

THE NEW TIMES

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

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WHAT IS CHRISTIANITY WITHOUT THE INCARNATION?

by Eric D. Butler

The glitter and tinsel of the Christmas Season tends to mask the reality of the progressive retreat from Christianity during a century of unprecedented violence and social disintegration. The retreat manifests itself in many different ways, including that of manners. "Manners makyth Man" and the concept of chivalry were a reflection of the Christian stress on the uniqueness and value of every individual. The high watermark of a Western Civilisation undergirded by the Christian value system was reached before the First World War. Society generally was much more pleasant when individual behaviour was governed by the Law of Love as taught by Christ. Houses could be left unlocked, women and children could walk the streets unmolested. The industrial revolution, in spite of its bad features, had lifted the general standard of living with industry, both primary and secondary, relatively decentralised.

But the seeds of the disasters to come had been sown deeply at the very time when science was unlocking truths, which made it possible to open the doors to a new Golden Age. The very foundations of the Christian Faith were being questioned and eroded. Different manifestations of the philosophy of materialism and collectivism were being fostered under the guise of rationalism. The Black Magic of credit creation was making it possible to foster all forms of centralisation, this presented as being "inevitable" and a sign of progress. One result of this was an undermining of the Christian doctrine of free will, a basic feature of a Christianity, which transformed Western Europe with its stress that man was a unique personality capable of shifting the course of history. Christianity was a religion of hope and creativeness, resulting in a Civilisation, which was a complete break from all previous Civilisations, even though the Greek and Roman fusions had made the ready acceptance of the Christian revelation possible.

Social Credit, "the policy of a philosophy", as described by its author, C.H. Douglas, required Christianity as a prerequisite. But the future of Christianity now requires a policy, which reflects the traditional values of Christianity in a material world vastly different from the past. That policy is Social Credit, one that seeks to place the gifts of God, including the unearned cultural heritage and increment of association, in the hands of the individual. There is now a material basis for an expansion of individual freedom and a flowering of the creativeness of the individual on a scale, which dwarfs the imagination.

A PARTIAL INCARNATION

The growth of Western Christian Civilisation was the result of the partial incarnation of the Christian revelation and values. A central feature of the Christian revelation concerned the nature of God, the doctrine of the Trinity. While as the late C S. Lewis demonstrated in his *Abolition of Man*, the great religions of the world share much of the same value systems, the

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 people of the Crown Commonwealth and those of the United States of America, who share a common heritage.

concept of God, or reality in, for example, Judaism and the Moslem religion, is monotheistic, and reflects itself in monopolistic political and social structures. The Trinitarian concept is reflected in the type of constitutional developments, which first took root in England. A Christian society is one in which there is the maximum of decentralised power, with checks and balances. The drive towards greater centralisation, and the subordination of the individual in the mass, is a manifestation of the retreat from Christianity, the incarnation of an anti-Christian philosophy.

A reversal of the present retreat will not result from pious platitudes at Christmas time about "Peace on earth and Goodwill towards men", with hard pressed business organisations attempting to keep their businesses operating by persuading people to join in the "Christmas spirit" by buying as many expensive gifts as possible — if necessary by going further into debt via the credit card. Regeneration of what is a sick and dying Civilisation can only start with individuals making a conscious effort to gain an understanding of the traditional value system and doctrines in which their Civilisation was originally rooted. But more than this is necessary: they need to be instructed on the meaning of the observation that Faith without works is death.

Which highlights the necessity of a wider realistic understanding of the meaning of the Doctrine of Incarnation. As on so many other questions, Douglas sheds a blinding light on this matter by providing an analogy: "Let us . . . compare Christianity to the Theory of Thermo-Dynamics, and assume, for the purpose of the argument, that all the elements of that theory were widely known two thousand years ago. It is not difficult to imagine that those who grasped the implications of it might say, 'Here is the key to the better society. Here is the title deed to a leisure world. Disregard all else, and apply thermo-dynamics'- Remember that we are assuming that James Watt was still to be born. And the world at large would have said, 'this man says the magic word is Thermo-Dynamics. Crucify him!'"

"Now the fact, which ought to be patent to anyone, is that it is the Policy of a Philosophy which is important (because it is the *evidence* of things not seen); and that Thermo-Dynamics means nothing without Heat Engines, and Christianity means nothing without the Incarnation. You cannot drive a dynamo with Boyle's Law, or the Queen Elizabeth with Joule's Equivalent. This country is not now the Policy of a Christian philosophy, and before it can, as an organisation, put into practice successfully . . . Christian principles, it must understand their application through proper mechanisms. . . ."

PRACTICAL PROGRAMME NECESSARY

No one will deny that the Christian Church does much good and that many individuals are helped to ease their personal disasters. But much of the activity is of a band-aid nature, with the Christian Church reduced to the level of welfare agencies. Trendy clerics concern themselves with the de-sexing of the Scriptures and similar activities while the majority of Australians groan under the destructive policies which break up families, deprive hundreds of thousands of young Australians with little or

CHRISTMAS GREETINGS

This is the last issue of "*The New Times*" for 1991, and we wish all our readers and their families a Holy and Happy Christmas. Christmas is concerned with the celebration of the birth of He who said that He had come that man might enjoy the life more abundant. It is a time for regeneration, to prepare for the on-going battle between Good and Evil. We invite our readers to join with us in the New Year to continue the battle.

no hope in the future, while the suicide rate soars throughout rural Australia. There is barely even a whisper of criticism from the pulpits of the anti-Christian financial policies, which have produced a deepening disaster. It is surely a form of sacrilege that Christian congregations should be invited to repeat the Lord's Prayer, asking that God's will be done on earth as it is in heaven, when there is no suggestion of a practical programme to make this prayer a reality. There is no suggestion that Christ's lead might be followed by at least verbally attacking the moneychangers. And St. Paul's teaching that the love of money — the worship of a man-made abstraction — is "the root of all evil" — is studiously ignored, or misrepresented.

Until such time as the doctrine of the Incarnation is taken seriously, and acted upon, the retreat from practical Christianity must continue. Christmas is that period in the Christian calendar when this doctrine and its implications should be given special attention. 'And the word was made flesh and dwelt among us.' Yes. But were we not told that we must be *doers* of the word? Faith without works helps extend the spiritual death now threatening the very existence of what is left of Christian Civilisation.

A CHRISTMAS THOUGHT

"The strength or weakness of a society depends more on the level of the spiritual life than on the level of industrialisation. Neither a market economy nor even general abundance constitutes the crowning achievement of human life. If a nation's spiritual energies have been exhausted, it will not be saved from collapse by the most perfect government structure or by any industrial development. A tree with a rotten core cannot stand. This is so because of all the possible freedoms, the one that will inevitably come to the fore will be the freedom to be unscrupulous, that is the freedom that can be neither prevented nor anticipated by any law. It is an unfortunate fact that a pure social atmosphere cannot be legislated into being. In order to function, democracy needs a certain level of political discipline among the populace."

— Alexander Solzhenitsyn in *National Review* U.S.A.
September 23, 1991.

MR. W. (BILL) MANIFOLD

It is with deep regret that we record the recent death of Mr. Bill Manifold of Camperdown, Victoria. As revealed in his book, *Never A Dull* Bill Manifold was first introduced to Social Credit when training as a pilot in Alberta, Canada, early in the Second World War. Immediately upon returning to Australia after the war he made contact with the League of Rights and quickly demonstrated that he was a 'born Social Creditor' A member of the well-known Victorian pioneering Manifold family, Bill Manifold first demonstrated his writing skills in a work on the history of the family. But it is his *Never A Dull*, which demonstrated the real character of Bill Manifold. The courage and ability which earned him the Distinguished Flying Cross, is demonstrated also by the manner in which he demolished the 'holocaust' myth. He provides a brilliant exposition both of the philosophy and policy of Social Credit. Bill Manifold was a Christian gentleman in every sense of the term, and his influence will live on for years through his book.

