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

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“EASIER TO FLOG THE SOIL THAN TO FLOG THE BANK”

One of the highlights of the recent Queensland Annual League of Rights Seminar was a paper, *"Land Degradation — An Inevitable Consequence of the Present Financial System"*, presented by Lutheran Pastor Mel Grieger of Wondai, Queensland. Pastor Grieger demolished some of the myths, such as the export mania, dominating and ruining nations like Australia. The following is the text of Pastor Grieger's paper:

It is the thrust of this paper that there is an inevitable and irrevocable connection between the present degradation of land in our country and the current financial system. This connection is of such a rigid kind that, while land degradation may certainly occur without the present financial system for other reasons, yet, under it, land degradation cannot be avoided and effective measures to remedy it cannot be viable. To imagine, therefore, that the pollution of our environment and the degradation of our soils is really an independent issue that can somehow be isolated and detached from the present financial system and so remedied by society while allowing the current system to remain intact, is a naïve and immature judgment which can only produce chaos, injustice, and most inadequate and disappointing results. The pollution and degradation of the environment are part of a much wider problem, which the nations of the earth must rectify in the near future, or collapse.

It is not my intention to prove every point in this paper beyond doubt and question, but rather to point to the relationships between the problems and issues so that people can see for themselves that there is something radically wrong in the present financial system and that this must inevitably have dire and devastating consequences upon the environment as well as in the area of justice and social relationships.

CONCERN TO THE CHURCH

It needs to be acknowledged that it is an assumption of this paper that this whole issue is a matter of concern also to the Church and its ministry because God's order for society, as well as the issues of justice and responsibility to God, to our fellow-men and to the earth, are involved.

The Scriptures show in many passages how God condemns the oppression of the poor by the rich and powerful of the earth. The super rich and the powerful financial manipulators of today are certainly the modern counterparts of those classes against whom God's wrath was directed in the Old Testament because of oppression. But today they have the finances of the world in their hands and the nations of the earth in their power.

A second assumption of this paper is that matters of the environment, pollution, and degradation of the soil is of concern to the Church, firstly because God gave man dominion over nature, to act as His steward to care for His creation, and secondly because holy Scripture indicates that there is a connection between the wickedness of nations and the degradation of their land. (*Lev. 18, 24-28; Num.35, 33-34; Ps.106, 38; Is. 12, 3-6; Jer.2, 7-8; 3, 2-3*). While men in general and conservationists in particular will probably not acknowledge this connection, yet it is the unique responsibility of the true Church of God to point this out with all the spiritual implications that it must have.

It is also an assumption of this paper that in any event the earth and its resources are running down. Even faithful stewardship of the earth cannot restore the environment to the original perfection in which it was created. (*Gen.3, 17-19*). The earth and its resources are not intended to last forever. God Himself will destroy this world as an act of judgment because of sin. It is our responsibility meanwhile to use the earth's resources wisely and

not wastefully within these limits. Any economic system which depends for its working upon waste is both unrealistic and ungodly.

I. ANOMALIES OF THE PRESENT FINANCIAL SYSTEM

There are many anomalies in our society today that must require the minds of reasoning and intelligent men to ask: Why? How can the obviously absurd be true? What is wrong that such madness is necessary? I shall list here merely a few of these anomalies that must be seen as cracks, or lines of stress, that betray the present financial system's break with reality.

1. *"Waste not, want not"*, is a proverb from the sages of old. How is it that now we are told that it is necessary to waste, and that indeed we must frequently destroy large stocks of foodstuffs in order to save our industries?
2. How can we have embarrassingly huge surpluses of primary products while millions starve to death? Does not the fact of poverty in plenty betray an artificially imposed lie in the area of finance, rather than a reality in the area of resources?
3. With the huge surpluses of primary produce already

OUR POLICY

To promote loyalty to the Christian concept of God, and to a society in which every individual enjoys inalienable rights, derived from God, not from the state.

To defend the Free Society and its institutions - private property, consumer control of production through genuine competitive enterprise, and limited decentralised government.

To promote financial policies, which will reduce taxation, eliminate debt, and make possible material security for all with greater leisure time for cultural activities.

To oppose all forms of monopoly, whether described as public or private.

To encourage electors always to record a responsible vote in all elections.

To support all policies genuinely concerned with conserving and protecting natural resources, including the soil, and an environment reflecting Natural (God's) Laws, against policies of rape and waste.

To oppose all policies eroding national sovereignty, and to promote a closer relationship between the peoples of the Crown Commonwealth and those of the United States of America, who share a common heritage.

stocked in the western world and with no prospect of selling these stocks, how can further increased production be seriously proposed as a means to lift primary producers out of their financial difficulties?

4. If money is to be merely a medium of exchange how is it that everything that is physically possible is not also financially possible?
5. How is it that in spite of increasing levels of taxation upon the rich as well as social benefits for the poor the very rich still rapidly get richer while the poor get poorer?
6. How is it possible to have trade wars where nations fight against each other to get rid of their excess production?
7. How can it possibly be considered to be a "favourable balance of trade" to export more real goods and services out of the country than one receives into the country? What is favourable about that?
8. How is it that if all money of Australia in the form of notes and coins were gathered together in one great heap it could not begin to pay the vast debts that Australians have to each other?
9. How is it possible that the world owes to the world more than the world can pay?
10. What sort of artificial economy is it when goods must be manufactured with built-in weaknesses so that they will soon need to be replaced in order that jobs will be available to all?

A little thought upon all of these absurdities will soon reveal that there is one common thread running through them all, namely an artificial and lying system of financial accounting.

