

# THE NEW TIMES

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

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## A GREAT CHRISTIAN HISTORIAN

Countless people round the English-speaking world — from "the rich man in his castle" to "the poor man at his gate" — share a sense of loss at the recent passing of Sir Arthur Bryant.

**Surely no historian since the days of Pepys and MacAuley, has more vividly captured the tapestry of Britain's 2,000 years of history, or so skilfully woven the warp of social development with the woof of the spirit of Britain.**

Arthur Bryant was born at the twilight of the Victorian age in 1899 — on the eve of a century in human history whose promise of a break-through into a new age of harmony lies shattered eighty six years later in the carnage of mankind's perversity.

Bryant's birthplace was a house on the royal Sandringham Estate — a fitting environment for a boy who was to record so vividly in later years the pageantry of his motherland.

In the first World War he served in the Royal Flying Corps, and from that point never ceased the teaching and recording of history. By 1931 he had already established an invincible reputation with his biography of Charles II, to be followed by a biography of another historian, observer and shrewd judge of his fellow men, Samuel Pepys. His study of the Napoleonic Wars — recognised as the standard work on this period — was to be followed by the most brilliant analysis of the Second World War through the war diaries of Field Marshall Alanbrooke — Britain's most diffident and retiring, yet probably most capable military leader.

### MAJESTIC LANGUAGE

Bryant — more than any other man — combined the art of accurate recording with the craft of vivid description. He breathed life and excitement into the characters — Kings, Lords and Commoners — whose actions he detailed so graphically. Professor John Foster, reviewing Arthur Bryant's last work of medieval history, wrote: "One cannot put it down. Some men are great writers. Some are great historians. Just a few, like Gibbon, are both. And one of the few is Sir Arthur..."

For just short of 50 years he wrote the Diary for *The Illustrated London News*, succeeding the penetrating Catholic wit and essayist G.K. Chesterton. Probably more copies of the I.L.N. — especially in later years — were sold for Bryant's articles than for any other reason.

Read his description of Archbishop Langton and Magna Carta, recorded in his last work, *Set In A Silver Sea*: (p. 130)

"... In its primate, Stephen Langton, England found what it needed. Langton was a scholar trained in the close logic of the medieval Church, with a vision that embraced all Christendom. His temper was essentially moderate, conciliatory and unassuming. He had the kind of good sense and quiet, rather whimsical humour that takes the hysteria out of strained situations. He was always seeking to achieve what men of goodwill, after calmly hearing and debating all the arguments, considered both just and expedient. His aim was reasonableness even more than reason. In this he was most English..."

### CONSTITUTION AND RIGHTS

"... On 15 June 1215 in a Thames-side meadow called Runnymede, the armed barons, with the archbishop's aid, forced the reluctant monarch to set his seal to a document, which became a blueprint for England's future constitutional development. It promised that the King should not without 'general counsel', . . . demand any scutage or aid from his

tenants-in-chief . . . that the estates of heirs-in-ward should not be wasted during their infancy, nor widows robbed of their dowries or forced against their will to marry royal nominees. It laid down that no free man should be imprisoned or dispossessed save by process of law and the just judgment of his equals; that he should not be taxed or fined unreasonably or to his ruin; that his means of livelihood. . . should be free of amercement. It provided for the regular administration of the judicial system;. . . that none should be made justices, bailiffs or constables who did not know the law of the land; that sheriffs should not sit in judgment in their own shires;. . . "To none" the King was made to swear, "will we sell, to none will we deny or delay right or justice" . . . "

### CHRISTIANITY

Sir Arthur Bryant was a Christian; that fact shines through much of his writing. He acknowledge repeatedly the place and influence of Christianity in shaping the advances in English history:

"... The most formative part of Britain's long history was that in which the national consciousness of its rival and quarrelling peoples grew out of the Christian faith . . . Out of Christ's teachings rose a higher option for mankind; the creation of law and order and personal freedom through the exercise of Christian love. The central tenet of Christ's teaching was that, through such love, believing Christians could create a heaven, not only beyond the grave, but in this world as well . . . On this belief Christian civilisation was built . . . In its quiet monasteries the Church began to teach the forgotten classical arts of writing and keeping records. It trained men who could show tribal rulers the means of governing peacefully and justly . . . For the way of life the Church preached called for a law-abiding world — one in which men made and kept promises instead of perpetually resorting to force. The 'King's peace' was a better basis for Christian relationships than violence and anarchy . . . By far the most important element in our history has been the continuation of Christian tradition. Through it Britain developed a policy in which the sanctity of the individual has counted for more than central authority and in which power, instead of being concentrated in a few hands, is distributed in those of many. The value set by her people on the freedom and sanctity of the individual, on justice and fair play, on mercy and tenderness towards the weak, their dislike of lawless violence and their capacity to tolerate, forgive and forget, have been, and still are for her past mistakes and faults, the most important factor in her national tradition and all derive from her long Christian apprenticeship..." (*Illustrated London News*)

### DEBT, TAXATION AND MONEY CREATION

Not so well known was Sir Arthur Bryant's increasing preoccupation with the financial crisis besetting Britain and other Western nations. He saw in the phenomenal growth of debt a threat to stability and freedom as great, or greater, than anything in history. Week after week, in his I.L.N. Diary, he explored the significance of money on, and in, society, the

threat of exorbitant taxation, and the growth of bureaucracy and the welfare state. In February 1983 he penned this description, in words endorsed by many:

"... For the past 20 years, though in peacetime, to pay for the Welfare State successive governments have been creating money by increasing borrowing on the "never never", the interest on which has to be met by ever-increasing taxes, price increases and charges for public services . . . Today a Government deeply and sincerely dedicated to the restoration of economic honesty in our public and economic life, and striving desperately to achieve it, is having to rely on money which in little more than 20 years has lost nine-tenths of its value. It is, in fact, the most inflationary — and therefore dishonest — money ever issued in our history, even more than that caused by Henry VIII's debasement of the coinage through clipping it..."

