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

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## EDITORIAL

### A Programme For Reversing Inflation

**The following paper was presented by Mr. Eric Butler, National Director of The League of Rights, at a Country Party Seminar held in St. George, Queensland, on February 19, 1971:**

There is today an orgy of double-talk concerning the subject of inflation. At present we are witnessing what can best be described as an elaborate public relations exercise by the Federal Government in an endeavour to convince the Australian people that effective steps are being taken to solve the growing problem of inflation, a problem which at present bears heaviest upon much of the rural community, but which also is having far-reaching political, economic, and social impacts upon Australia as a nation. It has been truly said that those who do not learn from history, are doomed to continue repeating the mistakes of history. Before we take seriously the Federal Government's claim to be taking steps which will solve the inflation threat, we might recall with profit that a definite policy "to put value back in the pound" was a major factor in the Liberal-Country Party Coalition being first elected to office in 1949.

The Liberal-Country Party Coalition had not been in office for very long before the rate of inflation was increasing. Like Prime Minister Gorton, Prime Minister Menzies staged a spectacular public relations exercise, meeting with representatives of different sections of the Australian community. Even the Christian clergy were invited to take part in a national conference on halting inflation. But it was all in vain; inflation continued. And inflation will continue following the present Federal Government's public relations exercise. This definite prediction can be made simply because there is no proposal to correct the basic causes of inflation. And those responsible for advising the Federal Government, the official experts, do not believe that inflation can be ended. They are wedded to the Keynesian concept of operating the finance-economic system with a policy of "controlled inflation".

The analysis of the finance-economic system and the limited objective proposals, which I am presenting in this paper, has been criticized by the type of experts whose record of advice to governments is one of consistent disaster. It is only a few months ago that Australian electors were being assured that the 1970 Budget brought down by the Gorton Government was designed to curb inflation. Those electors who had the effrontery to write to their Members of Parliament, asking in astonishment how inflation could be curbed by increasing transport

costs through increased petrol taxes, or by increasing postal charges, were sent almost patronizing letters from the Federal Treasurer—at least he signed them, although they were drafted by his Treasury official experts — explaining how eventually the increased costs would reduce "excess" demand and thus curb inflation. Now the Government is forced to admit that its experts were completely wrong. Inflation has increased; it has not been curbed.

#### CHURCHILL'S ADMISSION

The record of the economic experts recalls the famous confession by Winston Churchill in the House of Commons on April 21, 1932: "When I was moved by many arguments and forces in 1925 to return to the gold standard, I was assured by the highest experts that we were anchoring ourselves to reality and stability, and I accepted their advice . . . What has happened? We have no reality, no stability . . . Are we to be told that human civilization and society would have been impossible if gold had not happened to be an element in the composition of the globe? These are absurdities, but they are becoming dangerous and deadly absurdities. They have only to be asserted long enough, they have only to be left ungrappled with long enough, to endanger the liberties and enjoyments and prospects, in my belief, of the vast masses of the people."

A Churchill is required at Canberra to make a similar confession: to point out that it was the official experts who were responsible for the Great Depression of the 'thirties, a disaster imposed by financial policy, out of which came Nazi Germany and the Second World War. The experts offered all types of reasons for the breakdown of the economy, including the suggestion by one learned professor that sunspots might have something to do with the situation! Any suggestion of expanding the nation's money supply, even by only a few million pounds, so that men and women might get access to the abundance they had produced, or easily could produce, was denounced as dangerous and inflationary. Within a few short years the experts were again overtaken by events, and thousands of millions of pounds were created and made available so that the nation could make a maximum war effort. Reality even forced the introduction of a

system of consumer subsidies on basic items in the economy, thus resulting in comparative price stability right through until 1947.<sup>1</sup> As the experts resisted the 1949 promise by the Liberal-Country Party Coalition to restore consumer subsidies as part of the programme "to put value back into the pound", subsequent events have proved that the experts are hopelessly incompetent, or are consciously pursuing policies which are leading direct to the centrally-planned totalitarian state, with all power at Canberra—exercised by themselves with the politician little more than a rubber stamp.

### MARXISTS WELCOME INFLATION

Over the twenty years from 1950 we have seen, and painfully experienced, a variety of suggestions from the experts concerning inflation. We were told that by working harder, saving more, becoming more efficient, inflation would be brought under control. There have been "horror budgets" and "credit squeezes". But the inflationary process continued, as it has in every nation. As all nations are basically following the same finance-economic policies, it is not surprising that they are getting the same increasingly disastrous results. Lenin is credited with the statement that inflation is Communism's secret weapon. It is certainly true that the continued use of inflationary financial policies must within a comparatively short period destroy the very foundations of the free society and its institutions, such as private ownership, effective Local and State Government, and the rule of law.

We are indebted to one of the most brilliant Marxist theoreticians, the late John Strachey, for a clear exposition of the peril confronting us if Keynesian "controlled inflation" is persisted with. Welcoming the theories of Lord Keynes as a contribution to the Marxist revolution, Strachey wrote in his *Programme for Progress* that inflationary credit expansion policies were "an indispensable step in the right direction" because **"the loss of objectivity, and the intrinsic value of the currency 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 on to further measures. The very fact 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 reorganization."**<sup>2</sup>

Those concerned with the future independence of the Australian rural communities would be well advised to study that statement by John Strachey carefully. They will then realize that the "reconstruction" programme for the Australian rural industries is a cruel hoax. It is elementary that if inflation continues, the "reconstructed"

bigger primary producing units of today will become "uneconomic" tomorrow. At least Sir William Gunn has been honest about this. He has on several occasions expressed the view that irrespective of the label of the politicians at Canberra, inflation will continue. In a seminar on rural problems in Perth last year (1970), he said that because he accepted inflation as inevitable, he had now come to believe that a "revolutionary" approach to the problems of the Australian wool industry was essential. In private correspondence he frankly states that with continuing inflation he expects wool production to take place on progressively bigger properties. Once we accept the premise that inflation is inevitable, Sir William's logic is impeccable. Marxist John Strachey is correct when he says that there are no permanently workable solutions to our economic and other problems within the framework of inflationary financial policies. This is a basic truth, which must be accepted by all those who wish to make a constructive solution to Australia's growing problems.

