

## "EXEMEX"

Clears up Obstinate  
Skin Troubles.

Obtainable only from

RICHARD E.  
BROTCHIE,

45 Brunswick Street,  
Eastern Hill, N.6.

'Phone: J 1873.

# THE NEW TIMES

## "CATARRH"

Clears Up Catarrh.  
A. Nasal.  
B. Pulmonary.  
C. Stomachic.

Obtainable only from

RICHARD E.  
BROTCHIE,  
45 Brunswick Street,  
Eastern Hill, N.6.  
Phone: J 1873.

Vol. 6, No. 29. MELBOURNE, FRIDAY, JULY 19, 1940.

## Professor Hancock Finds Wrong Nigger In the Woodpile

Recently, through the medium of Press and Radio, much publicity has been given to a letter written by Prof. W. K. Hancock, Professor of History at Birmingham University. Perusal of this epistle must give cause for those who hold that the art of letter writing passed out with the Victorian age to revise their opinions.

Whether shrewdly discoursing on the war situation in Great Britain, political personages and happenings, or social problems, the writer throughout this lengthy letter holds the attention of readers from first to last. Appreciation, however, does not necessarily imply acceptance of the views expressed, and notwithstanding the prestige of the writer, it must, with due humility, be contended, that facts do not bear out some of his conclusions.

One such is his selection of "The Business Man" as the villain of a century or so of British history. At first sight this seemed to be a somewhat laboured attempt at a joke, but further perusal shows that the Professor is quite serious.

He writes: "Chamberlain's resignation is symbolic, and is a more important landmark than the Reform Act of 1832. It marks the passing of an age—the age of the Business Man, 1832-1940." Does it not seem that he is investing the downfall of this mediocre politician with an incorrect significance when he appraises it as of greater importance than such an epoch-marking event as the passing of the Reform Act? It will be remembered that in somewhat similar circumstances, during the previous world war, Asquith was forced to resign. That instance marked, not "the passing of an age," but merely the engineered downfall of a politician, and there appears to be no real reason for believing that Chamberlain's resignation marks anything more hopeful—rather the reverse.

### WRONG LABEL

A writer is, of course, at liberty to select a period of history and label it as he chooses. The period Prof. Hancock designates as "The Business Man's Age," and later as "The Business Man's Century," has also been called "The Machine Age," or "The Age of Invention and Scientific Discovery"; and because it is through these mediums that the world passed out of the age of scarcity into the era of plentiful production, it may well be claimed that these phrases ring more convincingly than that which the Professor has coined.

Considerable though the influence of "The Business Man" has been in politics and social life in Great Britain in the past century, there is weighty and abundant evidence that it was not by any means the dominant factor. Those who look below the surface know full well that, in comparison with the real force that dominated Great Britain during the century referred to, "The Business Man's" influence was infinitesimal. In support of this statement, evidence more copious than space will allow the use of could be quoted, so a brief resume of some items, within the limits of the period the Professor has named, must suffice.

### REAL NIGGER

Over 70 years ago, Benjamin Disraeli told the House of Commons

that "the world is governed by very different persons than is imagined by those not behind the scenes." The Rt. Hon. W. E. Gladstone, four times Prime Minister of England, was more explicit. He said: "From the time I took office as Chancellor of the Exchequer I began to learn that in the face of the Bank and the City, the State had an essentially false position as to finance. . . . The hinge of the whole situation was this: the Government itself was not to be a substantive power in matters of finance, but was to leave the Money Power supreme and unquestioned. In the conditions of that situation, I was reluctant to acquiesce, and I began to fight against it. . . . I was tenaciously opposed by the Governor and the Deputy-Governor of the Bank, and I had the City for an antagonist on almost every occasion." As Mr. Lloyd George stated in the House of Commons in February 1931, these conditions still prevailed at that time.

(Continued on page 8.)

By D. J. AMOS, F.A.I.S.  
**PARLIAMENTARY NOTES**  
Debates on Loan Bill (No. 27 of 1940). Author's remarks  
in parentheses.

**Senator Collings:** "Australia is now incurring an expenditure of £1 million per week in interest, and it must be obvious that there is a limit to the distance we can go in that regard. The time will come when saturation point will be reached as regards both interest and taxation, and the community will no longer be able to bear the burden, even should the interest rates be lower than those to which we have been accustomed."

(We are of opinion, Senator that the time has already come.)  
\* \* \*

**Senator Darcey:** "Taxation involves the actual confiscation of the people's money and a lowering of the standard of living. No security is given for the money taken by taxation; the people do not get interest-bearing bonds for it, but when the banks give cheques (i.e., credit) to the Government, they receive interest-bearing bonds. Referring to the loan of £9 millions floated when Mr. Casey was Treasurer, I asked the Minister representing the Treasurer how much of the money raised through the banks consisted of bank

## THE STORY OF DR. SCHACHT Deputy of International Finance in Germany

### INTRODUCTION.

There are other methods beside the money mechanism for keeping people in order, and it is no accident that now, when the results of its falsities have grown so large that they cannot be missed by the most short-sighted,



control by money is being supported and in many cases replaced by control by machine-gun. It is a natural succession.

The small group of persons who direct this control—and there is plenty of evidence for their existence—do not care a row of pins how it is maintained, provided it is maintained, and as one instrument loses efficiency they are prepared to use others, more obvious, even less acceptable to the human "material." One of the main reasons for the

present war is to force such centralised control on the one group of nations to which it is so repugnant that it will not be accepted on conditions less than complete military defeat, after a long delayed victory—or treachery. In less stubborn countries the money mechanism has been used as one of the means of actually shaping its successor, and procuring place for it.

It was so in Germany. Once machine-gun control had been established, then the role of the money mechanism changed—it became contributory to direct control through the State, and as power no longer depended on complete faith in its advertised rules, some advantage could be taken of less orthodox techniques. Such a manipulation of the machinery of money clearly required a very clever intermediary working directly for the controlling group.

### EARLY DAYS.

As a thesis for his doctor's degree Hjalmar Schacht studied "the Theoretical Content of English Mercantilism."

He first became a publicity officer for German export industries. In 1903 he was engaged by the Dresdner Bank as head of its department of economic statistics, and by 1908 he had become an assistant director of the Bank. After the outbreak of the war in 1914 he was appointed financial advisor to the Banking Department of the German General office in Belgium, a position that he abused in the interests of the Dresdner Bank.

According to the official report on his actions, he placed orders in the interest of the Dresdner Bank for the remittance of Belgian notes. "In so doing he infringed the obligations imposed on him by his official position . . . what is much more serious and is decisive for us is that when asked for details at the board meeting on July 3, 1915, he gave insincere replies to the questions put to him, and when the insincerity was pointed out on July 5, 1915, he attempted to justify himself by far-fetched explanations of his statements."

He resigned his position and the Geheimeoberfinanzrat, Dr. Schroeder, concluded his minute on the papers with the words: "The disingenuousness brought home to Dr. Schacht represents such a lack of openness that any truthful collaboration with him is no longer possible."

In 1916, Dr. Schacht was one of the co-founders of the German Democratic Party, and a year later he obtained a new position with the Nationalbank fuer Deutschland, a private bank that was converted by Jacob Goldschmidt (who joined it in 1918) into a gigantic and powerful concern.

In 1920 the Nationalbank was

(Continued on page 7.)

(Continued on page 7.)

## "CAN AUSTRALIA PAY FOR THE WAR?"

(A Broadcast Talk from 7HO, Hobart, and 7LA, Launceston, on July 7.)

There was a time, not long ago, when discussions on finance were taboo in many quarters; money was a matter veiled in the darkest mystery. It was even considered very dangerous to discuss matters concerning banks and the origin of money except in secret and between friends.

Since the war, however, all that is changed: everywhere you go men and women are asking each other why, just a year ago, Governments—both Federal and State—turned down dozens of reasonable demands for funds for necessary services because the money was not available, whereas millions upon millions have suddenly appeared from nowhere for the purposes of war.

This question, once asked, leads to other interesting questions, namely: Who restricts our money supply in times of peace and who lets it out in times of war?

Other questions asked are: Where do all these millions of pounds come from? And whom shall we have to pay for these great war loans?

As I have said on several occasions, it is quite useless to approach the problem of money unless one realises two important points: The first is that payment for goods and services throughout the length and breadth of Australia must be made in money.

Whether you pay the tax collector or your tailor, money is demanded—not potatoes, wireless sets, or other services. For that reason alone it should appear obvious that anything faulty with our money system will cause great difficulties and complications in our economic affairs.

Secondly, those who produce potatoes and wireless sets do not automatically produce the money to buy these things. If they did, these things would be bought in much greater quantities than at present because the demand is there—but there is no money behind the demand.

Obviously, then, it is useless for a country, however wealthy, to produce things unless the people have the necessary money to buy the things produced.

