

THE NEW TIMES

VOL. 17, No. 44.

MELBOURNE, FRIDAY, OCTOBER 26, 1951.

SIXPENCE WEEKLY.

Dr. Evatt's Attack on the Budget For "The Record"

All regular readers of this journal are well aware of our estimate of Dr. Evatt. We believe he is one of the most dangerous men ever to enter Australian politics. For that reason, and because he may, after the next Federal Elections, be the Prime Minister, we feel it necessary to record what Dr. Evatt, the Leader of the Federal Opposition, is saying now on important policies in order that it may be referred to more easily later.

Speaking in the Federal Parliament on October 2, Dr. Evatt vigorously attacked what has been aptly described as the "Horror Budget." With much of his criticism we do not, of course, agree, but the following extracts are worth placing "on the record":

I shall refer to several important matters of a factual nature. The budget makes provision for a declared surplus of £114,000,000, the object of which is to draw off surplus spending power; but the true surplus will be much greater than that, because there are a number of hidden surpluses to be found in transfers to various accounts and in possible underestimates of income. I shall not go into the details of those, for they will be dealt with by my colleagues. In considering the declared and open surplus, we must look at other factors, including the appropriations for strategic stores and equipment. One of the features of last year was the failure of the Department of Supply to expend the very large sum that had been allocated to it for the purpose of accumulating a reserve of strategic materials. I shall refer to that matter later. The surplus that I have calculated by way of illustration is not £114,000,000 but £220,000,000, but I think the true figure is between £220,000,000 and £250,000,000 over and above the figure specified by way of appropriation in the budget. . . . It has been said that this budget is intended to bring prices down, but it sets about doing so by ensuring that prices will rise over a very large range of goods because of increased sales tax and excise. In addition, the carrying through of the proposed increased company taxes will affect the whole cost price structure. The basic wage will have to be increased as a consequence. The theory apparently is that in order to bring prices down they must first be increased. It is not an easy theory to understand unless one has some specialized knowledge. . . . I think that the effect of this budget upon production is of tremendous importance. No doubt every one will agree that the real solution of the inflationary problem in Australia is increased production, but this budget does nothing whatever to tackle that positive aspect of the problem. It is essentially a negative and repressive budget. The rate of taxation is being increased beyond the

point at which all initiative, all enterprise and all hope are most prejudicially affected. The result will be that this budget, whether on the indirect or direct taxation side, will strike a severe blow at the productive effort of the people. . . .

I now wish to refer to the question of subsidies. This budget rejects the idea of subsidies on basic commodities, in flat contradiction of the policy promises of members of the present Government made in November 1949. Subsidy then was the remedy upon which they seized. They said, in effect, "We will reduce the cost of living and put more value into the £1. Why has Mr. Chifley taken off certain subsidies? Put us in office and we will restore subsidies". If honorable members examine the list contained in the schedule they will see that subsidies are gradually disappearing. . . .

To turn now to the subject of the revenue collections, I point out that the tax provisions are repressive and do not fall with appropriate weight on higher incomes, whilst sales tax and excise strike at the whole basis of our standard of living, because they reduce the income of the people just as surely as direct income tax does, and fall most heavily upon those least able to bear the burden. There is no reason for the imposition of stiff rates of sales tax on the products of certain industries. Why the Treasurer selected toy-making, ice-cream-making and the musical instrument manufacturing industry for increased sales tax I do not know. But I know that formerly he did not believe in heavy sales tax and I doubt whether he believes in it now. The sales tax on the products of these industries can make no contribution to counter-inflation. Toys and icecream will still be bought, and all that will happen will be that certain sections of the community will be penalized.

The wool tax provisions will continue discrimination, but in a slightly different form. The woolgrower will get back the £45,000,000 that was collected as a starting point in the wool stabilization scheme,

But provision for the refund of that money was made in the Chifley Government's legislation, which provided that if the scheme was not approved by the wool-growers the money collected had to be returned. But whilst this Government is handing back £45,000,000 to the woolgrowers, modification of the system of averaging incomes will bring it in another £47,000,000 from the same source. So it may be said that "Fadden gives and Fadden takes away," but Fadden always takes away a little more than he gives.

There is no guarantee that the public will react in the way that the budget ap-

(Continued on page 5)

OUR POLICY

1. The preservation of Australia's sovereignty as a part of the British Empire, and the exposure of all internal and external groups, which attack that sovereignty.
2. The preservation and extension of genuine local government.
3. The preservation and strengthening of all Constitutional safeguards for the purpose of protecting fundamental individual rights.
4. The encouragement of all activities designed to bring Governments under more effective control by the electors.
5. The preservation and extension of genuine free, competitive enterprise and private ownership, and opposition to all Monopoly, whether it be "private" or State.
6. The support of a financial policy which will (a) permit free enterprise to make available to all individuals an increasing standard of living and greater leisure for cultural pursuits; (b) result in no further increase in the community's indebtedness and the sound business practice of gradually reducing existing debt.
7. Recognising that the basis of any sound economy is agriculture, the encouragement of agricultural policies which will ensure the preservation and building up of soil fertility by organic farming and gardening; and the prevention of soil erosion and the protection of forests and watersheds.

Now, when our land to ruin's 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

TO THE POINT

THE Party Racket

In Dr. Evatt's address on the Budget, lengthy extracts from which we have published in this issue, he said that he had no doubt the Budget was inspired by the economic "experts" and that Sir Douglas Copland was the real villain. This attack on Sir Douglas by a Labor Opposition need not be taken too seriously by the long-suffering taxpayers. When they were last in Opposition, before and early during the war years, the Labor Party bitterly attacked Sir Douglas Copland and other "advisers". The present Deputy Leader of the Labor Party, Mr. A. Calwell, even went so far as to suggest that the "experts" should be shot.

