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

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EDITORIAL

RESERVE BANK - SERVANT OR MASTER?

The Weekly Times of June 23 reports the remarks of Mr. A. S. Holmes head of the Reserve Banks research department. As the head of this department in the Reserve Bank, Mr. Holmes speaks from a formidable position, as his department is responsible for supplying and collating information and material on which the policy decisions of the Reserve Bank are made. His advice would be accepted as coming from the top drawer.

Addressing the N.S.W. Branch of the Economic Society of Australia and New Zealand, Mr. Holmes made clear he was not in favour of any special concessions to farmers. Government policies of granting lower interest rates, special loans to farmers and other such measures adopted by the Government were attacked by Mr. Holmes. It will be remembered that the Governor of the Reserve Bank, Mr. J. G. Phillips, strongly opposed the decision of the Gorton Government not to increase the overdraft rate from 7¾ to 8¼ percent to the farming community, when the new rate was introduced in 1969. So either Mr. Holmes is faithfully echoing his master, or Mr. Phillips is echoing his chief research officer. Which-ever the case, the Australian farmer, and community generally, are on the receiving end of unrealistic policies.

Mr. Holmes conceded that rural industry was in dire straits, but referred to them as "the losers" in the struggle for economic success! This type of attitude by a person of considerable influence in determining the nation's financial policies, and therefore the happiness, security, welfare and peace of mind of thousands of Australians, is disastrous to the nation as a whole. Such men are completely divorced from reality. They live in a world where they are concerned with figures, ledgers and balances, which they are determined will govern policy towards the unrealistic ends, which are accepted without question as final. Nothing should be allowed to stand in the path of "capital inflow" nor "the balance of payments". These are the objectives Mr. Holmes is primarily concerned with. The destruction of an industry here, or a section of the population there, is of secondary consequence; they are "the losers".

Mr. Holmes revealed his underlying concepts in which the rural industry, or sections of it are expendable. "Suppose that the level of employment and the balance of payments were both about where we wanted them when monetary policy was made generally easier because the farm sector was in trouble.

"Capital inflow would fall and the balance of payments would deteriorate.

"If we used taxes to fix the balance of payments, unemployment would rise, and authorities would be under pressure to intervene in trade and payments."

Space does not allow a detailed criticism, but let us look in principle at what has happened in rural industry.

In realistic terms what have "the losers" done? In twenty years the productive capacity of rural industry increased by 78% against a mere 40% from other sectors. By what form of reasoning can those who achieved this result be described as "the losers?" Obviously in terms of practical achievement they are the winners. It is equally clear that they are robbed of their victory. The result of such economic progress has not been matched by financial results. Is that the fault of the producer? His concern is to produce goods and services, which he does with increasing and consummate ease. But what of those who control financial policy, over which the producer has little or no control? Financial policy is at the heart of the matter and the rural community is rapidly being destroyed; not from economic failure, but from financial failure. By any realistic terms of reward for overcoming economic problems, the rural community should now be financially secure, and the workload should be lightened. Financiers have failed to produce this result.

LIGHTENING THE WORK LOAD

The financial policies of Mr. Holmes and his fellow "experts" reject the concept of reward for lightening the workload. Their answer to the progressive advances achieved when one individual produces what two previously produced, is to destroy financially one of the two. He must be moved to some other sector of the economy. Some planner will see that he is "retrained". For what? To join the expanding bureaucracy? Or the ranks of "the workers" in a factory producing the latest gimmick

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DESPERATE AND IMMORAL COUNTRY PARTY ATTACKS UPON THE AUSTRALIAN LEAGUE OF RIGHTS

Queensland Premier Bjelke-Petersen is the latest Country Party spokesman to join in what is now emerging as a mounting campaign against the Australian League of Rights by the hierarchy of the Country Party. This campaign is a desperate attempt to halt the rapidly expanding influence of the League, particularly its specialist division, The Institute of Economic Democracy, among Country Party members and the rural community. The Queensland Premier repeated the false charge that the League supporters were advocating "unlimited" "free" credit, and that their policy would lead to chaff bags full of useless paper money.

