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Now, when our
brink is verging,
In God's name,
let us speak while
there is time!
Now, when the
padlocks for our
lips are forging,
Silence is crime.
Whittier (1807-1892)

What Is Australia's Making Work OR Ensuring Incomes ?

By ERIC D. BUTLER.

One can hardly pick up a paper to-day without seeing some reference to post-war planning, particularly the socialist brand of planning. Mr. Brian Fitzpatrick, for instance, who is much admired by the left-wing "intellectuals," has been writing about the subject of planning in "Smith's Weekly."

Mr. Fitzpatrick, like many other "intellectuals," has, from time to time, been concerned about the question of civil liberties. But, as far as I am aware, Mr. Fitzpatrick uttered no protest when twenty Australian citizens were thrown into prison, and kept there for varying periods without a public trial. But these people were "Fascists"; at least, that is what the Socialist and Communist advocates of "liberty" told us. Neither has Mr. Fitzpatrick uttered any protest against the policy of the private trading banks in this country. In fact, in an article on post-war planning in "Smith's" of October 31, he wrote the following non-sense:

"First, and biggest, of the difficulties will be pressure by 'private enterprise' to remove wartime restraints on itself—to remove Government control of capital issues and accumulated profits, current profits, imports, manpower, prices, all the hundred and one elements that must be controlled, if money is to be diverted to public purposes in peace, as it is now in war."

Mr. Fitzgerald appears to suffer from the common delusion that there is a fixed amount of money in existence, and that in order to fight wars, or carry out public works, we must "divert" money from somewhere to somewhere else. The Government control of industry has had nothing whatever to do with obtaining money to fight the war. The bulk of the money has been created by the private trading banks as a perpetual interest-bearing debt to themselves. And not a word does Mr.

Fitzpatrick say about the colossal taxation which is now required, apart from what will be required after the war, to pay the interest bills. There can be no real post-war planning which does not seek to eliminate all taxation; and there can be no real individual liberty while taxation continues. Taxation can be abolished by the Federal Government stopping the banks from lending the community its own money, or credit, and then charging interest on the debt.

Mr. Fitzpatrick's article deals with a post-war plan put forward by 50,000 Australian railwaymen. These railwaymen don't want to have another depression in Australia. Their solution is a big public works campaign. Mr. Fitzpatrick agrees with this. Well, Hitler put all his people to work on building roads and other public works.

Frankly, I ask Mr. Fitzpatrick and all the other advocates of the big public works idea, why all this talk about getting people back to work? Why work just for the sake of work? We will have, at the end of this war, a tremendous industrial machine, capable in peacetime of flooding the country with consumable goods. At present, with hundreds of thousands of men in the armed forces producing nothing at all, but still eating food and wearing clothes, we are actually giving away hundreds of millions of pounds' worth of material in the shape of shells, etc. Well, then, without even asking the men in the forces to do any work, we could just as easily give OURSELVES millions of pounds of consumable goods when our industrial plants switch to peace

Post-War Problem ?

production. There can be no argument about this.

I, for one, have no desire to be put to work on some public works in order to obtain sufficient money to live. That would be slavery, of which we have already had too much. It is time that we thought less about getting back to work after this war, and more about starting to live. A small number of keen, efficient people, working reasonable hours, could provide everyone with a reasonable standard of living. We don't want more work after the war; we want more purchasing-power to buy what industry can provide us with. This means a direct weekly payment to every member of the community—a rational dividend, progressively increasing with the productivity of the country, and not taxation, progressively increasing with every increase in our debt to the banks.

And our claim to a monetary dividend? The fact that science, the cultural heritage,

passed down over centuries is the biggest factor in modern production. That cultural heritage belongs, by right, to everyone. A money mechanism is the only scientific way to allow us to demand our share of production.

"But what about our big works programme?" the planners will say. Yes, we could do with a lot of improvements. But people should work on them voluntarily, not as wage slaves.

Some roads in Australia may be bad. But I would prefer to see each Australian well fed and clothed, as a free individual, rather than see him forced to slave at building roads.

No, Mr. Fitzpatrick, it is not a difficult problem. It is a question of demesmerizing our minds about money and work. And the idea of more Government control of industry is answered by the shocking mess created by dozens of Government boards and departments.

Aberhart is Blocked Again!

Another Alberta Act Declared Ultra Vires!

The Legal Proceedings Suspension Act, 1942, which was submitted to the Alberta (Canada) court of appeal by the provincial Government, has been declared ultra vires the provincial legislature, in a written judgment handed down by Chief Justice Hon. Horace Harvey, and concurred in by Mr. Justice H. W. Lunny and Mr. Justice W. R. Howson. In dissenting judgments written by Mr. Justice Frank Ford and Mr. Justice A. F. Ewing, the Act is held to be wholly within the legislative competence of the legislature.

The Act was passed to stay proceedings in actions commenced or to be commenced, in which there had been raised the validity or applicability of the Alberta Debt Adjustment Act, until 60 days after the determination of an appeal now pending before the Privy Council on the validity of the Debt Adjustment Act.

(The latter was declared ultra vires the provincial legislature in a judgment on a reference to the Supreme Court of Canada, by the Dominion Government. That judgment was appealed by the province, and the hearing of the appeal is now pending.) The following counsel appeared at the argument on the reference: George H. Steer, K.C., representing the Canadian Bankers' Association; S. H. McCurig, K.C., representing the Alberta Mortgage Loans Association; and W. S. Gray, K.C., and H. J. Wilson, K.C., representing the attorney-general.

The Chief Justice's judgment that the Legal Proceedings Suspension Act was ultra vires, was largely based on the argument that, "For the period of the stay this is a complete setting at naught of the judgment of the Supreme Court of Canada [which declared the Debt Adjustment Act ultra vires], and it is not without significance that the period of the stay is not limited to the time involved in obtaining the decision of the Judicial Committee, but is for a further period of 60 days, and the argument that this is simply to get definite information of that decision does not seem to call for serious consideration." He pointed out that if the appeal to the Judicial Committee was not prosecuted, this

indefinite period would never end. He held that the matter resolved itself into a question of whether the legislative power could itself determine for a long or short period, a definite or indefinite time its own legislative authority, and on this point the majority judgment observes:—

"Though not expressly set out in the terms of the British North America Act, it is of the essence of our constitution, which assigns definite and limited powers of legislation to the legislatures, that the courts should determine whether the legislature has exceeded those limits, and that the legislatures should recognise and observe that determination."

