# THE

# MONEY POWER

VERSUS

# DEMOCRACY

BY

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# INTRODUCTION TO SECOND EDITION

During the thirty-five years since '*The Money Power versus Democracy*' was first published, early in the Second World War, Civilisation has disintegrated at an accelerating rate. Centralised Money Power has been increased while effective democracy is practically non-existent.

My warning that International Finance was plotting to destroy the British Empire was, unfortunately, well-based. The peoples of the British Empire played a major role in the defeat of Hitler's National Socialist Germany, but lost the peace. The British Empire and Commonwealth was broken up, not by superior force of arms, but by the use of Money Power and subversion. While the Second World War was still raging, plans were being advanced for the destruction of what was the greatest single international barrier to the establishment of the ultimate objective of the Money Power: The World State. The first act of surrender by the United Kingdom was acceptance of the Bretton Woods plan for the establishment of The International Monetary Fund and The World Bank. One of the principal authors of the Bretton Woods plot was Harry Dexter White, a top official in the American Treasury Department. White was subsequently exposed as a Soviet agent.

U.S. President Roosevelt, charged by Sir Winston Churchill as a man dedicated to breaking up the British Empire, was the tool of the International Money Power. As the creature of the financial groups who imposed the Bolsheviks upon the unfortunate Russian people, Roosevelt naturally gave the Soviet leader, Stalin, all he demanded. The result was a long series of retreats by the West in the face of the pressures of International Communism.

Proof of the nexus between International Finance and International Communism has now been so thoroughly documented that it cannot be denied. In his detailed studies published by Stanford University, Dr. Antony Sutton shows that the Soviet has, from the beginning been sustained and developed

by massive economic blood transfusions from the West. The major evidence concerning these blood transfusions are outlined in Sutton's '*National Suicide*'. Sutton followed this work with '*Wall Street and The Bolshevik Revolution*'.

The International Money Power is now openly financing both the Soviet Union and Communist China. When Mr. David Rockefeller, Chairman of the Chase Manhattan Bank, established his bank in Moscow in May, 1973, it was at the most prestigious address in Moscow: Carl Marx Plaza. When Rockefeller established the Chase Manhattan in Communist China, the first Western Bank to be established there for 24 years, he wrote in '*The Times*', New York, of August 10, 1973, that "The social experiment in China under Chairman Mao's leadership is one of the most important and successful in human history."

A major feature of the disintegration of Civilisation has been escalating inflation, most of this the result of the application of the financial policies of John Maynard Keynes, the British economist who, in spite of his frank admissions concerning the creation of financial credit, was promoted by the Money Power. A major feature of Keynesian economics is that the economy must be stimulated with deficit budgets. Deficit budgets increase the financial indebtedness of communities and contribute significantly to inflation. Keynes openly advocated 'controlled inflation'. The Marxists welcomed his policy as the best method of destroying the de-centralised free enterprise economic system. And with it, democratic government.

Centralised Money Power, mounting debt, taxation, rates and inflation are being used to deprive individuals of control over his own destiny. The theme-song of the centralisers is 'Get Bigger or Get Out'. Nations are told that they must also amalgamate and form 'Common Markets'. It is significant that the International Money Power heavily backed the campaign to force the British people into the European Economic Community.

There is no hope of Civilisation being regenerated unless the power to create and control money is decentralised.

Centralisation runs contrary to reality and inevitably produces greater friction and chaos. And yet the dramatic technological advance and expansion of the industrial arts makes it *physically* possible to provide the individual with more real security and freedom than in the recorded history of mankind. He is being robbed of his rightful heritage.

How can the process of accelerating centralisation be stopped? Only when sufficient informed individuals learn how to associate together to use their social power to impose their will upon their political institutions, insisting that the policies of the Money Power be broken. It is certain that the formation of more political *parties* merely assists the Money Power to extend its control of the people. Putting marks on pieces of paper every few years, without doing anything else, only serves to help legalise the policies of the centralisers.

Writing in his great classic, '*The Passing of Parliament*' (1952) the eminent British constitutional authority, Professor G. W. Keeton, said that "The history of modern political society is in large measure the history of the struggle of the ordinary citizen to exercise some influence upon government - and of his repeated failure to achieve that modest ambition. All governments control the governed. They vary widely in the extent to which they made control manifest." After referring to the techniques of the National Socialists and the Communists, Professor Keeton observed that the progress towards tyranny in countries like Britain was more subtle because of the existence of political parties, these only proposing different variations of the same programme behind a facade of alleged competition.

While the party system will continue in some form, it is certain that a new type of non-party political programme is essential if there is to be a reversal of the policies of disaster. A new generation will find in '*The Money Power versus Democracy*' some indication of what was achieved before the Second World War in the pioneering of effective political activity. The lessons of the past are always worth heeding.

Fortunately, there is a re-birth of the ideas of genuine democratic action by individuals - particularly around the English-speaking world. If the republication of '*The Money Power versus Democracy*' assists with a process of regeneration, its republication will be more than justified.

*- ERIC D. BUTLER*
*Melbourne, Australia*
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# THE MONEY POWER VERSUS DEMOCRACY

## INTRODUCTION

**More people than ever are thinking; thinking harder than ever before. The whole world has been thrown into a state of turmoil and confusion, and the old order is obviously crumbling. What will emerge from this state of flux? Can the Anglo-Saxon people lead the world back to sanity? Has democracy failed? These, and many similar questions, are being asked today.**

Let me say at the outset that I am firmly convinced that democracy is the only satisfactory basis upon which a society for free individuals can be built. Democracy is more than a political science; it is a complete philosophy, covering every phase of human activity. Unfortunately, very few have an accurate conception of what democracy really means; otherwise there would be no suggestion that it has failed.

The world-conflict which we see today enters into every aspect of human affairs - military, political and economic. This conflict is, broadly speaking, a final clash between totalitarianism and democracy. Basically, it is an issue which has been fought throughout past centuries. It has now reached a crisis, the outcome of which will decide the future of mankind for centuries to come. It cannot be ignored; we must think about it, we must clearly understand the problem. Having clearly understood it, we can then decide upon the correct line of action required to REALLY avert disaster.

It will be my endeavour in this book to clearly outline the entire subject, to present the case for democracy, and to show how it can be made fully effective; all in a simple and compact manner, for the benefit of the average busy citizen.

# THE NATURE OF REAL DEMOCRACY

Democracy can be defined as a society in which the will of the majority of the electors prevails; or, a society in which a majority of the people get what they want. "The people who govern are the people who get what they want." Real power should reside with the electors.

In *'Alternative to Disaster'* L. D. Byrne has written: "Democracy may be correctly defined as the belief inherent in society that its individual members in association will get what they want. A community organised on this basis - democracy in the true sense of the term - would be designedly administered in accordance with the wishes of its members. Upon no other basis, indeed, can society be successfully and permanently organised. The final test of a successfully organised social entity must be the contentment of its individual members, and this will depend upon the extent to which the social environment permits them to achieve the satisfaction of their wants. The health of the social body will deteriorate to the degree that its members are thwarted in their desires to benefit from their association.

"A cursory consideration of features common to all countries should be sufficient to dispel any illusion that the present social order, which varies only in form in Russia, Italy, the U.S.A. and Britain, is organised to enable people to have their requirements satisfied. Wholesale sabotage of production in the face of widespread want, prostitution of industry to the shoddy and the meretricious when it could easily provide the goods of quality which people would prefer, restriction of education, and oppressive legislation enacted against the wishes of the majority, are but examples of the operation of the policy governing the existing social order. Even in so-called democratic countries, the organisation of society is quite clearly on some basis other than administration in accordance with the wishes of its individual members.

"The result is that the present social order is breaking up rapidly. As environment becomes more and more unsatisfactory to an increasing number of people, so revolt against the existing state of affairs is developing in intensity and volume everywhere. With this disintegration of society the vitality of its inherent belief that its individual members in association are capable of supplying their wants must deteriorate. If the process continues it must end in the breaking up of the social order in chaos, wherein a large section of the world's population will perish, and civilisation be extinguished for centuries.

"The only alternative to disaster is a change from the existing order to a social order which will provide an environment satisfactory to the people. There may yet be time for this; but it can never be accomplished without a recognition that the change must be to a social order organised on democratic principles. The basis of organisation, in short, must be the inherent belief of society that its individual members in association will get what they want."

The above statement by Byrne is worthy of close study. The soundness of any society must be judged by the individuals comprising that society. Abstract terms, such as 'collective security', mean nothing. There can be no security of any kind unless **individuals** have security.

## THE MONEY POWER AND DEMOCRACY

In spite of inspired propaganda to the contrary, it is becoming more and more obvious, as a result of the present world crisis, that the major **cause** of the troubles which have brought insecurity and misery to the **individuals** of **every** nation resides in false ideas concerning the nature and function of money. Although the world seems to be full of many different problems, a little examination of the facts will indicate to the unprejudiced that these problems are merely the **effects** of a **money** problem.

It is impossible for anyone to have any real understanding of the issues facing civilisation today unless he is prepared to learn something about the power of money.

Let us recall the following statement made by the late Arthur Kitsen, noted British inventor and engineer, who fought the Money Power for nearly 50 years: **"The world's troubles are due to the immense power wielded by the international bankers, who, to suit their own ends, can sway peoples and individuals as they will. The money question is the greatest moral and social question which mankind has ever had to consider. It concerns the lives, fortunes and happiness of every human being in society and of generations yet unborn. All other questions sink into insignificance compared with this one."**

Now compare that with the two following statements. The first was made by Mr. Philip A. Benson, President of the American Bankers' Association, in a speech at Milwaukee, on June 8, 1939, and was quoted in the '*New York Times*' of June 11, 1939. He said: **"There is no more direct way to capture control of a nation than through its credit (money) system."** The second statement was made in 1936 by the Late Vincent C. Vickers, a former Director of the Bank of England: **"As we stand today, money and the issue of credit is not controlled by the State, but by interested parties creating no real wealth, working to make money out of money - most of which is not theirs at all. Increasing numbers of people are asking, 'Is it necessary or right that we should be governed by money power?' ... The future welfare of the money industry, as it is at present constituted, depends entirely upon its own power to crush out the human impulse to go forward and upon its ability to override the will of the people, and so govern the world. For how long can they succeed with such a policy? They are so few."**

## THE PROBLEM OF DISTRIBUTION

**The basic economic problem which has confronted civilisation for many years is one of distribution. Poverty amidst plenty has become a common expression. This unsolved problem of distributing the fruits of science has been the greatest factor in increasing our national ills - while the rise of totalitarianism has been the direct result of similar social ills in other countries.**

The international fight for markets, with increasing international friction, is the result of the failure of the nations to distribute the results of production to their people. Distribution depends upon money. There is a gap between production and consumption. The Southampton Chamber of Commerce summed up the problem in the following statement:

"Thus, from whatever angle it is viewed, we have the situation of widespread industrial trade stagnation, with producers capable of production and millions in want of the things which can be produced in abundance. In the *prima facie* evidence, the fault in the economic system lies in the machinery responsible for the transfer of the goods from productive industry to individuals of the community. The link between production and consumption is money. In order that it should function smoothly, the quantity of money should always be sufficient to provide the community with purchasing-power to give full access to the goods available. As the creation of money by the banking system can be effected as and for any purpose they consider desirable, it would seem that a power nothing less than the control of the entire economic activity of the nation is vested in a private monopoly."

## DICTATORSHIP OF RIGHT OR LEFT?

Dr. C. E. M. Joad, writing on the failure of the present system of distribution and its effects upon the democratic system of government, in his book, '*Liberty Today*', says: "It is precisely

this abundance which holds up the existing economic system to ridicule. The conditions of poverty which millions were once prepared to accept as the natural order of things are completely intolerable in a world where wealth is daily destroyed because its distribution does not pay its owners. It is the consciousness of ill-clad men that cotton is being ploughed into the soil, of ill-warmed men that the coffee for the hot drinks which they crave has been used for fuel, of starving men that the wheat which might have been used to make bread has been allowed to rot and smoulder, and that the farrowing sows, whose offspring might have provided them with bacon, have been killed; it is the spectacle of the world's quays and warehouses, stocked with the rotting fish and fruit that might have fed, of the world's wharves filled with coal that might have warmed them and theirs, that constitutes the greatest enemy to democratic government throughout the world. ... This intolerable paradox of poverty in the midst of plenty is a standing incitement to violent action, and violent action in modern conditions leads almost inevitably to dictatorship, whether from the Right or from the Left. ..."

All over the world we have seen this swing towards dictatorship in various forms because of that unsolved problem. It remains for the British people to show that democracy will allow a constitutional solution of the problem. That is one of the main reasons why the military challenge of those nations who have abandoned any semblance of democratic government must be met.

## PRIVATE BANKS MANUFACTURE MONEY

Distribution, under our modern system of economy, is dependent upon the amount of effective purchasing-power in the hands of the public. The subject of purchasing-power cannot be discussed unless we are familiar with the source from which it comes. That source is the private banks. Banks **manufacture** money just as boot-manufacturers manufacture boots.

