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THE

NEW TIMES

"CATARRHEX"

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Vol. 5. No. 28.

MELBOURNE, FRIDAY JULY 14, 1939.

Every Friday, 3d.

"Something Terribly Wrong"

Noted Canadian Speaks Out

WARNING AGAINST DICTATORSHIP

Says Scarcity-Economics Must Go

Hon. W. D. Herridge, former Canadian Minister to the United States, has warned Canada that unless immediate action is taken to readjust the economic system to provide freedom in security for all, the old ideas of scarcity and controlled consumption will inevitably lead to dictatorship in the Dominion—perhaps under a coalition Government of Liberals and Conservatives.

He has also stressed the fact that the first job before the people is to secure true political democracy, as without it economic democracy must remain a distant dream. The following extracts are from a speech, almost equally applicable to Australia, delivered by Mr. Herridge at Vancouver recently:—

A FORMAL DEMOCRACY

"If at any time, in any land God meant that there should be security for mankind; He meant that there should be security in Canada today. Yet look at us. Something is terribly wrong. In all history you cannot find so great a gap as we have here between what is and what could be. Inescapable poverty we will endure, but escapable poverty is a challenge to freedom. If freedom cannot get us security, it cannot prevail. Fascism will replace it.

"An economic system designed in the age of scarcity, with profits, not prosperity, as its purpose, cannot work in the age of plenty and must be reformed," he said.

"Canadian democracy has broken down. Its form remains. The substance has been lost. Only parliament can reform the economic system, yet parliament does nothing because it is controlled by reaction, and is not free to serve the people.

DEMAND RESULTS

"We have talked about reform and prayed for it. We have wondered and worried. We have suffered and died. Now let us be sensible. Take action, which will get results. This country belongs to the people. Let the people run it for their own advantage. And do so, now. If you delay, you may never do so.

"A parliament which acts in defiance of the rights of the people, acts in defiance of its will. Within the old parties there are the sinister signs of growing entente. I believe that after the next election, the old parties will unite to form a government if together they are strong enough to do so. This government will be in name, a national government. In fact, it will be a fascist government. It will uproot the democratic processes. Freedom in form and substance will go out. Canada will be broken to the goose step.

FINANCE AT THE HELM

"We are an exploited people. We should be working for ourselves in the new economy of plenty. We are working for others

in the old economy of scarcity. Many of our bosses do not even live in Canada.

"If you were a foreign capitalist and a ruthless one, having no interest in the people's welfare, what would you do to Canada that has not been done to Canada?"

"You would manipulate tariffs for your own benefit. That has been done.

"You would establish industries under monopolistic conditions. Industries have been thus established.

"You would decree high prices. We have high prices.

"You would pay low wages. Low wages are paid.

"You would keep down the price of primary products. The price of primary products has been kept down.

"You would establish foreign commodity markets for the benefit (Continued on page 2.)

Demand Results Resolution in the Manitoba Legislature

The Legislature of Manitoba passed by 28 votes to 19 the following motion proposed by Miss Halldorson on April 13, 1939:

"Whereas Canada is a sovereign nation with a democratic constitution;

"Whereas in a sovereign democracy the people are the supreme authority to determine the results which shall accrue to them from the administration of their affairs;

"Whereas the abundant resources of the nation and the national capacity to produce render it physically possible to give economic security and freedom to every citizen—results which the sovereign people of the Dominion desire;

"And whereas the present condition of poverty, indigence, insecurity and economic impotence

constitute a denial of the sovereignty of the people;

"Be it resolved by this democratic legislature of the province of Manitoba which is entrusted with the welfare of the people of this province, that we do hereby urge that the Parliament of Canada ensure to our people their democratic rights by instructing the appropriate institutions and in particular the banking institutions, to forthwith order their methods of administration in such a way as to give the people of this nation the conditions and results that they desire and that they know to be physically possible."

Two ministers, including the provincial Premier, voted for the resolution; four ministers, the provincial treasurer and the Conservative party leader, voted against it. There are only five social credit members in the Manitoba Legislature.

STALIN AND SPAIN

Russian Foreign Policy Exposed by Former Red Army General

U.S. BOOKSTALLS ROCKED BY DRAMATIC STORY

By ERIC D. BUTLER

American students of international affairs were recently startled by the publication of a series of articles, which, in newspaper parlance, constituted the "scoop" of the century. Written by W. G. Krivitsky, a former General in the Red Army, for the "Saturday Evening post," the series has already rocked the American bookstalls—and has caused consternation in Communist circles. Krivitsky's explanation of the story behind Soviet intervention in Spain, why Stalin shot his generals, and the manner in which Stalin has sought to appease Hitler, presents a picture of an international position wherein human beings are moved like chessmen on a chessboard.

Although Krivitsky deals hardly at all with the matter of finance, students of International Finance can discern its slimy hand behind every move, operating along the lines, which have been dealt with in the "New Times" of late. One may venture to say that Krivitsky's series of articles provides the most damning indictment ever levelled at the machinations of those who play the game of power politics. It is likely to have worldwide repercussions.

WHO IS KRIVITSKY?

As some may doubt the possible authenticity of his claims, let us first deal with his history. Krivitsky is the one important survivor of the great purge in the Red Army and served in the Soviet Military Intelligence Department for nearly fourteen years, until May 1933. He was often sent abroad on highly confidential missions. He was then appointed Director of the Soviet War Industries Institute, a post he held in 1933-34. The following year he was entrusted with the office of Chief of the Military Intelligence in Western Europe, in charge of the Soviet's major secret operations

abroad during 1935-37. Krivitsky broke with Stalin at the end of November 1937, after the great purge of the Red Army. Two attempts were made upon his life by Stalin's OGPU agents in France as he made his escape to America. Even there he has had to be careful, and refusal to publish his photograph with his series of articles was deemed necessary for his personal safety.

STALIN'S HAND IN SPAIN

Although the world knows that Stalin intervened in the war in Spain, it does not know who were his men behind the scenes, and how his campaign was conducted. Krivitsky says:

"I happen to be the sole survivor abroad of the group of Soviet officers and officials who had a direct hand in organising Soviet intervention in Spain, and am the only one who is now free to bare this dramatic chapter of current history. As Chief of the Soviet Military Intelligence in Western Europe, I was on the inside of every major international step taken by the Kremlin. I held in my hands the main keys to Stalin's foreign policy, of which the Spanish interlude was an organic part."

"Ever since the rise of Hitler, in 1933, Stalin's foreign policy has been a policy of distress, driven by fear of isolation. . . . In his quest for security, Stalin turned his eyes towards Spain after the outbreak of the Franco rebellion. . . . Then Stalin intervened in Spain, with the idea of creating in Madrid a vassal of the Kremlin. Such a vassal would secure, on the one hand, his ties with Paris and London, and strengthen his bargaining position with Berlin and Rome."

After dealing with the lead-up to the beginning of the war, he points out how Stalin did nothing, although the Comintern—the Communist In-

(Continued on page 7.)

"NATIONAL EMERGENCY,"

Or the Price of Glory

By "LEXICON"

The passing of the National Registration Bill, the Defence Amendment Bill and the Supply and Development Bill in the Parliamentary session just ended represents the most barefaced negation of democracy in the history of Australian Federation. Even the War Precautions Act of 1914-15 did not give the Government of the day such wide discretionary powers. In a brochure issued by the Australian Council of Trade Unions the following facts relating to the Three New Conscription Acts are given:

"(1) The Commonwealth Government could proclaim a state of war. No court could question its proclamation.

"(2) It could call men up under Part IV of the Defence Act 1903.

"(3) Using the National Register, it could say to John Smith, 'Fight!'; and to William Brown, 'Work!'

"(4) It could send John Smith and other citizens to defend overseas possessions of the Commonwealth.

"(5) It could send William Brown and other citizens into Government factories to make war goods.

"(6) It could set up special tribunals for the control of Government munition factories, and these tribunals could administer special laws.