Mr. Justice Ewing, in his dissenting judgment that the Suspension Act was within the legislative powers of the legislature, held that the Suspension Act did not prevent the holder of a promissory note from suing, nor recovering judgment. "It does not impose any conditions upon suitors nor does it qualify their substantive rights in any way. But if the Act can be said in a certain sense and in a very limited way to do all of those things, then clearly these things are not its pith and substance."

"The Act merely stays those actions to which the Debt Adjustment Act, if operative, applies, for a reasonable time and reasonable purpose. The real purpose of the act and the time of stay make up its pith and purpose." He saw no reason to believe that the appeal to the Privy Council would not be prosecuted.

Concurring with Mr. Justice Ewing's judgment, Mr. Justice Frank Ford said, "The fact that the executive council had immediately submitted the act for the court's opinion as to its validity shows that its object or purpose was not to defy the judgments of the court invalid, but rather by the exercise of its power over the administration of justice and procedure in the civil courts to give, without a multiplicity of proceeding, an opportunity to have the question of legislative power in the premises finally passed upon."

He held that the act did not take away from the court in any vital particular any essential characteristic of a superior court, and pointed out that none of the cases so far decided go as far as to say that a legislative stay of proceedings is in itself ultra vires.

"As to the argument that the act is an interference with the right of the subject to seek access to the courts, the act, instead of infringing it, is seeking to maintain the right of a large body of debtors to have their rights finally determined by the tribunal of last resort, the judicial committee of the Privy Council."

"The pith and substance of the act is to give those litigants, though defendants, the opportunity in a simple and speedy way to have the matter of the validity of an act passed for their benefit finally determined."

—O. B. H.

NOTES ON THE NEWS

Published tables of compulsory payments have blown the froth off the Beveridge brew and revealed the same basic concoction that Australians knew—and rejected as "National Insurance." It is simply a redistribution of inadequate incomes, on a socialistic levelling-DOWN basis—it does not increase the total incomes by one penny.

For example, if employees will forego, say, 5/- from their meagre incomes, employers will pay 5/- and charge it into costs, which the insured will pay and the Government will contribute 5/-, which it will tax from all sections. It is a confidence story which excels Hitler's fairy tale; and it again illustrates the slogan—"Beware of Press Boosts."

CONSCRIPTION: Mr. C. G. Fallon, president of the Australian Labour Party, in condemning Mr. Curtin's proposal in regard to the militia, is reported in the Melbourne "Sun" of December 4 as saying: "The proposal is conscription pure and simple, to which I am completely opposed." In the same issue of the same paper it was reported that Mr. Calwell, M.H.R., said, "Only those Unions whose members were in reserved occupations were supporting the proposal that Australian Militia should serve outside Australia." There is no reason why this matter should not be left to the free choice of those concerned—there is no law to prevent militia-men from volunteering for overseas service if they desire to do so.

DEAD-END KIDS: Boy street-sweepers employed by the Melbourne City Council recently went on strike against their niggardly rates of pay, and the manpower authorities, who now control them, gave the council permission to dismiss four of them, who, presumably, will be taken from this dead-end job. Whatever happens to them, they can hardly be worse off. It is astonishing that our City Councillors, who prattle so much about civic pride and opportunity for boys, can be a party to ruining the lads' careers by employing them on such jobs, which could be done by a few elderly men who had run their race, or, for that matter, by the councillors themselves, as a spare time job, using machines.

FREEDOM: Much is heard to-day about religious freedom as one of the rights to be guaranteed—which, of course, presumes that it is endangered; but it sounds rather ironical when, according to the daily press, which, incidentally, has freedom to report it, that a conscientious objector was sentenced to six months' imprisonment in Sydney because his religious beliefs as a Christian prevented him from participating in

war. Can it be that the proposed Constitution alterations are necessary to prevent this form of prosecution?

DOUBLE-HEADERS: The double-headed penny trick is plainly seen in Mr. Curtin's stipulation regarding the transfer of State powers, viz.: "Such powers shall not be revoked by any State without the approval of the people of that State." For this to be even a reasonable proposition he should be equally insistent that State powers shall not be surrendered without the approval of the people. It's the old story of "Heads I Win, Tails You Lose," and one which electors should refuse to swallow. Any State political servants who dare to betray their trust by surrendering such powers deserve prompt dismissal—and electors should write immediately and remind them of this.

BOND BOOSTERS: The "Argus" of November 21 reports that the U.S. Treasury is hiring an army of 344,000 salesmen (17 divisions), to man the money-boxes in an attempt to add another seven million bond-buyers to the tally. It is wonderful what those who control finance will do to increase the number of petty beneficiaries of Bond-issues, who in turn will thus become defenders of the whole debt-system.

SMOKE-SCREENS: Following the well-staged sham fight against centralisation of political power, in order to make it appear that the people's rights were being defended; State Premiers have now agreed to surrender State rights. Of course, there is the formality of referring the matter back to their respective Parliaments; but it is clear that the decision is made, and this is where the people come in. No State Parliament has any right to surrender such power without a State referendum. Therefore, each Member of the State Parliaments should be informed of this fact. NOW is

PUBLIC OPINION or COLLECTIVE WILL?

An enterprising American society recently asked 2000 eminent American economists whether there would be a "post-armament depression," and if so, how to avoid it.* The replies of the 480 who bothered to answer were neatly analysed, tabulated, published and duly selected by the pamphlet-of-the-month club, presumably for circulation to a voracious army of pamphlet readers in America.

Now even immutable Economic Law, which has long been susceptible to the influence of a few carefully camouflaged individuals, is not yet amenable to guidance by the statistical mean, or even the sum, of 480 eminent economists' opinions. The theory that a composite opinion has any connection, because it is composite, with factual truth is one that could only be put forward by economists and credited by the very gullible.

As a guide to the mysterious workings of the economic mind, however, this Survey of Opinion has interest. It must be observed that not one of the 480, who strain desperately to invent Work for All after the armaments boom, has had the realism to divorce the problem of production and distribution of goods and services from the so-called "work problem." They have withdrawn too much from the contemplation of nature and the observations of experience, as Francis Bacon said of similar gentry, "and have tumbled up and down in their own reasons and conceits."

But apart from its innate value as a contribution to the natural history of the economist, this survey must be regarded as an instance—an extreme one—of a growing and world-wide tendency.

In 1934 Major Douglas laid emphasis on the necessity, for the rehabilitation of democracy, of expressing and bringing to fulfilment people's will, individual and collective, and he suggested a practical mechanism suitable for that purpose at that time. Since then there has been a steady effort to pervert and discredit the mechanism suggested. To make people conscious of their will it was convenient for it to be expressed in words, and one phase of the perversion referred to is the endeavour to confuse will with opinion, stressing meanwhile the importance of freedom of opinion. The Atlantic Charter, while eloquent about freedom of opinion, is silent upon freedom

of action (the fulfilment of will)—that is, on freedom.