Not very long ago, the majority of the people thought that banks only lent their depositors' money. The whole question of money seemed to be shrouded in such mystery that one would have thought that it was some peculiar substance over which man had no control. Thank goodness we have moved forward a little since then, and that an ever-increasing number of people are beginning to understand that the bulk of our money supply today consists of no more than figures in ledgers operated upon by cheques. It is only a matter of bookkeeping. Let the following authorities indicate the true position.

The '*Encyclopaedia Britannica*', 14th Edition, under the heading of Banking and Credit, says: **"Banks create credit. It is a mistake to suppose that bank credit is created to any important extent by the payment of money into the banks. A loan made by a bank is a clear addition to the amount of money in the community."**

Mr. J. M. Keynes, the noted economist, says: **"There can be no doubt that all deposits are created by the banks."**

Mr. R. G. Hawtrey, Assistant Secretary to the British Treasury, put the matter as briefly and clearly as possible when, in his book, '*Trade Depression and the Way Out*' he wrote: **"When a bank lends it creates money out of nothing."**

Professor Soddy has written upon the matter as follows: **"The cheque system, itself beneficial, has enabled the banks continuously to create and destroy money at will. It is this power of the private mint which imperils the future of scientific civilisation; which makes politics a sorry farce, and reduces Parliament to a sham. It is a manifest injustice to those who have to earn their money that private firms, by a stroke of the pen, should be empowered by the cheque system to create it. But it is far worse that the money of the country, by a mere refusal of a banker to continue a credit to a debtor, should be suddenly and secretly destroyed again."**

Hon. Reginald McKenna, Chairman of the Midland Bank, summed up the position in the following terms: **"I am afraid that the ordinary citizen will not like to be told that the banks can create and destroy money. The amount of money in existence varies only with the action of the banks in increasing or diminishing deposits. We know how this is effected. Every bank loan and every bank purchase of securities creates a deposit, and every repayment of a bank loan and every bank sale destroys one."**

On another occasion, McKenna said: **"The Bank of England, and no other power in heaven above or earth beneath, is the ultimate arbiter of what our money supply shall be."**

Professor F. Soddy, F.R.S., writes in his book '*Wealth*': **"The cheque system, by dispensing with tangible tokens for money, enables the banker to vary the quantity at will; in fact, it is now never the same for two instants at a time. His 'loans' are not loans as between ordinary people, in which one gives up what the other gets. He creates the money he lends and destroys it when it is repaid. What he really does is to empower impecunious borrowers to buy, extracting security from them in the event of their defaults, and owns in perpetuity the sellers who supply the goods or those who in turn sell to them. The bank deposits are figures showing how much more money the banks owe the depositors than actually exists in the form of tangible tokens. Money is exchanged for wealth, not changed into it."**

## WHAT IS MONEY? IT IS NOT WEALTH

The simple facts about money cannot be stated too often. There has been no greater delusion, keeping man a mental and physical slave, than the idea that money is wealth. Money only represents a claim to wealth. It has taken many forms through the ages, from cowrie shells to our present cheque system. Possibly the best orthodox definition of money is given

by Professor Walker: **"Money is any medium, no matter what it is made of, or why people want it, which no one will refuse in exchange for his goods. Its value is not in the material of which it is made, but in its exchangeability and acceptability in return for goods and services rendered. The common forms of currency, metallic coins and paper money, are really exchange tokens."**

In view of the fact that the people have collectively produced the real wealth, which alone gives any kind of money its value, it is a remarkable thing that they are going further into debt to private groups who do no more than create the claims to the wealth. However, this is so. Furthermore, taxation must be progressively increased to meet the interest charges on the debts being incurred.

**In dealing with the money question and its relationship to democracy, I would mention that we are not concerned with the administration of the present banking system. As a matter of fact, the present banking administration is practically perfect. That is a job for the experts. Policy is another matter. What we need to understand is the simple principle of the money system, and, the following statement by the Earl of Tankerville, a Member of the British House of Lords, is as lucid a statement as I have yet read. He has stated:**

"But, just as it is simple for an ordinary person to understand the **principle** upon which an aeroplane flies - though it is a very complicated matter to build one scientifically - so it is quite simple for an average individual to understand the principle upon which money **should** function for the service of a nation. The nation, however, having once decided and made itself quite clear upon this principle, it is undoubtedly well advised to order its specialists to work out a means of carrying out that principle scientifically and efficiently."

In order to make the matter still more easily understood by those who have never thought about the matter, let me outline

a simple analogy. Imagine a small group of about a dozen people on an island. Between them they are producing the necessities and amenities of life; one producing wheat, one collecting fruit, and so on. They inter-change their goods and everyone is satisfied, while the standard of living depends upon the amount of wealth being produced or collected.

Now, supposing our imaginary community decided that the introduction of a money system would be a great benefit to the business of the community. Leather discs are to be used; discs of different sizes have different values. Everyone agrees to accept the discs. Now note: it is not the discs which are wealth; it is the goods which they represent which alone gives them any value. One of the community is deputised to create and regulate the supply of discs according to the production of real wealth. As the wealth increased, so should the supply of discs.

Obviously, the man performing the task of manufacturing and regulating the supply of discs should receive portion of the real wealth for his services. Now, what would we think if the man making the discs said that all the discs, when made, belonged to him, and that he would only **lend them** - at full 'face value' - to the rest of the community, and would charge interest on them. Although the discs would obviously be community property, having been created merely to represent the community's wealth, the man creating the discs would be in the position to govern the entire life of the small community.

**That is exactly what is happening on a big scale today.** Pen-and-ink money-bank credit-functions as money today, and, because the private banks only lend this money, and charge the community interest on it, a small but powerful group is obtaining control of all the real assets by a confidence trick which is without parallel in the history of civilisation.

It is of interest to note the remark of Mr. Beaufort Pearce, Chairman of Lloyd's Bank, who said in Melbourne, as reported in the *'National Bank Monthly Summary'*, for December, 1934, that

no capital is necessary to start a bank. The '*Sydney Morning Herald*' of April 5, 1935, published the following: **"The hearing of the protest of Mr. Andrew Mellon, the former Secretary of the (U.S.) Treasury, against the Federal Government's assessment of 3,000,000 dollars on his 1931 income, was continued today. ... Mr. Mellon then harked back to last century, when he was partner with his father in a private bank which never had any capital, the depositors simply bringing their money there for safe keeping. He and his father divided the profits and drew them out. His father's capital was goodwill and name."**

The trading banks of Australia increased their total assets by over £298 millions from 1910 to 1935. The harder the community works the faster the total debts to the banking system increase. War only intensifies the pawning of the nation still further.

## THE FUTILITY OF THE PARTY SYSTEM

Having clarified the point that the immediate and urgent task confronting Australian democracy is to demand, through parliamentary representatives, that the nation, and the nation alone, shall be the initial owner of all money, let us see how the people can try to have this policy implemented.

Through the political Parties? The Party system of Government can play very little part, if any, in the struggle for real democracy. In principle, it is the very antithesis of democracy. One of the greatest contributions to the cause of true democracy is to be found in that monumental work, '*The Party System*', published in 1912 by Hilaire Belloc and Cecil Chesterton. As appropriate now as when it was written this critical analysis of the party system of government should serve as a finger post, indicating the line of action we must take. To quote: **"While the parties dictate democracy, the people have no power to get what they want. Nothing is left for them but to choose the least of three evils. In a really democratic government the**

**initiative would come from the people. They would ask for certain things and would send men to Parliament to represent their wishes. There is no machinery at present by which the people can raise a particular political question, however it may interest them, unless it is included in the programme of one or other of the political parties."**

If true democracy is to become a reality, the present Party tyranny must be removed. Sovereignty and initiative must be restored to **the people**, who will, at all times, frame their **own** policy. For too long centralised groups have been telling people what they think will be good for them. The time is long overdue when the electors must state what they think will be good for themselves.

At the best, the Parties only represent sectional interests, which divide the people; one group believing that they can only get some advantage if more can be taken away from another section of the people. **How futile in a world of plenty!** But, then all the Parties tell us that there is a shortage of funds. Apparently, they believe that there is naturally a fixed amount of money and that, because some do not have enough, then some must have too much.

We have seen how the party system is undemocratic. Apart from this is the failure of the parties to get any worthwhile results for the particular sections they are supposed to represent.

The so-called United Australia Party, supported mainly by what may be called business interests, has piled up taxation on every business enterprise until it has broken all records - and the only prospect offered is one of still further debt and taxation. After years of pinning their faith to the Country Party, most primary producers are likewise more heavily in debt, and more insecure than ever about the marketing of their output. While, after a generation of Labor Party activity, the official statistics show that the position of the average wage earner in Australia is now worse than it was 30 years ago; the buying power of his wage has not

increased, while the security of even drawing that wage is diminishing as mechanisation of farm, factory and mine proceeds.

We have not far to look for the failure of these Parties. They all make the same excuse. The country is 'short of funds'. Those who control the funds, therefore, control the Governments - whatever the Party label.

Possibly the most open admission of this fact was made by the late Prime Minister, Mr. J. A. Lyons, prior to the 1937 Federal elections, when he said, in the Adelaide Town Hall: **"The banks had confidence in my Government, and we were able to carry on."** (Reported in the Melbourne *'Argus'*.)

What hypocrisy, under these circumstances, to talk about democracy. Section 51 (a) of the Constitution Act of Australia gives the Commonwealth Government sovereign power over its own money supply.

While we put our faith in parties which do nothing but divide the people, instead of uniting and demanding results, nothing will be done. As a matter of fact, the following quotation will graphically indicate that the party system is part of the approved method used by Finance to frustrate the people. The *'United States Bankers' Magazine'* of 1892 says:

**"We must proceed with caution, guard well, every move made, for the lower orders of people are already showing signs of restless commotion.**

**"Prudence will, therefore, dictate a policy of apparently yielding to the popular will until all of our plans are so far consummated that we can declare our designs without fear of any organised resistance.**

**"The Farmers' Alliance and the Knights of Labour organisations in the United States should be carefully watched by our trusted men, and we must take immediate steps to control these organisations in our interests or disrupt them.**

**"The coming Omaha convention, to be held 4th July, our men must attend and direct is movements, or else there will be set on foot such antagonism to our designs as may require force to overcome.**

**"This, at the present time, would be premature. We are not yet ready for such a crisis. Capital must protect itself in every possible manner through combination and legislation. The courts must be called to our aid. Debts must be collected, bond and mortgages foreclosed as rapidly as possible.**

**"Where, through a process of law, the common people have lost their homes, they will be more tractable and easily governed through the influence of the strong arm of government, applied by central power of imperial wealth, under the control of leading financiers.**

**"The truth is well known among our principal men, now engaged in forming an imperialism of capital to govern the world. While they are doing this, the people must be kept in a condition of political antagonism.**

**"The question of tariff reform must be urged through the organisation known as the Democratic Party, and the question of protection and reciprocity must be forced to view through the Republican Party.**

**"By thus dividing voters, we can get them to expend their energies in fighting over questions of no importance to us, except as teachers to lead the common herd. Thus by discreet actions we can secure all that has been so generously planned and successfully accomplished."**

## THE DICTATORSHIP OF MONEY

Edmund Burke, the great British Statesman, once said: "The people never gave up their liberties but under some

delusion." For the benefit of the busy reader, I have carefully selected quotations from well-known authorities, clearly revealing the tremendous influence of the Money Power. These quotations speak for themselves:

"A State may be laid low just as effectively by wrong ideas as by an invading army. There is no agent of destruction known to chemists that is half as formidable as the T.N.T. of bad economics." - Lord Inchcape

"When it is remembered that kings and governments have, throughout the ages, insisted with jealous care on their prerogative of issuing money and controlling currency within their jurisdiction, it is somewhat strange to find modern States accepting as axiomatic a limitation of their sovereignty in the sphere of money, so far-reaching in its effects on their powers and on the daily lives of their citizens, as is involved in their agreeing to conform in all circumstances to a standard of value over which they have no control." - Sir Basil Blackett, Director of the Bank of England.

"I have two great enemies; the Southern Army in front of me and the financial institutions in the rear. Of the two, the one in the rear is my greatest foe." - Abraham Lincoln.

"I believe that banking institutions are more dangerous to our liberties than standing armies. Already they have raised up a money aristocracy that has set the government at defiance. The issuing (of money) power should be taken from the banks, and restored to the Government and to the people to whom it belongs."

And again: "If the American people ever allow private banks to control the issuance of their currency, first by inflation and then by deflation, the corporations that will grow up around them will deprive the people of all their property, until their children will wake up homeless on the continent their fathers conquered." - Thomas Jefferson, great American Statesman.

"Democracy has no more persistent or insidious foe than the money power, to which it may say, as Dante said when he reached in his journey through hell the dwelling of the god of riches, 'Here we found wealth, the great enemy. That enemy is formidable, because he works secretly by persuasion or deceit, rather than by force, and so takes men unawares. He is a danger to good government everywhere.'