### DEBT-FREE MONEY

Sir Arthur Bryant was not, of course, offering a point-of-view not understood and shared by many. But his historical perspective, and his innate common sense, led him from this point in a very different direction from orthodox economics. The "squeeze" as a solution to inflation made no sense to him, for the industries inevitably destroyed in recessions and depressions were real and valuable in his thinking. They were not simply the statistics, which substitute for reality in the theoretical mind.

Instead he concentrated on the origin of money itself, which obviously led to the debt system, realising that a fundamental flaw in money creation as a debt inevitably produced a distortion — or even a perversion — which no policy dealing simply with effects could rectify. He contemplated a world in

which inflation was eliminated without any destruction or loss of freedom.

Writing in the I.L.N. in January 1981, Sir Arthur said: "... Convinced by my study of our history that there is a fatal arithmetical fallacy in a currency based exclusively on interest-bearing debt which, whenever the interest rate rises above a tolerable level automatically inhibits it from meeting the full requirements of a productive industrial economy, I have repeatedly urged on this page that the time has come for Parliament to rise above the static and self-defeating rule-of-thumb practice of the classic monetarists of the Treasury and the academic economist's study and exercise the right, inherent in every Sovereign State, to create and issue the requisite amount of debt-free purchasing power to meet when it can be met in no other way, the essential needs of the State and of an industrial society, without having to pay, and subsequently recoup the cost from the taxpayer, a prohibitive and unnecessary rate of interest . . . "

Sir Arthur explored this idea, and ways to achieve it, many times. He was increasingly emphatic that there was no other way for the free society to escape the present impasse. One didn't always agree with his technical proposals. Would that he had been able to meet and discuss his views with Douglas. The meeting of two such minds would have been worth listening to. Like Douglas, Sir Arthur Bryant had his finger on the core of our problems.

He was knighted in 1954 and created a Companion of Honour in 1967. He spent his last years in the Close at Salisbury, in the shadow of the great Cathedral, which must have inspired many of his writings. .

We shall not see his like again, and are all the poorer for his passing.

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## U.S.S. LIBERTY AND THE MEDIA

By James Ennes Jr. author of *"Assault On The Liberty"* (Random House, 1980)

(James Ennes was a lieutenant on the bridge of the *USS Liberty* on the day the ship was attacked by Israeli warplanes during the 1967 war. His book on the subject, *"Assault On The Liberty"* is a "Notable Naval Book" selection of the U.S. Naval Institute, and was "Editor's Choice" when reviewed in *The Washington Post*, in May 1980. The book is now in its fourth printing, and can be obtained from any League bookshop, or from the Heritage Bookshop, Box 1052J, GPO Melbourne, Victoria, 3001 — \$16 posted).

*This article is excerpted from an issue of the American Sunbeam.*

The Israeli attack on the American intelligence ship *Liberty* is not a pretty tale, and it is not widely known.

In 1967, on the fourth day of the Arab-Israeli Six-Day-War, air and naval forces of Israel attacked the *USS Liberty* in the Eastern Mediterranean near the Gaza Strip. Thirty-four Americans were killed and 171 wounded in an attack that lasted two-and-a-half hours, but the people at home were told only of a brief mistaken encounter, an "understandable error in the heat of war by America's strongest ally."

I was *Liberty's* officer of the deck, and I knew that the attack was no error. I had seen Israeli reconnaissance aircraft circle our ship thirteen times in clear daylight weather, so close that our sailors waved and could see the Israeli pilots waving back. Meanwhile, our radio intercept operators overheard the Israeli pilots informing their headquarters that we were an American ship. The attacking forces made elaborate preparations for the attack; they jammed our distress frequencies and orchestrated complicated air, sea and amphibious helicopter assault involving reconnaissance, two kinds of jet aircraft with rockets, cannon, napalm and anti-personnel bombs, and a deathblow to be administered by torpedo boats. Under the circumstances, the attack could not reasonably be explained away as an accident.

But those details never reached the American public. Instead *Liberty crewmen* were ordered to keep quiet about what we saw while our own government released a false and distorted version of what happened. According to the "official story" the attack lasted only about six minutes and stopped immediately when the attacking forces came close enough to see our American flag; there was no mention

of the napalm that was used, no mention of anti-personnel bombs, no mention of the 12 knot wind that displayed the flag clearly, no mention of the fact that life-rafts were machine-gunned in the water or that the ship's radios were jammed, and no mention of the obviously careful planning that went into the attack.

*Liberty* crewmen were furious. We buried our dead and we wept with their families. And most of us obeyed orders to remain silent. But almost every man was angry at Israel for attacking our ship under the cloak of "friendship" and angry at our own government for going along with an excuse that we knew to be untrue.

In 1978 I retired from the Navy and finished work on *"Assault on the Liberty"* my first-hand account of what really happened to our ship. The book was accepted for publication by the first publisher to see it, one of the largest and most highly respected in the business. And there my troubles started.

Although my book was praised by leading reviewers, military officers, historians and academics, distribution and publicity were heavily blocked by a campaign directed against the book by the Israeli government.

Armed with "fact sheets" written in Jerusalem and usually distributed by the Anti-Defamation League of B'nai B'rith, spokesmen for Israel called quietly on newspaper editorial boards and media managers whenever the *Liberty* story threatened to raise its ugly head. And the tactic often worked! Important media coverage was repeatedly cancelled; invitations to major national television interviews were withdrawn at the last minutes; book orders were lost at the

wholesale level; even my own publisher's clerks sometimes claimed falsely that the book was out of print and unavailable. ABC once planned to devote an entire *Nightline* broadcast to the *USS Liberty* story and spent over \$100,000 preparing the film but at the last minute the segment was "postponed" for a bigger story. It is still on "hold" and will probably never be seen. But Americans want to know the truth, and many independent media are eager to tell it.

Some time ago I made a speaking tour of the Midwest, supported by book sales along the way. Here I saw again how the powerful hand of Zionism could stifle voices that Israel does not wish to be heard.