The opinion that is meant here is the view on the technique of a problem of one who is not engaged in carrying it out.

What it is intended to emphasise is the increasing attempt to use this public opinion as a politico-economic motive force in the same way that, in an effective democracy, collective will should be used.

Various instances of organisation, using this technique, come to mind as examples. There are institutions that collect statistics of the percentage of people who think this that or the other. (Before the United States entered the war the American public was asked to poll on who it thought would win the war. Here [in Britain] we confine ourselves to the popularity of Mr. Churchill). There are those who, before they start, carefully subject their public to lectures on the points they want to inquire about. The endeavour to make political capital out of these surveys is steadily growing. Meanwhile, people go on thinking what they do think, and wanting what they do want, irrespective of statistics and frequently irrespective of any intellectual questions they may have answered to inquisitive journalists—or whatever enquirers call themselves.

The fact is that people's will, individual and collective, is an elusive and shy thing, and has for the most part found proper expression through the economic money vote which (when you had the money) was automatic and in spite of advertising, relatively more free from propaganda.

Conditions of war have destroyed this freedom, and it becomes correspondingly more important that organisations which misrepresent, however "scientifically," the people's will by substituting for it the people's opinion, should be held responsible by the people concerned for what they do.—E.E., in the "Social Creditor" (England).

* "Can We Avoid a Post Armament Depression?"—National Association of Manufacturers.

A NEW "ARISTOCRACY"?

(Condensed from "Hardware and Machinery," November 17.)

A business man in England made a remark a few months ago which attracted very little notice, save for a stray quotation in one or two trade journals, but which may prove to be prophetic. When referring to a scheme to reinstate traders in their businesses after the war, he said the idea seemed sound enough, but its success would depend, he thought, upon the amount of power that would be in the hands of the "bureaucracy" when the fighting was over.

At first sight this chance remark appears too trifling to warrant more than a fleeting reference, but if one allows the mind to dwell on the possibilities suggested by these few words there is sufficient material to write a book.

The official journal of the Melbourne Chamber of Commerce, in an article on Black Marketing and Profiteering, says, "A recent report of the Standing Committee of the Senate on National Security Regulations shows that 654 statutory rules, 7050 Orders, 59 rules, 13 by-laws and 148 miscellaneous items . . . have been made under them." When one thinks of the number of directors, chairmen, deputy-directors, officials, clerks and others that are needed to originate, edit, publish, police and talk about all these rules and Orders one is staggered at the huge growth that has sprung up during a few short years. In one sense, it must be remembered, not a single unit in this great organisation of war-time departments produces a pennyworth of anything; not a single product that is useful to the community; they only make regulations to prohibit, restrict, or veto the operations of those who do the valuable work of manufacture and distribution.

Those in supreme command of the national means of production are often unacquainted with their subject, or with the commodity they control. It may be doubted whether the secretary, for example, of one of our Food Boards, could himself grow a row of onions or potatoes to save his life; he would not know how to spray an apple tree, to run an incubator, nor could he distinguish between the chicken that lays an egg and the male variety that struts around the farmyard.

HAIRDRESSERS PROTEST

An article in "The Hairdresser and Beauty Trade" (England) points out that many small hairdressers in Britain object strongly to the proposals of the Retail Trade Committee for compensation in case of "concentration." The journal adds:—

"Now let's get busy, all of us, in particular our Councils and Associations. Meanwhile, the individual hairdresser, whom I hope I have stirred to action, can tilt a valuable lance by protesting to his M.P. BUT do it NOW! If he simply can't find the time to write a letter, then let him snip these pages out, pin to his letterhead, and post off at once to his local M.P., addressing it to the House of Commons, SW 1."

He is not expected to know anything about these things. He merely controls the men who do. Even the august officers who control the prices of commodities, clever as they undoubtedly are, would probably be hard put to it to conduct any sizeable business with success. They have the job of criticising those who do, and of policing their activities. Again this is not to argue that the control of business is not essential to-day, it is merely a statement of fact. We may even assert that without price control many commodities would have been sky-high in price, so that restrictions are warranted. What we can say without being guilty of "lese majeste" is that they could scarcely obey their own Prices Order No. 666 in practical trading, and not offend, technically, at least.

All this, however, is more or less by the way. The main point is that a vast army of privileged people must necessarily arise under these conditions, an army of non-producers. When the war is over, what is to become of them? No doubt if trade and industry return to something within coo-ee of pre-war conceptions a large number of these officials will be absorbed into jobs, for clerical work and records form a large part of ordinary business. If the State retains control of industry to any extent, thousands will still be needed, but the chances are these officials will consider themselves of superior status. They have been accustomed for a few years to issue commands and instructions. They have seen the former heads of industry approach them humbly, hat in hand, to beg for favours or to ask for leniency. Here are all the prerequisites for a new "aristocracy." . . . They still wrestle with the problem throughout the Soviet Union. Can we expect anything different here?

One might prophesy that after the war the personnel of this great organisation will know very well how to secure themselves politically. They will organise themselves into unions, with their presidents, their secretaries, and treasurers, and all the paraphernalia of office, to which we are accustomed. We have no figures at present to indicate just what their numbers are, much less to judge what the total will be within another year, should the war continue that long, but it will be considerable. Their voting strength will be enormous, and no candidate for public office anywhere, whether municipal, State or Federal, will be able to ignore their demands. Adding their numbers to the already powerful trade unions they will make up the great majority of the population and will be the rulers of the future.

WHY COLLECT TAXES?*

By RALPH L. DUCLOS, President of the Douglas Social Credit Bureau, Inc. (of Canada).

(From the "Ottawa Citizen" of August 15, 1942)

The success of our war effort depends on men and supplies, both quality and quantity, at the right place and at the right time. The money system, which is largely bookkeeping, can be made to fit the needs of the moment if, as and when the powers that be so wish it. As the Hon. J. L. Usley, Minister of Finance, so aptly put it: ". . . as if the limitation of our supply of these military articles were the amount of money we can spend, whereas it is really the plant capacity and skilled labour available for their production. . . ."

There is a serious shortage of labour and of many materials, including paper and metal, yet to collect taxes, millions of forms are filled out by busy people; tons upon tons of paper are used; tens of thousands of files in steel cabinets are filled with the forms and thousands of workers are occupied in checking, filing and auditing. All in all we have a very cumbersome machine—costly in materials and labour. We are afflicted by "documentitis" and suffer from writer's cramp.