"The truth seems to be that democracy has only one marked advantage over other governments in defending itself against the submarine warfare which wealth can wage - viz., publicity and the force of public opinion. So long as Ministers can be interrogated in assembly, so long as the press is free to call attention to alleged scandals and require explanations from persons suspected of improper use of money or an improper submission to its influences, so long will the people be at least warned of the dangers that threaten them." - Lord Bryce

"The Money Power preys upon the nation in times of peace and conspires against it in times of adversity. It is more despotic than monarchy, more insolent that autocracy, more selfish than bureaucracy. It denounces, as public enemies, all who question its methods or throw light upon its crimes." - William Jennings Bryan.

"And is it not likewise with this view that, being rendered poor by payment of taxes, they may be under a necessity of becoming intent on a daily sustenance and may be less ready to conspire against him (that rules)." - Plato's Republic.

"Banks have the means to create purchasing power out of nothing, or again to annihilate that which they have created. Bankers sometimes attempt to deny this, or at any rate to assert that their creation of purchasing power only balances hoarding, because they lend only the idle deposits which people leave in their hands. But nowadays nobody at all, except perhaps, a few peculiarly benighted bankers, believes this. It is generally admitted that banks do and can create purchasing power out

of nothing when they expand their advances, and destroy it again when they decide to contract credit." - G. D.H. Cole, the Cambridge Economist.

"The banks are creators of credit." - The London '*Times*', October 13, 1926.

"The Bank of England is the supreme authority in determining the quantity of money available for the use of the public." - Rt. Hon. Reginald McKenna, Chairman, Midland Bank, England.

"The citizens will require a currency for the purpose of everyday exchange. This is practically indispensable for workers of all kinds and for such purposes as payment of wages. To meet these requirements, the citizens will possess a currency which will pass for value amongst themselves, but will not be acceptable outside their own boundaries, but a stock of some currency common to the Hellenic world generally will be at all times kept by the State. If a private citizen has occasion to go abroad, he will make application to the Government and go, and on his return, if he has any foreign currency left over, he will hand it over to the State, receiving in exchange the equivalent in local currency." - Plato, in '*The Laws*', Book 5, page 742.

"I understand by money, all currency in circulation (coins and notes), together with bank deposits drawable by cheque, which in the aggregate represent the purchasing power of the public. By far the largest part of our total money consists of bank deposits." - Rt. Hon. Reginald McKenna, Chairman, Midland Bank Ltd..

"The Governor (of the Bank of England) must be the autocrat who dictates the terms upon which alone the Government can obtain borrowed money." - Sir Drummond Fraser, Vice-President of the Institute of Bankers, 1924.

"The fear of the centralisation of the money power was indeed the ground upon which the Tories in Lords and the

Commons fought bitterly against the founding of the Bank of England, thinking that the Bank would grow to be a monopoly. all the money of England would come into their hands; and they would in a few years become the masters of the stock and wealth of the nation." - Bishop Burnett in his '*History of His Own Times*' (1693).

"By means of knowing the state of current accounts, by means of knowing financial operations, the banks can first ascertain the position of isolated capitalists, then control them; at length, they can entirely determine their fate, deprive them of capital, or, on the other hand, permit them to increase their capital to enormous dimensions." - Lenin

"Whoever may be the indiscreet minister who revives the money-trust bogey at a moment when the government (Mr. Lloyd Georges Cabinet, 1921) has most need to be polite to the banks, should be put through an elementary course of instruction in fact as well as manners. Does he, do his colleagues, realise that half a dozen men at the top of the five big banks could upset the whole fabric of Government finance by refraining from renewing Treasury Bills?" - '*Financial Times*', September 26, 1921.

"It is, of course, the case that the volume of credit in the country is to a large extent in your hands?" He replied, "Yes, I think it is." - Macmillan Commission Report, March 23, 1930. (Mr. Montagu Norman, Governor of the Bank of England, was the witness being questioned.)

"Permit me to issue and control a nation's money, and I care not who makes it laws." - Meyer Rothschild, 1790.

"There is a great and potent world which the governments do not control. That is the world of finance, the men who guide the ebb and flow of money. With them rests the decision whether they will make that river a beneficent flood to quicken life, or a dead glacier which freezes wherever it moves, or a torrent of burning lava to submerge and destroy. The men who control that river have the ultimate word." - Late Lord Tweedsmuir

"It is patent that in our days not alone is wealth accumulated, but immense power and despotic economic domination is concentrated in the hands of a few, and that those few are frequently not the owners, but only the trustees and directors of invested funds, who administer them at their own good pleasure. ... This power becomes particularly irresistible when exercised by those who, because they hold and control money, are able also to govern credit and determine its allotment, for that reason supplying, so to speak, the life-blood to the entire economic body and grasping, as it were, in the hands, the very soul of production, so that no one dare breathe against their will." - His Holiness, Pope Pius XI, in his Encyclical, '*Quadragesimo Anno*', '*The Social Order, Its Reconstruction and Perfection*'.

"The Government should create, issue and circulate all the currency to satisfy the spending power of the Government and the buying power of consumers. The privilege of creating and issuing money is not only the supreme prerogative of the Government, but it is the Government's greatest creative opportunity. The people can and will be furnished with a currency as safe as their own Government. Money will cease to be the master, and will become the servant of humanity. Democracy will rise superior to the money power." - Abraham Lincoln in '*Dollar and King Sterling*'.

"There are enough substantial quotations in existence to prove to the uninitiated that banks do create credit without restraint, and that they do create within themselves the means of payment." - '*Branch Banking*', July, 1938, in leading article.

"It is not unnatural to think of the deposits in a bank as being created by the public through the deposit of cash representing either savings or amounts which are not for the time being required to meet expenditure. But the bulk of the deposits arise out of the action of the banks themselves. For, by granting loans, allowing money to be drawn on overdrafts, or purchasing securities, a bank creates a credit in its books, which is the equivalent of a deposit." - Macmillan Committee Report.

Q. "Twelve per cent of the money in use in Canada is issued by the Government, through the Mint and the Bank of Canada, and 88 per cent is issued by the merchant banks of Canada on the reserves issued by the Bank of Canada?"

Mr. Towers: "Yes."

Q. "But if the issue of currency and money is a high prerogative of government, then that high prerogative has been transferred to the extent of 88 percent from the Government to the merchant banking system?"

Mr. Towers: "Yes." - Mr. Graham Towers, Governor of the Bank of Canada, questioned at a Royal Commission.

"Jealously have we guarded the right to coin cash. Carelessly have we delegated the right to create credit. He who controls money wields sovereign powers. Producing nothing, the Bank of England can control all production wielding a power not less tremendous because exercised so silently." - Dr. Hewlett Johnson, Dean of Canterbury.

"Crimes have been committed by kings. The pages of history are foul. But for a cold-blooded, calculated crime against the economic freedom of a nation, a blow below the belt at those weakest and least able to withstand it, I commend you to our popular democratic government and its monetary policy during and since the War. During the War it promised on the platform an England fit for heroes, and then, the War being safely 'won', it treasonably conspired with those who have usurped the supreme power, to make her a happy hunting ground for the recruiting sergeants of war, degradation, and vice." - Professor F. Soddy, in *'Poverty, Old and New'*.

"This Congress of the Federation of Chambers of Commerce of the British Empire, recognising the immense changes in the social and economic conditions of the world brought about by the application of scientific discovery to agriculture, industry and means of transport and communication, deplores the lack of a corresponding advance in the monetary system, both national and international.

"It calls upon all the governments of the Empire to concentrate upon finding a monetary system which would enable the people of the world to enjoy the vast abundance which technical improvements have made available. Further, the Congress, representing the producers of real wealth, wishes to place on record that it is strongly opposed to all measures purporting to bring about prosperity by the creation of scarcity through artificial means." - 13th Congress of the Federation of the Chambers of Commerce of the British Empire in London.

"Orthodox economics are out of date, because they were meant for a situation in which famine and scarcity were normal conditions." - Marriner S. Eccles, when taking over the Governorship of the Federal Reserve Bank of U.S.A..

"It cannot be beyond the power of man so to use the vast resources of the world as to insure the material progress of civilisation. No diminution in these resources has taken place. On the contrary, discovery, invention and organisation have multiplied their possibilities to such an extent that abundance of production has itself created new problems." - King George V.

"The present monetary system, the proper function of which is to facilitate the production of goods and their distribution to consumers as required, has broken down, both in its national and international aspects. This system is obsolete, and has become a hindrance to the effective distribution of goods. ... The monetary system is man-made and can be altered; there is nothing sacrosanct about that. A system must, in our view, be established under which the issue and recall of currency and credit will be regulated on a national, rational and scientific basis, so that the correct number of money-tokens shall be available to consumers to enable them to enjoy the output of production." - Extract from a letter in the London '*Times*', April 4, 1934 signed by: Sir G. R. Clarke (Managing Director of British Telegraph Construction and Maintenance Co. Ltd., Director of P. & O. Company, President of the Associated Chambers of Commerce of Great Britain); Robert James (Business Man); Sir Maurice Jenks (Lord Mayor of London, 1931-32, Member of the Council

of the Institute of Chartered Accountants, Member of the Court of the University of London, Chairman of the Board of Income Tax Commissioners of City of London); Sir Stanley Machin (President London Chamber of Commerce, 1920-22, President, Association of British Chambers of Commerce, 1924-25, Chairman of Organising Committee Ninth Congress of Chambers of Commerce of the Empire at Toronto, Member of Council of Foreign Bandholders); Lord Semphill (Chairman of the Council of the London Chamber of Commerce, Member of the Advisory Council of Scientific and Industrial Research); Sir James Martin (Chairman of Directors of several Producing, Importing and Distributing Companies, President, London Chamber of Commerce, 1925-28); A. G. Page (Business Man); Reginald Rowe (Business Man); Sir A. Verdon-Rowe (Fellow of the Royal Aeronautical Society, Chairman and Joint Managing Director of Saunders-Roe Ltd., British Aircraft Manufacturers); Vincent C. Vickers (Former Director of the Bank of England, Director of the London Assurance Co., Deputy-Lieutenant of the City of London).

"From the time I took office as Chancellor of the Exchequer (1852) I began to learn that the State held, in the face of the Bank and the City, an essentially false position as to finance. ... The hinge of the whole situation was this: The Government itself was not to be a substantive power in matters of finance, but was to leave the Money Power supreme and unquestioned. In the conditions of that situation I was reluctant to acquiesce, and I began to fight against it by financial self-assertion from the first. ... I was tenaciously opposed by the Governor and Deputy-Governor of the Bank, who had seats in Parliament, and I had the City for an antagonist on almost every occasion." - Gladstone Morley's '*Life of Gladstone*'.

"In consideration of the continued difficulty experienced by all countries, whatever their political system, in adjusting consumption to production, the undersigned believe in examination of some scheme of national credit. One such scheme has been before the public for some years and is attracting attention, and, though it has been severely criticised, the

scheme shows a surprising vitality. The criticisms, when they are free from prejudice, do not seem to amount to more than academic objections." - Extract from a letter in the London '*Times*', April 5, 1934, signed by: Professor Lascelles Abercrombie, M.A. (recently Professor of English Literature at Leeds University); Professor Bonamy Dobree (Professor of English); T. S. Eliot (Editor of the '*Criterion*', formerly Professor of Poetry); Aldous Huxley (well-known writer); Dr. Hewlett Johnson (Dean of Canterbury); Edwin Muir (Author and Translator); Hamish Miles; Professor Herbert Read (Assistant Principal of His Majesty's Treasury, 1919-1922, and also Professor of Fine Arts at the University of Edinburgh); Professor I. A. Richards, M.A. (Lecturer in English and Moral Sciences).

"For the real rulers of a country are not those who hold political office, but those who have the power to create or destroy money, whether that power be exercised consciously or unconsciously, with good intent or with evil." - Lord Northbourne, in '*The Status of Money*'.

## HOW TO MAKE DEMOCRACY EFFECTIVE

One leading scientist has said 'that definition is the breath of science'. In the realm of political science the necessity of defining democracy has been long overdue.

In a democracy, power should reside in the electors. One might, therefore, ask why the electors are not using that power to get what they want. The fact is, that the function of the elector has been entirely misunderstood. He is asked to choose between technical programmes, or, in other words, he is an arbitrator.

Now, in this respect, 'one man, one vote', seems obviously absurd. **It is quite ridiculous to agree that a typical waitress or a professor of Greek can ably sum up the pros and cons of such things as 'quotas',** 'nationalisation', or, for that matter, upon the **technique** of how the present obsolete money system should function.

But, as any dictionary will indicate, democracy is the root of power, not judgement. It is power which should be drawn from the elector's will, not judgement from his intellect. That is the common ground upon which all men can meet. All of us, whether professor or waitress, business man or farmer, want the same results. We want the security and freedom which the modern world could easily give us.

Obviously, then, we must use the power which we possess as electors to unite upon a demand, and tell our members of Parliament what **results** we want. If we desire that sufficient purchasing-power be created for the purpose of allowing the people access to the actual or potential plenty of this country, without further debt or taxation, then we must demand it by forwarding a signed demand-form to our Member of Parliament.