I spoke on the campuses of six major American universities, and in every case pro-Israeli pressure groups campaigned against my right to speak. Few challenged me publicly; instead, Zionist student unions at East Lansing and at the University of Michigan and elsewhere complained to the administrations that I should not be allowed on campus. Posters advertising my talk were repeatedly torn down in every city; for instance, although over 1,000 posters went up at the University of Minnesota on the day of my talk, students told me that most notices vanished within minutes.

When I spoke at a community centre in Chicago, police had to be called because anonymous callers threatened to break up the meeting with truncheons. In Chicago, a television reporter who happened to be nearby and who had no other assignment was forbidden by his assignment editor to talk to me. And, although interviews with me were broadcast over 25 radio and 89 television stations during the trip, several firmly scheduled interviews were cancelled apparently because of the pro-Zionist pressure. In one striking case an important radio production manager at station WIND in Chicago called me to apologise elaborately for an "oversight" which caused a scheduled interview to be cancelled without bothering to inform me. He promised to investigate and to call back within an hour to reschedule the interview, but he has yet to call and has not answered my follow-up calls or letters. Apparently he discovered that the circumstances are more embarrassing and the pressure more intense than he wants to reveal.

Throughout my trip I was frequently asked, "Why does the American Congress and news media Listen only to Israel? My

answer, and a rather naive answer I now realise, was that too few Americans make themselves heard about Middle East issues, that Congressmen and newsmen respond mostly to Zionists because the loudest and most persistent voices are the organised voices of Zionism.

While I still believe that, I was startled to learn that some American Congressmen and media managers are so committed to Israel that they refuse to meet with or even to answer mail from those who favour a more even-handed American policy in the Middle East. This is hardly the open participatory democracy that most of us learned about in school.

Recently from my seat in the audience during an ABC *Nightline* panel discussion of Middle East reporting, I watched a national television audience being deceived. As I watched, Israeli spokesmen in New York made the most outrageous claims concerning Israeli actions in Lebanon. The studio audience at the University of Washington was sophisticated, and they were not deceived; eventually they erupted in such angry cat-calling, arm-waving outrage that host Ted Koppel had to appeal for order, but none of the commotion could be seen by viewers at home. Instead the viewing audience saw only a tightly cropped view of a well-scrubbed, wildly applauding public affairs team that had been repositioned in a front row. No one who saw the show at home would dream that perhaps 25 percent of the audience was on its feet screaming in protest about the one-sided message being broadcast. All signs of dissent were effectively censored in the control room.

Had it not been for my experience aboard the *Liberty* and for my experiences with would-be book burners after my book was published, I might not be aware that the American public's perception of the Middle East is badly distorted, and I certainly would be less sensitive to the reasons for our ignorance.

Adlai Stevenson told me that American policy in the Middle East is unbalanced because Congressmen are intimidated by the Israeli Lobby. I find that frightening, yet everything I have seen since then tells me that those remarks were no exaggeration. It is a situation that Americans cannot allow to continue.

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## "THE WESTERN WORLD'S FARM CRISIS"

**As Australia moved out of the 'sixties into the 'seventies, it was already obvious that a major rural crisis was drastically affecting country areas. At about the same time a small booklet, *"They Want Your Land"*, was published by the Australian League of Rights.**

The response was dramatic — not least where the League itself was concerned.

Earlier in the 'sixties the League had almost become 'fashionable' in conservative circles. Its strong and well-documented opposition to Communism gained wide sympathy. Both Liberal and National Party politicians had little compunction in speaking on League platforms, chairing public meetings and echoing the League's defence of the free society. The Korean War, the Cuban crisis, the narrowly averted Communist take-over of Indonesia, and the Czechoslovakian suppression were fresh in many minds.

### STARK MESSAGE . . .

*"They Want Your Land"* had a stark message, which few public figures wanted to hear. It claimed — provided evidence to support — that the combination of progressive taxes, high interest and borrowing charges, inflation and ever-rising costs would, unless challenged and checked, destroy the family farm, small businesses and private property. It went further in providing evidence that this was regarded with equanimity, and even enthusiasm by both Marxists and the Fabian Society. It claimed that a failure to recognise the danger would ultimately destroy the validity of those political parties, which supported free enterprise and private property. It stressed that the acceptance of the "Get Big Or Get Out" slogan and the policy of rural reconstruction was surrender to socialism no matter what label was used to justify such a programme. It

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warned that, once embarked on, such a programme would, perforce, herald in a never-ending process of destruction which would finally engulf not only small farms but ultimately the biggest.

It concluded by stating that a few overdue and fundamental modifications to the financial system could avert a potential disaster.

Whatever else is said, the booklet did not go unheeded. It became a runaway best seller. Thousands of copies were sold in all States. Perhaps its theme is illustrated by the fact that the booklet, printed on quality gloss paper with a stiff cover, and running to 32 pages, sold in 1969 for 30 cents — a sum which would not put a postage stamp on a standard letter 16 years later!

The support it received from rank and file farmers was not echoed by their leaders. The establishment closed ranks. The attack commenced with a scathing criticism over the A.B.C.'s *'Country Hour'* by Dr. H.P. Schapper, Reader in Agricultural Economics at the University of Western Australia, a keen advocate of rationalisation in agriculture. His argument was, to say the least, patronising, suggesting that farmers were being duped by "nonsensical ideas", the implications being that he was far more discerning than they were!

The Country Party, as it was then, shifted uncomfortably. Many of its members were League supporters, or had attended public meetings to hear what the League had to say. Many

had read the booklet, and wanted firm answers. For a while the Party offered all the appearance of genuine concern and research. The author was invited to a daylong "hearing" by the Management Committee of the Queensland Country Party. No conclusions were ever published, but it was useful to be able to say, "we have looked into it".