A problem correctly stated is a problem already half solved. Most of the comment concerning inflation deals with effects, and ignores causes. Sometimes effects are listed as causes, and so we have people criticizing the wage earner for seeking increased wages. As we will see, increased wages stimulate inflation further, but do not basically cause it. Then there is the claim that profits are too high. A little arithmetic demonstrates that total profits distributed amongst all wage earners would not go very far.<sup>(3)</sup> And the attempt to divide them would wreck industry. However, as wage, profits and price control have been tried under the Wilson Socialist Government, and could not halt inflation, although they did produce major economic dislocation, it is surely an insult to common sense to look for a solution with these types of government controls. The first essential is to understand how the present finance-economic system attempts to work. Inflation is a financial phenomenon, not an economic one. Every primary and secondary producer knows that measured in a realistic manner, the real cost of production per unit has progressively been reduced as real efficiency has been increased. Whether measured in terms of production per acre, production per animal, production per man-hours worked, or a combination of all three, the primary producer generally has done all the experts asked. Much of the real over-production is the result of intensifying merely to try to offset continuing inflation.

Now as financial measurement does not reflect this greater efficiency, our examination of basic causes must start with money. And here we immediately run into the most appalling ignorance. We have politicians, even the Federal Treasurer, putting their signatures to what, without being offensive, can only be described as dangerous

3. For 1970 total Australian company profits after paying taxation were \$1000 million. Wages and salaries paid by Australian companies for the same year were \$14,000. Even Trade Union leader Mr. R. Hawke suggests only a 15 per cent increase in wages out of profits. This would result in a mere one percent increase in wages.

1. See "They Want Your Land".

2. Quoted in "The Fabian Socialist Road to Serfdom".

nonsense.<sup>4</sup> The claim is made that the amount of money which can be made available by the banking system is limited by the amount of money first deposited. No reputable authority on banking attempts to deny today that the bulk of a modern nation's money supply is created in the form of bank credit and is destroyed when bank loans are repaid. Professor A. L. G. Mackay, in his textbook, *Economics*, writes: **"In this way, by means of a loan, an advance, an overdraft, or by the cashing of bills, the banks are able to increase the volume of deposits in the community, and because of this process it is not correct to say that a bank loans out deposits which people make with it. It is clear that it creates the deposit by the issue of the loan; the loan travels back to the bank or to another bank and assumes the form of a deposit."**

The creation of the major part of a community's money supply in the form of financial credit, figures written in bank ledgers, and the use of cheques, provides the most efficient and flexible money system that it is possible to envisage. But it is a system, which can either be used to ensure that the individual obtains the results he desires from his economic activities, or it can be used as a powerful instrument of centralized control.

The rate of credit creation and general credit policy is dictated by the Reserve Bank.<sup>5</sup> We have now what is in reality a semi-nationalized banking system. The essence of a money system is that it is a ticket system for distributing the wealth produced by individuals through their economic system. A railway ticket is a convenient method of distributing a special type of wealth: a seat in a train for a certain distance. The ticket is but a useless piece of cardboard unless there is a railway service upon which to make a claim. No railway organization runs trains half empty and tells would-be customers that this is made necessary by a shortage of tickets. Nor are a number of tickets issued for one seat. The number of tickets issued reflects the real wealth available in the form of seats. And at the end of the journey, after the service has been used, the tickets issued are destroyed. Money is but a more generalized form of ticket and realistically should reflect the creation and consumption of wealth. The rate of creation and cancellation of money should be related to the rate of production and consumption. As will be shown, the ever-increasing rate of expansion of debt is irrefutable proof that this is not the case.

Money is anything which people will readily accept confident that they can exchange it for goods and services. It has taken many forms throughout history, beginning probably with cattle, which were regarded both as basic wealth and as money. The owner of the wealth

originally issued his own leather discs as money to represent his cattle. The word pecuniary is derived from the Latin *pecus*, meaning cattle. A money system makes a much more efficient economic system possible. But it should never be overlooked that an economy is possible without a money system, but a money system is useless without an economy. Robinson Crusoe's first concern was not to find money, but to obtain enough food and shelter. Believe it or not, we have recently had an example of a modern economy continuing to operate even while all the banks were closed. From April 30, 1970, until November 17, 1970, the Irish banks were closed completely because of a strike of employees. This strike was no novelty for the Irish as they had a bank strike for seven weeks in 1951 and for twelve weeks in 1966. The 1970 strike of six months, during which period the Irish economy continued to operate, resulted in the establishment of a Commission to examine how the Irish continued to operate their economy without the banking system. What happened was, of course, that every man practically became his own banker. Cheques continued to be written and accepted by hotelkeepers, supermarkets and other business organizations. As one reporter observed: "This was a return to basic economics, if not quite to the barter stage. It put to the test the maxim 'Cash is only a small part of banking, trust is the greater party'."

The basic features of the present finance-economic system are sound. But the system can only work satisfactorily if in the course of producing goods and services, adequate purchasing power is distributed so that consumers can readily purchase what they have produced. There is a constant propaganda to attempt to persuade people that inflation is caused "by too much money chasing too few goods". But upon being questioned those who present this view cannot point to anyone admitting that he has too much money, and to any sector of the economy, which has not produced more than sufficient, or could easily do so. There is, for example, no shortage of primary production. Primary producers are being penalized for being too efficient! Hundreds of millions of dollars being spent annually by advertisers desperately attempting consumers to buy the production available. The modern production system increasingly based upon automatic and semi-automatic machines powered by solar energy, is easily able to provide the individual with adequate economic security and growing freedom. The Second World War provided a glimpse of what is possible. The enormous productive capacity devoted to the Second World War has been measured in financial terms. It would have provided:

- **A \$24,000 house.**
- **\$8000 worth of furniture.**
- **\$40,000 in cash.**

**for every family in the United States, Canada, Australia, Britain, Iceland, France, Germany, the Soviet Union and Belgium.**

**In addition, each city in these countries with over**

4. "From the purely commercial viewpoint, however, the essential point is that banks are financial intermediaries who borrow from some of their customers in order to lend to other customers. Accordingly, they charge interest in loans because they have to pay interest on deposits to acquire the funds they need to support their lending operations." — Federal Treasurer Mr. L. Bury in a letter dated January 29, 1971.

5. See "The Creation and Control of Money".

**200,000 population could have been given a cash donation of \$150 million for public needs such as hospitals, schools and Libraries.<sup>6</sup>**

When we consider the tremendous increase in productive capacity since the end of the Second World War, we can gain some concept of how the finance-economic system is being badly misdirected.

