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# THE NEW TIMES

**"CATARRHES"**

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Vol. 6. No. 25.

MELBOURNE, FRIDAY, JUNE 21, 1940.

Every Friday

## Financing the War and the Ensuing Peace

### BRITISH PLAN IGNORED BY PRESS AND RADIO

Nearly everyone knows something of the Keynes plan—that plan put forward by the economist Keynes to finance the war and tide us over the period immediately following.

True to the tradition of economists, Keynes puts the cart before the horse, as anyone who has studied his plan will observe. That is, the war effort is to be bounded by finance; whereas, only the limitations of our natural, industrial, and human resources should bound our war effort (or our efforts in times of peace).

It will be news to many that two weeks before the Keynes plan was published, another plan was published and brought under the notice of the authorities in Great Britain. This plan has not received the publicity given to the Keynes plan—the press has had nothing to say, likewise commentators on the radio, and University professors and Bachelors of Commerce have not learnedly discoursed upon it. Perhaps the Barons of Finance could tell us why; yet, strangely enough, in this plan the horse is put before the cart, as the following from an English contemporary will explain:

It is useless for anyone to consider what measures are necessary to remedy the misery, the chaos and the manifold evils with which this country and the world is beset unless he has a clear recognition of their origin and of the nature of the forces operating against social stability and individual well-being. Wartime finance is directly bound up with these matters, and cannot be effectively discussed except in relation to them. It is for these reasons that so much space is occupied in this journal in analysing, criticising and informing about events, institutions and persons.

The supreme struggle in the world can be stated in brief to be between Freedom and Authority, between external compulsion and internal initiative.

Authority and external compulsion in this struggle have their instruments in Debt, Taxation and bureaucracy, and these are the product of super centralisation in every sphere of national activity. The first principle governing any effective action, which may be taken to secure the victory of freedom and internal initiative for the individual, is therefore decentralisation of control and initiative. To deny individuality is to deny Christianity—"The kingdom of God is within you."

Decentralisation being recognised as the first principle of constructive action, it is necessary to understand that the bulwark of Authority and Compulsion is Finance, at once the pivot and mechanism upon which the phenomenal growth of centralised control works and grows. No action to remedy the present situation or win the war for the individual citizen can be successful, which does not give priority to action directed towards decentralising finance.

The first step towards dealing with this problem is therefore recognition that the vast credits which the banks create for Industry and Government, and which

have been and are continuing to accumulate into a stupendous superstructure of debt, are communal property: property which the banks unjustly claim as their own.

A clearer understanding of the correctness of this statement will be gained by reflecting upon certain features of the financing of the last war. The National Debt between 1914 and 1918 increased by £7000 millions; whilst during the same period something like £1000 millions was paid out of taxation towards the cost of the war. Evidence presented in the report made to the Government by the Cunliffe Committee (chairman, Lord Cunliffe, Governor of the Bank of England) revealed that a large part of this £7000 millions of war debt consisted of credits created at practically no cost by the banks. Probably as much as £6000 million of the war debt was created in this manner, and for the past twenty-five years

(Continued on page 8.)

### PRESS CUTTINGS

By "SCISSORS."

Melbourne Herald, June 6:

"Canberra, Thursday. —It was hinted officially today that action was likely against pacifist and other organisations alleged to be hampering the national war effort. Among individuals being watched are several clergymen,-----"

(Whether officialdom has smelt a rat—which may turn out to be the proverbial church-mouse—or whether it is watching for white elephants is not my job to decide. What I would suggest, however, is that an intelligent analysis of the present banking and credit system should lead to the apprehension of a privately-controlled organisation which has been, and still is, responsible for hampering the

### MONTAGU NORMAN

#### An Uncrowned Emperor

By D. J. Amos, F.A.I.S., with acknowledgements to the English writer, John Hargrave.

(Continued from last issue.)

From 1925 to 1930, we see Norman secretly scurrying about the world, meeting now this group of financial magnates, now that. Sometimes he travels under his own name, sometimes as Mr. Collett, and sometimes as "Professor Clarence Skinner" (you will notice his sense of humour). Always he has dreaded publicity and has done his best to avoid it; but in spite of himself he began to find that he was becoming a very well known person. I doubt if he appreciated the joke of the journalist who stopped him and said: "Professor Skinner, I believe? May I introduce myself? I am Montagu Norman."

The outcome of all his activities and the realisation of part of his life's dream was the formation in 1930 of the Bank of International Settlements at Basle, which he hoped to make before long the central bank of the world.

It might be noted here that among the first things the B.I.S. had to deal with were the reparations imposed by the Allies upon Germany. Germany had no gold with which to pay her indemnities.

Germany. In thus "helping" Germany into the slavery of interest-bearing debt in order to enable her to pay reparations, the bankers thought they were doing a fine stroke of business. In reality they



DR. SCHACHT AND MONTAGU NORMAN, PEACETIME PARLEY

and when she commence to pay in goods, the industries which manufactured those goods in the Allied countries were hard hit. That had to be eased off, so the central bankers, under the tuition of Montagu Norman and the Bank of England, decided to lend credits to

were, unknown to themselves, helping a man called Adolf Hitler to exploit the economic misery and social confusion in Germany and build up his National Socialist organisation.

#### THE GREAT DEPRESSION

In 1931 the organ of the Labour Government in England came out with a shouting front-page headline, "World Bankers Attack Slump"; and in March of that year Montagu Norman was in New York conferring with the Federal Reserve Bank. His proposal to combat the slump was the formation of a world-trading bank under the auspices of the B.I.S., a perfectly logical step under a financial system that turns real wealth into fictitious debt and then insists upon payment, not in goods, but in cash, which has already been spent. "Let us," said Norman in effect, "have a world trading bank to ration industry, as we now have a world central bank rationing currency. We will put a stop to over-production, not by increasing consumption, but by restricting production to those financially first-class firms in all countries who take up shares in the bank." American financial circles turned down the proposal for the bank—they did not want to be bossed by Norman and his world-trading bank, anyhow—but they put

(Continued on page 6.)

Melbourne Herald, June 6:

"London, Wednesday. —Almost the whole of the world's monetary gold reserves will now be deposited in the United States, says the News Chronicle's financial editor, commenting on the news from New York of the arrival of huge consignments of British, French, Belgian and Dutch bullion. People passing the bullion yard at the Bank of England in the past fortnight

(Continued on page 7.)

## FINANCIAL MYTHS

## Mr. Spender Abandons Water For Whisky

By "THE WALRUS."

D'you know, I really think that M's.P. and K.C.'s and other elevated persons have access to crowds of unusual people. What I mean is, I know, for instance, that there is, or was until recently, a society whose members held firmly the belief that the earth is flat, but I have never met anyone who held such a belief. So, difficult as the feat on my part may be, I am forced to give credence to the Hon. P. C. Spender, K.C., when he tells us that "it is remarkable how many people believe that this war can be won without cost." I must, as I say, give credence to Mr. Spender, for the Hon. P. C. Spender, K.C., is an important person. It isn't a bit as though he were Mr. K. C. Spender, P.C. That would be a shoe of altogether different size.

But I can't say I have ever met anyone who thinks that a war may be won, or even lost, without cost. I thought at first that the Hon. was going to tell us about the arduousness of producing rows of noughts. But, curiously enough, he wasn't, for in his next sentence he says plainly, that "a minute's thought must show that enormous quantities of material and equipment, and the labour of countless men and women, must go up in smoke or sink beneath the sea." Some of us, with more than a minute to spare for thought might have added "lives and misery" to that total, but we must regard it as a fair statement for a financial johnny. Yet the idea that there are people who believe that munitions and things are unnecessary, or at any rate do not get used up in the course of war, is a trifle unusual even for a politician, and we have to remind ourselves that Mr. Spender specialises in inversion.

## NUMBERS AND THINGS

It is possible, of course, that Mr. Spender is one of the Gentiles of whom Mr. Rothschild spoke so contemptuously when he averred they were incapable of distinguishing between numbers and things. In fact, his next sentence gives colour and definition to this impression, for he says: "Yet the idea persists that by some kind of financial contrivance we can ensure that none of this need be taken from the wealth we own or the Foods we enjoy."