II. INCREDIBLE IGNORANCE OR SINISTER COVER-UP?

The incredible ignorance or sinister cover-up that is evident in high places in society and in government circles concerning the real situation in financial manipulation and practice may be illustrated by a letter from Mr. Ian Sinclair dated March 20th 1985. Mr. Sinclair, shadow Minister for Defence and leader of the Federal National Party states:

"If you borrow from a financial institution, you are in fact borrowing money that other people have deposited with that institution. The Institution is only a broker. It makes its profits from the margin between the interest rate it has to offer to attract deposits and the interest rate it is able to obtain from those who want to borrow money, minus its costs."

It would probably be safe to say that this naive view of the banking system is shared by the majority of people in our society today. It is totally false, and men in positions like that held by Mr. Sinclair have no excuse whatsoever for holding such false views.

Mr. Sinclair specifically denies that banks "create" money when they lend it. In his view they lend only that which has been deposited with them. This is contradicted by incontrovertible evidence available to Mr. Sinclair and to the whole public. Let the following few examples suffice:

The 1968 edition of Encyclopedia Britannica states under the heading of "Methods of Lending Money" (the latest edition, I understand is just as explicit):

" . . . In lending of the third type, banks furnish neither their own money nor money received from others; instead they establish deposit credit against which the bank's customer can draw cheques. These deposits are created as part of the lending operation. New money is created"

Similarly the Bank Education Service in its booklet "Australia's Central Bank", 1985 edition, page 14, states:

"Money is created when banks make loans, or when the government spends more than it raises in taxes..."

There is no excuse then for the naiveté and ignorance of our political leaders on such fundamental issues when the parliamentary library with all its services is there for the information of even the most lowly back benchers.

The real situation is clearly this, that money is "created" when a bank makes a loan. The loan itself must be repaid to the banking system together with interest. As new money comes into existence when a loan is issued by a bank (or more exactly when the loan account is drawn upon) so also that quantity of money goes out of existence again when the capital of the loan is paid back to the bank. These are the obvious and readily available facts upon which the entire modern banking system is founded, despite the pitiable ignorance of so many people including politicians today.

III. JUGGLERY OF THE FINANCIAL SYSTEM DEBT FINANCE

Once it is understood that additional money is created whenever a trading bank makes a loan and that such credit in an account is in fact money and operates like money in every significant respect, it will readily be perceived that this is of tremendous importance and consequence to the whole economy of the nation. If it were only a minimal proportion of the whole money supply that is involved, it might not be very significant. But the fact is that such "credit money" is in the order of 93% of all money used in the community. Currency in the form of notes and coin's is such a minimal proportion of the total amount of money in the community that the Bank of New South Wales Review No. 27 makes the significant statement that "Today in Australia as in most other modern economies, all money is a debt of the banking system . . ." This is why we speak about "debt finance".

If a vast proportion of money comes into being as an interest bearing debt, then money must be repaid to the banking system together with interest. More has to be paid back to the banking system than is paid out by it (currently about 15% more). But where is this additional money to come from? Let us take the example of a \$1,000,000 loan. When the loan is granted an additional \$1,000,000 of money comes into being as credit and exists as purchasing power in the community. When the loan is repaid to the lending bank that \$1,000,000 is again cancelled out of existence and it no longer exists as purchasing power in the community, so that — other things being equal — there is only the same amount of money in the community as there was prior to the loan of \$1,000,000 being created as credit. But it should be noted that two other things have happened because of this loan. First, there are in all probability more goods and services available in the community which were generated by the purchasing power of that loan, and second, the bank will not be satisfied with the neat amount of \$1,000,000 in repayment of the loan, it will require an additional sum in interest - presently around 15%. This means that, assuming the loan to have been in existence only for 1 year, an additional \$150,000 will have to be paid to the bank. But where will this money come from? When it is paid to the bank it must come from the money supply already existing in the community. This means that \$150,000 is withdrawn from the producing community and credited to the banking system which provides nothing in the way of concrete production of goods for the community. The banks acknowledge that only about 1% interest charge is sufficient to cover their total costs of administration in equipment, wages and salaries. This means that the other 14% is an increase in the assets of the banks and that only 1% is returned as purchasing power into the community. The banks, are, of course, not in the business of producing any consumer goods for the benefit of the community but only in the business of financial trading, lending and accounting. Banks, in this sense, are non-productive. Accounting is indeed important. But at a cost of 15% of the money accounted for? Never! This means that about \$140,000 is lost to the producing community in each loan of \$1,000,000 for one year as in the example given. It must be obvious, therefore, that the more loans that are made by the banking system and the more interest that is charged on these loans the less money

remains to be spent on production in the community when these loans are repaid.

It must also be seen, however, that under the present system in which virtually all money comes into being as an interest bearing debt to the banking system the payment of interest to the banks must generate in the community the need for more loans from the banks so that the money for interest can be available. Under the present system of debt finance, of course, this can only ultimately intensify the problem. We have, what in electronic parlance would be called, positive feedback. The more the community borrows in this way the more it must borrow. The rate of interest is, as it were, the potentiometer (or volume control) that effectively regulates the degree of positive feedback. The higher the interest rate charged on loans the greater must be the acceleration of borrowing with debt finance.

It is little wonder that under this system we are witnessing at the present time a massive and accelerating increase in debt in the community, both in the public and in the private sectors. At the present time the external debts incurred by the government alone are well over \$85 billion increasing at the rate of \$1 billion per month. This means that, divided among a population of 15 million people, every Australian man, woman and child born into this country is involved in a debt of \$5,600. That is \$22,500 for an average family of 4. This already is well nigh impossible to repay and it is increasing rapidly. It was announced just the other day that through hire purchase schemes, bankcard, and other credit systems every Australian over 20 has, on an average, a private debt of another \$2,000.