"It could set aside trade union rules and existing industrial customs. It could emasculate trade unionism until the unions became nothing better than Company Unions. IN ONE SENTENCE IT COULD DO WHAT WAS DONE IN BRITAIN DURING THE GREAT WAR.

"(7) It could force, workers to accept this Industrial Conscription by offering them the choice between submissively working, and bearing arms overseas.

"(8) It could do these things without any further authority from Parliament, and, by doing them when Parliament was not sitting, could avoid Parliamentary control and Parliamentary supervision."

YOU WERE WARNED

In its leader column of November 25 1938, the *New Times* forecast the dictatorial policy that would be adopted by a Government headed by R. G. Menzies, in these words:

"... In the light of these facts [relating to National Insurance], it grows more difficult to hide the intention that a dictatorship, undisguised, is proposed for us: a dictatorship headed by men whose policy has not the justification of the totalitarian-State leaders who, Menzies tells us, 'are seeking to increase the wealth of their States for the benefit of their peoples.'" In the *New Times* of December 23, 1938, readers were warned of the present situation in the following words:

"... The coming year (1939) may prove to be a crucial period in the history of Australia's fight for democracy... Under the guise of National Emergency Legislation, the Government will seek to curtail liberty in various subversive ways."

The Supply and Development Bill provides the machinery to hand over control of all secondary industry to the monopolistic interests, which have already an octopus-grip on the life of Australia. The Bank Act Amending Bill would still further whittle away the power of the Commonwealth Bank as a National institution. Senator McLeay's proposed plan would place the primary industries under the dominance and direction of bureaucracy; and the National Register is to index each individual as an automaton to be drafted off to cog into an autocratically controlled national machine. These major measures of the Menzies Government constitute a policy calculated to place the people of Australia and their industries under dictatorial control. Concluding its leader of November 25, the *New Times* said: "Judging by the tone of recent meetings, Australia is likely to gain a democracy rather than lose one... When Cabinet clashes with the People it will be just too bad for Cabinet."

In the Melbourne *Argus* of Thursday, July 6, we read that three thousand West Australian trade unionists agreed to support the National Register boycott, while a hundred and fifty New South Wales unionists took the Oath of the Eureka Stockade when they swore that they also would support the boycott.

PAWNS IN POWER POLITICS

One of the strongest objections to the general policy of the Menzies Government is that practically every legislative act for which it is responsible is calculated to mobilise the man power and industry of the country for war, while no real attempt whatever is being made to protect the people from the evil of the needless financial poverty imposed on them.

Within a few months of our learning that the Abyssinian affair (during the course of which many people were frightened by our diplomats and our daily press into believing that we were on the verge of war with Italy) was "arranged" and that Italy had taken Abyssinia with the full connivance of the British Government, we are asked to believe that the Anglo-German position is as serious as those same diplomats and newspapers would have us believe.

It is true that the talk of the diplomats on both sides leaves much to be desired from the point of view of those who want a peaceful settlement of world problems. Possibly Hitler is as willing to sacrifice the blood of the German people as Lord Halifax is to sacrifice ours, but it is doubtful whether the German people have any more desire to have their blood spilled than we have, or, further, have anything other than sympathy for us who are suffering the same uncertainty and fear as themselves.

LEST WE FORGET

In three weeks' time we will be "celebrating" the twenty-fifth anniversary of the outbreak of the Great War. Surely a quarter of a century isn't so great a time that we can have completely forgotten the lesson that we were taught then. Ten million men died for nothing. Before 1914 we acquiesced in a rearmament programme in the belief that by preparing for war we were ensuring peace. We prepared for war and got our deserts—war. We believed that if we were victorious the millennium would be here. In that hope we subordinated ourselves to arbitrary laws. Men who were sane enough to see the futility of war and hatred, and strong enough to stand-alone against the mass hysteria of the time, were forced to suffer the most appalling indignities. In England conscientious objectors were imprisoned and treated as we

would not treat our worst criminals today. When "victory" came we found that the war "to end war and make the world safe for democracy" had done no more than breed hatred, increase poverty, and negate democracy.

The diplomats of the world are skilfully fencing with one another. For us it is a case of "heads they win, tails we lose." It is a dangerous game—for us. When the buttons are torn from the foils the diplomats and financiers will pass them on to us.

Once again we are told that we must prepare for war in order to ensure peace. To that end the Australian people who, during the war years, voted against conscription, are to be conscripted without being given the privilege of voting.

For the benefit of those who have forgotten what the "Fruits of Victory" taste like, here is a poem by Alfred Noyes, which first appeared in the *Saturday Evening Post* in 1920, and was recently re-published in the *Sydney Bulletin*:

A VICTORY DANCE

The cymbals crash,
And the dancers walk
With long silk stockings
And arms of chalk,
Butterfly skirts,
And white breasts bare,
And shadows of dead men
Watching 'em there.

Shadows of dead men

Stand by the wall,

Watching the fun

Of the Victory Ball.

They do not reproach,

Because they know,

If they're forgotten.

It's better so.

Under the dancing

Feet are the graves.

Dazzle and motley,

In long bright waves,

Brushed by the palm fronds,

Grapple and whirl

Ox-eyed matron

And slim, white girl.

Fat wet bodies

Go waddling by,

Girded with satin,

Though God knows why;

Gripped by satyrs

In white and black.

With a fat, wet hand

On a fat, wet back.

See, there is one child,

Fresh from school.

Learning the ropes

As the old hands rule.

God, how that dead boy

Gapes and grins

As the tom-toms bang

And the shimmy begins!

"What did you think

We should find," said a shade,

"When the last shot echoed

And peace was made?"

"Christ," laughed the fleshless

Taws of his friend;

"I thought they'd be praying

For worlds to mend:

"Making earth better.

Or something silly,

Like whitewashing hell

Or Picca-dam-dilly.

They've a sense of humour,

This woman of ours.

These exquisite lilies,

These fresh young flowers!"

"Pish," said a statesman

Standing near,

"I'm glad they can busy

Their thoughts elsewhere! We

Mustn't reproach 'em.

They're young, you see." "Ah,"

said the dead men.

"So were we!"

Victory! Victory!

On with the dance!

Back to the jungle.

The new beasts prance!

God, how the dead men

Grin by the wall,

Watching the fun

Of the Victory Ball!

"SOMETHING TERRIBLY WRONG"

(Continued from page 1.)

of the international money markets. These are the markets, which we have today.

"You would require the banking system to support, by high interest rates, the principle of scarcity. The banking system does so.

"We are an exploited people. As such, we serve the foreign promoter to the end. We have gone hungry. We have gone workless. But we have kept our foreign dollar bright. We are the happy hunting ground of international finance.

"What have we paid for this honour? We have paid in the health and happiness of Our people. These shameful years of exploitation by reaction within and reaction without, may well have cost more lives than did the Great War.

"Visit the hospitals. Visit the homes of the poor. You will see sights that would disgrace a slave State: here in Canada, the richest country in the world.

FINANCE MUST SERVE

"The New Democracy stands for the security of the people and for the attainment of that security by the effective means provided with the capitalist system.

"It stands for production for use, and for distribution upon the basis of our capacity to produce.

"It stands for such reforms of the system as will bring production and distribution into balance upon a Christian level. It stands for that measure of control of the Bank of Canada and the banking institutions which will equip them to achieve that purpose."

* * *

(The foregoing extracts are from the report of the speech (of May 2) which appeared in the *Edmonton Bulletin* May 4, 1939.]

SCIENTIFIC ACHIEVEMENT

Rubber you can see through, which may one day be used like glass for windows, has been manufactured by British research chemists at the National Physical Laboratory.

The chemists have discovered that many different materials can be made by adding chlorine in gas or liquid form to rubber and subjecting the mixture to various temperature pressures.

Both hard and soft materials with many uses, can now be obtained. Mix dyes with the chlorinated rubber and coloured transparent rubber is produced.