Well, why not? Since we are talking about things, why not continue to talk about them? Nobody that I have ever met has any belief that if we have the men and the materials we would ever surrender or have need to surrender. All that anybody of balanced intellect is saying is that you don't stop the trains because the tickets have run out, and that you wouldn't stop fighting because the rows of noughts had run out. Yet the manipulation of these noughts to make them accord with the physical facts is to Mr. Spender a "miracle," for, swinging from things to numbers, he says, "Not infrequently there is a tirade of abuse against the people in authority who cannot or will not see how the miracle is to be worked."

Well, it's very wrong of people to fall back on abuse, and Mr. Spender is quite right to feel hurt. The proper treatment for those "who cannot or will not see," i.e., the fools and knaves, is that which we would mete out to any other member of the "Fifth Column," and that is, gentle but firm removal.

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## JUST THE DIFFERENCE

He then says a strange thing, "It is charitable to attribute most of these proposals to lack of understanding on the part of those who frame them, of even the elementary principles of finance." The use of the word "charitable" in this connection is one, which would never have occurred to me, however hard pressed for a word. I might have said, "It is idiotic," or "it is comforting," but "charitable," no. The fact that Mr. Spender can use it in connection with understanding of economic principles is but one more reminder of the gulf, which separates him from us.

He believes, and we do not, that newly manufactured money should be owned and controlled by a private monopoly. He believes, and we do not, that we must adapt our war effort, not to men and materials, but to figures in a book which the international counterfeiters say is money. He believes, and we do not, that production is impossible without debt. He believes, and we do not, that it serves the unemployed right, or alternatively, that there never are any unemployed. He believes, and we do not, that the proper way to save people from ruin consequent upon high prices is to take money away from them and/or severely restrict it. And, to me, most inexplicably of all, he believes that if a Government were to resume its right to issue money for the war effort, we should all be ruined, but that if a private monopoly were to counterfeit the same amount of money for the same purpose, somehow or another we should not.

I find the study of Mr. Spender's utterances fascinatingly strange. I feel that if we could follow his genealogical tree to its sapling beginnings we should find ourselves with Alice, in Wonderland.

## RAY OF FRANKNESS

I read the following sentences with more than passing interest. It seemed to me that there must be in Mr. Spender a ray of frankness that will not be denied. "But the time has clearly come when further use of the Central Bank resources would be inadvis-

able, and, indeed, dangerous. We have reached a level of employment as high as any attained in the last twenty-five years . . ."

You get the idea, of course. It's pretty hard to miss. If we go on at this rate we shan't have any unemployed. Dash it all . . . we mean to say . . . there must be a limit.

Here's another coy tit-bit illuminated, apparently, by same said ray of frankness.

"Meanwhile, there are sufficient spare funds to give the process" (the process of absorption of surplus labour, of which there appears to be still some) "all the help it needs without creating any more at this juncture."

The coy tit-bit, of course, as doubtless you have already spotted, is the "creation" of funds, a process which has always hitherto been strenuously denied. (Money just happens, so we have been taught—no one creates it—the banks certainly don't, and the wicked people's Government mustn't!)

FROM WATER TO WHISKY

On the last occasion on which the Hon. contributed to the gaiety of our mental recreation, his fancy lightly turned to H<sup>2</sup>O, hydrostatics, floods, and even the gentle rain from heaven. This time he is more mellow. Note the drowsy concession in what would have been the peroration if he hadn't been so sleepy. "It seems to me that the idea of credit acts upon some minds like a delightful opiate. Upon a disturbed economic system it can act like over proof whisky upon weak human nature."

He may be right. He knows his own economic system best. My only interest in the matter is that he seems to do better with whisky than with water. But I shouldn't advise him to overdo it, for I have the feeling that lots of people who, with good intent, bad intent, and no intent, express ideas as extravagantly absurd as Mr. Spender's, may, with the growing general enlightenment, find themselves in the ranks of the "Fifth Column."

## HAVE YOU READ . . .

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## ALBERTA TREASURER GIVES SOME STRIKING FIGURES

Low pointed out that the following crops were harvested in 1939:

	Bushels.	Value.
Wheat . . .	150,000,000	\$75,000,000
Oats . . .	85,000,000	15,300,000
Barley . . .	27,000,000	7,020,000
Rye . . .	2,400,000	784,000
Flax . . .	350,000	476,000
Mixed grains	590,000	222,000
Total grain crops	265,340,000	98,802,000
Livestock, poultry, dairy products, etc.		58,187,592
Total value . . . .		\$171,489,592

In the year 1915 the total acreage under crop was 3,184,000, compared with 12,450,000 acres in 1939. In the same period of 24 years the total yield from all crops had increased from 124,800,000 bushels to 365,300,000 bushels. Notwithstanding this great increase in production, the value of the grain crops had only increased from \$68,000,000 to \$98,802,000, due to ruinously low prices.

The value of all agricultural products for the year 1939 was \$171,489,000.

Some 262,000 tons of sugar beet were produced in 1939, at a value of \$1,624,000, and two sugar factories were operating.

Referring to the unprecedented development of the production of petrol, Mr. Low stated that 35 wells were completed as crude producers in the Turner Valley during the year; and 99 wells are now producing crude oil in that field.

The production of all fields totals 7,594,411 barrels, an increase of 852,372 barrels as compared with the previous year; and the total petroleum production to the end of the past calendar year reached a total of 28,108,752 barrels.

The value of production in 1939 is estimated at \$9,289,540. Gas consumption during the year is estimated at 23,286,434 thousand feet, valued at \$931,457. Coal mined totalled 5,518,105 tons, valued at \$14,454,325, an increase in value of \$800,000, and products of the forest totalled in value \$2,638,661.

The value of all products of Alberta's natural resources, such as petrol, coal, bitumen, etc., totalled \$27,347,203, an increase of \$899,766.

## Have You Read It?

*The Story of the Commonwealth Bank.* By D. J. Amos, F.A.I.S. Price 1/-.

*What I Think of the Churches Today.* By W. Macmahon Ball, M.A. Price 1d. *Capital and Income.* By Joseph

T. Hollow, M.B., Ch.B. Price 6d. *Can Gift Money be Cancelled?*

By T. J. Moore. Price 3d. *What Is Our Problem?* By T. J. Moore. Price 1d.

The above prices do not include postage, which will be one penny on each booklet.

Obtainable from the *New Times*, Box 1226, G.P.O., Melbourne.

## Don't Fail to Read

## "MONEY"

By S. F. ALLEN, F.C.A. (Aust.)

1/1 Posted.

From "Save The People's Bank" Campaign,  
Box 1226, G.P.O., Melbourne

## A GREAT VISION FOR THE BRITISH RACE

### Let Us Fight For It

By ERIC D. BUTLER.

**"Even if—which I do not for the moment believe—this island of Great Britain or a large part of it were subjugated and starving, then our Empire beyond the seas, armed and guarded by the British Fleet, will carry on the struggle, until in God's good time the New World, with all its power and might, sets forth to the liberation and rescue of the Old World."**

—Winston Churchill, to the House of Commons.

Although many of us have had reason to express disapproval of Mr. Churchill on many occasions, I feel that his remarks, as quoted above, sound a note, which will give many people in this country a new vision and a new ideal.

Time and time again I have expressed the viewpoint that one of our (the British people's) greatest weaknesses has been the failure to understand the difference between real British policy and that of our financial dictators. The enemies of the Empire have a habit of labouring certain episodes in British history which some of us may not care to recall. This is one weakness on which Dr. Goebbels and his professional liars have concentrated. I would make the suggestion to our present leaders in this country that such propaganda could be effectively dealt with by a complete exposure of the fact that the British people have been taking the blame for certain individuals' misdeeds. In so doing, they would, of course, be obliged to expose the Normans, the Schiffs, the Warburgs, and other individuals of the same ilk; but such a move would have the most unifying effect upon public opinion. There is not the slightest doubt that our present financial system is the most disuniting factor we are cursed with today. When the British people win this war—and, no matter how long the struggle is carried on, I am confident that we shall never be crushed by any form of tyranny—they will have won, not as a result of the present financial system, but in spite of it.

However, I am confident that all thinking people will agree with me when I say that we must win in as short a time as possible, and with the minimum loss of life on both sides. Any criticism to that end should be welcomed by the Government and those in positions of authority. After all, the British race has built its real greatness by individual effort. Let us look at our position here in Australia.