### ECONOMIC SKELETONS

But the uneasy truce didn't last long. The Country Party had too many economic skeletons in its own closet. Thumbing through old copies of the Party's objectives led to discoveries of long-forgotten promises — the perennial "long-term, low interest finance" for primary producers; the oft-repeated promise to abolish death-duties; and even the policy of consumer-subsidisation, which Country Party leaders savagely attacked when advocated by the League.

Muddying the water was the old political technique for getting off the hook. Party leader Doug Anthony started the ball rolling when he claimed at a Party State Conference that the League was a "Nazi-type" organisation. The media picked up the ball and was off and running. The fact that Anthony subsequently conceded the description was "inappropriate" was, presumably, not 'newsworthy' and never appeared in the media. In fact, Anthony's original charge is still trotted out periodically.

To its credit, the Management Committee of the National Party disassociated itself from Anthony's charges. This fact, too, was generally ignored by the media. But a by now desperate Party had to do something to quell the crowing criticism within its ranks.

Finally, on October 14th and 21st, 1971, Sir Robert Sparkes published two full-page articles in the "*Queensland Country Life*", appealing for loyalty to the Country Party, and defending it from the accusation that it was not earning out its policy — an accusation he laid, with some justification, at the door of the League of Rights.

The upheaval in the Party had forced Sir Robert's hand and, in order to gain the loyalty for which he was appealing he put forward some valuable ideas to meet the rural crisis in his articles. In the first of these Sir Robert said:

*". . . As a result of the investigation of the Management Committee, the Country Party has formulated a set of proposals designed to curb inflation and assist the rural community (both country towns and districts). The following are some (not all) of the more important of these proposals . . . that were put to the Deputy Prime Minister and the Premier Mr. J. Bjelke-Petersen in July 1971 . . .*

*That the Government consider reducing Sales Tax on those items that directly affect the cost of production as an anti-inflationary measure.*

*That, because of the great importance of maintaining viable primary industry in Australia, the Federal Government should provide a source of long-term, fixed contract interest-rate finance below 3% to individual primary producers adversely affected by drought, low prices and rising costs . . .*

### WHAT IF....?

**PRIMARY PRODUCERS MUST SURELY ASK THEMSELVES JUST WHERE WE WOULD BE NOW IF THE NATIONAL PARTY HAD STUCK TO THEIR GUNS AND FORCED THOSE TWO MEASURES THROUGH IN 1971?**

**WHAT WOULD HAVE HAPPENED IF THE NATIONAL PARTY HAD REALLY COME OUT FIGHTING, THREATENING TO LEAVE THE COALITION SOONER THAN CONTEMPLATE THE DESTRUCTION OF RURAL INDUSTRY?**

**IT IS POSSIBLE THAT A STRONG STAND AT THAT TIME MIGHT EVEN HAVE AVERTED THREE YEARS UNDER THE WHITLAM GOVERNMENT — PLUS THE UNMITIGATED RURAL DISASTER FACING PRIMARY PRODUCERS IN 1985.**

For example, the Sales Tax, which Sir Robert said should be

reduced took \$568 million in the 1969-70 Budget. In the 1984-85 Budget, Sales Tax had risen to \$4,704 million — much of it shovelled on to the backs of Australia's primary producers.

Rural people trusted their leaders to do something, and relaxed their pressure. The leaders simply drifted back to political apathy and compromise. The result, the current disaster.

The Queensland Premier, Joh Bjelke-Petersen, put forward his own plan, which again was in full accord with the National Party's traditional policies. It became widely known as *The Petersen Plan*, and contained three basic provisions: The elimination of Sales Tax; a "freeze" on any further tax increases; and the introduction of price subsidies on basic items in the Consumer Price index, to offset inflation and negate the wage-price spiral, as had been used so successfully during the war.

### TRAGIC REACTION

The reaction from the National Party's Federal members was, generally, tragic. When asked directly, a few supported the plan "in principle" — although none did anything effectual about it. Mr. Anthony's reaction was both childish and irresponsible. He wrote a letter to a rural paper in West Australia claiming the Premier had never, in fact, put forward the plan, which had been concocted by the League of Rights. It took a personal reply from the Premier to the same paper to correct Mr. Anthony's "gaffe" - for which he expressed no remorse or regret whatsoever.

The complete breakdown in responsibility by Federal members reached a low point when a circular sent to all Federal members by the Treasury Dept. outlining how to answer letters from constituents on the Petersen Plan was mailed out, presumably accidentally, by one member to one of his electors.

It was quite obvious that a policy of "play safe" and "don't rock the boat" had become the political bible of the average Federal member — no matter what results it had in the electorate, or what harm it would do in the long term to industry and the economy.

This attitude, with a few exceptions, spilled over into the executive side of many rural organisations. They, too, were part of a "play safe" establishment. The trick was to give an impression of fiery determination without actually doing anything.

Effective rural action was reduced to a few sad farmers' marches and demonstrations — a form of action, which would have been unthinkable in the rural Australia of a few years before.

And the crisis, inevitably, continued to escalate towards the current point of disaster.

### THE TRAGIC POSITION IN 1985

The *Weekend Australian* (April 30-May 1, 1983), gave this description of the crisis in the Cattle Industry:

*"... After two years of the worst drought on record, the statistics are devastating: 24,000 cattlemen and 45,000 farm workers have left the industry. 100,000 associated country jobs were lost to the rural community. The national cattle herd has shrunk 34% since the 1976 peak of 33.4 million, a partial consequence of the drought, but a reduction commenced owing to low prices and a lack of confidence in the industry. 25 export abattoirs have closed, 9000 meat workers have lost their jobs . . . Because of inflation and the recession, the average farmer in this country will earn \$2,000 this financial year — well below the dole — and many will earn nothing at all . . ."*

The loss of farmers is not peculiar to Australia. Figures in the United States, where the same cost-squeeze has been applied, are devastating. In 1820, 70% of the workforce in the U.S. was on the land. Farming was so enshrined in the American way of life that the Homestead Act of 1852, giving settlers free land in the West, produced the famous slogan "Go West, young man!"