When the Labor Party formed the Government, however, they slavishly followed the dictates of the economists, Mr. Calwell publicly defending Sir Douglas Copland. In order to understand the Party racket it is essential to recall that when Sir Arthur Fadden was in the Opposition, he also attacked the "experts". Now they write his Budget speeches for him.

For Reference

In Sir Arthur Fadden's Budget speech on September 26, several important statements appear which should be carefully noted for future reference:

During the war "incomes rose and the supply of money increased, the latter chiefly because central bank credit had to be used when taxation and public loans proved insufficient to finance peak war expenditures".

"Modern thought on the relation of public finance to economic stability is quite

clear on the point that in times of depressed trade and unemployment, governments may justifiably run into deficit and even finance some part of their needs with central bank credit, so raising the level of community spending power."

If central bank credit can be used to finance non-productive war production, or to finance other Government activities, can any Government supporter state why central bank credit cannot be used to subsidise basic items in the economy, thus preventing continuous inflation?

A Prediction

Providing one accepts the present rules of arithmetic, it is easy to predict that any given sum will in the future produce the same result that it produces now. Two plus two always makes four. While the present rules of financial accountancy are maintained, we can therefore predict the results of these rules—irrespective of the theories of the economic "experts". It is for this reason that we say that Sir Douglas Copland's recent claim that inflation may soon end is nonsense. The only method of ending inflation under present financial rules is to restrict credit and cause bankruptcies. A continuous expansion of credit is necessary to prevent the disaster of another depression. But this expansion inevitably means inflation.

A Liberal Critic

At least one Federal Member of the Liberal Party has had the courage to offer some criticism of the Budget. Speaking on October 17, Mr. Downer (S.A.) said that the Government had inflicted an indefensible hardship on all public companies.

"According to my calculations the effective increase on large companies amounts to a net rate of 1/6," he continued.

"On small companies the net rate is going to be 3/6.

"The result is going to deny shareholders in these small companies dividends, and may even threaten the companies with extinction.

"This is an offence against the correct application of taxation and natural justice.

"It is wrong for us to wait until next spring to have it rectified."

Mr. MENZIES AND LIBERTY

Mr. Menzies, in his final referendum broadcast, made this statement:

"The second answer is that in a democracy you ought to trust your own Parliament to be the custodian of liberty, not its enemy."

The answer to that claim can be given by figures. The "custodians of liberty" have followed a policy, which has systematically robbed every Australian of 12/- out of every £1 earned.

Where, then, is the much-vaunted liberty of the subject when he is no longer financially free to spend the money he earns? We say that a Parliament, which follows a policy that makes for impoverishment, is NOT the custodian of liberty, but its enemy.

—"The New Era" (Sydney)

NEW TIMES BOOK SERVICE

Reconstruction on Christian Principles8d.

R. G. Menzies and the Socialist Menace.....1/6 per dozen

FEDERAL UNION EXPOSED

By C. Barclay Smith.....2/9
A complete expose of Federal Union and its promoters.

THE ROAD FROM TAXATION AND NATIONALISATION

By F. J. Tuckfield1/3
The solution to our present ills, written in simple question and answer form.

STOP THAT THIEF

By Stanley F. Allen.. . . . 1/9
This book illustrates how the financial system has been used in the plan to enslave the peoples of the world.

THE ANSWER TO TAX SLAVERY

By C. Barclay Smith.... .. 1/3
Facts and figures on the Taxation System, its Use in destroying the Independence of the Individual, and some practical suggestions for dealing with this menace.

The Life of a Policeman 2/3

By A. W. Noakes. A firsthand story of conditions in the Inland. Plenty of good humour. Also much factual information.

Water For The Inland 1/3

By A. W. Noakes. A vivid outline of conditions in the out-back of Queensland in which is embodied the Reid and Dr. Bradfield water schemes.

A survey of the first ten years of the Albertan Social Credit Government.

OUR MONEY, THE WAY TO FREEDOM

By Peta 7/9

A remarkably well documented and indexed book showing the domination of humanity by those who manipulate the Money System. A "must" for every student.

Obtainable from

NEW TIMES LTD.

Box 1226L, G.P.O., Melbourne.

Freemasonry and the Anti-Christian Movement

By E. Cahill. 13/6, post-free.

This remarkably well documented book proves beyond doubt the Jewish origin and domination of Freemasonry as indicated in the Protocols of Zion. Quotes extensively from Masonic writings.

Available from: NEW TIMES

LTD., Box 1226L - - Melbourne.

"Social Credit and Catholicism"

By George-Henri Levesque, O.P. Professor of Economics, Laval and Montreal Universities, Dominican House of Studies, Ottawa.

Because of the rapid progress of Social Credit ideas in the French-Canadian Province of Quebec, which Major Douglas has described as having "probably the most genuine Catholic culture under the British flag," this booklet is particularly important. Mr. Eric Butler has written an excellent introduction. There is also an Appendix outlining the structure and methods of the non-Party Union of Electors in Quebec.

The author of *Social Credit and Catholicism* finishes his booklet with the following: "... if you want neither Socialism nor Communism, bring Social Credit in array against them. It will be in your hands a powerful weapon with which to fight these enemies."

Price 1/, post-free. Order from *New Times Ltd.*, Box 1226L., G.P.O., Melbourne, C.I.

The British Elections

By C. H. Douglas

It has been and is an almost universal tenet of Social Crediters that ballot box, or "secret" elections, are primarily a trick, and, subsequently, a delusion. They ensure the submergence of informed opinion in a mass of prejudice and ignorance; and they give a spurious mandate from a heterogeneous electorate almost as incapable of stating their opinions, as they are unaware of the results of their embodiment in law.