The frightening fact is that under the present system of debt finance the situation can only get worse, not better. In the aggregate the only option open to the community under debt finance is the insanity of borrowing its way out of debt. Oh, but it can sell much of its property to pay off the loan! Can it? Who will buy it when we are all in the same situation to the tune of \$5,600 - \$8,000 for each one of us?

Needless to say, in this mess a massive slice of all the revenue that is collected in taxation through personal income tax, sales tax and all other taxes is already going simply to pay the *interest bill* on the debts that the government has incurred. The interest bill is now almost \$1,000 annually per head of population. The future has been mortgaged in a spending spree of the present. Under the rules of orthodox debt finance this can only get worse. If these rules are to be strictly adhered to in the future it is not difficult to visualise how virtually all the money in the nation must ultimately come into the hands of the banking system. If money is considered to be a claim upon the real wealth of the nation in goods, services and property then the banking system must eventually "own" everything. "I want the world plus 10%" is not such an unreasonable exaggeration. With this unrealistic jugglery in the financial system one can see very well how the world can owe the world more than the world can pay. This is the garbage you get out of the system when you feed garbage financial data into it.

It may be as well to point out that the provision of Queens' currency in notes and coins for the community is determined by quite different factors than the amount of credit available. Such currency comprises only a few percent of the money supply.

It is certainly understood by the present author that there are definite limits set by the Reserve Bank to the amount of money that can be created by the banks to provide loans. The Reserve Bank through the many variable requirements it sets upon banks can maintain the money supply within the limits required by policy. All trading banks other than State banks must have a Statutory Reserve Deposit with the Reserve Bank in this country. The amount of this deposit is one factor that sets a limit upon their creation of credits. While the percentage can vary considerably, according to monetary policy, yet in general the trading banks are allowed to lend around nine times the amount of their unfrozen cash base.

The crucial point about debt finance for our present purposes, however, is that debt must inevitably increase and accelerate. And this is precisely what we are witnessing in the real

world around us today. The burden of public debt is frightening and impossible to repay. The world now owes the world more than the world can pay. Under the present system there is no built-in mechanism to prevent this accelerating increase in debt from reaching such proportions that ultimately virtually all the money of the nation will be in the hands of those who have the privilege of credit creation. This means that the banks will "own" everything. "Woe unto them that join house to house, that lay field to field, till there be no place, that they may be placed alone in the midst of the earth." (Isaiah 5,8.)

EXPORT OR PERISH

The destructive effects of debt finance will be seen in its application to the productive system of a country. Virtually no kind of production today can be undertaken without the provision of credit. If a manufacturing industry is to be set up vast sums of money will be borrowed as credit created by the banking system to enable buildings and machinery to be set up and materials to be purchased. All of this money, which was created from nothing as credit, will have to be paid back to the bank that created it, and so cancelled out of existence. In addition an interest charge of 15% per annum or thereabouts will have to be paid for the use of the credit. This money, both the capital and the interest on the loan, will be paid back to the bank by the manufacturing firm probably over a period of some years. But where is the manufacturing firm going to get the money from to pay it back? All of this was carefully assessed before the loan was granted by the bank. The bank wanted to know then already whether the manufacturing firm would be financially viable; and from its point of view that meant whether the product would be likely to have sufficient sales to enable adequate profits to be made to ensure the repayment of the loan with interest. It is only when such requirements are reasonably certain that a loan

BOOK NOW FOR ANNUAL DINNER

With the big influx of visitors from overseas, seating capacity for the annual New Times Dinner, to be held on Friday, October 2, will be taxed to the limit, even with more seating capacity at the YWCA, where this year's Dinner will be held. Long-time supporters and their families will be given first preference. But it is essential that they book early in order that the organisers can plan ahead.

The charge is \$20 per person. Please note that this year guests must bring their own refreshments, although pre-Dinner cocktails will be provided. Fruit drinks will be provided on the tables. Those requiring vegetarian meals must order when making their booking, stating whether they require salad or hot vegetables. As far as possible guests will be seated as requested.

We can now announce that British historian, David Irving, will be the guest of honour. But guests at the Dinner will also be meeting and hearing outstanding overseas visitors like Mr. Ron Gostick, National Director of the Canadian League of Rights, and the brilliant American journalist and writer, Mr. Michael Hoffman. Other highlights of the Dinner will be the toasts. Speakers will maintain the high standards and traditions of the past.

The Dinner will be chaired by Mr. Jeremy Lee and Mr. Eric Butler will give the concluding and keynote address.

Unless requested, receipts will not be forwarded to those booking for the Dinner.

Regular Dinner guests are requested to note the new venue for the Dinner. The YWCA is in Elizabeth Street, near the Victoria Market, and there are adequate parking facilities close by.

is granted. And so it is assumed right from the beginning that the loan will be repaid from the profits of production.

But how can the firm make profits? The only way to do this is to sell the products at a price somewhat higher than the cost of production. If the firm sells its products at a price lower than the cost of production it will go bankrupt very quickly. If it sells its produce at a price the same as the cost of production it will inevitably go broke, but more slowly. Depreciation of plant and machinery will eventually catch up with it. And so the only way in which a firm can remain financially viable is to charge as a total price of its total production a figure somewhat above its total costs including financial costs of loan repayment and interest and depreciation costs. Total prices must be greater than total costs. If the firm receives less than its total costs it will go broke.

All of this is simple, but it must also be kept in mind that the profits are not received by the firm until the total price (covering the costs) is paid for the products. But in order that the price should be paid for the products it is necessary that they should be sold. To sell one needs a buyer. But a buyer is not just some one who is interested in the product but he must be someone who also has the money to pay for it. In other words there must be sufficient purchasing power in the community to purchase the total production of the firm, at a price somewhat above its costs of production (including the financial costs) if the firm is to remain financially viable.