In other words, the electors in each electorate must organise their demand on a non-party basis, give their Member of Parliament clear instructions as to what they want, and let him understand that they are not concerned with his Party label - that unless he does what a majority of his electors tell him, they will vote him out at the next election. Members of Parliament are only interested in one thing. They want to know how much voting power they have behind them in order to keep their seats. If the electors show them quite clearly that they will support them, **irrespective of Party**, just so long as they do as they are told, then control of the Member will be removed from the Party-machine and restored to the electors.

Most Members will welcome a move similar to this. They desire to be individuals, not mere machines voting as a Party tells them. Until the electors organise behind their sitting Member on a non-party basis true democracy will remain a myth. Should any Member refuse to do as he is told, then the electors will vote him out at the next election. The next man will then be inclined to do as he is told. A threat of votes is the only thing which impresses Members of Parliament.

No matter how much a Member may desire reform, while he is controlled by a Party, instead of by the people, his position is hopeless. The responsibility lies with the people, and a study of the great reforms in history clearly indicates that Parliament never initiates a reform. It only puts its name to it after the people demand it.

As a further illustration of the ridiculous manner in which the nation is governed at the present time, possibly the best analogy which can be utilised is to briefly look at the manner in which the running of an ordinary trading company is conducted.

The company is owned by its shareholders, who, by their votes, periodically elect a number of representatives to direct the company's affairs and get results. These directors are chosen not so much for their reputation for integrity, common sense, and general business ability. The directors then proceed to appoint sectional managers, who in turn select the technical staff for their various departments - engineers, chemists, accountants, salesmen and so on.

The business is now run on a basis of getting results. The principle involved is that of personal responsibility, resting ultimately with the responsibility of the directors to the shareholders. And the shareholders are interested in one thing, and one thing only, and that is results. If the directors fail to get results, the shareholders remove them.

The same procedure should take place in our national affairs. Let us consider ourselves as political shareholders in Australia Unlimited. We have our national board of Directors - Parliament. But, from a common-sense and business viewpoint, how futile is the administration of the nation! We elect a board of directors who are openly pledged to oppose each other on every major issue, and who tell the shareholders what they think will be good for them. Furthermore, under the present ideas of administration, they are also expected to be technical experts, with results which are heading towards chaos.

Could we possibly imagine any business running satisfactorily if the directors openly opposed each other, imposed their will upon the shareholders, and started entering the factory and telling the technical experts what to do? Still further, can we imagine the shareholders voting at shareholders' meetings on the **technical** manner in which the company should be run? The whole idea would be absurd, and the company would soon be in a chaotic state.

Well, that is exactly what we have been doing in our national affairs, and it is hard to visualise anything more chaotic than our present conditions. And there is every indication that this state of affairs is going to get worse unless we decide that the present administration of the nation is wrong.

As mentioned, we must immediately start demanding results from our national directors, and hold them responsible for getting results or getting out. They in turn must call in the necessary experts, and, in turn, hold them responsible for getting results. To sum the position up. Experts must be removed by Parliament if they fail to get the results which the people want. Failure by the Members to get results will also mean **their** removal, while failure by the electors to demand the results they want will also hasten their own 'removal' - either through poverty or wars, which are products of the system we tolerate.

In the last analysis, the electors have no one else to blame but themselves. They get the results they deserve. Their slogan in future should be: DON'T BLAME YOUR M.P. - TELL HIM.

## PARLIAMENTARY SYSTEM A FRAUD UNDER PARTY POLITICS

One of the most trenchant criticisms of party politics, and their effect upon the parliamentary system of democracy, that I have yet read was made by Captain H. M. Rushworth, ex-New Zealand M.P. in September, 1939. He was addressing a large gathering of Waiketo farmers at Ngaruawakia. To quote:

"Present politics are a fraud, for the parliamentary systems as originally conceived by its founders is not operating; the party system has made a fraud of it. The over-riding pledge of voting 'confidence' in one's party makes every other pledge given by a party candidate at an election valueless. I have seen, while I was in Parliament, the election of a chairman of committees made a matter of 'confidence' by the leader of the dominant party in the House, irrespective of whether that party's nominee for the position was the most suitable chairman or not.

"I remember Mr. Arthur Sexton, the Independent Member for Franklin, in the last Parliament, moving a motion to give every member a free vote on all matters affecting the safety, welfare and honour of the Dominion. The motion was negatived by both the Labour and the Nationalist parties voting against it, and the only members who voted for it were three Independents, who are now all out of Parliament. The Independent Member is dangerous to the party system, and both the parties in New Zealand politics tried to laugh it off by joking and singing in the lobbies when the division was being taken. In actual practice, the party member has often to vote against his own innate convictions by reason of his over-riding pledge of confidence to his party and its leaders."

As an example in justification of his statements, Captain Rushworth instanced a convicted pacifist having to 'get on side' over a Conscription Bill introduced by the present High Commission for New Zealand, Mr. W. J. Jordon, when he was a Member for Manukau. The pacifist member concerned never faced his constituents again. The speaker also quoted the case of a South Island Member of Parliament - a party man - who was so incensed at the Government's decision to stop construction work on the South Island main trunk railway during the depression that he organised a huge deputation of South Islanders to wait on the Government at the time.

"It required a special boat to get all the members of that deputation over to Wellington, and the Cabinet Ministers had to meet them on the steps of Parliament building, as no room there was big enough to hold them all. The Government leaders

promised them that the matter should be settled by a free vote of all the members of Parliament. Immediately the member concerned got busy lobbying the other members, and before the matter was due to be settled he reckoned he had a majority on his side. Alarmed, the Government leaders suddenly made it a matter of 'confidence', and the member principally concerned had to vote against his own railway.

"The trouble is this kind of thing costs the country about £60 an hour," said Captain Rushworth, who went on to point out that when a party was in a sufficiently large majority to form a stable Government, the Opposition parties might as well stay away from Parliament for all the good they could do.

"Then the Government members might as well stay away, too," said Captain Rushworth, "for the Cabinet Ministers make the real decisions, which are confirmed in caucus. Thus, small groups can swing the Government of the whole country. Each side accuses the other of being dominated by outside interests. Under the present system it is possible, probably, nay certain, that by the party system and the 'confidence trick' vested interests can ride a Government."

## DEBT AND TAXATION

**The present financial policy will ultimately mean that private financial groups will have the whole world in pawn - unless a halt is called. The private creators of money are not very concerned about the repayment of the debt. If the people can be perpetually kept in debt, they can be more easily enslaved through the subtle power of taxation required to pay the interest on the debt.**

The great American democrat, Abraham Lincoln, recognised this. The following passage from the London '*Times*', written after the American Civil War, is very interesting on this point: "If that mischievous financial policy which had its origin in the North American Republic, during the late war in that country,

should become indurated down to a fixture, then that Government will furnish its own money without cost. It will pay off its debt and be without a debt. It will have all the money necessary to carry on its commerce. It will become prosperous beyond precedent in the history of the civilised government of the world. That Government must be destroyed. ..."

Lincoln was assassinated by a tool of the Money Power; also President Garfield, who carried on the struggle for financial freedom which Lincoln initiated.

Around the history of debt a long and interesting story could be written - amusing too, if, in spite of everything, you still possess a sense of humour.

Robert R. Doane, in a short history of debt, says: "The world debt increased 47 per cent during the 17th century, 466 per cent during the 18th century, 12,000 percent during the 19th century." Where is it going to end? Well, it's not going to end while the present system continues.

The 1936 Official Year Book showed that the Net Revenue of the State Railways throughout Australia for 1935, after paying running expenses, was £11,680,320, available to meet Interest, £12,746,007 - and this does not include exchange. For the five years to that date the total losses amounted to over £20,000,000, mainly due to interest charges.

The N.S.W. Department of Main Roads Annual Report for 1936 discloses that figures in respect of the Sydney Harbour Bridge, where, out of a total of £467,160 expenditure for 1935-36, 79.45 percent was expended on interest and exchange.

The Royal Commission on Banking, Clause 32, shows that out of total taxation, States and Commonwealth, of £99 million for 1936, £51 million was paid out in interest.

No matter what you do, or where you go, the subtle grasp of taxation cannot be escaped. If you go to the pictures or other

amusement, you pay an amusement tax. You pay taxes on everything, from the time you are born until the time you are dead - even after you are dead, if you leave enough for the Government to tax.

An interesting statement in connection with this taxation swindle was made a few years ago by no less person than Sir Josiah Stamp, Director of the Bank of England. He said: **"While a few years ago, no one would have believed it possible that a scale of taxation, such as at present existing could be imposed upon the British public without revolution, I have every hope that, with skilful education and propaganda, this scale can be considerably raised."**

## ELECTORS MUST DEMAND RESULTS - NOT METHODS

We have already seen that most of the misunderstanding about democracy as a form of Government has arisen because the people have been misled into believing that they must become economic experts. Apart from the various Parties and their platforms, which not even all the Party candidates understand, we have many schools of reform. This aspect of the subject is so important that I will elaborate still further.

Once every three years the people are asked to make their choice between alternatives, which are all alleged **methods** of getting the one result which everyone wants, broadly speaking; economic security at the highest level physically possible, plus individual liberty. At least, Party candidates assure us that they are desirous of these results - and many others which they think we **should** desire. The simple idea of asking electors what they think would be good for themselves never seems to enter the heads of these candidates.

Even supposing that it was the job of the elector to choose between offering methods, which it is **not**, what a task would

confront him! The absurdity of electors deciding the technique of improving the economic machine will be very quickly appreciated when it is realised that at the present time there are at least 24 major schemes before the public. This was declared to be the case by a meeting held by the British Science Guild in association with the Engineers' Study Group on Economics in London on May 16, 1935. In the following resolution, adopted at an earlier meeting, the Group defined their starting point: **"We, as a representative group of engineers and scientific workers, are dissatisfied with the fact that the community is not enjoying a standard of living and endowed leisure commensurate with the potential advance for which science and technology are responsible and are meeting to discuss why the paradox arises, and how it can be resolved."**

And did this Group discover how the paradox can be remedied? An extract from the Report of the first **year's** work, as reprinted from '*The Engineer*', of May 24, 1935, is very interesting on this point. After an exhaustive survey of the 24 schemes, it concluded as follows: **"Ordinary common sense tells us that the situation is ridiculous, and if we only cling fast to the fact that the economic system was made for, and by, man, and not man for the system, no amount of learned reasoning will shake that conviction. It is, indeed, ridiculous, and something has got to be done about it. What is that something? And yet the Engineers' Study Group does not profess to know. The only people who do profess to know are to be found among the convinced supporters of particular sets of proposals. We have recorded 24 of these. They cannot all be right."**

Surely this is sufficient to indicate to the average man that it is not his job to decide between all these schemes. And, as this summing up so truthfully points out, the only people who profess to know are the supporters of the particular schemes - and **they** dissipate most of their energies in fighting amongst themselves as to which is the best technique to be used. We see again the old principle of divide and rule. How farcical! What would the people of Victoria have said if, when the State

Electricity Commission started at Yallourn, they had forced the people to make a choice as to the best turbo-alternators, etc., offering. The people would have rightly regarded the procedure as ridiculous. And the same applies to every other phase of our lives.

We hold experts responsible for getting desired results, and if they fail to get results we have them removed. We do not set ourselves up as wireless experts, sewerage experts or bridge-building experts. And yet we are expected to be economic experts. It is the job of the electors to cease arguing about **methods**, which we are hopelessly divided upon, and to unite in demanding those **results** which we all know are both feasible and desirable. Real democracy reverses the present procedure, wherein we have various groups coming before the people and telling them that this or that is good for them. Real democracy offers a mechanism through which people can start demanding from Parliament that which THEY THINK WILL BE GOOD FOR THEMSELVES. Whether it is good or bad for them is their own concern, it is **not** for anybody else to dictate what they desire. It is for them to express their own desires.

## THE INSTITUTION OF PARLIAMENT

**We have seen the futility of the electors concerning themselves with the technical administration of our economic system. When the investigation along these lines is taken a little further and applied to our present political system, we begin to see how Parliament has been perverted from its original purpose.**

As to why Parliament exists, there appears to be the utmost confusion of thought at the present time. The same applies to members of Parliament; and, contrary to the true conception of democracy, Parliament has been so perverted from its proper function that we find it imposing its will upon the electors instead of the electors imposing their will upon it. In a truly democratic society Parliament is not an institution to impose its will upon the people. It is an institution for them to impose their will upon it. It is in the

people, the democracy, that sovereign power should reside. Reference to Parliament calls to mind how Walter Murdoch, in one of his delightful essays, compares Parliament with a gadget, and suggests that we immediately start to make use of it. To quote the late F. F. Gould, whose work for democracy in England must serve as an inspiration to all democrats, "**The correct perspective is to regard Parliament as a typewriter tapped by the almighty voter.**"

The original idea of Parliament was a meeting place for the populace, and possibly the nearest approach to this was the old Greek idea of a free, deliberative assembly. However, it is obviously ridiculous for several million Australians to meet at Canberra. We therefore, send along individuals to represent our wishes and our desires - at least that is the theory of government by the people; although, as we have seen, it is not an actuality at the present time.