#### **THE BURDEN OF EXPANDING DEBT**

The most striking financial reflection of the major defects in present finance-economic policies is that economic collapse can only be averted by an ever-expanding rate of debt. Classical history abounds with many examples of the destructive influence of debt. The debt and taxation burden played a major role in the erosion of the base of the Roman civilization. Shakespeare wrote of England making a shameful conquest of herself "through inky blots and rotten parchment bonds". There was no national debt in England before the establishment of the Bank of England in 1694, one founder frankly stating that he and his colleagues would have the benefit of lending money created out of nothing. The great British statesman Edmund Burke in his *Reflections on the French Revolution* warned of the dangers of a growing sea of debt. Perhaps the greatest Englishman of last century, William Cobbett, the great countryman, records in his *Rural Rides*, of how last century the English farmer was being "reconstructed" through the power of increasing debt. Progressive economic centralization, of which rural "reconstruction" is but a part, does nothing whatever to reduce the growing burden of debt; it simply means fewer primary producers bear the burden of the debt, and are, therefore, much more vulnerable to centralized pressures. The same applies to government.

Since June 1950, until June 1969, total public indebtedness in Australia increased from \$1870 million to \$19,112 million. Not only is the rate of expansion accelerating, but the States, municipalities and semi-government bodies are bearing the biggest increases. The interest being paid on the public debt in 1950 was \$206 million; in 1969 the interest bill had soared to \$879 million. One of the major factors in the expanding interest bill is the progressive increase in interest charges. From June 1949, when the interest rate stood at 4½ percent, there has, with the exception of 1963, when it was slightly reduced from 7 percent to 6½ percent, the increase has been upwards to the present figure of 8¼ percent. Nearly doubling the bank interest rate in 20 years has clearly helped to stimulate inflation, not reduce it.

The total indebtedness of the Australian people—public and private debts—at June 1969 was approximately \$50 million. Those who believe that the present finance-economic system distributes sufficient purchasing power to meet prices of production and liquidates debts might ponder on the fact that the total amount of money in the hands of the Australian people at June 1969, was

\$13,970 million. Their total debts were at least four times greater than the amount of money in their possession. Like a man on drugs, they can only avert a breakdown in the economy by increasing injections of the debt "drug". In 1950 *The Commonwealth Year Book* does not even list the hire purchase debt. During 1970 Australians' total hire purchase debt passed \$4000 million. Today's production, already in the shops, can only be acquired by mortgaging tomorrow's incomes—and paying exorbitant interest charges.

#### **CANBERRA'S TAXATION MONOPOLY**

It is the Commonwealth's monopoly of taxing powers, which is enabling it to finance its activities, and Commonwealth capital works, out of taxation, while forcing the States, municipalities and semi-governmental bodies to go deeper into debt. In a Ministerial Statement in the Victorian Parliament on March 10 1970 Liberal Premier Sir Henry Bolte, charged that all parties at Canberra, Liberal, Labor and Country Party, were now centralists. He gave charts and figures showing how over the period of June 1950, to June, 1969, States debts have quadrupled from \$2484 million to \$10,676 million, while over the same period the net debt of the Commonwealth had fallen from \$3586 million to a credit of \$204 million. Sir Henry also said, that "An analysis of present State debt indicates that, with some variations between States, the net revenues derived by the States from their activities in which loan moneys are invested are barely adequate to cover half the debt servicing".

One of the most iniquitous and inflationary financial policies of the Federal Government is to loan taxes to the States, with the result, as recently observed by the Victorian Minister for Education, Mr. L. Thompson, for every \$1,000,000 loaned by the Commonwealth, the States have to repay at least \$2,500,000. When the Commonwealth loan is for a State activity such as a high school, which is non-revenue producing, the States must attempt to repay the loan from State taxes or other sources. State taxpayers are paying interest to borrow their own taxes! They are also paying heavily through inflated postal charges as a result of PMG capital works also being financed out of tax revenue. Prior to 1960 the PMG was regarded as a service organization. But then the Treasury started debiting the PMG with \$800 million for tax money provided for capital works. New loans now stand at \$2237 million. The interest bill alone is now \$98.9 million annually. This has helped to make astronomical postal increases essential, thus also contributing to inflation.

#### **GOVERNMENT'S INCREASING SHARE OF NATIONAL INCOME**

Even Lord Keynes has been quoted as saying that a highly inflationary situation is inevitable when a government takes in excess of 25 percent of the national income. The Marxist teaching is that from a Socialist viewpoint the best government is that which taxes the most and spends the most. Let us consider briefly what has been

6. Quoted in "Facts", February-March, 1968, issued by The Institute of Public Affairs, Melbourne.

happening in Australia over the last 20 years. In 1949-50 Commonwealth and State Governments took 26.2 per cent of personal incomes. The percentage has progressively increased. By 1964-65 it had increased to 30.1 per cent. For 1969-70 the percentage was 33.8 per cent. If rates and payments to local government and semi-government are included, government today is taking approximately 40 percent of the individual's income. Clearly this process is going to continue to accelerate while the rate of debt accelerates. Within a few years government will be taking 50 percent of the individual's income, and dictating the conditions under which he is permitted to get a portion of it back. The end result must be disaster of a frightful magnitude. This is not a matter of opinion, but one of simple arithmetic. The centralizing effect on government can be seen by the rapid acceleration of the growth of the Federal bureaucracy. During the first half of the 'sixties the average annual increase of the Federal bureaucracy was 3.4 percent. During the five years from 1965 there was an average increase of 6 percent a year. It is symptomatic of what is happening that during 1968 and 1969 the biggest increases were in the Prime Minister's department, **a total increase of 50 percent.**

No solution to the growing inflation problem is possible while debt and taxation of all kinds continue to expand. Much of the nation's industrial friction is the result of the progressive erosion of the wage earner's purchasing power through taxation. The wage earner has been misled into believing that the only way he can offset this erosion is by agitating for higher wages, the higher the better as he knows from experience that all wage gains are soon eliminated in higher prices. A study of *The Commonwealth Year Book* statistics suggests that the **average** Australian wage earner has over the past 20 years made little real gain in purchasing power. He has only been able to obtain his house, furniture and motorcar by going deeper into debt. He has also had to send his wife out to work and in many cases take overtime work.