Sheets of linen, after treatment with the chlorinated rubber solution, were given different temperature pressures. From one a hard plastic board was made. Another was changed into a light, cork-like material.

—*Sunday Express*, London.

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PRODUCERS' PROBLEM

A Matter of Money

M.P. MISSES THE MARK

Under the heading, "Supply and Demand," the following article by "Avon" appears in the "West Australian Wheatgrower." It is one of many indications that the real nature of the situation is becoming more accurately and widely understood, and is receiving some publicity other than in our own columns.

SEEKING THE CAUSE

In our issue of May 25 we have the concluding portion of an article by Mr. E. J. Craigie, M.P., on the parlous position of the farmers in the wheat industry.

Mr. Craigie, like any man with a spark of humanity in him, wants to help, to rectify this position. Many others are filled with the same spirit.

To enable this spirit to be made effective, we must have an appreciation of the basic cause, and then there must be unity and co-operation in taking action to remove this cause.

An interchange of ideas is necessary, but every idea should be thoroughly examined and analysed with one purpose only—to get at the truth.

Every analysis or criticism should be dominated by one idea only! To assist! There should be no thought of wanting to make capital for any one particular "ism," or to score points over any individual. Isms and personalities should be subservient to the one dominating purpose. To find the cause of the farmers' parlous condition and to remove it.

WHAT MR. CRAIGIE SAID

This is the spirit in which I believe Mr. Craigie has written, and it is in this spirit in which I also write. Let us then in this spirit honestly examine Mr. Craigie's statements. He says:

"The price of wheat is determined by the operation of the law of supply and demand. Well-meaning people may attempt to over-ride this law, but sooner or later all such attempts must fail and prove costly to the community. The reason for the present low price is the fact that the supply available is really in excess of the effective demand. Really there is no 'over-production' of wheat in the world. The trouble is 'under-consumption,' through lack of buying power. Millions of people would consume more wheat and wheat products than they do today, but the taxing systems of all Countries have taken so much of their earnings that they are unable to satisfy their desires in this regard. Millions of other people are denied the right of employing their labour, hence have nothing to exchange for the wheat and wheat products they need. It is not surprising that under such a policy the price of wheat is low.

"The price of wheat is determined by the law of supply and demand. The reason for the present low price is not over-production, but under-consumption due to the lack of effective demand—a lack of buying consumption."

MONEY SHORTAGE

"Now, effective demand and buying consumption reduced to every day language simply means: 'Money in the pockets of the people.'"

There is no shortage of supply—wheat—but there is a shortage of demand—money. That is the real base of the law of supply and demand.

When we have a good crop of wheat and a poor clip of wool, then in that year, wheat will be cheap if you want to exchange it for wool, through barter.

The returns from production do fix the values of goods in terms of each other. But that is only one side of the law of supply and demand.

This comparative value of goods must be translated into terms of money today, and it is the quantity of money in use at the time these crops are put on the market, which is the most important factor to the people who want to sell and to buy.

It is not the comparative amounts of wheat and wool, or other products, which make effective demand or buying power. It is money! The comparative amounts of wheat and wool and all other products do affect the price of these products, but in one way only.

ROBBING PETER TO PAY PAUL

Big crops divided into the money available mean low prices. Small crops mean high prices. The amount of the crop is important, but the amount of money, effective demand, is much more important.

I believe Mr. Craigie appreciates this point because he says: "Many countries have tried to assist their wheatgrowers by guaranteed prices, marketing control and equalisation schemes; but all have proved failures."

And he gives the reason: — "At best all bounty schemes merely take from one section of the community to help another, but do not deal with the cause of the trouble."

Such schemes do not provide more effective demand! More money in the pockets of the people! They simply rearrange the existing supply of money, which even Mr. Craigie admits is not sufficient. Again, if you do this for wheat alone, it can only be done at the expense of wool or fruit or milk, etc.

That is certainly not a cure, and not much of a "short cut." So far we agree then, that there is a shortage of money, effective demand, and that to simply rearrange this supply is not a cure for the existing evils. It is simply "robbing Peter to pay Paul."

MR. CRAIGIE'S REMEDY

Mr. Craigie then suggests a remedy, and it can be briefly summarised as follows:

- (1) Eliminate speculation in land by taking rent for public purposes.
- (2) To remove all Tariff Duties—Free Trade.
- (3) To abolish all other taxes on industry.

This is necessary in Mr. Craigie's opinion, because he believes that the taxing system has taken away much of the money of the people, and has thus reduced the amount of money, effective demand, in the pockets of the people, thus re-

ducing their capacity to buy, to consume, even wheat.

Now tariffs and taxes are put on by our Governments, both National and local.

TARIFFS AND TAXES

Why do they do this?

Do they tax us beyond the requirements of the needs of Government? You know today that even Diogenes with his lamp could not find a Government with a balanced Budget. We can all find Governments with deficits.

Then, seeing that Governments are not taxing the people so that they can even balance their Budgets, there must be some power, some force, compelling them to tax, even as they do. What is it?

When tariffs were first used, they had a definite purpose. The purpose was to protect some industry in any particular country against what was described as "unfair" competition from a similar industry in some other country.

To prevent the inhuman financier from using the cheap, brown labour, cheap black labour, cheap yellow labour, even cheap white labour, supported by the best machinery against the human financier, who was using human labour, not as chattels altogether, but as human beings (as far as the system would allow).

An excellent example is the way the Lancashire cotton financiers sent machinery and key men to India, China, and Egypt, to train these people, and

sell! and very possibly unemployment in these industries, unless the white people are prepared to work harder and live cheaper than the competitive coloured labour.

If this last step is possible, then a war of attrition will start between the competitors, and in the final analysis the winner will be the one who can use human beings in the cheapest and nastiest way possible in business.

Further, this would be the type of market the primary producer would have available in which to sell both locally and abroad. A market in which the amount of money, effective demand, had been reduced to a minimum. If we were beaten in the competition, we should be faced with increased unemployment, which would mean further taxation.

What would the balance sheet show? Would the farmer benefit? Would it not again be simply "robbing Peter to pay Paul?" Just a transfer of existing money, and not an increase in effective demand.

This, of course, is only one side of the question! Tariffs today are definite instruments to produce revenue for Government purposes, and this form of indirect taxation, as distinct from the straight-out income tax, is one which is not easy to detect, and which all consumers pay almost "in the dark."

But why do we have such taxes or any taxes? Why do Governments take money away from the people? What is the money for?

WHY TAXES?

If the Government supply the people with various services, such as police, education, army, navy water supply, transport, etc. etc., it simply means that we, who are not engaged in such services, through a tax, pay these people to do this work for us. We employ them, and through a tax the Government get the money to pay them.

That does not make the money any less. It simply reallocates it by transfer from one to another. That, I contend, is sensible and legitimate, if done efficiently. But is this all that taxes are for? Is all money collected from taxes just a re-allocation? What is the biggest payment our Government has to meet today? Interest on its debt! Interest we are paying for the use of money. "Money", Page 32: —

"A calculation from the Compendium of Australian Statistics (published October, 1935), shows that, while the taxation revenue of ALL STATES was £34,900,000, interest and exchange (estimated) on ALL STATES' debt was £37,002,000. Their combined taxation revenue was insufficient to pay the charges on their combined debts."

So today, speaking broadly, taxes both direct and indirect, are for the main purpose of paying for the use of the money we have used in the development of our country and its required services.

OUT OF THE FRYING PAN

Mr. Craigie wants to abolish all taxes, and then reimpose another—taking rent for public purposes.

If we are still going to pay our interest bill, and provide for our services, won't this particular tax have to produce just as much as all the other taxes?

No matter how it is done, won't the amount of money, effective demand, be still the same, not sufficient to enable people to buy what they need, and to use what others want to sell.

(Continued on page 6.)

PROCRASTINATION IS THE THIEF OF TIME

Have you ordered that EXTRA copy of the "New Times" yet?

thus eventually provided competitors who have caused the collapse of this industry in England.