And where does this purchasing power come from? It comes by the earnings of the community, whether by wages, salaries, or dividends etc. But as such these earnings have also been a cost in the same, or in a different system of production, which also has to cover its costs in the prices of its products.

In the total productive system of a country, including all of its industries and services, it will be evident that the price tag for all of its production and services must, of necessity, be greater than its costs (including financial costs) of production. This is the only way in which a country's productive system can remain viable.

But only part (albeit a very large part) of the costs of production in a country are paid out in the form of wages and salaries or other ways so as to distribute purchasing power into the community. Certainly some of the costs to the productive system do not distribute purchasing power into the community. Quite obviously the money that is paid back as capital repayment on the initial loan does not distribute purchasing power into the community because it is cancelled out of existence upon repayment to the bank. It has ceased to exist, and so has its purchasing power. But this amount was reckoned in the costs of production to be recouped by the prices of the produce. This means that there will be inevitably less purchasing power distributed into the community by the productive system than that which would be required to buy the products of that productive system. This means quite simply that if no additional purchasing power is distributed into the community other than that which has been a cost to the productive system (like wages and salaries) then it is quite impossible for a nation to purchase its own total production. Greater and greater stocks of unsaleable production must inevitably accumulate. But unless all of its production is sold, or at least that amount which enables it to recover all of the costs of production (including financial costs) in prices, that productive system must go financially bankrupt.

In our society where there is no facility for the creation of purchasing power and its injection into the community without it being at the same time a cost to the productive system there is only one alternative open: "Export or Perish" Somehow money - that is purchasing power — must come into the country from outside to enable our productive system to remain financially viable.

It must be clearly seen, however, that when it is said: "export or perish", "exports" in this context do not mean exports that will pay for imports. The meaning of "export or perish" is that the financial income from exports is absolutely necessary to support the costs of our own internal productive system so that, quite apart from paying for any imports that we

may desire, our own productive system will inevitably go bankrupt unless we have sufficient markets overseas for our products so that money can be imported into our own country to cover the costs of our productive system. From the anomaly that the price for our production at present must embody also the financial costs that do not distribute purchasing power into the community, there arises the startling insanity that a nation under this system must "export or perish". That is why it is deceptively called a "favourable balance of trade" when a country's exports far exceed its imports. That is the only way it can keep going under the present ludicrous system. In the real world of physical realities, however — as distinct from the world of finance — it will be seen as sheer madness to be shipping out of the country vastly more than one imports, in order to remain viable. Solomon in his wisdom did the opposite and made his nation very prosperous.

In addition, however, most, if not all other countries in the world are operating under a similar system. This means that they all need to export much more than they import in order to survive. They too have a productive capacity that is greater than the purchasing capacity generated by their productive systems. But this is absurd. It is mathematically impossible for all nations to export more than they import. And so there must be vigorous competition between the nations to obtain a "favourable balance of trade". This is just what we see in our world today. It does not take much imagination to appreciate the international and military implications of this insane system.

At the time of writing this paper Australians have recently been told by their Prime Minister that they will have to tighten their belts and work harder in order to get our ailing economy back on its feet. In the light of the facts here presented, however, it will be evident that no amount of belt tightening and hard work can ever free us from the inevitable consequences of this financial jugglery. What we need is not more dedication, hard work and speed but rather a complete change in direction.

WHY GREATER PRODUCTION?

Farmers are being told to work harder and to become more efficient so that they can compete better on the world market with their produce. But, while much of the world starves, there are already vast stocks of primary produce in the world — "mountains of butter" — etc., which cannot even now be sold. If Australian farmers, through efficiency, were able to produce ten times as much as they do now, would this get them out of their financial worries? Who — dare we ask — would then buy their produce? But, it is suggested, that they could, with greater efficiency, produce it at two-thirds of the price that it brings now, and then they could sell it. Is that realistic? Already primary produce in the last ten years has risen in price only about one tenth of the percentage of most other goods. The plain fact is that the real cost of primary production today is greater than the price that can be paid for the produce without triggering off wildly escalating inflation. The European Economic Community has realised this, and hence it subsidises its primary production. In other countries of the world such as Australia the primary producer now has to subsidise his own produce by accepting a lower standard of living. He often has to borrow money to keep going and to plant another crop. Thousands of farmers and businesses have simply failed to beat the corrupt financial system and have gone to the wall. Why? It is inevitable under the present system.

In the intense competition that must inevitably result from our present system the temptation to industry, of course, is to reduce the costs of its production by labour saving technology and machines. But a little reflection must show that this cannot ultimately solve, but must only intensify, the real problem of insufficient purchasing power in the community to pay for the cost of production.

Another avenue is to reduce costs in the form of less raw materials in the manufacture of goods. But this reduces the quality of the product so that it wears out more quickly. Again it does not solve the real problem because more items are then needed to supply the same need but the disparity between purchasing power and cost of production remains. Another temptation is to flog the capital resources and equipment beyond the

safety limits and so temporarily to escape the cost of replacements. This only postpones the day of reckoning. The real problem remains.

Consumers try to overcome the problem of inadequate purchasing power to buy the desired products, which are there in abundance, by employing all kinds of time-payment and credit card schemes and thus mortgaging their future. This also ultimately intensifies rather than solves the real problem since payment finally has to be made in any case out of the purchasing power distributed through the productive system but now with interest in addition.

Unless and until there is an infusion of purchasing power into the community from a source that does not enter this amount into the prices of the nation's produce it is quite inevitable that a nation cannot buy what it produces. "Export or perish" is no solution at all. It merely shifts the problem. It is immoral. It loads another nation with the consequences of our own madness. It robs Peter to pay Paul.