We extend our deepest sympathy to his widow Cynthia and family, including his sister Marigold (Paine).

'THE INTERNATIONAL IDEA'

by C.H. Douglas.

The following are the notes of a London address by C.H. Douglas, published in "*The New Age*" of January 14th, 1932. At a time when "The International Idea" is being promoted with increasing intensity under the label of "A New World Order", Douglas's address is both prophetic and highly relevant to the present state of the world.

I should like to impress upon you that in bringing forward the subject, which is covered by the title for discussion, I have no intention of merely initiating an interesting discussion upon a philosophical abstraction. As you are aware, I regard society at the present time as being a battleground of two fundamentally opposed ideas, at any rate, as they are put forward, and the future of society is likely to be determined by which of these ideas shall prevail. So far as I can see, those of us who are in this room constitute the general staff of one of the armies. We are the general staff, not perhaps because of any outstanding qualifications for the task, but because there does not appear to be any other on our side with a clear conception of what it is trying to do. Now one of these ideas, the one which we oppose and which has many forms, has one of its embodiments in the idea that social progress must take, in the breaking down of all differences, social and national, and the setting up of a World State.

But the first doubt which I should like to assist you in casting upon this superficially attractive idea is to direct your attention to the fact that, like all the other analogous ideas of which it forms one exhibit, it is impervious to the assault of fact. The fact that the Irish Free State has split itself off from Great Britain, and that India and Egypt seem likely to go the same way, that there is a strong and growing Home Rule movement in Scotland, that certain States of Australia are contemplating secession from the Australian Commonwealth (West Australians voted for secession while a number of New State movements emerged at this time. -*Ed. New Times*), that there is quite a strong, if not articulate, division growing up between the Eastern and Western States of the American Union, and between the Eastern and Western Provinces of the Dominion of Canada, that Spain seems likely to split into two separate republics, that of Catalonia and that of Northern Spain, and many other instances of the same type, offers no evidence or argument to the internationalist.

Now, of course, there is a perfectly straightforward and practical explanation of this propaganda for internationalism, and for practical reasons one does not really need to look further. Hardly a day passes without a leading article in *The Times*, or other papers of the same type of interest, remarking, as though it were axiomatic, that the world is one economic unit, and that no adjustment of the present discontent can be expected that does not proceed from international agreement. These journals are ably seconded by High Clerics. This opinion, you will notice, is never argued; it is always stated as though it were obvious to the meanest intellect, which is, in fact, just about what it is. Now, as I have said, the simplest explanation of this is that if you only make a subject large enough and involve a sufficiently large number of people in the solution of it, you can rest assured you will never get a solution. A democracy of a thousand voters can be personally approached and convinced on any subject within a reasonable period of time, but if you enlarge the franchise to include everyone over twenty-one in a population of 45,000,000 you can be reasonably sure that any general conclusion at which it will arrive, it will arrive at twenty-five years after the conclusion ceases to be true. If you can superimpose upon that, by means of a controlled Press, Broadcasting, and other devices of similar nature, something that you call "public opinion" (because it is the only opinion which is articulate) you have a perfect mechanism for a continuous dictatorship, and, moreover, it is the form of dictatorship which is fundamentally desired by the

collectivist mentality — a dictatorship which has power without responsibility.

There is, however, another explanation almost equally obvious, and probably equally true, and that is that local sovereignty, particularly as it extends to finance, is a barrier to the supremacy of international finance.

A Jewish financier, expressing his contempt for Gentile mentality, once remarked that the secret of the inability of the Gentile to shake himself free from the dominance of finance resided in the fact that the Gentile was incapable of distinguishing between numbers and things. I should be inclined to go further than that, and say that the mentality, which is attracted to the Internationalist idea, is incapable of distinguishing between numbers, things and individuals. It is a type of mentality, which is fostered and ultimately becomes inseparable from people who deal with nothing but figures, and is, in my opinion, the reason why the banker in particular is fundamentally unsuited for the position of reorganiser of the world. No banker, as such, has any knowledge of large undertakings. He thinks he has, because he deals with large figures, and he mistakes the dealing with large figures as being equivalent to dealing with large numbers of things and people. Mr. Brenton has dropped upon a letter from a correspondent, Sir H.O. Williams (incidentally, an engineer) to *The Times* of December 8, and referred to in *The New Age* of

LEAGUE BASIC FUND AT HALF-WAY MARK

Thanks to the dedicated and, we suspect, some sacrificial giving, a minority of League of Rights supporters have lifted the 1991-92 Basic Fund to just on \$35,000 - half of the total of \$70,000 required.

As the battle for Australia's survival intensifies, and the ferment of public concern grows, the demands on the League's resources increase. All kinds of requests, some from students, come in. Unfortunately, the League is not yet as well equipped as it should be to adequately service all of these requests. But it has increased the flow of educational material of all kinds, with greater use of audio and videotapes. A massive expansion of this type of activity is planned for next year.

The most ambitious publishing venture in the constitutional and heritage field is planned for early next year. This venture will delight all those Australians concerned about the campaign to turn Australia into a Republic by the year 2001. But we estimate that this venture alone could cost \$15,000.

One of the League's younger Victorian supporters, Neville Archibald, who has emerged as one of the growing number of League leaders of the future, has volunteered to join the League's small full-time staff. He will be visiting Queensland as early as possible for some important fieldwork. This act of faith should prove an added challenge to all those League supporters who have not yet given to the current Basic Fund.

All contributions to the Basic Fund should be forwarded to Box 1052J, G.P.O., Melbourne, 3001.

December 17. It calls attention in a hesitating way to one of the most important ideas I have ever seen in that newspaper, which idea I feel sure must have crept in by mistake. It is contained in the enquiry, "Can like be equated to unlike, by any necromancy of gold?" You might put the matter another way by enquiring whether there was any similarity between a Beethoven Sonata and a bottle of wood alcohol in New York, because you can buy either of them for 5s.

Now this is the idea, which is at the root of the International idea, where it is held sincerely. It is that you can obtain an elaborate series of statistics regarding the populations of the world and put a committee down at Geneva, or elsewhere, to legislate for them on the basis of statistics. It is an idea, which will never be accepted by anyone who has ever run or organised a small business, and its most vocal exponents, such as, for instance, Mr. H.G. Wells, or Sir Norman Angell, have never, I think, been responsible for the organising of a business of any kind. Their qualifications for organising the whole world have never, as one might say, been checked by any kind of laboratory experiment. They are, in fact, in exactly the same position of a would-be bridge builder who is ignorant of both the Theory of Structures and the Strength of Materials.

The danger to the world of this idea is instant and practical. There is a world movement definitely conscious of its aims, counting among its adherents many persons placed by social position, prestige, and other conditions, in what would seem to be a most impressive relation to politics and organisation, which is consciously working for just exactly this purpose. With it, or behind it, however you like to regard the matter, are all those forces whose ends are best served by the subjection of the individual to the group. While it will certainly fail, its backing makes a conflict certain.

I should like to direct your attention, as a more than usually illuminating instance of what I mean, to an article which appears in the November issue of "*International Affairs*", which is the journal of the Royal Institute of International Affairs, an organisation which possesses a Royal Charter, and which (as viewed from Chatham House) brings together the best brains on all subjects connected with High Politics. The article is entitled, "The Trend of International Affairs Since The War", and the following extracts are indicative of its nature:

"Either our modern economic internationalism has to be sacrificed, or else we must learn to live our political and cultural life on the modern worldwide scale, which we have achieved in our economic life already"

"The other alternative, of course, is that we should bring our political and our cultural life into harmony with our economic life; that we should preserve our economic internationalism by internationalising our social life through and through, in all its layers."

