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THE NEW TIMES

Now, when our land to ruin's brink is verging,

In God's name, let us speak while there is time!

Now, when the padlocks for our lips are forging.

Silence is crime.

—Whittier (1807-1892)

Vol. 6. No. 31. MELBOURNE, FRIDAY, AUGUST 2, 1940.

Election MUST be Held

Democracy — Use It Or Lose It?

The proposal put forward by the Menzies Government, that Federal Parliament should have power to extend its own term, has caused no surprise among those democrats who have carefully watched the trend towards political dictatorship, which has become more marked as Mr. Menzies has climbed higher in the political firmament.

But the proposal has come as a surprise to those who have been saying: "It can't happen here." The resultant consternation is doubly deplorable at a time like this. It is infinitely more disturbing to the public mind than any conceivable election issue, and the reason for this is surely obvious. In one case the basic question is: "How shall we USE democracy?" In the other: "Do we LOSE democracy?"

Lest we momentarily add to the consternation, let us partly anticipate our conclusion by hastening to say we are confident that electors will certainly continue to be electors if they will quietly exercise their legitimate democratic power, as indicated in this article, without delay.



MR. MENZIES

To say that the arguments advanced by the Menzies clan are specious is to flatter them. They are a multiple insult to the intelligence of all Australians old enough to vote. As it is to such Australians that this article is addressed, we will not add a further insult of the same nature by dealing with these arguments at greater length or more seriously than they merit, but will merely emphasise a few points before indicating what to DO.

PALTRY

Perhaps the most paltry argument is that which claims that Australia cannot "afford" the "expense" of an election in the immediate future. To suggest that seven million people, inhabiting a rich continent, cannot "afford" the energy and materials represented by the money-figures, £100,000—to maintain their most precious institution—when their military and civil effort is still in "second gear" (Director-General of Recruiting dispensed with, 14,000 registered unemployed in Victoria alone, etc., etc.), is laughable. The notion could only be entertained in minds hypnotised by the scarcity-chant of bankers and orthodox economists.

Also, it is ominously and mysteriously hinted that an unspecified Super-Emergency is likely to swoop upon us—just at the very

time when Mr. Menzies will, of course, be simply dying to face the electors of Kooyong. Comment? We leave that one to you.

Some of the election-evaders say that a lot can happen within six months. Six? The normal election time would be in about three months. There is no earthly reason why it should not be held six weeks from now. It would be a good idea.

ARE WE CHILDREN?

Much is made of the idea that an election would so upset even bearded citizens that the war effort would suffer. Citizens will naturally ask: "Are we mere children, so that a few politicians' speeches and the marking of our ballot-papers will reduce us to hysterics?" No, elections have been held in wartime before, and the only cause for regret has been that electors didn't make better use of their votes.

We are also asked to believe that the possible change of Government would upset our war effort. Was not the British Government changed recently, to the accompaniment of bitter press at- (Continued on page 7.)

The following Resolution was carried by the Auckland Provincial Conference of the New Zealand Farmers' Union last month, for transmission to the Dominion Conference. Captain H. M. Rushworth, ex-M.P., was Chairman.

"That all internal war expenditure should be met by (a) borrowing the genuine savings of the people, (b) taxation, and (c) the Reserve Bank being directed to place such sums as are required to the credit of the Government account, and that such sums shall not bear interest nor be repayable."

It was stated that the object of the final clause was to preserve the stability of the Dominion's purchasing power.

In moving approval of the proposal, Mr. A. C. A. Sexton, vice-president, said that the Reserve Bank of New Zealand could create money, and this should be done, instead of allowing the banking system as a whole to create the money and lend it to the Government. As the Reserve Bank belonged to the people of New Zealand there could be no objection to such advances being made non-interest-bearing and non-repayable.

DANGEROUS PROPOSAL

FEDERATION AS REMEDY FOR EUROPE'S ILLS

An entire literature has sprung into being on the subject of a federated Europe, the offspring of the German-American, Clarence Kirshman Streit. This latest contribution, "Federal Europe," by R. W. G. Mackay (Michael Joseph, London; 10/6), like Streit's "Union Now," attempts to show that the only hope of peace is by all the countries of Europe forming themselves into one organisation.

In other words, the panacea for mankind is for them to give up all that they possess in individual liberty and allow themselves to be ruled by a vague, impersonal authority drawn from all nations, and therefore caring little about any.

Speciously presented, with much apparent earnestness, the plan contains what . . . seems one of the most sinister proposals ever made whereby the British Empire would lose its sovereignty, its army and navy and air force and become the creature of an international parliament.