Surely we can simplify this whole business and get on with the war. In my article, "Tax-Bonds For Your Taxes," published in the "Ottawa Citizen," July 4, I quoted the highest authorities to show that banks do create money "out of nothing" and lend it to the Government at interest. I suggested that the taxpayer should receive interest-bearing bonds for his money also: that if the banks get bonds for "created" money, then the taxpayer should get bonds for "earned" money; that "ink" money should not be considered better than "sweat" money. I would now go a step further and suggest simplifying the procedure whereby this can be accomplished.

It is quite possible to eliminate a large portion of the forms now used, save materials, as well as considerably reduce the accountancy, filing and general office work involved.

In lieu of the very complicated and burdensome methods employed for tax collection from both individuals and corporations why not use the system employed by many large corporations in paying their employees? The Ottawa Public School Board, for instance, instead of paying its staff by cheque or cash merely issues an order to the bank transferring the money for salaries from the board's account to those of its employees.

In the case of taxes or compulsory savings, the employer could on his books deduct the required amount from the employee's salary or wage and transfer it to a special bank account opened in the employee's name. This procedure could also be used for the employer's own taxes and for corporation taxes as well. The money could be "frozen" in this special type of bank account and not be withdrawn for the duration and until such times thereafter as the government permitted its release. The "freeze" would, of course, also apply to prevent the banks from using the money for any purpose whatsoever. Periodically the employer and the banks could fill out report forms for the government as a check on the whole transaction.

*The author's title, which incorrectly appeared in the "Citizen" as "Why Pay Taxes?" A comment by Major C. H. Douglas on this article will appear shortly in "The New Times."

BUSINESS MEN AND BUREAUCRACY

"This country is threatened by a second front from within—a second official fifth column," said Mr. J. Wentworth Day, when he addressed a meeting of business men and staffs at Liverpool, England, recently.

Mr. Day said that, after the war, Great Britain—because of the Government's control of industry and the suppression of private enterprise—would be a State similar to that of Germany, but called by another name. Individual tradesmen were trampled upon in war-time because the Government took over their industries. The only way for them to regain their rights was to fight.

A resolution was passed "deploring the present tendency towards excessive bureaucratic control of industry as being unnecessary, dictatorial, expensive and destructive of personal initiative and morale." It is to be sent to Mr. Churchill personally.

ANTI-BOARD MEETINGS AT MALVERN

At a well-attended citizens' protest meeting held in the Tooronga Progress Hall on December 4, the following resolution was unanimously carried:

"That we view with grave apprehension the ill-effects of Food Marketing Boards and Food Control Committees and Commissions, believing they are responsible for unnecessarily high prices, destruction and restriction of wanted foodstuffs, financial losses and manpower wastage, and that they are undermining the morale, confidence and efficiency of the people, thereby retarding the war effort. We, therefore, demand that the Federal Government immediately abolish these un-democratic forms of food control."

A further protest meeting is to be held in the Malvern City Hall on Monday, December 14, which all are urged to attend.—F. W. Elliott, jr., hon. organiser, 1 Arthur street Malvern, S.E.4.

The government by the same procedure could add interest at the bond rate to the accounts and the banks receive a commission for the bookkeeping involved.

In order to eliminate complicated calculations for each individual taxpayer, tax schedules could be simplified and the rates for various classes of taxpayers printed in tabulated form, similar to the rate tables used by life insurance companies.

That this suggestion is sound is borne out by the following authorities:

The Hon. J. L. Usley, in the Canadian House of Commons, November 21, 1940: "That the task of finance is not only to provide the funds which are used to pay for the war services but more fundamentally is, by taxing and borrowing, to restrict the civilian demand for economic resources. . . ."

Royal Bank of Canada, "Monthly Review," August, 1941: "It is, therefore, vitally important that taxation and borrowing should be considered not merely as devices to raise money but rather as measures to prevent money from being spent for non-essential purposes."

P. M. Richards, financial editor, "Saturday Night," March 28, 1942: "The hard truth is that the government didn't itself want our money as much as it wanted to deprive us of it."

The Financial Secretary to the (British) Treasury in the House of Commons on April 8, 1941: "What you have to emphasise is not so much the money that you are going to get in, but the fact that what you are after is reducing consumption."

Professor A. F. W. Plumptre in the "Financial Post," October 5, 1940: "It must be remembered primarily and seemingly paradoxically, that the government object is not to get money, but merely to reduce the public's spending. The government can always 'get money,' because it may, as an alternative to borrowing, or even to taxation, create the required funds."

The bank account transfer system as suggested above would fulfil the requirements laid down by these quotations, of restricting civilian purchasing. If the government so chose it could make arrangements through the banks to have the frozen funds transferred from the taxpayers' accounts to its account to be used for war purposes.

Should, however, the government intend to make the money represented in compulsory savings available to the individual after the war, it would be simpler to have the money merely frozen in the bank accounts and not transferred for government use. As stated by Professor Plumptre, the government can find any money required by means other than taxes and to avoid complications after the war that course would be advisable.

Dealing with the return to the individual after the war of money represented in compulsory savings, the "Accountant," official organ for the Chartered Accountants in England, in its May 9 issue stated: "It seems incredible that the intention can be to pay it out in money, but even if it were so disbursed at a future time, that could only be done by increasing taxation in parallel."

It would appear that were the government to use the money raised by compulsory saving it would merely be equivalent to postponing an increase in taxation until after the war, when the money is to be returned to the individual; the theory of "sound" finance being that all government money must come from taxes up to the limit of the taxpayers' capacity to pay.

It is therefore suggested that all direct, personal taxes and compulsory savings be taken from the taxpayer through the transfer banking account method with the money merely frozen in the accounts and without the government utilising it in any way and that it be made available to the taxpayer after the war, as conditions permit.

By this simple change in our taxation methods great benefits would accrue to the individual and our war effort would be correspondingly stimulated. It would:

1 Reduce civilian consumption and release production for war purposes.

2 Reduce governmental costs in paper, printing of forms and in materials such as filing cabinets and other office equipment.

3 Materially reduce labour costs in government departments and industrial concerns, releasing the labour now employed in "filling out and checking forms" for war purposes.

4 Provide security for the taxpayer in the post-war period thereby strengthening morale in the armed forces and on the home front.

5 Establish a cushion of "stored" purchasing-power to stabilise post-war conditions.

If we must adhere to the abracadabra of so-called "sound" finance, we can at least be practical and in the interest of self-preservation divorce this fetish from Canada's war-effort.

THESE CONSTITUTION ALTERATIONS

(A letter to the Editor from Bruce H. Brown.)

(Continued from last issue.)