That was free trade, but it is not fair trade. And so today, even in India, with brown labour, they have tariffs to protect their cotton industry.

When it is possible to train Brazilian monkeys to tend machinery, even the Japanese will need a tariff to protect them.

In protecting their home trade, tariff countries also protected the employment of their own workers. They protected their own markets. They attempted to teach the people to support home industries by protecting the money in the home market.

Someone had to pay for this protection, of course, and so those who were outside this protection had to pay for those within, by paying more for such protected goods without getting any increase in price for the goods which they sold, either at home or abroad.

"CUTTING COSTS"

Suppose you remove these tariffs?

Then, if our local industries want to compete with other countries, they must reduce their costs of production.

They must reduce the amount of money in the pockets of their workers.

And the result will be cheaper goods available for the purchase of the unprotected producer at home. But less money in the pockets of the local people to whom this producer wishes to

The New Times

A non-party, non-sectarian, non-sectional weekly newspaper, advocating political and economic democracy, and exposing the causes, the institutions and the individuals that keep us poor in the midst of plenty.

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A LITTLE MATTER OF GREAT IMPORTANCE

A little more than three months ago we placed before our readers the fact that, if the "New Times" was to continue, it was absolutely imperative to increase the weekly sales by fully one thousand copies, and that financial assistance would still be URGENTLY necessary, not merely until the thousand copies per week of extra sales was fully achieved, but until that later date when revenue had definitely risen correspondingly.

We suggested that every reader should buy an extra copy every week for re-sale or distribution. The response to this suggestion has been most gratifying, although not yet adequate. Sales have now increased by nearly nine hundred copies per week. We know that a number of our readers are buying **more than one extra copy**—in fact, one supporter is definitely responsible for over **three hundred** extra sales per week. Which leads us to estimate that from ten to fifteen per cent, of the readers we already had, have, so far, taken up this first suggestion. That leaves plenty of room for latecomers who have been thinking that "it was all over, bar the shouting," and that **their** help wouldn't be needed, after all.

But, we also suggested that every reader should, as soon as possible, send us a donation of 1/- or more ("£1 or more if you can"). Some have done so, but the response to this second suggestion has not been as gratifying as that to the first—mainly, we believe, because our supporters have not properly realised the life-or-death nature of this aspect. The present position in this regard is that our printing bill and despatch costs have increased appreciably, due to the increased circulation, while our revenue, although greater, has not, of course, increased correspondingly yet. It will be seen, therefore, that our nearly attained "prosperity" is physical, but not financial. An embarrassing and difficult position.

A few shillings may, to some, seem hardly worth sending. But every single shilling counts just now, and—as we have pointed out in this connection before—"many mickles make a muckle."

The "New Times" can claim to be a very important factor in YOUR defence against financial dictatorship. Are you prepared to contribute to YOUR OWN DEFENCE—before it is too late?

DOCTOR JOHN DALE ON "URGENT PROBLEMS"

Forthcoming Address to Melbourne Women

A few enthusiastic women have secured the use of a comfortably appointed room from the Housewives' Association, Howey Court, Collins street, Melbourne, and invite other women, especially "New Times" readers and their friends, to assemble there on Tuesday, July 25, at 8 p.m., to hear Dr. John Dale review some of the urgent problems of the day. A cup of tea will be served. This function is to be the first of a series of meetings to be addressed by prominent individuals.

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Have YOU "Done Your Bit" Yet?

WAR PACT OR PEACE VENTURE?

Australians Can Point the Way

At a crowded meeting held in the Assembly Hall on Monday night, July 10, a resolution was carried appealing to the Federal Government to use all possible influence to secure an Anglo-Soviet pact as a step towards a worldwide system of collective security.

Sir Isaac Isaacs, a former Governor-General, and several other prominent persons, representative of all sections of the community, addressed the meeting.

It is unfortunate that men of undoubted public influence should make extravagant utterances, which tend to arouse hatred and war psychosis. There was little indication in most of the addresses to show that the speakers had given considered analytical thought to the international situation. Explanations as to the causes of war were sadly lacking, and an ignorance displayed of what the row in Europe is really about. Mostly, the remarks were reiterations from the war-mongering press. It is little wonder that the prestige of the Church has suffered when such a high dignitary as Bishop Donald Baker descends to making unfounded statements. He is reported as saying: "It is plain that Hitler will refrain from warfare only if the forces against him are too strong. We are not dealing with a normal man. Hitler is partly off his balance—he is partly mad. We will have many setbacks, many Chamberlains, but we must fight on in the sacred cause of peace."

Statements of that nature do not inspire confidence in the work of the Church to bring in the Kingdom of God on earth, and they make the task of the few earnest ministers of religion, who ARE trying to raise the Church to its true status increasingly hard. One of the bands of true workers in the vineyard is the Rev. J. T. Lawton, who was a speaker at the meeting. Mr. Lawton's address showed that he thoroughly understood the causes of war. He emphasised the paradox of poverty amidst plenty and showed that therein lay the primary cause of world unrest.

NO SOLUTION

No pact with Russia, even if it were probable, which is extremely doubtful, will contribute to removing the paradox; no "smaller and more effective League of Nations" (Sir Isaac Isaacs) will contribute to peace—it will hasten war. No nation will lie down and uncomplainingly die. It will choose the more humane death by war. It is the fear or fact of national "starvation" which makes a nation become an aggressor nation. And is it not that fear which is making Britain an aggressive nation? The so-called aggressive nations are becoming "too strong," and so the so-called peace-loving nations are becoming aggressive in self-protection. Force will arise to overcome force in the fight among nations for a place in the sun. Pacts and alliances are only other words for force—unsentimental and selfish at that. The stronger nations, or alliances of nations, having got what they want, become "peace-loving" nations. The weaker nations, in fear of national starvation, or what amounts to the same thing, enslavement to the will of the stronger powers, and, possibly, refused access to necessary raw materials, will strive to gain strength, and eventually become aggressor nations. Should the positions be reversed, the aggressors will become the peace-lovers.

CAUSE MUST BE DEALT WITH

That mad cycle will continue if common sense and reason are not brought to bear to remove the paradox of poverty amidst plenty. It is within the power of the "democracies" to do so. If the peoples of the democracies will cease interesting themselves in so-called peace pacts, which in reality are force pacts to uphold the power of Mammon, and insist that their Governments arrange that the superabundance existing in their countries shall be distributed so that every individual in the democratic countries enjoys economic security,

the abundance left over can be made available to the countries in need of it.

LEAD WANTED

Australia as an individual and sovereign nation can put her own house in order by providing her own people with a standard of living commensurate with her existing wealth and productive capabilities. Her surpluses can then go to the countries, which want them as gifts or in exchange for something peculiar to the country concerned.

An Australian Policy on such lines points the road to peace.

A pact with Russia, or any other country, points the road to war.

"A DINNER AT THE SAVOY"

Readers of this paper will be pleased to know that the matter appearing in last week's issue, under the captions, "New Economic Policy Demanded" and "Poverty Amid Plenty Denounced," has met with an enthusiastic reception in many quarters.

The article was actually a verbatim report of speeches made by most prominent persons in England at a dinner at the Savoy Hotel. These speeches, which amounted to a scathing indictment of the Money Power, were (is it necessary to say?) suppressed by the daily newspapers.

The Rev. Wm. Bottomley, well known to be one of the most fearless exponents of truth in Melbourne, is so impressed with the matter that he is to make it the subject of his sermon for next Sunday evening, and will present it under the title of "A Dinner at the Savoy." Special efforts should be made by local readers to bring their friends along to the Unitarian Church (opposite St. Patrick's Cathedral). Grey Street West. East Melbourne, at 7 p.m., Sunday next July 16.

GARFIELD, GIPPSLAND

Attack on the Bank Bill

Representative citizens of the Garfield district are calling a meeting, to be held in Garfield on Friday, July 21 at 8 p.m. Speakers from Melbourne will attend and explain the matter of the Bank Act Amending Bill. Wide publicity is being given to the meeting, so those intending to be present are advised to arrive early, as the hall has little standing room.