Mr. Mackay's book, which is graced with a foreword by Sir Norman Angell, provides a complete "case for European Federation," and with it a "Draft Constitution of a United States of Europe" which needs to be read to be appreciated in its full meaning. Let me say here that while the principle may contain the nucleus of something remotely possible, the idea of suggesting that when this war is over peoples will be prepared to throw into a common pool their nationhood, their means of defence, and their rights and privileges, which will have been retained only by the most painful sacrifice, is an absurdity too great for consideration.

The British Empire is engaged in fighting for bare existence against a demoniac power which has crushed free nation after free nation . . . and which still seeks to destroy our own free institu-

tions to make way for the serfdom of peoples and the extinction of every decency in life. Yet we are invited by the supporters of Federal Union to meet the countries responsible for such conditions of peril and misery today, in a federated parliament in which, by proportional representation ac-



LORD LOTHIAN,

An advocate of Federal Union. British Ambassador to Washington—appointment announced April 24, 1939. Played important part in Versailles Conference. Parliamentary Under-Secretary, India Office, 1931-32.

ording to population, they would have the preponderating vote!

ASTONISHING

Even more astonishing is the principle contained in the proposed union that there should be one governing financial power vested in the international parliament and its cabinet. Thus, section 27 provides for power, after making laws covering external affairs, defence, and essential services, to take complete financial control, including customs and excise, bounties, borrowing money on the public credit of the Federation, currency, coinage, and legal tender, banking in all its forms, and the incorporation of banks, the issue of paper or other forms of money, bills of exchange and promissory notes. In other words, we are asked to set up a single enormously centralised authority which shall ordain the basic condition of living through international control of money and credit.

(Continued on page 7.)

ENGLISH PAPER "SPILLS THE BEANS"

The feature article in the May issue of a London Co-operative publication, which is stated to be distributed to a million people, contained some very pertinent remarks about national finance. Here are some of the points it makes:

"Let me tell you what is wrong with Sir John Simon! He shares the common, but quite wrong, belief that a Government needing money can get it ONLY by taxing its people OR by borrowing from them.

"There is a third way in which a Government can get money, but Sir John Simon is, unfortunately, ignorant of that way! And because the British Chancellor of the Exchequer is ignorant of the British people have to bear an endlessly increasing burden of national debt—they and their children's children unto the umpteenth generation.

"A Government can get money by taxation. That is one way. It can get money by borrowing; that is a second and, as we have seen, a bad way.

"A Government can also get money by creating the money for itself. That is a third way. And that is the way about which Sir John Simon is ignorant . . .

"The important thing to understand is that bankers themselves actually create out of nothing most of the 'money' they lend.

"If you lend your friend a shilling you part with the shilling which he gets. But a banker lending £1000 to a businessman does not part with the £1000. He merely makes a book entry, crediting the businessman £1000 and allowing him to write out a cheque transferring £1000 from his own account to the account of some other businessman. No money passes, and in actual practice over many years the bankers have found that for every £1 of real money they have in their tills, they can put up £10 of loans in bank money which circulates only as cheques."

SYSTEM OF TICKETS

Urging his readers to stand no nonsense from the bankers, the writer continues:

"Money, therefore, is no longer wealth in itself, it is only a system of tickets.

"And bankers jealously reserve to themselves the right to create those tickets. They would also raise a frightful hullabaloo if the Government started to create its own money instead of borrowing (either directly or at secondhand) from bankers.

But a wise Government, standing no nonsense from bankers, would, especially in wartime, create for itself, from one annual Budget to the next, whatever money it decided could not be raised by taxation.

"Of course, there would have to be certain safeguards" . . .

"The first safeguard would be

the strict rationing of all consumable goods" . . .

[Little or no application to Australia.—Ed., "N.T."]

" . . . There would have to be strict Government control of all retail prices; and that would be the second safeguard adopted by a wise Chancellor of the Exchequer in his war Budget.

"The third safeguard would consist in rigidly costing all munition production and drastically limiting all munition profits.

"Once these safeguards were applied, it would be perfectly safe for the Government . . . to proceed to create its own money to bridge the gap between spending and taxing. **In this way, the evil of increased national debt would be avoided.**

BOGEY OF INFLATION

"Do not heed the bogey of 'inflation'! There can be no inflation when retail prices are under firm control. In fact, inflation means a rise in prices due to increased supplies of money unaccompanied by increasing supplies of goods. What I am advocating is an increased supply of money, true; but only to meet the cost of increased supplies of munitions [sic!] delivered to the Government!

"Is anyone, banker or otherwise, going to tell me that there is any limit to our war effort

BELGIUM AND THE INTERNATIONAL BANKERS

Belgium is a much freed land: she is also a much conquered one, and not the least of the tyrannies—Spanish, Austrian, French, German—to which she has been subjected, is that of the financier.