It is only since the industrial revolution that the trade of countries has been paralysed and the populations reduced to poverty amidst abundance of goods of all kinds.

Before that time, poverty there was, due to famine, but never poverty due to the fact that there was too much of everything. Our poverty is made by men, just a few men, who manipulate our financial system.

These men can create a depression any time, except during a war. And during a depression, men cannot pay their debts; they must borrow from the only people who are allowed to create credit: namely, the banks. The result is everybody is looking for accommodation at the same time—everything slumps in value, except money.

During a depression money becomes more precious than honour itself; securities and property are

flung on the market at bargain prices; the banks scoop the lot, until gradually all assets of any value fall into the hands of a few men. Thus is established a financial dictatorship.

### WHAT STATESMEN SAID

Some of the greatest Prime Ministers of Great Britain and Presidents of America have fought this money dictatorship. It is an international power, and its grip stretches into every land.

W. E. Gladstone, one of Britain's most famous Prime Ministers, thus exposed the ruthless fashion in which the Bank of England and "the City" (London's financial interests) asserted their power:

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

Listen to what a President of the United States said, the famous Abraham Lincoln:

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

### WHAT BANKERS SAID

After hearing these statements by men who came face to face with the money monopoly, it would be interesting to hear what the bankers thought about it

Listen to what the bankers said in 1924, as published in the U.S.A. "Bankers' Magazine" of August of that year:

"Finance must protect itself in every possible manner by combination and legislation. Debts must be collected, bonds and mortgages must be foreclosed as rapidly as possible. When, through a process of law, the common people lose their homes they will become more docile and more easily governed through the influence of the strong arm of government, applied by a central power of wealth under control of leading financiers.

"This truth is well known among our principal men now engaged in forming an imperialism of Finance to govern the world.

"By dividing the voters through the political party system, we can get them to expend their energies in fighting over questions of no importance. Thus by discreet action we can secure for ourselves what has been so well planned and so successfully accomplished."

That "imperialism of Finance" is the Bank of International Settlements, to which are now linked thirty-two central banks, scattered over the entire face of the earth.

The following extract from a letter written from London by Rothschild Bros., the well-known international bankers, to their New York agents, when arranging to introduce modern banking methods into America, reveals the typical financier's contemptuous and callous disregard of the people's welfare:

"The few who can understand the system will either be so interested in its profits, or so dependent on its favours, that there will be no opposition from that class, while on the other hand, that great body of people, mentally incapable of comprehending the tremendous advantage that finance derives from the system, will bear its burden without complaint and, perhaps, without even suspecting that the system is inimical to their interests."

### WHAT WE MUST DO

The statements quoted above have been known for many years to a few, but have been religiously suppressed in the newspapers. Now however, since the war started, many more have come to know about it. And it is your duty to see that everyone you know knows all about these questions of the control and issue of money, because the welfare of your country depends upon it.

No one knows how the war is going to spread, but we do know that this country of Australia will have to play a part much more gigantic than that contemplated by the present Government.

We in Australia have got to make this country self-contained. We have got to do things we never dreamt of doing before; we have got to build a fortress of British culture guarding the Pacific; we have got to build a new home for the British race.

We have got to release the efforts and talents of the entire population. Three times what the Government is now spending won't do the job. Our resources haven't been touched yet; Our skilled men are not being used—we have got to use them. And when all our skill and brains and labour are being used towards this great task, let us make sure that those who are giving of their best are not going to be persecuted and hindered in their work by stupid taxation which merely robs 90 per cent, of the population of food and clothing, and hands their homes over to the banks. Any Government, which does this, is merely playing the game of the enemy in destroying the morale of the people.

It is quite impossible to pay for this war out of taxation, and it is foolish to try and pay more than 10 per cent, of it out of taxation. The credit required for the war should be issued by the Commonwealth Bank, which is supposed to be the people's bank. This could be done free of charge, leaving no debt to be paid off after the war.

If there is any shortage of any commodity, this should be rationed so that we all get our proper share. Anyone with surplus cash can use it to pay off the mortgage on their houses or invest it in Savings Certificates.

All this talk about inflation is a bogey circulated by the private banks to prevent people getting enough money to get out of debt. A country cannot put forth a mighty effort without additional money supplies. The Government has the power to control prices; it can even reduce them if it wishes to. And if it does there will be no need for that vicious spiral of wages trying to keep pace with prices.

Inflation and deflation are produced by bankers: with patriotic men in charge of this country, there is no possibility of inflation or deflation.

The first duty, and the main duty, of good government is to protect the nation's money supply from the gang of rogues who have reduced Europe to chaos, and turned the nations at each other's throats and split into warring groups the people of nearly every country.

## ENGLISH M.P. ON RESPONSIBILITY

No English daily newspaper now publishes an adequate report of speeches in Parliament. Commander King-Hall's suggestion that an expurgated edition should be made available of the Official Report, generally known as "Hansard," after the printer, Luke Hansard, whose private initiative first provided printed reports of debates, would further restrict the due information of the electors. Important speeches appear often only in "Hansard."

During the debate of May 13, Mr. George Balfour (Hampstead) said:

"I want to refer to one portion of the speech made by the right hon. member for Keighley (Mr. Lees-Smith). I ask hon. members to accept my assurance that what I say has nothing of a controversial character about it. I only wish to put on record the remarks of the right hon. member to the effect that his three right hon. colleagues had joined the Government before the arrangement was confirmed by the Labour Party Conference; before they were free to accept. In that event I want to put before the House this one simple point, and I am sure I shall have the general agreement of the House. Members of Parliament have always understood that this is the great free Parliament of the people, and that we are answerable only and solely to the electors. That is the point, which I wish to put on record today, and that whenever

this House departs from this principle and hon. members are answerable to another outside body—

"Mr. J. J. Davidson (Maryhill): If there is an Electricity Bill before the House.

"Mr. Balfour: For my part I am answerable to no one but the electors. If any hon. member deserts that principle and allows any private interest to intervene, if any hon. member is answerable to any other outside body in performing his duties in this House, he deserves to be turned out. If there is any departure from this principle the whole structure of our parliamentary system breaks down. I hope in less arduous times that the principle will be re-established in full Session that no member has a right to be answerable to any outside corporate body. I trust that the time is not far distant when in perfect harmony we may be able to debate that principle."



### 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.

## THESE ELEMENTARY THINGS

### Who Cares Anyway?

By "THE WALRUS."

**I have a spot of bother nowadays in running any of the banking brotherhood to earth. Whenever any of the fraternity see me coming they remember a letter they forgot to post or something. But I did manage to corner one over the War Savings Certificates business—and much good it did me.**

Money is still the insoluble enigma to me: so much so that I look back with incredulous amazement to my boyhood days when I was periodically patted on the head by untidy old gents at the annual prize giving. No one seemed then to be aware of that streak of mathematical inefficiency, which was to become indurated by contact with the money system into unamiable imbecility. But this isn't the sad story of my life. I wish merely to recount another miserable failure to grasp the money business.

I opened chattily.  
 "How's the war savings business?"  
 "Tip-top," he answered warily.  
 "How's yourself and the family that's good well I must be getting along . . ."  
 "Just a minute," I begged. "I think you might be able to explain something to me."  
 "I doubt it. But what is it this time?"  
 "It's the war savings."  
 "What's the matter with 'em?"  
 "That's what I don't know. But I see that the Federal Treasurer, Mr. Spender, is threatening dire calamities for people who use these certificates as negotiable instruments."  
 "Quite right, too."  
 "You think so? I don't follow quite. Aren't they really worth the 16/- or whatever it is?"  
 "Don't be a fool! You know the answer to that one."  
 "Well, what's the trouble?"  
 "Mr. Spender has told you himself. It would mean inflation."

#### A SOUND PRINCIPLE

"You don't think that Professor Copland is capable of controlling prices?"  
 "Oh, it's Professor Copland now."  
 "It just happens to be. And whether by accident or design he seems to me to be acknowledging a sound principle, I mean, a thing costs so much for labour, so much for material, so much for distribution and so on. These items make up the real value, however much or little money there happens to be at any time. So if you pay a johnny to pin prices at real cost you can't have inflation, because inflation means a rise in prices accompanied by an increase in money. You taught me that one yourself."  
 "Then Mr. Spender doesn't know what he's talking about?"  
 "I'd like to think so, but he doesn't seem so innocent to me."  
 "Is that all?"  
 "No. I wanted you to tell me if you could in what way these certificates differ from negotiable bonds or share scrip."  
 "How d'you mean?"  
 "Well, if I were the holder of share certificates, I could sell them, couldn't I?"  
 "Naturally!"  
 "And I could spend the proceeds on real estate or a real binge or any old thing at all, couldn't I?"  
 "Certainly!"  
 "But if I buy shares in munitions in the form of War Savings Certificates, I mustn't negotiate them. Why?"  
 "Mr. Spender has told you. It would cause inflation."  
 "Of course. We got to there before, didn't we? But it doesn't cause inflation to sell Consoles or other investments?"  
 "Never mind about that. What you want to do is to lend your money and have it, too."

