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

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DIALOGUE WITH STUDENTS

By ERIC D. BUTLER

When one sees a group of students, most of them wearing their hair long to demonstrate that they are non-conformists, occupy all the front seats at the meeting you are about to address, one can be certain that most of these students have come well-prepared to test your capacity both as a speaker and as an individual claiming to possess knowledge on the subjects you are advertised to discuss. I have long been of the opinion that while the worldwide student revolt is being stimulated and exploited by the different types of Marxists, history indicates that rebellion by the young is one of the manifestations of a sick society, and that while the effects cannot be ignored, every effort should be made to examine underlying causes. Recent experiences with young Canadians have confirmed my viewpoint.

The formal part of the meeting was over at a country centre in Alberta, and a group of high school students, several of whom had asked highly critical questions, had accepted my invitation to ask further questions on an informal basis. The most articulate young man said, "Just because I wear my hair long, most people think me some type of a bum or a wild revolutionary who is not very concerned about improving myself. I want to be as perfect an individual as I can be. I am concerned about what is going on in the world. You have talked tonight about the Marxist programme for centralising power, and yet in our society today you see the corrupting influence of power under capitalism. Why don't you condemn capitalism?" It was obvious that the young man was sincere. And there was no doubt that he was an idealist, as many young people are. But he had been misled, probably by one of his teachers.

THE PROBLEM OF POWER

I had already assured these students that I was not one who was there to defend our society's present policies as perfect. I had established some credit by demonstrating as pleasantly as possible that I was much better versed in Marxism than they were, pointing out to one student that he had been poorly instructed in Marxist philosophy when he said that Marx taught that progress must come through harmony; that Marx's philosophy of dialectical materialism insists that progress only takes place through "the clash of opposites". The young man concerned about the corruption of power in our "capitalist" society was temporarily taken aback when I stressed that the philosophy underlying many of the policies of our Western societies was basically the same philosophy as that of the Marxists. "Marxism is a reactionary movement, not a progressive one", I told the students. "Monopoly of all forms is anti-social, and I am opposed to what you call Monopoly Capitalism, which is the

forerunner of the worst form of monopoly, a State Monopoly, as operating in the Soviet Union." At this stage one student assured me that he did not agree with the power structure in the Soviet Union. He was a supporter of what had been achieved in Red China, "where the power was really in the hands of the people". Surely I must agree with this, as had I not been advocating decentralised power? Upon being questioned the student admitted that he had never been to China. He had never been to Hong Kong. He had not spoken to a refugee from Red China, and he had not read any first-hand accounts of what in fact was happening in China. I suggested to him that he was not being very radical by accepting blindly what some propagandist for Red China had told him.

The discussion moved on to the subject of "common ownership", which several students said was the only effective way to decentralise power. I suggested that we examine this concept, testing it in practice. "We are all supposed to be common owners of the Post Office. I suggest that you will produce a very revealing reaction from Post Office officials if you enter your local post office, observe that you as a common owner propose to take some pens, and move to the door. Common ownership is a myth for duping people with the belief that it means effective control." I proposed that what the students really wanted was more real private ownership, which would be the basis of real economic freedom. This was clearly a new concept. But it raised another question, that of freedom.

POLLUTION

The most articulate student said, "We are concerned about the right to breathe pure air. What about the growing menace of pollution, the result of man's greed and destruction of his environment?" I have found that increasing numbers of students are concerned about the

environmental problems. It is not much use telling them that the Marxists are attempting to exploit a real problem. They believe that it is obvious that greater government control is essential to deal with the many different manifestations of pollution. My student audience was temporarily silent when I told them they were only playing at dealing with pollution. "What you do not realise is that an enormous part of the industrial, and other associated activities, in which we are engaged today is not only useless, but is destructive." I briefly explained how present financial policies - - "which your Marxist teachers never attack" - drive man to unnecessary economic activities, to build inferior washing machines and motor cars, so that he can distribute sufficient money tickets to get what he really wants." No one had ever put that point of view to those students before. As I said at this stage, "You can surely see by now that you are not really very progressive at all in your thinking. But if you have it in you to meet a challenge, to face realities concerning the issues you have raised, then we in the League of Rights are conducting what we call Social Dynamic Schools. Why not expose yourselves to this school and then decide for yourselves whether perhaps we are the real progressives?"