Ever since the marrano Jews expelled from Spain settled in the Low Countries her cities have been the focus of financial activities culminating in immense, internationalist institutions of the type of SOFINA.

Belgium is probably more highly industrialised than any other part of the Continent, except Saxony: she has great metallurgical, glass and textile industries, and her coal mines, in the province (not the Grand-Duchy) of Luxembourg, where the forts of Liege and Namur stubbornly resisted the German invasion, produced in 1938, 29½ million metric tons of coal. Her iron and steel works in the same region, which turn out annually four million tons of crude steel, obtained ore supplies from France and Algeria, as well as from the Grand-Duchy of Luxembourg. Belgium also refined imported copper and zinc, and from uranium ore mined in the Congo she produced radium.

POST-WAR RECONSTRUCTION

When after the last war the Belgians came to add up the losses they had suffered it was found that about 100,000 houses and 1200 public buildings had been destroyed; 1250 miles of permanent way, tunnels and bridges, had been destroyed or stripped of machinery; and about 250,000 acres of agricultural land in the war zone had been converted into shell-marked and marshy desert. There was practically no raw material in the country and half the cattle had been requisitioned. In addition, half the roads and

other than the limit indicated by the nation's capacity to produce, carry and consume goods?

"But," say people like Mr. Keynes, 'you will be letting the public accumulate lots of money which they cannot spend for the reason that industry, fully occupied with war production, cannot supply people's private needs!'

"Exactly, and why not?"

"When the war is over, and munition production comes to a full stop, I want the people to have plenty of money to spend on the things of peace Mr. Keynes's own plan professes to achieve exactly the same end; but he does it in such a way as to hide from the public the truth about the creation of money. His plan, too, involves a capital levy, which might or might not happen!

"The essence of my scheme, of course, is the firm control of all retail prices—necessary during the war and after the war if the scheme is to work.

"That, of course, is the snag!

"Our financiers rely on uncontrolled retail prices as the weapon wherewith they can keep ordinary folks from enjoying the benefits of an age of plenty. Control of retail prices is the one thing, which the City of London, the bankers, the Capitalistic and Conservative interests generally, will not part with to the Government if they can help it.

"The time to show the public the need for making money the nation's servant, instead of its master is now, when the national war effort is being hampered by bow-and-arrow finance, which plays into Hitler's hands during the war, and will play into the hands of our own hidden financial dictators after the war."

PEANUTS AND PRICES

London, Wednesday.—Suits consisting half of wool and half of peanut-shell fibre are being produced in Yorkshire factories, the "Daily Mail" says. Those suits are expected to be cheaper than all-woollen garments, and industrial scientists believe that the ordinary customer will be satisfied with them when the new process has become a commercial proposition.—"Argus," July 25.

Recent figures show that Australia carries approximately 110,000,000 sheep, producing sufficient wool to provide forty suits of clothes per annum per head of population. You see, we have plenty of wool but not enough money, so we simply cut down our purchases to fit in with the supply of money, and use substitutes instead of the genuine article, so that we can tear around the globe looking for "markets" for our "surplus" products. The attention of new readers is hereby drawn to the fact that our economic system is called "sane" and our money system is known as "sound finance."

Speaking of peanuts, a scientist chappie recently stated that half a peanut would provide sufficient mental energy for two hours of thinking. Have we a Queensland subscriber with a sackful to spare? They should be forwarded to Parliament House, Canberra.

—"Scissors."

The "Fifth Column"

The "New Times" has no fifth column. By judicious editing, however, we are able to concentrate into our four columns sufficient evidence to expose the nature and activities of the REAL fifth column.

siderable interest in them, and as a result of its influence there was a tendency towards concentration and combination both vertical and horizontal.

Agriculture, industry and trade were therefore practically reconstructed by 1924.

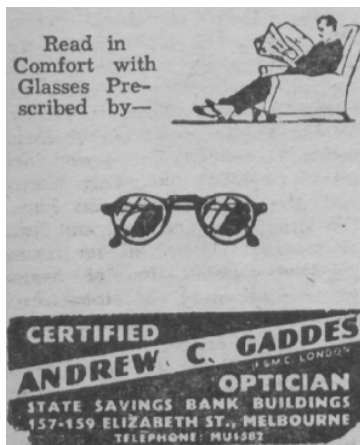
THE CATCH

The Belgian man-in-the-street pointed out, however, that he was paying more than nine and a half times the amount of taxation he paid before the war, a much greater increase than in France or Italy.