There has been much fuss about the six percent increase in wages awarded by the Arbitration Commission in 1970. But it is not much use having an "umpire" for making finance-industrial decisions unless his findings are accepted. The truth is that the increase awarded was based on the facts of the situation. It is not the fault of the Arbitration Commission that the increased wages awarded are financed in such a way that they are progressively eroded by further price increases. The Arbitration Commission does not make financial policy; that is the responsibility of government. In essence the Commission found, after looking at all the evidence placed before them, that an increase of approximately \$900 million was required in purchasing power. The members of the Commission clearly did not accept the story about "too much money chasing too few goods".

Now most of the \$900 million can only be obtained in the main by industry obtaining increased overdrafts from the banking system. This means the creation of new money to finance the increased wages. But this new

money must be repaid, **plus interest**, and the only way this can be done at present is by charging increased prices. It might also be noted that it has been estimated that the Federal Government will take up to \$300 million, a third, of the increased wages, in taxation, which will then be used to increase the financial stranglehold of the Federal bureaucracy on the Australian people. The result will be a further stimulus to inflation. It is surely elementary that if new money can be created and circulated in such a manner that the result is further inflation, not a genuine permanent increase in purchasing power, then it could be brought into circulation without increasing prices. As the Federal Government is responsible for financial policy, it is responsible for ensuring that that policy does not result in the erosion of the value of the money unit. The \$900 million created to increase wage costs, and thus prices, could just as easily have been created by a Government instrumentality as a credit, for the cost of administration, which is certainly not more than three percent interest, but probably less, and made available by all-round reduction in prices through price discounts, and increased pension payments. Part of it might be paid direct to employers in the form of what could be termed a National Production Bonus. The result would be a genuine benefit to all. To suggest that a man-made monetary system cannot be used to provide the individual with the benefits of his economic system, instead of producing increasing inflation and economic dislocation, is a manifestation of madness. It elevates a system over the individual.

#### **A LIMITED OBJECTIVE PROGRAMME**

Instead of wage-earners believing that they have got to fight employers, with employers resisting, and farmers blaming secondary industry and wage-earners, thus fragmenting the community, what is essential is unity amongst all sections in a programme which deals with basic problems. Other problems can be resolved later. The following is a limited objective programme, which would reverse the present dangerous inflationary developments in Australia:

1. As a dangerous inflation psychology has been fostered by constant statements that some inflation is "inevitable", a different psychology should be created by the nation's political leaders announcing that they are "freezing" their own salaries and those of all senior public servants for the next three years. This would create the necessary atmosphere for maximum public support for the Government's programme.

2. No further financing of capital works out of taxation. All necessary new capital works to be financed out of new credits made available by the Central Bank at an interest rate sufficient only to cover the cost of administration. The new credits for capital works to be repaid at the estimated rate of depreciation of the capital assets.

Financing capital works, which could last for 50 years or more, out of taxation, means that the present generation is sacrificed to provide an asset, which will mainly

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## CHATELS OF THE MODERN WORLD

By D. WATTS

**There is a by no means uncommon type of feminist who is as contemptuous of women as are men at their most arrogant. They make some exceptions. They approve women who have forsaken the woman's world and slavishly adopted the predominant values of man's world.**

By woman's world is not meant the "children, kitchen and church" to which Wilhelm II of Germany consigned all females; though these things are relevant to it. After all, we cannot banish babies from the human scene nor do without kitchens of some kind so long as men and women are inveterate eaters; and the sociable gatherings and spiritual comfort which churches have afforded people, and women in particular, are healthy necessities. In speaking here of woman's world, however, the reference is to the psychological approach to experience and to the values revealed in such an approach.

There are two sides to human life—the private and the public. In balanced being and knowing, experience of both is needed by men and women for, although the two aspects are opposites, they are also complementary. Speaking very generally, for most men public life is the more important and is found by them in personal experience of community or organized activities; while to the usual woman private life comes first. Women are the natural guardians of individuals in their capacity of private persons.

The private person is the individual largely untrammelled by the laws and pressures of organized society and living his life as he independently shapes it to satisfy himself. Only in privacy is a person really free. The public political or social organization cannot confer freedom on any man. It can only refrain from interfering with a man's self-governed privacy and ensure that there shall be no unwarranted intrusion by individuals or groups upon any man's legitimate private life or into the place in which he guards his private living.

With regard to the relation between the social and private values: the primary necessity of a human, organized group is to stabilize itself and, in order to do that, it must be safeguarded from internal or external disruptive forces. That is to say that in the first stages of development the public values must weigh more than the private values. Men's public values must be the dominant ones. As the community becomes more secure the individual can be permitted to have more personal freedom. Then the woman's characteristic values of personal privacy are increasingly respected. The worth to cultural development and the growth of civilization of the private family, the private home and the special private relation between individuals is recognized. With that, women gain a higher status than they have in backward communities.

### **BREAK-UP OF HOME LIFE ERODING CIVILIZATION**

It is widely known, though not publicly so widely acknowledged, that with the breaking up of home life

and the decreasing opportunity for the individual person to live a fair amount of his life privately, there has been a related lowering of cultural standards and a partial withering of civilization. Consistently with that there is a lessening respect for women as a sex and a diminishing consideration for her as a private person. That is reversion to more backward stages of civilization.

When civilization has been attained, the importance of woman's guardianship of privacy and thus of the independence of the individual is recognized by men and women to be as great as is that of the still-persistent need for men's protection and ordering of the public organization. In civilization the two aspects of experience are brought into a proper balance.

Considering the pronouncements and assertions, the speeches and writings and the propaganda generally of the women-despising type of feminist, it cannot be missed that her efforts are directed towards the crushing of all genuine feminine influence and the construction of a society shaped almost entirely by men's view of the world of human beings and by the organized expression of the characteristic masculine values. Though one complement of human experience and activity can never be obliterated, there yet can be an imbalance in organizational and personal values that can be dangerous or positively detrimental or catastrophic.

### **SOCIETY MIRRORS VALUES OF THOSE IN CONTROL**

As indicated, from the beginning of recorded history and, it can be safely surmised, even before then, men have, of natural necessity, imposed their own most cherished values upon the human organization. It is as well for cultural development that men need woman's special values to complement their own, as otherwise there would never be any but a physical meeting between the sexes. The composing of poetry and music, the creation of a rich and varied literature and the producing of great sculpture are the private and personal achievements of individuals free to determine what shall be their own occupation; and such private, individualistic creations have hitherto been mainly the work of men. The masculine source of such productions is shown in their being embodied, or their values being symbolized, in physical forms and, if true in intention and complete in success, being presented directly to the public to evoke its admiration and for its enjoyment.