It might be said with some reason, that in these circumstances the logical procedure of "The Social Crediter" would be to ignore the contest between Mr. Attlee and Mr. Churchill as unlikely to have any practical value. But of course it is not so simple as that. While it is clear that the programmes of the Socialist and so-called Conservative Parties do not differ radically, it is quite probable that the temperament and attitude to life of the candidates who, if elected, will support those Parties, displays significant and possibly vital differences.

Now a typical and most effective Socialist, as mischievous and ignorant of practical political economy as he was brilliant as a playwright, was Mr. George Bernard Shaw.

Mr. Shaw was much annoyed by the introduction into political controversy of something he described as "a kind of hot air called credit" and it was apparently impossible to get any conception of it into his mercurial mind other than that of the deferred payment of his grocer's bill. I

Dr. GOLDENWEISER'S PLAN

Deep below the surface of American affairs the same forces are at work, which destroyed the foundations of British credit and banking in 1914. Now it is America's turn. Here comes the K.O. Not one American in a million realises that his banks are being nationalised right under his very nose.

They might understand if they would pay a little more attention to what their big financial men are saying. Here is a case in point. Dr. E. A. Goldenweiser, former research chief of the Federal Reserve Board, has said that the official policy regarding the supply of credit needs a thorough overhauling.

He suggests a dispassionate study of the financial structure of America and recommends that one of the directors of the Federal Reserve Board should have a seat in the Cabinet. He bases this recommendation on the grounds that as it is the Board, which shapes monetary policy, it should have equal rank with the Treasury, which controls fiscal policy.

Dr. Goldenweiser insists that the Federal Reserve Board should have permanent power of control over consumer credit terms, and that all banks accepting deposits should be subject to the same requirements as are members of the Reserve System.

If the Americans will fall for this one, then I'm going over to sell them the Skylon. Short of turning in his chequebook to the bank, the American citizen can come no closer to Communist banking as practised in Soviet Russia and her unfortunate satellites. Dr. Goldenweiser's neat scheme would enforce exchange control without any of the legal jargon, which we find convenient to use in England.

—"The London Newsletter," September, 1951.

recall this matter because it is fairly certain that the fundamental and significant difference between the two allegedly contending parties in the coming fiesta of democracy is their unconscious conception of Credit, and in particular, their outlook on one of its important components, prestige. I am satisfied that the erosion of British prestige has been a major objective of the enemies of this country and its indigenous people, for at least a hundred years, and that the Labour-Socialists have been the indispensable tool of these foes, in succession to the Whigs.

It is related that, on one of our newer great enquiring with some condescension of an old Etonian whether he had learnt anything at Eton, he received the reply, "Yes, I learnt to know my place, and keep it." Is there any unprejudiced person who would contend that the affairs of this country have been so conducted that it could be said of us that we have kept our place, or who would deny that we give no visible signs of knowing what our place should be? We have presented the picture of Mr. Levinsohn of the Levinsohns, you know, every other inch a gentleman, dancing an eightsome reel at the Caledonian Ball.

Sweeping aside programmes, it appears to me that this question of imponderable values is the real line of cleavage in the electorate, and it is evident that it does not wholly conform to party lines. Even a landowner may have his higher moments, and a Trades' Union Official a glimpse of railways for transport.

But it is clear that Mr. Attlee does start with a definite and ultimately fatal handicap. To him, all men are equal, even if some, such as Mr. Aneurin Bevan, are more equal than others, and equality and prestige are incompatible. The real politicians of the world recognise, have recognised for centuries, that "Liberte, Egalite, Fraternite" form a sovereign prescription for centralising power in their own hands, but they have never had any delusions as to what they would do with its exponents after it had served its purpose of eliminating an independent middle class.

The Fabians have had their thirty pieces of silver, and we should not be surprised if quite a number of them hanged themselves.

But, you may say, how do I vote, if at all?

Not for programmes. They all come from the same synagogue. But for men, on the basis of past performance, on their attitude to personal responsibility, to their repudiation of the Laskian theory of the omnipotence of Parliament, on their awareness of the Mountbatten relation to coming events, in short, Policy.

Whether a House of Commons elected on these principles could save the situation at this late date, I do not know. But I am fairly confident that no other can.

—"The Social Crediter" (England), October 13, 1951.

THE MEN OF YALTA

There is a legendary Irishman who, on seeing a mutilated statue supposed to represent Victory, exclaimed: "If that's Victory, show me Defeat." The Irishman might have been commenting on the international position of the U.S. six years after complete victory over the Axis powers.

All the things that crusading interventionists predicted would happen to us if we did not pitch in and "stop Hitler" have happened to us in spite of Hitler's annihilation . . . Can we escape from victory? That is the most vital question that confronts us in international relations today.

. . . What is profoundly disturbing is that so many of the men who are closely associated with the wrong decisions that turned military victory into tragic political defeat are still in positions of high authority. Secretary Acheson was, to put it mildly, no Paul Revere sounding an alarm against the future designs of the Kremlin during the war years. As late as November 1945, he shared a platform with the notorious "Red Dean" of Canterbury (whose latest flight of fancy has been to compare Stalin with Jesus Christ) under the auspices of the Council of American-Soviet Friendship, an organization on the Attorney-General's subversive list.

General Marshall's fumbling efforts to square the circle by bringing the Chinese Communists into a coalition government, accompanied by an embargo on arms for the Nationalists, contributed much to the loss of China as a potential friendly ally. And politically Marshall was associated very closely with fateful decisions of Teheran and Yalta.

Averell Harriman is one of the men of Yalta. Philip Jessup was prominent in the Institute of Pacific Affairs at the time when the Carter-Lattimore-Field triumvirate was riding high in that organization.