In 1919 it had been understood that expenses incurred in reconstructing Belgium should be obtained from Germany by way of reparations, as also should her war debts to Britain, France and the United States. Credits were obtained from Britain and the United States to begin the programme of construction, but when the United States refused to ratify Woodrow Wilson's promise as regards her war-debts, and by the Dawes Plan Germany's payments in reparations were cut down heavily, Belgium's Budget did not balance. Balanced Budgets were the fashion in those days. The banker, Franqui, made a trip to America in 1920 to try to obtain an extension of a credit of fifty million dollars, without effect. By 1924, when the real assets of the country in the shape of roads, factories, houses, industry agriculture and trade had grown by the work of Belgian men to pre-war levels, the financial situation became severe.

Having paid for the resurrection of their country with their skill and labour and energy in rebuilding it, the Belgians were now to find that that was not sufficient; they had to pay the bankers with money for the privilege of rebuilding it.

(To be continued.)



Gold and Politics

By "The WALRUS."

I was almost giving myself up in despair over this gold standard business when I was suddenly encouraged to take a more hopeful view of myself by an unsigned article entitled "Gold and Politics" in my newspaper of July 16. I don't think it was the writer's intention that I should derive encouragement, but he was so obviously irritated and despondent that it seemed all was not well with orthodoxy.

He says: "The movement against gold" is "drawing to its ranks a number of publications which seem more desirous of whetting public news taste than in presenting facts." It isn't often we encounter an orthodox admission that news value in the public taste is achieved by suppression of facts, and he does it with an easy assumption which is almost disquieting.

But, as I complained last week, the facts about gold are so scanty that they are almost as difficult to arrive at as gold itself, and, naturally, the author of this facile lament is silent about them. That cynical synopsis of the history of gold bullion, that, it is laboriously extracted from one hole in the earth so as to be expensively interred in another, is very much objected to by our investigator. Nevertheless, to me it is a comprehensive, though incomprehensible, fact, and, anyhow, nothing adduced by the gold standard addicts is half as impressive.

Of course, I really feel sure that if anything convincing about the gold standard could be said, it would long ere this have been said by those interested in its maintenance. But the only facts there are don't help at all. To begin with, gold is the most favoured commodity—the only one, so far as I know, of which the value is fixed before it is obtained, and fixed, not by any national committee nor even by the sacred law of supply and demand, but by a very select committee of the world's most secret operators, the international bankers, once a fortnight,

"WHAFFOR?"

Well, you couldn't hand the ignorant public a fact like that. They might be coarse enough to ask, "Whaffor?" And you couldn't very well say, "Because, my dear asses, if we can kid you that gold is a fairy uncle that everything is related to, and that there can be no sort of undertaking nor well-being without this rich if chimerical relative: and if, further, we can obtain possession of all the gold by the simple process of naming an attractive price and buying it in with a cheque drawn on imaginary money (ours, of course), isn't it obvious that we can inherit the earth and the governments thereof with even greater efficiency than we do at present?" Of course, you couldn't retail facts as awkward as that.

So, really, when you come to the core of the complaint that the antagonists of the gold standard are stingy with their facts, what are we going to say of the protagonists? Obviously we would have to wait until there were no ladies present. The gold standard fans tell us such rummy things that they make us wonder which side they are on in this conflict. According to them you can't hope to exist without gold: that it isn't much use having food and shelter and access to material things unless you invent a ratio between them and gold.

I am certain that, as far as they are concerned, the crime unspeakable of Hitler has not so much to do with rubber truncheons and fatal doses of castor oil as with the circumstance that the only joke he has ever been known to laugh at is the gold standard. I am told that the staunchest devotees of the gold standard resolutely refuse to believe that Hitler has subdued Poland, the Netherlands and France, because, they say, it was impossible for him to equip and

maintain the necessary force without gold. They await the inevitable denial of these conquests. They await also the day of our glorious return to the gold standard. That this return will entail peculiar and extensive sacrifice is admitted and even pronounced desirable by its advocates. "What," ask these purveyors of irrefragable fact, "is the paltry loss of liberty beside the loss of our fairy uncle?"

FOR THE FEW

Alas! Our power of understanding will not yet rise to the trick of contradicting the tangible evidence of our senses. That intellectual achievement is only for the few: the Spenders, the Coplands, the Watchmen and other enlightened leaders.

But our denouncer of the antagonists of the gold standard has something even more frightful to say. "They offer us no substitute for gold." That's bad. Almost anyone can see how bad it is. In these times, when enlightened democracy has found a substitute for everything of proven value, it is sinister. In view of the enormous value of gold, it seems an incredible thing and a blot upon our civilisation that we haven't found something almost as good and a whole lot cheaper. I can't make it out. It looks as though science has let us down.

In the next breath, however,

our writer says something about gold which, to my unauriferous intelligence, appears to belong somewhere else altogether. "Well informed people properly see danger in the vast gold holdings of the United States, a growing threat of runaway credit expansion and inflation."