#### WHAT'S THE MATTER WITH MR. SPENDER?

"I hadn't got as far as that. What I want to know is, what is the matter with Mr. Spender? If someone else is prepared to buy me out when I am ready to sell—which is

what takes place if I buy a pair of boots with a certificate—someone else's money takes the place of mine. What's wrong with that?"

"The only thing wrong so far as I can see is that you shouldn't have bought the certificate in the first place."

"Naughty, naughty. No Fifth Column stuff, now!"

"Is there anything else?"

"Yes. D'you remember the last war?"

"What about it?"

"We had those War Savings gadgets then, and the Government redeemed them at any time. I myself bought £300 worth on Monday and sold them on Friday because I decided to get married."

"So what? Congratulations would be a bit late, wouldn't they?"

"What I'm interested in at the moment is, does the Government intend to redeem these certificates or not?"

"I haven't bothered about it, but you can take it for granted that it does."

"Well, doesn't that make Mr. Spender look a bit of an ass? If you can sell out to the Government why can't you sell out to anybody? D'you know what I think?"

"Lord, no. Do you?"

"I think Mr. Spender just doesn't like the people to have any money. Don't you remember how he wanted to take the people's money away by taxation so that they shouldn't be ruined by rising prices? I think he's up to the same lark again with these certificates. Is there any other explanation?"

"Don't bother about what I think. The look you see on my face betokens exuberance and not homicide. And now, if you've quite finished, I think I'll be toddling."

#### A WAR FOR A "FIVER"

"No, please. There's something I simply must ask you. The other day there was a chappie down south, Cr. R. F. Miles, of Frankston, it was, who said quite publicly that he had made inquiries at a bank and found that if he purchased War-Savings Certificates to the value of £100, the bank would take the certificates as security for a loan of a similar amount. That's pretty hard to swallow, don't you think? Even I can see the silly implications of a thing like that. Why, dash it, you could finance the war for a 'fiver.' All you've got to do is to buy a certificate and mortgage it to the bank and buy another with the proceeds, and mortgage that to the bank and keep on keeping on, and we're out of our sacrifice in no time. D'you think Mr. Spender knows what is going on? Someone ought to tell him if not."

"Can't you see the difference between a responsible financial institution and an irresponsible individual?"

"Oh, yes," I assured him. "An individual has to work for his money, and when he has it, it is treated as though it isn't his to do what he likes with, whereas a financial institution takes a squint at the till and adds a few noughts to its own taste."

"Having expounded all your ideas on High Finance, what do you propose to do about it?"

"I'm not in a position to do anything about it. I just wondered how these things struck other people."

"It strikes most other people that the obvious thing to do is to leave finance to the experts."

"D'you think if I studied finance I'd be like that, too?"

"That one's beyond me, but I think I know what your teacher would be like."

"Well, frankly, I must say I'm disappointed. Every time I think of Mr. Spender the thought surges over me that one of us is certifiable, and only ray modesty prevents me from saying which one it is . . . Well, s'long, old man! Thanks very much for bothering about me. I can see how annoying it is for you to be worried about elementary things. No right-minded person ever worries about them. I can see that . . . Well, I mean, you can see that for yourself by the mess . . . S'long, and thanks again."

## Work and Leisure

In England, the present war has allowed certain latitude as to the hours of attendance to certain isolated officials in charge of Government offices. A number of them in London decided to put into practice what the Civil Service, as a whole, has been advocating for many years. That is, no work on Saturday.

The experiment continued for several weeks. The unanimous opinion of both the men in charge and those working under them was that it contributed materially to the well-being of the individuals and to both the quantity and quality of the work. That is a fact, which no one who has tried the weekend of two free days will dispute. In the past the Treasury have always turned down a request to this effect. No explanation has ever been given. The fact above referred to seems to have no influence whatsoever on the Treasury.

All those who were concerned in the experiment experienced a rather enlightening effect on themselves. They found that whereas after a six-day working week, the one day, Sunday, enabled them to refresh their bodies and minds just sufficiently to be able to carry through another week and no more, to have two days' leisure after five days had the effect that on the second day of leisure the body became particularly active and the brain was able to think.

Individuality was given a chance to develop such as it had never had before. The effect was entirely different to that of holidays, although difficult to explain.

It can only be inferred that this heightening of human consciousness and the increase in human energy resulting from a five-day working

week and two days' leisure is the reason why it is discouraged. One wonders just how long the human machine could be driven without a breakdown and how much leisure it could be given without developing those characteristics that are essentially individualist and Christian.

### "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 St., Melbourne.

THE PRINTED WORD  
 in  
 Pamphlets, Booklets, Leaflets, Weeklies, Monthlies, Annuals, Newspapers, Magazines, or Books,  
 EXCELLENTLY AND ECONOMICALLY PRODUCED

by  
 The Advocate Press  
 143-151 a'BECKETT ST., MELBOURNE.  
 'Phone: F 2673 (3 lines).

You Should Not Be Without It!

## "THE WORLD-GOVERNMENT PLOT EXPOSED"

By ERIC D. BUTLER.

This booklet is most topical at the present time. Shows the plans and objects of International Finance in a startling light. It is a complete answer to "Federal Union" and the move to abolish the State Parliaments. It should be circulated as widely as possible at the present juncture.

The financial swindle during the last war is outlined and the move to financially enslave the British people as a result of this conflict.

Price 6d; Posted, 7d

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

# 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.

Published every Friday by New Times Ltd., McEwan House, Elizabeth and Little Collins Street, Melbourne, C.I. Postal Address: Box 1226 G.P.O., Melbourne. Telephone: MU2834.

Vol. 6.

FRIDAY, JULY 19, 1940.

No. 29.

## PARTY POLITICS GETS ANOTHER JOLT

The result of the election of a representative for the Coburg seat in the Victorian State Parliament provides further proof that the expressed will of the people is the greatest power on earth.

The Coburg constituency has always been regarded as a Labour Party stronghold. The opinion was freely expressed that whoever won the Labour pre-selection ballot could be sure of a safe job for life.

Things have not worked out that way. Nineteen candidates, the majority being members of local branches, nominated for pre-selection as the official Labour candidate to contest the by-election. Complaints of irregular canvassing for votes reached the central executive of the Party. The central group exercised its centralised authority. All candidates were disqualified, and an "official" candidate, Mr. Roy Cameron, who is not a resident of the district, was appointed. Consternation amongst the rank and file extended to the general public. An Independent Labour candidate, Mr. Charles Mutton, entered the field as the humble candidate opposed to Fascism in the central executive.

Mr. Rasmussen, an Independent U.A.P. candidate, also entered the contest.

Correspondents writing in the local paper stressed the danger of the Totalitarian State with supreme power at its apex and complete subjection at its base, and the urgent need for the Democratic State with complete decentralisation of power.

"Mr. Cain, the official leader," wrote one correspondent, "intensified our suspicions when he publicly raised his dominating fist and uttered his threat to Coburg electors: 'You cannot smash the machine.' This betrayed a conception of the electors as being mere cogs to be worked in the political game in which the workers can be cowed into having their lives directed by central authority. To protect themselves against the loss of their freedom when the war is over, the electors should make sure that their representatives in Parliament are their servants and not their masters. In the meantime they will test Mr. Cain's statement at the polling booth as to whether the machine can be superior to flesh and blood."

The Party machine used all its weapons of publicity—full-page advertisements, large red-lettered posters, streams of literature, wireless, loud speakers, motorcars, etc. The humble candidate, without Party funds, unable to employ ostentatious methods of publicity, benefited by valuable "mouth to mouth" propaganda. Revulsion against totalitarian methods spread amongst the electors. The election was held on Saturday last. The humble candidate, who was elected, is responsible to no one but to the people of Coburg.

The swing of public opinion noticed in the Hawthorn electorate in the election of Mr. Hollins, the Independent candidate, has extended to Coburg. Attempts will be made to alienate the allegiance of Mr. Mutton, but the awakening electors can prevent this.

The electors of Coburg have refused to be dominated by the Party machine. They assumed their own responsibility and made their free choice of their own representative. Now it is up to them to let their representative know what they want from the State Parliament and keep moving until they get it.

That is real Democracy.

## Comparison Without Comment Which Side of the Fence?

### THE "HERALD" (SUP) PRESS.

"Farmers Leave Dry Farms. — Farmers are walking off their holdings because of the dry weather, and were coming to the city to find employment, said a member of the Farmers' Debts Adjustment Board, who returned to Melbourne today after a tour of Northern Victoria."—Melbourne "Herald," July 9.