IV. THE INEVITABLE CONSEQUENCES OF SUCH FINANCIAL JUGGLERY

The policy that all money comes into being as an interest-bearing loan coupled with the policy that there shall be no infusion of purchasing power into the community other than as a cost to the productive system makes a financial collapse of the national economy mathematically certain.

It is futile to fight arithmetic. You cannot, either by persuasion, by force, or by kindness induce $1 + 1$ to add up to 3. Either you have to accept the sum $1 + 1$ and then be content with the answer 2, or else, if you want the answer 3, you have to substitute a different sum like $1 + 2$.

Debt finance, as we have seen, is self-generating. The more you have, the more you need. When this enters the costs of production a self-generating factor is introduced to widen the gap between prices and purchasing power. Loans are frequently taken out by industry and farmers from the banking system to provide finance for capital works, to build factories or to buy machinery, or farms. This means, however that the loan money has to be paid back together with the high rate of interest charged. The cost of these repayments are reckoned as part of the costs which are to be recouped in the prices charged for produce. The consequent intrusion of the "positive feed-back" principle into the costs of production must further and faster widen the gap between prices and purchasing power and so intensify the need for ever greater exports to enable the productive system to be viable.

What then must be the effect of ever increasing exports over imports? Once it has been shown that our financial system demands a "favourable balance of trade", that exports need to be ever greater than imports, then the principle has been established that we must constantly deplete our own resources of energy, raw materials, products of the soil etc. more and more in order to be able to survive. This is what is happening so obviously in Australia at the present time. We are shipping out vast quantities of our natural resources in minerals, primary produce and manufactured goods, not with the intention of exchanging these for a similar quantity of goods from other countries, but in order to obtain finance to maintain the productive system of our own country and to repay the loans, and the interest on loans, with which we have mortgaged the future. Orthodox economists and politicians tell us that the great problem facing Australia is that we have insufficient overseas markets so that we cannot export nearly enough of our goods and resources and minerals that would enable us to pay our debts and keep the economy buoyant. But it might well be that if we should secure the kind of markets that would enable Australia to, exploit its mineral reserves and export all the produce of the country to the extent that the orthodox economists would envisage, then the 15 million people of this country would soon be huddling together around the edge of a vast hole in the ground from which everything of value has been extracted and exported overseas, a little starved and shivering but nevertheless "happily" composing songs about the "favourable balance of trade".

How do these financial pressures affect the soil of our country itself? The fact of devastating land degradation, massive pollution of the soil, the streams and the environment through heavy use of insecticides, sprays, poisons and chemical fertilisers is well established. This has occurred first through ignorance, and indeed, not infrequently through farmers taking the advice of the experts. But it has occurred also in spite of better knowledge through conscious malpractice.

Why has this occurred? I believe that a general answer that is valid for the present situation may be given quite simply: "It is easier to flog the soil than to flog the banks." Many years ago there was no adequate understanding of soil conservation. Large areas of good soil were destroyed by greed coupled with ignorance. Today, however, there is a much better understanding of soil conservation and proper management procedures. But the destruction of the soil goes on apace. Why? Do farmers enjoy ruining their farms? Are they so greedy that they deliberately abuse their soil in order to keep up with the Joneses as a short term objective, knowing full well that they must inevitably eliminate themselves from their own farms in the long term? I hardly think so.

The facts are that primary producers are at the bottom of the economic scale of producers. They are the foundation of the nation's economy. Below them exists only the soil. In the inflationary situation in our country over the last couple of decades the secondary industries have, to some extent at least, been able to pass on their increasing costs of production in the form of increased prices. They have flogged those below them. But the primary producers at the bottom of the scale of production have not been able to pass on the increasing costs of their production in the form of higher prices for their produce. All they can do is to flog the soil. While the prices of the produce of secondary industries has risen in the last ten years in the order of 500% to 1000% and more in some cases (and these are the costs of production to the primary producer) yet in the same period the prices of primary produce has risen only in the order of 50%. This means that to a large extent the primary producers have paid the cost of inflation. They have subsidized the rest of the community by their own loss. If the prices of farm produce would have risen to the same extent as all other prices — which are also the farmers' costs of production — then inflation would now be wildly out of control. The result of their subsidizing the rest of the community, however, is that many, many thousands of farmers have gone broke and lost their farms, and many more thousands are now so heavily in debt to the banking system that their survival is seriously in question.

Quite apart from the many thousands of farmers who still owe large sums of money on their properties, it has become quite standard now to take out a loan from the banks in order to be able to purchase fuel, fertiliser and seed to plant and to harvest a future crop. Payments to the banks for all these loans just have to be met. It is much easier to postpone for a couple of years the much needed and often expensive work to provide proper soil conservation on the farm than to postpone for a couple of years the repayments of capital and interest to the bank. Perhaps the soil may show some tolerance and mercy, but the banks show none. It is easier to flog the soil than to flog the bank.

But this is not to say that farmers are merely taking the easy way out. They are, sadly, taking the only possible way out under the present system. Many, though not all, soil conservation measures that are required to prevent land degradation do involve a considerable amount of time and money. If a farmer in debt to the banks spends large sums of money for soil conservation, which will not immediately net him a bigger income in the following year with which to satisfy the appetite of the banks, he will lose his farm. He will have nothing to conserve.

Farmers in general do have an appreciation of and love for their soil. If they could they would leave it to their children in a better condition than they received it. This is so surely on the family farms in particular. But the banks and the financiers do not have any feeling for the soil. Bankers may, but banks do not. The only thing that they are interested in is money and how to make the most of their investments. When a farmer is under the pressure of the banks, sound, proper long-term soil conservation measures are an impossibility. Soil conservation and regeneration

measures are today needed on a scale that simply cannot be provided under the present system. Continuing land degradation is therefore an inevitable consequence of the present insane financial policies.