"You remember, perhaps, that one of the most famous generals in history once remarked that his opponents were invincible because they never knew when they were beaten. It is my hope that this same kind of invincible ignorance — a really heroic form of ignorance, may carry our generation to victory in our spiritual war for the establishment of universal and enduring peace."

"If we are frank with ourselves we shall admit that we are engaged in a deliberate and sustained and concentrated effort to impose limitations upon the sovereignty and the independence of the fifty or sixty local sovereign independent States."

The surest sign, to my mind, that this fetish of local national sovereignty is our intended victim is the emphasis with which all our statesmen and publicists protest with one accord, and over and over again, at every step forward we take, that, whatever changes we may make in the international situation, the sacred principle of local sovereignty will be maintained inviolate.

This, I repeat, is a sure sign that, at each of these steps forward, the principle of local sovereignty is really being encroached upon, and its sphere of action reduced and its power for evil restricted. It is just because we are really attacking the principle of local sovereignty that we keep up protesting our loyalty to it so loudly. The harder we press our attack upon the idol, the more pains we take to keep its priests and devotees in a fool's paradise, lapped in a false security which will inhibit them from taking up arms in their idol's defence."

"In plain terms, we have to re-transfer the prestige and prerogatives of sovereignty from the fifty or sixty fragments of contemporary society to the whole of contemporary society."

"In the world as it is today, this institution can hardly be a universal Church. It is more likely to be something like a League of Nations. I will not prophesy. I will merely repeat that we are at present working discreetly, but with all our might, to wrest this mysterious force called sovereignty out of the clutches of the local national states of our world. And all the time we are denying with our lips what we are doing with our hands."

"But supposing this does not happen? Supposing that the present generation of mankind is defeated in the end, after all, in the strenuous effort which we are making to centralise the force of sovereignty?"

"But Prussia has not ceased to be one of the great States of the modern world. She is still great, because her public organisation... is still second to none. I suggest to you that history is likely to repeat itself here, and that, once again, what Prussia is today, France and Great Britain and Italy, yes, and even the United States, are likely to become tomorrow. For the sake of the peace and prosperity of the world, I devoutly hope that my prophecy will prove correct."

Now if the address from which these extracts are taken had been given at some local Socialist or Communist Forum, and had appeared in, let us say, *The Worker*, or some other sections of society which are more obviously suffering from the present state of affairs, one would, if one had felt obliged to notice it at all, have remarked that it was rather poisonous nonsense, and left it at that. Communists, in their periodical appearances in the police court, might well refer to it. But the speaker was Professor Arnold Toynbee, who was one of the British representatives at the (Versailles) Peace Conference, and, I believe, amongst other things, is, or has been, the occupant of the Chair of Greek at London University, and the occasion was the Conference of Institutions for the Scientific Study of International Relations held at Copenhagen on June 8. 1931, at which twelve countries were represented and, in addition, delegates attended from four international organisations, the nature of which was not stated. These Conferences were initiated by the League of Nations Institute of Intellectual Co-operation. The address, therefore, from the auspices under which it was given, is a matter for serious attention. The first point in it to which I would like to draw your attention, is the emphasis that it places on the fact that the work he is so proud of has been persistently pursued for the last twelve years with all possible energy and in every country, and yet it does not appear to the speaker to question whether there is anything in the state of the world at the present time which would suggest that the results could be regarded as a subject for congratulation to anyone outside the confines of a criminal lunatic asylum. In Europe, the national sovereignty which has been wholly delivered over to the tender mercies of the League of Nations in the period under review is Austria, and if the state of Austria at the present time is an exhibit as to the state that the whole world will be in when it, too, has been brought under the League of Nations, then I think we can say in all seriousness, 'God help the world'. You will notice that this peculiar blindness to facts which seems to be characteristic of all persons afflicted with the collectivist mentality is strongly in evidence, together

with the peculiar determination to regard the populations of the world as only salvable through a continuous course of deception, by being made to vote, and to think, and to call for things of which they do not know the meaning or the result.

You will also note that there is not a single reference in this article, and in general there rarely is, in proposals of this nature, any reference to the remote possibility that so far from nationality being the cause of the worldwide unrest, it is sovereignty, whether national or international, which is resented, and that to replace national sovereignty with international sovereignty is to still further complicate and exaggerate the evil against which the whole world is rebelling. Or to put the matter another way, Professor Toynbee and others who think like him, are not really interested in removing the cause of complaint at all, they are merely making it impossible for complaints to become effective.

I think it is significant that what one might call "good-class" propaganda for internationalism has for many years been a passport to political success, particularly in Great Britain. It has been clearly allied with political Liberalism, and the support, which political Liberalism has always received from International finance, is well known. Strictly speaking, the orthodox tenets of British Trade Unionism are strongly national and anti-international, a fact which anyone can prove for themselves by talking to the average working Trade Unionist on the subject of Protection. Yet, the British Labour movement, which has also received considerable covert support from international finance, has officially presented a policy of internationalism as part of its

platform, and those Labour and Trades Union officials who have been most conspicuously successful have taken care to render, at any rate, lip service to the international idea.

It is, perhaps, hardly necessary to point out to an instructed audience that the conflicts between nations, at any rate in modern times, are not due to the existence of nations so much as to the existence of conditions which cause friction between nations. To argue that the best way to stop war is to abolish nationality is exactly the same thing as to say that the best way to stop fighting between individuals is to abolish individuals.

EVENTS CONFIRM DOUGLAS VIEW

Approximately sixty years after the Douglas London address on internationalism, and later enlarged upon in other critiques of internationalism, explosive developments throughout what was once the Soviet Empire, have confirmed the Douglas view that internationalism is doomed to failure. But while the different nationalities, with their different cultures, of the former Soviet Empire are striving towards self-determination, the internationalists are attempting to force the Western European peoples, including the British, into a centralised United States of Europe. It can be predicted with certainty that this attempt at furthering the international idea will also fail. Margaret Thatcher has belatedly grasped that British sovereignty is threatened by a Federal Western Europe and may yet play a decisive role in preventing a British surrender to internationalism.

WHY THE CAMPAIGN AGAINST PRINCE CHARLES?

Anyone who has taken the trouble to read the views of Prince Charles, as expressed in a number of addresses, is struck with the vast gap between the picture of the future King as presented by sections of the mass media, and the reality. Philosophically, it is clear where Prince Charles stands. Like Alexander Solzhenitsyn, for whom he has expressed open admiration Prince Charles does not believe that the philosophy underlying a gross materialism offers any salvation for mankind. He has recently suggested to psychiatrists that the healing influences of Christianity might be seriously considered for disorders of the mind.

The anti-Charles critics have sneered at how the Prince has "isolated" himself with his "unprogressive" views on architecture, literature and education, while it is charged that he has been influenced by some "way-out" psychological theories. The truth is that Prince Charles has been influenced, directly and indirectly, by the teachings of the well-known psychologist Carl Jung. Jung more clearly grasped the reality of the Hitler phenomenon than most, and if his views had been heeded, there would not have been the widespread delusion, still promoted today, that Hitler's National Socialism was a conservative movement genuinely opposed to Bolshevism. Mussolini's Italian Fascism, a forerunner to Nazism, was described by C.H. Douglas as Bolshevism "wintering in the Mediterranean."

Jung warned against the dangers of the mass society to the psychological health of the individual: "all human control comes to an end when the individual is caught in a mass movement and the archetypes begin to function." So far from being a slightly "dotty" figure spending his time talking to the flowers, Prince Charles is following his own advice concerning the importance of returning to one's roots. He is clearly determined to play an active role as the future King by drawing attention to basic issues. It is no secret that his father, the Duke of Edinburgh, has some knowledge of Social Credit and is aware that genuine conservation, in which both he and Prince Charles are interested, is often obstructed by financial consideration.