"Farmers Leave Holdings. Uncertain of Future. — Because of uncertainty regarding the future of the industry, and partly because of the dry season, many farmers were leaving their holdings in northern and northwestern Victoria and coming to Melbourne to seek employment, Mr. H. L. Simpson, past chief president of the U.C.P. said yesterday."—A rather different version by the "Argus," July 10.

We have at times in the past had some doubts about which side the "Sunraysia Daily" of Mildura was on, in the battle between the people and the banks.

In arriving at a decision, we have been considerably assisted by the paper itself. On reading their editorial of July 9, the wording seemed particularly familiar, and we did not have to think very hard before we recognised the title, "Savings and The War" as that appearing in the June edition of "Sound Finance," the monthly review of that bankers' whitewashing gang, The Sound Finance League of Australia. Continuing our investigations, we found that the whole of the "editorial" had been taken, almost word for word, from the article in "Sound Finance."

## WHY WAS CHAMBERLAIN REPLACED?

### English Writer's View

In the May 18 issue of an English contemporary, John Mitchell, author of "Tax-Bonds or Bondage, and the Answer to Federal Union," writes as follows under the heading "Hidden Government":

"The failure to take Trondheim can be dramatised into the material for a political crisis," said the "Economist" of May 11. The failure to take Trondheim was dramatised into the material for a political crisis. Nothing was more obvious about the political crisis, which has just passed, than the air of drama, which pervaded it. Who provided the drama?

That is a question, which can be answered by an objective study of the facts. In this country we are accustomed to hear that a press campaign has been launched in Germany, Italy or Russia to produce some effect on the people of those countries. In this country we are coached into believing that we have a "free press" which cannot be so manipulated by Governments. The recent crisis makes it clear now, if it was not before, that the press of this country is not controlled by the British Government.

But the unanimity which it displayed in the earlier stages of the Norwegian invasion, in reconquering almost the whole of Norway, the unanimity which it displays in magnifying the defeat and in blaming Mr. Chamberlain for it, the unanimity of its welcome of the new Government, all indicate that it is acting under instructions from a central authority, and as no inconsiderable number of people suspect, the people of this country have been subjected to a press campaign.

That after it so many people remain unsuspecting and deluded into thinking that public opinion was the major factor in changing the Government in the face of such blatant efforts of the press is a sad reflection on the discernment of the British people.

### PUBLIC OPINION?

The real relation of public opinion to the crisis is summed up by Colonel Sir George Courthorpe (Rye) in Parliament. He said: "Without looking for causes, I believe that if the speeches to which we have listened today, criticising the Government in general and the Prime Minister in particular, had substance behind them they would be fully reflected in the postbags of Members of Parliament. I have always found that whenever there is any general feeling of grievance or dissatisfaction one's constituents are always ready to write to their Member and express it.

"In some of the speeches which we have heard today condemning the Government, we were told that the overwhelming desire of the country was for a change, and all that sort of thing, but I should have expected my postbag to have reflected it. I have kept a note of my letters during recent weeks. I have had three letters from individual constituents expressing a desire for a change of Prime Minister . . .

"On the other hand, I have had a multitude of letters expressing regret at the fact that certain sections of the press and certain individual speakers are allowed to continue making attacks, some of them scurrilous and many of them unfair, upon the Government and the Prime Minister. There have been many of those, and quite a number of organisations have been moved by that feeling to pass resolutions and send them up. As far as my postbag is concerned—and I expect other hon. Members have had much the same experience—there is no sign of this general and overwhelming desire amongst the electorate for a change, either of Government or of its leader."

### DEAD HAND.

The public was, in fact, mystified, and it is not surprising. There has been something mysterious and sinister about the Norwegian campaign. The exaggerated reports of the press and the confident utterances of Mr. Churchill strike a strange note against the recorded happenings, which have been endorsed. A dead hand appeared. "We know now that at Bergen," said Commander Bower (Cleveland) in Parliament, "and a little later at Trondheim, the ships of His Majesty's Navy were ready and waiting to emulate the exploits of my friend Philip Vian in the Cossack after he went after the Altmark. But no, the dead hand from above descended and stopped these operations. Wild horses will not drag from me what dead hand it was. All I say is that it was the dead hand, and it came from above. Everybody knows it."

The dead hand provided the "failure of Trondheim"; the failure of Trondheim was dramatised into material for a political crisis. The political crisis resulted in a new Government. Whereupon the pound sterling, which had slumped badly in New York, recovered.

Mr. Churchill is a close friend of Bernard Baruch ("I suppose I was the most powerful man in the United States during the war"), associate of the ruling financial group in U.S.A., which brought about the Bolshevik revolution. Two of the other members of the War Cabinet of five are outright Socialists.

The dead hand is elsewhere. It has shown itself close to the surface in the dismissal of Major Reid Kellett, whose exposures have been amplified in Parliament and in the dismissal of Sir William Firth. The Ebbw Vale Steel Works, which expanded so rapidly under his guidance, are now producing less. This works uses almost wholly Home ores, although Britain imports 40 per cent, of her iron ore from Sweden, which cannot come to us at present from Narvik, but which is going to Germany through the port of Lulea.

### FINANCE.

Finance is the dead hand, which is crippling Britain's productive effort. The banks are everywhere discriminating in the use of, or withholding, credit to private enterprise, and the result, intended or not, is the appearance that private enterprise is inefficient. What better excuse for State control (and bigger and better dead hands)?

In a letter to the "Times" of May 10 urging a National Government, Sir George Schuster wrote: "We are working today in a confusion of half measures between private profit-making and State direction. The time has come for full measures. To put it crudely and briefly, I should like to see a notice over every factory and place of business: 'This business is being run for the duration of the war for account of the British Government.'"

We now have a National Government, a Socialist Government. If it is not a National Socialist Government it is because it aspires eventually to lose its identity, partially at least, in an International Socialist Government.

The political gossip writer in the "Sunday Times" on May 12, commenting, on the Diplomatic Gallery in the House of Commons during the critical debate, said: "Mr. Maisky looked happier than for some time past."

But we want the British people to win this war.

# Centralisation Hampers War Effort

## Engineers Versus Financiers

By ERIC D BUTLER

**Although we were all painfully aware of the manner in which socialistic planning, with its inevitable bureaucracy, was increasing in this and other British countries prior to the outbreak of war, we are now seeing an intensification of the trend in this direction. Not that this trend is natural; it is a direct result of the present financial system. Instead of engineers and scientists utilising methods, which will allow the maximum effort with the least friction, finance forces industry to think mainly in financial terms. Instead of finance being the servant of industry, industry is the servant of finance.**

Most financiers have the centralisation "bug." They like to do things in a "big way." Many people, who only listen to the "challenging speeches," and read the views of those who are featured in the headlines, seem to think that the inevitable result must be a maximum national effort. If they had been in the many different centres I have visited recently, seen the workshops and foundries which have not yet contributed to the war effort, met the skilled men who need no conscripting, and seen the manner in which the present financial system is smashing the primary producers, they would feel more like demanding that the Government utilise its sovereign power of money-creation in financing the nation's war effort. This centralisation mania is one of the greatest menaces we face, and can only be overcome by decentralising financial power back to the individual.

### SMALLER UNITS GIVE GREATER EFFICIENCY

The whole objective of industry should be to supply the maximum result with the greatest efficiency. Those who think that the bigger and more centralised an industrial unit is, the greater the ultimate efficiency, would be well advised to read what real organisers have to say on the matter. Let me quote one relevant statement from "The Great God Waste," by the late John Hodgson, the distinguished English engineer and inventor, who spent his whole lifetime studying such matters. He wrote:

"At this school (Mount Hermon School on the Connecticut River, in Massachusetts, U.S.A.) there were 800 students of twenty different nationalities and of all grades of society. Their average age was about twenty years. The school possessed extensive farmlands, a small power station, and various workshops. These enabled the students to produce sufficient wealth to provide for three-quarters of the needs of the school. The skilled students worked at this productive labour for an average of one hour a day, and the unskilled students for an average of two hours. This actual example emphasises the present immense waste of activity in industrial countries. It also emphasises the fact that in these days of power-driven machines, except for purposes of defence, groups of men living in small and almost self-contained communities could enjoy very much higher standards of material and cultural prosperity than are now enjoyed under our present Leaky-Tank system by large communities having world-wide connections."

Small-decentralized units, therefore, give greater results.

Further evidence of this was presented to the Macmillan Commission in Great Britain by Sir William Perring, President of the National Chamber of Trade, an organisation representing some 360 local Chambers of Trade. He said: "The development during the last twenty years of large manufacturing units, as against the old system of a large number of small units, has, in our judgment, not fulfilled the expectations which

were held as to the general advantage that would ensue from the anticipated reduction of productive costs. . . ."