Conservationists who insist, quite correctly and with deep feeling for the soil, that measures must immediately be taken to prevent and to remedy land degradation and pollution of our environment, are, of all men most cruel, unless they can show how this is possible under the present financial policies. Not even conservationists, albeit with much prayer and fasting, can fight arithmetic. Any efforts to do so reveal not brilliance, not love, not even faith, but plain ignorance and stupidity. If they want the answer 3 they must propose the proper sum, like 1 + 2. If we want genuine soil conservation measures to be taken (and I surely believe this is vitally important) then we must sweep away the absurdities and injustices of the present financial system and introduce financial policies that make this possible. When we cease to live for a lie we may begin to live truthfully to reality and in harmony with nature, as God created us to live.

V. PROPOSED SOLUTIONS

Without wanting to say much about such solutions to this whole problem that are unacceptable and unethical it must be pointed out that such solutions are being proposed.

One such solution is the establishment of the New International Economic Order. This proposes to centralise all power in this world into one huge computerised system of control: a one-world government and a one-world financial system with each country subserviently playing its role in the one-world economy obeying the dictates of the central computer. Unfortunately this proposed solution is well advanced and has the active support of many leaders in government.

I believe that there is enough evidence to suggest that the present financial system with its insane anomalies is, in fact, intended to produce the cruel results that we are witnessing at the present time, with all its injustices with the rich getting richer and the poor getting poorer, the huge wastes, the internal and the external strife and tensions, the conditions of starvation in the midst of plenty and all the other absurdities that were listed earlier, so that there shall be an on-going and increasing centralisation of power. People will be so worn down, at last, by all these injustices that they will finally be glad to accept absolute centralised power, as if that were their last hope when all else has failed. We have in such a programme, however, something more bloody, more cruel, more violent and oppressive and unjust than anything that the Old Testament prophets ever condemned with the prophecies of the Lord.

If you ask: What, is the solution? I would suggest something so simple, so painless and so almost un-noticeable as to be rejected out of hand by most people. It is a solution proposed long ago, and frequently by many others but always adamantly opposed by the entrenched finance rulers of this world and their crawling politicians who see their vast power threatened, by sanity. The solution must be to do away with the preposterous lie of debt finance. Money must be created as an asset that remains in the community, not as a debt that must be repaid with interest. Is that advanced simplicity? Whatever it is, it must reverse the present evil because it is the antithesis of its cause. For further details of what has to be done I would refer you to the very recent booklet by Chas. Pinwill: "*WHAT HAS TO BE DONE*".

I believe that the financial causes of the present distress dealt with in this paper, are inevitably bound up with the wickedness, sin and moral perversions that are so rampant in our society today. Because of the wickedness of men God allows the soil of a nation to become unproductive (Is.5, 6-8). God allows the nations also to become befuddled in their minds so that they readily believe a lie and cannot see the obvious way out of their problems (1 Thess.2,11; Romans 1, 19-32). This is what we are witnessing today when men abandon God, denying both His revelation to us in the Holy Scriptures and His work of creation.

The function of the Church in this situation, like the function of the prophets of old, must be to preach repentance, to turn men away from their vain idols to serve the living God who is both our judge and saviour. It is, however, a further anomaly of our times that the very churchmen who are most afraid of a nuclear holocaust being unleashed upon the earth (with its effects of well-nigh total destruction, a nuclear winter and all of that) are the very ones who are vociferous in defending the rights of homosexuals and the freedom of choice for family through abortion etc., which evils must ultimately force God's hand of punishment upon this earth, perhaps through the very things that they fear most.

May our Church then be unconcerned about the possible unpopularity and contempt that it may incur when it touches the central nervous system of our evil society and speak out without fear or favour to call our people and nation to repentance like Jonah in Nineveh, so that sanity may prevail and salvation be provided before it is too late. The only alternative to the repentance of Nineveh is a fate similar to that of Sodom and Gomorrah. God may reserve the fire for His final destruction of this world. All that is necessary for the punishment of the world at present is that the financial system should be allowed to run its course. The result must be efficient and inevitable

May God have mercy?

AUSTRALIA THE MOST FLUORIDATED COUNTRY

There are two main disturbing features of the foundation controversy. The first, and most important, is philosophic. Compulsory mass medication violates the right of the individual to say what medication he will accept. The second feature has been the manner in which medical authorities and other professional people have blatantly manipulated facts, even suppressing facts, in order to further their support for fluoridation.

In a courageous and revealing article in "*The Age*", Melbourne, of February 3, conservative columnist Michael Barnard, says that Australia is the most fluoridated country in the world. Michael Barnard's article demands a much wider circulation than it has had.

Given the increasing urgency of their questions, it is surprising that critics of compulsory fluoridation have not more generally aroused public passions or achieved more sustained debate.

Perhaps it is just another case of the great Australian complacency. Yet, whether for this or any other reason, Australia is the most fluoridated country in the world, and yet the most unquestioning. With few exceptions the authorities appear incapable of learning anything from the doubters, the critics, the unfolding scientific literature, or from the experiences and conclusions of all those countries that have rejected outright the fluoridation of water supplies or have abandoned it on health or ethical grounds.

West Germany, Sweden and the Netherlands dropped fluoridation after pilot trials over many years. Yugoslavia,

Hungary and Belgium also discontinued. And while the United States (50 percent fluoridated against Australia's 67 percent) and Britain, 10 percent, are among those adhering to the concept of fluoride as a miracle tooth decay preventative, it may equally be added that France, Italy, Greece, Denmark and Norway are among advanced countries that never took the risk.

But in Australia the battle for caution and reappraisal rests largely with a small band of persistent questioners, such as Dr. Philip Sutton and Dr. Mark Diesendorf, or with last-ditch rebellious communities like Geelong.