The determination of Prince Charles to play an active role in public affairs recalls what happened to King Edward VIII, later the Duke of Windsor, when he spoke out during the Great Depression, stating that he was not going to tolerate the financial destruction of his subjects. The forced abdication of Edward was in reality a major victory for the Money Power and a devastating blow to the principle of Monarchy. In a penetrating comment in the journal *Social Credit*, of December 11, 1936, Douglas summarised the issue as follows: "As I see it, therefore, the issues involved in this question are, firstly, the lead by his Majesty the King in favour of personal responsibility and against the committee mind, and secondly the legality of Cabinet rule. It is a trial of strength in which the individual, in the person of the King is ranged against the anonymous forces of the group in its most dangerous exponents."

The smearing of the Duke of Windsor continues to the present day, a recent report attempting to suggest that the Duke

SWITZERLAND'S POLITICAL INSTITUTIONS

by Oswald Sigg.

This book, by a Swiss, places the Initiative and referenda in its proper perspective, as a tool for participatory democracy. It outlines the Swiss experience with referenda over 200 years, using examples. It explains in simple terms what the Swiss have to do to force a referendum, and that it is an excellent mechanism for disciplining politicians and governments.

An excellent booklet for a practical explanation to Australians about 'CIR'. Switzerland is a federation, as is Australia, and Sigg provides a lucid description of a complex system of initiative and referenda which could be the key to Australia's political future.

\$5.00 from all League book services; \$6.00 posted.

was pro-Nazi because he had attempted to use his influence in support of those British leaders who favoured an attempted peace treaty with Germany at a time when this was possible, early in the Second World War. The Duke of Windsor, echoing the views of his father King George V, probably signed his own death warrant with his statement that "if the paradox of millions of people haunted by poverty and demoralised by lack of employment while living in a world rich in actual and potential resources is to be destroyed, the determination to apply the corrective must never flag."

During the debates at Canberra concerning the King Edward VIII crisis, it was John Curtin, leader of the Labor Opposition, who expressed his doubts about what was being done, pointing out that as the Prince of Wales, the Duke of Windsor has been the most popular and unifying influence the British world had seen. Is it feared that the present Prince of Wales, like his predecessor has the potential to direct attention to those fundamental values, which are essential for a process of regeneration? The controllers of the mass media appear to be determined to prevent, if possible, the real Prince Charles from adequately presenting himself and his views.

THE PLIGHT OF THE PASTORAL PEONS

by Neil McDonald

No fun for the Aussie farmer. Six out of ten are technically bankrupt — unable to pay increasing debts.

The family farm — once haven for sturdy, proud pioneers, is now a prison of a shuffling chain gang in financial bondage.

Poverty has drained optimistic energy to doubt and despair.

Descendants of rugged country folk who carved prosperity from bare bush are now victims of disaster more savage than drought, flood or fire. Show them the enemy or threat and their fighting spirit will resist and conquer. But, today's real villain is concealed — a silent slaying sleuth in the armour of world economics.

Unfair Competition — definitely not on a level playing field - has helped undercut reasonable prices with subsidies and dumping. The farmer has been reduced to a day labourer — a peon shackled with a ball and chain of eternal debt.

Australia's rural debt has risen from four billion dollars to twelve billion — impossible to ever pay away.

Imports flood in, enticing shoppers with lower prices that Australian growers cannot match. In desperation, some plough in potatoes, shoot sheep, remove trees and try to sell fruit — crazily under-priced — for cash money at the roadside.

Wool is stockpiled . . . almost five million bales held by the Australian Wool Corporation. Another annual fleece crop coming but no distributive solution from Government or Opposition. No cries of anguish from Churches either. God's promised abundance should mean paradise on earth. There's no production problem. Only an efficient means of distribution needed to ensure consumption. But, silent apathy from the pulpits. Jesus Christ got stuck into the moneychangers. His agents lack vision and determination — merely being meek and mild.

Many family farms are mortgaged to the eyebrows. Banks are over a barrel too, being able to repossess, but not sell — except to install a docile, inexperienced manager. Crops need tender, loving care, not academic robots.

In the evening, farmers puzzle over credit squeezes, trade wars, overseas competition and markets. A reduced income trickles and dries leaving a residue of interest bills.

Three out of ten family farms will change hands in the next five years. Farmers with less than 70 percent equity will walk away — broke, bitter and ill equipped to survive strange city life

already hosting younger unemployed. With the loss of once familiar customers, the local friendly shopkeeper will also suffer.

Exhausted, confused, the farmer and wife follow sons out of the lonely gate. They ponder the recipe for ruin — the carrots of credit. . . "Get bigger or get out".

More land, more machinery, more stock proved not a key to greater prosperity, but a prescription to torture and retreat.

Critical rally time is before eviction occurs.

Before forced exodus, farmers should be offered a moratorium on their debts. Better still is cancellation — merely the same simple method that credit is born . . . by the stroke of a pen.

CHRISTIAN PROPHECY

by Edward Rock, Chairman, Christian Alternative Movement

What is the true role of prophecy in the Christian life? The best bible teacher, and teacher of Christian doctrine I sat under, Rev. Charles Maling, defined the true prophet as one who defines the signs of the times and interprets them in the terms of Christ's teaching. He then passes on that knowledge to others, instructing and teaching in order that those who listen may profit by understanding, may take corrective action, and generally work within the boundaries of God's laws to his own benefit and to the benefit of others.

Charles Maling went to Africa as a lay Christian, a working tradesman missionary. He built schools, churches and homes. It was not until much later in life he entered theological college and became an ordained minister of religion.

That pattern, — other than ordination to the ministry — fits one of the greatest prophets I have known, certainly the greatest of this century in my opinion, C.H. Douglas. An engineer by training and pursuit, his latter life was given to warning his fellow man of the consequences of departing from not only the laws of physics, but natural law, moral law, and most importantly spiritual laws as applied to social life, the welfare and sovereignty of the individual, the workings of the state in their national and international context. The data he worked from was those truths established beyond question by cause and effect in human experience related to the subject of constitutionalism, which governs the boundaries and laws which limit the powers of coercion by man, in order that he may not impinge upon the power and authority of God and his desire and design to free mankind from evil.

It is not too much to claim in my personal opinion, that the contribution Douglas made, not only to the survival of Christian civilisation, but also to its future pro-generation, notwithstanding the media and educational boycott of that contribution, could be one of the most salient factors ensuring its survival and triumph over the present period of de-generation. Douglas was able to prophesy with pinpoint accuracy events, which were the inevitable result of departure from God's laws. As such he was a true prophet.

There is another type of prophet. That which seeks to interpret scripture and esoteric writings to foretell the course of history. Obscure texts and indefinable data are given an authority reflecting religious bias and desire resulting out of the conflict between the old and the new covenant. The restoration of the modern state of Israel is the classic example. To the false prophet this is the working out of God's design, the fulfilment of biblical prophecy. The flagrant misuse of power employing evil unlimited can be justified to fit the fulfilment of prophecy. There is no attempt to define the signs of the times as a departure from God's law. In fact there is a blindness to the misuse of political and financial power, and the corrupt media bias, which ensures the triumph of evil. Those being taught by such prophets

remain ignorant of important Christian principles which, if widely understood within the Christian community would result in the correction of many evils. Furthermore the Christian community is disarmed by the argument that the inevitable design of God is at work. As the evil separates out through the community with the inevitable results the true prophet is able to foretell, the Christian withdraws to that position which denies the purpose of God sending His Son to redeem the world from the powers of evil, and they wait and pray for the second coming of Christ, believing such an event is only correcting what the first coming failed to do. The whole concept is a mockery of God's purpose, of the sacrifice of His Son, and the victory over evil Christ achieved through his on-going ministry through the

power of the Holy Ghost.