By 1920 — 100 years later — although the number of farms had increased, the population had increased faster, and the rural workforce represented 40% of the total. Between 1920 and 1950 — a period which encompassed other mechanisation explosion and the Great Depression — the number of farms in the United States fell from 6.5 million to 5.6 million — a loss of 900,000 farms in 30 years — 80 farms *disappearing a day* over the period.

### EXODUS ACCELERATES

That loss is nothing to what has happened since 1950. In the 30 years from 1950 to 1980, *American farms have disappeared at the average rate of 300 a day* falling from a total of 5.6 million to the current 2.5 million. Does this mean that those remaining are better off, as the "rationalisers" would have us believe? By no means! The current average debt per farm is now \$85,000, the industry is in a disastrous situation, and militant farming demonstrations are a common feature of the American scene.

*TIME* magazine (Jan 28, 1985) described the current situation thus:

*"... Mired in perhaps the deepest farm slump since the Great Depression, American farm families are being driven from their land in growing numbers at a time when much of the rest of the U.S. is enjoying prosperity. Some 20,000 farms have been auctioned off since 1981, and the toll is rising. "There will be a bloodbath of farm foreclosures this year" says Washington Economist John Schnittker, a former Under Secretary of Agriculture . . . "*

Canada has gone through the same process. At the time Australia's farm amalgamation programmes were being designed, the Agricultural Outlook Conference in Ottawa in November 1969 was producing the same socialist concept. One paper suggested the present 108 million acres of improved farmlands should be divided into 150,000 farms of approximately 700 acres each. That meant the elimination of 280,000 farms! The economics branch of the Federal Agricultural Department submitted a paper in which it was stated that change — i.e. centralisation — was taking place, but not fast enough. Between 1951 and 1961 the total number of farms had declined from 630,000 to 480,000 — a loss of 41 farms *a day* through the period. But, the Department said, by 1980 there would still be 315,000 farms, of which 62,000 would be "too small, uneconomic". They should be eliminated.

Eliminating farmers in Canada didn't solve the crisis. By 1983 the situation was so desperate that farmers had gone back to the "penny auctions" of the Great Depression. *The Toronto Globe and Mail* (Feb 10, 1983) gave one description of one such event, which has occurred in many areas of Canada since:

*"Using tactics not seen in Canada since the 1930s, a group of about 300 farmers yesterday disrupted an auction to prevent a receiver from selling a 29-year old beef farmer's farm machinery near this town north-west of Kitchener.*

*The farmers, most of them members of the Canadian Farmers' Survival Association, took over the auction at the Perth County farm of John Otto, about five miles west of here, and sold off equipment valued at more than \$100,000 for a total of \$19.81.*

*Such penny auctions were used in Western Canada and the United States during the 1930s to save farms being sold off, but this is believed to be the first such auction in Ontario.*

*The farmers who bought the equipment moved it off the farm last night and intend to return it to Mr. Otto in the spring when he needs it to plant his crops.*

*The Survival Association has been operating a network of farmers to hide farm machinery from banks trying to seize it for payment of debts . . . "*

### EUROPE AND THE COMMON MARKET

The same "rural decimation" schemes are currently under  
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way in Europe. *The Australian* (Feb 13, 1985) gave this description:

*"The prospect of lower prices and output quotas in the European Economic Community (EEC) could mean a big shake-up in the farming community and a drift from the country into the towns, according to French agricultural experts.... Farmers are victims of inflated costs and the international recession, which is hampering sales . . . The French Agriculture Minister, Mr. Michel Rocard, recently warned that failure to come up with a new policy could trigger a rural exodus, but he said an active farmer costs less than a man without a job — the EEC's unemployed total being 13 million against 8 million farmers. . . Numerically, the farmers count for less in the 272 million strong EEC. In France's case, in 1958 land workers were 23.7 per cent of the active population, but in 1982 they were only 8.4 per cent. In Britain, the percentage has dropped from 4.8 to 2.7; in West Germany from 15.7 to 5.5 per cent . . . "*

Although many Europeans and Britons go hungry, the EEC now has huge mountains of unsaleable surpluses.

*The National Farmer* (Feb. 21-Mar 6) gave these figures:

### EUROPE'S FOOD MOUNTAINS

As at January 1985

Butter	943,000 tonnes
Skim Milk Powder	605,000 tonnes
Beef	660,000 tonnes
Wheat	15 million tonnes
Barley	2.1 million tonnes
Rapeseed	62,000 tonnes
Olive Oil	116,000 tonnes
Sugar	214,000 tonnes
Dried fruit	20,000 tonnes
Wine	15 million hi.

How are these mountains dealt with? They are either exported at giveaway prices, i.e. 'dumped' — or they are simply destroyed.

*The National Farmer* (Jan 10-23, 1985) reported:

*"... The Europeans dump on the trash heaps every minute 866 lbs apples, 41 cauliflowers, 1648 lbs of lemons, 1358 lbs of oranges, 438 lbs of peaches, 755 lbs of tomatoes and 46 lbs of pears . . . "* *The Weekend-Australian* (November 10-11, 1984) reported: *"Fears are mounting that the Australian Dairy industry will be forced into bankruptcy if the European Economic Community dumps 200,000 tonnes of butter on world markets . . . The EEC was planning to dump butter at prices more than 30 percent below the agreed minimum of \$1,200 per tonne. . . "* Following strong protest from dairy-producing nations in the West, the EEC sold its surplus to the Soviet Union for giveaway prices, just before Christmas.