#### A GREAT CONTINENT

In the course of my many tours throughout Australia, I have had the opportunity of seeing practically every aspect of our national life. What a pity that most of us do not know more about our own country. Many people can talk to you for hours about some other part of the world—not that I am decrying this—but what can they tell you about such things as the great accomplishments in the tropical belt of Queensland by the pioneers of the sugar industry? The conquering of the tropics in that State by white labour was an accomplishment of worldwide significance. It has been demonstrated that power alcohol could be produced in increasing quantity by this industry. This in itself would be one of the greatest assets to Australian defence, while developing an industry, which has been on the point of collapse for the past few years. Needless to say, the only thing, which prevents the wholesale development of such a national asset, is lack of finance.

Apart from the great primary industries—and those who have seen the great wheat belts, cattle herds and sheep flocks, feel a thrill

of pride in national achievement—we have our great mineral resources, hardly touched. Then there are the great roaring waterfalls, which, to the electrical engineer, offer an unlimited power for generating electrical energy. Great plans, certainly bold in vision, have been drawn up by engineers for great water conservation schemes. Some of these things, which we already possess, could be on a much larger scale. While Australia remains in the hands of the British race there is not the remotest possibility of British culture or democracy being destroyed. It is about time that we, the Australian people, as members of the British Commonwealth of Nations, began to become patriotic about real things and real values. When that happens we will see a national effort such as some of our present leaders have never realised was even faintly possible. I say emphatically, as a loyal, proud Australian, that this driving force can be tapped, if only the Government will take heed to the warnings and constructive criticism which are being offered on all sides by thinking members of the community. Real progress depends upon criticism.

#### MR. THORBY AGAIN!

Mr. Thorby is in the news again. His latest outburst is another sample of the arrogance, which we all very strongly resent. In the Melbourne *Sun* of Monday, June 14, he is reported as follows: "We want your money and, like the bushranger, we say 'if you don't give it we will take it,' declared the Postmaster-General (Mr. Thorby) at a Win-the-War Rally in Preston Hall last night." This may sound very spectacular, but even if Mr. Thorby carries his threat into action, he would find that all the money the Australian people possess would not suffice to finance the war for more than a few weeks. But, of course, some people will do anything except have a look at the banking swindle which keeps everyone, including the Government, in a chronic state of money shortage. The banks can, must, and will create additional money for the successful prosecution of this war *without* causing further debt and taxation or inflation, just so soon as we become sufficiently patriotic to demand that this "all in" effort does not exclude the private creators of money. The people have answered to the call heroically, as far as providing money is concerned. What an insult Mr. Thorby offered us when he said, according to the above report, that every man, woman and child must not be asked, but *commanded*, to pull full weight in the war effort. The Australian people do not need any commanding from Mr. Thorby or anyone else to make a maximum war effort. They resent such statements. They want real leadership, which will not disunite us, as Mr. Thorby's statements are apt to do. I mention the above as a sample of the sort of thing, which must stop

#### TOO MUCH BUREAUCRACY

"Red tape" and increasing bureaucracy should be removed if we are to see a maximum war effort as far as production is concerned. I quote the following ex-

tract from Sydney *Century*, Saturday, June 15: "With Italy now in the war and Australian troops in the Middle East scheduled for an early theatre of operations, the alarming position of Australian armament production revealed by this week's conducted tour of the Sydney annexes and establishments assumes a new importance that cannot be smothered by Ministerial assurances and newspaper evasions. . . . Neither Mr. Beasley nor the members who are supporting his campaign for greater activity and efficiency wish to unnerve the public, which this week has had a profound shock by the extension of hostilities. But unless the Government is prepared immediately to take Parliament into its full confidence, to listen to the criticism of members and give adequate consideration to their representations, the silence must be broken in an effort to harness public opinion behind a demand for greater and more rapid defence preparations. In all, eight establishments were visited, and in the aggregate they showed little more than 10 acres of elaborate empty shops and several miles of idle machinery. In most places where wheels were turning there was no production. They were turning only for the occasion of the visit, their bearings were scarcely run in, and their operatives were obviously new to the machines and the work. . . . It is time that Australia knew the truth. The pilgrimage, in fact, revealed nothing but delay, inefficiency, and incapacity." The foregoing is worthy of careful thought. To get a real effort we must have greater individual effort with less committees. Bureaucracy is a terrible disease, and is recognised as such by every real organiser and engineer. The press has been full of criticisms along the above lines of late, and yet the only thing that the Government does is to increase the number of bureaucrats. We will soon have more people ordering other people about than people doing things. Here is a further example, taken from the Melbourne *Sun* of June 14: "Professor W. J. Dakin said that for twelve months the University had been trying to find out from the Government how it could help the war effort. It was still waiting for a reply. *We have looked for a lead and all we have found is red tape*, he said."

#### ANOTHER EXTRACT

In the Melbourne *Truth* of Saturday, June 15, there appeared an article concerning a secret meeting between Mr. Menzies and some 300 "leading business men." I presume that these business men belong to that group which has its

main domicile in Collins House. I refer to the men who, through their control of the private banking system in this country, order the rest of the community about. A particularly good article is concluded by *Truth* as follows:

"The people have already been grievously disquieted at the way these big business executives are crowding around the Prime Minister, getting key jobs in the war administration; presumably dictating the policy of the Cabinet both as to the conduct of the war and as to the economic adjustments that shall take place in the development of the 'maximum war effort.'"

"If these economic adjustments are to be made more with an eye to preserving class privilege, more with an eye to protecting vested interests which have grown up over the last half century, than with the objective of the full development of the maximum effort necessary to make this country safe from possible aggression, and an energetically useful partner in the democracies' stand against the tyranny and treachery of Nazism and Fascism, there remains but one thing for the Australian people to do: That is, at the early opportunity offered by the forthcoming Federal elections, to dismiss this Government and replace it with one capable of securing united effort from the people—capable of studying the war from the people's point of view."

Unless the people stir themselves it appears that they may find that even the elections will, in effect, be passed over in order to preserve the present Government. However, this all indicates that it is about time that the people took a hand in this war effort instead of leaving it entirely to financiers, politicians and bureaucrats, many of whom have very little idea of just what is wanted. Of course, it must be admitted that the growth of bureaucracy is a result of the financial swindle. Break that and we will quickly solve many other problems.

#### LET US FIGHT

The news that France has been crushed by the Nazi machine will not deter us from registering a determination to carry on with the struggle until the world is again made at least a tolerable place to live in. But we have a hard fight ahead. Let there be no misunderstanding on that point. I have constantly said that this war was a deliberate attack upon the British Commonwealth of Nations. Nazism will be beaten. We will then face another menace - - international

(Continued on page 6.)

**BUY IT! READ IT! PASS IT ON!**

**"The World-Government Plot Exposed!"**

By ERIC D. BUTLER.

Price, 6d; Posted, 7d

Those who enjoyed Eric Butler's first book, which has had a phenomenal sale, will find his second book a most valuable aid when discussing the present situation. Although "The Real Objectives of the Second World War" has now run through two editions, the demand continues.

The second book exposes the real aims of "Federal Union," the move to abolish the State Parliaments and the plot to financially enslave the British people. It is packed with information and written in a simple style.

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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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FRIDAY, JUNE 21, 1940.

No. 25.

## A SURVEY OF THE BATTLE

Even in the midst of the fiercest battle it is sometimes essential to have a survey of the situation. The military situation has clarified itself to some extent, and there is no need for us to state that the British Empire today stands as the last great bulwark against tyranny and world dictatorship. This must not blind us to certain other features. Russia's latest move in bringing large troop formations right up to Germany's eastern frontier is not without significance. This journal has constantly warned the people of this country about the menace of International Communism. We will take this opportunity of making the prediction that this menace is going to manifest itself in a dramatic manner before many months are past. In our opinion, it is just as deadly as Nazism and Fascism. The people of the world will never know peace and liberty until they are all removed; and it is the duty of every member of the British race to play a part in this epic struggle. Some are fighting on the military front, while others on the home front—the economic front.

We didn't need Mr. Menzies to tell us last Sunday night that the defence of Australia must be assured. We have neither attempted to remove the causes of war in the past, nor adequately prepared ourselves to resist by force any possible aggression. The reason for both situations has been a faulty financial system. It is all very well for Mr. Menzies to say that it is no use seeking who was to blame now. The fact of the matter is, that the financial dictatorship, which led up to this situation still continues. Until it is dealt with we can have no confidence in statements by Mr. Menzies that everything will be all right. We have heard far too much of that line of empty talk.