A CHALLENGE ACCEPTED

I was interested that six of those students took up my challenge. Young people are only going to respond to constructive challenges. Many are little more than sheep who go to meetings when told that there "will be some fun", and that they can help to break up a meeting of one of those "Red-baiting reactionaries". I had a typical group of these from the Lethbridge University, Alberta—real "weirdies". But having got the attention and some respect from the minority of serious students, the rest departed peacefully. The subsequent dialogue with those who stayed after the meeting was extremely revealing, and rewarding. I did not attempt to deny the allegation of the young man who said, "Your generation has made a hell of a mess of the world. My generation has got to grow up in that mess". I replied that many of us were painfully aware that anti-social financial and economic policies had driven man to destruction. But I asked did they not think that there was much in our civilisation that was good. Had not man engaged in creative activities, which had benefited those who followed him? Freedom was in retreat, but did we still not have some freedom, and some reason, to tackle our problems constructively? I could offer a constructive programme of real challenge and adventure if they had the backbone. Perhaps I did not win immediate converts, but I heard one young man, with a most unconventional style of dress, remark as he bought a few of the cheaper booklets on sale, that "That character is not quite the square I was told he was. He seems to have something".

BASIC QUESTIONS

There is a pattern running through the challenging questions being asked by many young people today. After

three dialogues with students at meetings in Alberta, I was interviewed for the Canadian Broadcasting Commission, in Saskatchewan, by two girls. The subject of power was uppermost. Big Government was a menace, but did we not have to have them to balance the growing power of the big corporations, both national and international? Yes, I said, a good question. But if they would spend the time to examine the effect of centralising financial policies of Big Governments, they would find that these were the basic cause of Big Business. Then came the usual question on polluting the environment. Both questioners were concerned. But both then admitted that they had supported compulsory fluoridation of public water supplies! After further discussion they agreed that perhaps they had been brainwashed, and that the starting point for constructive action concerning all man's problems, was individual responsibility and initiative. Perhaps it was a cruel comment when I observed to one of the young ladies concerned about pollution, that she was smoking right through the interview! But the point was well taken, as are most points when we honestly attempt to meet the cries of frustrated and misled youth.

It is true that the youth revolt stems in part from the breakdown of proper authority. Those who are going to gain the confidence of youth must assert authority. They must have the authority of truth, which they themselves so understand that youth will respect it. If we lose our youth, we have lost the future. I believe that the programme of constructive study and action being fostered by the League of Rights throughout the English-speaking world is one of the most encouraging developments of our time. If we can challenge our youth with that programme, I am satisfied that a worthwhile minority of them will respond. I am looking forward to my next dialogue with students who claim that they wish to challenge "the establishment", and to be able to tell them that if they really wish to do that they have to challenge the alliance of Big Finance and Big Government.

USURY

The exacting of interest was forbidden in the Old Testament in the case of Jewish debtors (Ex. 22.25, Dent. 23.19f). The New Testament is not explicit on the subject, but during the patristic age all lending on interest was forbidden to clerics by the Councils of Aries (314 A.D.) and Nicaea (325 A.D.), The first Council of Carthage (348 A.D.) and the Council of Aix (789 A.D.) objected to this method of making a profit even in the case of "laymen": and in the Decree of Gratian and subsequently at the Third Lateran Council (1179 A.D.) and the Second of Lyons (1274 A.D.), the practice was formally condemned, though it was allowed to the Jews by the Fourth Lateran Council (1215 A.D.).

The condemnation was justified by the medieval view of money as solely a medium of exchange for articles of consumption, the use of which is adequately

Repaid by the return of a sum equal to that which was lent. This doctrine, founded on Aristotle's theory of the "barren" nature of money, was elaborated by the Schoolmen, especially St. Thomas Aquinas (St. II/II seq 78 art I) and held sway in the Roman Catholic Church till the nineteenth century. It was restated, e.g. by Benedict XIV in 1745.

With the rise of capitalism the principle had to be gradually abandoned. M. Luther and B. Zwingli as well as the sixteenth century Anglican divines still condemned the lending of money for interest, but J. Calvin permitted it in the case of wealthy debtors, and the civil legislation, which had hitherto followed canon law, began to provide for moderate charges of interest in England in 1571, in Germany in the same century, but in many Continental

countries much later, in France e.g. not until 1789.