Following the above line of reasoning, it will be readily seen that the sole reason for a member of Parliament is purely functional. If his own opinions are contrary to those of a majority of his electors, he must be prepared to advocate the views of his electors or resign. He is the **paid** servant of the people, and must realise that his job is to re-present the wishes of those who pay him, and press vigorously for their fulfilment. However, if he is expected to represent the demands of his electors, as distinct from the demands of his party, it is quite clear that **his electors** must inform him clearly **what results they want**, and also show that they are prepared to support him, irrespective of parties, as long as he presses for those results. In other words, the people should, as pointed out earlier, frame **their policy** and send members of Parliament to Parliament to re-present **that** policy and see that the administrative machinery is put into operation so that that policy is implemented.

## CAN THE 'EXPERTS' GET RESULTS?

In view of some of the past efforts of our economic experts, some people are naturally sceptical about the suggestion that we

leave the technique of implementing our policy in their hands. To some extent one must admit that this attitude is quite justifiable, and it must be admitted that some of our experts in the past have uttered undiluted nonsense. However, quite a few people feel that our experts know better, but are dependent for their livelihood and prestige upon the very interests we are attacking.

Of course, the ideas incorporated in our educational system have been mainly based on scarcity. Most well-informed experts now recognise the problem as one of abundance, and there are so many well-informed groups or individuals who state that they have a solution, that the obvious thing is for the electors to demand that the Government call in responsible experts immediately and hold them responsible for getting the existing or potential plenty distributed to the people. During peace or war, what is physically possible must be made financially possible.

It must be pointed out in fairness to some of the criticised experts that the main responsibility for apparent failure must rest with the people, who have never wielded their power, and have thus allowed finance to dominate them and the experts. It is reported that Professor Copland has stated that he can do it 'when they tell us'.

Professor Copland has been subjected to considerable criticism for his part in the formulation of the Premiers' Plan, and rightly so; but he certainly got results. **Unfortunately, he got results for the wrong people.** But **they** wielded the power, while the electors did nothing. The banks demanded the balancing of the budget. As the people made no demands, Professor Copland went ahead and devised a scheme to balance the budget. It certainly would have got **that** result, but the financiers began to see that the suffering it was causing might cause a revolt, and the scheme was not taken to its conclusion.

However, the outstanding thing which emerges from this event is the fact that experts can get results **under pressure.** What the people must do is to organise greater pressure than vested interests, and demand the result which **they** want. If they allow themselves to

be divided on the method, or even if they agree upon some method, they are pursuing a very dangerous course. If the method fails they then have only themselves to blame, but if they put the responsibility on the expert to get the desired result, he will either have to satisfy the electors or lose his job. Even Professor Copland could devise a scheme as he is reported to have admitted, if he found that his career and well-paid job depended upon getting results. Should Professor Copland and his colleagues state that they cannot do it, then there are plenty who can. Real democracy depends upon individuals - representatives and experts - accepting personal responsibility. Power without responsibility has undermined democracy.

The important issue confronting society at the present time is for the electors to have a clear conception of the proper relationship between the electors and the experts. We can well quote the words of Dr. Joad on this point. In his book, '*Liberty To-Day*', he writes as follows: **"Thus the apparently innocuous doctrine, that in a democracy the community should prescribe the end and the expert determine the means, results only too often in practice in conferring a charter upon the experts to impose upon the whole community in the name of means, ends upon which it has had no opportunity of expressing judgement, and this danger, I suggest, arises because in a modern community so-called means frequently reveal themselves on examination to be not means at all, but ends masquerading as means. This conclusion is not that the expert should not be consulted and used, but that vigilance is required lest his employment should become a pretext for foisting upon the community measures which it has not willed."**

This confusion between ends and means has been the downfall of democracy in the past, and those who govern through finance will take every care that the people are asked to pass their opinions about all sorts of **means**. But we must keep our eyes on the **ends**.

In order to further elaborate upon this important point, let us take the building of the Sydney Harbour Bridge as an analogy.

Although it would have been unlikely, suppose that the people who wanted the bridge had been asked to pass an opinion upon a technical method to be utilised in building it, and still further, suppose that a majority of them could have reached some agreement upon a scheme, what would have been the position if the bridge collapsed on the day it was finished? Obviously, the people would only have themselves to blame. But if they hold experts responsible, they are then in the position of judging on results, and results alone.

The same applies in the economic sphere. The gap between production and consumption needs bridging with a sound money bridge. The electors must not fall into the trap of passing an opinion upon the technical method to be used, because, if the scheme they decide upon fails, they only have themselves to blame. This has happened time and time again in the past.

If the Sydney Harbour Bridge had collapsed on the day it was finished, the people would have had no difficulty in agreeing that the experts had failed. Needless to say, the experts employed would have found it impossible to get another contract. The same attitude must be adopted to our economic experts, and we can rest assured that they will certainly get results when they know that their reputations and livelihoods depend upon it.

Lord Horder, at an important gathering of leading Englishmen, gathered to hear Sir John Orr (whose outstanding work in connection with nutrition stirred Great Britain), said that he would lock up the Ministers of Health and Agriculture and Transport in a room together with the Governor of the Bank of England, and would not release them until they had solved the joint problem of food production and distribution. Under such an arrangement we can rest assured that a satisfactory scheme would be forthcoming before very long.

Experts get results in every sphere in which we use them correctly. They will also function in the economic sphere if we exercise our prerogatives.

Experts must be on tap - not on top.

# THE STATE AND THE INDIVIDUAL

**When dealing with the subject of Democracy it is essential that we clearly understand the proper relationship of the State to the individual. The 'trend' today is towards complete domination of the individual by the State. The war has accentuated this 'trend'.**

One leading British sociologist has said: **"Instead, then, of endeavouring to impose some abstract and immature organisation upon nations and upon the world, the first step would appear to be to examine the nature of nations. The first fact which seems incontestable about nations is that they are collections of human beings. Human beings can exist quite comfortably without nations, or States, but nations or States cannot exist without human beings."**

The only social philosophy which will allow the individual to attain his fullest development is that which religiously upholds the importance of the individual. This being the case, any system, whether it be economic or otherwise, which hinders the individual from obtaining happiness, must be altered, because systems are made for men - **not** men for systems.

Those persons who are always telling us that the people do not know what is good for themselves are upholding a philosophy which has always prevailed in varying degrees, but is now reaching its logical conclusions in modern society - which is fast becoming so centralised that individuals are slaves to such abstract gods as National Efficiency, The Nation and The State. Some people desire the present war to finish with a Super World State - Federal Union. This distinct 'trend' is disturbing, and must be faced. As Tagore, the Indian philosopher says: **"The time has come when, for the sake of the whole outraged world, Europe should fully know in her own person the terrible absurdity of the thing called the Nation. The Nation has thriven long upon mutilated humanity. Men, the fairest creations of God, came out of the National Manufactory**

**in huge numbers as war-making and money-making puppets, ludicrously vain of their pitiful perfection of mechanism. Human society grew more and more into a marionette show of politicians, soldiers, manufacturers and bureaucrats, pulled by wire arrangements of wonderful efficiency."** That the individual, both physically and mentally, is being subjugated, needs no substantiation. The principles of true democratic government, if applied, would reverse this position to one in which every individual would be his own dictator.

Most of the history of the social development of the human race can be written around the two conflicting schools of thought which have been mentioned above. Dating from the time of the Sophists of the early Greek civilisation, who were opposed to the authoritarian doctrine, the school of thought which has been opposed to all forms of centralisation and their consequent evils has found expression in many reform movements during the centuries, and is now finding its strongest expression in all 'New Economic' thought.

On the other hand, those who admire the virtue, so-called, of these things called National Efficiency, etc., have had their strong advocates from the time of Plato, who, in the eighth and ninth books of his '*Republic*', launched a vigorous attack upon what he termed the inefficiency of democracy. And so, down the ages, the conflict has raged until, with the growth and monopoly of **credit power**, the enslavement of the individual has been carried to such a pitch that the forces of liberty have been hard pushed to keep alight the small spark of democracy. 'Hitlerism' is the very embodiment of this pernicious philosophy. The outstanding problem which confronts society at the present time is to save the individual from enslavement, whether it be to power-crazed political gangsters, abstractions, such as 'The State' or the financial system.

What is needed at the present time is a greater consciousness of the natural relationship between the individual and his institutions. If that can be obtained, quite a lot of tyranny from which man suffers today will pass away, and we will recognise that the advice, 'The Sabbath was made for man, and not man for the Sabbath', was not mere sentimentalism, but a brilliant maxim of social and political organisation.

Here are two relevant quotations that should be noted. The first is from '*The Soul of Man Under Socialism*', by Oscar Wilde. He wrote: "Individualism, then, is what ... we are to attain. As a natural result the State must give up all idea of government. It must give it up because, as a wise man once said many centuries before Christ, there is such a thing as leaving mankind alone; there is no such thing as governing mankind ... authority is quite degrading. It degrades those who exercise it, and it degrades those over whom it is exercised. When it is violently, grossly and cruelly used, it produces a good effect, by creating, or at any rate, bringing out, the spirit of revolt and Individualism that is to kill it."

The second quotation is from an article in the Halifax (Nova Scotia) '*Chronicle*': "The world seems to be rapidly dividing into two opposing groups, those who believe in the democratic way of life and those who believe in the totalitarian way. Behind these two opposing beliefs lie two conflicting ideas concerning man and his nature. One group believes that 'Man does not live by bread alone'. The other believes that he does. One sees man as a spiritual being and the other denies the whole spiritual background of life and looks upon it as of entirely material origin.

"Both Nazism and Communism look at life from a purely materialistic basis. Human beings are mere pawns in the economic game. Life is a matter of mechanics, and a perfect society is a perfect machine, designed and made by a little coterie of supermen, who call themselves the State. Individuals are mere cogs in that machine. If individuals or groups of individuals do not fit into the society devised, then the State must step in and, with the impersonality of a surgeon wielding his knife, excise them from the body politic. They call it 'liquidating' or 'purging'. But it has not been done with the cold impersonality of a surgeon. It has been done rather with the deliberate cruelty of a gangster exercising his sadistic power and impulse. It is doubtful if any blacker pages of history have been written than those of the last few years, which have seen the doctrines of materialism taking the shape of totalitarian States, with their claims to absolute control over the entire life of the individual. Any system which begins successfully to use man as a means rather than an end becomes a Juggernaut crushing out of life all human freedom and value.

"The fundamental error of these 'systems' is their denial of the truth that 'man does not live by bread alone'. His origin is more than biological, and his needs are more than material. He cherishes ideals and visions in preference to bread. Such men do not dream of a world of static perfection, but of an evolving, expanding world, in which human personality is attaining ever new reaches of freedom and fulfilment. In regard to the State and all other institutions, they assert the great principle laid down 1900 years ago in the words, 'The Sabbath was made for man, and not man for the Sabbath'. In the days when those words were spoken religion had made ritual requirement take precedence over human need. As a result, religion had become soulless and inhuman. Likewise, when the State becomes absolute, it becomes merciless and intolerant."

## DEMOCRACY AND THE STATE

Even in the totalitarian countries, such as Germany, the fundamental urge for freedom still exists - as witness by the following article which was published, prior to the outbreak of war, in '*Freies Deutschland*', the illegal organ of the German Opposition:

"Among the strange phenomena of a pretty crazy world can be counted the undoubted fact that, in all countries without exception, the politicians, the great daily newspapers, and the other organs of public instruction always represent democracy in a false light. The agreement in this respect is so remarkable, and the methods are so cunning, and so alike, that one can hardly object when people believe that they are dealing with a conspiracy, a conscious misrepresentation. Further, one can take it for granted that we are today witnesses of an undermining of the capacity of the people for resistance to a major attack upon their liberty - that is, upon the limited measure of freedom which had been achieved in many countries. Obviously, if a people holds a totally wrong opinion about the basic principles of democracy, it is not so difficult to force upon it the contrary principles.

"The possibility that a conspiracy against the rights and liberties of the people is in existence must be seriously considered,

for its symptoms appear, not only in the totalitarian States, but even in those States which still pass as democratic. It is therefore, a duty for all who have at heart man's freedom and the cultural and material progress which is so closely bound up with it, to combat every representation. According to the totalitarian view of life, man serves the State. In a democracy the State serves man. This latter rests upon a Greek, European, New Testament, Christian conception; the first upon an ancient-Egyptian, Asiatic, Old Testament, ancient Jewish one. In Germany even the scapegoat of the Old Testament has appeared again. That Judah itself has become the scapegoat cannot, however, be represented as justification of a 3000-year-old piece of brutality.

"In order to be better able to pass judgement upon those two views of life, it is necessary to be clear about the purpose of all institutions and associations, such, for example, as the State. In a country which is developing in a natural manner there are athletic clubs, music societies, tennis clubs, etc., in which certain people associate in order to exercise, to sing, or to play tennis. They associate in order to do this better, and perhaps more cheaply. By means of voluntary submission to a few rules, they receive individual advantages which make possible or easier for each one exercise, music or tennis. The association exists only to serve the members. As soon as a member no longer wishes to associate, he has perfect freedom to withdraw. A tennis club, which, by compulsion, consisted of footballers, would be abominable.