### MOUNTAINS ELSEWHERE

Europe's food mountains have their counterpart elsewhere. *The Washington Post* (October 2, 1983) reported:

*"... Jeffrey Birnbaum, a Wall Street Journal reporter, recently toured a dormant limestone cave in Missouri. There, the government "stores so much surplus cheese, butter and powdered milk that a visitor would be hard pressed to walk past it all in one day". A tour by golf cart reveals canyons of cheddar cheese in 500-lb barrels, towers of frozen butter in 68-lb boxes, endless aisles of 100-pound sacks of dried milk — 61 million lbs of dairy products, enough to cover 13 football fields 17ft deep. This is just 2 percent of the 2.9 billion pounds of dairy products that American taxpayers have bought. In recent years they have paid \$3 billion, or \$13,000 for every dairy farmer. Taxpayers are currently paying \$275,000 an hour to buy more surpluses, and are paying \$5 million a month to store the stuff . . . "* The huge surpluses in Europe and the U.S. are hanging like a shadow of doom over Australia and New Zealand. *The Dominion*

(NZ April 16, 1984) reported the Labor Party's spokesman on trade, Mr. Moore, as saying:

"... *The surpluses represented a greater threat to New Zealand than foot-and-mouth disease or nuclear war . . . If the Americans decided to sell all their surpluses abroad the result for New Zealand would be worse than the Great Depression . . .*"

Two months later the same reports were breaking in Australia. *The Chronicle* (Toowoomba, June 26, 1984) reported the speech of Mr. Brian Norwood, general manager of the Australian Dairy Corporation, to the annual conference of the Queensland Dairy Organisation:

"... *World milk production was continuing to rise and stocks of manufactured dairy products in store were about the highest ever. Mr. Norwood said milk production in European Economic Community countries were about the highest ever . . . milk production in EEC countries last year rose by 3 percent — equal to more than half Australia's total milk production of nearly six billion litres. "In the case of butter and skim milk powder, the EEC has about a million tonnes of each in store. "Australian stocks of the major manufactured dairy products were uncomfortably high — at the end of June, there was three times the normal requirement of butter in store. "On current projections we see ourselves having about 76,000 tonnes of butter available for the export market," Mr. Norwood said . . . "At the end of June there were 76,000 tonnes of cheese in stock, which presented the biggest headache of all . . .*" A quick calculation will show Australia has approximately 60 lbs of cheese and 60 lbs of butter in stock for every four Australians — over and above what they are eating already!

Yet we are told 2 million Australians are living in poverty!

#### **AUSTRALIA'S GROWING FARM CRISIS**

*The National Farmer* (Sept 20-Oct 3, 1984) gave this picture of the wheat industry:

"... *The Australian wheat industry is being taxed out of business, and is racing towards what could become a serious crisis. Sky-rocketing freight and handling charges, tariffs, taxation, and other Federal and State imposts are stripping away what gains in efficiency and production the industry is making.*

*Even with a stagnant world market that shows no signs of significant improvement, government is heaping more cost onto an industry that provides one of its biggest sources of foreign earnings, and which pumps hundreds of millions of dollars into the economy every year.*

*Already, it costs about twice as much to grow a hectare of wheat as it did seven years ago, yet returns have increased by only about a third — without including inflation . . .*

*Wool Corporation chairman David Asimus, with a 1.25 million bale stockpile on his hands, has already warned grain growers to stay out of the sheep industry. . .*

*NSW farm consultant Graham Peart. . . was the keynote economic speaker at a series of crisis meetings in NSW called by the Livestock and Grain Producers' Association (LGPA).*

*The conclusion from those meetings — as throughout Australia — was that governments are the villains; their taxes, tariffs and charges are killing the industry.*

*"The wheat industry is close to bankruptcy," said LGPA press officer Mal Grieve. "It's that serious". The problem for wheatgrowers in NSW — already desperate — was worsened by an almost complete breakdown in the machinery of grain handling. Increasing government interference and control has produced a mountain of exorbitant costs and appalling inefficiency. The result is that, alongside choc-full silos lie enormous mountains of*

wheat, under blue tarpaulins, waiting firstly for markets, and secondly for a system of handling that is efficient and reasonably cheap. A special article on the NSW wheat scandal in *The Weekend Australian* (Jan 12-13, 1985) concluded:

"... *Governments can be blamed for many of the steep costs of the wheat industry, which include fuel, freight, government protection of manufacturers — which costs wheatgrowers \$35 a tonne — and revenue raising tariffs . . .*"

#### **SUGAR INDUSTRY**

The Wheat Industry crisis was, and is matched by another catastrophe — the Sugar Industry collapse. The Sugar industry is one which has accepted all the socialist controls so often advocated as the means to secure stability — a closed industry, acreage controls, international quotas and price agreements. Yet the industry is in a more intense process of collapse than probably any other sector. International prices have fallen way below cost of production. But the never-ending costs, taxes and charges have taken away any chance the industry once had of cutting back and weathering the storm until things improve.

From North Queensland to northern NSW disaster has struck the industry — thousands bankrupt, families and communities disrupted, townships also suffering.

The intensity of the crisis has split the industry, with at least three breakaway producer groups accusing the Queensland Cane growers' Council of in-action.

Amongst demands being made by one group — the Australian Cane growers' Union — is a demand for the removal of fuel tax and sales tax on confectionary. Yet it must be obvious to many that the various governments in Australia are seeking ways of increasing tax at every level; they face the same crippling cost-squeeze as anyone else.

#### **TAXATION, DEBT AND STATE CONTROLS**

Gradually, the severity of the crisis has forced a greater focus on the causes, rather than the symptoms. But why have we had to wait 15 years for this to happen?