The international limb on which Australia manages to perch itself is highlighted in the British environmental journal, "*The Ecologist*". The current issue devotes four articles to fluorides — one a paper by Drs. Sutton and Diesendorf — and an editorial which argues fiercely that "whereas the benefits of

fluoridation have remained in question, even after 40 years of experience, the evidence increasingly points to fluoridation as being the cause of disease."

But even leaving such contentions aside, there remains a fundamental issue of whether any government or authority has the right to inflict potentially poisonous medication on anyone when they pose no threat to other members of the community and when, most importantly, there can be no guarantee that any individual will be restricted to a nationally "safe" intake of the substance.

Indeed, much emerging evidence appears to the contrary. As Drs. Sutton and Diesendorf, among others, have consistently emphasised, individual fluoride intakes vary markedly because, apart from the artificial addition to water supplies, there is a considerable further component through foods processed in, and drinks reconstituted with, fluoridated water; through the use of fluoride toothpastes, gels and tablets; and even through atmospheric fluoride pollution.

The authors cite, for instance, indications that infants who drink milk prepared with fluoridated water consume about 100 times as much fluoride as their breast-fed counterparts, who are protected from fluoride by a physiological "barrier" that largely prevents it from entering breast milk.

The authors maintain that in their experience "when medical and dental authorities campaign for the fluoridation of a town water supply in Australia, they make no serious attempt to assess the total fluoride intake which citizens may already be receiving.

"For instance, although Geelong had two major sources of industrial fluoride pollution of the atmosphere, the Health Department of Victoria, in a recent letter to the Geelong Water Trust, admitted that it had not determined the fluoride levels in the population of any Victorian town before advocating fluoridation." This disregarded World Health Organisation requirements that fluoride intake from other sources must be taken into account.

Drs. Sutton and Diesendorf are equally sceptical about professional standards at the other end of the scale: the initial studies (mainly American) used to justify artificial fluoridation in the first place. 'The Ecologist' now offers strong additional evidence in a joint paper by Dr. John Colquhoun, former chairman of the fluoride promotion committee of the NZ Dental Health Foundation, and Dr. Robert Mann, a member of the NZ

Government toxic substances board.

In brief, these two researchers, having gained access to NZ Government archives, pour the proverbial bucket on NZ's celebrated Hastings fluoridation study, 1954-70, which has been widely cited as positive evidence of fluoridation benefits. The entire exercise, they contend, was seriously flawed. In particular

(1) The claimed reductions in tooth decay were brought about partly, if not mainly, by a local change in diagnostic procedures;

(2) Reductions over such short periods as cited in the studies were, by today's statistical standards, beyond the limit of credibility for genuine decay reductions;

(3) A drop in dental decay occurred in other non-fluoridated areas throughout NZ during the time of study.

It may be noted that while NZ at one time rivaled Australia's enthusiasm, it has been realistic enough to make at least some gesture to public opinion. Examples: All of Christchurch is now free from artificial fluoridation after a 1986 council poll at Waimairi. The cities of Tauranga (1986) and Timaru (1985) also abandoned schemes after public referendums. But when will Australian communities be allowed a vote?

Why are so many fluoride proponents so reluctant to concede even a suspicion that some of the old assumptions may be less than perfect? The considerable commercial interests and lobby strengths of the aluminium and sugar industries aside, could not the answer be at least partly symbolised in the blunt accusation of a US dental researcher, Professor Albert Schatz, that "ever since US dentistry 'created' fluoridation it has been forced to defend it in the face of increasing worldwide opposition from many responsible scientists.... rejection would irreparably discredit the American Dental Association and the National Institute of Dental Research of the US Public Health Service."

Strong stuff indeed. But reputations in Australia similarly ride on the campaign to lace our diet with a substance whose general image, in historical terms, was changed almost overnight from potent poison to essential element. Until the evidence and hypotheses cited by Sutton, Diesendorf and others - especially those relating to more recent concerns over genetic damage, enzyme inhibition, skeletal fluorosis and the like — are more convincingly answered, suspicions will grow, even in the sleepy backwaters of Australia.

IMPOSSIBLE DEBT SITUATION

The following letter by N.G. McDonald appeared in the Victorian Provincial daily, "The Geelong Advertiser", of June 6:

Sir — Of the 25 births announced (GA 24/ 5/ 87) not one mentioned birth weight in metrics. But seven used pounds and ounces . . . (Great little Aussies).

Not mentioned is the sad fact each new arrival inherits a personal share of \$20,000 of the national deficit.

The financial load will be increased, as the child grows older. By their 21st birthday each Australian child will carry a debt of more than \$200,000.

What an impossible situation for youngsters in the "Lucky Country".

Instead of being a seventh heaven, Australia is becoming a seventh hell. Hidden wheelers and dealers have inflicted a confidence trick, which omits assets from the balance sheet, leaving only financial symbols as an insurmountable national debt.

Australia is now worse off than a Banana Republic.

No political party challenges debt financing and there is no way that the billion-dollar deficit can be paid without further borrowing with increasing interest charges.

The situation is impossible unless someone throws light into a tunnel of darkness.

Challenge will not come from established organisations. Instead, it needs one curious unique individual to expose the conspiracy.

But children and youth are being dulled by drugs and

distractions.

Hopefully, somewhere in this great land is a prophet, in the mould of C.H. Douglas, the Scottish engineer who detonated the bomb of external debt with the truth that everything physically possible must be financially possible.

Orthodox economists have inflicted "mumbo-jumbo" upon sleeping Australians. We are taught that richness results from exporting more than we import. Ask any schoolboy if losing more marbles wins the game?

In a world where everyone's services are not required, unemployment with an adequate income is the goal we should seek, instead of trying to "make work".

Unemployment with adequate funds is no hardship. Some call it retirement.