. . . So long as the men of Yalta, in the actual or figurative sense of that term, are directing our foreign policy, the American people can possess no firm assurance that a new Yalta may not be in the making.

—W. H. Chamberlin in "Human Events," U.S.A., September 12, 1951.

"THE REAL COMMUNIST MENACE"

By Eric D. Butler

Price 1/9d. Post-free.

In view of the widespread interest in the Canadian Royal Commission's Report on Communist espionage and other activities, this booklet, the main portion of which is the most important section of the Canadian Report, should be given the greatest possible circulation.

Only a limited edition of this booklet has been published, so readers desirous of obtaining copies should order immediately.

Order from "New Times" Ltd., Box 1226L, G.P.O., Melbourne.

THE NEW TIMES

Established 1935.

Published every Friday by New Times Limited, McEwan House,
343 Little Collins Street, Melbourne, C.I.

Postal Address: Box 1226L, G.P.O., Melbourne. Telephone: MU 2834.

Subscription Rates: 25/- Yearly; 13/- Half Yearly; 7/- Quarter.

VOL. 17.

FRIDAY, OCTOBER 26, 1951.

No. 44.

States Should Challenge Budget

As the total cost of living obviously includes prices plus all taxes, any Government which levies more taxation than it requires for its legitimate purposes, is unnecessarily increasing the cost of living of the people. This is exactly what the Menzies Government is doing with its Budget. But the full significance of this higher piracy is, unfortunately, not generally understood.

Although the Government openly admits that it is going to take from the taxpayers £114 millions more than it requires—"balancing for a surplus"—it is probable that the real surplus will be nearer to £250 millions. The Budget presented by Sir Arthur Fadden fraudulently sought to create the impression that during the last financial year, the Government actually balanced its expenditure. But a close examination of the facts reveals that a large amount of the taxpayers' money was not spent and was passed into various hidden reserves. We estimate that the amount of money dealt with in this way was approximately £150 millions. There was a surplus of £88 millions in trust funds alone.

We feel that it is high time that the High Court was asked to decide whether the Federal Government can continue with a policy of taking more from the taxpayer than it requires or spends. Before the Financial Agreement, the Constitution made it perfectly clear that all surplus revenue had to go to the States. Constitutional authorities believe that the Financial Agreement at least inferred that this principle should continue, which is no doubt one reason why all Federal Governments, irrespective of their labels, have endeavoured to hide all surpluses away in trust funds. The Menzies Government proposes to pay the £114 millions surplus into a National Debt Sinking Fund. It says that it may even lend this money to the States at prevailing interest rates.

How far can the Government take this procedure of obtaining surpluses, both admitted and hidden, by unnecessary taxation? If the process continues indefinitely, then not only is the independence of the individual destroyed, but the position of the States becomes financially impossible. Unless the State Governments fight now, they have no future. They can fight now by asking the High Court to decide whether they have any financial rights left whatever, whether Federal Governments can levy more taxation than they require for legitimate Commonwealth activities.

Section 81 of the Constitution reads: "All revenues of moneys raised or received by the Executive Government of the Commonwealth shall form one Consolidated Revenue Fund, to be appropriated for the purposes of the Commonwealth, in the manner and subject to the charges and liabilities imposed by this Commonwealth." Surely the "purposes of the Commonwealth" cannot be construed to mean the levying of unnecessary taxation to pay into Sinking Funds, Trust Accounts or various hidden reserves? The State Governments can make the Menzies-Fadden Budget a test issue. They can challenge the right of Federal Government to increase taxation to provide a surplus. We ask our readers to take this important matter up with their State Members.

"The Year of Decision"

"H. G. Wells pointed out that decisive wars are fought, not between two armies face to face, but between supporters of things as they are, and an aggressive dynamic challenger using a wholly new strategy, usually the outgrowth of new kinds of weapons. The problem of the defenders then is not merely to resist but to think—to grasp the new strategy as a whole, and invent a counter-strategy. If they depend on their existing stock of ideas they are lost.

"The same principle holds in decisive political wars. When money became easy at the height of the Middle Ages, the petty feudal kings discovered that they could use gold and silver to hire mercenaries, armies that were politically more reliable than local feudal forces . . .

"The political offensive today is using the powerful weapon of easy money to raise a political hired army, directed from the centre to destroy the representative principle. There is no hope of success for the defenders of liberty if they rely on old weapons and tired ideas.

"Whether the opponents of absolute power today will succumb like the opposition on the Continent, or carry the political philosophy and grand strategy of liberty to new heights, is the question of the hour. If they are to win, the defenders of liberty must find the counter-attack soon, because every day the net closes tighter."—Edna Lonigan in "Human Events" (U.S.A.).

Government "Somersault"

Australia had become a "madhouse of shortages," the president of the Australian Exporters' Federation, Mr. Arthur Sparks, said today.

He told the Federation's annual conference that the "sordid game of politics" had transformed a land of bountiful resources.

He did not believe Australia had suffered from real inflation yet.

How people would fare when the full effects of the Federal Budget were felt was another matter.

The law of supply and demand would have restored balanced conditions, but for the "dead-hand controls of the politicians".

The Federal Government, elected on a platform of reduced controls and lower taxation, had performed an amazing somersault, Mr. Sparks said.

TAX IMPACT

It now seemed wedded to more and more severe controls, and the full impact of indirect taxation had not yet been felt.

Under the "infernal system of Government-controlled buying," the goodwill of a brand suffered.

Manufacturers lost the incentive to work efficiently.

—Melbourne "Herald," October 18.

Mr. Sparks' attack upon the Federal Government is commendable as far as it goes. But what action do Mr. Sparks and his fellow-businessmen propose to take to ensure that there is a Government at Canberra, which reverses present Socialist policies?