What a privilege it is to be working with that ministry, to be part of that company Christ referred to when he rebuked false prophets for failing to "do the will of my Father, which is in heaven". To do the will of our heavenly Father involves us in being faithful in obeying His laws. If we do His will, we invoke His power. Prophecy will then take care of itself, because the will of God is what prophecy is all about. That is why I continually stress that Christianity is a practical religion. The spiritual power we derive from faith is applied that we may derive that "substance of things hoped for, the evidence of things unseen," as God unfolds before our eyes those gifts He has in store for us, gifts which Douglas referred to as Social Credit.

BANKING INQUIRY MISSES THE POINT

by Senator Paul McLean.

When the Report of the Commission of Inquiry into Banking Practices was presented to Parliament last week, it drew strong criticism from many quarters, including the Governor of the Reserve Bank, Mr. Fraser. The Labor backbencher who headed the enquiry, Mr. Stephen Martin, presented a number of dangerous recommendations, including offering open entry to overseas banks to compete on Australian financial markets. His report also proposed that foreign banks operate as branches of their overseas parent companies, which as Mr. Fraser points out, places Australian investors at risk, as the health of the parent company would be well beyond the scrutiny of Australian authorities.

If Martin's recommendations are adopted, it also means that the State banks, if privatised could be bought by the biggest foreign bidder from any part of the globe. Senator Paul McLean is more responsible than any other for forcing the enquiry into banking practices. However, it appears that the Martin Committee has ignored McLean's major concerns of corruption, the monopoly of credit creation, and gross mismanagement. In his speech to the Senate on the second reading of the Bank Practices Bill, McLean predicted that the inquiry would not come to grips with the key issues on banking, and called for a Royal Commission with wide terms of reference. The following is the text of Senator McLean's speech, on 28/5/91, with sub-headings inserted.

Banking is, of course, one of the most fundamental and integral processes of modern society. It touches the daily lives of us all. Clearly, in a healthy democracy, those who hold the power and privilege of being bankers and who administer these processes on our behalf have the most profound of responsibilities to society. Yet there is ample evidence that banking is not being practised at its best in Australia today. Every daily newspaper in recent months has catalogued the dimensions of dissatisfaction with this most vital of financial and social processes.

Recent history provides us with some remarkable examples of institutional financing at its worst — one needs only cite the revelations of the Nugan/Hand Royal Commission, the exposes in relation to Rothwells in Western Australia, Tricontinental, Pyramid and Farrow in Victoria to evidence the travesty of what has passed for banking in this country in recent years. Furthermore, the crash of a number of high profile Australian entrepreneurs who had been generously and imprudently bankrolled by Australia's leading bankers has very severely damaged an already suspect Australian image overseas.

ENQUIRY "LACKS FORTITUDE"

Whilst concurrent royal commissions into state banking and the Federal Parliamentary Inquiry will go some way into examining specific aspects of bank practise, in the eyes of many they will not go far enough. In my view and that of many key witnesses, the current Bank Inquiry will not come to grips with the more serious aspects of banking malpractices in Australia. The premature and extraordinary disregard of vital evidence placed before it, and apparent lack of fortitude of the Inquiry, highlights a glaring need for a royal commission, in order to depoliticise the investigative process thereby allowing a true revelation of the excesses and abuses of Australian banking in the 90's.

The Australian Democrats have consistently argued that the deregulation of banking in the early 80's dramatically shifted the orientation of banking towards profit and that this shift, together

with inadequate supervision of the banking system, has transformed the ethos of banking to the detriment of many aspects of Australian life especially small business and farming.

BANKING "SUPERPROFITS"

There is no escaping the fact that banks enjoy a most extraordinary privilege — viz. the power to create credit estimated by

AN IDEAL CHRISTMAS PRESENT

'Better Health With Medical Mother', a collection of the writings of the late Lady Phyllis Cilento by her daughter, Dr. Ruth Cilento, has been released by the publishers specially for the Christmas market. It makes the ideal gift. Lady Cilento was widely acclaimed, not only in Australia but also overseas, for her work in the field of health and nutrition for the family. Lady Cilento was probably Australia's best-known medical practitioner. Modern medicine has caught up with much of what Lady Cilento pioneered. For more than fifty years Australian mothers read *'Medical Mother'* in the columns of the Brisbane *'Courier Mail'*. Generation after generation appreciated her commonsense approach. She was a pioneer in the field of vitamin therapy.

'Better Health With Medical Mother' is more than a thoroughly researched collection of articles covering diet, health and answers to modern problems: it is a handbook for living.

This attractively produced work is moderately priced at \$18, posted. It may be obtained from all League bookshops.

conservative bankers at seven times held deposits, some would be far more audacious. If you and I were able to multiply our bank balance sevenfold and to continue to do so to any further deposits that might come our way, we would be delighted. This privilege, of course, becomes even more potent when banks lend these extraordinary windfalls to the less fortunate at exorbitant rates of interest.

These realities are powerful enough in themselves but they became far more so when banking became profit-driven in a deregulated market. This has, of course, been the situation in Australia in the 80's and 90's. As Australia's major banks have successfully pursued 'super profits', (a devastatingly appropriate term coined by Mr. Dan Argus, Managing Director of National Australia Bank, in a confidential memo), ordinary Australians have paid an enormous price. Some argue that the provision of credits by banks is the essential dynamism of the economy in the prevailing development oriented model of today. However, credit is debt and the massive indebtedness of today — including personal, foreign and commercial debt — has been substantially and deliberately created and exploited by banks in their successful pursuit of super profits.

CREATION OF CREDIT

The difficulties, which have flowed from massive indebtedness accompanying the bonanza of credit creation, are frightening in their dimensions. When banks create credit they do so by mere ink on paper, or more accurately these days, with the flick of computer keys. However, they require that the borrower secure these debts with real assets such as a farm, a business or a home, (this is the crucial step which is the essence of the banks' power). They then require that borrowers service these debts at extraordinary levels of interest - rates of 18¾% have been quite common in the past few years. Obviously in servicing such high interest rates, businesses are bled white and are left unable to promote, develop, research or market products. These, of course, are the very processes, which make for vibrant small business and primary producing sectors. Furthermore, if borrowers are unable to service these exorbitant rates of interest then the banks foreclose and sell the assets at a fraction of what they valued them in enticing borrowers into the debt in the first place. They can sell at such ridiculous prices because in real terms the bank paid nothing for the asset in the first instance when it acquired it as security by advancing "created" credit.

CORRUPT PRACTICES

But in Australia in recent years we have witnessed far beyond even this. In their pursuit of 'market share' in the post deregulated context a wide variety of practices have emerged which are now evoking the community's ire. These range from excessive interest and a myriad of charges to malpractice and even corrupt practices. I have tabled much sworn and substantiated evidence in the Senate in the past three years, only some of which such as the infamous Westpac letters has received public attention. Certainly the foreign currency loans fiasco demonstrated how innocent borrowers could be gravely damaged by bank greed and suspect practices.

The Westpac letters alone reveal a set of circumstances which warrant a royal commission -- Australia's largest law firm; Allen Allen and Hemsley advising Australia's largest commercial bank, Westpac, that it had breached its fiduciary obligations at law, its statutory obligations to the Reserve Bank, had evaded taxes and committed fraud, all to make massive profit at ordinary Australians' expense. The fact that the Treasurer, Attorney General, the current Bank Inquiry, the Leader of the Opposition, and the parliament at large lack the will to

THE FINTA TRIAL

Commemorating the Australian visit of Canadian barrister Doug Christie, a book is being published on the historic Finta war crimes trial in Canada, which Christie won for his client. An introduction by Christie himself and a fascinating outline of the trial itself, together with the final part of Christie's moving summary to the jury. Orders now accepted, from Box 1052J, G.P.O., and all League State addresses. A splendid permanent souvenir of Doug Christie's Australian visit.