"Now, the State is just such an association, if on a somewhat larger scale than the associations which have been mentioned. It is quite natural for there to be many small associations which are generally concerned with questions of tastes and aims which exist in only a few people. The greater the field of interest the greater the association. In this present world of specialised work in every sphere there are in all countries three conditions necessary for the existence of the State: Politico-military security, the possibility of the market for its own production, and the possibility of sharing, according to desire, in the enjoyment of the products of others.

"The State must, therefore, offer to the individual protection against attack from a neighbouring State, and must be so organised, economically, that every citizen can give of his best to every other one, and receive from him food and luxuries. The State in itself is a pure abstraction. It is a question of an association of a great number of human beings who endeavour, by this means, to achieve the necessary military and economic security.

"Individual has joined with individual, people have formed States, because only by this means could co-operation be achieved. The State is a **means** which was invented, or simply developed, in order to **serve** its members. St. Francis of Assisi said: "Means elevated to an end is a sin"; and he was right. The State is only a means. The fundamental misconceptions of today have their roots in that struggle between man and institutions which is being waged before our wondering eyes. On the one side are men with their just aims; on the other are institutions, means, abstractions. The individual who has once grasped this knows at once on which side he must stand - and act. Unfortunately, these people mentioned above, who have conspired against humanity, prevent the majority of their victims from obtaining a clear picture of the true conditions.

"We cannot possibly know the real goal of mankind; but whatever it may be, it is to be achieved most rapidly and most effectively through the free development of the character of every individual human being. Such development is only possible within a democratic State.

**"In the true democracy, as in every other association, the aims and objects of the State are subject to the supervision and authority of the citizens. This State must be served by a functioning aristocracy; the masses have no right to meddle with means, much less to prescribe means. the body politic lays down what is to be achieved, and the aristocracy of officials, industrialists, etc., must know how the goal can best be reached.**

**"This aristocracy, however, has absolutely no right to impose upon the body politic a goal which has not been**

**confirmed in democratic fashion. The goal is to be determined, even dictated, by the citizens. To attain the goal is the duty of the aristocracy. Ends and means must remain separated; the distinction between them must be kept brilliantly illuminated.**

"Such a State must, however, exhibit not only spiritual, intellectual and political freedom, but also economic freedom. It has already been stated that the advances in purely material fields, such as science and industry; the ways and means of adapting the forces of nature to the service of mankind, have made it possible for every citizen to enjoy a considerable measure of economic freedom, to beset free from want and economic subjection. In spite of the possibility no such State yet exists - this must be the next goal of a free mankind.

**"Political power must be transferred absolutely to the people, so the last word rests with the individual in his totality. Economic independence, however, is a pre-requisite for the exercise of political power.**

"To reach this goal a struggle is essential. In many countries this struggle has been raging for 20 years, in circumstances which are opening the eyes of more and more people, and making them see that the whole future of mankind hangs upon the victory. The front line fighters on the side of humanity must, however, be clear in their own minds as to what the goal is, how the enemy fights, and, above all, what democracy really is."

## THE CAMBRIDGESHIRE EXPERIMENT

At the 1936 general elections in Great Britain an experiment in political strategy took place with remarkable results. This was in the early days of the application of the ideas we have been dealing with. This experiment proved beyond all reasonable doubt that the average member of Parliament can be controlled by his electors, organised along the lines of what has come to be known throughout the British Empire as the 'Electoral Campaign'.

About two months before the elections, an address was delivered at Cambridge, by Professor Soddy, to an audience of professors and students, including many eminent scientists. Soddy is known to all students of science, and in that sphere has contributed valuable work on various subjects. In the realms of economic reform, Soddy has also contributed some valuable work, and is one of those rare scientists who realise that all their work in the scientific field will not benefit humanity while control of the money supply remains in the hands of private individuals.

In the address mentioned, Soddy used elaborate charts and diagrams to explain his thesis, but towards the end of the meeting he dropped a bombshell. "You do not really understand or agree with me, gentlemen," he said. "Eminent scientists though you are, you are little more capable of making a decision on a matter of economics than any layman. You would give far more lengthy and exhaustive consideration to any proposal in your own line than most of you are either able or prepared to give to this question. You may agree with me, but if my friend, Major Douglas, the engineer, were to address you tomorrow on his scheme, very different from mine, although similar in purpose, you would probably agree with him to the same extent.

"The Engineers' Study Group, sponsored by the British Science Guild, is examining twenty-four plans and proposed reforms of radicalism, which all, broadly, are designed to correct the same wrong. None of you would care to investigate them all and decide which was right, in opposition to men of equal calibre, but not necessarily more experienced in economics. I believe that my own plan will do all that is necessary.

"Douglas believes the same of his. Both of us, however, I hope, would be quite satisfied if the other's plan were introduced and obtained the desired result successfully. In a sentence, we are only really concerned with results. We know that something should be done which is not being done. We want it to be done. That is all. And the same applies to most of you.

"Now, if you did examine as a group all those schemes, it is possible that you would finish up with as many determined schools of thought as there are schools available, and yet you would have started out unified in purpose, aiming at the one objective. There seems to be a grave danger and weakness, then, in this consideration of technical schemes for economic reform. There is no final arbiter but experience - trying it out. Otherwise, whether you are right or not remains a matter of opinion, however well informed.

"It would, apparently, be far more satisfactory for us to remain agreed on the one thing we do know, on which we are justifiably convinced - that steps must be taken by those in control of what is at fault to produce the results we want, and which we believe the people of this country are entitled to. ... Then, since these plans are already available, and since no majority opinion will ever get behind any one of them, at least in time, and since, even if that did happen it would not necessarily be the best - class and other prejudices might enter into it - should we not rather concentrate on making our Government and its economic experts responsible for getting results, whichever plan they adopt? Inaction must cease. And inaction on the part of our Government will never cease while we are split into schools of thought and advocates of different plans, even to the extent of making the different plans political party issues."

In answer to a question as to what he had to offer, Soddy told them about the electoral campaign. As a result of this meeting, the Cambridgeshire Electoral Campaign Committee was formed, with members ranging from unemployed to scientists. It was only six weeks to the elections. Letters were sent to the two candidates for the constituency of Cambridgeshire. They were asked whether they would be prepared to act promptly on the floor of the House for the abolition of poverty, if a majority of the electors signed written demands to that effect. (They were to do this irrespective of their own personal views or party affiliations. In other words, they were asked if they were prepared to take their orders from a majority of the electors instead of the party caucus.)

The sitting member, Lieutenant-Colonel Rigby, who had held this seat for some considerable time with majorities of 45,000 votes,

replied briefly and to the point. He returned the letter, marked 'Not Interested'. He thought that he could afford to be not interested, but he had yet to learn the power of the electoral campaign.

The other candidate standing was Professor White, who had lost his deposit at the three previous elections. When approached as to whether he would be prepared to do what a majority of the people wanted, he did not think very much of the idea of the campaign, but was a democrat, and agreed to the proposition.

It was now only five weeks to the elections and the campaign was on. An intensive house-to-house canvass was proceeded with. A simple proposition was put to every elector. "Your sitting member is not prepared to advocate the abolition of poverty, even if a majority of you tell him to. Professor White will do so. If you believe in democracy here is an opportunity of expressing your wishes."

And the result of the campaign? **Well, the sitting member (Lieut.-Col. Rigby) won again, but his previous huge majority was reduced to a bare five thousand.** Under the circumstances this was a remarkable result, and definitely showed that the latent spirit of democracy in the electors can be aroused.

However, the real result of the campaign was not seen until some three weeks after the election, and it will answer a question which is often met when outlining the electoral campaign. The question which arises mostly: "Yes, but if we put a man in, and he does not do the job, we have to wait three years to remove him." Perhaps the following will answer this question thoroughly.

Three weeks after being re-elected, the same Colonel Rigby, with years of political security in front of him, wrote to the Campaign headquarters and asked to be allowed to reconsider his previous decision that he was not interested in the demands of a majority of his electors. Undoubtedly, he did some very hard thinking after the election, and realised that, although he still had a majority, it would only require a few more weeks of such campaigning to wipe out his majority.

Although this experiment demonstrated what could be done, it was discovered that the big difficulty was to maintain interest. The people had never used their power. This was the big obstacle which confronted Electoral campaigners, and they set out to overcome this difficulty. The big task confronting those who seek to make democracy function is to restore political self-respect to the man in the street, who says: 'What can I do about it?'

He must be shown that he, together with his fellow electors, has supreme and continuous power. The electoral campaign is based on the democratic principle that the people govern every day - not once every few years.

## BRITAIN EXPERIMENTS WITH DEMOCRACY

As in Australia, the electors of Britain have had to be slowly educated in the exercise of their power by small-scale trials. In other words, they are like a man who has never ridden a bicycle. He cannot immediately go for a 20 mile spin. He learns his power and control by easy stages. And so with the electors. They are learning their power in easy stages, and, in small examples, where they can quickly feel their power. They will quickly pass from local issues to national issues.

Democrats in Britain in the early stages of the electoral campaign concentrated on getting the people demanding better roads, etc., from their councils and local bodies.

In 1937, the ratepayers of Britain gained one of their first great victories. The British House of Commons decided to have a revaluation of land throughout Britain. This would have meant a rise in rates - a subtle way of extracting more financial tribute. The policy of 'passing the buck' to municipal councils, of both debt increases and the resulting taxation increases, is a policy which has been increasingly pursued in both Britain and Australia.

The first centre where the rates were to be increased was Sheffield. Here, as elsewhere, it was quite obvious that a majority

of the people were opposed to the rise. But, apart from trying to fight the matter in the courts (a very costly procedure) the ratepayers knew of no method by which they could do very much about the matter. The electoral campaigners suggested that if a majority of the ratepayers were opposed to the increase, they should demand that the Council vigorously oppose it - otherwise ratepayers would remove the present councillors at the first opportunity. Within a few weeks 50,000 people signed demand-forms to the effect that there must be no rise in rates, and no reduction in social services. As a result, the Sheffield Council was forced to capitulate, and the chairman of the finance committee published a statement that there would be no increase in rates. And this campaign only cost the ratepayers a few pounds for stationery. All that was required was the application of a little democratic pressure.

Other centres quickly followed this lead, and more victories took place, with the result that the campaign looked like sweeping through the whole of Britain. The result of this was that Sir Kingsley Wood announced in the House of Commons that there would be no revaluation of land in Britain until 1940. Public opinion won. (Of course, now that Britain is at war, the Government has a plausible excuse for directly taxing the people.)

In February, 1938, Belfast ratepayers prevented an increase in their rates by the simple expedient of signifying to their councillors that the rate was not to be increased. The demand was signed by 20,000 ratepayers.

So successful has this strategy been in showing the ratepayers their power in unity, and particularly in revealing to them the manner in which the greater proportion of their rates goes to pay the interest bill on money lent to the councils by the banks, which money was a costless creation by those allegedly beneficent institutions, that the official banking journal, '*Branch Banking*', in July 1938, told branch managers that they were no longer to enter into any discussions on the creation of credit, **"as there are now enough substantial quotations in existence to prove even to the uninitiated that banks can, and do, create credit ..."**

Real democracy means that leadership must always come from the people. The application of this principle of British democracy was again successful early in 1939. In 1938, the Government was endeavouring to organise a scheme for billeting evacuees from the city on to country people during war emergency. Public opinion was opposed to the idea, and the suggestion of building proper camps was enthusiastically accepted. The Government at first opposed the idea, but, after the electoral campaign principles were utilised for a few months, the Government submitted and voted one million pounds for the camps. They have since proved their worth.

The bombing of London provided another graphic illustration of leadership coming from the people. The British Government was asked, time and time again, to make money available to build more underground shelters for the people. In spite of the urgent need it did not do it, and furthermore, the people were to be prevented from using the underground railways for shelter. However, with the 'blitzkrieg' at its worst, the people utilised their sovereign power, and commandeered the underground railways. The Government was forced to submit.

If the British people are to win this war for themselves, and not for the financial institutions, they must obtain control of their institutions and develop those fundamental principles of British democracy which have been the basis of British culture.

## THE STORY OF THE AMERICAN 'PINK-SLIP' STRIKE

One of the best modern examples of how public opinion can get results is to be found in the history of what is known in America as the 'Pink Slip' strike. Approximating, as it does, the same tactics as the Electoral Campaign, it offers further refreshing evidence that the members of Parliament are the servants of the electors, and can be made to yield to a clearly-stated demand.

This campaign took place in America in 1935, and the writer takes his factual material from '*Saturday Evening Post*' of June 8, 1935. The '*Post's*' article was also condensed in the '*Reader's Digest*', of August, 1935.

The 'Pink Slip' law was quietly introduced into the Revenue Bill of the American Congress in 1934, but it was not until early in 1935 that the average taxpayer read the pink slip which accompanied his income-tax form. Briefly, the idea of the slips was to record the intimate details of each individual's income; to exhibit every taxpayer to a sort of fiscal fan dance. Most of the taxpayers voiced their protests to their associates, but beyond that it did not appear that any protest would be made. Hearing these casual protests, Mr. R. Pitcairn, Chairman of the Sentinels of the Republic, immediately wrote to many people in many parts of the States. The following events can be best described in the words of Pitcairn himself:

"I decided to do something about the 'Pink Slip'. As a result, the Sentinels of the Republic swung into action. Our first step was to mail 12,000 letters to men throughout the United States. 'Do you want this inquisitorial income-publicity law repealed?' we asked.