Another example of this increase of inefficiency as centralisation was increased was dealt with recently in these columns in an article on Britain's Electric Supply.

### FINANCE FOSTERS MONOPOLIES

Mr. Montagu Norman, in giving evidence before the Macmillan Commission, said that he was endeavouring to marry big industry to finance. One witness giving evidence before this Commission said: "In each provincial town which you go in today, if you walk up the main street you will see five businesses out of six are multiple shops or chain shops. They have been secured at fabulous rents and premiums. The banks handle the money of these multiple shops. The small man is being squeezed out, and I think ultimately it will be to the detriment of our people as a nation."

Exactly the same thing is taking place in Australia. Of course the banks have been pursuing this policy very carefully. Sir Guy Granet, a Director of the Bank of England, admitted this before the Macmillan Commission when he said: "It would be a dreadful thing if industry thought that there was a body of bankers who were going to tell industry how they ought to be organised: that would at once get their bristles up."

Lord Macmillan asked Sir W. H. N. Goschen, chairman of the National Provincial Bank: "The power behind your advice is, 'If you do not take that course we shall cut off your supplies?'"

Sir W. H. N. Goschen replied: "Yes."

In other words, a process of centralisation by finance is being ruthlessly pursued everywhere, with the result that small firms are crushed out. How anyone can believe that we can get a maximum war effort by these methods is hard to see.

### STATE BUREAUCRACY INCREASING

This policy of centralisation of everything naturally increases the number of Government bureaucrats who hamper the war effort still further. Example after example in this and other countries could be quoted. For example, we are seeing a perfect example of muddle and confusion over petrol rationing. Although the Government first requested voluntary rationing, the motorists were not even given a chance to try and comply with the request. There is more than a suspicion that this is part of a process to regiment transport. Private transport will be crushed, and the utilisation of the railways will no doubt lead to higher fares, freights, etc. There is no need to mention that the railways are firmly in the grip of, debt, and can be admirably used to tax the people a little more in order to pay interest charges to the banks, etc.

Here is a letter from the "Daily Telegraph," England, of February 5.

It was written by the President of the Architectural Association, and is only one letter of many appearing which complain of bureaucracy and centralisation. It reads: "The profound uneasiness felt just now by those concerned with the building industry springs from a conviction that it is being disorganised rather than re-organised for war-time service, and that the end of the war will see it seriously disintegrated when building will be most needed. Many excellent contracting firms have been employed—some of them over-employed. A great many equally excellent firms have had no work, while too many contractors who are financiers rather than builders have obtained important contracts. And it is common knowledge that no recognisable system of allotting work to builders in their own locality has been followed."

It is also common knowledge in this country that there has been no suggestion of a system, which allows mechanics and engineers in their own localities to help the war effort. It is time that these small industrial units in every town were given orders, and, more important, sufficient finance to carry out the orders.

Then there are our primary producers. In spite of the introduction of Government bureaucracy, many wheat farmers are walking off their blocks and are going to the cities. These men are experts on wheat production and it is sabotage of effort if they have to try and learn to do something else. The Apple and Pear Board is a perfect example of bureaucracy; the Government proposes to extend it. This will mean an increase in the army of red-tape experts and more chaos. Surely Mr. Hughes's cry recently, "Long Live Russia!" does not signal the wholesale introduction of Russian bureaucracy into Australia. It is not the way to win the war in the shortest time, with the minimum loss of men, material and our civilisation.

### THE HUMAN ELEMENT

Another big defect in the reasoning adopted by those who desire to "plan" things in a big way is the refusal to consider the human element. Mr. James Guthrie, B.Sc., in one of his recent broadcasts on this question dealt with the matter admirably. The bigger the organisation the greater the need for standardisation and the decrease in the efficiency of the individual. The human element is playing a big part in the present war effort, and there is no surer way of smashing public morale than a process of regimentation and crushing taxation through ruthless centralised control. The process of decentralisation in nature has been so ably demonstrated by leading scientists that it seems preposterous that people with financial minds rather than engineering minds are trying to reverse natural laws. In nature there is a maximum size beyond which there is a steady decrease in efficiency. The bigger animals, for example, could not adapt themselves to nature's conditions. The present trend of organised industry with its big awkward body and a small central control reminds me of the prehistoric monsters. They also had a large, clumsy body with a small brain; they have passed into oblivion. We don't want that to happen to our present society.

Educationalists know that bigger classes don't get maximum results, because standardisation, at the expense of the individual, takes place. The demand is for smaller classes; but finance won't permit. Everywhere we see the same thing.

Major C. H. Douglas, famous British engineer, has summed up the position as follows: "The mind of the engineer ought to be applied to the working of the world. At the present time the world is in a very bad case. It is like a huge and powerful machine which is being run by a lot of half-baked theorists and idealists who have no idea how to control it. . . ."

### THE SOLUTION

The solution to the entire problem is to release all enterprise from this restriction and regimentation, which is rapidly increasing. The Government must take immediate control of the creation of all new money for the nation, and see that civilian purchasing power is at least maintained. "This pressure of effective demand upon productive capacity will compel the absorption into useful employment of every man and woman until the demand is met. The elimination of the vast amount of wasteful work, which is being done at present (such as most officialdom, selling and advertising, and unnecessary "red tape" clerical work), will follow automatically. Concurrent with this will be a greatly increased incentive to find and apply labour-saving devices; at the same time, the morale and incentive to work of the whole population will advance rapidly."

The Government has the power to provide all the finance now necessary without further debt and taxation. The only need for more taxation would arise if the demand for consumable goods encroached on the maximum need for munitions, etc. However, it is unlikely that this situation will arise here in Australia if all credit restrictions are removed from producers.

The present situation can be broadly summed up as a clash between the engineering or scientific mind and the financial mind. If we are to have a greater war effort the engineering mind must be allowed the greatest expansion and finance be made to serve, instead of govern.

### Simon Says "Thumbs Up-Thumbs Down!"

"Sydney, Wednesday. —Australia, during the past week, had resolved to throw all her resources into a supreme effort of organisation for war, the Treasurer (Mr. Spender) stated today in a newspaper article. Yet, this week, he said, he had seen elaborate propaganda urging the community to spend freely on normal objects of expenditure, at the same time condemning the Government's financial plans because they sought to obtain war funds through loans and taxation rather than through some vaguely mentioned easier source."

—Melbourne "Sun," July 4.

The policy of the Government is made effective through the monetary system. Spender cries "save." Menzies says "business as usual." Gilbert and Sullivan, where art thou?

### Failure of Financial System

"CANBERRA, Tuesday. —Financial problems caused by a projected expansion of war expenditure unforeseen even a few months ago, are occupying the attention of financial and economic advisers to the Commonwealth Government. They are now considering methods of financing in the current fiscal year a war programme as yet un-stabilised, but which may reach £150,000,000. In their opinion, Australia must now choose between sound financial methods, which can only be carried through by stern sacrifice, and a dedication of all possible savings to war purposes, or by inflation, which will bring disastrous post-war problems."—Melbourne "Herald," July 9.

There is abundant evidence to show that the financial methods used during the last war brought disastrous post-war results. The same methods are being imitated today. Whilst the "advisers" offer us one of two evils: "sound finance" (which means deflation), or "inflation," the idea of EQUATION is entirely ignored, not because it won't work, but because, being the only sensible alternative to either, IT WILL WORK.

## Monopoly and Centralisation

"In the past year, ended June 30th, 421 companies have been struck off the register in Victoria, and dissolved. Most of these companies have been small proprietaries, which have found themselves unable to carry on, due mainly to two influences. . . . It was stated at the Registrar-General's office yesterday that a further 109 companies would be struck off the register in September next."—"Age," July 6.

One of the influences referred to was taxation. It will no doubt be cheering to the companies in question that about half of this factor contributing to their downfall arises from Government payments of interest on counterfeit money borrowed from the private banks.

## Freemasonry and High Finance

In the two Home Rule Acts for Ireland, those of 1914 and 1920, the Irish Parliaments were definitely precluded from any power "to abrogate or prejudicially affect any privilege or exemption of the Grand Lodge of Freemasons in Ireland, or any lodge or society recognised by Grand Lodge."

The similarity of this provision, which places Freemasons above the law in all matters affecting Freemasonry, to the clause in the Charters of the Central Banks, placing them above the law of the country in which they operate, is unmistakable evidence of the interlocking of High Finance and Freemasonry, says an English contemporary.

## ROTHSCHILD FOR WALL STREET?

According to the press reports of July 12, Baron Edouard de Rothschild has arrived in U.S.A. in a Clipper flying boat from Portugal. Although we had previously read harrowing reports of his poverty as a result of the war, it now appears that he is not quite—not quite!—"broke," being in possession of jewels to the value of approximately a million dollars.