TRAGIC INCOMPETENCE

(2)

Can It Be Ignorance?

A Letter to the Editor from BRUCE H BROWN

Sir, —Could anything be more pathetic than the attitude of the Bank Board and the Prime Minister on the all-important question of the supply of money? Last week reference was made to the "warnings" of the Bank Board regarding the "dangers" of an expansion of credit by the Central Bank, and this week I wanted to say something regarding the "explanations" offered by the Board for the failure of recent loans. In the meantime, however, Mr. Menzies, as Prime Minister, has not only provided further confirmation that he is merely the mouthpiece of the nation's enemies, but, even worse, that he is not straightforward in public discussion. He could repeat what his so-called "advisers" of the Ark type tell him regarding finance and economics, believing that he was acting honourably, but he could NOT distort and misrepresent what had been submitted to him without doing it consciously and acting dishonorably.

DISTORTION

When his attention was called to the provisions of the Report of the Monetary and Banking Commission, and he was asked why money was not made available free of charge, "so lifting from the backs of Australians the intolerable load of interest and taxation," he replied: "If I were to encourage this idea of unlimited free money I would be inflicting the greatest injury on the wage-earners of Australia that could possibly be inflicted upon them." Who did advocate UNLIMITED free money? Certainly not the advocates of monetary reform and certainly not the Banking Commission. I suggest that no one has done so, and that, consequently, it is sheer roguery for any man let alone the Prime Minister of the country, to introduce the word "unlimited" for the deliberate purpose of misrepresenting what had been advocated. No wonder one of the women interjected: "You are talking nonsense! It is wicked!" So it was, and all the more wicked in view of the hypocritical declarations about justice and happiness he has been making at several church functions.

"OLD-FASHIONED" ENOUGH

This same man went on to say: "I am old fashioned enough to believe that the money the Government provides must be provided by the people. If as one or two people suggest, money could be provided free of interest for carrying on all social services and works, and for private income, then the millennium has arrived." I have sent a letter to Mr. Menzies asking if he has been correctly reported, and will let you know later on the nature of the reply I receive. Fancy a man described as a King's Counsel holding the childish belief that Governments "provide" money. The only money they have is what they borrow from private minters or steal from us. And fancy such a man believing that money is "provided" by the people. The only money the people have is what they can get from industry. Even industry does not "provide" money. The only money that industry can get is what it can obtain from the banking system. The banking system alone is the "provider" of money, and money is only a claim to goods. The people who produce the goods do not produce the claims to the goods, and yet our Prime Minister utters the infantile absurdity that the Government, which should be controlling the resources of the Commonwealth for the benefit of the people of the Commonwealth, can only get claims on these resources from those who have no say in producing the claims. And he does this quite regardless of the fact that no attempt has yet been made to see that the claims are equal to the resources. Being "old-fashioned" is hardly acceptable as an explanation.

A RIDICULOUS POSITION

Note also his disbelief in the FACT that money can be issued by

the Commonwealth Bank for community purpose FREE OF INTEREST. Note also that money is only a claim to goods, and actually is only useful when it is being used to claim them. If interest is to be paid on the CLAIMS, then the claims are greater than the goods! Can any seriously minded honest man contend that a claim to a thing is greater than the thing itself? Well, that is the ridiculous position taken up by Robert Gordon Menzies, P.C., K.C., Prime Minister of the Commonwealth of Australia, and he has the temerity to ask all citizens to co-operate with him in maintaining it. We can readily see the absurdity of the policy we have been following in this respect when we consider the position of the farmer. He has produced plenty of food, but cannot get rid of it because the people lack the money claims to it. And yet it is precisely because he himself lacks these money claims and has to pay interest on the claims he has been using in the production of the food that he is continually on the verge of bankruptcy. Moreover, it is because the claims are purposely kept in short supply that he has to compete viciously with others to get some of them. Not only so, but he is face to face with the FACT that the very people to whom he is in debt because of the lack of these money claims are the very people who manipulate the supply of them, so that he is kept in their debt and can obtain what he does obtain only on the terms and conditions they impose.

MORE MISREPRESENTATION

All this is bad enough, but the Prime Minister went from dishonesty to dishonesty. Read this further extract from his "reply" to the ladies of Sydney: "The law could be altered so that the Commonwealth Bank could print as many banknotes as anyone wanted, but the more notes they got the less they would be worth." You very rightly drew attention to this misrepresentation last week, Mr. Editor, and it is quite appropriate, I think, to mention it again. When we think of the stupid utterances being made by the King's Counsel under notice, and being made in relation to the most vital thing in connection with the Government of the country—viz., FINANCE—we begin to understand why he has been a failure in some of the important cases, which have been entrusted to him in recent years. If his knowledge on those subjects was comparable with his apparent, knowledge on Finance, then we can only pity the poor fellows who placed their confidence in his ignorance.

A SERIES OF INACCURACIES

In the first place, his statement was incorrect, because the Bank Board already has the power to issue notes as may be required. On May 31, 1931 Sir Robert Gibson, then chairman of the Bank Board,

told us in a national broadcast that "the Commonwealth Bank has control over the Note Issue, and can command resources in the form of currency to any extent which. IN THE OPINION OF THE BANK BOARD, is deemed necessary." The quantity of notes, therefore, depends on the opinion of the Bank Board, and the opinion of the Bank Board is the opinion of private finance, as specially represented on the Board by Professor L. F. Giblin. In the second place, his statement was incorrect, because no one suggested that, "as many bank notes as anyone wanted" should be printed, and reference to such a thing could only have the objective of ridiculing something of his own concoction falsely attributed to others, and of misleading great numbers of worthy citizens who innocently trust him. In the third place, his statement was incorrect, because it inferred that he had been asked to increase the note issue without regard to the quantity of things that could be claimed with them, when, as he well knew, such was not the case. As a matter of fact, the quantity of purchasing power could actually be doubled without printing another note! There was further misrepresentation in the subterfuge of twisting the request for free money into a request for the printing of more notes. Are more notes printed when Governments obtain huge loans of new money from financial institutions? They are NOT, and there is no occasion whatever for more notes to be printed when finance is obtained by Governments from the Commonwealth Bank. The sort of money passed to Governments now as loans would be just as good, and could take the same form, if it passed to Governments as the PROPERTY OF THE PEOPLE, instead of as debt against them.

WHERE DOES IT COME FROM?

Consider the case of the EIGHT THOUSAND MILLIONS created in England for the purposes of the war. This did not take the form of bank notes. It took the form of bank credit, and consisted of entries written in books. It was created out of the inkpot, but it was entered in the books as debt to be paid by the people of Britain to the financial institutions. Because of this, the people of Britain have to endure poverty and misery when they could and should be enjoying prosperity and happiness. Taxation is enormous, and most of it goes as interest to financial institutions on this fictitious money. Suppose the money had been written in the books as the PROPERTY OF THE PEOPLE. All the work done and assets brought into existence, as the result of its use, would have been debt free and interest free, and instead of having to surrender large portions of their income to the taxation authorities, the people would have been able to use all their money in getting better houses, better furniture, better clothes, better food, and so on. But, in consequence of this burden of taxation, and the fact that money can only be obtained under existing conditions as additional debt to a private monopoly, the population of England is in a desperate condition, and, although boasting of their freedom, are as much enslaved to the controllers of finance as the slaves of other days were at the mercy of the slave-owners.

INEXCUSABLE CONFUSING

One dishonesty followed another. When a woman interjector at the Sydney meeting said the present financial policy of the Government was wicked and sinful, and that the people did not want to BORROW money, Mr. Menzies retorted that the interjector did not know as much about banking as members of the Bank Board. Here again, and,

apparently, for the same purpose, the people's objection to the borrowing of costless money was deliberately twisted as a reference to banking. It should naturally be expected that the members of the Bank Board would know more about banking than the members of the audience, but it is becoming evident that on the question of manufacture and function of money they are as innocent as babies or as unscrupulous as a gang of highway robbers. Banking is necessary and those who do the banking work are invariably efficient, but the manufacture of money is a different matter altogether. Banking should deal with the MOVEMENTS of money, whereas the women in Sydney were referring to the PRODUCTION of it. A King's Counsel can hardly be excused for confusing the two.