Dr. Evatt's Attack on the Budget

(Continued from page 1)

pears to assume. Sales tax, for instance, may not, and probably, will not, deter people from purchasing goods on which such tax is to be increased or imposed. The extra tax may only mean that people will cut down on savings. The paper tabled by the Treasurer in relation to the national income shows that the percentage of national income received by wage and salary earners in 1948-49 was 54.4, but it had fallen in 1950-51 to 48.2. So wage increases are merely chasing prices, and the relative standard of living is declining.

I say that the fair conclusion to make about this budget is that it is part of the blueprint of the Treasurer, or of those advising him, for a recession which can easily be converted into a serious depression. It represents a direct attack on the standard of living of all sections of the community. Every aspect of the national life will be affected by it. There will be further centralization and control of money, employment, industry and business. In time of actual war, or imminent danger of war, the Australian people are ready to make any sacrifice, but, on fair analysis, as the figures will substantiate, this budget cannot be regarded as primarily directed to any actual or alleged defence emergency. It is the responsibility of the Parliament to prevent reckless experimentation with our economy. When I say that, I mean that it is a responsibility of every member of the Parliament to do so. . . .

I understand that rank and file members of the Government parties were consulted about the Government's plans only after the budget had been delivered, and I should imagine that some of them, at least, must be appalled by it. If they vote for the budget they will become parties to the repudiation of the pledges on which they were elected. Such repudiation is involved in this budget. What did they promise the electors? They promised to reduce taxes, to maintain full employment, to put more value back into the £1, to increase production, to eliminate the scarcity of all consumer goods and to maintain and even extend subsidies on basic commodities. But the budget repudiates all these pledges. I do not think that any one supposes that the actual verbiage of much of the budget is that of the Treasurer himself, because for many years, in the most blunt and vigorous language, he denounced the Labour Government and maintained that even the five reductions of taxes that the Labour Government made were inadequate. Invariably, he demanded further reductions. But what does he (Sir Arthur Fadden) say now about the restrictions and controls that he so often denounced when the Chifley Government was in office. He says, "It has to be recognized that the time has come to impose effective restraints on money demand for goods and on the indiscriminate production of less essential goods".

That is the policy expressed in the budget. . . . Of course, this is the theory that underlies the Defence Preparations Act. A few people are to decide in time of peace upon an order of priorities. The object of the Government is either openly and directly to destroy what it terms "less essential"

industry, or indirectly to starve out such industry on the say-so of an official who may be quite out of touch with the facts of the industry. The Government hopes that somehow or other its policy will work out, and that against those engaged in "less essential" industry who are injured or ruined in the process there can be balanced others who are more deserving and who will be rewarded. . . . It would be naive to assume that the Treasurer has forgotten all his election promises, and that he has embarked on a wild scheme to stockpile all of the people's money on which he can lay his hands. The matter goes much deeper than that. In my opinion this is not a Fadden budget, except insofar as the Treasurer is the instrument through which the plan has been executed. It runs counter to nearly everything the Treasurer has stood for in public life. The fact that the Treasurer, through this budget, is injuring the graziers, the farmers, the country traders and the rural section of the community just as much as other sections.

I propose now to examine three important propositions contained in the budget speech. The first of these is—

"By co-ordinated financial action a great deal can be done, both generally and in particular directions, to check the growth of consumption demand for goods and investment demand for resources. The Government and its various agencies have already instituted some powerful measures in this field and these are being made progressively more effective."

By that statement, the Treasurer means that there has been very rigid application by the central bank, with his approval, of the policy of credit restriction. An important new policy was laid down in November of last year, and the administration of that policy has become more and more severe. Instructions were issued on that date . . . that credit must be restricted. That was the first step in a movement, which, if not controlled, must lead to recession, and will probably lead to depression . . .

The bold assumption of the Treasurer that centralization and physical concentration are always more efficient than decentralization and dispersion is very disputable. However, if the experts say so it is very difficult for mere politicians to disprove it. That is why the phrase "It is quite certain" was used. It may be true, but it may not be. . . .

The Treasurer mentioned "modern thought," but he does not say whose thought. It seems to be a very convenient form of anonymous self-description . . . The alleged vital corollary is that the present Government should "draw away from the public in taxation and loans more than they spend for current purposes". "Draw away" is a nice phrase; it sounds like something that Ned Kelly might do. The committee will note the studied ambiguity of the phrase "more than they spend". How much more? It might be only a trifle, or it might be a great deal more. The Government, accepting this questionable theory, proposes to draw away—that is, to expropriate—a large part of the purchasing power of the people. The purpose is openly stated, and around the statement and that purpose there should be keen debate in this committee. The

purpose is to put the people's money "when it can do least harm".

That is the crucial point of the budget speech. The Government is to take more and more of the people's money, both directly by income tax, and indirectly through excise and sales tax. The Government has also changed the incidences of taxation in order to hold on to money, which should be refunded to some sections of primary producers. It has openly repudiated the arrangement under which businesses obtained tax concessions by the system of initial depreciation allowance initiated by Mr. Chifley. In the result, taxation revenue will reach a total of £957,000,000, a tremendous and unprecedented and quite un-justifiable total. It has been estimated that the total amount of revenue collected will be £1,041,000,000. The disclosed budget surplus has been estimated at £114,000,000 although, in truth, it will be much larger. The failure to disclose this fact calls for strong condemnation. It is admitted that out of an additional £215,000,000 only £33,000,000 will be used for defence purposes. That is less than 15 percent of the increase, which destroys the notion that this is a defence budget. It is not certain that this £33,000,000 will be spent. After considering last year's example of the Department of Supply, it seems to me that the difficulty connected with getting the technical processes to work in respect to war contracts will probably prevent that amount from being spent during the coming twelve months. It will not be spent any more than the Minister for Supply (Mr. Beale) spend his allocation for strategic materials, such as rubber, last year . . .