On the other hand, a woman's supreme values are usually those of her personal relations with other individuals and not, except in sophisticated development, of her relation to the community at large. For all that, women need a balancing public life.

One way in which they come into contact with the world beyond the personal or domestic one is through meeting men's minds in the created, cultural world of complementary values. Women find something of themselves and something of men in music and pictures and books. Perhaps it is books more than anything else that take them into man's world; and it may be significant that many women can read a book written by a man for men with more sympathy and understanding than men, as a rule, can read a book written by a woman for women.

Besides that mental and emotional contact with man's cultural world, women normally enter into public or semi-public life when they seek pleasure and satisfaction in attending social functions outside the home. In a more serious mood, they explore the public world when they engage in charitable or church work. One might ask why attendance at social gatherings, especially if these be public enough and large enough to be more or less impersonal in nature, is often tolerated by the woman-despising feminist, while gatherings of small, charitable or church-aid groups inspire her with the patronizing scorn of one enjoying a feeling of superiority.

She can offer a number of reasons for this, and some of them not without certain validity; but a close look shows that the social gatherings that she most approves are those of feminists or "advanced" intellectuals. Men's values rule these congregations. The meetings of women to carry feminine values into the public world—that is, to engage in "good works"—seem to be despised because they are comprised of unpaid volunteers. That is too humbly feminine. Unpaid women charity workers are regarded as dull women fussing over trivial matters; but if women can get well-paid jobs as organizers or such of charities run on business lines, that meets with approval. It is represented as drudgery for a woman to look after her own children; but an honoured career for her to be paid to look after other women's children, provided it be outside the home in crèches or nursery schools or kindergartens. Housework, it is averred, deadens mind and soul by its monotony; but being paid to type matter, that has small or no interest to the woman, the live-long day, or to perform some near-mechanical repetitious task in a factory or workshop is declared to emancipate a female. Any paid work outside the home is, in the eyes of the anti-woman feminist, preferable to the labour performed for love of home and husband and children or even of fellow men.

### **AGAIN THE WILL TO DOMINATE**

Such feminists do not conceal their glee when circumstances force the mothers of small children, even against their will, to hand their little ones over to career women while they, themselves, go out to earn the dollars needed for rent and clothes and food. After all, money is man's invention and a convenient symbol in the public world of economic organizing, and the passing of it for services rendered is a token of acceptance into that world.

A person should have the right to live the kind of life that best suits him. If some women prefer relations with the public world and occupation in it to the privacy of home life, there should be opportunities for them to fulfill themselves; but this freedom of choice is something, which the egotistical feminist denies, or with contemptuous grudging allows, other women. To her, apparently, women different from herself have but a shadowy reality, and it outrages her feeling of rightness if it be not herself who is reflected in them. They must think what she thinks, have the same emotional responses as her own, have the same scale of importance when discovering values as she has and, in short, be images of herself objectively perceived by her. In her admiration of men's world and her vision of herself as a member of it, it is seemingly, unendurable to her that there should be values and realities other than hers, for the existence of these diminishes her and her own chosen set of values. Her avowed championship of women is really a championship of herself.

Certainly there are women who find their satisfaction in the public world, but who are not inspired by a conviction of the sole worth of that world nor envious of the males who inherit the world as men have made it. There are women who have cultural contributions to make to society. There are women who battle for the right of women to have an honoured place in the community, not because they want the impossible—equality in men's special world—but for love of justice. The most socially useful of these fight to have expressed in public and preserved in privacy the predominantly feminine values. No peoples are really civilized unless the worth of the feminine values to society be recognized by them.

### **WOMAN'S VALUES CAN FLOURISH ONLY IN A WOMAN'S WORLD**

The subordinate tasks a woman performs in the public sphere and the money she there earns do not compensate her for the loss of importance she has as the centre about which the family revolves. Sexual permissiveness, which is really but physical indulgence without the love and tenderness that is more often than not engendered in the constancy of the private marital relation, but does not confer on her sexual freedom. It reduces her to being, sexually at least, once more man's chattel existing only for his physical pleasure.

The too overwhelming, too prolonged dominance of masculine values in an expanding man's world is producing a society, which is self-devouring. Yes, admittedly women have rights, the chief of which is to be women and to be valued because they are women. Feminist lovers of man's world, believing that they have been emancipating women, have led them into a new thralldom. That goes a long way towards explaining the lowering of moral standards and the infantilism of much of the modern aesthetic output. It goes a long way, too, to explaining why a world of marvellous physical inventions is so spiritually and psychologically unsatisfying.

be of benefit to future generations. If capital works are financed out of new credits, representing new assets, and if the credits are repaid at the estimated rate of depreciation of the assets, this means that all those using the asset contribute towards it. It has been estimated that this change in financial policy would permit current taxation to be reduced **by up to 25 per cent.**

3. The estimated reduction in taxation of up to 25 percent of current taxation to be applied to abolishing completely the most inflationary form of taxation. Sales Tax. Payroll Tax and Probate could also be abolished.

4. The restructuring of all primary producers' debts on to a long-term basis of a minimum of 20 years at an interest rate not exceeding three per cent.

5. The restructuring of all municipal debt on to a long-term basis of a minimum of 20 years at an interest rate not exceeding three per cent. The immediate saving in interest and debt charges to be passed to ratepayers in lower rates.

6. The Arbitration Commission to continue operating as at present, periodically assessing the state of the economy and what increase in purchasing power is legitimate. The Federal Government then to instruct the Reserve Bank to create as a credit the amount necessary and apply to a consumer discount or subsidy scheme, starting with basic items in the economy such as food, clothing, housing and transport. No Government price control is necessary, nor would unwanted production be subsidized. Retailers wishing to avail themselves of reducing prices to their customers by the amount of discount, would be invited to register with an appropriate Government institution, which might be called the National Credit Authority, in exactly the same way that business men register for the collection and payment of Sales Tax. Government staff saved from the abolition of Sales Tax could be used for the discount scheme. Upon consumers indicating the production they required, those items carrying a discount would be automatically reduced by the amount of the discount, the retailer keeping a record and periodically making a claim for total discount from the National Credit Authority. This would in essence be the Sales Tax in reverse —instead of prices being inflated they would be reduced.