HOW CAN HE "FIND" IT?

Our second Birkenhead, as one irresponsible adulator has called Mr. Menzies, is also reported to have said this: "If there is to be no increase in taxes and no increase in borrowing, I must confess I am a little worried about how I am going to find the money." This is still another admission that he is entirely at the mercy of the credit monopolists. The taxation we can pay depends upon the income we receive. The income we receive depends upon the current policy of the financiers—i.e., whether it is a time of credit expansion or credit contraction. Therefore, the field of taxation is determined by the conditions brought about by banking manipulations. In the same way, the amount available to Governments in the form of loans depends on the conditions of the "money market," and the money market depends on the policy of the financiers—i.e., whether they are purchasing securities or selling them. So we see that, whether our Governments depend on revenue from taxation or from borrowing, the amount available to them is always dictated by the selfsame controllers of the financial system. Instead of freeing the community from the tentacles of this octopus, the great Mr. Menzies prefers to pretend there is no other way and to plead that he is a little worried. Unless he quickly gets out of this state of mind and acts in our interests, as our principal representative should act, then we should see that his worry is intensified. If he wants to know how to "find" the money we need, let him study how the late Sir Denison Miller found it, and also how the 8000 MILLION was "found" for the conduct of the war. He could also find out how it is that with only about 55 millions of legal money in the whole of Australia we have approximately 600 millions in the banks as "deposits." Where did the deposits come from? A study along these lines would not only improve his education, but it would help him to become qualified for the position he holds. At present he is tragically incompetent. —Yours faithfully,

BRUCE H BROWN



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(Continued on page 7.)

PRODUCERS' PROBLEM

(Continued from page 3.)

Mr. Craigie also states:—

"Another section of wheat-growers are demanding 4/- per bushel at country sidings. They appear to imagine that money grows on trees, or that it is only necessary to wave a magic wand and the money is available for distribution. Apparently they are unaware of the fact that all such payments involve either increased taxation or currency inflation, and, if adopted, would have dangerous repercussions."

I am almost constrained to believe that even the wheat farmer now knows that money does not grow on trees.

I am beginning to believe he also knows that whilst he can grow wheat, he cannot grow money. I said beginning to believe—I am not positive yet—for this reason: Take a farmer who borrows £1000 from the bank at an interest rate of 6 per cent. He gets £1000 in money, and he agrees to pay back £1060 in money. Incidentally, all producers of all production do the same. The farmer spends his £1000 and produces his goods, and then goes into the market to sell.

IMPOSSIBLE

Actually, he is trying to get £1060 back in money. Incidentally, all other producers are doing the same. They cannot all succeed, of course. Suppose our farmer succeeds, and secures £1060 in money. Then some other poor benighted producer, who has spent his £1000, and has produced his goods, now finds there is only £940 left for him. The successful one has got his £60 from the loan of the unsuccessful one.

He is not only short of money, but he cannot sell all his goods, except "at a loss. Farmers—all producers—are still trying to do this, the impossible, to take more money out of the pot than they put in.

Consequently, I am not yet positive that they do know, that they do not grow money as well as wheat.

There is a simple way out of the difficulty. The farmer does grow wheat.

Let him agree to pay back the £1000 he has borrowed in money, and the £60 interest in wheat, because he can grow wheat.

Let the financial system change the wheat into money to recoup itself for its own interest. It is their job, they are producers of money. When all producers realise this, and take action, and do it—I shall know for certain that they are fully cognisant of the fact that they do grow wheat, but that they do not grow the money to buy it with.

Is it not a fact that this is the crux of the situation? Behind all bounties, behind all fixed prices! behind all surpluses! behind all tariffs, all taxes! it is money! Money! Money.

MONEY FACTORIES

And it does not grow on trees.

No! Just as we have industries producing wheat, wool, milk, beer, and cigarettes, so we have an industry producing money. Keeping down its costs! Attempting to sell its produce in the best market at the highest price. Attempting to take more out than it puts in. With just one difference it can produce money to pay for the cost of producing money. No other producer can do that! This money is not a means of exchange. It is a commodity

used as a means of exchange. You can speculate in it. You can change its value! God made the land and HE fixed its limits! Man makes money, and he alone fixes its limits! And so we have deflation—a depression: inflation—a boom.

Not dependent on the harvests from the land created by God—but dependent on the money created by this particular industry, by man. What we need and must have is not inflation, or deflation, but equation.

We must have goods and money in equality. Today, a conference has been called. The first men to meet are men skilled in production. The auxiliaries of production have also met the agents for machinery, manures, oils, etc., etc.

When are the men who provide the money to be called together? When are they all going to face up to the fact that it is a question of consumption and not of production? Read these statements made by experts on this question of money.

WHAT THEY SAY

Mr. R. G. Hawtrey, Assistant Secretary to the British Treasury, one of the acutest critics of economics today, and strictly orthodox in his outlook, writes as follows in his book, "Trade and Credit":—

Page 98:—

"We have now travelled a long way from the over-production theory with which we started. In fact, we have shown that trade depression cannot be due to over-production; the disparity that arises between supply and demand cannot be due to excess of supply, but must be due to a deficiency of demand. Demand, that is to say the consumer's outlay is curtailed owing to a restriction of credit. There is no over-production."

Page 16:—

"In view of the serious evils arising from the CREDIT CYCLE the responsibility is a heavy one. But there is no way of avoiding it. Whoever has control over credit does in fact determine the fluctuations of prices and the magnitude and frequency of the alterations of inflation' and DEPRESSION."

"We have now shown that the variations of effective demand, which are the substance of the trade cycle, must be traced to movements of 'Bank Credit.'"

Lord Stamp, Director of the Bank of England. Extract from "The Christian Ethic As An Economic Factor":—

Page 37:—

"All economic principles cannot be changed by a variation in the ethical content to a like extent.

"The extent depends upon the predominance of the factor of MOTIVE.

"The 'QUANTITY PRINCIPLE' of money, with the resultant changes of price level, is, apart from willful inflation or deflation by Governments and banking systems, quite independent of warm or cold hearts, sympathy, pity or Christian sentiment.

"It is a dominating principle of our time and lies at the root of trade depressions, unemployment, wages disputes and industrial unrest.

"So delicate are our social adjustments now dependent upon reliable monetary measurement of real satisfactions, that I do not hesitate to say the greatest single evil of our time is the instability of the monetary unit as a measure of real values."

IN A NUTSHELL

The economic expert says:—
No over-production.

Lack of Money—due to movements of bank credit, money credit control does determine fluctuations in prices, and the magnitude and frequency of inflation and depression.

It is the dominating principle of our time, and lies at the root of trade depression, unemployment, wages disputes, and industrial unrest. The greatest single evil of our time.

Well, who does control credit? Will they be at the conference? Will this question be discussed? Will there be any discussion on how to increase the money in the pockets of the people, to increase effective demand?

If not, then it will be just another reallocation. Peter will again be robbed, and so will Paul.

WHAT IS MONEY, ANYHOW?

Mr. Chester J. Crowell, who has served as special assistant to the Secretary of the United States Treasury, confirms some of our own opinions of the learned economists, says the "Primary Producer," when he says:

"The trouble with most economists (including myself) is that we were born, and educated, under the gold standard, and we now live in a world that has proved the bayonet standard just as effective. Most of us don't even know that there is such a thing as the bayonet standard . . . and don't believe that there could be. But it is all around us, and in spots flourishing. 'This is money,' says the Dictator. 'Accept it, or else.' They accept it, and it is money. Do you know the ancient story of the stranger who came into a city with a counterfeit hundred-dollar note and passed it? The note went round and round, paying thousands of dollars' worth of debts, and finally came out in the hands of the criminal. He left the community with the note tucked in his pocket. Any harm done? Well, you can answer that one. I pass. What is money, anyway?"