The National Director of the League, Mr. Eric Butler, has been requested by one Queensland branch of the Country Party to reply to a letter by the Queensland Minister for Lands, Mr. V. Sullivan, in which he attempts to justify a previous allegation that the League was "subversive" and also makes false allegations concerning Social Credit. The desperate Mr. Sullivan even refers to the fact that the British Labor Party had Social Credit investigated and rejected it. In a strongly worded comment to the Country Party branch Mr. Butler observes that it is strange to have Country Party members using Socialists to justify their attacks on Social Credit.

MR. RALPH HUNT JOINS THE ATTACK

Faced with a large hostile audience in Wellington, N.S.W., on June 2, Mr. Ralph Hunt, Minister for the Interior, launched an attack on Mr. Eric Butler and Mr. Jeremy Lee, making the suggestion that they had advocated printing increasing quantities of notes similar to what had been done in Germany after the First World War, and more recently in Indonesia. Mr. Hunt knows much better than this, as at his request Mr. Jeremy Lee called on him and with the aid of charts showed just how the PRESENT financial policies were inevitably inflationary, and how they could be reversed. The Queensland Premier also met with Mr. Lee personally and had explained to him exactly what the League was about in its work against the advancement of Marxist policies. Readers may recall that prior to becoming a Cabinet Minister, Mr. Hunt had raised the hopes of the rural community with a proposal at Canberra that a special bank was required to provide long term, low-interest finance for the rural industries.

Mr. Eric Butler has written personally to Mr. Hunt, challenging him to substantiate his false allegations, and offering to meet him in public debate at a meeting in Wellington on July 5. Mr. Butler made a strong criticism of what he described as the blatant "immorality" of the charges being made against himself and other League speakers. He warned that the League was going to foster increasing electoral pressure on Country Party Members of Parliament until such time as they made some effort to challenge policies, which were producing the greatest rural crisis in Australia's history.

The League of Rights also came under heavy attack at the recent N.S.W. Conference of the Country Party, Federal Member Phil Lucock finding it necessary to condemn the "extremism" of the League. Press reports state that the activities of the League were widely discussed amongst the delegates to the Conference.

Although the President of the Queensland Country Party, Mr. R. Sparkes, appealed publicly to Mr. Eric Butler at the sensational Dalby debate in Dalby late last year, when between 600 and 700 people attended, not to destroy the Country Party, Mr. Sparkes has made no attempt to dissociate himself from the attacks on the League by the Queensland Premier. He was on the same platform when the first attack was made by Mr. Bjelke-Petersen. It should be also recorded that only recently Mr. Sparkes requested Mr. Jeremy Lee, representing the League, to meet in discussion with two economists, one being the consulting economist, Mr. H. W. Herbert, and the other a senior lecturer at the Queensland University, with members of the management committee of the Queensland Country Party present. Also invited were Country Party members who were known active supporters of the League of Rights. We are informed that the University lecturer welcomed increasing debt, increasing inflation and the drastic reduction of the rural community. He suggested that eventually only perhaps 5 per cent of the Australian community would live in the rural communities, the remainder living in urban areas.

COUNTRY PARTY POLICY BEING CHANGED?

Supporters of traditional Country Party policy were shocked to hear that the present Country Party policy is being re-written. The truth is, of course, that in the face of mounting pressure to attempt to implement a policy, which has considerable merit, the hierarchy of the Country Party has decided to attempt to change a policy, which has become embarrassing. For over twenty years now the Country Party hierarchy has attempted to justify its complacent role in the Federal coalition by claiming that only by being in the Cabinet could the Country Party achieve its policies. Irate members of the rural community are now asking bluntly which policies have been even partially implemented. They are seeing through the confidence trick, which has been played for so long. And as they learn the truth about the cause of their problems from the educational work of The Australian League of Rights, they are demanding better results from their Federal Members of Parliament. The fight-back by the rural communities is one of the most encouraging features of the Australian political scene at the present time. The Country Party has now reached a watershed in its history. If its spokesmen continue to attack the Australian League of Rights instead of attacking the financial policies producing the rural crisis, then either Country Party members will have to cleanse their party from within, or the Country Party will disintegrate.