Looking at the position here in Australia, we can confidently say that we are making great headway. Even Mr. Spender has been forced to rush into print again. He admits that he is being told every day by different people that the Government should be making more use of the national credit.

Every reader is urged to carry on the fight, a fight that today, is being fought in every hamlet and city throughout the British Empire. Get those thousands of demand forms to your Parliamentary representatives as quickly as possible. Make sure that victory for the British people will come quickly; a victory that will be lasting and not darkened by the shadow of increased debt and crushing taxation.

## SHIRE COUNCIL DEMANDS GOVERNMENT CONTROL OF FINANCE

### Credit Monopoly Condemned

The issue and control of finance in the present crisis should be the sole prerogative of the Federal Government, as it is in England at the present time, said Cr. R. F. Miles at the meeting of the Shire of Frankston and Hastings Council on Friday night.

He moved that the council ask the Federal Government to take over the finances of Australia immediately. The motion was seconded by Cr. Keast.

Cr. Miles said he had only recently received a striking example of the stupid position that Australian people were placed in. He had made enquiries at a bank and found that if he purchased War Savings Certificates to the value of £100, the bank would take the certificate as a security for a loan of a similar amount.

#### RIDICULOUS POSITION

This was an astounding and ridiculous position. The banks apparently could create as much credit as they liked. This should be the responsibility of the Federal Government only.

Hard-working people were purchasing War Savings Certificates to help their country in the time of extremity. Many had gone into

extremity. Many had gone into East Frankston Post Office and asked if they could buy the certificates by instalments, yet there were still immense sources of wealth in the country that had not yet been tapped. Asked whether he would include in his motion that the Federal Government be asked to control manpower and labour, as well as finance, Cr. Miles said that he did not believe in the conscription of manpower. Nothing could make a man fight when he did not wish to. He believed that the Trades Unions only wished to know that all finance was being devoted to the right channel and then they would wholeheartedly support a National Government.

The original motion was carried. — Frankston (Vic.) *Standard*.

## WAR WITHOUT DEBT

By STANLEY F. ALLEN, F.C.A. (Aust.).

Mr. H. J. Kelliher, a Director of the Bank of New Zealand, has stated (Sydney "Morning Herald," 10/6/40): "To fight a war with privately-created money is to fight two enemies, one outside our country and one within. The second is the enemy of perpetual national debt, which we have never defeated. If the British Empire is to escape the burden of crushing interest payments after the war it must immediately replace its privately-created finance by State issues—State created money would be interest-free."

We have been called upon to make sacrifices in these critical days, even to the sacrifice of human life; everything, in fact, short of sacrificing that privately-controlled orthodox financial system, which is one of our foremost enemies

To win this war, as well as to subsequently win that lasting peace which all desire, it is necessary that the Commonwealth should abandon those things which stand in the way of the people securing the essentials of life, and which hamper the adequate and efficient production of war materials—because we need our people to be well equipped, while possessing physical and mental stamina to face up to the task at hand.

The only question that has to be determined is: Does Australia possess the physical resources to meet the special demands? If the answer is in the affirmative, then "what is found to be physically possible must be made financially possible."

The first essential step in this regard is for the Commonwealth to thoroughly organise the monetary and banking systems in the interest of the people and to exercise its rightful control over banking and currency, as is provided by Section 51 of the Federal Constitution.

The banks could be allowed to act as paid administrators of policy instead of continuing as dictators, as they do today when they exercise (or decline to exercise) that power "to create money out of nothing," and loan it to Governments at interest. The Commonwealth could arrange for all financial credit necessary for defence and other national services to be made available "interest-free" through the Commonwealth Bank.

#### WHAT CAN BE DONE

The recent Royal Commission on the banking system in Australia has made some very valuable contributions in respect to what could, and what should, be done, and they are as follows:—

#### OBJECTIVE.

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

#### RESPONSIBILITY.

Portion of 530 states: "The Federal Government ultimately is responsible for monetary policies, and the Government of the day is the Executive of the Parliament."

#### COMMONWEALTH BANK.

Portion of 519 states: "The Central Bank should be the Commonwealth Bank, organised mainly in the form in which it exists at present, because its sole concern is the general public interest; the Central Bank should be publicly owned and controlled."

#### RELATIONSHIP TO TRADING BANKS.

Portion of 538 states: ". . . on their part, the trading banks and the Financial Institutions must co-operate with the Commonwealth Bank. In the end, the responsibility must rest with the Commonwealth Bank to enforce its policy, and on the trading banks and other institutions to carry it out."

#### HOW IT CAN BE DONE

Portion of 504 states: "Because of this power, too, the Commonwealth Bank . . . can lend to the Governments and to others in a variety of ways, and it can even make money available to Governments and to others FREE OF ANY CHARGE."

In referring to this question, Dr. E. R. Walker (Economic Advisor to the Government of New South Wales), writes in his paper on "Sound Finance": "The members of the Commission probably did not expect to be quoted as supporting interest-free money"; but he asks, "what are the objections to such a practice? A Government could finance all its defence by credit expansion, thereby becoming independent of taxpayers, bondholders and other financial interests, but it would sooner or later be confronted with the dilemma of recession or soaring prices."

But Dr. Walker sees the problem of rising prices can be overcome, for he says further, "Indeed, if prices, costs and other variables are effectively controlled, credit expansion has no dangers, but the mechanisms, which, in the absence of control, imperil industrial stability, are not understood by the apostles of sound finance."

The control of the money mechanism is just as vital as its issuance, therefore it should be made to function to serve Governments, Industry and People without the evils of inflation or deflation, and it can be done.

As the purpose of production is consumption, money must do its job in order that no product is destroyed, wasted or restricted while people are in want or more war supplies are needed.

#### AUSTRALIA'S GREAT OPPORTUNITY

During the war of 1914-1918 thousands of millions of pounds in Great Britain and hundreds of millions here, were "created out of nothing" and loaned to Governments at interest by the Private Banking System—a procedure described by Moreton Frewin in the *Overseas Magazine* as "the most wonderful tale of grand larceny in the world's history."

For the sake of this and future generations let not our Governments permit it again, but let them save the people from perpetual debt, needless taxation and poverty.

THE "NEW TIMES"  
IS OBTAINABLE  
AT  
ALL AUTHORISED  
NEWSAGENTS

## ORGANISING FOR WAR AND PEACE

### What Stands in the Way?

By JAMES GUTHRIE, B.Sc.

(Based on a Broadcast Talk from 7HO, Hobart, and 7LA, Launceston, on June 9.)

**It has become fashionable among a certain type of internationalist to look upon all men who interest themselves in the affairs of their own small community and in their own country as being narrow and parochial in their outlook.**

**These men, whose eyes are always on the ends of the earth, are great admirers of large-scale organisations, and look with contempt on the personal initiative of the ordinary man and woman, and consider such things a nuisance to the colossal grandeur of their world-wide schemes.**

But when you consider the history of the British people, it is a history of individuals and not of institutions or organisations or even nations.

It was not an organisation, which invented the steam engine, or the electric motor: it was just a few men working alone and in private.

And the history of the British Empire is the history of courageous men fighting alone without help, without encouragement, and often against orders; and the record of our battles is a record of men fighting without equipment, without food, and with nothing but their own grit and a steel bayonet to pull them through.

It is stupid to deny that with better organisation and foresight we could have saved a lot of unnecessary suffering in the past. But it is equally stupid to believe that the craze for the super-organisation, the super-State and centralisation of government is *anything but a menace* to our freedom. And I would suggest to you that more men have been strangled with rod tape than have been shot by bullets.

That peculiarly destructive and restrictive disease called "Red Tape" is associated with every large organisation, and its army of officials; and this is due to one or two men trying to do what no man is capable of doing—namely, deciding for thousands of different men in different places what they must do on each particular occasion.

#### DECENTRALISATION NEEDED

Take the case of the British Parliament. This Parliament has to decide questions of the Army and Navy, foreign affairs, finance, education, India, Dominions, colonies, roads, post and telegraphs, foreign trade, home trade, insurance, fisheries, etc., etc.

Well, these simple facts alone tell you that, even if the greatest brains in the world are in that Parliament, time alone prevents any reasonable consideration of the interests of the people, and that Parliament cannot look after the interests of the people, because it has not got time to do so.