The press refers to him as a French (!) banker. Rothschild says that he is "glad to be in America." Yes, no doubt. We are sure that the American (!) bankers—i.e., Brietung, Warburgs, etc., will warmly welcome him. He should be a valuable acquisition to a group, which hopes to force the world back to the gold standard. All roads lead to America these days.

## Why the Secrecy?

"Shareholders of Imperial Airways, who may have expected to take up stock in the British Overseas Airways Corporation, have been informed that no public issue of capital is to be made. The money necessary for the payment of the purchase price has been raised in another way, which we presume means, by way of a private issue of Government stock . . .

"Much curiosity has been aroused by the secrecy surrounding the amount of stock that has been placed privately. Both the amount and its owners are closely guarded secrets; although according to some reports these particulars will be announced shortly in Parliament. They ought to be."

—"The Aeroplane," April 12, 1940.

## WHAT "THE MAN IN THE STREET" IS ASKING

By C. E. ROSEVEAR, M.R.San.I ; Fellow, Institute of Public Administration, S.A. Regional Group.

**On Sunday evening, June 16, 1940, Mr. Menzies broadcast a statement that he said was of vital importance to Australia, concluding his remarks with words to the effect that this was an "all in" war for us.**

If this is the truth, and we all know that such is the case, there is much justification for the continual questioning by the "man in the street."

In the first place, the man in the street wants to know: Why doesn't Mr. Menzies and/or the Government give us a lead? Not just a suggestion or an idea, but a definite and constructive lead. As Mr. J. Guthrie, B.Sc., stated in his excellent article, "Organising for War and Peace" ("New Times," June 21): "Let the Government tell the people of this country what they want, and those in industry will deliver the goods." That is just one point where our leaders (!) are too apathetic; they do not tell us what they want or give us a lead to "follow. 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 ("Sun," Melbourne, June 14, 1940).

Another thing the "man in the street" wants to know is: Why is the Home Defence Force restricted when there are thousands of able bodied men above military age who are ready and willing to go through a course of training to make them competent to handle and use a rifle, machine-gun, anti-aircraft gun or such other modern weapons of defence as may be available? Surely at a time like this, when we are engaged in an "all in" war, every available man should be "doing his bit"?

The "man in the street" also wants an answer to the question: Why are so many of our engineering shops idle, or almost so, when they could be working twenty-four hours per day on defence projects such as munitions, mechanised units, tanks, aircraft of all kinds, guns and/or their component parts?

With a different system in vogue it would be possible for all such shops to be fully engaged. If, instead of a few large and definite contracts the work was more divided and the quantity required indefinite, then all shops could be going "all out" to win the war. The idea being that the specifications, drawings, and samples would be held by the central authorities in each State, with the prices the Government would pay per 100 or per 1,000 of the articles required. The chiefs of the engineering firms could call on the central authorities, examine the various articles required and the specifications, decide which their shops could best turn out and then sign up to undertake to supply so many of these goods; some would decide on, for instance, shell cases, others for fuse parts, others for aeroplane parts, engines, tanks, etc. Then, also, the private individual who possessed his own power workshop and the necessary skill could undertake to do some, probably without payment, provided he was supplied with the necessary materials or blanks. The parts, when finished, would go to a central depot where they would be examined or tested and then to the assembly shops. With a competent check in each State, surplus supplies of any one or more of these parts could be prevented.

A further question in the mind of the "man in the street" is: If the Commonwealth Bank has the power to make money available free of interest, why burden Australia with further interest loads?

According to the findings of the Royal Commission on Banking the Commonwealth Bank has this power. By the Government floating loans on which interest has to be paid, it is assisting the enemy within our gates; as Mr. H. J. Kelliher, Director of the Bank of New Zealand, recently said (Sydney "Morning Herald," June 10, 1940): "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." So why doesn't the Government compel the Commonwealth Bank to utilise this power which it possesses, and so assist us to unite in fighting the enemy without?

Again: Why should not all our motor-driven yachts and boats be organised, armed and equipped with receiving and sending radio sets, so that they could be utilised for patrol work along our extensive coastline?

Finally, the "man in the street" asks: Why not cut down all excessive overhead charges, such as the very high salaries paid to some of the chief executive officers of the various newly-created departments?

## Bendigo Meeting

The usual fortnightly meeting, at the home of Mr. T. Crombie, 101 Anderson-street, Bendigo, will be held at 2.45 p.m. on Sunday, July 21. All interested are welcome.

## "An Apple a Day"<sup>7</sup>

"Apples Clean Children's Teeth - Harden Gums — Form Well-Shaped Dental Arch."—Melbourne "Herald," July 10.

Since the inauguration of the "Grapple and Despair Fraud," the history of the humble apple has been given much prominence in the columns of the daily press. The "Herald" believes in "sound finance," but "sound finance" doesn't believe in distributing sufficient money for everybody to buy enough apples - or any other necessities.

## UNITED ELECTORS' REPORT

### WEEKLY LECTURES

On Tuesday, July 23, at 8 p.m., the usual weekly lecture will be held in the Christian Club (lounge), 8th Floor, Albany Court, Collins-street (near Swanston-street), Melbourne. Mr. W. J. Carruthers will speak on "The Gold Standard Fallacy." These lectures are open to the public, who are cordially invited to attend. No charge is made for admission.

### COUNTRY SUPPORTERS

You are urged to send to the secretary the names and addresses of non-supporters attending meetings, no matter how few. Your co-operation is indispensable; do your best—we'll do the rest.

### LOCAL SUPPORTERS

Help the funds by saving LARGE, CLEAN newspapers. Send in large parcels by carrier, whom we will pay, or retain and notify the office, when we will collect as soon as possible.

### U.E.A. BADGES AND BROOCHES (Ladies' and Gent's.)

Wear the blue-and-gold symbol of unity and co-operation. Know your fellow-campaigners. Price, 1/- post-free.

### LETTERFORMS

As advertised; 100 for 1/6, 50 for 9d, 25 for 6d, posted, from: United Electors of Australia (Non-Party), McEwan House, Little Collins street, Melbourne. 'Phone, MU 2834.

## BANKERS' BALLYHOO

"Prosperous conditions of the last nine months cannot be expected to continue," states the National Bank of Australasia in its latest summary of Australian conditions,"—"Argus," July 12.

Let us briefly review these conditions:

Our National Debt now amounts to approximately £1,400,000,000. We pay away approximately £1,000,000 per week in interest.

Taxation is higher than ever before.

During the past nine months retail prices have increased approximately 15 per cent.

Unemployment figures for June last show that we have 15,000 registered unemployed in Victoria alone—to say nothing of the thousands who are not registered.

Prosperous conditions! Surely that was a printer's error. The bank must have meant "preposterous conditions." After all, why shouldn't bank spokesmen speak the truth?

## A PROGRESSIVE SHIRE COUNCIL

**A striking resolution was carried unanimously on July 9 by the Willimbong Shire Council at Leeton, N.S.W. Cr. Gleeson moved the motion, Cr. Lamprell seconded it, and it was supported by Cr. Dooley, Cr. O'Donoghue and the Shire president, Cr. Struck.**

The resolution declared that the council viewed with alarm the continued unemployment of usable manpower, equipment, and resources throughout Australia, and the serious effects on the country's economic strength and civilian morale caused by the Government's policy of curtailing expenditure on social services, main road works, and local government needs. That the council regarded the policy of general deflation (which causes unemployment) as a grave threat to the enthusiasm and effectiveness of the nation's war effort; and it called upon the Federal Government to attack at once this serious weakness in our war organisation

by the expansion of sufficient credit, through the Commonwealth Bank (as outlined by the Royal Commission on Banking), and to remove all restrictions on the full employment of Australia's manpower and resources. Also, that the council requested all shire and municipal councils, who are in close touch with these unfortunate people, and who realise the need for maintaining a vigorous and efficient war effort, to co-operate with the council by communicating direct with their Parliamentary representative and pressing for action by the Federal Government in solving this very important problem.

## The Story of Dr. Schacht

(Continued from page 1.)

amalgamated with the Deutsch Nationalbank of Bremen, and in 1922 with the Darmstadter Bank. The enterprise, called "Danat," became one of the foremost of the great banks in Germany, one of the "D-banks." Schacht rose with the expansion of the bank and the inflation of the German currency to the heights of industrial captaincy.

Then Goldschmidt set out to make Schacht the "saviour" of the currency. Unsuspecting leaders of the "left" took up the idea with enthusiasm, and the Ullstein newspaper combine launched a campaign to make Schacht President of the Reichsbank. The Direktorium of the Reichsbank, the body of experts, protested: "After mature consideration we have arrived at the unanimous opinion that Herr Dr. Schacht is in no way suited to the post of the president of the Reichsbank," and in a communication sent in December, 1923, to the permanent under-secretary at the Chancellery, this body drew attention to the "well-known Brussels incident," adding that the documents in this case, which were officially communicated to the Reichsbank at the time, were collected in the file of papers transmitted to the Chancellery.