Sir,—Now that the representatives of the States have agreed to pass to the Commonwealth "powers" which they do not in fact possess, no good purpose would be served by referring in detail to each of the remaining twelve items enumerated last week. You do not have to accept my word for the statement that the States do not possess the powers they think they possess. The Right Honourable Robert Gordon Menzies, K.C., will admit it if tackled face to face. Indeed, he has already admitted it.

When he was Attorney-General in the Victorian Cabinet, he complained that the State could not do what it desired to do, and made a public declaration that "administrative independence is impossible without financial independence." That was a truthful statement. As the States have never had financial independence, it stands to reason that they have never had administrative independence; and as they have never had administrative independence, it naturally follows that they have been able to exercise power only within the limits permitted by financial subservience. The only power they have is the power permitted by the finance they can gather; and as they cannot produce money of their own they must definitely work within the limits of financial POLICY dictated in some other quarter. Clearly, therefore, none of the State Governments is in power; it is merely in office.

Is the position of the Federal Government any different? It is not. It can do only what the financial dictators permit. Mr. Stanley Melbourne Bruce saw to that, and by getting the Financial Agreement of 1927 incorporated in the Commonwealth Constitution (Section 105A was added in 1928) he has effectively tied the Commonwealth to a financial system controlled from abroad.

Under the Financial Agreement, the Loan Council was established. The Loan Council theoretically is the controlling body within the Commonwealth, but actually it controls only so far as it is permitted to do so by the Commonwealth Bank Board. "Each of the Australian Governments submits annually to the Loan Council a programme setting forth the amount it desires to raise by loans for the financial year for purposes other than the conversion, renewal, or redemption of existing loans, or for temporary purposes. Any revenue deficit to be funded must be included in the loan programme. Loans for defence purposes are not subject to the agreement, and therefore the Commonwealth is not required to include borrowing for that purpose in its programme for submission to the Loan Council." (See page 927, Official Year Book, 1940.) So you see, it is clearly intended that while our supposedly sovereign Government will be permitted to obtain the finance for defence or war purposes, it is not the intention that it shall be "permitted" to obtain finance for bringing benefits to the people when war expenditure is not required. So far, Dr. Evatt has put forward no proposal to liberate the Commonwealth Parliament from this leg-rop.

Any one of the items with which the Commonwealth Government has been concerned at the recent Convention can be handled without practical or physical difficulties IF THE FINANCE IS AVAILABLE; but if the finance is NOT

available, the Government is powerless and helpless. What POWER did it have in 1931, when Mr. Scullin, as Prime Minister, announced that there was only sufficient finance to pay 12/- in the pound? As everyone now knows, it had the power to impose "nothing but poverty, and that "power," as well as the direction to use it, was given by the same people who had the audacity to instruct (I repeat the word INSTRUCT) the British Cabinet to reduce the amount of the already inadequate dole being paid to the unemployed of England.

Notwithstanding this shameful experience, the States have now been informed that the Federal Government's proposals for reconstruction will be financed through the Loan Council, and consequently finance will continue to be regarded as more important than human beings and natural resources. This means that we will have the absurd position that the supposedly sovereign Government, reinforced by the so-called "powers" transferred by the State Governments, will be able to exercise such "powers" only within the limits of the finance obtainable through the Loan Council, a body which hitherto has been able to "borrow" only to the extent permitted by the Commonwealth Bank Board, consisting of men representing the private financial institutions, which dictate financial policy. All its plans for us (you will note they are not the people's plans, but plans prepared secretly by men not known to the people) will depend for their implementation on the present fraudulent practice of privately creating money only as interest bearing debt, and of recalling such money from circulation to suit the aims and objects of the money monopoly.

Costs will continue to be generated faster than money is distributed, with the result that every section of society will continue to fight against every other section, not for the betterment of conditions for all, but in order to get the best possible share of an inadequate supply of money. Money is still to be the thing for which everyone will have to fight, and the private producers of money are still to be the lords of creation. Unless and until Australia's financial policy is subject to control by the Commonwealth Parliament, there can be no satisfactory reconstruction effort, no escape for the workers from grinding toil and poverty, no easing of the burdens of debt, no exercise of sovereignty by Governments, and no freedom for the people as individuals. The sooner this is recognised in responsible quarters, the better it will be for all of us.

Yours faithfully, BRUCE H. BROWN, 189
Hotham Street, East Melbourne, 6/12/42

INITIATIVE-AND ALL THAT

By W. WILSON, in the "Social Creditor" (Eng.).

(Continued from last issue.)

For the healthy individual, living in a simple and reasonably unrestricted environment, the awareness of himself as the driver in his little cabin of consciousness is all that is necessary, it would seem, for happiness and well-being. The act of driving the engine is almost too simple. He thinks "I will do thus and thus" and his legs, arms and the rest of him promptly set about doing thus and thus. Splendid!

Let us try, however, to employ such a simple mechanism these days and we are soon reminded that there's a war on. Objectively this means that we are cramped and shackled by extra-legal and military orders. But even after we have made generous allowance for all material impedimenta, there remain many things which conscientious individuals know they ought to do, which they know they could do, yet which, for some reason they themselves cannot explain, they do not do. That starting lever of reasonable desire just doesn't start the engine, or, if it does, it sends it romping off in a wrong direction. The long-distance hypnotists are constantly monkeying with the works of every single man and woman, unto this last. They are stupefying conscious minds by giving them "good" reasons for wrong desires and then moving unconscious processes with powerful emotional suggestions. The result is the severance of the whole mind into its constituent parts.

Hypnotism is mental disintegration—the exact opposite of integrity. By divorcing intent from action it produces a condition (which we can see all around us) in which individuals do either nothing at all or something they do not want to do. Its influence upon the present generation is so overwhelming that it would be a conceit for any one of us to claim entire immunity. The most that we can do is aim at immunity. So let us give a little thought to the counter-technique of de-hypnotisation.

The straightforward method of waking a hypnotised subject is for the hypnotist to tell him to wake. For the hypnotist who already possesses control, it is as easy as that. Personally, I haven't the slightest doubt that if the big five national

newspapers were to print certain facts known to their proprietors, and went on printing them for a week, Britain would not only be wide awake, but it would be steaming ahead with a degree of purpose such as has never before been known.

Since, however, it is quite certain that this will not happen, we have to find other approaches. I submit that there are two, and only two, methods of approach. We can take the driver to the engine, or we can bring back the engine to the driver. In other words, there is the objective approach and the subjective approach. And, undeniably, there is only one force which will succeed in actually lifting the driver back into the cabin and putting his hand on to the control lever. That force is truth.