RURAL WOMEN REVOLT AGAINST INFLATION

At a gathering of 150 women in Dalby, Queensland, on June 16, some harsh words were used concerning politicians and economists. The gathering, already widely publicised throughout Queensland, launched a campaign, which the rural women hope will sweep the nation. The *Toowoomba Chronicle*, in a featured story, "Rural Women Revolt Against Inflation", reported that "after listening to some 'sock-it-to-'em' remarks about politicians and economists, they decided as a first step to resort to a form of direct action against Parliamentarians as individuals."

The essence of the Rural Women's Action Movement is that the politicians had better take steps to have inflation ended — or else! All Queensland politicians have been written to, and later they are to be invited to attend some meetings in person so that they can be questioned.

The main speaker, Mrs. A. J. Peake, a grandmother, said that "There's a rumble across the country which is not thunder, and it's fast turning into a roar as the primary producers rise in revolt."

We are informed that the Rural Women's Action Movement is already planning to carry the message into other electorates. There is also talk of the rural women descending upon the big cities to make a direct appeal to their city sisters to join with them to halt the disastrous policies destroying Australia.

Those wishing to obtain information and literature may write to Mrs. W. F. Teakle, P.O. 21, Jondaryan, Queensland, 4403.

ALL ROADS WILL LEAD TO MELBOURNE IN SEPTEMBER

We can predict now that the 1971 "New Times" Dinner, to be held in Melbourne at The Victoria on Friday, September 17, followed by the League of Rights Annual Seminar on Saturday, September 18, will eclipse all previous Dinners and Seminars. Bookings for the Dinner are coming in from all over Australia. All roads will lead to Melbourne in September. Those wishing to attend the Dinner must book in advance, sending their \$5 donation with the booking. Guest of honour will be Sir Raphael Cilento, although it is possible that Sir Stanton Hicks, presenting a Paper at the League of Rights Seminar the following day, may also be able to be present. Early booking will help everyone, and once again no guarantees can be given that everyone can obtain a seat.

Make your booking TODAY. Private hospitality will be arranged for interstate visitors requiring it. But, PLEASE, do not leave your request until the last minute.

"SAVE THE COUNTRY PARTY" MOVEMENT FORMED

Symptomatic of the rapidly growing crisis inside the Country Party has been the recent formation of a movement of Country Party members to fight to have the traditional policy of the Party adhered to, and to press for its implementation. We are in possession of a brochure issued by this movement. Supplies may be obtained from Mr. J. W. Lee, Kingstown, via Uralla, N.S.W., 2350.

LEAGUE OF RIGHTS FUND REACHES OBJECTIVE

Thanks mainly to a number of substantial contributions The Australian League of Rights reached its basic objective of \$25,000 for 1970-71 before the end of June. But the League points out that this splendid achievement, which has permitted the League to maintain its rapidly expanding programme, was only made available because of a dedicated minority of League supporters and contacts. With a rapid deterioration in the national and international situation, League National Director, Mr. Eric Butler stresses that adequate financial support must continue to be provided if the tide of disaster is to be turned back.

League full-time workers are setting an inspiring example in the growing crisis. After an exhausting international tour National Director, Mr. Eric Butler, addressed meetings in Perth, Adelaide and Melbourne before leaving immediately by car on a marathon programme which took him right through to Mosman in North Queensland, and then back to Melbourne, approximately 4,000 miles with meetings and schools nearly every night of the week over the six weeks tour. Upon returning to Melbourne, Mr. Butler addressed a public meeting on July 9 and then left immediately for an intensive tour of South Australia.

Mr. Jeremy Lee, National Secretary of the League's specialist division, The Institute of Economic Democracy, has been practically living behind the wheel of his car, covering enormous distances and addressing meetings constantly in an endeavour to keep up with the demands from the rural communities. Assistant National Director, Mr. Edward Rock has also been working day and night, mainly in the Victorian rural areas. Other League workers have also been under tremendous pressure.

An increasing volume of literature is pouring into the Australian community. From one end of Australia to another The Australian League of Rights is fostering and supporting activities which offer the only hope of securing the future for an independent Australia. It thanks all those who have provided the financial support so essential for effective campaigning.