The lesson to us in Australia is clear: that a great deal of work and power must be taken away from the Federal Government and placed in the hands, of the State Governments; a great deal of work must be taken from the State Governments and placed in the hands of the Municipal Governments; and a great deal of power must be taken from all these Governments and placed in the hands of the private individual.

The plain fact is that all Governments have a great deal more to do than they should have; and an equally plain fact is that they cannot do half what they are attempting to do now.

The Centralisation of Finance has forced the centralisation of Government: the financial institutions cannot be bothered dealing with small people and small firms. They prefer to work through large Governments or large monopolies—it's much more profitable, and gives them much more power.

As soon as you increase the size of an organisation, you immediately reduce the power and

the independence of the individual man and woman, and render Democratic Government impossible. It is not therefore, surprising that it has been the small States, which have produced the most successful democratic Governments, and the large States, which have banished nearly all traces of democracy.

And every so-called leader who has managed to obtain complete control over large masses of people has been nothing but a curse to his people, and everywhere left but a trail of death and misery behind him.

#### COMMON SENSE

The tragic lessons of the last war proved that no man could control one million men, or a quarter of a million men; and modern military strategy, realising this, leaves important decisions in the hands of those actually on the field of battle in control of small groups of men. That is only common sense; but it is exactly this common sense, which is being rapidly banished from our political and social life under the name of large-scale planning.

I remember a Socialist planner visiting me in my home; he was discussing some workmen's flats, which were being built by a foreign Government. He was very enthusiastic about them, and I asked him if these houses were better than my house—the house he was sitting in; and he laughed, and said "No."

"Well," I said, "the Government didn't build this house, nor did any Government official design it; and any man could have a similar house built where he wanted it, if he paid the necessary money." "Yes, of course," he said, "but we haven't got the money." I said, "Precisely; and because we haven't got the money or rather, because men are kept short of money, they are forced to submit to other people interfering with them; designing workers' flats, deciding where the flats are in he located, etc., etc."

#### FOLLY UNLIMITED

Do you see how all this planning originates; how this army of Government officials grows and grows; how the small man is destroyed until he has no initiative left? My withholding the necessary money supplies, a nation of independent people can be reduced to servitude—as was done in the last depression. They all become proletarians in a proletarian State, where nobody owns anything, and a Stalin or a Hitler owns the lot. That is where all this super-organisation and super-govern-

ment, super-planning and super-leaders get to.

Before Hitler came to power there was a democratic Government in Germany, but this Government could get no help and no money for anything; every obstacle was put in its way. But as soon as Hitler developed a strongly centralised Government, and destroyed all individual freedom, money and help poured in from all quarters. Never forget this fact, because you will come up against it again before long.

#### A CASE IN POINT

The following letter, written by Mr. Thurtle, M.P., appeared in the *Daily Telegraph*, England, on January 31:

"There was an old-established firm in the Midlands area which had been for a considerable time supplying water-bottles and cooking stoves for the Army. About May last year the output was unsatisfactory, and a representative of the Ministry of Supply went down to the firm to investigate the reason. He found that the firm was in financial difficulties. It lacked the necessary working capital.

"As it was essential that the supplies should be forthcoming, the Ministry of Supply went so far as to write to a bank to ask it to give additional credit. The officer of the Ministry who wrote to the bank was Colonel Howell Jones. The bank declined to advance further credit."

This letter is important from two viewpoints: First, it shows who the real Government is; and, secondly, because it shows a process that has been going on for some years now—namely, the shutting down of small firms by withholding credits and extending the credits to large monopolies and chain stores.

#### ANOTHER CASE

Here is an important letter in the *Times*, London, of January 20. It is by the secretary of the Motor Trade War Executive; it states:

"Here is an industry with an invested capital of some £150 million, comprising about 16,000 retail concerns, providing petrol storage capacity of 25 million gallons, manned with 40,000 delivery pumps. In normal times the industry gives employment to between 200,000 and 300,000 persons, including mechanics, engineers, electricians, carriage builders and repairers, tinsmiths, welders, turners and others. These figures do not include the motor manufacturing industry. Already hard hit by the increased Horsepower tax, by the disappearance from the roads of a large proportion of private cars, and the restricted sale of petrol, its normal turnover has been reduced by 70 to 80 per cent, yet it struggles to keep going under this handicap. We are further crippled by an official policy which, one imagines, can be inspired only by ignorance, and not by any ill-intention towards an industry which has served the country well in time of peace.

"Why, for instance, need the Service Departments set up further redundant petrol supply depots of their own, often next door to existing efficiently equipped trade depots? A coupon system for Service purposes would surely be easy to arrange. Why is not full use being made of the surplus petrol storage capacity here available, especially since a well-spaced, country-wide distributive network of petrol supply points must be a desirable feature in the event of air raids? No wonder that we hear of tankers lying idle in ports and estuaries awaiting discharge until storage capacity is found.

Why again, should these civilian garages be debarred from use for repair work by Service vehicles when occasion arises? Their efficiency is not in question, because it has now been ruled that Service vehicles damaged in France are to be shipped back to England for repair, reconditioning or salvage through trade channels. . . And why is the potential manufacturing capacity of thousands of these motor-trade concerns, well equipped, well stocked, well staffed, ignored by any co-ordinating authority?"

#### LET'S BE SANE

In these two letters you can see the trend of large-scale planning and its useless sabotage of man and material. We in Australia cannot afford to go in for this kind of business; it will be many months before we will have all the machinery and buildings we require for the production of munitions of war on a large scale. We shall be forced to fall back on *all* the resources now available all over Australia.

These resources could be used without having to build up super-organisations. To ask the Government to take over industries when it has more on its hands than it can handle now is sheer madness. Let the Government tell the people of this country what they want, and those in industry will deliver the goods.

The various industries required for war should be organised under those most competent to deal with the job—namely, those in the industry. An advisory council should be formed of the various sections of that industry with a man in charge with the full executive powers—this man not to be nominated by the Government but by the Council. Then we have the right man in the right place.

The Commonwealth Bank can extend to the industry the necessary credits to cover the costs, plus, say, a 5 per cent, profit. When the munitions are delivered to the Government, the credits are cancelled and no debt remains. The country ends the work free of debt, and why should the country be in debt to anyone in Australia except the soldiers who have been injured in battle?

In this way we get three important gains—we get the most competent men in charge of jobs to which they have been trained all their lives; we get decentralised control; we keep down prices and taxes; and we build up an organised force which can function just the same in war and in peace.

All the Government has to do is to make its demands for munitions and expose those people who hold them back. The people of Australia will do the rest.

#### "Will Australia Be Pawned Again"

This outstanding, four-page pamphlet is a startling revelation of the methods used in financing the last war, and being imitated during the present crisis.

Send for a supply and get these facts to the people NOW! 6d per dozen; 1/- for 25; post free, from:

UNITED ELECTORS OF AUSTRALIA (Non-Party), Fifth Floor, McEwan House, Little Collins Street, Melbourne.

#### PROCRASTINATION IS THE THIEF OF TIME

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

## MONTAGU NORMAN

(Continued from page 1.)

his fiendish policy into operation nevertheless, and we know the result.

While people in all countries were on the bread line, cattle were being slaughtered, wheat burned, milk poured down the sewers, fish, oranges and coffee thrown into the sea. When these methods attracted too much public attention, boards were formed in England, which punished people for producing more than a given quota, and in America producers were subsidised *not* to produce. Unemployment figures moved steadily upward. Hunger marches of many thousands of unemployed workers took place. Business dwindled; industry and agriculture went into a steady decline. Malnutrition and ill health among the children of the poorer classes were noted and condemned by medical authorities. The nation was in the hands of the banker-money-lenders and the whole debt structure of society was driving the peoples of Britain and the rest of Europe into needless poverty.

### REPERCUSSIONS

In June 1931, this insane policy began to adversely affect the banking system itself. The German Government closed all banks in Germany; there were bank failures also in Austria, Roumania and Latvia because currencies were tied to gold and 60 per cent, of the world's gold reserves were locked up in bank vaults in the U.S.A. and France and could not be used either as currency or as a basis for it. There followed a tremendous run on the gold reserves of the Bank of England. It lost £30 millions in July, £50 millions in August, and the September demand promised to exceed £100 millions. Frantic efforts were made by Governor Norman to meet the situation. He arranged for £50 millions of foreign credits and increased the fiduciary issue in England by £15 millions.