The truth will make you free, certainly, once you have recognised it to be true. Sooner or later the white light of reality is bound to penetrate into the darkest corners. To discover and reveal the truth, to discover and expose the untruth, is the essence of de-hypnotisation. But, as every social creditor knows by long and painful experience, "sooner or later" are the operative words. If you do not happen to be the original hypnotist, you can go on telling your subject to wake up and he just won't wake. Like Alice's pack of cards, people are a dimension short. While you are convincing the driver that Brighton is the right destination, the engine is miles away, and on the wrong track. So, even if you succeed in convincing him that you are speaking the truth, he is still only half way (if as far as that) towards acting as if he believed it.

This is as far as the objective approach will carry you. The rest of the process must

FOR WHAT ARE WE FIGHTING?

(The substance of a leaflet issued by the Democratic Monetary Reform Organisation of Canada.)

This war is not like other wars. It is not just military conflict involving territorial disputes. It is basically a deep-rooted struggle between two opposite ideas of life, the outcome of which will decide the future of civilisation and the pattern of the world for centuries to come. . . .

The Nazis pillory democracy as the social system which, before the war, produced poverty amidst plenty, slums, economic despair, and all the social injustices of those bleak years. The Nazis ridiculed elected Governments, pointing out the continual party strife it causes, the abuses of graft and intrigue, and the futile results it has produced. They fling the jibe in our faces that democratic government has resulted in hunger, exploitation of the people, monopolies, unemployment and national ruin.

We have a case to answer. Are we prepared to meet those charges and give the lie to the propaganda with which they are poisoning the minds of the people in Europe?

FACING THE FACTS.

Let us be honest with ourselves. Are we fighting to preserve the pre-war world? Did that social system which caused such widespread suffering and injustice represent real democracy?

We know in our hearts that we can answer, "No, most emphatically no," to both those questions. But then must we not be very clear in our minds on what we do mean by "democracy" and the kind of world we shall build after this war? Of course. Then let us see if we can get general agreement on these important questions.

Democracy is government in accordance with the will of the people. This means that under democracy the people, as the "directors" of the country, should obtain the results they want from the management of their affairs.

How can this be done? In the first place the people must be able to state quite plainly what results they want. "That sounds easy," you may say, "but how can the people state their wishes? I know what results I want, in fact, I am the greatest expert in the country on that question. And everybody else may know what he or she wants, but how are we going to get together on this matter?"

Mr. Hollins, M.L.A., Opposes More Power For Canberra

(Further Extracts from the Speech by Mr. Hollins quoted in our two preceding Issues.)

Another aspect of this matter, which causes some concern, is not only the present set-up of State legislatures, but of the Commonwealth system of government generally. The appointment of the Governor-General is usually made on the recommendation of the political party in power. Thus his powers are much curtailed, and the restrictions imposed prevent him from functioning as a direct representative of the King.

The Senate, which is the people's legislative safeguard, does not function as it should. It is in fear of its life to-day, and it has been hamstrung by party politics. Instead of being the States' House of review, with equal representation of each State, it is divided by a party spirit, and does not provide the safeguard that was intended. The House of Representatives consists of 76 members, and it is ruled by the party in power. If that House were ruled by a majority of its own members it would be better, but it is ruled by the party in power, which may have a minority of members; and that is a grave anomaly. Each party is largely controlled by its caucus—a mere handful of men—and behind that small group stand the vested interests. I challenge any honourable member to deny that fact.

Whether the vested interests be money, or liquor, or anything else, they supply the wherewithal to keep the party machine going. They have far too much control, and that is another serious factor that must be faced. I am certain that the people of this Commonwealth will not give the proposed powers to the present Parliament. There is no justification for giving those powers to a machine which could, if it would, establish a dictatorship. That is not suggested in the proposed alterations, but so many constitutional powers would be swept away that a dictatorship could be established, and that, God forbid!

I am positive that no solution to the post-war problems will be found in the methods set out in the Bill to amend the

be subjective. As de-hypnotisation is, in effect, a re-wedding of the thinking self (conscious) and the emotional self (subconscious), the awakening when it comes, must be something more than an intellectual awakening. Thus, in spite of a very natural reluctance to turn our minds inward, we are forced, willy-nilly, to a subjective consideration of the problem. If we are to be quite sure in future that the engine does, in very truth belong to us, it is absolutely necessary for us to take a look at the works. (To be continued.)

That, too, should not be difficult. There are certain results that all the people want from the management of their affairs. Adequate wages; adequate prices for farm products; a fair return for services in industry and commerce; security in the home; security from destitution through unemployment, sickness or old age; freedom from debt; freedom from crushing taxation; freedom from regimentation; and so forth. These are results which almost everybody wants. They would constitute the greatest common measure of agreement and would take priority as "the will of the people." That is surely quite evident.

ORGANISATION ESSENTIAL.

"But how will the people ever get into accord on the results they want?" That, too, is simple. However, in order to do so, they must be organised as the people. It is not possible to achieve a social objective without organisation. And if electors are to voice their wishes they must be organised as a united body. Then it will be an easy matter for them to vote on those results they want and the order in which they want them.

However, that is not enough. The people must be able to obtain obedience to their wishes otherwise they will not be the "directors" of the country. There would be nothing difficult about this if they were united and organised, because the machinery for making their wishes law, already exists. The people would elect their representatives, whose duty it would be to see that in Parliament and in their legislatures laws were passed to obtain the results which they, the people, wanted. If they failed to get satisfactory results, the people would be able to force the Government to resign and they would elect other representatives.

"Oh! ho!!" someone might interject, "it doesn't work like that now." Of course it does not, because at present the people are neither organised nor united. Suppose, for example, the mine-workers of the country were not organised under a union. It would be easy for unscrupulous employers to impose inequitable wages and working conditions upon them. But as an organised and united body they can insist on getting a fair deal. It is exactly the same with all the people of a country.

(To be continued.)

Constitution. Disorganisation and chaos will not be prevented, but rather increased, and instead of anarchy being avoided, the opposite state of affairs will be inevitable.

Up to the present time we have not taken into proper consideration the nature of our post-war debts. Since the inception of our Constitution in 1900, the public debt of the Commonwealth has increased from £197,000,000 to nearly £1,300,000,000—an increase of approximately 800 per cent. As the public debt is being added to at the rate of approximately £300,000,000 a year, the present indebtedness will almost certainly be doubled by the time the war ends. Yet one may be concerned, not so much with the debt itself as with the interest burden. At the beginning of the war the interest amounted to approximately £1,000,000 a week. As that absorbed about half the Federal revenue, if the public debt has doubled itself by the end of the war, it will be necessary to meet an interest bill of £2,000,000 a week—almost equal to the Federal revenue prior to the war.

