when it was rejected in 1965.

"We had to wait until the wool industry was on its knees before change was accepted." (Our emphasis.)

In 1965 when the referendum to establish a Statutory Marketing Authority was rejected by the woolgrowers, Sir William was reported as saying "we will have to wait a little longer". Now the time of waiting is over and Sir William and those who so long have worked to control the marketing of wool, and through that control eventually the complete control of the producers, are within sight of their objective.

The significance of Sir William Gunn's statement reported on November 25, 1970, can only be assessed against his statement after the referendum in 1965, and then his subsequent statement to The Institute of Directors of New South Wales on April 1, 1968, when he said, "The wool industry is hurt by the economic policies that the governments have decided to follow. I have no desire to criticize nor support the present policies, except that it is interesting to note that the Opposition doesn't really take much trouble to criticize basic economic policies. So I think it is reasonable to assume that even if there is a change of government, the basic economic policies that are being followed will be followed by another form of government and, therefore, these are facts we will have to learn to deal with..." Sir William then went on to pose the alternative given by all those authorities whose voice is given publicity today: that is, "reconstruction" and amalgamation of existing properties into bigger units.

FINANCIAL SANCTIONS

When Sir William acknowledged that the woolgrowers had been brought to their knees, was he connecting their present servitude with those policies which he knew were operating in 1965 when he said "we will have to wait a little longer", and which in 1968 he "had no desire to criticize or support", even though he knew they were hurting the woolgrower? It seems obvious that Sir William was well aware of the nature of the "policies governments (note the plural) had chosen to follow". As the nature of those problems are rising costs and mounting indebtedness it is obvious that Sir William had been informed that these policies would go on irrespective of the government(s) concerned. Inevitably under this process the woolgrower would be hurt and forced to accept policies over which he has no control. In addition Sir William must have been made aware that progressively the essential purchasing power to buy the wool clip would be withdrawn. These are the "policies, which government(s) have decided to follow". It is simply a matter of financial policy pursued by government(s) that control is exercised over foreign exchange through the central banking structure in each country. The American Government has placed an embargo on funds for buying Australian wool. Accentuated or modified degrees of the same policy can be applied in each of the countries buying Australian wool.

Wool buyers can only operate on the funds clients allot them. As commission agents the wool buyer has a vested interest in a rising market. The lower the price, the lower their commission. The quantity of wool sold has increased over the years. The availability of finance has not kept pace with the quantity of wool sold, as the following figures show.

Wool sold, pounds	Price paid
1966-67—1,762,300,000	\$812,230,000
1967-68—1,769,500,000	\$709,524,000
1968-69—1,947,800,000	\$836,187,000
1969-70—2,043,300,000	not available

Income for 1969-70 is down 50 percent, approximately, and would, therefore, be a figure between \$400,000,000 and \$500,000,000.

The question, which should be asked, is why the availability of finance has not kept pace with inflation and the demands of the buyers. If only a certain quantity of finance is available against the quantity of wool needed to satisfy the market, then the buyers have only one recourse, to offer a price against their needs. Those who control the money market in the final analysis control the purchasing power of industries. The central banking structure as it operates through each nation is the main institution controlling the flow of finance throughout the world. It operates on a national and international basis.

Sir William Gunn rather let the cat out of the bag when he told the Institute of Directors that the "Wool industry has been hurt by the policies which government(s) have decided to follow". As a member of the Central Bank Board, Sir William is in a position to know those policies being adopted by all the wool-buying nations. So, of course, he knows whether the Australian wool industry is going to be hurt or helped. It might be pertinent to ask, as a representative of the wool industry on the Reserve Bank, just what help has Sir William Gunn been to the Australian woolgrowers?

GROWING INDEBTEDNESS

The salient fact is that the tremendous increase in indebtedness of the rural community is due fundamentally to two factors.

1. The shortage of purchasing power. No one borrows money unless he lacks a sufficiency.
2. The deliberately subversive policy of financing increasing costs instead of financing the consumer.

As a member of the Central Bank Board, Sir William has been party to a policy of injecting into the Australian community an average of \$800 million each year. The main purpose of this expansion has been to finance the growing cost structure and feed the fires of inflation. At the same time Sir William obviously knew that funds would not be made available to maintain the solvency of the wool industry. He also knew that the time would come when "the wool industry was on its knees" and that it would then accept the "change of a revolutionary nature" he spoke of recently.