Today money is no longer thought of as in the Middle Ages, as a barren means of exchange but as capital productive of wealth like other property. Since the exaction of a reasonable interest for its loan has been tolerated by the Christian Church, the term "usury" has tended to be restricted to excessive rates.

CALVIN: THEOLOGICAL TREATISES

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No one is to lend at interest or for profit greater than five percent, on pain of confiscation of the capital sum and of being required to make appropriate amends according to the needs of the case. (From "Ordinances for the Supervision of Churches in the Country," February 3, 1547.

THE USE OF SOCIAL CREDIT

By C. H. DOUGLAS

The main objective in republishing the following article which appeared in "The Rotarian" in 1935, is to provide a standard of reference by which readers may judge the likelihood of a policy of rising prices, increased exports, and immense bureaucratic and administrative wastes and costs culminating in anything but the catastrophe which its analysis suggests. —Editor.

An economist is in some sense a professing doctor—sometimes, perhaps, a witch doctor—of the Body Politic. If I were asked to define the difference between a witch doctor and a modern physician, I should say that fundamentally a witch doctor accepts the diagnosis of his patient as the description of the disease from which he suffers, and the modern physician does not. Since the patient, though suffering from heart disease, quite possibly states that a "Devil" has bewitched his breathing, the Witch Doctor resorts to spells, frequently of an alphabetical nature, while exhorting his victim to exertions, which a physician would condemn. Much the same distinction may be drawn in regard to the diagnosis and treatment of trade depression. The idea that unemployment is a defect of the economic system and that the present distresses of society flow from it, and can only be cured by its elimination, is both unscientific and incorrect. The sound economist observes that the best scientific engineering, organising and administrative brains are continuously endeavouring to achieve a given amount of work with a diminishing amount of human labour, and, that, therefore, an increase of leisure is both certain, and from their point of view, highly desirable. When he hears that the prime requisite for a restoration of prosperity is a restoration of confidence, he examines the nature of confidence, and finds that it grows from the experience that an intelligent line of action will always lead to a desired result, and he concludes, therefore, that confidence follows experience, and does not precede it. When he observes that the modern production system produces more than is sold although there are still numbers of the population of modern producing countries in drastic poverty, he does not conclude that the output of the production system should be reduced in order

that it may correspond with the amount that can be bought, but he says that the amount that can be bought should be increased.

Proposals for the use of Social Credit as a remedy for the present ills are not primarily concerned with the production side of business. Probably the greatest body of expert knowledge in the world is concentrated in the production system in one form or another, and this body of opinion may be left to continue its undoubted success in the past. But when we come to consider the distribution of the product, we are met with a less satisfactory situation. The phrase of "Poverty amidst plenty" has become enshrined amongst the clichés of the English language. Social Credit, in consequence, is primarily concerned with the distribution, and not with the administration or technique of production. Its problem is poverty, not plenty, and poverty consists of lack of money the essence of money being credit—the belief that money will do what it is supposed to do.

Economic production is interlocked with the distribution of money through the agency of wages, salary and dividend. The existing financial system stands or falls by the perfectly simple proposition that the production of every article distributes enough money to the general public to buy that article. The orthodox economist says it does, the Social Engineer says it does not. The Socialist complaint against so-called capitalism is that money has been distributed inequitably, that is to say, that some people, the "Capitalists", get too much and some, the "Workers", get too little. Hence the Socialist is permanently committed to a policy of "soak the Rich". It is a primary tenet of Social Credit theory that though this inequitable distribution may exist, it is a secondary consideration to the fact that not enough money is distributed

to buy the goods that are for sale, and that in consequence redistribution is not an economic remedy, whilst being a political irritant of a high order.

The first point which may raise in our minds a legitimate doubt as to whether the orthodox economist is quite right in regard to this matter is that the business of making money, and the business of making goods or growing food, have no ascertainable relation to each other. Of course, the manufacturer, the trader, or even the farmer, sometimes talks about "making money". They never make money. They merely scramble for the money, which is provided for them in varying quantities and under varying conditions by the bankers, with or without the assistance of the State. It is a little difficult to pin the banker down as to his own conception as to his position in the community. If he is accused of providing an unsuitable amount of money, and thus causing business depressions, or, to a less degree, frantic booms, he retorts that he is merely a businessman and knows nothing about economics, a claim that he can generally substantiate. If, on the other hand, he is accused of missing a business opportunity, which he does not wish to pursue, he is a little apt to retire behind a high moral obligation to the community. The point on which he is quite firm is that the initiative of decreasing or increasing the amount of money in circulation is his prerogative, and that if production or consumption are out of step with it, that is just too bad.