"In order to make the resentment of the taxpayers heard, we proposed that each recipient:

(a) Write across his 'Pink Slip': 'I protest against this outrage to my right of privacy';
(b) Write a note to the editors of one morning and one evening newspaper, telling how he (the taxpayer) felt about it;
(c) Drop a similar note to his Senators and representatives.

"The letters brought immediate responses to us, and started a deluge of protests on their way to Washington. The 'Pink Slip' rebellion was on. Hundreds of thousands of protest forms were printed, signed and sent in from all over America. By this time our mailing list had reached amazing proportions. Heads of professional groups - architects, lawyers, engineers - in many cases

asked us to circularise their whole membership. Editorial writers, columnists and commentators joined in the general attack. Before the campaign ended we had distributed more than half a million each of the forms: 'I protest against this outrageous invasion of my right of privacy'.

"We used the wires, too. The mail of Senators and Representatives was daily swelling with protests from the people. A few weeks later Representative Doughton reported on the Repeal Bill, and on March 11 the House passed it by a three-to-one vote. We had now won our first battle. We next faced the Senate and its Finance Committee. Shortly the Bill was reported favourably from the Committee to the Senate. Then suddenly, a real threat loomed. We were told that Senate supporters of the 'Pink Slip' law were planning a neat piece of Parliamentary strategy that would avoid consideration of the Repeal Bill. That called for quick action. We immediately got a new 'Pink Slip' protest out, and once again the mailbags swelled with hundreds of thousands of letters of protest. On March 29 the Bill was repealed by a vote of 53 to 16. Public opinion had tapped the Congressional sense of realism."

Now, what does it all prove? Well, it proves that the power of organised public opinion need not wait for elections to repeal legislation which a majority of the electors do not want. Similarly, a majority of the electors can get any desired legislation if they will only unite and demand it. That is the very essence of democracy. It does not fail when tried.

## TWO LOCAL EXAMPLES OF DEMOCRACY

Here in Australia, the idea of real democracy - the people having complete control over their own institutions - was, as in England, introduced in a small way at first, in order that electors could quickly learn their power. Two of the best practical examples of the manner in which one or two enlightened citizens in a community can show the rest of the community how to use democracy, come from Ayr, North Queensland.

The first example was in connection with the water supply and sanitary conditions at the local school in 1936. While in Ayr in 1939, during a Queensland lecturing tour, I obtained the facts from local citizens. There was hopelessly inadequate provision for a large number of children in the sanitary conveniences, which were very dilapidated. There was no drinking water at the school, with the result that many children had to take bottles of water to school from home. A real fear of the outbreak of an epidemic was often expressed by parents and considerable agitation took place about the matter.

The usual futile methods were utilised for some time until a real democrat attended one of the local meetings of parents and told those present that they must tell their local State member by signed demand-forms, that they wanted immediate results or they would vote and work to remove him at the next elections. This was done, and thousands of demand-forms were circulated and signed by citizens. Public opinion was mobilised in a tangible manner with remarkable results.

The State member, a Labor politician, recognised the fact that he would have to do as he was told or risk being removed. He could no longer shelter behind his Party. The demands did not even have to be sent to Brisbane before results were forthcoming. In a letter dealing with this campaign, the democrat who instigated it, wrote: "Please note that Mr. E. G. Grey, Chairman of the School Committee, referred to in this report, was also Chairman of the local A.L.P.. This particular committee, functioning at this time, was a particularly strong A.L.P. committee, believing possibly, that they would have a greater influence in securing the results that former committees had failed to achieve.

Immediately it became apparent that the new methods were likely to succeed, opposition commenced from the very members of the committee who opposed any interference with their political representative. However, it was too late to prevent the rising of public opinion, and the results were manifested in the securing of everything that had been demanded. **As you will note, further cuttings will disclose that, while every effort over a period**

**of eight years had dismally failed, the Electoral Campaign methods secured results in a comparatively short period of a few weeks; whereas a paltry £100 was difficult to obtain, an amount of £1600 was eventually spent to provide the services required.**

Democracy does work! Having grasped the idea of democratic pressure the citizens were not slow in utilising similar strategy to that employed in obtaining a decent water and sanitary conditions at the local school.

The Brandon road, near Ayr, was in a shocking condition, with the result that many complaints were made by citizens. The local democrat who was responsible for the first campaign drew up a demand to have this road put in good order and covered with a bitumen surface. Some thousands of signatures were obtained and forwarded to the local member of Parliament. Efforts were made by certain authorities to minimise the importance of the methods. However, once again, in a comparatively short period, the results were secured which other methods failed to achieve during a long preceding period. Both the above examples clearly demonstrated that the electors can obtain control over their institutions - whether the institutions be local or national.

## HOW NATIONAL INSURANCE WAS DEFEATED IN AUSTRALIA

The successful campaign conducted against the National Insurance Act provided the Australian people with the greatest experiment in true democracy that this country has ever witnessed. In a matter of six months, this campaign, conducted on non-party, decentralised lines, achieved more for the Australian people than the political parties have been able to achieve in 30 years.

No matter what the party label of Government, taxation has mounted higher and higher. But this campaign, conducted with relatively little finance - an important thing to remember in few of the interests we are fighting - has already saved the Australian people from millions of pounds of increased taxation.

Those people familiar with the financial trends in Australia were not surprised when National Insurance first appeared on the horizon of Australian political thought. Under a system of finance whereby we borrow what is ours, and pay interest for the privilege of doing so, it was to be expected that more subtle methods of taxation would have to be devised. This is the great art of taxation today and calls to mind the graphic statement made in the British House of Commons by that astute British Statesman, William Pitt. Speaking on a taxation measure before the House of Commons, he said: **"To attempt to levy a direct tax of 7 per cent is a dangerous experiment, and one likely to incite revolt, but there is a system of taxation whereby you can tax the last rag from the back, and the last bite from the mouth, without causing a murmur against high taxes, and that is to tax a great number of articles of daily use and necessity so indirectly that the people will pay them and not know it. Their grumbling then will be of hard times, but they will not realise that those hard times are caused by taxation."**

And so, under the guise of an insurance scheme, the Australian people were to see further attacks upon their already low standard of living. The manner in which the Act was forced through the House, in face of so much opposition, even from some members of the ruling coalition, was the antithesis of democratic government. But, even if the Labor Party had been in office the results would have been little better. The only thing upon which labor differed from the self-styled United Australia Party was the **method** of extortion - which indicates how the people, under the Party tyranny, have no alternative but to take their choice between the lesser of two evils.

Politicians apart, it was obvious from the start that nobody wanted it. Both employers and employees were decidedly antagonistic. By its compulsory nature it violated the constitutional freedom of the individual. Here was a position which would be an anomaly in any democratic country. A majority of the people were opposed to certain legislation, but, under the Party system of government, knew of no method by which they could do anything about it, except wait until the next elections, and then try another Party. In the meantime, of course, they would have to pay the taxation and be regimented by more bureaucracy.

This was a unique opportunity to try pressure politics. It was pointed out to the electors that their immediate task was to bring their individual Member of Parliament under control, and to inform him by signed demand-letters that, unless he took active steps to have this Act repealed, they would vote against him at the next elections, irrespective of his Party label. This was started.

The following demand-form was drawn up by Mr. F. C. Paice of Melbourne, who first had several hundred copies duplicated for distribution where he worked.

**".....,  M.H.R., Canberra, A.C.T.**

**"Dear Sir, - Having at long last learnt the details of the National Health and Insurance Act, I have arrived at the definite conclusion that this Act will mean a drastic lowering of the already low standard of living of the majority of people of Australia by the very fact of reducing their weekly income. I am, therefore, taking this opportunity of telling you, as my representative in Parliament, that I resent having this imposed upon me without the electors first being consulted by referendum; and I am determined that if you, as my representative, fail to do your utmost to have this undemocratic measure repealed, I will do all in my power to cause you to be replaced at the next elections by a representative who will truly represent the wishes of his electors.**

**Yours faithfully,**

**(Name) .....**
**(Address).....**"

The demand for these forms was such that larger quantities were printed. Some electors used slightly different wording, but the basic demand was the same. All over Australia the idea was taken up. The electors, for the first time in their political lives, were telling Members of Parliament what they (the electors) wanted, or, in this case, what they **did not** want. They forgot all about their party differences. For the first time in Australian history we saw the will of the electors crystallised by a tangible medium, and directed against the individual Member of Parliament, who was thus forced to accept personal responsibility. He could no longer hide behind his Party.

One of the most remarkable features of this campaign was the manner in which the fundamental idea of democracy was also grasped within the Trade Union movement. Trade unionism, as originally conceived, was essentially democratic. Unfortunately, like Parliament, it has been perverted, with the result that, instead of Union executives being appointed for the sole purpose of giving the rank-and-file what it wants, they tell the rank-and-file what **they** think will be good for it.

Without ever consulting the rank-and-file, many of the Union executives started to spend Union members' money in forming 'Approved Societies' for implementing National Insurance. When Mr. Paice put his idea of the demand letter to the officials at the Melbourne Trades Hall he was told that nothing could be done as the Act was law. Mr. Paice replied by saying that the people were ultimately responsible for all laws, and, if they did not want this Act, they had the constitutional power to have it repealed.

Mr. Paice, in his campaign, met with surprising hostility from the Trades Hall, with the result that the rank-and-file of trade unionists in many cases started to assert their authority and tell their executives that they, like Members of Parliament, were only paid servants. Naturally, the executives had to yield to the will of the rank-and-file. Democracy must work. Institutions must not be allowed to become more important than individuals.

It would take too long to deal in detail with this nation-wide campaign, which flooded Canberra with a deluge of hundreds of thousands of demand-forms. Slowly, but surely, as the pressure was applied, the attitude of Members of Parliament began to change, and a Cabinet crisis took place.

However, under the pretext that, owing to defence expenditure, the country 'could not stand it', it was definitely decided not to proceed with the scheme.

Even Mr. R. G. Casey, Member for Corio at that time, who introduced the Act, was forced to alter his attitude - although, in answer to Mr. Brennan, in the House, on September 22, 1938, Mr.

Casey had said that the Government proposed to take no notice whatever of the electors. What strange views some of our politicians have on democracy! However, all the explaining in the world did not stop the constant flow of demand-letters, and one U.A.P. member, the late Mr. J. V. Fairbairn (Flinders, Victoria) said at a public meeting in Frankston, March, 1939: **"The Government got jelly spines."**

Possibly the best testimony to the influence of this campaign was given by one of the orthodox daily papers. The following report appeared in the Sydney '*Sun*': **"First Insurance, Now Banking. Federal members of Parliament face a future bereft of all comfort if the Ministry yields to the pressure which demands the abandonment of National Insurance. This pressure has been applied through the circulation of form-letters, which electors have been urged to despatch to their Parliamentary representatives demanding repeal under the threat of dismissal at the next elections. Ministers and members have wilted under the blast of these letters.**

**"The final defection from the National Insurance ideal, that of Sir Earl Page, had given the signal for renewed activity on the part of the pressure letter party. Confident that they have killed National Insurance, they are now out after the Commonwealth Bank Act Amendment Bill, which was introduced by the Treasurer last November. The '*New Time*' published today a form letter for circulation, demanding the elimination of certain clauses of the Bill. These are almost exactly the same terms as those in which was expressed the threat in the National Insurance form-letter. Members are asking where it will all end, and those whose determination to stand by National Insurance had been weakened by the insidious application of what has been termed an imported form of political blackmail now realise that they have handed over to their enemies a very strong weapon."**

This was a most significant admission, although I find it hard to imagine how the electors can be the enemies of the politicians. If it is blackmail for the electors to demand results from those who are

supposed to represent them, then I say that the sooner we have a lot more blackmail, the sooner we will get out of the present chaos. But, this Electoral Campaign is not blackmail. It is the only basis upon which to build real democracy.

The time will come when the campaign against National Insurance will be regarded as an historic event. It taught us that we have no need to wait for Parties, or elections, to get results. The people can get results which a majority of them desire, if they will only accept their democratic responsibilities.

## PUBLIC OPINION AND THE COMMONWEALTH BANK ACT

The Commonwealth Bank Act which the '*Sun*' referred to was brought down in the House of Representatives by Mr. R. G. Casey, on November 25, 1938. Let us briefly examine the events which led up to the introduction of this Act, the real object of the Act and the campaign to defeat it.

Until 1929 very few people in this country were familiar with the power of the Commonwealth Bank, and the manner in which this Bank, prior to 1924, had been used on behalf of the Australian people. In 1924 the Bruce-Page administration introduced legislation which gave control of the Bank to the Commonwealth Bank Board, dominated by nominees of the private trading banks. In 1920, Sir Denison Miller, Governor of the Bank, had utilised it to defeat the deflationary policy being introduced by the private trading banks. When the depression of 1929 was started, the Commonwealth Bank was impotent. However, although controlled by the private trading banks, it still belonged to the Australian people, and the Government had power to use it on behalf of the Australian people. Lacking the clear-cut demand of public opinion, nothing was done. The people were betrayed to the private financiers.