The Government's policy is to drain of or "draw away" the people's money, not for the purpose of ordinary constitutional appropriation for specified objects, but to "put it for the time being where it can do least harm". It is to be taken out of the people's pocket and put into the pocket of the Treasurer. The Government's policy is to keep money that belongs to all sections of the people from doing harm by taking it away from them, not to spend on a specific purpose, but to prevent them from spending it. . . .

Who laid down the economic laws to which the Treasurer referred I do not know.

It was not the Treasurer. From my recollection of what he said two years ago I

(Continued on page 8)

On Planning the Earth

BY Dr. GEOFFREY DOBBS

This brilliant work not only exposes completely the falsity of the propaganda issued by the advocates of the Tennessee Valley Authority and similar large-scale land planning and hydroelectric schemes, but reveals them as part of a world-wide conspiracy designed to drive the individual down the scale of human existence. Foreword by Major C. H. Douglas.

Price, 9/- . Including Postage.



All Wheat for Local Consumption Must be Subsidised

No reasonable person can complain about the Australian wheat growers' insistence that they should receive from all locally consumed wheat the same price that they receive for exported wheat, particularly as it is generally agreed that this price is necessary to cover costs of production. The steady decline in wheat production has at last forced the Federal Government to agree that in future the wheat growers will receive world parity prices for all their wheat. Increased financial returns for wheat-growers may ensure that there will be no further decline in wheat production, but under present financial rules must intensify inflation in Australia much more so than most people at present realise.

The price of wheat not only affects the price of bread; it has a considerable influence on the costs of production in the poultry industry, the pig industry, and the dairying industry. If instead of paying just over 30/- a bag for wheat, poultry farmers have to pay £3 a bag, it is certain that there will have to be a big increase in the price of both eggs and table poultry if present production is to be maintained. But there has been a big decline in poultry production in recent years—even now in the middle of spring, eggs are not over-plentiful—and this decline will now be intensified. Eggs will be almost unprocurable next winter. The price might easily be over seven shillings per dozen.

Pork and bacon, already highly priced, must now be increased much further. Probably production will suffer severely. An increase in the price of wheat means an increase in the price of bran and pollard. Crushed wheat, bran and pollard are used extensively in the dairying industry. While we believe that the heavy feeding of wheat concentrates to dairy cows is an unsound policy, both economically and from the point of view of the health of the cows, the fact remains that many who believe that concentrates are necessary will react to higher prices by leaving the dairying industry or reducing production.

Apart from the blow to production, the price rises, which will follow the increased price of wheat, must have a direct affect upon basic wage adjustments. It is impossible to estimate yet just how much increase there will be in the basic wage as a result of the increase in wheat prices. But even if only, say, an increase of 4/-, this will mean an increased wage bill for the whole of Australia of over £20 millions. This will have to be financed by a further extension of financial credit if the banks are permitted to make it available.

The fact that the Federal Government has already stated that it is prepared to pay a substantial subsidy "to ease the im-

port of the increase upon the poultry industry"—these are Mr. Menzies' words—indicates the policy necessary to prevent further economic disaster. The price of all wheat used in Australia should be subsidised at least at the present price. This would prevent the threatened increase in the price of eggs, table poultry, bread, and pig meats, and the consequent increase in the basic wage. The question of where the money would come from to subsidise the price of all wheat sold in Australia, is quite silly when it is realised that unless this subsidisation policy is pursued, a big increase in the expansion of new financial credit will be necessary to finance price and wage increases. The new credits should be applied where they will stabilise the economy, not where they merely provide the basis for further price rises later.

At the time of writing we have not seen any report about how the Federal Government is going to subsidise the price of eggs. But we have little doubt that efforts will be made to use this subsidy to try and force all poultry producers to register with the State Egg Boards and to sell all their eggs through these Boards.

If this policy were imposed, it would doom all backward poultry producers to extinction. They would have to buy wheat at the full price. Many more would leave the commercial poultry business rather than register with the Egg Boards. The total result would be a disastrous decline in production.

For some time we have been warning of a general food shortage in Australia. The population is increasing while most primary production is declining. Those primary producers who can continue producing probably feel that they are now in a very powerful position. They can refuse to accept any policy of cheap food. But they must recognise two important facts: The first is that high food prices under present financial rules directly affect the basic wage and intensify inflation. And the second is that as food supplies become shorter, and prices higher, the stage will be set for Governments to start applying Socialistic policies to the primary industries. Primary pro-

A Selected List Of Books On Organic Farming And Gardening

"The Minerals in Plant And Animal Nutrition" .. 4/-

"Soil & Health" 8/2

Howard Memorial Issue. A number of writers deal with the effects of Sir Albert Howard's work on agricultural practice, and its relationship to health and disease.

"The Green Leaf.... 2/-

Extracts from Sir Albert Howard's Works.

"Organic Surface Cultivation" 13/7

"The Earth's Green Carpet" 15/5

By Louise E. Howard. In part 1 of this important book the widow of the late Sir Albert Howard deals with the wheel of life, the growth of the plant, and the agricultural effort and its reward. In part 2 the application of the principles outlined in part 1 are studied. Part 3 outlines the new approach to the problem of health and disease.

"Vegetable Seeds for the Ordinary Man" ... 6/7

By David Harris.

"Simple Pruning".... 13/7

By N. Catchpole. A very practical book which covers a wide range of plants.