To put the situation in another way, I would say that prior to the war the total earnings of 200,000 men each receiving £5 a week were necessary to meet the interest on the public debt. Assuming that that debt is doubled when post-war days are reached, the working time of 400,000 men will be occupied throughout the year at the same rate of pay to liquidate the interest due on the public debt.

At the end of the war the community must work 800,000,000 man-hours every year to pay interest on the public debt, and that is fantastic. We are simply plunging bald-headed into a state of chaos, and the constitutional proposals we are now considering will grant the Commonwealth Government power to impose such sacrifices on Australian people and leave them no redress. It has been said that in the last seventy years the public debt of Australia has been increased to such an extent that if we persisted in a similar manner for a further seventy years, the public debt would then be no less than £780,000,000,000, and that every family would have to find £13,500 a year as its share of the interest.

(To be concluded.)

NOW WE KNOW

It had occurred to no one in the United Kingdom to wonder what the R.A.F. was for until the "B".B.C. suggested that there was some doubt. The real reason for the existence of the Force is "to train the International Air Force of the Future." ("B".B.C. broadcast, 8.55 p.m., September 13)

CANADIAN MP.'s AND WAR FINANCE

In a recent letter to the "Edmonton Bulletin," Mr. Norman Jaques expresses the attitude of Canadian Social Credit (Federal) M.P.'s to the financing of the war.—

"Social Credit has nothing to do with issuing currency, or with bureaucratic control. Social Credit is a peacetime solution of the problems of 'over-production' or 'under-consumption.' It is absolutely opposed to bureaucratic control, 'planning,' and other socialistic ideas for the control of the many by the few. On the contrary, Social Credit would preserve free and individual enterprise and is pledged to the control of the few by the many.

"We expounded these principles in the House up to September, 1939. Since then Canada has been at war and we have consistently advocated a 'pay as you go' policy, but have maintained from the very first that an 'all out' war effort cannot be financed merely by taxing the incomes and borrowing the real savings of the people. There is a gap between government total expenditure and government total revenue from taxes and borrowed genuine savings.

"We have, therefore, advocated taxation, to the limits of preserving the public health and morale, rather than 'borrowing,' which includes, and cannot be separated from bank purchases of bonds, and bank loans to the public for the same purposes, both of which are pure creations of money and must tend to defeat the very purpose of the taxing and borrowing—to prevent inflation. In addition, such borrowing creates a post-war debt problem which will destroy the fruits of victory—as it did after the last war.

"Therefore we have advocated the issue of national credit to fill the gap between government revenue and expenditure.

"The Government, backed by the other parties, always have cried 'inflation,' to which we have cried 'inflation' in war can be prevented by rationing and price control, and that the Government would have to adopt these measures, sooner or later, to offset the increase of money from bond purchases by and through the banks.

"Both rationing and price control now are in effect. . . .

"More than a year ago Mr. Ilesley confessed, in the House, why the Government does not use the Bank of Canada to finance the war. The reason is because the

chartered banks could use this money as a basis for creating and issuing 20 times as much bank money. As a result of 'borrowing' bank-created 'savings' we already have the results predicted for financing through the Bank of Canada—price control and rationing to meet the threat of inflation—but in addition we will be saddled with a crippling, but unnecessary debt—as a reward for having won the war."

ALICE IN BLUNDERLAND

Alice took the seat at the end of the table; she had won it at a by-election. "I'd like a cup of fresh tea," she said. "You can't have fresh tea," said Senator Keane. "There's some in the pot. I'll add boiling water."

Alice looked at the March Hare and said it was rude to read at the table. The March Hare said he was interested in the newspaper report that women members of the Salvation Army, Sydney, after learning that twenty million beer bottles had been salvaged in the Middle East, had decided to conduct a "whispering campaign" against drink.

"Why a whispering campaign?" asked the Dormouse. "Why not a shouting campaign?" Someone threw a custard pie at the Dormouse. It missed him, but hit a proclamation on the wall stating that under the National Security Act it was an offence for children to consume "all-day-suckers" in less than 48 hours.

Alice powdered her face. "You can't do that," said Mr. Dedman. "It's a non-essential industry. It takes the ration out of rationalisation. You should co-operate."

"What is co-operation?" asked the Dormouse. "Co-operation is doing everything Mr. Dunstan wants done," replied the Ostrich.

Apròpos of nothing, the Mad Hatter doffed his hat and removed the celebrated notice reading, "This style, 10/6." He added the words, "By permission of the Prices Commissioner. Plus sales tax. Six coupons."

"Does anybody know anything good for Flemington on Saturday?" asked Alice. "Ask Senator Ashley," said the Dormouse; "he is Minister for Information." "He's not here," said the Hatter; "he is drilling the new postwomen."

Mr. Ward suggested that Alice should be nationalised. He said she would then be able to show 6% profit on her knitting.

"I am at a loss—," began Alice. "You are at a loss, young lady, because you're run by private enterprise," interrupted Mr. Ward. "Anyhow, the Opposition would have let the Japs capture you without firing a shot against them."

The Dormouse wrestled with his knife and fork. "This meat is tough," he gasped. "I must write to the Meat Commission about it."

"Oh, let's form ourselves into a commission," cried Alice. "There must be a few things left that we could commish."

Just then the alert sounded, and everyone rushed for the shelters. The March Hare found his burrow.

—Melbourne "Argus."

GOAT WORSHIP

That able coadjutant of the late Sir Flinders Petrie, Miss Margaret Murray, has, among her more recent contributions to the elucidation of the mysteries of this wicked world, a book called "The God of the Witches." In it she tries to show that witchcraft was a pagan cult whose followers worshipped the goat, impersonated, in the rites of the sect, by a priest dressed in goat-skins. She says that at least two Kings of England were secretly members of the sect, the son of William the Norman (whose Jewish entourage was recently the subject of a note here), and Henry II.

Rufus (red as in Red-shield, Red-field, Red-Reading, die-rote-Dame, etc., etc.), submitted to his being sacrificed as the "Divine Victim" at a septennial ceremony. Henry, Miss Murray thinks, didn't; but forced Thomas aBecket to be a substitute victim. Of Rufus, she says, "He jeered openly at Christianity, delighting to set Jews and Christians, to discuss the merits of their respective religions." He plundered churches and religious establishments, and resented the qualification "God willing" to any agreement to carry out his own commands. Few of the nobles and ecclesiastics mourned Rufus; but the people thought they had lost a friend. Quite a Union boss!

—The "Social Crediter."

DEPENDENT OR INDEPENDENT

A correspondent to a Newcastle (England) paper writes that when even so-called "Independent" M.P.'s cannot escape some of the many whips wielded by varied interests, "I see only one hope: the substitution of the party representative by the Dependent representative, nominated by and subject to the policy and will of the constituency. . . . Perhaps I had better protect the label Dependent lest some political genius finds a new party on it."