The depression started many people investigating the financial system, with the result that, by the 1934 elections, the late

Mr. J. A. Lyons (then Prime Minister) was forced to promise a Royal Commission on Banking in order to retain his seat. Although this Commission was comprised of men noted for their orthodox views about money, it was forced to make certain admissions, the most important being as follows:

Clause 516: **"The objective of an economic and monetary system for Australia should be to achieve the best use of our productive resources, both present and future. ... Since the monetary and banking system is an integral part of the economic system, its objective will be to assist with all the means at its disposal in achieving these ends."**

Clause 503: **"The Commonwealth Bank is a public institution engaged in the discharge of a public trust. Its special function is to regulate the volume of credit in the national interests, and its distinctive attribute is the control of the note issue."**

Section 504: **"... Because of this power, the Commonwealth Bank ... can even make money available to Governments and to others free of any charge. ..."**

Here was an admission that the Commonwealth Bank, as the Central Bank in our Australian banking system, could issue all the money necessary for the nation's needs for the mere cost of administration. It cost the Australian taxpayers £22,000 to learn what common-sense should have told them years before.

Public opinion was now aroused all over Australia in demanding that these findings be discussed at Canberra and implemented. The next move by the financiers was to have the Commonwealth Bank Act Amendment Bill introduced, which, if passed, would mean **their** ownership of the Commonwealth Bank. the reader will notice that I say, 'if passed'. Up to the time of writing, the campaign conducted against the Act has prevented it from being even brought before the House.

On February 24, 1939, a demand form in connection with this matter appeared in *'New Times'*. Electors were urged to get people to use similar tactics to those adopted against National Insurance. This campaign was much more difficult than the National Insurance issue, as the people, on the whole, knew very little about the Commonwealth Bank. However, a nation-wide educational campaign took place, with the result that many different papers, belonging to different movements, published articles dealing with the matter, and urged electors to write to their respective members of Federal Parliament immediately. Once again hundreds of thousands of demand forms flowed into Canberra from all over Australia. After months of intense campaigning by Electoral Campaigners throughout Australia, Mr. P. C. Spender, then Assistant Treasurer, said that several Clauses in the Commonwealth Bank Act Amendment Bill would be deleted, owing to organised public opinion. However, even the modified Bill has not yet been introduced. This was another unmistakable victory for real democracy on non-party lines.

## THE STRUGGLE FOR DEMOCRACY IN CANADA

Canada has long been recognised as being a danger spot to the financial oligarchy which seeks to make its world hegemony secure through the destruction of democratic institutions. A lengthy book could be written about the struggle to throw off financial domination, which has been raging in Alberta for the past five years.

The people of that Canadian province are more determined in their efforts than ever before, and have organised public opinion behind their Members of Parliament. They left the implementing of their desires to the Aberhart Government during its first eighteen months in office, but nothing was done. Electoral Campaign tactics were then adopted, and the fight was on. Slowly, but surely, in spite of the fact that the Province does not enjoy autonomy in monetary matters, conditions were improved. Alberta has actually reduced its debt! The people returned the Aberhart Government with an

overwhelming majority early in 1940. This was a surprise to those who took their views from the daily papers, and therefore, believed that chaos reigned in Alberta.

The lessons learnt in Alberta have not been lost on the rest of Canada. The Electoral Campaign idea had made such progress by 1938, that a special committee of the House of Commons, Ottawa, considered, and approved, two proposals affecting rights never before touched in the electoral laws of the Dominion. The first would make it an offence for any Parliamentary candidate to sign a questionnaire or pledge binding himself to any specific course of action. The second would make it illegal for any candidate to pledge himself to promote the expenditure of public money on behalf of any persons or organisation.

Both these extraordinary proposals were introduced by the Honourable C. G. Power. These measures would, of course, have the effect of placing the Member of Parliament beyond the control of his constituents, and there is little doubt that this was their primary, if not their only, intention. In the following extracts from the '*Montreal Star's*' report of the meeting of the special committee will be recognised the true aims of this suggested legislation:

"'Questionnaires submitted by various organisations to candidates at election time were a nuisance,' said Mr. Power. Sometimes they were a danger. If a candidate signed enough of them he could become simply a delegate, perhaps for the expression of views of minorities. This was a negation of Parliamentary responsibility. Mr. Power said it might be going pretty far to make the submissions of pledges an offence, but it was worth considering. Mr. Power also said that the bonus paid to war veterans in the United States **was an example of pressure politics worked through signed pledges.** 'All the common-sense in the United States could not prevent spending 4,000,000,000 dollars,' he said."

Comment is unnecessary. When we hear of proposals such as these, we begin to realise what democracy is really up against. However, Canada, with the rest of the Empire, fights on; for all those things which we hope we British people can preserve from the present peril.

# HISTORY VINDICATES DEMOCRACY

**"An awakened public conscience, if it is not to spend itself in public emotions, must find a channel of expression. Shaftesbury taught it to speak with the voice of law; and the lesson which he gave to his own generation now resounds throughout the civilised world."** - *'Biography of Shaftesbury'* by Constance Smith.

Most people, when first hearing of the Electoral Campaign, regard it favourably, or otherwise, as some new revolutionary idea born of comparatively recent social and political developments. This is not altogether so. The fundamental principle underlying this campaign has been appreciated right throughout the ages, where men have fought for liberty and security.

Some time ago, in an article by the English Biologist, Dr. Tudor Jones, appeared a statement to the effect that there is no evidence whatever to suggest that the human being of the present day is, in any essential, cleverer or more able than the human being of six or seven hundred years ago.

A study of history, particularly the history of Scotland from the thirteenth to sixteenth centuries, indicates that the realities of statesmanship were as much appreciated then as they are now.

These realities also appear to have been understood and utilised during the eighteenth and nineteenth centuries. The most vital reality to which I refer is the principle that, in association, individuals can get what they want. Nations are, primarily, merely associations for the good of those composing them. And, to quote one of Britain's greatest sociologists of the present time, "The general principles which govern association for the common good are as capable of exact statement as the principles of bridge building, and departure from them is just as disastrous."

The totalitarian theory, which proclaims that the State is everything and the individual nothing, is a departure from those

principles. It is a re-statement of the theory of the late Roman Empire, which, together with the financial methods by which it was maintained, led to Rome's downfall, not by the conquest of stronger empires, but by its own internal weaknesses.

This position seems to be developing very strongly in practically every country at the present time, and only a correct understanding of the power of organised public opinion focussed upon a commonly-agreed-on objective can prevent the threatening destruction of twentieth-century civilisation. That we can prevent that breakdown should be more readily appreciated if we make a survey of two of the most important reforms in British history, and understand the underlying reason for their ultimate success.

## HOW PUBLIC OPINION ABOLISHED SLAVERY

Undoubtedly, one of the greatest reforms in the history of the British Empire was the Abolition of Slavery, and that reform is most graphically summarised in the words of one of England's greatest living historians, G. M. Trevelyan, Regius Professor of Modern History in the University of Cambridge.

The following extracts are taken from his book, '*British History in the Nineteenth Century*'. This summing-up is particularly illuminating, and emphasises the fact that Parliament cannot impede reform once the people are organised for it. It also shows that Parliament never starts a reform, but merely puts its name to it. Professor Trevelyan writes:

"In the year 1787 began the formation of the Anti-Slave Committees, with which the name of Wilberforce will always be remembered. The success of this agitation, then unique in the character of its aims and methods, **is one of the turning points in the history of the world.** It led to the abolition, first, of the slave trade and then of slavery itself under the British flag, and thereby secured abolition by all those European nations who, in the course of the nineteenth century, divided between them the helpless bulk of Africa. It was only just in time. If slavery had not been abolished

before the great commercial exploitation of the tropics began, Africa would have been turned by the world's capitalists into a slave farm so enormous that it must have eventually corrupted and destroyed Europe herself, as surely as the world conquest under the conditions of slavery destroyed the Roman Empire.

"It is good to think that a movement of such beneficent import to the whole world should have been begun and mainly carried out by the humanity and enlightenment of the British people as a whole, under the guidance of an entirely unselfish agitation. These methods of voluntary organisation and open propaganda were directed, **first, to persuade the public, and then to bring pressure of public opinion to bear on the Government.** The result proved that,in spite of the terrible corruption of our political institutions, the spirit of the British body politic was free and healthy."

Thus we see how the use of democracy achieved one of the greatest reforms in modern history, in spite of vested interests, which were just as strongly entrenched as the interests we are fighting today. The shipping interests, for example, said that the Abolition of Slavery would wreck their business; while others said that such a reform would mean that Britain could never colonise the Empire. Many other arguments were brought forward, but the fact remains that in the year 1807 one of the most corrupt Parliaments that Britain has ever had was forced to yield to organised public opinion. And if public opinion can be roused to the same extent again, we will also see the abolition of the greatest slavery of all time - financial slavery.

## HOW THE BRITISH PEOPLE GOT THE VOTE

In sequence of importance, the greatest reform next brought about in the history of Britain was when the British people first obtained the power to vote for their own representatives in 1832.

This achievement further demonstrated the power of public opinion, as the people at this time had no vote with which to enforce this reform. Even though the House of Commons and the House of Lords knew that by putting their names to the Reform Bill it would put

an end to many privileges they had enjoyed in the past, they were forced to yield to the determined demand of public opinion. Once again the story of this reform can be best told in the words of Professor Trevelyan:

**"The Reform Bill, by the fact and by the manner of its passing, had done a great deal more than enfranchise one-half of the middle class. It had asserted the power of the whole nation, enfranchised and unenfranchised, because it had been carried by the popular will against the strenuous resistance of the old order entrenched in the House of Lords. It had been a fair fight and a straight decision. Forty years before, the people had been told by Bishop Horsley that "they had nothing to do with laws but obey them," and they had submitted to the decree. And now, at length, they HAD LEARNED HOW TO ORGANISE THEIR POWER AND TO EXACT OBEDIENCE FROM THE LAW MAKERS."**

This reform allowed the people to take a big step forward in political emancipation. Unfortunately, as we now realise, the people have not learned the correct use of the vote. Instead of using their votes to demand **results**, they have been cajoled into wasting them upon issues which are technical or of no fundamental importance, and keep the people divided. When the principles of real democracy are put into operation the people will use their votes to get whatever results they want: they will remove those individuals responsible for the administration of their affairs, unless the desired results are forthcoming.

# CONCLUSION

"We must be free or die, who speak the tongue
That Shakespeare spake; the faith and morals hold
Which Milton held."
- '*The British Heritage*', by William Wordsworth

In spite of its many faults, the Anglo-Saxon character is the last great bulwark against complete world-tyranny - tyranny which grows more and more violent. Gangsterism stalks unchecked throughout Germany, Italy, Russia and other countries. The British people, who have led the world to freedom and social progress in the past, now face a challenge such as civilisation has never previously witnessed. We are not merely watchers in a great drama - we are actors, each capable of playing his part as the spirit moves him. Many are still apathetic actors, others are seized with the spirit which has manifested itself time and time again throughout British history and are prepared to take action.

Today the demand goes out for a real victory for the British people and not a repetition of the last war - a war won by the financiers. These financiers, now organised on an international scale, are using the totalitarian powers to smash the British Empire and British institutions. If the Empire is to put forward its maximum effort, financial restrictions must be swept aside, bureaucracy and red tape thrown overboard, and a real will-to-win spirit encouraged. Electors must unite on one result - a result which they can all recognise. The following is a suggested demand form which electors might send to their Members of Parliament:

**"Dear Sir, - I desire to inform you, as my Parliamentary representative, that I am determined that the war shall be won for the British people, British culture and the Parliamentary system of democracy. Every increase in debt and taxation prevents us from putting forward our maximum effort, and is a blow against the morale of our people. I, therefore, demand that the nation's war effort be financed without further debt, taxation or inflation.**

**"It is preposterous to suggest that our unlimited resources and manpower cannot be mobilised without pawning the nation to private finance, and I will be forced to vote and work for your dismissal at the earliest opportunity unless you take immediate action to prevent such further betrayal of the nation. Yours faithfully,**

**"....."**

* * * * * *

Public opinion must be mobilised to demand that victory for which we all yearn. Every individual must accept his responsibility and join the growing army of democrats - an army which marches towards the dawn of real democracy; an army with a purpose which has been the driving force in the British struggle for freedom. The growth of the democratic idea has been a living experiment from the time of Magna Charta - down through history: Wat Tyler, Wilberforce, Shaftesbury, never perfected, never giving up. Wherever they have gone the British people have taken the idea of democracy with them. The great British traditions of liberty and human dignity, expressing themselves in the language of our greatest writers and poets, go marching on.

If those traditions are to be maintained and developed, the principles which I have outlined in this book must be put into operation - now.

Will democracy survive? **You** with your fellow citizens, are called upon to make your decision. Surely the tone of Chaucer, of Jane Austen, of Shakespeare, of Keats, of Shelley, will not become the language of an enslaved race? I do not believe it.

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