MORATORIUM SCHOOL FOR COLLABORATORS

By D. WATTS

The middle twentieth century has been a time of intolerance—an intolerance masked by tolerance of extreme Leftism. People are not more narrow-minded and fanatical than they always were; but the facilities for working up mass manias and infatuations are greater than ever before they have been. Even the once important pulpit has become but an accessory to other, more modern, channels of communication and propaganda. What comes through these channels is an incessant repetition of the ideological propaganda so effective during World War II.

That war, be it said in defiance of more than 30 years of political dogmatism, was not fundamentally a war between ideologies. It was not a war between dictatorship and democracy. It was a war between nations. That has been said before. It needs to be said over and over again until the crust of fanaticism is broken and the truth emerges.

The presentation of that war as an ideological one created problems even during hostilities; but the leaders of the time judged that the advantages of that propaganda picture outweighed the disadvantages. Some Allied leaders probably thought that when the war was over the exaggerations and misrepresentations would be recognised and political thinking be brought back to reality. At least Churchill must have thought so, or he never would have expected his Conservative Party to be returned to power in the post-war election. However, by then leftists were in the propaganda saddle and determined not to dismount.

LOYALTIES TO NATIONS SUBVERTED

The problems unnecessarily brought into being during the years since the war by a continuous teaching that people owe their first physical and political loyalty to an ideology, not to their nation, has given rise to some of the major problems of our times. In many cases people with communist or near communist sympathies have, from giving their first loyalty, or all their loyalty, to their ideology transferred their national allegiance from their own to one or the other of the great communist countries.

One does not need to do much analysing of what is presented by the majority of writers, telecasters and broadcasters to know what is nearest their hearts—though they would not think of themselves as traitors. Most of these, in the face of an invasion by any foreign power, would probably shed their ideological dreams and do their best to help defend their country; but enough, to be very useful to the enemy, would become collaborators, as many did in invaded countries during the Second World War.

Surprisingly many have the idea that wartime collaboration with the German invader was so wrong because the Germans were Nazis. They have been bamboozled by leftist propaganda. Had the Germans been communists or democrats or anything else, collaboration with them would have been just as disloyal. It is collaboration with a military enemy that is betrayal. Those who

direct what comes through the mass media would bring less suspicion upon themselves were they to set to work to correct the belief of people who have been educated to think that collaboration with a Nazi enemy is reprehensible, but collaboration with a Communist enemy is not. When that is clear, the undeceived might be prepared to look at the real world about them and see what is Australia's present position in it and the possible future fortune or misfortunes arising from that position.

The following is not a prophecy. The best-informed and wisest statesman cannot foretell what the future holds, for constantly new possibilities arise and one-time possibilities fade away. However, every actuality begins as a possibility. At present a great possibility showing itself is that of a war between Russia and China. Should that happen, what would become of you, my poor Australia; what would become of you?

OBJECTIVES OF RUSSIA AND CHINA IDENTICAL

Both Russia and China are determined to become rulers of a World Empire. Whatever were the form of their governments and shape of their societies; their ambitions would be what they are now. In an excellent article in the *Sydney Morning Herald* (May 18, 1971) Denis Warner describes the present situation of the two Powers very clearly. He points out that, in the 1904-05 Russo-Japanese War the trans-Siberian railway proved to be too long and thin a supply route to be adequate in the event of a major military operation. In a possible Russo-Chinese war it would be just as tenuous and much more vulnerable. Although modern methods of transport and the presence of air forces and the deadly improvement of war weapons might modify the weakness to some extent, a conflict along the border between Russia and China would still be costly, fraught with great difficulties and, more than likely, producing negative results for both sides.

The better strategy for both would be an attack on the enemy from the south. That would take Russia up through South-East Asia and perhaps, depending upon the alliances and war-potential of the islands past, which she would travel, through the Asian waters of the Pacific. It would take China up through the Middle East and, probably more easily, up through Central and Northern Africa. The forces of both sides would first need to pass through the **Indian Ocean and, were they nearly equal in strength, almost certainly it is there that the decisive battles would be fought**—that is, unless one

side were so strongly established there before hostilities broke out that it could block its adversary early in the war. In that case, the determined onslaught by the one and the desperate last stand by the other would be made either in S.E. Asia or in Africa.