Now the fact that the banker can increase or decrease the amount of money in circulation with results which, though they may be satisfactory to himself, are somewhat tragic to the community, has tended to obscure the fact that we have no record anywhere of a satisfactory distribution of consumable goods to the extent that they can be produced, except in a time of expanding capital production. To put the matter in its shortest possible form, we have no evidence that in modern times the price-system is self-liquidating and every evidence to show that it is not.

The theory of this proposition is somewhat complex and highly controversial, but the inductive proofs of it are endless. One of the more obvious is contained in the constant rise of debt, stated by the Technocracy Group to be at the rate of the fourth power of Time, one hundred years being taken as a unit. Another equally conclusive indication of the immense excess of price values over purchasing power may be derived from examining assessments for Death Duties in Great Britain and elsewhere, in which it will invariably be found that an estate alleged to be worth, let us say £100,000 and taxed in money upon that sum, consist only to the extent of two or three percent in purchasing power, the remainder of the estate being assets of one kind or another which have price values attached to them, and require purchasing power to buy them. It is significant that in England eight years are allowed in which to pay Death Duties. It should be noticed that this confusion between assets having a price value placed upon them and purchasing power which is required to meet those price

values (as if these, instead of being exactly opposite in nature, were similar) is one of the commonest sources of confusion in discussions of the money problem.

Now just as a man is taxed upon his assets and has to pay the tax in money, which is purchasing power, although those assets do not grow money, just so do the price values of industrial assets enter into the price of the goods, which are sold. And the first objective of Social Credit is to provide sufficient money to meet these charges, which occur in ultimate products as the result of the existence of industrial assets. One of the methods by which it is proposed to do this is to take the charge for industrial assets out of prices and pay it direct to the owner of the assets. Instead of taxing him in money for the possession of industrial assets we should, on behalf of the consumer, pay him for the use of them. That is not essential to the theory, but it is a quite possible way of dealing with the situation. The real beneficiary, it should be noted, is the consumer, who gets lower prices.

While a scientific regulation of the price level so that goods can be taken off the market by the available purchasing power as fast as they are produced is an essential component of a scientific money system, it does not deal with the second aspect of the problem, which fundamentally is related to the change over from manual production to power production. Probably over 80 percent of the total number of issues of purchasing power distributed in our existing financial system, is distributed through the agency of wages and salaries and it is obvious that this assumes that 80 percent at least, of the population will be maintained on a wage or salary basis.

But there is no ground for the common assumption that such a percentage can, or will be maintained in normal times, and every ground for assuming that it will decrease continuously.

On the other hand, the dividend system is independent of employment, and depends fundamentally, only on production. If we can arrange that while the wage and salary payroll becomes continually less, the dividend payroll becomes continually greater and more widely distributed, we have dealt with the second half of the problem.

There are two ways of looking at these aspects of the matter. The first is moral or ethical, and is probably the less important, since we are less sure of our ground. Due very largely to a mistaken and mischievous Puritanism, probably having a common origin with Marxism, there is a widespread idea that no one should obtain a living without working for it, and it is noticeable that those who do, in fact, obtain a very handsome living without working for it, are most vigorous in their determination that there shall be the minimum extension of the principle. The moral or ethical justification for a National Dividend, however, rests on the same basis (a sound basis) on which those fortunate persons who do obtain a living without working for it, ground their claim, that is to say, on the possession of property. The property that is common to the individuals who make up a nation is that which has its origin in the association of individuals to a

common end. It is partly tangible, but is to a great degree intangible, in the forms of scientific knowledge, character, and habits.

The extent, to which this national heritage can be made to pay a dividend in money to the general population from whom it arises, merely depends on the simple proposition that the money, if spent, shall be effective in acquiring goods without raising prices. To raise prices would reduce the purchasing power, not only of the fresh money, but of that which preceded it. If this provision can be met, that is to say, if there is undrawn upon productive capacity coupled with control of the general price level, then the mechanism of a National Dividend becomes fairly simple. In its simplest form, it is the issue of bonds to the general population, similar in character to those, which are issued to them in return for bank-created money during a period of national emergency such as war. The exact conditions under which the bonds are issued is not an economic, but rather a political problem. Many factors enter into it, and it will, in all probability, be solved in various ways as the differing psychologies of peoples and their government may direct. In combination with the regulation of the Price Level, it affords a complete flexible method of insuring that what is physically possible is financially possible. Its inauguration in a modern industrial state means the disappearance of poverty in the old sense of the word, from the population of that state.