"Well informed" people always seem to me a trifle unpredictable. First of all, our civilisation will go down in ruins if we don't have gold, and next the poor old United States in its lust for civilisation employs hundred per cent, methods of procuring a healthy dollop of gold only to find that it faces danger of ruin just the same. There seems to be a resemblance between gold and strychnine in that the adjustment of the dose is such a delicate matter that one can hardly blame quite ignorant people for leaving it alone.

BOOMERANG

But, in spite of an occasional break in the wrong direction, our poor old hack seems genuinely concerned about the failure of the evidence to live up to his theories of gold. He waxes ominous.

"Considering the attitude of the Axis Powers towards capitalistic countries, the thought cannot be downed that the hidden hand of foreign propaganda has played its part in drawing assistance from unsuspecting newsmongers."

In his place, I wouldn't have said that. There seems to me such a danger of a person with only ordinary intelligence imagining the whole article to be inspired by a subtle enemy agency, that the bit about "unsuspecting newsmongers" is altogether too much like pointing the finger at oneself as an accomplice of the fifth column.

In fact, the whole thing is so much like one of those baffling detective mysteries, in which the sleuth discovers that he himself is the criminal that I don't think we are intended to take it seriously. If that is so, it warms my heart to be able to oblige the writer in one thing at least, and I'll tell the world that I don't take it seriously.

NOT YET MOBILISED

"The British Empire, fortunately, is in a stronger economic position than any other group of nations. It has the material wealth, as well as the power to handle transport and use it. That enormous material wealth depends for its war service and distribution upon the technical use of financial credit . . .

"People are determined that orthodox finance shall not stand in the way of vigorous prosecution of the war. We have the power, we have the material power, and we certainly have the financial power.

"It is important that the nation shall use its own credit in the interests of the British Empire and the maintenance of civilisation. Every day makes it clearer that Hitler is out to smash the British Empire, and although the Empire has mobilised men and materials, it has yet to mobilise its own financial credit.

"To expect debt and taxation to provide finance for the war is a confession of failure to utilise the fullest resources of the country and the Empire."

—G. Lysaght Finigan in "Spotlight on World Affairs" (England), May, 1940.

UNORTHODOX FINANCE

Portents in Great Britain

Great Britain is now spending £9,500,000 each day, and according to a recent cable, the Chancellor of the Exchequer's deficit for the first quarter of Britain's financial year amounted to £507,000,000, and for the full year a deficit of about £2,200,000,000 seems likely. Consequently even the superstitious idolators of orthodox finance have already become a little disturbed, with the result that the Government has now initiated a "Bank Cash Loan" system. Whatever may be the merits of this scheme, it is entirely new and therefore unorthodox. The Government is to borrow "the surplus deposits of the banks." The "Financial Times" (London) describes what is being done as "a new plan of borrowing from banks against Treasury deposit receipts," which it considers is nothing very radical. What are "the surplus deposits of the Banks?" What (if any) interest is paid to the banks for the utilisation by the Government of the "surplus deposits of the banks," which might easily consist largely of the Government's own deposits?

Till much more is known of the details of this "New Plan," the "Voice" refrains from expressing opinion, one way or the other, as to its merits, but the fact that it is new, and altogether new, shows that the orthodox are acquiring a tendency to become unorthodox, and this, at least, is a healthy sign of the times. The prediction is made that national credit, properly applied, must win through in due course in both Britain and Australia and this will—save both.

This was written and in print last week. On Thursday of this week the cables from London show that many journals there hold the view that the British Chancellor of the Exchequer is endeavouring to finance an unorthodox war by orthodox finance, and that this will not do.

—The "Voice," Hobart, July 26.

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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.

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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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TAXATION REACHES "POINT OF CONFISCATION"

Taxation is becoming rather a popular subject of discussion these days; it has almost taken the place of football and racing as a subject to be discussed. And no wonder. The following report appearing in the daily press a few days ago is worthy of close study.

"The managing director of Taxation Services of Australia Ltd. (Mr. A. V. Renowden) will tell shareholders at the annual meeting today that taxation in Australia has practically reached a point where, it becomes confiscation. He will instance that the maximum rate of combined Federal and State taxation payable by a resident in New South Wales aggregates 15/1 in £1 on all incomes in excess of £5,500 a year. In other words, for each £100 in excess of this amount the Government takes £75/8/4 and leaves in the pocket of the taxpayer £24/11/8."

The report goes on to state that Mr. Renowden deplors the fact that the Government is hampering those individuals with sufficient capital to develop a young country like Australia.

Increasing taxation must under present financial methods, continue to press more heavily upon those with higher incomes, as the Government has nearly exhausted the capacity of those on the lower incomes to be taxed any further. Unfortunately, very few of our leading citizens seem to be aware that this increasing taxation is mere robbery in so far as about half of it goes to pay the interest bill upon a debt to the private banks which should never have been allowed to occur — the Government's own bank (Commonwealth) could just as easily have manufactured the money.