Does anyone in their sober senses really believe that, in the contest that has taken place between Russia and China for influence in Africa that their aims have been purely ideological and with economic exploitation in mind and that neither has given a thought to the military advantage it might be at some future date to have a footing there? And has Russia been sending aid to Hanoi simply to do America in the eye? Even if a communist government were set up in the whole of Vietnam, it would be more likely to be of the Chinese than of the Russian brand. Possibly were war to break out in the not-so-distant future between Russia and China, both sides would like to have America as an ally but, failing that, they would like to have her out of the way and neutral. But what of Australia? If battles, minor or major, were fought in the Indian Ocean, Australia and the western islands of Indonesia would be in the way.

AUSTRALIA'S GEOGRAPHY MAKES HER VITAL MILITARY BASE

As an ally of either, Australia's military assistance would, from present indications, be negligible; but as a military base she would be valuable. Were she taken over by either power it is more than probable that she would become a battleground. Lest that has not occurred to the moratorium enthusiasts, especially the pacifists among them, be it pointed out that a declaration of neutrality by Australia would be laughable. In war, no belligerent puts respect for neutrality before the determination to be victorious.

What then? Either side that occupied this country would find plenty of collaborators to assist it. If a battle for the possession of it were fought on Australian soil, both sides would have their Australian collaborators. Perhaps some may remember how the Second World War agony was prolonged and made more excruciating in Greece by the presence of rival factions of guerrillas; and some may recall how the defeated communists tore hundreds of thousands of children away from their parents and carried them off with them as they retreated. Perhaps that would never happen in this country, but no fighting army, except perhaps the Americans, would put consideration for civilians before victory; while a defeated army is apt to be viciously vindictive.

Occupation by either Russian or Chinese military forces would be occupation by barbarians without chivalry. The behaviour of barbarians is that of a beast who thinks. The barbarian who thinks would almost certainly enslave the men having useful skills and would impress others into their army or labour gangs. Often barbarians who think consider it a good policy to kill or castrate all the captive boys so that they will not grow up to be nuisances to their foreign rulers. Look at your

little son or grandson of whom you are so proud. It could be his fate to be castrated or slaughtered. The barbarian who is a beast kills, even unnecessarily, just for the joy of killing as men kill kangaroos or rabbits.

The fate of the women and little girls would be as cruel and even more certain. Women have always been regarded, even by those somewhat better than barbarians, as part of the spoils of war. Look at the little daughter or granddaughter of whom you are so fond. There is a chance, not so remote as to be beyond possibility, that one day she will be part of the spoils of war "- - the possession of the barbarian who thinks or the victim of the barbarian who is a beast. The moratorium movement is encouraging self-deceived, communist idealists and hopeful opportunists to collaborate with a thinking beast, an invader who is an invader, whatever his nationality or political ideology.

SELF HELP IS THE BEST HELP

Some Australians may be asking what they could do if caught in the crossfire between contending armies and navies. They need not count on Britain's assistance. She could not give it if she would. She has lost most of her interest in Australia. Even so long ago as during the Second World War her leaders could contemplate with equanimity jettisoning her—allowing her to be horribly over-run by Japanese military forces. Nor should Australians count too much on America's protection. She saved Australia during the Second World War because it suited her to do so. She is willing to help establish bases in Australia, but only as a precaution taken on her own behalf, not as a binding commitment to Australia, whatever agreements may be drawn up. Between nations, peacetime friendships do not inevitably become wartime alliances.

Then can Australia be made strong enough by her own efforts to repel an invader? A military expert could answer that better than I; but it can be said by anyone not blinded by unrealistic propaganda that she will not be made as strong as that if the potential collaborators have their way. At least, one of Australia's present, urgent needs is to put a finger on probable collaborators of the future and call them what they are.

There are three, perhaps more, types of possible collaborators being cradled in the moratorium movement. There is no need to engage a witch-hunter to smell them out.

1. There is a section the members of which could, in the future, prove to have been unintentional collaborators. These are people who, wrapped in some ideological dream, are working hard to have the White Australia Policy undermined. It is hard to understand why these are unable to see that were a stream of Asians to be admitted into this country, it would be stupid of the Chinese, and quite out of character, not to make sure that among them would be many who, in the event of a Chinese attack, and acting with Australian collaborators, would form a fifth column. Should an attack be followed by an occupation, there would be Asians, again assisted by Australian collaborators, who would spy,

inform and torture. The Chinese who would, naturally enough, help their invading compatriots, would not be wearing badges, maybe not even moratorium badges. They would act most lovingly towards white Australians and declare their hatred of communism. Some of them might do this in all sincerity until put to the test of war.