The monopoly of credit at present held by financial interests, that is to say, banking institutions and their affiliations, is obviously so valuable that it would be too optimistic to suppose that it will be relinquished without a struggle. The primary weapon used in this war is misrepresentation. The socialisation of credit, so far from being an attack upon private property, is probably the only method by which private property can once again become reasonably secure. It is the alternative to ever-increasing taxation. It is a method by which everyone may become richer without anyone becoming poorer. It is, so far as I am aware, the only method by which the pernicious doctrine of "a favourable balance of trade" can be exploded. In consequence, it is the primary requisite to the removal of the fundamental causes of war. You are, however, unlikely to arrive at any conclusions of this character by reading criticisms of the theory, which originate from orthodox financial circles.

In spite of the difficulty of obtaining a wide public presentation of the theory, however, the progress, which has been made by it, more particularly in the past two or three years, is remarkable. There is no portion of the English-speaking world in which it is not discussed, or in which, spontaneously, bodies for its propagation and realisation have not been formed. The Canadian Province of Alberta has the honour of having elected on August 22, the first Social Credit Government, but I shall be surprised if it retains this isolated position for long. New Zealand, Australia (and, in particular, Tasmania), South Africa, are all moving rapidly in this direction, more or less in the order named. Whilst in the United States other

remedial measures have engaged public attention, steady education upon the subject has been proceeding.

So far as anything is certain in this world, banking dominance of credit, commerce and industry, is certainly doomed together with poverty amidst plenty.

GENERAL SMUTS SUPPORTED SEPARATE DEVELOPMENT IN SOUTH AFRICA

In the course of some correspondence with British supporters of Rhodesian Independence, British Conservative Quinton Hogg last year made the claim that "Smuts was dead before 'the policy of apartheid as such began'." *Rhodesian Intelligence* in December 1970, quoted a passage from a speech made by General Smuts at a dinner in London in 1917 given in his honour:

" . . . We have now legislation before the Parliament of the Union in which an attempt is made to put into shape these ideas I am talking of, and to create all over South Africa, wherever there are any considerable native communities, independent self-governing institutions for them. Instead of mixing up black and white in the old haphazard way, which instead of lifting up, the black degraded the white, we are now trying to lay down a policy of keeping them apart as much as possible in our own institutions. In land ownership settlement and forms of government we are trying to keep them apart, and in that way laying down in outline a general policy which it may take a hundred years to work out, but which in the end may be the solution of our native problem. Thus in South Africa you will have in the long run large areas cultivated by blacks and governed by blacks, where they will look after themselves in all their forms of living and development, while in the rest of the country you will have your white communities, which will govern themselves separately according to the accepted European principles. The native will, of course, be free to go and work in the white areas, but as far as possible the administration of white and black will be separated, and such that each will be satisfied and developed according to its own proper lines. This is the attempt which we are making now in South Africa to solve the juxtaposition of white and black in the same country, and although the principles underlying our legislation could not be considered in any way axiomatic, I am sure that we are groping towards the right lines, which may in the end tend to be the solution of the most difficult problem confronting us."

The truth is that the policy of "apartheid", separate development, was being evolved long before the South African Nationalist Party came to office. As many of the international liberals regard Smuts as one of their heroes, they should be confronted with his clearly enunciated views on the subject of separate development.

If the years ahead are to produce leaders of quality that take this country to the forefront in development and usefulness in a world torn to pieces by materialistic attitudes and ideologies, then every individual must be prepared to look hard at the existing situation in education (which every adult finances) and be prepared to speak out

against any moves that countermand the basic truths of the Christian faith.

At the outset, it must be realized that education is not an instrument to carry the whims of any indoctrinator bent on the eventual psycho-political control of the students. Education has nothing to do with capitalism, Marxism or any other political "ism", but simply an institution created by society for the purpose of demonstrating to youth what living is all about.

BRITAIN AND THE BALTIC GOLD

In June 1940, the U.S.S.R. annexed the three independent Baltic States of Lithuania, Latvia and Estonia. In the classic Soviet manner, fraud accompanied force; and the farce of rigged elections was solemnly gone through.