CURIOUS FACTS ABOUT "ALCOHOL"

(From the "Social Crediter.") The relation to High Policy of what the Whig-Puritans call "Alcohol" is both curious and much more important than it superficially appears to be. (Nobody drinks a beverage mainly consisting of "alcohol," and the better characteristics of alcoholic beverages are derived from complex higher ethers.)

Why does the Jewish tribal rag-bag known as the Old Testament condemn wine, and the New Testament accord it the highest honour, including it in its most important and significant Sacrament? Its Central Figure, the Friend of publicans and sinners, says, "I will drink no more of the fruit of the vine until—"

Why is "the Trade," the wine merchant, traditionally Conservative? Why of the two near contemporaries raised under nearly identical environment, was Thomas Carlyle (the perverter of history and admirer of that curse of Europe, Frederick of Prussia), a sour, impotent "teetotaler"—and Robert Burns (the National Poet of Scotland and

the embodiment of tolerance in combination with traditionalism), a somewhat immoderate drinker?

The Women's Christian Temperance (!) Union, a mainly American organisation, was, and possibly is, about as repulsive an institution as the world could show. Added to a band of female hooligans whose excesses were apparently modelled on a mining camp on the spree, it employed organised bribery and corruption in connection with the Prohibition Amendment ("Which transferred drinking from the poor to the rich") to an extent which shocked even the American voter. The W.C.T.U. appeared to have almost unlimited finance at its disposal.

It would be possible to construct a curve showing the decline of civilisation in the past hundred years as a function of the rise by taxation (the "British" brand of Prohibition) in the price of whiskey. These remarks are not made in praise of drinking, moderate or otherwise. They are a commentary on observable facts.

WISE WORDS

"Liberty and planning cannot co-exist. Nor, as I have observed often enough, can liberty and equality. We can have one or the other; we cannot have both. From that dilemma there is no escape."

—"Candidus," in the "Daily Sketch," August 5, 1942.

* * * *

"A people may prefer a free Government, but if, from indolence, or carelessness, or cowardice or want of public spirit, they are unequal to the exertion necessary for preserving it; if they will not fight for it when it is directly attacked; if they can be deluded by the artifices used to cheat them out of it; if, by momentary discouragement, or temporary panic, or a fit of enthusiasm for an individual, they can be induced to lay their liberties at the feet even of a great man, or trust him with powers which enable him to subvert their institutions—in all these cases they are more or less unfit for liberty; and though it may be for their good to have had it even for a short time, they are unlikely long to enjoy it."

—John Stuart Mill (1806-73).

WHAT IS LIBERTY?

"Generally, the moral substance of liberty is this: that man is not meant merely to receive good laws, good food, or good conditions, like a tree in a garden, but is meant to take a certain princely pleasure in selecting and shaping, like the gardener. Perhaps that is the meaning of the trade of Adam. And the best popular words for rendering the real idea of liberty are those which speak of man as a creator. We use the word 'make' about most of the things in which freedom is essential, as a country walk or a friendship or a love affair. When a man 'makes his way' through a wood, he has really created; he has built a road like the Romans. When a man 'makes a friend' he makes a man. And in the third case we talk of man 'making love' as if he were (as indeed he is) creating new masses and colours of that flaming material—an awful form of manufacture.

"In its primary spiritual sense, liberty is the god in man, or, if you like the word, the artist. In its secondary political sense, liberty is the living influence of the citizen on the State in the direction of moulding or deflecting it. Men are the only creatures that evidently possess it. On the one hand, the eagle has no liberty; he only has loneliness. On the other hand, ants, bees, and beavers exhibit the highest miracle of the State influencing the citizen, but no perceptible trace of the citizen influencing the State.

—G. K. Chesterton.

MEMO FOR POST-WAR RECONSTRUCTORS

"Work is the deadliest of the perversions. The natural instinct of natural man is to avoid work, and nothing shows more clearly the degeneracy of the modern world than the fact that work has become a social jewel, something to be sought with fervour, even a rarity, a prize for those who most closely resemble the ant. . . . Work's a perversion; everything except pure and voluntary creation. No one who has worked for twenty years—and when I say worked I mean laboured for hire—can either see clearly, hear with certainty think straight, or feel ecstasy."

—From "Juan in China," by Eric Linklater.

"WEST AFRICA: Replying to a debate in the House yesterday on Colonial Affairs, Mr. Harold MacMillan, Parliamentary Under-Secretary, Colonies, said compulsory labour had been on a small scale. . . . he had established complete Socialist control of West Africa."—"News Chronicle," August 5, 1942.

THE BACKBONE OF ENGLAND

Captain Balfour, Parliamentary Under-secretary of State for Air, speaking at the opening of the Margate War Savings centre on August 15, said that the "little man"—the small shopkeeper, the black-coated worker, the professional man—was playing his part widely and grandly in our war effort. He had been labelled "the backbone of England," yet he was to-day in danger of being submerged under the waves of change now going on in our social system.

There were millions to whom the war had brought continuous work and at higher rates than ever before. Those rewards might be well deserved and overdue, but the fact remained that one large part of the community was relatively better off than before the war, while the great middle class, those black-coated workers, were feeling the shoe pinch acutely. In the post-war world industry was to have as its first charge a decent standard of life for all engaged in it. Yet this body of "little men" could not be dealt with like some great section of industrial life. They could only look to an understanding Government for the preservation of their legitimate interests.

Self-appointed planners of the post-war world appeared to want to forget or crush the British national characteristic of independence—of a man liking to direct his own life with the greatest possible freedom and an instinctive dislike of being over-planned, over-regimented, and over-disciplined. Sometimes those planners seemed to forget they were working on human material and not a lot of docile sheep who could be pushed in flocks this way or that. Surely we could forge a system which gave play to individual enterprise and not be inconsistent with an order of society which allowed no extremes of poverty or riches at either end of the scale. Surely discipline and orderliness need not imply bureaucracy and official snooping into everyone's work, recreation, home and occupation.

WALL STREET'S FEDERAL RESERVE BOARD

In "America Conquers Britain," the American author and banking authority—L. Denney—wrote: "All nations must tremble before our Federal Reserve Board. High money rates imposed by it in 1929 brought suffering to millions of foreign workers. That blow hit Britain hardest of all."

The late Sir Josiah Stamp, a Director of the Bank of England, said: "Never in the history of the world has so much power been vested in a small body of men as the Federal Reserve Board of the U.S.A. These men have the welfare of the world in their hands."

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