2. Another section of people who are quite likely collaborators-in-anticipation belong to open or hidden groups of communists. A good many of these would persuade themselves that in helping a communist invader they would be acting in the best interests of Australia. During the Second World War there were large numbers of Frenchmen, Scandinavians and others who honestly believed that the establishing in their own countries of a Nazi form of government, even in collaboration with the Germans, was really and truly in the best interests of their nations. They believed it with strength of conviction equal to that of those who sincerely believe that a communist government set up by any means whatsoever is the best thing for Australia. "I am not Quisling the traitor; I am Quisling the patriot," passionately cried that unfortunate, led astray by the doctrine that loyalty to a particular ideology is loyalty to one's country and that, if a choice must be made, it is the ideology that must be saved. One could pity him and Petain and others, for their accusers, who had in this matter misled them, were as guilty as they.

3. They who may sometimes come to be classed as collaborators-in-retrospect are people who preach that by not fighting aggressors they are somehow serving the cause of peace. A saying much-quoted before World War II was, "Peace is indivisible". We do not often hear that now; and never from moratorium demonstrators. It is not what the anti-Vietnam faction wants people to hear; but it is nonetheless true. There is no humane person who is not sick at the thought of the suffering occurring in Vietnam or anywhere else. It would be a good thing, though fraught with other problems, if war could be ended everywhere for all time; but there is neither peace nor a cessation of agony when war, ended in one geographical place, is still being carried on in other places; and carried on somewhere it will be so long as any of the barbarians remain untamed.

MORAL EROSION PRECURSOR OF COMMUNIST MILITARY ONSLAUGHT

The three above-described types of enthusiasts predominate in the moratorium movement. As said, most of them would no doubt drop their ideological fantasies and rally to their country's aid were it threatened concretely with invasion; but by then the nation may have suffered too much psychological damage to be able to put up more than a weak resistance. Perhaps it is not too late for the dispersal of allegiances to give place to expressed differences of opinion, which are related to a core of national loyalty. Then, in spite of what wartime calamity may befall us, all might not be lost. We might be able to save the remnants of our civilisation.

Nearly every European country has, in the last few hundreds of years, been over-run by invaders; but when the enemy has gone, in most of them has remained an intact national body, still with the national character and cherishing the nation's values and culture. In France there is still a characteristic French nation; in Italy an Italian people; Belgium is still a Belgian nation and so on. Even in defeated and occupied Germany are Germans who have preserved the best of their distinctive culture and, in that way, a Germany that is still Germany. These nations have been, and still are, custodians of a civilisation that war has not killed. But if Australia were invaded would there still persist an Australian people keeping alive an Australian civilisation? Not if the future collaborators have their way. Not if the vanguard of potential collaborators can succeed in destroying white, civilised Australia even before the barbarian invaders land on our shore.

There are possibilities other than the one herein described, some of them as dreadful and some much happier. The possibility of our country being the victim of a war seems to be at present the greatest; but it may wither away before it becomes a reality. Something may happen to change present trends and tendencies completely, but we cannot count on it. We should shun the temptation to choose the most pleasing possibility and treat it as though it were the only one. We should take into consideration every present possibility and be prepared to deal with any that may develop into something more. What we can know is that certain Australians would do well to drop into secondary place their anti-white theatricals and token collaborations and symbolic wars fought in representative action by militant pacifists, and have a very steady and serious look at the age-old, general behaviour of nations and their own nation's situation.

"SOCIAL CREDIT AND CHRISTIAN PHILOSOPHY"

Now Back in Print

After being out of print for several years, Eric D. Butler's booklet "Social Credit and Christian Philosophy" has been reprinted in Canada. The new edition of this most valuable work contains an Introduction by the author and a Postscript. With the increasing new interest in Social Credit in recent years, there has been a growing demand for a new edition of a work which presents Social Credit as it really is: a policy of a philosophy, that philosophy being Christian.