With the annexation of territory went the invariable Soviet corollaries -- expropriation of property without compensation, and later the mass deportation of the native citizens. The mass deportations began soon after the Russians arrived, and were only halted by the end of the Nazi-Soviet honeymoon and Hitler's invasion of the U.S.S.R. in June 1941.

The expropriations of property had been completed much earlier, and included many British-owned industrial enterprises.

One thing which neither the Communists nor the Nazis were able to get their thievish hands on was the deposit made by the Central Banks of the Baltic States with the Bank of England. This deposit amounted to 460,220 fine ounces of gold, in 1940 worth approximately £2,000,000. Immediately the Baltic States were annexed, these assets in London were declared to be "frozen". That is to say, they became unobtainable by anybody.

Throughout the 'forties and 'fifties was a principle of successive British Prime Ministers, of both major political parties, that these Baltic assets held in London should remain "frozen". It was left to the nineteen-sixties to produce in the person of Mr. Harold Wilson, a Prime Minister who could renege on this principle.

On June 29, 1967—according to Mr. George Darling, then Minister of State at the Board of Trade—the Baltic gold was sold and realised £5,803,122 12s. The immediate purpose of the sale was in order that the proceeds could be invested and thus earn interest. In fact, the money for which the gold had been sold was invested in Treasury Bills, in which it had earned £80,000 in interest by the first week in December 1967.

The ultimate reason for this sale was much more sinister than its immediate purpose would suggest.

That reason originated in a shameful deal arranged between Mr. Wilson and Mr. Kosygin during the latter's visit to London in February 1967. Cash was raised for bullion because it was intended to compensate certain people. Not as one might imagine, the bondholders of the Central Banks of the Baltic States but British owners of factories seized in the Baltic lands, and all creditors of Russia—regardless of nationality—holding bonds in

the Lena Goldfields, and in the Tetiuhe Mining Corporation.

For some reason not explained, it was also agreed to pay a substantial sum over to the U.S.S.R.! Under this arrangement, half a million pounds sterling has already been paid to the Government of the U.S.S.R. by the former Government of the United Kingdom. (Both parties to the deal seem to have disregarded the simple fact that it is illegal for British Government to have given such a sum to a foreign government without the authority of Parliament.)

In addition to receiving some welcome hard currency that enabled her to buy goods in the West, the U.S.S.R. obtained a little belated respectability. Her Government had at last found somebody mug enough to meet debts, which the Soviet Government had itself repudiated years before.

Moreover, the simple-mindedness of Western career politicians brought fact-to-face with the accomplished tricksters that the Communist regimes send abroad is demonstrated further in other particulars. Advantageous though this agreement is to the U.S.S.R., the Soviet Government appears to retain the right to query any claim, and to dispute the distribution of the assets. Also, should any future British Government—through folly or through wickedness - - recognise the present spurious Communist Governments installed in the Baltic States, then those governments will have the right to claim the Baltic gold all over again!

Presumably, it was this agreement that Mr. Wilson had in mind when he assured Mr. Kosygin that he had become part of the British way of life. Certainly the Soviet Prime Minister had acquired a lively interest in the Bank of England.

While the immorality of this agreement sickens one; and one is overwhelmed by a bitter shame at realising that one's own country is a partner in this disgraceful deal; the illogicality of it makes one's head spin. The bandit's earlier victims were to be recompensed at the expense of later victims: amongst those later victims, the secondary victims were to be compensated at the expense of the primary victims: but, before any victim got anything, the bandit was to receive his own substantial share of the booty.

It seems that Mr. Wilson went one worse than Jonathan Wild, the notorious eighteenth century associate of thieves. Wild shared the reward with the thieves, and restored the loot; Mr. Wilson has rewarded the thieves; while also leaving them in the full enjoyment of their ill-gotten gains!

The agreement giving effect to this deal came into force on January 5, 1968. This agreement specifically stated that Parliamentary authority would be necessary for the distribution of the assets. This makes all the more cogent the question: why did the government of the day proceed to the disbursement of the assets **without** first obtaining Parliamentary approval? Arising out of that, why did a British Government, without informing

Parliament, hand over half a million pounds sterling of somebody else's money to the Government of the U.S.S.R.? It can also be asked; by what right did a British Government negotiate on behalf of people who were not British nationals? Finally; what right had they to settle claims other than Baltic ones out of gold deposited by the Central Banks of the Baltic States?