Norman and the Government, on September 18 found themselves unable to raise further credits in the United States. The Bank of England held out to its last sovereign; then, with all its precious yellow metal gone, the gold standard was officially suspended. Britain "came off gold" on September 21, and then in swift succession came India (21), Denmark (22), Norway and Sweden (27), Finland (October 12), South Africa (13), Austria (November 18), and Japan (December 13). What a landslide, and what a terrible blow to gold-worshipper Norman! But it was only a beginning—it went on all through 1932 and 1933.

After all his years of toil, Norman saw his house of gold collapse throughout the world and crumble like a house of cards. A feeling of indescribable relief pervaded the entire country; it seemed as if an intolerable burden had been removed from the shoulders of the people, and instead of a rush setting in to get gold, there was a rush to change gold into the national paper currency.

When Norman appeared before the annual dinner of the bankers in London in October 21, 1932, his tail appeared to be well and truly down. Said he: "The difficulties are so vast, the forces so unlimited, so novel, and precedents so lacking that I approach the whole subject not only in ignorance, but in humility. It is too great for me. I will admit that, for the moment, the way for me is not clear." He was to see, or imagine that he saw, a way out of his difficulties before long, and with his tail well and truly up in the air, make a very different speech.

### POWER AND PRIDE

By the end of 1932 the Norman network had extended itself to the

British Broadcasting Corporation. Mr. Robert Collett Norman, brother to Montagu, was appointed vice-chairman of that corporation, so that, since that date, Montagu Norman has had more power in his hands than any other ruler of England since the time of Henry VIII. Consider this power for a moment.

(a) As Governor of the Bank of England he directly controlled the financial policy of the United Kingdom, and indirectly, that of the British Empire.

(b) As a Privy Councillor, he was enabled to exert an enormous influence over the national and international politics of the Government.

(c) As a member of the *Times* Independence Committee, he could influence through that paper all the reading and ruling classes of England.

(d) Through his brother, the vice-chairman of the B.B.C., he had direct contact with all classes of Englishmen and could condition their minds accordingly.

In other words, the Treasury could not finance any policy without his approval; the Government could not make any appointments of which he disapproved; and nothing that he did not sanction could appear in the *Times* newspaper, or be put over the air.

He now seemed to have felt that the time was ripe to establish himself socially as a member of the British aristocracy. On January 21, 1933, at 63 years of age, he married Priscilla, granddaughter of the seventh Earl of Abingdon, a capable, administrative, organising type of woman who takes a leading part in public affairs. Exactly the right kind of person to supervise the social and political connections necessary for the Governor of the Bank of England. Whether this marriage restored his self-confidence, or whether the coining into power in Germany of Adolf Hitler (by the grace of Millionaire Thyssen head of the all-powerful German Steel Trust) had anything to do with it, the fact remains that there was no humility in the speech he delivered in October, at the dinner given by the Lord Mayor of London at the Mansion House. "We shall have many disagreements," he concluded, "I doubt not, both at home and abroad, but I console myself with this, that the dogs bark, but the caravan passes on." A cynical hearer might have interjected "whither?" but the bankers and city magnates dining at the Mansion House were not inclined, to be cynical. Every day, in every way, things were getting better and better (for them). Hitler would soon be putting down Bolshevism in Russia, as he had just done in Germany—they might be able to get compensation for their lost Russian investments; they might even get their precious gold standard back. The dogs would bark, of course (what do you expect dogs to do?), but the caravan would pass on.

### HELPING HITLER

Between 1934 and 1937, Montagu Norman made several attempts to win over the Prime Minister, Mr. Baldwin, to his pro-Hitler and anti-Russian policy. Baldwin stubbornly resisted, not because he liked the Russian form of Government, but because he considered Hitler a far more formidable enemy of England than Stalin. Several Cabinet Ministers, however, including Mr. Chamberlain, were converted to Montagu Norman's ideas. In 1934, a select group of city financiers gathered in the Governor's room at the Bank of England. He advised them to include Hitler in their plans for financing Europe and they agreed to do so without opposition.

When Sir Herbert Lawrence, Chairman of Vickers Ltd., was

asked to give an assurance that Vickers arms and munitions were not being used for the secret arming of Germany, he replied: "I cannot give you an assurance in definite terms, but I can tell you that nothing is done without the complete sanction and approval of our own Government."

In the previous year there had been a boom of speculation in German bonds, following the announcement that the Bank of England had pledged itself to a financial scheme the object of which was the stabilisation of the Nazi regime. In 1934 and 1935 Montagu Norman and Dr. Schacht had several private discussions together on Germany's needs for foreign credits; in December, 1938, Dr. Schacht was the guest of Montagu Norman in England, and in January, 1939, Governor Norman had an interview with Dr. Schacht in Berlin.

### REBUFFS

On the evening of March 16, at the very moment when Nazi troops were occupying Bohemia and Moravia, Montagu Norman was making his first broadcast from the B.B.C. It was a talk about how the Bank "advises" the Government. As he left the building, he was mobbed by Social Credit demonstrators who shouted at him, "Social Credit is coming! Down with the Bankers' Combine!" He was utterly unnerved by this display of hostility, and had to be helped into his car. Leaflets, indicting his financial policy, were being distributed among the crowd as he drove away.

The pact between Hitler and Stalin, the invasion of Poland, and the consequent declaration of war against Germany by England and France must have been knock-out blows to many of Professor Skinner's hopes, but, no doubt, he consoles himself with the fact that the war is being fought with debt-and-interest-bearing Bank currency, plus taxation, both of them excellent means of keeping nations poor and subservient. The Government has not yet had the sense to put an end to borrowing money, nor to arrange for the issue and cancellation of debt and interest-free credits, keeping the national position "solvent" by means of proper book-keeping entries; but the day when they will be forced to do so must come.

## Pensions For Bank Chiefs

The *Daily Mail* (overseas edition) recently reported:—

"The Bank of England has formed a Pensions Fund for its six whole-time directors, and largely for the purpose has raised the sum for payments to directors from £30,000 to a maximum of £60,000.

"This surprise announcement was made by Mr. Montagu Norman, the governor, at a meeting of the Bank of England Court.

"No age limit for pensions was mentioned.

"The six whole-time directors of the Bank are the governor, Mr. Norman, who is 68; the deputy-governor, Mr. Basil G. Catterns, who is 53; Mr. C. F. Cobbold, 35; Mr. E. Holland-Martin, 40; Sir Otto Niemeyer, 56; and Mr. D. G. M. Bernard, 62."

It is with the greatest regret that we record the passing of Mrs. K. C. Edwards, of Elsterwick. Many of our readers who had the pleasure of her acquaintance will, like the management of this paper, feel a deep sense of personal loss. The loss to the Movement is very great, as Mrs. Edwards was tireless in her endeavours for the cause.

## UNITED ELECTORS' REPORT

### More Action

The hon. secretary has posted to one hundred business and professional men in Melbourne and suburbs the following:

A copy of the four-page folder, "Debt and Taxation Retard War Effort," a citizens' letter addressed to Federal Member, and a co-operation form to be returned to headquarters, together with a special covering letter. It is hoped that this approach to responsible people will bring satisfactory results, warranting further circularisation on a large scale.

### U.E.A. Lectures

These lectures have been so well attended that it has been found necessary to engage a larger room at the Alliance Francais, on the 6th floor, McEwan House, above our own rooms. This room will seat approximately eighty people, and is exceptionally well appointed. The speaker last Tuesday was Mr. A. J. O'Callaghan. Bring your friends along next Tuesday.

### U.E.A. Banks

Have YOU a "bank." If you agree that our work MUST CONTINUE, and if you are not already subscribing your "widow's mite," send for a bank and drop your odd pennies into it. The result will surprise you. Only a drop in the ocean? Yes, but drops make oceans!

### Waste Paper

Callers at Headquarters are requested to continue bringing it in. The sale of clean newspapers is considerably assisting our funds.

### Contributions Acknowledged

"Registered Letter," posted from Rialto P.O., Melbourne, £1 gratefully received.

## A Great Vision for the British Race

(Continued from page 3.)