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THE RIGHT POINT OF VIEW DEDUCTIVE AND INDUCTIVE METHODS OF REASONING COMPARED

By C. H. DOUGLAS in a Speech in Dunedin, N.Z., in March, 1934

The progress of the world depends ultimately upon what I might call a point of view. And the world has been for a considerable time operating, as you might say, within two divergent points of view, one of which is old — as we count age — and the other has a later origin to which I will refer. The first of these points of view, or habits of mind, as you might say, is called by those people who deal in the science of logic the **deductive habit of mind**, which may be translated as the habit of arguing from the general to the particular.

Let me explain what is meant by that. Supposing you had never seen a cow, and the first sight that you had of a cow was on the skyline standing still. You would see a silhouette of a cow, and it would appear to have two legs, and someone would say, "That is a cow". Now, if you had the deductive habit of mind, you would immediately form a theory about cows and you would say, "That is a cow. All cows are black, all cows have two legs, and all cows stand still." And when somebody pointed out to you in the plains a red animal with white spots, moving rapidly, you would deny that that could possibly be a cow. No cow could possibly exhibit four legs, have white spots, or move about. You have a fixed theory about cows, and your theory does not fit in with that theory. Therefore, the animal is not a cow.

Now that is the deductive habit of mind. It has produced certain results of value largely in the sphere of moral and intellectual advance, and perhaps the most outstanding example of the deductive type of mind was the great philosopher, Aristotle, and his work is embodied in a book which is called "Aristotle's Ethics". The great defect of the deductive habit of mind is that it is static. It forms a theory — just as I was suggesting you could form a theory about cows — and in its pure form that theory is eternal. No facts will shift it at all. Anything that does not conform to that theory is not a fact. You're mistaken about your fact.

Now this deductive habit of mind persisted from long before the Christian era until down to about the middle of the 16th century. At that time a man arose who became Lord Chancellor of England, Francis Bacon, and he wrote two books, one of which was called "On the Advancement of Learning", and the other was called the "Novum Organum", which, no doubt, most of you know means "New Method". And amongst the things that he said was something like this — I quote from memory — "Further speculation along the lines of these great ancients is fruitless. What is required is to cultivate the just relationship between the mind and things."

Now what may seem to you to be a very obvious thing for anybody to say, but it was a completely new idea; it was an absolutely revolutionary method of thinking; it was the birth of the experimental method. From that

time onwards, in certain lines of activity, instead of setting up a theory and saying that that theory is a good theory and is eternal, we have got into the habit of mind of saying any fact is a good fact, and a great fact is a good fact, but any theory against which anybody can bring a fact which will not fit into it is a bad theory, and should be discarded.

I want you to grasp that idea, because it is vital in connection with what we are talking about tonight. The formulation of this theory, which is called the inductive method of thinking — the method of arguing from facts to a tentative theory, which you discard as soon as it ceases to coincide with the facts, is the reverse of the idea of forming a rigid theory and blinding yourself to the fact. Now up to the time that this new inductive method of thought came into operation, and, of course, for some time after, I should like you to observe that, from the material point of view, the world made no progress whatever. The method by which people got food, board and clothes and kept themselves against the storms, and the way they built ships, their progress, and so forth, made, for all practical purposes, no advance whatever in the centuries between the Birth of Christ and the 16th century — none whatever.

The formulation of a fixed set of ideas is a disregarding of facts. The world was warned against it nineteen hundred years ago, when it was said that the letter killeth but the spirit maketh alive. There is, no doubt, running through the warp and woof of things a certain amount of something that we can call absolute truth, but the form of that truth is always changing, and we are beginning to understand that, even in a mathematical form in the theory relativity. We know that you cannot absolutely say that anything is a foot long, because when it is moving sufficiently fast it measures a different length in one direction to the length that it measures in the other; if you measure it in the direction of its speed it is so long, and if you measure it against its speed it is a different length.

There is no such thing as absoluteness about any of these things at all. That, of course, only occurs at very great speed. Now this modern civilisation in which we live — the civilisation of railway trains and electric power and motorcars and mass production and things of that kind — **is the outcome of the inductive method of thought**. The methods by which we judge in regard to matters of economics and finance and so forth **are the outcome of deductive methods of thought**, the kind of thought, which says that all cows are black, have two legs, and never move. So far as our economic thinking is concerned it has taken no cognisance, no notice whatever of all the miraculous changes that have been brought about in the physical economic system by the inductive

method of thought.