"The men who have done anything in the world in effectively upsetting economic theories do not listen to the learned experts who stand on the side-lines saying (or yelling). 'No! Oh, no! You can't do that!' And while they yell it is done.

"In terms of standard economics, Germany is a corpse, but the corpse doesn't fall down. On the contrary, it seems to have the means to spend thousands of millions of pounds on armaments.

"What is being lost under our accepted monetary system? I should say that it is the billions of man-hours of useful labour that, somehow, could not be mobilised. That is what we have lost, and we must adjust our problems to that fact. Whatever monetary system is used, unless it keeps the wheels turning—men at work and well fed—it is wrong."

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STALIN AND SPAIN

(Continued from page 1.)

ternational—was trying to whip up feeling in every country of the world. But, as he also points out, the Comintern carries very little weight with the inside group. Krivitsky continues as follows: "Although the Spanish Government in Madrid was in possession of the 700,00,000 dollar gold-reserve of the Bank of Spain, the Spanish Republic's efforts to buy arms from Vickers in England, from Skoda in Czechoslovakia, from Schneider in France, and even from Germany's powerful munition-makers, were frustrated by non-intervention. This was the international situation, which my secret agents watched, sending a constant stream of reports to me at The Hague. These reports I transmitted swiftly to Moscow. Stalin remained silent. Late in August, with Moscow's permission, three high officials of the Spanish Republic arrived secretly in Odessa. They came to buy Soviet war supplies. They offered in exchange huge sums of Spanish gold. Instead of being permitted to reach Moscow, they were kept quietly in a hotel in Odessa. On Friday, August 28, 1936, Stalin issued a decree, through the Commissar for Foreign Trade, forbidding 'the export, re-export, or transit to Spain of all kinds of arms munitions, war materials, aeroplanes and warships.' This decree was published and broadcast to the world on the following Monday."

HOW RUSSIA GOT SPAIN'S GOLD

Apparently, however, the above decree was only for the public. Stalin immediately called a meeting of the Politbureau, which is the inside governing body. Stalin was for action right away. There were three major points, which he stressed. First, there was the hoard of gold, which the Spanish Government was willing to spend on war materials. Secondly, Russia had to supply the arms in such a way that it would not be known to the outside world. Third, and much more important, the campaign had to be run in such a way that Stalin would be in complete control of Spain after the war. In order to do this, he had not only to beat Franco, but had also to get control of the Loyalist forces, as there were only two Communist representatives in the Government, while only 3000 Communists were registered in the whole of Spain.

In order to effect the secret transport of arms, it was, first, decided to establish an independent chain of firms, through which negotiations could be carried out. Krivitsky continues: "Within ten days a chain of brand-new import-and-export firms,

through which negotiations London, Copenhagen, Amsterdam . . . and other European cities. . . . We made large purchases from the Skoda works in Czechoslovakia, from several firms in France, from others in Poland and Holland. Such is the nature of the munitions trade that we even bought arms in Nazi Germany." There then follows a detailed explanation of how papers were forged and arms smuggled into Spain.

REIGN OF TERROR IN SPAIN

The first step in Stalin's programme to get control of the Government forces was to move the dreaded Ogpu into Spain. Krivitsky tells how the Communist forces throughout the world were then set in motion, in order to establish the famous International Brigade, which was all part of the plan.

Every man offering his services for this brigade had to have his record carefully checked. The cold-blooded manner in which Stalin pursued his programme to gain complete control of the Loyalist forces is portrayed in the following extract: "Throughout the world there was a cry of anguished fury at the merciless bombing of almost defenceless Madrid And then I received strict instructions from Moscow not to permit that boat to deliver its cargo in Barcelona The Government of Catalonia was dominated by revolutionists of anti-Stalinist persuasion. They were not trusted in Moscow, although they were then desperately holding one of the most vital sectors of the Loyalist front This fantastic but silent battle to gain complete control of the Loyalist forces was part of Stalin's scheme. If Stalin was to make Spain a pawn in his game for a firm alliance with France and Great Britain, he must subdue all opposition in the Spanish Republic."

Those people who attended the Communist meetings in Australia for the help of blockaded Madrid might remember this. At last, however, word came from Moscow that the 'planes and arms were to be allowed in. The result, of course, was that the prestige of the Communists and the Soviet went up. The feats of the International Brigade and the material help from the Soviet Union so promoted the growth of the Communist Party that by January 1937 its membership had reached more than 200,000.

Krivitsky then goes on to tell a story of the almost unbelievable manner in which Stalin's secret Ogpu were "liquidating" Loyalists whom they considered not in line

with Russian policy; a story of Stalin's firing-squads working overtime, and apparently causing as much havoc as Franco himself. To quote: "There were countless similar disappearances. Some were kidnapped and taken to Soviet Russia. Others were assassinated in Spain Nin had once been a Trotskyist and, years before had been active in the Comintern. With a group of his associates Nin vanished from the prison where they had been condemned by the Ogpu. Their bodies were found after a commission of British members of Parliament had come to Spain to investigate their disappearance. Another outstanding case was that of young Smillie, son of a British Labour leader. He was killed in an Ogpu prison in Spain." **SOULLESS STRATEGY**

Slowly, but surely, while all this disruption was going on the Soviet representatives, particularly Stashevsky, were getting all the Spanish gold out of the country and shipping it to Russia. Pressure was also being brought to bear upon the leaders of the Loyalist Government. Premier Caballero was quickly realising that he was completely in the power of the Soviet and the Ogpu, which had the prisons and dungeons full.

Krivitsky writes; "At this time I received instructions gradually to liquidate our work of purchasing and supplying war materials to Spain. Our aid was being doled out *deliberately in amounts just barely enough to be decisive on the battlefields, it was being used as a club over the head of Caballero.*"

He goes on to deal with the manner in which the press of the world was deceived by the reports about the supposed uprising of traitors in Barcelona when every ounce of energy was needed to fight the common enemy. He declares that this was all stage-managed—with the result that the Ogpu smashed the Government in a welter of murders and imprisonments. Pressure was brought to bear upon Caballero, who was removed in favour of Negrin, who was in complete sympathy with Russia. It now appeared that Stalin had everything working to plan in Spain, although the purge was in progress in Russia at the time. However, Italy and Germany more openly intervened on Franco's side, and Stalin had to be careful, as he did not want a major war. This care became more imperative after Japan's invasion of China, with its threat to the Siberian frontier.

Krivitsky finishes his review of the Spanish affair as follows: "The role of Stalin in Spain was now going into eclipse. Stalin had intervened there in the hope that he would, with the assistance of a vassal Spanish regime, build a bridge from Moscow to London and Paris. His manoeuvre failed. Leon Blum and Anthony Eden resigned. Paris and London adopted a friendlier attitude towards Franco. All that he (Stalin) got out of his adventure was the Spanish gold"

And so concludes what is possibly the only authentic first-hand story of one major aspect of what really happened in Spain. For a story of rotten intrigue, in which human beings were treated as less than mere animals, it will take some beating. This was the affair that the Communists (most of them sincere, I will admit), and some other people, wanted Australian people to interfere in. It is to the credit of the *New Times* that it said we had enough to do "saving democracy" right here in Australia, without getting mixed up in other people's affairs thousands of miles away. We might remember this in relation to all overseas affairs, of which the Daily Press gives us a distorted and incomplete picture.

[Story of Stalin's secret negotiations with Hitler to be published next week. Krivitsky tells the part

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(Continued from page 6.)

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SAVE THE PEOPLE'S BANK!

Rising Opposition to Casey's Bank Bill

EXPOSURE OF HIDDEN DANGER IN 24 CLAUSES!