Nevertheless, Dr. Schacht was appointed President of the Reichsbank.

### DR. SCHACHT IN OFFICE.

Germany was cutting down expenditure to the very minimum in an effort to recover after the war. Between October 1923, and March 1924, 397,000 clerks, work-people and officials were discharged, and 421 million marks were "saved." In April, 1924, the Committee of Experts of representatives of the victor States in the war of 1914-1918 granted to the Reich an international loan of 800 millions of gold marks (the Dawes loan). Before the war the State had received 35 million and the shareholders 15 million marks from the profits of the Reichsbank, but the final proportion under Schacht's administration was 27 millions for the State and 20 millions for the shareholders. Representatives of the majority of the shareholders—the big banking corporations and the private banks—formed the general Council of the Reichsbank, which had the sole say as to the remuneration and dismissal of the President.

At this time the President of the Reichsbank was in very close touch with American financiers, who were "putting Germany on her feet," and it was remarked that he was working in the same direction as Parker Gilbert, the American agent appointed by Ger-

many's creditors. In Streseman's diary there is a note of a Cabinet sitting on June 22, 1927, which discussed the agent's six-monthly report:

"Schacht identified himself to such an extent in his criticisms of the financial policy of the Reich with Parker Gilbert, that he finished by asking that it should not be inferred from his attitude that he had influenced Parker Gilbert's report . . . after the sitting a member of the Cabinet turned to me, in the presence of Brams, the Minister of Labour, and said to me, 'Do you see now who is our opponent representing the German creditors' interest against those of the German nation?'"

Dr. Schacht bears the full responsibility for the heavy annual instalments arranged for the payment of Germany's war debts, instalments of from 1½ to 2½ milliard marks a year continuing until 1988.

Meanwhile he was by no means uninterested in politics. In 1926 he had resigned from the German Democratic Party that he had helped to found, and during the discussion of reparations in April 1929, he unexpectedly declared that Germany could make no payments at all unless the Polish Corridor and Polish Upper Silesia were returned to Germany.

At the second Hague conference on Reparations where Schacht was representing Germany in discussions on the Young Plan, he rebelled against German policy about the participation of the Reichsbank in the Bank of Inter-

national Settlements. On February 20, 1930, he cabled to Owen Young (the originator of the Young Plan) in America that he intended to resign the presidency of the Reichsbank, and it was from the German Embassy at Washington that the German Government learnt of his intention. His resignation was announced on March 7.

The ex-president was offered 30,000 marks a year for life, or alternatively, three years' salary at the recently increased rate, 360,000 marks. He chose the latter. Exactly three years and ten days later he returned to the Reichsbank.

It was in 1930 that Schacht was first associated with the Nazi party and first met Hitler. Hitler's party was short of capital, and Schacht's connections with influential people in the banks and heavy industries provided important sources of money for the party. He also arranged for Hitler to be instructed in economic questions by Dr. Walther Funk, a friend who was engaged in financial journalism. In 1930, too, he travelled to the United States, and on his return was thanked by a Nazi official for "the way he had explained the National Socialism in America." He made his first public appearance as a Nazi in 1931, at a rally at Hapsburg, and in his speech he attacked the Reichsbank sharply. In 1932, when the star of the Nazi party seemed to be declining, Goebbels made an entry in his diary: "In a talk with Dr. Schacht I found that he absolutely supports our standpoint. He is one of the few who side quite steadily with the Leader."

(To be continued.)

## POWER-PLUS?

"New Source of Power. —Research workers at Columbia University, led by Professor John H. Dunning, have discovered a new source of power in a certain natural substance, which is capable of yielding such energy that 1 lb. of it is equal in power output to 5,000,000 lb. of coal. The substance, which is called U.235, is an isotope (chemical twin) of common uranium, and is found abundantly in many parts of the world. By itself it is inactive, but all that is necessary to liberate its energy is to keep it in contact with a constant flow of cold water."—"Physical Review" for April.

Assuming that this substance can be made to produce such terrific energy, how will the apologists of "sound finance" find work for people when the new power is harnessed? And what will happen to the "experts" when they throw the customary cold water on this proposition?

## D.S.C. Secretariat of Queensland

Mr. A. G. Horsfall, owing to business reasons, has resigned as chairman. Mr. V. L. Fairley was elected chairman and treasurer.

Mrs. Bonner Smith has resigned as treasurer, as she intends leaving on July 27 for Melbourne, where she will reside in future.

The Director of the Electoral Campaign has issued a circular and letterform (reprinted in a previous issue) in continuance of the campaign for the use of the national credit for defence, etc. Readers desirous of assisting in this work are requested to communicate with the Secretary.

## Centralisation of German Banking

"The great comb-out of Jewish businesses in Germany has accelerated the centralisation of German banking. Figures published by the journal, 'Bank Archiv,' show that the number of private bankers decreased during 1938 by 300, says the 'Economist.' During 1939 there was a further decrease of 46 firms.

"Total assets of the remaining 535 private bankers amounted to 1,300,000,000 marks. The total number of joint stock banks remained unchanged during 1939. Since the beginning of the war eight new joint stock banks have been founded for the specific purpose of financing exports."

—From a recent edition of the Melbourne "Herald."

## WHO CONTROLS MONTREAL?

The Bank of Montreal, the Royal Bank and the Banque Provinciale refused to advance further credits to meet maturities of \$4 millions due on May 1, and \$2,750,000 due on June 1. The banks also deferred their answer to a request for a renewal of the joint bank loan of \$3 millions due on May 15.

It will be remembered that about a year ago these banks threatened to withhold financial services to the City of Montreal unless it submitted to control of its expenditures.

The City Council of Montreal is elected by the electorate of the city with a mandate to carry out certain policies, which have been entrusted to that body by authority of the superior Government of the Province, acting for the people of Quebec Province. This assumption by the banks of the authority to limit and to restrict the mandate of the people of Montreal is a direct violation of democratic principles.

## Parliamentary Notes (continued from page 1)

(And your opinion, Senator, is undoubtedly correct; but the Government will continue to sneer at it until your opinion is backed by that of the public—in sufficient numbers to be formidable.)

\* \* \*

**Senator Cameron:** "I rise to point out that the policy of the Labour Party, in relation to the raising of money for war-time needs, is that money required for naval and military expenditure shall be derived from direct taxation."

(Is that so, Senator? Then the sooner the Labour Party revises its policy, the better for those it represents. If there is one thing more certain than another about every species of taxation, it is that, in the long run, it is paid by the people on fixed incomes -- chief among whom are those drawing wages and salaries.)

\* \* \*

**Senator McBride:** "In regard to loans, we have, up to the present,

followed the system of voluntary contributions. There, again, should the result prove insufficient, I have no doubt at all that consideration will be given to proposals for raising compulsory loans."

(Was this scarcely veiled threat to depositors the reason why Mr. Menzies was obliged, later on, to broadcast the assurance that his Government did not intend to confiscate Savings Banks' deposits, but would rely upon taxation and voluntary contributions?)

\*

**Mr. Forde:** "Undoubtedly a great deal more of the financing of this war should be done by a judicious issue of credit through the Commonwealth Bank."

**Mr. Spender:** "Surely the Honourable Member does not suggest that this war can be financed by the use of the national credit?"

**Mr. Forde:** "It could be so financed to a much greater degree than is being attempted now. . . . If we rely upon the old orthodox method of finance, which involves going cap in hand to the financial institutions for advice and assistance, no new ground will be broken. The Treasurer must initiate schemes for the utilisation of the credit resources of Australia."

(Hear, hear, Mr. Forde! And those schemes must not entail interest or taxation.)

\* \* \*

**Sir Earle Page:** "The present war debt of Australia is £266 millions, of which £80 millions is owed to the British Government and carries no interest."

(A most valuable bit of information. It shows that the British Government was able to give an interest-free loan of approximately £100 millions to Australia because at that time the British Government was using as currency its own Treasury notes, which it had created itself, instead of money borrowed from the banks. What the British Government did for us in those days we can surely do for ourselves today, since the National Security Act gives the Government power of control over even the Commonwealth Bank Board.)

### 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.

If you wish to have your copy posted direct from this office, please complete the form below and mail it, accompanied by remittance payable to New Times Ltd.

### SUBSCRIPTION FORM.

To New Times Ltd.,

Box 1226, G.P.O., Melbourne, C.I.

Please forward me the "New Times" for.....

Months, beginning with issue dated..... 19.....

cheque  
I enclose postal note for the sum of.....  
money order

Name.....

Full Postal Address.....

Date.....

Please fill in name and address in block capitals.