PRICE: \$6.00 POSTED

address the very real imperatives presented by this evidence is indicative of a deep lack of moral courage. Little wonder, in the light of Nugan/Hand, Rothwells, Tricontinental, foreign currency loans, a timid and impotent Bank Inquiry and the ineffectiveness of the Reserve Bank, that those in the commercial banking sector feel so secure in their power and display such arrogance in its use.

BANKRUPT FARMS AND BUSINESSES

But our concerns should go much beyond that. We now find Australians in thousands moving inexorably towards bankruptcy because they are unable to service indebtedness. There has been in this first quarter of 1991 a 53.6% increase in bankruptcies nationally, with some States experiencing more than 70% increase. The associated foreclosures mean farmers leaving the land and business people leaving their businesses. The four major banks alone have warned shareholders of a massive provision for bad debts of \$10 billion.

Those who administer the banking system at the highest level are themselves admitting to mismanagement on a national scale.

The Reserve Bank admits to leniency and bank watchers and finance commentators cite the fact that leading banks have disregarded directives of the Reserve Bank.

Attempts on the part of ordinary Australians to resolve their differences with their banks in the courts have revealed the callousness of banks in exploiting a range of tactics to both obstruct and delay just outcomes and even to pervert the course of justice.

THE HUMAN TRAGEDY

Whole communities such as the Eyre Peninsula and Nyngan have been devastated by bank greed. Many farmers have been reduced to the level of serfs and peasant farmers who will never escape the web of debt unless they are prepared to surrender properties they and their families have owned and farmed for generations. This web of indebtedness is almost all pervasive. The vast majority of real property in this country is to some degree or another mortgaged to financiers, especially to the banking sector. Through rampant foreclosure much Australian property must inevitably change hands. Foreign ownership and social dislocation are the most obvious outcomes, but the human tragedy and disappointment has many less apparent manifestations such as the breakdown of health, marriage and family.

Only a royal commission with both broad and specific terms of reference such as those proposed in this bill will reveal the magnitude and nature of what bank greed has delivered upon Australian society. It is imperative that such a royal commission be initiated at the earliest possible time.

We must cause the words of Ainslie Rothschild, so prophetically and knowingly spoken in 1801, to ring in the ears of all Australians; he said: "Allow me to control the credit of the nation and I care not who makes the laws".

I commend the bill to the Senate.

Enterprise

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New Series No.2

N.F.F. FAILS RURAL AUSTRALIA

by David Thompson

It is now a common perception in rural Australia that the primary industry organisations have lost touch with the bush, failed to adequately represent the rural crisis as it is, and respond with measures to meet the crisis. Further, groups like the National Farmers' Federation (NFF) have failed to understand that a conscious, deliberate programme of dispossession of independent rural people has been taking place over a long period of time. The chaos and tragedy now so patently visible is simply the culmination of many years of financial and economic attack on private ownership of property.

It is a serious reflection upon the judgment of those in positions of leadership that they evade their responsibilities to rural Australia by declaiming that "some farmers will have to go — those who aren't viable, who can't cope". Leaders such as the Minister for Agriculture, Mr. Crean, and the Governor of the Reserve Bank, Mr. Fraser (himself from Junee in country N.S.W.) have both recently sought such refuge.

In all the desperate ferment now taking place in rural Australia, the question of the National Farmers' Federation and their "Fighting Fund" generates more resentment than any other. Rather than fearlessly speak out against such things as usurious interest rates, unmanageable debt, a flood of foreign food imports and foreign ownership of property, the NFF almost appears to have become a part of "the Establishment", and abdicated on the critical issues.

AUTHOR FLAYS LEADERS

Last month one of Australia's most enduring and successful authors, Morris West (*"Shoes of The Fisherman"*, *"The Devil's Advocate"*, *"The Salamander"*, etc) was invited to speak at the Centenary celebrations of Hawkesbury Agricultural College. A man who, on his own admission, has never grown a blade of wheat nor dagged a sheep, West blasted all those with leadership responsibilities over the appalling agony of rural Australia.

West subsequently wrote an article for *The Weekend Australian* (23/11/91), which began:

"In Australia today a tragedy is being enacted - a tragedy of epic dimensions: the steady and sure destruction of our rural industries, the debasement of our farmers into serfdom and peonage."

In a single sentence, West has surpassed the pathetic contributions of almost every farming leader in the nation! Other extracts from his address highlight the problem:

"Between June 1980 and June 1990 the total rural debt in Australia has increased from \$3.7 billion to \$11.7

billion, and that figure is increasing by nearly \$3 billion a year in interest and penalties.

"This can never, will never be repaid. To pretend otherwise is hypocrisy, ruinous folly. The loss spiral is too swift, and too steep, the recovery rate too slow and too problematical. The standard banking expedients of capitalising interest or re-scheduling payments are no solution. They serve only to colour the illusion and defer the ultimate reckoning...."

"We are in the middle of an undeclared trade war — with the United States, with Europe, with every other country which depends on extractive and rural industries. Whether they admit it or not, they are all pursuing protectionist trade policies, while we still cling to the illusion that we can survive as honest free-traders on a level playing field.

"Earlier this year we were treated to the grim comedy of importing fruit concentrates from Brazil, and elsewhere while local growers were dumping fruit and grubbing out orchard trees. Other countries are underselling us with heavily subsidised produce, while we ourselves are quietly cutting our own throats by buying dumped produce from abroad... "

"PEONS" MORTGAGED TO THE LIMIT

"At least 30% of sheep-wheat land will have to change hands in the next five years, while low prices and debt burdens will send to the wall any farmer who owns less than 70% equity in his property.

"In the long term the prognosis is grim. The young people are leaving the land, many of them to swell the numbers of unemployed in the cities. It is the older ones who are hanging on because they have no place else to go, and because they are being maintained at subsistence level by the banks as caretakers and custodians until the drought cycle changes and their properties become productive again.

"It is of these that I used, deliberately, the word "peon". It has an exact meaning. A peon is a debtor who is held in servitude until the debts are discharged. All too many farmers are in precisely that position. They are over their heads in debt to banks or pastoral companies. Their properties, their stock, their machinery, their forward crops are mortgaged to the limit. ... "

DEBT MORATORIUM ESSENTIAL

West then went on to outline four "essential remedies", which were:

- 1) "Time must be provided to get essential action under way, *and time can only be provided by some form of immediate moratorium to halt the dizzy spiral of debt.* "The banks have been imposing quite ruthless pressures in the collection of debts. These pressures have to be taken off so that reason and a national vision can be brought to bear on what is an urgent problem.
- 2) "There has to be immediate action by the Federal government and State governments to devise a bi-partisan policy for the reconstruction of our rural industries. .. We have to get everybody who has power, influence and simple common sense to contribute.
- 3) "Our present tax system is totally punitive, and to an industry in near despair, is only an incentive to suicide. *There have to be substantial tax breaks for rural investment,* for pasture improvement and water conservation and for the savings made in good years to provide for the inevitable lean ones.
- 4) "Overseas capital... It is inevitable that rural properties will have to be consolidated and scientifically farmed ... to do this, overseas capital will be required.

West is correct on every count, except that of foreign investment and the inevitability of rural consolidation. The whole tone of his argument insists that financial mechanisms must be found and bent to the task of serving rural Australia and hence the nation. Foreign capital is unnecessary for this task. With modified financial mechanisms no less orthodox than a moratorium on debt, Australia's own banking institutions can be used to provide the necessary credits, at interest rates that are realistic and affordable.

LEAGUE CHALLENGE TO THE N.F.F.