As even the latest increases in taxation are inadequate for the Government's needs, while it pursues the present financial policy, it is now being suggested that a capital levy be imposed on those people fortunate enough to own their property.

Ironically enough, the Socialists and the Communists are the strongest advocates of this. What will it mean? It will mean that in order to pay the levy, those owning property will have to mortgage their assets to the bankers. Thus the inevitable result of the present financial system must lead to the banks owning everything.

Taxation is the weapon being used to bring this state of affairs about. It is, as Mr. Renowden says, reaching confiscation point. We must make a united protest against further increases in this unnecessary taxation. Having accomplished this, we can then demand that it be progressively reduced.

PROBLEM OF PLENTY

"But the problem of surplus commodities piling up all over the world will be accentuated. It may soon be the biggest economic problem facing the Allies.

"Canada now has 370,000,000 bushels of wheat. Millions of bushels of grain are still accumulating in Australia and North and South America. The United States still has a lot of cotton to sell. Cocoa stocks are increasing in West Africa.

"But a large proportion of these goods cannot be sold in their usual markets. The blockade of 150,000,000 consumers is now in force and every extension of Hitler's dominion increases the area blockaded.

"The Allies have done a lot in buying up these goods. They have bought huge stocks of wheat and wool, cotton and copper, cocoa,

whale oil and sugar. But there are obvious limits to this policy, and, in any event, changing the ownership does not abolish the surplus."

—City Editor, "Sunday Express," (England), May 12.

PROFI-TEARS

"Sydney, Wednesday. — Because of its demand for producer-gas plants, the price of charcoal has risen from 1/4 a bag to 5/6 in some instances." Melbourne "Herald," July 24.

Where's Professor Copland and his vaunted Price Control? What's he doing with the profiteer? With prices all a-rising.

It won't be so surprising If the cheapest juice to run on soon is beer.

—"Scissors."

THE LINE THAT FAILED

Referring to the British propaganda which was being directed to the German people, Sir Richard Acland, British Socialist M.P., in his book, "UNSER Kampf" ("OUR Struggle"), wrote as follows in January:

"We shall never produce in the great mass of the German people a moral breakaway from Herr Hitler and his party as long as we continue our present line of propaganda. Our present propaganda fails; but it does not fail because it goes unheard by the Germans. Reliable neutrals report that in spite of all penalties a surprisingly high proportion of the German people either listen to our broadcasts or hear directly from someone else who has listened. Our leaflets must have been picked up and read by thousands. Our view can also be introduced to Germany by the illegal organisations. In fact, we can quite easily be heard if we have anything to say.

"The trouble is that our present propaganda, even when clearly heard and fully understood by the German, makes no appeal to him whatever.

"What is it that we are offering him? It would be easy to prove my case by selecting the worst that we are offering him . . .

"But what is it that even our most enlightened leaders are offering to the Germans at the present moment? We offer them Federal Union

"Of course we are not going to insist on reparations this time—except for a little something by way of compensation to Poland, Czechoslovakia . . . and perhaps France?

"We do not propose, this time, to take any of the German colonies away! We do, of course, intend to provide some machinery to make sure that Europe shall not again be attacked by Germany. Indeed, there is just a chance that if the Germans revolted and threw out Hitler in such a way as to lose the war, they would be asked to disarm first—as an essential preliminary, of course, to the general disarmament which would follow. —Or, wouldn't it?

"Internally, the Germans are to be free. There is no doubt that millions of Germans must nourish a hatred of the tyranny of the Nazi regime. In some cases this hatred is conscious and only suppressed by fear of the secret police. In far more cases it is unconscious and will remain dormant until conditions are created favourable to its growth.

"Therefore, if we offer the Germans freedom, they are likely to respond. But what sort of freedom do we offer to the great masses of the German people? Unfortunately, we offer them not the sort of freedom that the peoples themselves desire, but much more the sort of freedom, which those who make the offer find most attractive themselves—and the people who make the offer are the people who now rule Britain and France.

"Yes, indeed, they say, the German peoples shall be freed from totalitarian restrictions. They shall be freed to trade how they will. No more blocked marks or frozen credits. No more universal control over raw materials. The

German indeed shall be freed from the tyranny of the State, which shall not be allowed to interfere in every man's little business. Government direction shall be replaced by the free play of the laws of supply and demand, which shall not be distorted by giant Government orders for munitions, for unprofitable public works, nor yet thrown out of joint by Government injunctions to "export or die."