The subscription rate to the "New Times" is 15/- for 12 months; 7/6 for 6 months; 3/9 for 3 months. Post-free.

## PROFESSOR HANCOCK FINDS WRONG NIGGER IN THE WOODPILE

(Continued from page 1.)

Now, let us turn to some evidence from the opposite camp. In 1924, Sir Drummond Fraser, who was then Vice-President of the Institute of Bankers (England), stated: "The Governor (of the Bank of England) must be the autocrat who dictates the terms upon which alone the Government can obtain borrowed money." On a later occasion Sir Reginald McKenna, Chairman of the Midland Bank and Ex-Chancellor of the British Exchequer, said: "They who control the credit of a nation direct the policy of Governments, and hold in the hollow of their hands the destiny of the people."

The British Government has the constitutional power to create all the new money required, but has allowed the Banks to filch this power so completely from it that the National Debt, which in 1914 was £708,000,000, had in 1937 risen to £7,910,000,000. The Cunliffe Committee inquiry revealed that the greater part of this debt was provided by credits created at practically no cost by the Banks, but for which they drew interest. Since 1914, British taxpayers have paid approximately £200,000,000 per year in interest charges on this debt, without, however, reducing it. These facts prove conclusively that instead of labelling the period 1832-1940, "The Business Man's Age," it should, more fittingly, be termed "The Banker's Age" or "The Age of Economic Lunacy"—the terms being practically synonymous under existing conditions.

### OFF THE RAILS

University professors have often proved to be staunch and stubborn upholders of the status quo, so it is cheering to find that Professor Hancock is thoroughly dissatisfied with the existing social standards. He writes: "As for the job—it is to make society organic without destroying freedom . . . The acid test of our success will be the abolition forever of the disease and disgrace of unemployment. (For the sake of clear thinking, it must be affirmed that unemployment is not a "disease" but a symptom.)

After this rather promising start, it is distinctly disappointing to find that he has run off the democratic track, and taken a little excursion in the opposite direction. He states: "For the duration of the war we are 'totalitarian' and we shall in many things REMAIN TOTALITARIAN AFTER THE WAR, SO I HOPE." (Our emphasis.) In a recent broadcast, Prof. Walter Murdoch revealed a sounder democratic instinct, when, in referring to our surrendered liberties, he said we would take them back, AS SOON AS THE WAR IS OVER. (Our emphasis.) Prof. Hancock's "hope" is for many lovers of freedom a haunting fear: a fear well grounded on one of History's lessons, which is that those who have power are always reluctant to part with it. It will be small gain if we defeat Hitler and still lose our freedom.

Totalitarianism may or may not have some advantages in times of war, but those who believe that it might easily be given a permanent place in our national economy are like those simple-minded people who, prior to a sudden and sanguinary end, have experimented with a tiger cub, for a pet. The result is approximately the same.

Those near-democrats who favour the totalitarian experiment, might well ponder over the two statements made by Prof. Laski in his "Liberty and the Modern State." He writes: "I know no instance in

history in which men in possession of power have abdicated its privileges. They say that reason and justice prevail; but they mean their reason and their justice . . . They are prepared to die fighting rather than to surrender." And again: "States have done all these things. There is no crime they have not been prepared to commit for the defence or the extension of their own power."

Throughout this engaging epistle expression is given to a good deal of merely wishful thinking, similar to much of the kind we heard during the previous world-war, but which did not materialise into any solid gain. An instance of this, is his rather naive idea that, "We shall graft all that (totalitarianism) on to the stock of our ancient freedom" after the war. It is well known that there are some grafts that simply will not "take," and a totalitarian State on freedom's stock is one of these. "Do men gather grapes of thorns, or figs of thistles?"

When the war ends, the world wants, not less freedom, but real freedom—release from the financial domination, which has for so long, been its curse. Dictatorship is the goal for which Britain's financial tyrants have long been aiming, and, until the stranglehold of the money power has been cast off, war, malnutrition and misery will abide as Britain's portion and inheritance.

### BRAKES OR BURIALS?

"Because of the cost and other factors, it was not considered advisable to make the examination of brakes and other mechanical parts of motor cars compulsory, before granting registration, the Chief Secretary (Mr. Bailey) said today."—Melbourne "Herald," July 10.

The question of financial cost should be considered of secondary importance in a matter of public safety. The value of efficient braking is inestimable, whilst the REAL cost of inefficient braking must be measured in terms of the toll of the road rather than in tokens of exchange.

## SOUND FINANCE LEAGUE ATTACKS ERIC BUTLER!

### Banks' Apologists Forced Into Open MORE SUCCESSFUL MEETINGS

It is not usual for the bankers' apologists to come into the open; they prefer to adopt the powerful weapon of complete suppression. Behind a wall of silence they continue to propagate their gibberish, which, more and more, thinking people are recognising as such today. Mr. Spender was one of the first to try and publicly defend the present financial system. We are now pleased—yes, it is a great tribute—to inform readers that Eric Butler has been attacked in an article which appears in "Sound Finance," which is issued by the Sound Finance League of Australia, 54a Pitt-street, Sydney, and the Sound Finance Association of Victoria, 422 Collins-street, Melbourne. Not only has this article been published in "Sound Finance"; it has been widely distributed throughout Australia to the press, particularly in Victorian centres where Eric has spoken. Apart from this, we have been informed that the article in question has been posted to selected individuals in several areas. It has already appeared in several country papers, and we request all readers to inform us if this article appears in their paper. It is headed, "Other Saboteurs," and, in the main, is a very clever attack upon Eric Butler's first booklet.

Eric is checking up on certain aspects of this vigorous campaign before replying.

In the meantime he is continuing his big drive for a maximum war effort by the utilisation of the nation's credit without further debt and taxation. More and more country papers are publishing his articles and reporting his addresses, while his meetings continue to get bigger and bigger.

#### SUCCESSFUL ALBURY MEETING

Unfortunately, the date of the meeting in the Albury Town Hall (Tuesday, July 9) coincided with that of a big patriotic rally, at which many keen supporters attended.

In spite of this fact, the meeting was well attended, while the chair was taken by Cr. J. E. Jelbart,

President of the Hume Shire Council, who said that, although he had to leave to attend the other function, he would like to stay and hear the whole of the address. In opening the meeting, he said that Mr. Butler had quite a lot of enemies. "Some people," he said, "don't think that I should be at this meeting tonight, but, although I am not an expert on finance, I do know that there is something wrong. I have read some of Mr. Butler's work and heard him when he spoke here on his last visit."

"If his opponents think that he is misleading the increasing number of thinking people in this town who are becoming interested in his message, then, I say, as I have told them, that they are failing in their public duty if they do not attend these meetings and show when the speaker is wrong. (Applause.)

"Mr. Butler is a courageous young man, and he is treading the same rough path that other reformers have trodden in the past."

Although Eric's throat has been giving him some trouble and his health is showing signs of the continual strain, he managed to give a splendid address. Many questions were asked; the resolution to Mr. Collins, M.H.R., was passed practically unanimously; demand forms taken, and literature was in keen demand.

The most pleasing feature of the meeting was the big report in the following morning's Albury daily. This will arouse interest over a wide area. Within twenty-four hours of the meeting people were asking when Eric could speak again. On a suitable night they are convinced that he could pack the largest, hall in Albury. He hopes to speak here again immediately after the Gippsland tour.

#### ECHUCA MEETING

The meeting in the Echuca Town Hall on Thursday, July 11, was the most successful meeting ever held at this centre. Those present said that, apart from the number, those present were very representative. The chair was taken by Cr. Ogilvie, who said that he had had the pleasure of hearing the speaker at Tongala. Many good questions were asked at question time, while the resolution was carried, with one exception. Ironically enough, the exception was a Communist! This must have confounded some who had, in their ignorance, branded Eric as a Communist.

Those present were so impressed that they made Eric promise that he would address another meeting in the near future. A record attendance is promised.

#### KYABRAM MEETING

The meeting at Kyabram on the following night, Friday, July 12, was not as well attended as the first meeting, held there two weeks ago. The night was, unfortunately, very wet. However, an average attendance gave the speaker, who was not at his best, an attentive hearing.

The resolution to Mr. McEwen, M.H.R., was carried. Demand forms were taken.

The next meeting took place at Nathalia, last Monday night. We have not yet received a report. Eric has been in Deniliquin this week endeavouring to get a well-earned rest, although he hopes to arrange a meeting at this centre before finishing the series of meetings in Northern Victoria.

#### GIPPSLAND TOUR

Once again we remind all Gippsland supporters who desire to obtain Eric Butler's services on his forthcoming tour, starting the first week in August, to get in touch with him, c/o Box 1226, G.P.O., Melbourne—NOW.

## GREAT NATIONAL EFFORT WANTED!

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 Street, Melbourne, C.I. Price 1/6 per hundred, post free.