There is nothing seriously changed about economic thinking of the real kind, from about at any rate the 16th century. Some critic who thought that he had discovered something which would be very deadly to my views, said that such and such an opinion that I had expressed had been contradicted by Sir Francis somebody in 1640, and when I suggested that what somebody said about the economic system in 1640 was history and not news, he did not see the point. That is exactly what we do today when we argue in many cases about certain things that are interwoven with the existing state of affairs.

You will hear people talking about the virtue of thrift and economy as connected with the present economic system. For instance, the Prime Minister of Canada, if he was correctly reported, and I saw only a very short report of what he said — said "nothing but hard work and thrift would get the West of Canada out of its difficulties."

Now that is exactly the sort of thing that might conceivably have been true about 300 years ago, and it has about as much to do with the present difficulty as the picture of the cow on the hill silhouetted against the sun. If hard work and thrift would have saved the farmers of Western Canada they would have been saved long ago, because they are as hard working and as thrifty as any body of men in this world.

That is not to say that something that we might call economy, and something that we might call thrift and hard work, are not things which have an application perhaps even at all times. But their application to the situation changes because the situation changes, and the form in which it is true to say that economy and thrift are virtues of the economic system today is quite a different form to that in which it was true three or four hundred years ago. In our economic thinking we are still under the spell of a set of ideas, which apply to an age of scarcity. But we are not living in an age of scarcity; we are living in an age of plenty, as the result of the application of the inductive method of thinking. I want you to apply the inductive method of thinking to what I am going to say. I want you to look at the facts, to discard any preconceived theories about them, and see whether the facts correspond with what I might put forward as a tentative theory, or whether they correspond with your old preconceived ideas. That is why it is so necessary to realise these two different kinds of thinking.

HAVE YOU RELATIVES OR FRIENDS IN GREAT BRITAIN?

We suggest that the most constructive action Australians, New Zealanders and Canadians can take to influence the outcome of the critical Common Market battle, is to write personally to relatives and friends in Great Britain, urging them to stand firm against the proposal to sell British sovereignty, stressing that the majority of people of the Crown Commonwealth nations wish the Common-

wealth to continue and to be revived with constructive financial and economic policies. Every letter counts. Always remember: The letter not written influences no one.

"A TEXT-BOOK FOR VICTORY"

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

Available from the "Institute of Economic Democracy"
P.O., Kingstown, N.S.W., 2350.

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product, dreamt up by the tax-free advertising accounts, desperate to maintain G.N.P.? Not to mention increasing the economic pressures leading to pollution.

If sanity prevailed, the process of lightening the workload would result in increased leisure on a solid basis of financial security. Financiers in control of the Treasury and the Reserve Bank cannot get their minds around this concept. They are adept at maintaining their own financial security at the expense of the producer, but find it beyond them to extend the same policy to those who have made their security possible. Sir Kingsley Norris, in his Autobiography, "No Memory for Pain", relates how he had a great deal to do with members of the Treasury. His description of their inverted thinking is apt: "The general attitude is that of inverted Micawbers waiting for something to turn down. Perhaps promotions in the Federal Treasury depend on negatives, as in some police forces it results from the number of arrests rather than from diminution of crime in the area." Sir Kingsley observed that "bargaining and intrigue" was the norm which bred "uneasiness and resentment" in the Treasury. No doubt the Reserve Bank would be little different. There needs to be more attention drawn to the disastrous role played by financial officials in high places in Government. Sir Kingsley Norris' remarks need to be taken to heart by the politicians. Criticism, instead of subservient reiteration by independently minded politicians, is badly needed. Until Parliament reasserts its authority, as the result of enlightenment from awakened electors, the Micawbers of the Treasury and the Reserve Bank will continue their havoc. Electors must demand that parliamentary representatives insist on financial policies, which reflect physical realities. If they cannot get such results from present officials in the Treasury-Reserve Bank bureaucracy, these should be removed to make way for those who can.