As Mr. F. R. C. Anslow said in a letter to the *Financial Times* on February 2, 1968:

"These questions need to be answered. We have been kept in the dark since February 13 1967, and we require the further information mentioned by the Foreign Secretary, in Parliament, on January 23, 1968."

Perhaps the change of government may mean that these questions concerning the Baltic gold will be answered at last.

—*East-West Digest*, September, 1970, London.

COLOSSAL AMERICAN DEBT BURDEN

The following is an extract from an address in the American House of Representatives on April 24, 1970, by the Hon. John R. Rarick:

When the Federal Reserve Act was signed into law in 1913, the U.S. public debt was \$1 billion. As of January 1970 our national debt was \$382 billion. The combined national debt -Federal, State, county, municipal, corporate, and private - - is fast approaching \$2 trillion. The non-Federal debt is estimated at \$1,347 billion. Farm debt at the end of 1969 has reached nearly \$60 billion - - up from \$25 billion or almost doubled in the last 10 years.

We but owe it to ourselves is the response of the liberals to the figures. We owe it to someone but not to ourselves because we do not own our own money.

Consider that according to the Treasury report of January 1970 the total coinage in circulation was \$5,965,000,000 and the total currency in circulation was \$47,026,000,000. Yet of this evidence of wealth totalling \$52,991,000,000 if \$46,431,000,000 is Federal Reserve notes, which belong to the Federal Reserve, then only \$595,000,000 in currency belongs to our people or the Government. And this \$46 billion of the Federal Reserve is lent into circulation by commercial banks for which credit on credit our people as borrowers pay interest.

Considering that the estimated interest on the national debt this year will exceed \$18 billion, it must be apparent that this kind of credit lending has been a profitable institution, but not for our people of our country.

Inflation and recession are destroying both the poor and the entrepreneur. Interest rates, already exceeding usury, give no sign of lowering and under the expected economic law of supply and demand can be expected to soar higher. Unemployment increases stealthily. Most workers and producers are falsely led to believe the answer lies only in wage increases or price increases. The consumer seeks relief through price controls.

And behind the scenes our academic economists fumble

to "think tank" sophisticated solutions to a problem they are unable to understand because it's beneath their comprehension. And any of the many proposals of the controlled intellectuals in the service of the cabal can but be temporal and could only worsen the problem by intending the time of any solution.

BIG FARMERS ORGANIZATION IN TROUBLE

The Victorian Farmers Union claiming a membership of 27,000 to 28,000 farmers admits to serious financial difficulties. A report in the "Wimmera Mail-Times" of February 24 puts the figure of indebtedness at \$72,000. "Informed members said the financial crisis might put the VFU on the verge of bankruptcy."

DOES AMALGAMATION PRODUCE DESIRED RESULTS?

The report does not surprise us. The Victorian Farmers Union was formed less than three years ago after amalgamating smaller farmers organizations into one group, "to speak with one voice". This is an appealing concept to many, but the effectiveness of large groups representing diverse interests must be seriously questioned. The amalgamation of smaller farming groups into larger organizations has gone on apace throughout Australia. The process has been accompanied by deteriorating financial security for the farmer. The ultimate aim is one large National Farmers Union based at Canberra. On present indications the achievement of such a goal will mark the gravestone of the independent farmer.

Big organizations have value dependent upon their purpose. In the industrial field undoubtedly the production of iron ore and steel making requires a larger organization than an engineering plant producing component parts for industry. Some farms producing, for example, wheat, require a larger acreage than a farm expending the same time, energy output to grow fruit. Size is relevant to the function and purpose.

PROTECTING FINANCIAL SECURITY

Producers have one fundamental objective in common. Whether they produce iron ore, nuts and bolts, wheat or fruit, their security depends upon their financial security. Big organizations are only too often the wrong way to go about achieving this objective. The amalgamation of economic units from smaller into larger units has been a feature of the Australian primary and secondary industries in recent years. The process has developed against the background of eroding financial independence of the individual. In secondary industry the pattern has been to replace the independently owned company with a public company, expand the size of the company, and either swallow or be swallowed by, other companies. In the process individual ownership and individual responsibility either disappears or is seriously broken down. In farming the family farm incorporates the highest degree of individual freedom and responsibility. It is being savagely attacked by the emergence of company holdings

and remote ownership and control.