How is it that a story-teller from the city can sum up the rural agony, place it in its correct context, and unerringly place his finger on a few constructive answers, while the industry leaders themselves mill about in confusion? Not only have industry groups like the N.F.F. refused to come out fighting for rural Australia, but they have frequently denigrated those who have! The N.F.F.'s executive director, Mr. Rick Farley has publicly warned country people that the "infamous" League of Rights is peddling simplistic snake oil that is divisive and misleading. In order to challenge the NFF over its perceived inaction on behalf of rural Australia, the following letter was written to the President of the N.F.F., Mr. Graham Blight (who farms in the Riverina) on November 1st. Sub-headings have been inserted:

Dear Mr. Blight,

I would like to ask for clarification of the National Farmers Federation's position in regard to the future of the small independent primary producer, who makes up the bulk of Australia's farmers. There appears to many to be a lack of leadership from the N.F.F. concerning such people, and a preoccupation with ideologically "correct", policies concerning trade.

I can hardly believe that the N.F.F. has taken no policy position on the importing of billions of dollars worth of food annually into Australia. I refuse to believe that you and your

executive are insensible to the damage being done to small producers by imported food. Fruit and vegetable growers in particular are suffering enormous damage — citrus growers in your own area will confirm. The pork, and even the dairy industry feel the impact.

The League of Rights, for which I take responsibility in N.S.W, has felt obliged to oppose the "radical free trade" ideology, which can only exacerbate the problem. You must also be aware that the League has drawn considerable criticism from Mr. Rick Farley, your executive director. Much of this criticism is unwarranted and inaccurate. Let me be specific.

1) Mr. Farley argues that the "perfidious" League of Rights has generated spurious suggestions that the Lima Declaration (Peru, 1975) commits Australia to transfer wealth to developing countries.

Any accurate reading of this declaration can confirm such a conclusion. However Mr. Farley then describes such an argument as outdated nonsense, claiming instead that the GATT process and such instruments as the U.N's International Development Strategy represent a different policy, replacing the Lima Declaration, which was non-binding and has no legal status.

This is a misrepresentation of the truth, to put it mildly. A study of the International Development Strategy, which is also non-binding, and has no more legal status than the Lima Declaration, reveals that it furthers the strategy outlined in the Lima Declaration. All that is changed is the language; *the programme is the same.* We do not claim that either document is a binding agreement.

The League of Rights has simply drawn attention to this programme, and pointed out that since the Whitlam Government, Australia has been following policies remarkably similar. Both the Lima Declaration and the Development Strategy require the elimination of domestic protection, the transfer of industrial resources to third world nations, and the internationalisation of the domestic economy. We argue that such policies are not in Australia's best interests.

WILL THE N.F.F. FIGHT?

2) In a report published in the *Sun-Herald* (6/10/91) Mr. Farley is quoted as saying that he has no doubt that various rural action movements that have been established in most States were front organisations for the League of Rights. Such is not only utter rubbish, but reflects poorly upon the N.F.F.'s concern for struggling primary producers. It would be flattering to think that the League does have such organisational capability, but the truth is that the lack of leadership by farmer organisations like the N.F.F. has driven desperate people to unusual measures.

Further, I draw your attention to the extraordinary success of groups like the Eyre Peninsular Farmers Action Group in assisting farmers to stay on their properties, and retain the hope of a farming future. The N.F.F. and other groups had refused to help at all, even though many such farmers had contributed money they could ill afford to the N.F.F. "Farmers' Fighting Fund". If such groups are League "fronts" as Mr. Farley claims, is he implying that the League has been successful where the N.F.F. has failed rural Australia? He can't have it both ways.

3) The same newspaper report also quotes Mr. Farley as rejecting the League's criticism of the N.F.F. for not using Fighting Fund money to bail out individual farmers. The League has never suggested this. Rather, we have asked why such huge resources, collected to "fight" for the farmer, have not been deployed in the struggle taking place. I point out that increasing numbers of farmers who contributed to that Fund are now no longer in primary production. They have struggled alone, and lost the "fight". If you are unaware of it, such apparent inaction is the source of much bitterness in the bush. Add to this the millions of dollars collected by the N.F.F. from other

farm organisations annually, and large numbers of farmers ask why the N.F.F. preaches to them in terms of ideological purity, instead of doing what they promised in 1984 and 1985 when collecting funds — "fight for farmers".

NEW BREED OF AGRO-BUREAUCRATS

Finally. I want to ask if you can confirm that Mr. Farley actually *does* speak for the N.F.F. on the above points? As the President of the N.F.F., I assume you are ultimately responsible for Mr. Farley's comments. The only other conclusion is that perhaps the N.F.F. policy-making is now being driven by a new breed of agro-bureaucrat from Canberra, who are well-insulated from any rural hardship, and perhaps insensible to both the conditions destroying rural Australia, and the aspirations of primary producers.

I am sure you would agree that what is most desperately needed in rural Australia now is genuine *leadership*. In 1985 I and other League spokesmen had high hopes that a man like Ian McLachlan could provide it. His challenge to the National Party to "lift their game" was refreshing. When you were elected to the Presidency of the N.F.F. I was encouraged by your reported statements that you were committed to the survival of the family farm. Much has been promised by the N.F.F. in the last seven years, but little has been delivered. It is not too late for genuine leadership, but the initiative is yours.

Please find enclosed a copy of the newspaper report quoted above, for your reference. I also enclose a copy of the "*Horsham Rally Resolution*" which is self-explanatory. The League had an influence in the drafting of this statement, adopted at Horsham unanimously. We stand by the suggestions contained as a first emergency step to meet what can only be described as crisis conditions in rural Australia. I would be most interested in any comments you may have concerning the contents.

I look forward to hearing from you at your earliest convenience.

Yours sincerely,

David Thompson, State Director, N.S.W.

THE N.F.F. RESPONSE

N.F.F. Executive Assistant, Debra Jensen, responded on Mr. Blight's behalf, but didn't *answer* my letter. Only a few extracts are useful:

"The N.F.F. has *never* advocated free trade, only *fair* trade."
... "N.F.F. has spent a great deal of time this year on social welfare and equity issues"

Rather than address the *causes* the N.F.F. concentrates on treating the *symptoms*. On the issue of the "Fighting Fund":

"Even if all the AFFF was made immediately available to "fight for the farmer" rural Australia will not be rescued. *There are no quick fix solutions...*"

How, then, will rural Australia be rescued?

A phone call to Mr. Blight leaves one with the impression of a man of great sincerity, frustrated by the difficulty of achieving results. He highlights the N.F.F. role in such matters as legal challenges to unions, research, submissions to bureaucracy, and lobbying; activity *behind* the scenes, dealing with effect, rather than cause.

While Mr. Blight may concede that crisis conditions justify unorthodox measures, the N.F.F. stops short of supporting calls for debt moratorium, or action on food imports. It is apparent that *the N.F.F. has no programme to defend the independent family farmer*, and keep him on his property during the worst rural crisis

since World War II. In fact, given the time and energy that N.F.F. has spent on welfare issues, it is almost as if the policy is to ease as many producers off their properties as possible, with a minimum of fuss, assisting them with "Job Search" and "New Start Allowances".

It is argued that support for "radical" measures will compromise the "credibility" of the N.F.F., the only currency that counts in negotiations with M.Ps, bureaucrats and the banks. While those who contributed to the "Fighting Fund" are slowly being financially strangled, the knowledge that they are an essential sacrifice to the 'credibility' of the NFF is cold comfort.

BLIGHT TAKES THE FIRST STEP

At the N.F.F.'s general council meeting in Canberra on November 19th, Mr. Blight took what could be the first step towards a constructive public campaign to ease the rural burden. For the first time, the N.F.F. declared that it would oppose any moves to reduce protection further in the rural sector. "I think we've done enough, and I don't see why we should give away any protection we've got left — and God help us it's very minimal — while we still have a lot of regulations and the inefficiencies we have out there," he said.