"Of course, they go on, the transition from a totalitarian to a "free" Germany will not be an easy process, and the Allies will generously grant loans to the German businessmen. Of course, these businessmen will realise that the loans will one day have to be repaid—with modest interest—and naturally no one could object to the claims of those who have made the loans to having some sort of say in the matter of how the borrowing industries should be run—a sort of international (or "Federal") organisation could be set up for this very purpose.

"And naturally, the German people shall be allowed once again to go back to Democracy and organise political parties and vote at elections by secret ballot.

"Domestically, then, it would be a nice little liberal republic—or would it be a conservative monarchy?—all nicely owned and controlled by the German opposite numbers of the Federation of British Industries, who, in turn, would be owned and controlled by "international"—i.e., by Franco-British-American—finance. Abroad, it would be another Europe in which—put whatever top-dressing you like on it—the decisions of Britain and France would "go."

"In other words, we are asking the Germans to return to the Europe and the Germany of 1927. We need not assume that the offer is insincere. The people who make it honestly believe that it is an attractive offer, and one which ought to persuade the German workers to throw themselves against the machine-guns of the Reichswehr and the secret police. The people who make the offer were really quite comfortable in 1927. It was a good year from their point of view, and they see no reason why anyone else should object to going back to it.

"Unfortunately, the answer of the German people is that they remember 1927. (They also, of course, remember 1919, and when we offer them 1927 it is not too difficult for Goebbels to persuade them that what we mean is 1919.) But assuming we could convince them that we really meant 1927; the answer of the German people is that they know all about it. They know what it was, and they know what it led to, and rather than face that all over again at our hands and at the hands of their own Big Business men, they will fight against us, even if it means fighting for Herr Hitler, to the last bullet and to the last crust of bread.

HEAR JOHN HOGAN-----

"PETROL RATIONING AND WAR FINANCE"

CENTRAL HALL

MONDAY, AUGUST 12, 8 p.m.

HELPERS NEEDED.

CONTACT HON. ORGANISER:

390 Mt. Alexander Road, Ascot Vale. Phone: FU6443.

After 8 p.m., XW1351.

A CHALLENGE TO "SOUND FINANCE"!

Insidious Suggestions by Banks' Apologists

By ERIC D BUTLER

A few people in certain quarters are apparently getting a little agitated about my activities. Opposition of many kinds has been offered; mainly, I believe, because of prejudice and ignorance. However, the attack by the Sound Finance League of Australia in its June issue of "Sound Finance" is of an entirely different nature. This issue has been widely distributed to newspapers, organisations and individuals. The article, attacking my first booklet, "The Real Objectives of the Second World War," is one of the most devious and insinuating articles it has been my misfortune to read.

It was first brought to my notice in a copy of the Nathalia press, just prior to my meeting at that centre on Monday, July 15. It was my intention to reply to "Sound Finance" last week, but I was awaiting a reply to a letter forwarded on July 15. This letter was a protest against some of the allegations made, and an invitation to send a speaker to share my platform at Nathalia next Tuesday night, July 30 (I pen this on Sunday, July 28), to publicly substantiate the charges made. I read this letter to the audience at Nathalia on July 15. As yet, "Sound Finance" have not even acknowledged this letter—sent under registered post—although the secretary, Mr. A. G. Adams, spoke in Shepparton last week at the Chamber of Commerce, and attacked the monetary reformers. Fortunately, I have been informed that I will have the opportunity of presenting our side of the case before this body at some future date.

It therefore appears that "Sound Finance" is not prepared to appear in public to uphold the gibberish, which it calls economics.

SABOTAGE?

The article in "Sound Finance" begins thus: "There is at least one thing that can be said for the Communists: while their purpose is to sabotage the national war effort, they do not pretend to be doing anything else." This is a most insidious suggestion that I and others lecturing and writing on monetary reform are, in reality, sabotaging the war effort. This is a remarkable statement, in view of the fact that monetary reformers have been in the vanguard of the struggle for security—both individual and national. We have constantly deplored the fact that the present financial system is not allowing us to make a maximum war effort.

The article continues: "There are others in the community who no doubt would be horrified, if it were suggested that they, too, were sabotaging the war effort. Yet they are doing it, nevertheless. Among these are the credit 'cranks,' whose crankiness has so possessed them that they must turn everything to account, even the war, to demonstrate that the financiers and the financial system are the roots of all evil."

Well, it is very interesting to know that an increasing number of intelligent people in every sphere of our national life is out to sabotage the war effort! With these, presumably, there must be included "Rydge's Business Journal," which makes some pertinent references in its July issue to the deflationary effect of the present financial policy. If a system which keeps thousands of our citizens unemployed, wrecks our primary industries, introduces boards and red-tape, while the nation is pawned to a private group, is "sound," then I prefer to belong to the "cranks." And "Sound Finance" might recall what happened in France. We have no desire to see similar interests, in this and other British countries, betray us.