Behind these processes in primary and secondary industry has been an unchanging financial policy. While fanners have organized themselves to bring changes in regard to marketing and many other facets of farming, the one important mechanism has gone on unchanged while the problems of the farmers have increased.

CLARIFYING THE OBJECTIVE

Had there been general understanding amongst farmers that this was their real problem it is doubtful that organizations such as the Victorian Farmers Union would ever have been formed. A member of the executive of Rural Action Movement (RAM) using figurative language recently described the VFU as not being "worth a zac" so far as producing results. The same could be said for RAM, which is making the mistake of also overlooking, or ignoring the fundamental problem of financial policy. The phrase does, however, sum up the effectiveness of farm organizations in protecting the one matter farmers are most interested in safeguarding, their financial independence. If farmer's organizations started from this premise they must inevitably arrive at the correct solution to the problem. Control over financial policy rests with parliament. Parliament consists of individual members of parliament directly responsible to electors. If electors

cannot make their individual M.P. accept responsibility for the results of financial policy then they have no other source to turn to for rectification,

MISLED BY BIG ORGANIZATIONS

The formation of organizations such as the Farmers Union results in the acceptance of a bureaucracy as the accepted means of obtaining results. The bureaucracy set up by the oversize organization conducts endless meetings and consultations with the government bureaucracy. Neither is concerned about the fundamental problem of the farmer, financial independence, but concentrate on ways and means of "organizing industry", resulting in socialism. The responsible element in the situation, the M.P., is bypassed and becomes a useless anachronism in the situation endorsing the policies formulated by bureaucracy.

It is time farmers asked the question: "Is it not time we made our parliamentary system work?" If answered in the affirmative the need for a different form of organization becomes apparent immediately. It would include members of all sections of the community within the electorate who would devote their time and energy towards ensuring their parliamentary representative protected their interests through the reformation of financial policies. There is, of course, tremendous scope for initiating reforms in this field. The individual has everything to gain from this form of organization, the bureaucracy everything to lose.

QUEENSLAND AND NORTHERN N.S.W. SUPPORTERS ANNUAL DINNER AND SEMINAR WILL BE A MEMORABLE EVENT

For the first time the Annual Dinner and Seminar of the Queensland-Northern N.S.W. Council will not be held in Brisbane, but will be held in Toowoomba. Guest of honour will be the National Director, Mr. Eric D. Butler. It is anticipated that the banquet room of the Range Motel, Toowoomba with a seating capacity of 170 will be booked out. Therefore, those who fail to book early may well miss out!

The Seminar promises to be one of the most interesting ever conducted by the League in Australia. The theme is "Freedom and the Family Farm." The three speakers and their subjects are: —

From the Ground Up. —Eric D. Butler. Dealing with the evolution of the family farm.

"Thou Shalt Replenish."—Peter Bennet. Dealing with the rape of the soil.

"A Just and Honest Measure."—Mrs. D. E. Phelps, Author of "A Small Farmer Replies."

Venues:

Dinner—Range Motel, Toowoomba, commencing 6 p.m., Friday, May 28.

Donation—\$4.00. Send payment and names and addresses to Mrs. J. Luscombe, Box 17, Alderley, 4051, Queensland.

Seminar—Harristown High School, Toowoomba, Saturday, May 29, commencing 2 p.m. Entry fee \$1.00.

DR. JIM CAIRNS ON "FRIGHTENED CHILDREN"

Giving evidence at the Royal Commission into Adelaide's moratorium disorders on September 18 last year, Dr. J. M. Cairns said that some people in the protest movement took the view that unless something fairly dramatic and tense was being done, what was being done would not be noticed.

"I know that those who are demonstrating about the war in Vietnam believe that evidence of this has to travel, or it won't be effective, and that unfortunately a peaceful, orderly action of 50,000 people has not got as much news value as a policeman riding a horse into a small group of people astride Flinders Street station in Melbourne," he said.

The S.A. secretary of the amalgamated Engineering Union, J. L. Scott, also gave evidence before the Commission.

He described 90 percent of the student demonstrators on the Parliament House steps as "frightened children".

"I earnestly believed that they were frightened", he added.

This evidence suggests that the Moratorium organisers are prepared to use "frightened children" deliberately to provoke a confrontation with police, which in turn will have news value and thus, in Cairn's own terms, be "effective".

—*News Weekly*, Melbourne, February 24.