A programme of increasing purchasing power through lower prices, and much lower taxation, would provide the basis for greater co-operation in industry between staff and management. The basic cause of costly strikes would be removed.

7. The general bank interest rate to be reduced, immediately, to five percent, as a first step towards eventually reducing it to whatever the actual cost of administration is discovered to be by an independent investigation.

8. States' financial sovereignty to be restored, with decentralization of Government resulting in more efficient and lower cost public services.

## THE SOCIALISTS ALWAYS MAKE CONDITIONS

The growing pressure from farmers throughout Australia has resulted in a few concessions. It is now apparent that some token offer of long-term finance will be made in the hope of assuaging the mounting fury in the rural areas. It is quite apparent that both Government and Opposition, after a quick reckoning, have realised that they cannot get by without those vital countryside seats that make the difference between victory and defeat.

The *Queensland Country Life*, November 5, 1970, reported that the Minister for Primary Industries, Mr. Anthony, had just received a vital report from the Bureau of Agricultural Economics on the immediate and long-term needs for debt reconstruction and farm adjustment.

One of the recommendations contained in the report was that long-term finance should only be made available to those farmers whose business was basically sound, and who had good prospects of servicing the capital value of the debt.

One of the justifiable complaints often made by primary producers is that on the infrequent occasions when aid is forthcoming from the Government in time of crisis, it is usually so hedged about with unnecessary conditions that it seldom reaches those in greatest need. This, coupled with the interminable delays through bureaucratic "red tape", is adding to the general frustration.

If long-term finance is to be made available (and there is no reason why this could not have been made available in 1949 when the present government gained office) then the government should be forced to make this finance available to **everyone**, and not to make discriminating conditions. All those who have large overdrafts and impossible interest repayments should be given the opportunity of converting these to a long-term basis. It is quite obvious that Government planners are hoping to turn this concession to their own advantage by ensuring that the benefits are only offered to those who will co-operate in the amalgamation racket. There is no telling what changes may develop in the farming of the future. Each primary producer should be able to retain his right of assessing his own course, rather than having our "Fabian elite" foisting their subversive ideas on the electorate.

Of great importance is the rate of interest on any long-term finance. Any "token gesture" of five percent or six percent should be indignantly rejected. Paragraph 503 of the Royal Commission on Banking and Money, held in 1937 stated: "Because of its powers the Commonwealth Bank can lend to the Governments or to others in a variety of ways, and it can even make money available to governments or to others free of any charge." There is no doubt whatsoever that this money could be made available at no more than two per cent, and less if necessary. But there is no doubt that, while it is allowed to get away with it, the government will bribe a few with concessions, hoping to split the rural community even further.



# Enterprise

Organ of the  
INSTITUTE OF ECONOMIC DEMOCRACY  
Post Office, Kingstown, N.S.W., 2350

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## An Open Letter to the Rt. Hon. D. Anthony

Dear Mr. Anthony,

**In assuming the mantle of leadership of the Australian Country Party, you have inherited a party with a great tradition of free enterprise behind it. Country Party men in past years—men like Dave Drummond of New England and your late father, the former Member for Richmond—fought courageously for the kind of Australia we know and love. It was men like these, with a deep understanding of the fact that governments, institutions and political parties were means to an end, and not ends in themselves, who carefully cherished an environment in which the individual counted for something. Personal freedom, with its attendant safeguards—the right to private property, the opportunities for genuine competition in a productive system uncluttered with bureaucratic controls and interference, an inherent respect for the law of supply and demand—was the real objective.**

The National Policy of the Country Party bears mute testimony to that objective. It can well be asked, then, why there is such widespread disgust and disillusionment with this once great party. In the rural areas of Australia particularly, there is a feeling that there is no real representation left. Lip service, it is true, is paid to these high ideals, when the old promises are carefully brought out at election time. But it is now assumed almost without comment that they will be just as carefully packed away again when the election is over.

Among branch members too, the mood of revolt is growing. Resolutions at annual conferences have become steadily more critical in the last few years. It can hardly be claimed that parliamentarians have received no instructions from members of the Party, electors, Local Government bodies, primary producer organizations and others whom you represent.

We take this opportunity to remind you of a few of the resolutions which Country Party members have endorsed strongly throughout Australia in the past few years. At the Annual State Conference of the Country Party in New South Wales in 1968 the following motion was passed:

"That in view of the disabilities experienced by the wool industry and other primary export industries as a result of the cost-price squeeze, this Conference urges the Australian Government to make special non-repayable grants to the States enabling them to ease taxes and to reduce statutory charges, freights, etc., and to indirectly influence the reduction in Local Government ratings on these producers."

At the 1969 Conference the following resolution was passed:

"That this Conference demands from the Australian Government new policies which reverse the present trends, in which local and semi-government authorities, together with the State Governments of Australia are being impoverished; in which primary producers are being burdened with debt, and are leaving the land in increasing numbers; in which services to rural areas are being diminished; and in which the free enterprise system is being compromised beyond repair. That this Conference insists that new policies must entail the decentralization of power and irresponsibility as a prelude to physical decentralization; a re-examination of those economic policies which are producing increased debt, inflation and taxation; and a reduction in the burden of government."

The Annual General Conference of the Country Party in Western Australia in 1970 passed a resolution, which emphasized three points:

1. That the cost-price squeeze is not inevitable.
2. That the cost-price squeeze is induced by an inflationary financial policy advocated by successive Governments financial advisers.
3. The cost-price squeeze be reversed by "free enterprise" financial policies.

In South Australia the 1969 Conference of the Liberal-Country League resolved, "That this Conference demands economic measures to stabilize the cost-price structure of Australia".

In Victoria, as you know, more and more branches are demanding a return to basic principles, and the con-

tinual inaction by parliamentarians is adding fuel to the "winter of discontent".

### **BUREAUCRACY EXPANDING—TAXATION RISING**

Despite this clear and unanimous demand that something be done, both you and the party members you lead have continued to endorse policies which are the very antithesis of those contained in the National Policy of the Australian Country Party. The results are self-evident. There has been an enormous centralization of power (the Commonwealth Government departments have doubled in size in the last five years). Taxation, both direct and indirect, has reached unprecedented levels. Interest rates, under a banking system that is nationalized in everything but name, are exorbitant. Local Government authorities throughout Australia are on the brink of extinction (and, incidentally, are being offered exactly the same "get bigger or get out" solutions as the producer) and the rural areas are now in a depression that is wreaking havoc with the lives of Australian families in country towns and on the farms.