In every State the campaign proceeds steadily, but, owing to the difficulty experienced in sufficiently simplifying the case for the uninitiated, the progress is not as rapid as might be expected. The fight against the Bank Bill has now become a **FIGHT AGAINST TIME**. All those acquainted with the facts—who **REALISE** the extent to which this country is threatened—are urged to do their utmost in a supreme effort to enlighten the public **BEFORE IT IS TOO LATE!**

Sufficient evidence is now available to **PROVE CONCLUSIVELY** that those responsible for the Bank Bill proposals have provided for drastic and dangerous amendments to no less than twenty-four Clauses of the original Act. These alterations are as cunningly concealed by the orthodox press and spokesmen as they were conceived by their sponsors, but Mr. Casey's own Memorandum discloses the whole conspiracy, and provides the rope with which he himself may be politically hung.

It is obvious, of course, that Mr. Casey is being used as a tool by those whose objective is **PRIVATE** control of the **PUBLIC** credit—the lifeblood of the community—and that this Bank Bill is the instrument to be used in "knifing" the Nation's Bank. Since it is impossible for Mr. Casey and certain of his colleagues to truly represent their constituents whilst remaining a party to these proposals, the alternative rests in the hands of their electors, **WHO ARE THE REAL MASTERS OF THE SITUATION!**

Following is a brief summary of reports recently to hand:

QUEENSLAND

Though campaigners are in action throughout the State, there are still a number of districts requiring immediate attention, where groups should be formed to launch more intense local activities.

NEW SOUTH WALES

Encouraging reports are to hand from the Cowper Board of the Electoral Campaign, which can be confidently expected to successfully attend to Sir Earle Page's electorate. Cowper electors will remember how Sir Earle partnered Mr. Bruce in the 1924 attack on the Bank, which resulted in an effectual stranglehold. The electors' opportunity has arrived; Sir Earle Page must be made to face them on this vital issue and declare himself for or against.

SOUTH AUSTRALIA

S.A. visitors to Victoria recently have taken back a verbal tribute to the great work being accomplished by actionists in that State.

WESTERN AUSTRALIA

Keen interest is being aroused throughout the State. Literature despatched to W.A. recently tops the mailing list.

TASMANIA

The campaign has been rapidly proceeding since its inception, actionists now concentrating on bringing pressure to bear upon Senators.

VICTORIA

The consistent efforts of several "live wires" have been responsible for much valuable publicity. A letter from a listener-in, recently read over Station 3XY during "The Voice of the People" session, pointed out the danger of the Bank Bill and urged listeners to write to their M.P. about it.

Letterforms to Senators are now available, and it is important that pressure be applied to those Senators who have not assured us of their opposition to the Bill. Favourable assurances have been received from Senators Cameron, Keane, and Sheehan.

A report of the Bank Bill debate at Station 3DB "Heckle Hour" on July 1 will appear in our next issue. Mrs. W. Kerr's team was considerably increased last Friday night, also on the previous Friday, when signatures were secured and broadsheets were sold in Chapel Street, Prahran. This response to appeals for assistance is heartily appreciated, and it is hoped that further support will be forthcoming. Those willing to assist are requested to ring MU 2834, or call at Room 9, Fifth Floor, McEwan House, Melbourne.

Supplies of letter-forms, to be signed by electors and despatched to Members of Parliament, and to Senators, are obtainable at 1/2 per hundred, posted; special "Hands Off the Commonwealth Bank" broadsheets, at 8d per dozen, posted. All enquiries, together with P.Ns or stamps, should be addressed to the Hon Sec., "Save the People's Bank" Campaign, Box 1226, G.P.O., Melbourne.

WEST AUSTRALIAN M.H.R. ON "SOOLERS'

In the House of Representatives Mr. Green, M.P. (Kalgoorlie), a returned soldier, in the course of a speech in opposition to the National Registration Bill, referred to some Ministers who were typical of hundreds of people who, during the last war, "sooled" men on to the front. He went on to say that to those "soolers" our soldiers in the trenches and the democrats in this country replied effectively with the following verse entitled, "The Young and the Old":

The young man lay in the trenches,
In the mud and the blinding rain,
Death in the earth and death in
the air, and
Hunger and cold and pain.
Blood on his hands and blood on
his soul,
From murder that could not cease,
And the young man said, while the
guns flashed red,
Peace!
God! Give us peace!

The old man sat in the smoke-
room,
Withered and lank and lean,
Far from the hell of the bursting
shell,
And the sea and the ships
between.
Safe his old worthless carcase,
Safe his old useless life,
And the old man said, as the
young man bled,
War! War! to the knife!

THE OLD GAME

"Perhaps the most pathetic feature of the present world-wide crises is the facility with which large masses of people will, accept, under a suitable title, a situation against which they will fight to the death if it is labelled something else. The effect of this is to destroy 'a just relationship between the mind and things.'

"For instance, a considerable, though rapidly decreasing, body of what is called the working population of this country is hypnotised into the idea that, in Russia, a highly centralised, tyrannous and corrupt government, because it is labelled 'the dictatorship of the Proletariat,' is something which would be to the advantage of the under-privileged classes of this country.

"The Russian Proletariat do about as much dictating to the real Government of Russia as the English Proletariat do to the Bank of England. Yet less corrupt, more 'socialistic,' although tyrannous and centralised governments in Germany and Italy, because they have been successfully labelled with an entirely fanciful name, Fascism (which means, if it means anything, one thing in one part of the world and another thing in another part of the world), are supposed to be the unique enemy of the "worker" and the only force to be fought in this country.

"It is difficult to make the general public realise that 'Communist v. Fascist' is, in the main, only the old Party game in a new dress."

—C. H. Douglas.

ACTIONISTS!

SAVE TIME AND TALK. USE THE BEST METHOD. Sell them a "Hands Off the Bank" broadsheet for one penny. Obtainable at 8d per doz. (posted) from "Save the People's Bank" Campaign, Box 1226, G.P.O., Melbourne.

Information Wanted

Under the heading, "Can You Tell Us?", the "Sandringham News" (Victoria) asks the following questions:

Why Australian politicians still insist on borrowing money overseas? Why more ratepayers do not attend council meetings? Why the Federal Parliament takes two months, midwinter holiday when there is a man-size job to be done? What connection is there (if any) between the A.C.T.U. and the League for Peace and Democracy? Why councils insist on doing so much business in committee? Why local football does not receive better support? Why Australians allow a big section of the people to exist on the dole? Why efforts are not made to bring out immigrants of the tried and true brand—English, Irish, Scotch? Why Japan has occupied its Mandated Territory in the Pacific with 100,000 families who are tilling the land and making a comfortable living, and we have leased ours to just a handful of planters? Why are Germany, Italy, Russia and Japan able to carry out more extensive public and development works than England, U.S.A. and Australia? What benefit modern labour-saving machinery has been to the worker? What prominent citizens constitute the National Union? How does one qualify for a Birthday Honour? What is going to win the Cup?

AN AWAKENING OVERDUE

M.L.A. on Monetary Reform

NEED FOR NATIONAL SYSTEM OF FINANCE

Mr. Lemmon, M.L.A., never loses an opportunity to show how financial aspects of the existing economic system operate to the disadvantage of the people. Speaking at the opening session of the Victorian State House recently, he remarked, in the course of a speech

"I consider that the time is ripe for monetary reform. Undoubtedly, the subject of finance will have to be dealt with, and I hope that the public will then wake up and do something for the benefit of Australia, through their own national bank, instead of continuing the present system of mortgaging farms and homes to the private banks and money-lenders, who manipulate the public credit to their own advantage."

PLEASE EXPLAIN

An "Unknown Group of Ex-servicemen" recently took advertising space in some of the English national dailies, including *The Times* and *The Daily Telegraph* and *Morning Post*, to the extent of two full pages.

Pictures of the Cenotaph and the shrine of the German Unknown Warrior decorated the top of the page; the lower parts were occupied by an impressive appeal to fall in with the ways of government—urging the reader to join up to some National Service, to receive evacuees, and encourage volunteering of all sorts.

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