Communism. This may not be in the military sense. Communism has been driven underground in this country, not destroyed. It will plot and weaken us unless we remove the social injustices, which provide such an ideal breeding ground for many subversive movements. This brings me back to my first point in this article. This country has the opportunity of providing a tremendous foundation from which to work for the preservation of the British race and British culture. I therefore appeal to all readers to help mobilise public opinion by the demand form published elsewhere in this paper. The people must give members of Parliament their orders. I am perfectly confident that there is a rapidly increasing army of thinking people who realise that they have a responsibility to their country and to the Empire. We must demand a victory for the people, not for financial interests. We must demand that a *maximum* war effort be made by the issue of *adequate* credit without further debt resultant taxation or inflation. When that is done the death-knell of all tyrannies will soon sound.

C. FORD

The Caterer

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PRESS CUTTINGS

(Continued from page 1.)

have seen convoys of lorries leaving."

(Pat, the gardener, was digging a large hole. The squire asked where he intended putting all the dirt. "Shure, an' I'll soon dig another hole fer it," was the answer. Anyway, the gold was taken to another hole and "safety," in the U.S.A. THEN they started evacuating the people. U. S. Democracy!)

Melbourne Sun, June 10: "Bombay, Sunday. - - Mr. Gandhi, replying to a correspondent who reported that some people in Indian cities were panicky as a result of war rumours, said there was no cause for panic. —'Carry on as usual. Do not withdraw deposits or hasten to turn paper into cash.'—

(Understanding that Gandhi has a vast following, and assuming that he knows about what percentage in the pound the people would receive if they all demanded cash, not to mention what would happen to the banks, would it be too much to suggest that the banks are using Mr. Gandhi? There was a time when the bank-controlled press wouldn't even accord him the title "Mr.")

Melbourne Sun, June 10: "Sydney, Sunday. - The Bishop of Goulburn (the Right Rev. E. H. Burgmann) appealed tonight for national and individual support for the proposal to bring children from war areas to Australia. 'This is a golden opportunity for Australia to put into practical effect its Christian and humanitarian sympathy for the dispossessed and suffering; peoples of Belgium, Holland and Norway,' he said. 'The Governor-General and Lady Gowrie have given a splendid lead by agreeing to take two of these unfortunate children.'"

(I congratulate the two children mentioned. Lord Gowrie should be able to afford to see they get the best this country is able to provide for them. But what about OUR OWN dispossessed and suffering kiddies, either orphans or those whose parents are unable to provide for them because of lack of MONEY? Every humanitarian in this country will sympathise with the unfortunate sufferers from the war zones. Had the press played its part before the war, these same humanitarians would

no doubt have demanded that something be done about the thousands of suffering children wasting their little lives away in our city slums, our humpy towns, and our unemployed camps from one end of Australia to the other. The report states that the British Orphans' Adoption Society has now received 99 offers to adopt orphans of Allied stock. That is a start, anyway; Australia—under a sane monetary system—could provide for millions more. As a nation, let us demonstrate our "Christian and humanitarian sympathy" by proving that CHARITY—if any BEGINS AT HOME.)

Melbourne Sun, June 10 (quoting extracts from a letter written to employees of his family's enterprises by Fritz Thyssen, the steel magnate who financed Hitler): "During years as a State Counsellor, I realised finally and fearfully, what a serious mistake I made in 1932 when, with von Papen, von Schroeder, Kirckdorf, Krupp, von Bohlen and Halbach, I subsidised the Nazis and guaranteed Hitler's good behaviour for the purpose of bringing him to power."

(Our leaders, as the spokesmen for the people, must insist—and in this the people will back them up—that the financial system be so adjusted as to ensure the MAXIMUM war effort by the MAXIMUM utilisation of our man power, machine power and resources... Obviously, the power of expanded finance brought into being the might of modern Germany. If force alone will stem the tide of German conquest then that same power must be used, not by private financiers, but by social control of credit in bring about an Allied and democratic victory.)

Melbourne Sun, June 12: "By passing payment of £1662, the managers of the New General Cemetery at Fawkner yesterday liquidated the loan of £15,000 which they obtained from the State Government thirty years ago. Altogether £30,000 was repaid to the Government, including principal and interest."

(Note that an amount equal to the principal has been required to pay the interest charges, at a rate of approximately £10 per week. As the poet has it: "Oh, Death, where is thy sting?")

Melbourne Age, June 12: "OIL BORING PROGRESS IN GIPPSLAND. The Mines Department reports that drilling operations on the scout boring plant located at Kalimna West, Gippsland, have been held up through the boring rod breaking—

(This might be taken as a good sign, indicating the proximity of a payable flow, when one remembers that during the past few years, on almost every occasion that a flow was promising, something went wrong. I am not criticising the engineers on the job, but I do suspect certain individuals who do the "engineering" behind the scenes. These boring reports are becoming more boring every day; but have a heart; public opinion is rising to a gusher. In little Alberta, where the people have had a say, forty new companies commenced drilling operations in the Turner Valley field in 1937.)

Melbourne Herald, June 17: "WANTED: OLD POTS AND PANS. A campaign for a collection of old pots and pans and scraps of non-ferrous metals would be launched soon, the Minister for Supply and Development (Sir Frederick Stewart) announced today—

(Around the district where I live there is scarcely anything in use that isn't old—old cars, broken-down trucks, leaking pots and broken-handled pans. If we give these up we'll have to live on raw foods. We are about twelve miles from Melbourne, have no gas, no electric light and no roads. Still, we read the New Times and we know the reason why. So please Sir Frederick, don't take our "old" things away because we've been growing

that way ourselves recently.)

Melbourne Argus, June 15: "London, Friday. ----- Further open Soviet moves to upset Germany and thus prolong the war TO PRODUCE CONDITIONS FAVOURABLE TO COMMUNISM (my emphasis) are expected in diplomatic circles."

(Nobody would suggest that this paper is the only source of information available to diplomatic circles, but certainly the "cranks" writing in the New Times of late have expected and forecast such a position, in no uncertain manner.)

Melbourne Age, June 12: —Total applications for the loan (£20,000,000), which had been oversubscribed, were 31,500."

(This works out at approximately 11635 per applicant, but remember that "anonymous amounts" of £500,000, £250,000, £200,000, and £100,000 were among the contributions received on one day, June 4.)

Melbourne Herald, June 6: "Russia has proved an economic disappointment to Germany. The Allies virtually have world control of nickel, jute, shellac, coir, ground nuts, rubber, tin, diamonds, palm oil, sisel, kapok, tea and many tanning materials."

(Why, then, were practically all of these commodities so highly priced in peacetime in relation to purchasing power, and therefore to a degree inaccessible to British peoples? Why were we not able to USE them? The answer may be supplied in one word—monopoly—of which the greatest is credit-control, controlling all others.)

DECLARATION OF POLICY

"United Electors of Australia"

(VICTORIAN DIVISION, NON-PARTY.)

RESOLUTION:

That this body of loyal citizens whose objective is the "Abolition of Poverty" herewith declares its policy in relation to the national crisis as follows.

(a) That insofar as the anti-British forces are undemocratic, we believe that— notwithstanding the shortcomings of the democracies—the British cause is righteous.

(b) We believe that all citizens should and will do their utmost to defend their democratic institutions on a voluntary basis—in support of this, we point out the reputation of the voluntary efforts of Australian troops in the last war.

(c) We do not consider that converting the democracies into "Bolshevik" or totalitarian States tends to create efficiency—we believe the experts in the various industries should not be hampered by inept Government officials.

(d) We consider it is the Government's duty to state their requirements to the various industries, and to see that every obstacle, such as financial worries, should be removed to permit industry to deliver the required goods or services.

(e) As the Government is the only body responsible for the financial requirements of the community, we believe that it must be held responsible for permitting the lack of finance to interfere with our war effort.

(f) Regarding finance we consider the Government is do-

ing Australia a grave disservice in committing us to enormous interest-bearing loans, which can only result in crippling taxation, and we point out that the Royal Commission on Banking has declared that the Commonwealth Bank can provide the necessary finance free of interest.

(g) We consider that every citizen owes a solemn duty, in the interest of liberty and justice, to preserve our parliamentary institutions, and to uphold the rights of the individual as of paramount importance.