Despite these unpalatable facts, you have had the audacity to claim that farmers support the reconstruction and amalgamation schemes, which you offer as the only solution to the crisis. The cynicism of such a claim is little short of astounding. For example, on July 14, 1970, the Hon. J. A. Row, the Minister for Primary Industries in Queensland, told the State Annual Conference of the Queensland Dairymen's Organization that his Government had accepted the "Marginal Dairy Farm Reconstruction Scheme" after two years of wrangling. At the same conference, the following resolution was passed:

"In view of the 'get bigger or get out' policies of the Federal Government and their threats to reduce our returns, we move a vote of no confidence in the Government's policies and inform them they can no longer expect our support unless satisfactory changes in policy are forthcoming."

Such a resolution, which even the most starry-eyed idealist could hardly describe as "support" was hardly surprising when it is considered that 90 percent of the dairy farms in that State are now officially regarded as "marginal".

And so, one by one the great principles of the Country Party have been sacrificed on the altar of expediency. It is tragic, for example, to hear men from a party, which claims to oppose "the socialization of production, distribution and exchange", now advocating socialized marketing in place of a natural and competitive supply and demand system. It is even worse to see a party, which promised in 1949 to abolish probate and death duties, still breaking widowed families. It is, perhaps worst of all to see a party which promised "long-term finance at low interest rates" over 20 years ago, endorsing the usurious interest burdens of the Gorton Government's financial policies, **crippling as they do so many primary producers.**

### **RETURN TO CORRECT PRINCIPLES MANDATORY**

It has been said that those whom the gods wish to destroy they first make mad. We are appalled at the madness, which has led the Country Party to the present impasse. But it has been said, too, that an ounce of statesmanship is worth a hundredweight of party politics. We would be the first to concede that blind criticism is always destructive. But the "belting" we have given you is made in the belief that the Country Party can yet regain its self-respect, and its support, if it will get back to its own stated principles. And more than that. The Country Party can yet move forward to become the most effective and representative body in the Australia of the future. Yours, as the new leader of the Country Party, is the responsibility to regain for us the vision we once had, and need now. It is a vision of a strong and independent rural Australia, which is the foundation any country needs. An Australia where farms and businesses can reflect for those involved a true security and a genuine reward for achievement. A country where our young people are challenged with opportunity, rather than ground into welfare state anonymity. Where the individual counts for something and where government is the servant rather than the master of the people.

As you are aware, more and more electors are taking the first step in charging you, and Government members, with that responsibility. The Rural Policy Statement, first put up in the Farmers' March in South Australia, and which we have initiated in many areas in all States, is already producing a cohesion and unity among Australian electors, which will not be denied. Every point is entirely in accord with the Country Party National Policy. It is concerned with results, which electors require, and not methods of implementation. It is not the responsibility of the electors to discuss methods. He pays, and at the present time is overpaying, Government servants—experts in technical fields—to achieve those results on his behalf. Your responsibility is to charge the Government servants with the task of achieving those results. Should you fail to do so, you have betrayed those whom you claim to represent.

### **FUTURE OF COUNTRY PARTY AT STAKE**

Already thousands of Australian electors have endorsed the Policy Statement. In one Federal electorate over 2,000 signatures have been collected, and more are coming in daily. We predict, on the evidence of what has happened to date, that this will become a flood, and the flood a deluge in the months ahead. Some primary producer organizations, ratepayers' associations and other bodies have endorsed the Statement of their own accord.

In conclusion, Mr. Anthony, the Country Party stands at the crossroads. Only firm and resolute action — a demonstration that you will take up the fight — can provide the evidence, which will prevent the rural elector seeking solace in the independents and various party alternatives, which are beginning to appear. But there isn't

Continued on Page 4

## AMAZING STATEMENT BY FEDERAL TREASURER ON BANKING SYSTEM

We have before us some remarks, only recently made by the Federal Treasurer, Mr. Leslie Bury, covering part of the function of the modern banking system. The mind boggles with disbelief that a parliamentarian, who is apparently considered sufficiently competent by his colleagues to hold the high office of Treasurer, is able to make remarks concerning the banking system's methods of charging interest rates which are a plain denial of the facts. The following are the remarks made by Mr. Bury:

"In regard to interest rates, the maximum rates which trading banks may pay on deposits and charge on loans are determined by the Reserve Bank in the light of monetary policy considerations. (This is correct.) From the purely commercial viewpoint, however, the essential point is that the banks are financial intermediaries who borrow money from some of their customers in order to lend to other customers. Accordingly, they charge interest on loans because they have to pay interest on deposits to acquire the funds they need to support their lending operations."

We can only guess whether the Treasurer is serious or not in the views which he has set down above. They are utterly incorrect, and it is most difficult to understand how an official such as the Treasurer, with his training, and access to information, can hold them. Now for the facts.

Davenport's *Economics of Enterprise* states: "Banks DO NOT LEND their deposits, but by expansion of credits, CREATE deposits".

The following is from the MacMillan Commission report on Finance and Industry presented to the British Parliament in June 1931:

"It is not unnatural to think of the deposits of a bank as being created by the public, through the deposit of cash representing either savings or amounts which are not for the time being required to meet expenditure. But the bulk of the deposits arise OUT OF THE ACTION OF THE BANKS THEMSELVES, for by granting loans, allowing money to be drawn on overdraft, or purchasing securities, a bank **creates** credit in its books, which is the equivalent of a deposit."

The banks, without a shadow of a doubt, charge their interest upon the credit, which they CREATE OUT OF NOTHING; this being based normally upon the liquidity based at their disposal. Normally \$1,000,000 in bank liquidity will support nine times that amount—what we accept as bank credit. This is banking convention, which has evolved over the past three hundred years.

Professor A. L. G. Mackay, the well-known Australian economist, has stated in his textbook on *Economics* that: "In this way, by means of a loan, and advance, an overdraft, or by the cashing of bills, the banks are able to increase the volume of deposits in the community, and because of this process IT IS NOT CORRECT TO

SAY THAT A BANK LOANS OUT DEPOSITS WHICH PEOPLE MAKE WITH IT. It is clear that it CREATES the deposit by the issue of the loan; the loan travels back to the bank or to another bank and assumes the form of a deposit."