Order now from
NEW TIMES LIMITED

ducers should face this fact while they still have the time for constructive action. They should carefully note the action recently taken by the Queensland Government to ensure that butter supplies were not withheld from the local market because of the failure of the Government to authorise a higher price.

If the Federal Government really desires to do something worthwhile to stabilise the Australian economy, to ensure that adequate food supplies are available at reasonable prices, and to help stimulate primary production, they will rapidly extend the price subsidy policy. They can make a start on wheat.

"Flying Fox and Drifting Sand"

The book bearing the above intriguing title was first published in an English edition in 1938.

Ten years later the first Australian edition appeared and this year the publishers, Angus and Robertson, have come to light with another edition.

The book carries the sub-title "The Adventures of a Biologist in Australia," and the said biologist is one Francis Ratcliffe, an Englishman, and a pupil of Julian Huxley. The latter has written the introduction.

Back in the early thirties, Francis Ratcliffe was sent out to Australia with two very interesting assignments. His first one was to study the life and habits of the giant fruit-eating bats, known as flying foxes, which are found in great numbers along the eastern coastboard strip of Australia, particularly in the tropical and sub-tropical regions.

The second assignment was to study the problem of soil erosion in northern South Australia.

Hence the significance of the title "Flying Fox and Drifting Sand".

That Francis Ratcliffe succeeded in submerging the technical biologist and emerged as the writer of a first-rate travel book is evidenced by the apparent popularity of the volume. An Australian publication must win a certain amount of public favour before wary publishers will risk an extra edition.

The flying fox section can be dismissed fairly lightly in this review. Suffice to say that his account of following the migrations of the various species of flying foxes, the locating of their camps, his vivid descriptions of Queensland coastal scenery, and his sharp delineation of various character types, all combine to carry the reader along on the crest of a wave of interest.

For the bird lover, there are constant references to avian species peculiar to Queensland, and it soon becomes evident that the author has an abiding love for

birds and an enthusiastic interest in the Australian bush inhabitants.

However, it is the second portion dealing with his investigation of erosion causes that is of really outstanding importance.

The appearance of this new edition is perhaps most opportune and timely. Australia has enjoyed a sequence of extraordinarily good years. For a number of years there have been stock losses from too much water rather than a deficiency of it.

At the same time we have witnessed unprecedented high wool prices. The combination of these two factors at the same time has presented graziers with an open invitation to stock up as heavily as possible to make the most of the bounteous seasons and the wool boom.

The resultant danger of overstocking is obvious. In such a situation there is one paragraph in the book, which is of striking significance.

Commenting on the frequency of droughts, Ratcliffe writes:

"The lesson of experience, verifiable by records now covering something over half a century, can be summarised in the following words (and to give them the emphasis their importance demands they should be printed in block type fully an inch high): THE AUSTRALIAN INLAND MUST EXPECT A SMASHING DROUGHT ONCE EVERY DECADE, AND LESSER DROUGHTS' MORE OFTEN.

"Moreover, 'inland' here applies to a much greater area than is usually defined as the arid belt; it includes, for instance, the Mitchell grass plains of Central Queensland. In the centre of the continent, the 'Dead Heart of Australia,' it would be more accurate to say that good seasons are the exception, drought the rule."

Such an ominous note of warning is of particular validity at the moment. The possibility of a cycle of dry years in the immediate future is already being canvassed in a number of official quarters. Queensland has actually been experiencing a severe local drought for some months past.

Francis Ratcliffe's findings, as distinct from his colourful and descriptive travel narrative, are summed up in an extremely valuable epilogue.

He arrived at five main conclusions:

(1) The greater part of the sheep country affected by erosion had once carried a saltbush dominant vegetation, and the saltbush had disappeared because it had been eaten out by stock in times of drought.

(2) Rabbits were an important accessory factor. They did not actually destroy the saltbush; but by eating the shorter lived feed they forced the sheep back on to the "bush" before they would otherwise have had to fall back on it.

Also by gnawing the bark and roots, and by destroying virtually all the young seedlings, rabbits were killing out all sorts of perennial shrubs, which were not affected to any extent by the grazing of stock.

(3) With the destruction by stock and rabbits of the perennial evergreen plants—the plants which had formed a protective cover to the soil, even in times of drought—the wind was given carte blanche to play with the land, and began to blow surface soil away.

Many of the eroded areas, now swept by driftsand, have been so altered that the plants, which once grew on them, cannot be expected to re-establish themselves, even if given every chance.

(4) It would be unfair to lay all the blame on the pastoralists. No man can face a drought in the inland unless he has sufficient country to hold a substantial area in reserve; and many of the leases were far too small. Fifty square miles—32,00 acres—is a pocket-handkerchief in the arid belt.

(5) The excessively low value of the land severely limits anything that might be attempted in the way of artificial rehabilitation, by ploughing, reseeding, &c.

The alarming overall conclusion that Ratcliffe arrives at is that the fodder reserve of the semi-desert country is nowhere sufficient to stand up indefinitely to the strain that must be placed on it by pastoral settlement.

A European pattern of stable settlement evolved under a reliable and kindly climate becomes self-destructive in the drought risky, semi-desert Australian inland.

Thus "Flying Fox and Drifting Sand" is much more than an interesting and descriptive travel book. It is a valuable contribution to the literature dealing with peculiarly Australian problems. The problem of soil erosion, unless solved satisfactorily, may yet determine a dismal fate for Australia.

—T.R.L., in "News-Weekly."

Are You An Organic Farmer or Gardener?

If so, the Editor of *Rural Review* would be pleased to hear from you at any time. All over Australia increasing numbers of people are applying organic farming and gardening methods. Readers who have any interesting information concerning the results they are achieving are requested to write in so that other readers can obtain the benefit of their experiences.