In a hard-hitting and realistic editorial in *The National Farmer* (Nov 29-Dec 12, 1984) Julian Cribb wrote:

*"In all the political lather and debate over the taxation system in Australia, there appears to have been one central factor which has been largely overlooked — or ignored — by the politicians of all parties.*

*They are arguing furiously among themselves about whether we should have income taxes, VAT, sales tax increases, capital gains or capital taxes. They have obviously heeded one clear message from the electorate — that the Australian public is becoming fed up with taxation.*

*But so far no single politician or party has had the courage or integrity to address the real issue: that we should all pay less tax.*

*At most they have promised (and what are promises worth during an election campaign, one wonders?) to restrain the rate of government growth. This is simply not the same as cutting it. A wise man once observed: "If governments make a bad law — even honest men will break it" . . .*

*Since 1973-74 Federal Government spending has soared 375%, and that of State Governments by an average of 280%. Inflation during this period was 184%. This gives some perspective of the massive growth in government expenditure.*

*Even more outrageous is the fact that the accumulated debts and deficits of Australian governments have double in just three years — from \$45,000 million to \$90,000 million. Such a burden may take generations to pay off. Even today it requires the entire export earnings of wool, wheat and meat simply to service the interest payments.*

*From a farm sector viewpoint, government rates,*

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*taxes and charges have increased five times faster than farm returns — and at nearly double the rate of other farm costs. . . ."*

One iniquitous example of hundreds that affect primary producers is the tax on fuel. Although Australia is now a net exporter of crude oil, the government has tied domestic prices to the OPEC international price, which is measured in American dollars. Thus, any devaluation of Australia's currency, which normally favours export industries, means an equivalent automatic price rise for the petrol and diesel a farmer has to buy. Of this price, the Government automatically takes 66% in taxation. Recent increases in the value of the American dollar have meant huge windfalls in oil revenue for the Australian Government — at the expense of hard-pressed primary producers, transporters and allied industries for a commodity produced in Australia.

### **MORE AND MORE CONTROLS**

Julian Cribb, in another issue of *The National Farmer*, gave this description:

*"Across Australia, the iron tentacles of the outside world are closing in on the family farm. Draconian new laws and regulations are changing the whole idea of land ownership — from what a farmer can do on his own farm to what he must do if he wants to stay on it.*

*Governments, increasingly, are calling the shots on what the farmer earns — and what he pays. Huge companies — some of them monopolies or near monopolies — are dictating price and supply of farm goods, services and products and banks are increasingly intervening in how farms should be run. City-based pressure groups are bending the political system to dictate what farmers can and can't do on their properties . . .*

*Those are just a few of the disturbing scenarios raised at this year's conference of the Australian Farm Management Society at Roseworthy, S.A.*

*They add up to a picture of the family farm caught between the hammer of regulation and the anvil of rising costs. More and more, speakers told the Conference, farmers are being dictated to by outside forces and are increasingly powerless to resist . . . ' The graphic, documented warning of the philosophy behind this grim development, so well described by Julian Cribb, was set out in "They Want Your Land" 16 years ago!*

### **RURAL CRISIS INTENSIFIES**

As we moved towards the end of 1984 *The Australian* on December 19 headed its leading page: "23 PERCENT DROP IN FARMERS' INCOMES FORECAST". It went on:

*"Farmers' incomes will crash 23 percent in 1984-85, pushing primary producers further into debt as they battle rising costs and falling commodity prices. The grim predictions for primary industry released yesterday by the Bureau of Agricultural Economics (BAE) emphasised a decline in profitability for several major rural enterprises . . . The BAE blames growing world stockpiles of many agricultural commodities for the poor prices Australian farmers will receive in 1985 . . . The BAE says the ability of farmers to service debts this financial year may be adversely affected by low commodity prices and rising costs. Institutional indebtedness is expected to increase by 3 percent in 1984-85 to \$6.017 million*

As Australia moved into 1985, the position continued to deteriorate. On January 2nd '85, *The Australian* reported:

*" . . . The industry upon which the nation was built and which now is regarded by some as the last bastion of free enterprise in Australia, is crumbling at its foundations — these foundations being farmers and their families. Thousands will be forced from the land this year. Some will leave voluntarily, while many will remain because of family commitments and because it is the only life they know . . .*

*The Government's attitude towards matters of key importance to the rural sector, including capital gains taxes, Aboriginal land claims and proposed army bases has not endeared the Government to people in the bush . . .*

*The slow decimation of the rural sector, with the number of farmers falling from 205,000 in 1950 to 172,000 at the start of this year is expected to continue next year.*

*While key bureaucrats and politicians argue philosophically that farmers must become more efficient to survive, the recipients of social welfare and Medicare payments, and the public service, keep gaining the benefits from our agricultural and mining industries . . ."*

### **ANTHONY SPEAKS-----**

*The Sunday Mail* (Brisbane, Jan 27, 1985) featured a special warning from former Deputy Prime Minister Doug Anthony: " . . . Agriculture is sliding to a crisis point", he said. "The rank and file farmers are starting to become more militant and they have to be. We are going to see demonstrations and blockades."

*"We may also see violence. I think the rural community is on the verge of reacting. What unions have been doing to the rural sector, particularly in transport and handling, is totally intolerable. They are imposing an extra tax on farmers. If this sort of thing continues and farmers feel they are not getting any satisfaction from governments, they will take the law into their own hands. Unfortunately, when people get desperate, it always leads to some sort of violence."*

*The reason, he says, is one of sheer economic desperation. "The rural community in Australia is on a dangerous slide and, if you look at every sector, with the exception of wool, the situation is getting quite dangerous.*

*"Our cattle herd and sheep flock are declining, we've got less tanneries, less abattoirs; the sugar industry is an absolute disaster, and the dairy industry is facing enormous problems.*

*The picture for rural Australia is not a happy one. In terms of living standards, they are becoming Australia's new poor . . . '*

Mr. Anthony is right. But he failed to mention his own failings, and those of his party in ignoring the warnings a few years ago. His action might have forestalled the present crisis.

### **-----AND INTENSIFIES-----**

By mid-February 1985, there was a dawning realisation of the immensity of the crisis in some areas. Nigel Austin, whose writings have been consistently realistic, wrote as follows in the *Australian Rural Review* (Feb 15, 1985):

*"... Somehow a mistaken belief exists in Australia that agriculture will survive regardless of all else and that rationalisation is good for the industry.*

*But the long-term decline of agriculture has reached such a serious stage that, unless urgent remedial action is taken, much of the time spent in developing the nation lies in peril of being wasted through the neglect of opportunities.*

*. . . This year the average farm income for Australia's 172,000 farmers will be just \$12,000. While the average farmer has \$450,000 invested in agriculture, his return will be half that paid to the average employee working for the various organisations formed to administer and run the service and public sector . . .*

*Unfortunately governments, whether they are Federal, State or local, have either not discovered how to decrease taxes and charges or lack the inclination . . .*

*Among the best recent examples of bureaucratic inefficiency were the failure of the NSW bodies, the Grain Handling Authority and the State Rail Authority,*

to export wheat from the State last year. . .