This is a significant shift in attitude, and breaks the pattern of trade ideology that is destructive to domestic industry and agriculture. *But this is only the first step* toward addressing key issues that have so far been avoided by the N.F.F. The statement drew immediate support from an unlikely source.

Mr. Doug Anthony, former Deputy Prime Minister, and National Party leader, congratulated Mr. Blight, and said his statement "indicates that at long last it (N.F.F.) has seen the folly of the devastating "level playing field" philosophy it has been pursuing for the last seven years" Perhaps much could be said about the National Party record under Mr. Anthony, who was one of the architects of the World Parity Pricing agreement, which artificially inflates the prices of fuel by enormous taxes. Perhaps Mr. Anthony might care to debate the issue of tariff protection, and the like, with Mr. Tim Fischer, under whom the Nationals are committed to the elimination of all tariffs by the year 2000!

CAN THE N.F.F. COME GOOD?

It is not yet too late for the N.F.F. to provide intelligent, resolute and courageous leadership to save rural Australia. But it will require them to abandon their image of the agro-bureaucrat who sits on committees with economists and politicians, and come out fighting for farmers who are looking down the barrel of forced bankruptcy. It will require that their executive risk the social ostracism that could result from a vigorous rejection of some fashionable economic ideologies that prove disastrous in practice.

There is certainly room for a strong, intelligent campaign in the cities and towns, on issues that can unite rural and city people, farmers and unionists, housewives and factory workers. *The issues certainly exist*. It would require finance for newspaper advertising, for brochures, cassettes and videotapes. Such a campaign could weld

together a new movement of Australians who can unite on issues like taxation and interest rates, and have the capacity to scare the daylight out of the comfortable party political hacks in all parties. If the N.F.F. leadership could catch the vision, *they are certainly well equipped financially* to pursue it with at

least \$11 million in a "Fighting Fund" that is far more than any political party could raise for any campaign of any kind. With such a campaign, a visionary, committed rural leadership could be forgiven any past transgressions by a country with new hope for the future.

WHATEVER HAPPENED TO THE "FIGHTING FUND"?

by D. Thompson

During the last of the rural crises, the National Farmers' Federation (NFF) established a "Fighting Fund" that was to be used to defend the interests of farmers in a number of key areas. Many farmers contributed money that they did not have — some even borrowing for the purpose — in the desperate hope that the then President of the NFF, Mr. Ian McLachlan, would provide strong, innovative leadership to a weakening rural lobby. Something in the region of \$12 million was contributed by farmers and businessmen.

At the time that the fund was collected, the major political parties were extremely nervous that it could be used to campaign against them. It could have been a major threat, especially to the indolent hacks of the National Party who have consistently compromised rural interests for a "share of power" in government. The fears of the political parties proved to be unfounded as the NFF effectively ignored their record of betrayal, and spent large sums pursuing legal actions against unions instead.

WHO CONTROLS THE FUNDS?

It is reported that, although \$5 million has been spent from the Fund, with accumulated interest, in excess of \$11 million remains. Some 50 projects have been financed from the Fund, including legal challenges to unions, procedural challenges to groups like the Tax Office, Industry Assistance Commission, the Quarantine Inspection Service, Department of Social Security, and the Customs Service, the establishment of a Washington "Listening Post" on trade issues, and to send a delegation to the **U.S.** to argue Australia's case in the subsidy war. While all these initiatives are useful in some respects, the main issue confronting farmers have largely been neglected. The NFF has refused to grasp the nettle on finance, and challenge the problems resulting from the "get big or get out" philosophy; huge debts, compounding interest bills, and immoral interest rates. The issue of credit creation has been ignored.

The "Fighting Fund" is controlled by a Board of Trustees. According to *"The Farmers Voice"*, the official newsletter of the Australian Farmers Fighting Fund, the 7 trustees are: Mr. Graham Blight, NFF President; Mr. John Mackenzie, NFF Treasurer; Mr. Rick Farley, NFF **Executive** Director; Mr. Tony Summers, Chairman of Trustees; Mr. Michael Tooth, former NSW Farmers Association President; Mr. Peter Lee, NFF Senior Vice President; and Mr. N R (Nobby) Clark, former Managing Director of the National Australia Bank. Mr. Clark's appointment follows the retirement of Sir Charles Court, and Mr. Tooth's appointment follows the resignation of Mr. Ian McLachlan.

IS THE NFF "SOFT" ON THE BANKS?

If farmers ask why the NFF has not allocated funds to campaign vigorously on issues like a moratorium on rural debt, the writing-off of unpayable debt, and the predatory practice of some banks, perhaps the composition of the Board of Trustees could provide clues.

If Mr. Peter Lee is any indication, the Board could be largely ignorant of the realities of money and finance. As the President of the W A Farmers Federation, Mr. Lee writes a column in the

Primary Producer newsletter, sent to financial members of the WAFF. In Vol. 1, No 10, of August 1991, Mr. Lee writes:

"I am concerned at the story, circulating throughout Australia, that the collapse of the Australian rural economy is the result of a plot concocted by the Socialists, Fabians, or even some mysterious international force.

"Of greater concern is the view that money isn't real and that it can be created by a bank and lent out at 1 or 2%. Perhaps as it isn't real, it doesn't need to be repaid either.

"Australia's farmers didn't get to be the most efficient in the world by believing in Father Christmas or the Easter Bunny.

"Unfortunately, money is real, and money supply, although flexible, is a major component of economic management. Increasing money supply at will is just printing money. . . ." (Emphasis ours). Clearly, Mr. Lee is woefully ignorant of the credit-creation process, and with such views, realistic financial policies are impossible.

It is much harder, however, to argue that Mr. Nobby Clark is as ignorant about financial realities as Mr. Lee. The uncharitable and entirely unjustifiable rumour entertained in some parts of the bush is that Mr. Clark's presence on the Board of Trustees, *ensures that the NFF doesn't attack the banks*, and resists any suggestion that the banks be stripped of their monopoly in the creation of credit.

It has also been suggested that large sums were collected from businesses for the Fighting Fund, and that the NFF may suffer a conflict of interests in some respects. How much did Elders contribute, for **example?** And if the banks contributed, how **much?** The Fighting Fund newsletter, *"The Farmers Voice"* reveals that *40% of the Fund was raised from the general business community.* That is, about **\$4.8 million** was collected from the "business" community, which could include banks and finance companies.

In addition to the Fighting Fund, and interest on the Fund, the NFF's agro-bureaucrats also collect annual membership fees from the various primary producer bodies affiliated to NFF. The *Financial Review* (29/5791) provided a break-down of the staggering sums collected. It is reproduced in the table below, and helps to explain why NFF staff in Canberra are well-insulated from any genuine understanding of rural hardships. The question to be asked, is **DO AUSTRALIAN FARMERS GET THEIR MONEY'S WORTH FROM THE NFF?**

	Main State Farmer Organisations			
	Members	Average m'ship fee	Budget	Contrib to NFF
VFF	20,000	\$158	\$6.0m	\$300,000
NSWFA	16,000	\$130	\$4.5m	\$792,000
UFSSA	9500	\$250 (flat)	\$3.0m	\$510,000
WAFF	9000	\$350	\$2.5m	\$350,000
PGA	1400	\$700	\$1m	\$150,000
UGA	3000	\$500-600	\$1m	\$250,000
CU	3800	\$210	\$1m	\$165,000
QGGA	4200	\$200	\$1.2m	\$232,000
TFGA	n/a	n/a	n/a	n/a
TOTAL	66900		\$20.2m	\$2.7m