That revolutionary change is the destruction of individual ownership and the emergence of corporation farming in conjunction with State ownership becoming a bigger factor. In a word, monopoly is to replace decentralized individual control. To achieve this result Sir William is willing to spend money. In his address to the fashion industry, he is reported to have said, "Over the past year the Federal Government had spent \$115 million to establish the Wool Commission and \$18.5 million for its operation. In addition, growers had received \$37.5 million in emergency subsidies". Then, very significantly, Sir William said, "that the industry hoped to be able to dispense with Government subsidies because of

the changes started this year". In other words, having achieved the objective of controlling the wool industry and destroying the independence of the family farm owner, money would be channelled back into the industry, but only after "revolutionary change" had been achieved.

We may well ask if money can be made available to control the industry why cannot it be made available to maintain the freedom of the industry? It can be well argued that the present debt structure of the industry could be eliminated without hurting anyone. As the debt system is only a bookkeeping process, if it is estimated that the debts of the woolgrowers amounted to \$1,000 million, the Reserve Bank could advance either the whole amount, or a significant proportion, in the form of debentures payable against outstanding debts. They would not be available for any other purpose, and on the payment of the debentures the debt would be immediately cancelled out of existence. No inflation would result, and providing financial policies pursued in the future gave the woolgrower sufficient security to ensure his ability to withstand the impact of unrealistic prices—under which conditions he could refuse to sell—then the independence of the family farmer would be assured.

Sir William Gunn has either wittingly or unwittingly lent his support to destructive policies and must be judged accordingly.

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along the lines now openly advocated, this could be the end of the Free World.

While there are still many sound people left in the big, over-centralized human ant-heaps of the Free World, it is significant that the message of salvation, which we have to offer, is more readily accepted in the rural communities, including the smaller cities and towns directly linked with the rural communities. In his Annual Report to the General Annual Meeting of The Australian League of Rights, Mr. Eric Butler outlined the dramatic progress of the League's activities in the Australian rural communities over the past 12 months. We express the opinion that if back in the 'thirties there had been a comparable type of organizational structure, with a similar type of realistic political action program; the history of Australia may well have been rather different. But Australia may now have what could be its last chance to come to grips with realities before the point of no return is reached.

FAITH NOT DEAD

The regeneration of a collapsing civilization is not something, which is going to happen on a mass scale. It is something, which in the nature of regeneration must start with small groups and grow organically. In spite of all that has been written and said about modern technology, it is still a fundamental law of life that man cannot live on steel ingots, and that ready access to adequate food, clothing and shelter is the basis of true freedom. Without true freedom, civilization cannot endure indefinitely.

We make no predictions concerning whether or not our civilization has reached the point of no return. But we do say as we start yet another year, that those who have faithfully helped to keep the torch of truth alive have provided the prospect of at least a chance of success. Faith has been sustained. The point of no return is only reached when faith is dead. We have not reached that point.

HOW FARM "RECONSTRUCTION" WORKS

A recent letter in "The Chronicle", Toowoomba, sheds revealing light on the financial implications of the Gorton Government's "reconstruction" plans for the primary producers.

Sir, While our views are well known on the "get bigger or starve in your own chosen way of life" philosophy, being forced upon primary producers by the Federal economic advisers, we concede that at face value the Dairy Farm Reconstruction Plan may suit some farmers.

However, there are certain aspects, which need to be studied, and the figures we submit below should give a farmer some idea of what he is being let in for by getting bigger.

Based on figures given by the Honorable V. B. Sullivan at Oakey, November 25, 1970, a farmer contracting with the State Government to buy a property for net cost of \$20,000 at 25 years terms at five percent will pay capital plus \$15,000 interest. It is interesting also to note that 25 years interest on \$20,000 at five percent on a reducing basis amounts to \$11,100.

The following figures are worked out on the basis that the original property is valued at \$35,000 and is free of debt.

Original property debt-free value	\$35,000
Interest payments	Nil

Upon death

State Duties at 9% gross	\$3,150
Federal Duties—	

Exemption \$20,000. 3% residue	870
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Total paid by estate (approximate)	3,510
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Value of reconstructed property	\$55,000
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Interest payment to State Government	\$15,000
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Upon death

State Duties at 11% gross	6,050
Federal Duties—	

Exemption \$20,000 3% residue	870
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Total paid by estate	\$21,920
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It can be seen from the above figures that someone is doing all right from the "get bigger" trend and while the cost-price squeeze continues "big" must eventually find himself at the bottom and in trouble again. We repeat this is not the solution. It is merely a high-priced (to the farmer), low-grade, stopgap scheme.

—B. G. Gilbert, Secretary,
Eastern Downs District Dairymen's Council.