SOUTH AUSTRALIAN NOTES

From Electoral Campaign Headquarters, 17 Waymouth Street Adelaide

The social evening planned for June 29 has been postponed. It was thought that that date would come too soon after the general meeting on Friday, the 21st inst. For the benefit of those who may not have been notified, invitation to this general meeting on the 21st—at 8 p.m.—is cordially extended to all past as well as present members. It is to be a "gathering of the clans," a rally of our forces, in order that we may take stock of our strength before launching what we hope will be a vigorous campaign. "Unity in Action" is to be our watchword. We need your help.

TO OUR READERS—

You may obtain your copy of the "NEW TIMES" from any authorised newsagent. Should your agent not have supplies, please ask him to communicate direct with New Times Ltd., Box 1226, G.P.O., Melbourne, C.I. Tel.: MU 2834.

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## FINANCING THE WAR AND THE ENSUING PEACE

(Continued from page 1.)

the British taxpayer has been paying approximately £200 million in interest charges upon it every year without reducing it.

Had this part of the War Debt been recognised by the Government for what it was—communal property, it could have been liquidated at once and the taxpayer could have been saved £200 million a year in taxation, with consequent increase in post-war prosperity.

It should be stated here that there is no intention in this article to enter upon a discussion of detailed technique for financing the war but only to describe those broad lines of action defined by Major Douglas. The detailed technique is a matter for the expert when the public has forced the Government to change its *policy* in the right direction.

Recognition that the vast credits which (without publicity) are being created by the banks to finance *this* war are communal property leads us to the first proposal, which Major Douglas has put forward for transferring their ownership to the public. This is that all wages and direct costs incurred by producing organisations in carrying out Government war orders should be met out of bank credits issued for the purpose. The producing organisations when delivering the materials ordered to the Supply Ministries should make no charge (so that no debt is accumulated against the taxpayer in their respect), but the credits created at practically no cost by the banks (communal credits) should be cancelled against a percentage of the prices attached to these materials, but not charged for. This percentage would be adjusted so as to allow the producer a fair profit (or salary) and the banks a reasonable fee to cover the very small bookkeeping costs involved in creating the credits. This proposal alone, had it been carried out in the last war, would have reduced the National Debt by £6000 million.

When this proposal has been adopted, with consequent elimination of debt and removal of liability to the taxpayer to pay interest charges, the public is left in possession of a larger income than it would otherwise have. Fears will be expressed that this will cause a rise in prices—inflation—and pressure upon certain consumers' goods, of which, owing to the war, there may be a scarcity, giving rise, from competition to purchase, to a danger of unequal distribution. Major Douglas, however, has put forward two specific proposals, which completely eliminate these possible dangers. These are:—

(1) That consumers' goods shall at once be reduced by the amount of indirect taxation already upon them, subject to such prices bearing an agreed ratio to the retailers' costs. The retailer is therefore assured of a fair margin of profit as agreed by the Government, and is also assured as a result of the increase in purchasing power

resulting from lower taxation) of a larger market for his goods. If he attempts, however, to profiteer by charging more than the agreed price he will at once be penalised by having to pay *himself* the taxation, which is otherwise removed. This will effectively destroy all danger of inflation through a rise in prices, whereas, as everyone knows at the present time inflation is causing much hardship and may be a grave danger as the war goes on if the measures described above are not resorted to.

(2) Should it be desired for the period of the war only to reduce consumption of any article, this should be done by rationing, and not by price raising or taxation. That is obviously the most equitable arrangement for all concerned, and one to which the Government is already partially committed.

The only possible "objection" which could be made to these proposals is that owing to an enormous production during the war of non-consumers' goods, such as munitions, the public will possess a surplus of purchasing power in excess of the consumers' goods available. The answer is, that any danger to which this

could give rise has been removed since in the first place prices are to be regulated as described, and in the second place rationing will secure an equitable distribution of any product of which there is a scarcity.

In these circumstances, if there were an excess of purchasing power over goods available no harm would result to anyone. In any case, it is abundantly evident that in peacetime, under present monetary arrangements, there is an enormous excess of consumers' goods over consumers' income. It is doubtful whether the increase in non-consumers' goods (e.g., munitions) produced even in a modern war is sufficient to translate this excess of consumers' goods over purchasing power into an excess of consumers' purchasing power over consumers' goods; certainly not into a large excess.

Major Douglas's proposals, however, make provision for a limited form of taxation. This taxation however, is not to exceed a certain proportion of the total sums required by the Government—i.e. 10 per cent, of the total sums required. This being an approximate computation of what amount of taxation is practicable without causing a deficiency of public income in relation to consumers' goods available.

In this respect it is worth noting that present taxation in relation to the total sums required by the

Government is under 50 per cent, the remaining 50 per cent, being "loans," and it is clear to any dispassionate observer that as things are at present there is, in spite of the war a large excess of consumers' goods over the consumers' income available to purchase them. It is for all to see that, apart from a few articles, the production of which has been deliberately restricted, there is in factory and shop a "surplus" of goods over *effective* demand, inspiring a great waste of energy in the artificial competition to sell, and behind this a vast potential output in idle professional and skilled labour and plant, waiting for employment only upon that increased *effective* demand which the proposals for increasing purchasing power described above would bring.

Furthermore, it is proposed by Major Douglas that all taxpayers should receive in turn for the money taken from them, tax bonds bearing interest at 2½ per cent, during the war and 3½ per cent afterwards.

If it is objected that consumers being in possession of the increased purchasing power which these proposals will effect may, by their purchases, cause a shortage of certain materials required for the war the answer is that articles required for war purposes can either be withdrawn from the market or rationed, but it is not necessary to tax the public to pay for them.

Finally Major Douglas proposes, "No National Bonds of any description will be issued to, or permitted to be held by any Bank, Insurance Company, or Discount Company." This will decentralise financial power in favour of the citizens of the country and deprive the great financial interests of the power, which they at present exercise anti-socially over the national life, through a scandalous manipulation of the public's credit.

To sum up, these proposals will bring into useful employment every resource of the nation that is required for the prosecution of the war eliminating at the same time an enormous amount of the wasteful effort going on at present; (2) immensely increase the incentive of the individual to co-operate in all forms of useful and essential enterprise; (3) remove the power of those anti-social vested interests which at present are interfering with and restricting: the initiative and enterprise of the individual, the small businessman and the producer; (4) by fostering the initiative of the individual, multiply improvements in process, and raise the efficiency of all effort to much higher levels; and (5) (by no means least important) regenerate the morale of the nation.

It will win the war for the individual and prevent the financial collapse which otherwise seems certain to come.

## GREAT NATIONAL EFFORT WANTED!

### Strike a Blow for Victory—Now!

Time and time again the "New Times" have warned the people of this country about the ruthless intensification of a plan by International Finance for World Domination. Tragedy has followed tragedy with the result that Australia is one of the few British countries in which the light of democratic Government still faintly shines.

This nation now stands face, to face with a situation, which we cannot avoid—if we are to even have a reasonable chance of surviving. A tremendous national effort is wanted, an effort, which will clearly indicate to our Members of Parliament that we are going to sweep aside any suggestion of financial treachery in this war. The rest of the British Empire is looking to us.

Tens of thousands of our race are dying in Europe today. No doubt, many thousands of Australian youths will make the supreme sacrifice. They are fighting on the military front, but

### WHAT ABOUT THE HOME FRONT?

#### Their Sacrifices Must Not Be in Vain

### WILL YOU DO YOUR BIT?

Below you will read a demand form, which you can sign and send to your Member of Parliament—NOW. Get your friend to sign it. Mobilise public opinion in a tangible form. Write in and obtain a quantity of these forms and get out on the job. Australian electors must demand a REAL victory for the British people.

### Two Millions of These Demands Must Be Sent to Canberra

Mr. .... M.H.R.

Dear Sir, —

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

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

Yours faithfully,

Send your order for some of these demand forms now. Write to The United Electors of Australia, 5th Floor, McEwan House, Little Collins St., Melbourne, C.I. Price, 1/6 per hundred, post free.

### Eric Butler Visits Ballarat

Eric Butler and Ron Jones visited Ballarat last weekend for the purpose of making preliminary arrangements for future activities. Several valuable contacts were made, and several prominent citizens interviewed. The results were very encouraging. All supporters in this centre are urged to get in contact with U.E.A. headquarters immediately.

### WANTED

NEW TIMES supporter, young, smart, experienced milking machine fitter seeks such or similar employment: good man. What offers? Write "Co-operation," c/o the *New Times*.

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