Perhaps someone will make this information available to the Treasurer. We are sure that many attempts must have been made in the past. The old adage still holds true: "There are none so blind as those who WON'T see".

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## REALISTIC REMARKS OF ELECTORS PRESIDENT

Murray Electors Association President, Mr. T. Cleary, speaking to a meeting of electors in The Victoria Hotel on Wednesday, March 3, said:

"Electors should note the attack on Mr. Bill Hunter, the Liberal Party candidate, by Sir John McEwen, published in *The Herald*, Melbourne, on Saturday, February 27. An important principle is involved and I believe electors should make up their minds on the issue. Mr. Hunter had been attacked for trucking what he referred to as 'Section 92 wheat' between the States, pointing out that it was over quota wheat which had it not been sold privately would have become weevil and vermin invested, a loss to the farmer and the community generally. Mr. Hunter at the opening meeting of his campaign held in the Shepparton Town Hall with the Prime Minister as guest speaker, added that the sale of Section 92 wheat had in many cases enabled farmers to meet their financial obligations and had been the means of their economic survival.

"Sir John McEwen in the press report attacked Mr. Hunter as one who had failed to make 'constructive suggestions concerning stabilization plans'. He went on to say that the Wheat Board and wheat growers' organizations regard interstate trucking of over-quota wheat as contrary to the interests of the wheat industry.

"The Murray Electors Association has no axe to grind for either candidate and it may be that Mr. Lloyd, the Country Party candidate, does not agree with his ex leader, but this conflict highlights the policies which have brought Australian rural producers to a point of conflict. Sir John obviously takes the view that the local market must be sacrificed to the international market. Growers must be rigidly controlled by a super bureaucracy to maintain what is obvious to most people, a shrinking world market. The individual freedom of the Australian farmer must be sacrificed in the process.

"I believe this is a mistaken policy, and because it has been accepted as a rigid premise that our first market is the world market, many Australian farmers are being forced off their farms today. Financial policies have been tailored to suit the world market, and now there is a declining world market there is a declining rural population in Australia.

"It is time we examined financial policy from a corn-

## NEW LEAFLET A "WINNER"

The Institute of Economic Democracy has produced a new leaflet, simply entitled—"MONEY".

It simply states that the world's money is controlled, that the volume of the world's money can be, and is, expanded and contracted according to the desires of the controllers, and mentions the staggering amount of real wealth which was expended upon the Second World War in terms of houses, furniture, cash in a very plain manner, and which will "give the message" even to the apathetic. Its effect on many people has been electric.

The reverse side of the leaflet has an advertisement for The Institute of Economic Democracy's publication—"The Creation and Control of Money".

Order from The Institute of Economic Democracy, Box 1052J, G.P.O., Melbourne, Vic., 3001. Ten copies for 25 cents, fifty copies for \$1.00.

pletely different aspect. It should reflect a just return to the farmer on the following basis:

1. Supplying the needs of the home market first.
2. Meeting the demand for the genuine export trade.
3. Financial return should increase in a direct proportion to the advance in techniques of production so that there is no need for a 'get bigger or get out' policy. In fact rural population could be increased.

"If the Country Party would take steps to institute financial policies to meet these requirements there would be no doubt about its future, instead of the uncertainty which hovers around the direction in which the Country Party is now leading Australian rural producers.

"Mr. Hunter's instincts on the question under dispute are much healthier. Section 92 was provided to safeguard the freedom of the individual to market his produce and to remain his own master. Unsound financial policies are leading many farmers to a false choice where they are led to believe they must give up that freedom in exchange for a mess of pottage."

## THE REAL COST OF CREATING CREDIT?

This small paragraph is from a letter from the Premier of Queensland, Mr. J. Bjelke-Petersen, on the question of interest rates, dated December 23, 1970.

Extract: "In determining its lending rate, the Agricultural Bank adds one-eighth of one percent to cover its administrative costs, and this, you must see, is a very low margin indeed. It is obvious that the bank cannot function at a lending rate less than one-eighth of one percent about what it pays for its money."

## MR. GORTON'S THEATRE TICKETS AND INFLATION

In his remarks on inflation last Tuesday night, Mr. Gorton used the analogy of the theatre proprietor who prints 200 tickets for a theatre with a capacity of 100 seats. The suggestion being the Government would be irresponsible to inflate the currency by printing and issuing too much money. There would not be one responsible person who would not agree with this contention. However, is it the case so far as the present Government is concerned? The answer to this question poses the greatest possible issue so far as debt-ridden farmers are concerned.

The theatre proprietor would be just as stupid if he printed 25 tickets in the belief that he was still going to fill his theatre. He would have just as little hope of filling his theatre even if he printed 100 tickets but knew that the only available funds his prospective patrons had was sufficient to buy 25 seats. If the other 75 seats were to be filled he would have to ensure that three-quarters of his customers went into debt and borrowed the money to buy their tickets. If we transpose the theatre into the homes, the farms and businesses of the Australian community that is exactly the situation today.

Australians are hag-ridden with debt because they have insufficient debt-free purchasing power to buy their homes and farms, to educate and supply medical and other essential services for their children. The holders of the debts of the Australian people are now telling them what they will demand of them, that they must get off their farms or get bigger, that they must not build too many of this type of dwelling (commercial buildings according to Mr. Gorton), but according to *The Sun*, Melbourne, today are also crippled by shortage of funds for homes and hospitals for children and the aged. It is well known that it is increasingly difficult for young people to buy a home.

Australian business, whether primary or secondary, is increasingly coming under the control of those who control the nation's growing debts. And who does control that debt? The Treasury and the Reserve Bank. It is obvious. The total debts of the Australian community to the banking system controlled by the Treasury and the Reserve Bank are reaching mammoth proportions near to \$50,000 million, while total volume of money, out of which the Australian people have to pay their interest rates, is over \$14,000 million. The debt is mounting progressively, and the ability to pay diminishing.

It is time the theatre proprietor (the Australian Government) ensured there were sufficient debt-free money tickets to balance the capacity of the theatre.

(Continued from Page 2)

very much time. The next Federal elections will probably be the most crucial since 1949. The swing in the country areas in the New South Wales State elections recently held is only a taste of what is to come. Clear evidence—action rather than words—that a stand is being taken is the only thing that will persuade the country voter to return to the fold.

NEW TIMES