THE FARM EXCHANGE

(J. E. Harding & A. E. Webb)

If you should think of coming to Central Queensland to live, we shall be glad to advise upon, and assist you to find, Farming, Grazing, Business or House Property. We are Farm Specialists, both having had extensive practical farm experience. Write to us about your needs. Social Creditors will be very welcome. Central Queensland has much to commend it.

THE FARM EXCHANGE

Real Estate Agents, Auctioneers, Valuers.

DURHAM ST., ROCKHAMPTON, CQ.

Phone 3768.

After Hours 3199 and 2161.

"THE COMPOST HEAP"

Published by the

Victorian Compost Society.

THE COMPLETE GUIDE TO COMPOST MAKING

Written by experts, and containing results of all the latest research in this field.

All Composters, experienced or beginners, will find this booklet of inestimable benefit.

Price, 1/9, including postage.

NEW TIMES LTD.,
Box 1226L, G.P.O.
Melbourne.

Collective Farming in India

As I was reading through our reports on the Far East, the phrase which Dr. Malan used, and which we printed two months ago, recurred to me: "Great Britain has abandoned her civilising mission in the non-White world."

To what conclusion can we come as the great sub-continent, which embraces India trembles on the brink of anarchy? The tension developing between India and Pakistan, bred deep in the conflicting religious viewpoints, threatens to explode into open warfare. From the background the tentacles of the Kremlin reach always outward, securing firmer hold on a territory teeming with undeveloped riches.

Through the years now gone, the great stabilising force of British rule kept as often as not an uneasy peace, and brought impartial justice to all men. The fact, which has been so derided by the London Socialist, is actually being recognised in India today. The effect of the British abdication is cutting deep. In a report on Public Administration published officially by the government of India, the practice of high moral standards by public servants is called for. Discussing those services upon which law and order depend, it was stated: "The impression of a recent tour throughout the larger portion of the country, combined with many years of official and non-official experience, lead to the conclusion that the machine is at the present moment running down."

This report added: "The system of government we have adopted postulates these standards. Parliamentary government with a cabinet system on the British model cannot be effective unless the standard of morality of those who work it is high and the general public believes it to be so."

Let those in this country who gloat because their Socialist government "gave India away" reflect that they have contributed sadly to the peace of the world; that their hands may yet be stained with blood.

Mr. Nehru's attempts to iron out the

grave problems which rock his vast domain follow pitifully the Soviet pattern. Amongst the most dangerous of all his schemes is the application of Soviet farming to the land. Under the guidance of the Reserve Bank of India co-operative farming is being planned.

The bank proposes the establishment of a State Consolidation Board, which would set up pilot schemes in a series of chosen areas. Schemes of irrigation, designed to benefit all farmers in these areas would also be undertaken by the government. Their cost, it is suggested, should be met from a graduated tax, according to the scale of benefits derived by the different farmers.

Parallel with this scheme it is suggested that the government should establish medium-sized industries alongside the collective farms, with a view to providing alternative employment and to relieve the pressure of population on the land.

Those who have made a study of collective farming will recognise what is implied. It is Soviet farming, and nothing else, and it is reliably estimated that the Soviet Union employs twelve men to do the work done on British farms by three men. Bearing in mind the pressing need for good husbandry in India, this collective agricultural policy, if applied, must end in the gravest disaster.

—"The London Newsletter," Sept. 1951.

DR. EVATT'S ATTACK ON THE BUDGET

(Continued from page 5)

should imagine that he would consider the type of proposition that he has now put forward to be unsound. This brings me to what I regard as a basic fallacy of this budget. It completely disregards the natural and legitimate feelings and the hopes and aspirations of the average Australian family. If people are arbitrarily deprived of the fruits of their labour and enterprise, it must interfere with their reasonable hopes and ambitions and the result will be a completely frustrated people. It is certain that a budget such as this is must have a detrimental effect on every phase of the economy. It is a complete dis-

couragement to initiative. Members of the Government have said a great deal concerning incentive, yet they are now proposing to cut off incentive at its source. There is little hope of improving production under a budget, which hits so hard and widely and ferociously as does this one, not for the specified appropriation purposes of government under the Constitution, but for the simple purpose of preventing the people from having money.

Because the budget totally differs from the views to which the Treasurer used to be wedded it is clear to me that it has been largely inspired by advisers who have no political responsibility and who have completely misunderstood the mood and temper of the people of this country. I believe the budget has been inspired by experts who have set on one side the natural desires of the people for life, liberty and the pursuit of happiness in a free democracy . . .

USE ENWITE specialities

TEXTIT waterproofing compound.

SOLVIT paint remover. No difficult neutralization.

AQUALAC wood putty. For good class Cabinetwork.

BRYNAC. The enamel for resisting water, acids and alkalis.

FERROSOL Rust killing paint. In all colours.

RUSTEX. For removing rust from motor bodies and metal work.

THERMEX. Silver paint. Can be made red hot without discolouring or coming off.

Manufactured by:

ENWITE PTY. LTD.

84-86 Cromwell Street,
Collingwood, Vic.

PHONE: JA5967

SUBSCRIPTION FORM

To THE MANAGER, NEW
TIMES LTD., Box 1226L,
G.P.O., Melbourne

Please enrol me as a subscriber to "The New Times" from issue of.....

Quarter
for Half-Year
Year

NAME.....

ADDRESS.....

Cheque
I enclose Money Order to the value of... ..
Postal Note

SUBSCRIPTION RATES are: —25/- Yearly, 13/- Half-Yearly, 7/- Quarterly.
Post Free.

CODNER BROS.

**Builders
And Hardware
Merchants**

**CALL AND SEE US FOR
YOUR HARDWARE
REQUIREMENTS**

**Wheatsheaf Rd
GLENROY FX1130**