Likewise, the list of almost senseless rules and regulations affecting agriculture is endless . . .

Another large area of concern in rural communities is the rising age of farmers and the lack of opportunities and financial assistance to help young men onto the land. Dissatisfaction in country areas is running possibly at its highest level because of the alarming position of many rural industries . . .

A feeling of hopelessness and anguish prevails in the country that little can be done to improve the prosperity of agriculture. The numbers of farmers have been declining for years and the trend will continue as long as the unprofitability continues . . ." Giving this picture of the wool industry - - which Mr. Anthony claimed was a sole exception to the disaster — Nigel Austin continued in the same review:

*While wool growing is still vital to national prosperity, the sickening fact for many rural families is that decreasing profits are slowly but surely forcing them from the land.*

*In the past decade the numbers of woolgrowers with more than 500 sheep has fallen by nearly 20,000 to about 55,000 and appears likely to continue . . . This year the farm income for farmers who grow only sheep will be a mere \$6,202, compared with the average farm*

*income. . . of \$12,149. . .*

*The problem would grow worse, tempered only by productivity increases and farm amalgamation in future years. The predicament posed a real danger not only for individual wool growers, but the long-term survival of wool in the textile industry, according to Mr. Moore (Wool Council of Australia executive director) . . . '*

### CONCLUSION

*It can now be conclusively documented and shown that the family farm, anywhere in the world, is unable to survive rising costs and the denial of long-term, low-interest finance.*

*It can now be conclusively documented and shown that a policy of rising costs and high-cost finance is quite deliberate, and is endorsed by both Marxist and socialist philosophers.*

*It can be conclusively documented and shown that the failure to half the attack on private farming, businesses and free-enterprise is due to the compliance of socialist politicians and parties, and the naked fear of non-socialist politicians and parties, who try to pretend it is not happening, and that contrary claims are "Extremist", "Alarmist" — the false claims of "Prophets of doom".*

*Until they show fortitude to face reality, they can no longer be trusted.*

*The infection of their fear has spread to some leaders in the rural organisations, which should be fighting for the farmer.*

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## THE COMING CRUNCH FOR ISRAEL

**The following article by Patrick J. Buchanan, appeared under the above heading in the conservative Washington journal, "Human Events", of January 19.**

For calendar year 1985, Israel has requested of the Reagan Administration a virtual doubling of foreign aid — up to between \$5,000 and \$6,000 for every family in Israel.

In our own national interests, and Israel's as well, the United States should say no.

Eighteen months ago, when this writer last spent a week in Israel, inflation was galloping at 100 per cent; this October it was running at an annual rate in excess of 1,200 per cent. Then, Israel's foreign debt was already among the highest in the world, three times per capita the size of Argentina's debt, five times as large as oil-rich Mexico's. As Israel's current trade deficit is still running close to \$5 billion annually, that debt has since expanded.

Israel, in short, is in a horrendous and deepening economic crisis. Overextended economically and geographically, she is living far beyond her means. The new coalition has refused to address the crisis with the urgency it deserves; and the United States will do its friend no favor by shipping off fresh billions of tax dollars that will only postpone Israel's overdue rendezvous with reality.

The components of Israel's present crisis are well known. The war of survival in 1967 and the Lebanese invasion of 1982 left the Israeli defense forces in possession of territories, the occupation of which is a constant drain upon the national treasury. The settlements policy on the West Bank costs hundreds of millions every year. The Israeli military machine consumes 25 per cent of the gross national product, a national effort four times as onerous as that of the United States. It is the greatest defense exertion of any nation in the Western world.

*But the principal cause of Israel's economic crisis may be summed up in a single word: socialism.*

"We are the most Socialist nation this side of the Iron Curtain," free marketer Ezra Zohr told me 18 months ago. "Our major problem is this Socialist state which drives Jews from Israel."

The degree of state intervention and control of the economy is almost beyond the imagination of an American citizen. Income taxes escalate rapidly to 60 per cent. Everything from housing to farming is dependent upon the political favor of the

ruling powers. From food to gasoline, it seems everything is subsidized. Wages are indexed for inflation, as are savings accounts; the government simply prints the shekels necessary to cover the national deficit. The Israeli currency rivals the Argentine peso as the most worthless in the world.

The coalition government of Labor and Likud has pledged to impose austerity before coming to the U.S. for increased aid. It has barely made an effort. Some \$400 million, or 1.6 per cent, has been cut from the national budget, while the U.S. is being asked to provide, in outright grants in calendar 1985, a sum 12 times as large.

Such a request is insupportable.

Re-elected, with four years grace, the Reagan Administration has an opportunity to re-establish the American-Israeli relationship on a healthier, more realistic, more sustainable basis. The broad outlines of that relationship, it seems to this writer, ought to be these:

- (a) As Israel is democratic and Western, the United States, as leader of the free world, would undertake to provide, gratis if necessary, the quality weaponry Israel cannot produce or afford that is required for her security and survival.
- (b) As a friend and ally, the United States should undertake never to make such vital military assistance contingent upon the alteration of any policy Israel deems critical to her security.
- (c) As with Taiwan and South Korea, however, economic grants-in-aid should be phased down and eventually out. Having subsidized this Socialist system so many years, putting Jerusalem through cold turkey would be both traumatic and brutal. But it is neither in Israel's interest nor our own to make of that nation an economic dependency, a virtual colony of the United States. It is not in our interest or Israel's to continue indefinitely subsidization of what is fundamentally an unworkable Socialist system.

Israel has to be weaned from American economic aid, to stand independently on her own feet, to be brought face-to-face with, the reality that in this world the only sustainable economic system for a free people is free enterprise.