

THE SWINDLE OF DEPRECIATED MONEY

The Rev. Alan Walker, Methodist Minister at Bondi Junction in New South Wales, had an article in the *Sydney Herald* on "Inflation as a Moral Problem." It was so thought-provoking that it induced Mr. A. G. Huie, editor of the *Sydney Standard*, to give him a direct reply. Mr. Huie's observations will, we are sure, interest our readers:—

"Prior to Federation, N.S.W. was a Free Trade State and was prospering. Victoria had high protection and her people were being starved. I was born in the Riverina and lived there most of the time until late in 1898, when I moved to Sydney. Men used to come over from Victoria looking for work or a bit of cheap land or to take the places of N.S.W. strikers—starved out of Victoria by protection and yet they would bring their wretched superstition with them.

"Federation came a few years too soon. It was agreed to by N.S.W. only by a narrow majority and would never have been carried but for the falsehoods of Barton and the wobbling of Reid. I voted against the Bill. I have never known a man, who opposed the Bill, who regretted his vote, but I have met many who voted for it who regretted their vote as they realised they had been deceived.

"In the first Federal Parliament the Barton Government brought in a protectionist tariff in spite of Barton's assurances to the contrary when he was seeking election. Protection was sneaked in by false pretences. Such are customary tactics with protectionists. In those days a prominent Church of England clergyman, the late Archdeacon Piddington, of Tamworth, referred to it as the 'Sin of Protection.' Daniel O'Connell, a noted Irishman over 100 years ago, was very outspoken. He said it was 'robbery of the poor by the rich.' And Franklin Pierce, of the United States, in his work 'The Riddle of the Tariff' described it as the 'greatest instrument of political corruption ever devised by the perverse ingenuity of man.' Prior to Federation it was called the 'Berry Blight' after the Victorian Premier who deceived his fellow citizens into adopting it

"Since the first Federal Parliament the sin of protection has been extended. The worst offender was J. H. Scullin, the most incapable Prime Minister we ever had. He practically gave the robbers of the poor a free hand during the depression, under a false pretence as usual.

"Labour Party Governments have been the worst in promoting inflation. Fisher with his 'flimsies' started the debasement of the currency. Thus we had the tariff raising prices and a currency with declining purchasing power. The combined evil effects were not very noticeable after the conclusion of the 1914-18 war. They

were *obscured by the high prices* for primary products, borrowing for public works and soldier settlement. The latter wild-cat policy involved the country in a loss of some £44 millions according to the Royal Commission report. So the depression came on. It was inevitable. The politicians took over the rate of exchange from the banks which were guided by the market.

"It should never have been taken from the banks. They understood the business, the politicians did not. It has since been a plaything of politicians, used by them to appease privileged interests. Thus at the present time there is the strange spectacle of the Country Party agreeing with the Chifley policy and the protected manufacturers. Their victims are the poorest in the land.

"See how history is repeating itself after the second world war. High prices for primary products and heavy borrowing. The after-war depression appears to be developing quicker than after the first world war, the debasement of the currency now being the major factor.

"You say there is nothing so obvious about inflation as its injustice. That is so. Mr. Menzies was reported as saying when winding up the Conference you attended, 'Inflation is theft.' And 'if our motto were "Thou shalt not steal" then a great deal of our inflation problem would be solved.' One is inclined to say to him in the words of the New Testament, 'Physician, heal thyself.' Mr. Menzies all along has hugged the superstition of protection and inflation which enriches the few at the expense of all of us.

"I do not understand your statement, 'It would be possible for us to ease the burden of inflation on ourselves by taking action which will increase the poverty and want, even the hunger of our neighbours in Asia and the world at large.' How could that be, seeing that it is our own policy which is seriously restricting the production of food stuffs which the people of Asia and the world so sorely need?

"It is not mainly the high price of wool that restricts wheat production but the artificial conditions that deny the farmer market value for his wheat. In this way he has lost a great many millions.

"I do not see that we require a world vision. If we wait for that we will never get anywhere. Our job is to tackle the question properly here and now. We need a man with the vision and courage of Sir Robert Peel. He pointed out that after vainly trying to get better trading relations with other countries they decided to consult their own interests. So the Corn Law was abolished and the great progress of modern Britain began.

"Of course, if the whole nation was aroused to the seriousness of the position we would have a chance of getting results. But limitation of profits, pegging wages and prices will get us nowhere. Such proposals are restrictive and restriction must never take the place of freedom. There is one basic cause of high prices which you do not mention and the Conference did not refer to it. It is the speculation in land values which is forcing up the price of land against all who want to use it for purposes of production.

"Thus some ten per cent. of the people are gaining from all public expenditure. They will suffer least if inflation runs riot. Land value is publicly created value, now misappropriated. False systems of taxation to enrich a few at the expense of many are based upon this primary wrong. We will get nowhere until we are honest enough to face realities."