The real cost of borrowing money is less than one percent. Unless Australians escape from financial fetters, they are doomed to be forever victims of a trap snapped shut during infancy.

ARMAND HAMMER

In his recently published autobiography, Armand Hammer, one of the billionaires who have helped to sustain the Soviet Union, reveals that President Reagan was chary of using him because of his Communist background, until Israeli Prime Minister Begin assured the American President that Hammer was a loyal American, and could be trusted.

Reagan accepted the advice of the former Zionist terrorist. The role of Hammer demonstrates that there is an international power above all governments, Communist as well as non-Communist.

THE BRITISH ELECTIONS

Perhaps it was symbolic of the future that as veteran British statesman and prophet, Mr. Enoch Powell, was voted out of office (by a small minority) the first blacks for half a century were being elected to the House of Commons.

The four blacks elected represent the extreme element in the Labor Party, the element that, along with the Labor Party's anti-defence policy, helped re-elect Mrs. Margaret Thatcher.

One of the new black Members of the House of Commons is Bernie Grant, an ex-member of the Trotskyist Workers' Revolutionary Party, another black using his victory speech to announce: "We can never be free in Britain until South Africa is free".

In her first comments after the elections, Mrs. Thatcher made the type of statement which is made by so-called conservatives the world over: "Work harder and produce more and present problems will disappear." There are no problems about production; the problems are associated with having enough purchasing power to buy what is produced. But like her friend, President Reagan, Mrs. Thatcher the anti-Communist does not mind exporting on credit to the Soviet Union.

The British elections have not solved the basic problems of Great Britain. These problems, unless solved, will inevitably produce the revolutionary situation prophesied by Enoch Powell.

"CENSORED HISTORY"

By Eric D. Butler

In a relatively short booklet, the author has produced what one editor described as the most brilliant synthesis of the essence of the conspiracy against Civilisation yet written. He presents real history, tracing a continuous policy designed to progressively centralise all power on a global scale.

The nexus between International Finance and International Revolution is exposed. Revelations of the huge debts owed to International Bankers by the Communist nations has provided further striking evidence of the nexus.

The author provides overwhelming evidence concerning "The Reality of Conspiracy." He examines the explosive evidence of how from the beginning of the Bolshevik regime in the Soviet Union, it has been sustained with massive economic blood transfusions from the West, as documented for the first time by British-born research expert, Dr. Anthony Sutton. The financing of the Bolshevik Revolution is outlined.

One of the most provocative chapters in the booklet is entitled, "Who are the Jews?", this leading to an examination of the Zionist-Communist creation and exploitation of the Middle East crisis. The reader is introduced to the amazing information, taken from Jewish sources, that the Zionists collaborated with the Nazi regime in Germany both before and during the Second World War.

"The Myth of the Six Million" is a telling presentation of the evidence showing that widespread acceptance of the claim that six million Jews were gassed during the Second World War, is a disturbing example of the power of propaganda to sustain The Big Lie. This lie has been used in sustaining the Middle East crisis.

The chapter, "Towards the World State" introduces the reader to an outline of the programme to create the World State, now openly emerging in the form of The New International Economic Order.

Easily read, this booklet is an excellent introduction to give to those who are not aware that the written history presented to them in the schools, universities and the media, is most misleading. Real history has been censored out.

\$1-50 posted from all League addresses.

HERITAGE... \$12-

A high quality quarterly journal of The Australian Heritage Society. Every issue is a collector's item, covering aspects of the essential Australian heritage not dealt with in any other journal.

HAVE YOU BOOKED FOR THE BIG NATIONAL WEEKEND?

The Australian League of Rights is hosting the Second Seminar of the Anglo-European Fellowship to be held in Melbourne on Saturday, October 3, the first being held in Los Angeles, U.S.A. in October of last year. Further Seminars will be held in North America and the United Kingdom later this year.

The Seminar will present a major line up of outstanding papers by Mr. Ron Gostick, National Director, Canadian League of Rights; Mr. Michael Hoffman, American journalist, author and video-film producer; Mr. Ivor Benson, South African journalist and author; and Mr. David Irving, the well-known British historian.

Mr. David Irving will be the guest of honour at the Annual New Times Dinner, to be held on Friday, October 2. With a big contingent of visitors from overseas - Canada, the U.S.A., New Zealand, the United Kingdom and South Africa — seating at the Dinner will be strictly limited.

Because of the organisational requirements for the National Weekend, no Dinner bookings will be accepted after Friday, September 25. Those who want to make certain that they do not miss this historic Dinner should book NOW. The charge is \$20 per person. Receipts not sent unless requested. No bookings will be accepted without money.

Pre-dinner drinks will be provided, but guests must bring their own dinner wines or other refreshments. No spirits. But there will be fruit drinks on the tables.

All private accommodation has now been taken, but we can recommend moderately priced accommodation for country and interstate visitors.

The YWCA provides increased seating for both the Dinner and the Seminar.

Accredited actionists only may attend the Action Seminar on Sunday, October 3. Lunch will be provided for \$3, while Dinner at \$5 will be provided for those who wish to stay on for the full-scale concert in the evening.

Every effort will be made to seat Dinner guests as requested, but the organisers propose to have as many overseas visitors and Australians seated together as possible.

"UPRISING"

by David Irving

The paper back edition, with the complete original text, of the famous British historian's story of what really happened in Hungary thirty years ago, in one of the greatest dramas since the end of the Second World War. This is not only an exciting story which the reader will find hard to put down, but it helps to shed a blinding light on realities which many still try to avoid. As Irving demonstrates, the Hungarian uprising was basically an uprising against those Jews prepared to serve the Soviet Union. 600 pages of Irving at his best.

Price \$23 posted from all League addresses.