SOME HALF-TRUTHS

The article goes on: "And, so Hitler is entirely innocent; at worst, but a poor dupe. The authors of the horrors of Poland, Finland, Norway, Holland, Belgium, Luxembourg and France, and of all the atrocities yet to come, are the financiers—usually referred to as 'high finance' or 'international finance.' One example of such stuff, which would be comic if it were not woven into Europe's tragedy, is a pamphlet now on sale in Melbourne and Sydney—and probably elsewhere as well. Its title is "The Real Objectives of the Second World War"; and its subtitle, 'An Exposure of International Finance.' Its purpose is to show that outstanding financiers and bankers, to be found in every country, but who know no country, deliberately planned this war, as they did the last. They even provided the money for Hitler to buy guns, but refused him any to buy butter . . . And they are aided and abetted by Stalin of Russia, whom everybody else regards as the financiers' 'enemy number one.' So runs this pamphlet."

Now, I have never at any time suggested that Hitler is "entirely innocent." I regard him as a power-crazed gangster, brought to his present position by financial interests at present engaged in an external and internal attack upon the British Commonwealth of Nations. But it wasn't Hitler who attacked the living standards of the British people, put millions of our people on the dole, and allowed children to be brought into a world of chaos, where many of them knew nothing but semi-starvation. All this, and worse, was the result of "sound finance." And yet we live in a world overflowing with wealth. Hitler and others of the same ilk are the product of this madness; not the cause.

I have no idea where "Sound Finance" gathered the impression that Stalin is the enemy of finance. Everyone who takes the trouble to closely study where the present trends are leading, is reaching the conclusion that finance is steadily introducing Socialism (excluding financial policy) under pretext of war emergency. And the Communists are as vitriolic opponents of monetary reform as the financiers. Whether they know it or not, Hitler and Stalin have, between them, provided a war, which, unless we bestir ourselves, will mean another victory for International Finance. If "Sound Finance" would only read the finance-controlled daily press, some interesting items concerning the supplying of Russia and Germany with war material from Wall-street-controlled courses could be seen.

MONEY LENDERS OR MONEY CREATORS?

Continuing, "Sound Finance" says: "We all know, of course, that financiers are money-lenders; and that international financiers are those who lend money to Governments or institutions in countries other than their own. But what

we ordinary people cannot understand is why these international financiers, having lent their money in various countries, should then deliberately plan a war in which the property of the borrowers would be destroyed in wholesale fashion, the earning capacity of the borrowers would be drastically reduced (in some cases to nil), and repudiation, both of capital and interest, could be the only result to anticipate."

The above is a very clever bit of camouflage. In the first place we don't only "know . . . that financiers are money-lenders." All well-informed people know that the big bankers are primarily MONEY - CREATORS, a somewhat different matter. We know that they create this money out of nothing; and by issuing it as debt against the nations, obtain control and ownership of property, and all other assets. Certain people want us to fight this war for the purpose of establishing "Federal Union," and the international gold standard. If we do this, no matter how much the nations are smashed, the International Financiers will have a much stronger monopoly than now.

There is plenty of evidence indicating that certain interests believe that the smashing up of Britain would destroy the morale of the British people, and make them amenable to complete financial tyranny of an international character.

A CHALLENGE

In spite of its "brilliant" reasoning, "Sound Finance" is still concerned. To quote: "The ridiculousness of the whole argument of the pamphlet would be too obvious to need further comment, except for one fact. It is punctuated throughout by quotations, or alleged quotations, from the pens of well-known men, the mouths of bankers, and the pages of official documents. These mislead by their very array. The casual reader (and most readers are casual) does not observe that many of the quotations are entirely irrelevant to the argument, and therefore prove nothing, and that others are quite harmless, except for the sinister meaning, which the author attaches to theft. Others, again, when placed in their proper setting, have not only an entirely different, but a laudable implication." The above is a perfect example of baseless assertions without one example to support the "argument." I challenge "Sound Finance" to give me only one quotation, which has been treated in the manner, asserted. It is all very well for these bankers' apologists to make baseless assertions and distribute them, but when it comes to facing the opposition in the open, it is another matter.

A LETTER FOR "SOUND FINANCE" TO READ

The following gem appears near the conclusion of the article under review: "At all events we have no hesitation in saying, that no Communist pamphlet that we have read could do more to bewilder its readers, and to detract from the concentration of their minds upon the true causes and objectives of the present war than the pamphlet under review." Perhaps the answer to this will be found in a recent letter received from several citizens of Tongala. It reads as follows:

"Dear Mr. Butler, —We, the undersigned, having decided to offer our services for the A.I.F., desire you to know that we agree entirely with the views which you have so courageously expressed at public meetings in this district.

"You have constantly pointed out that we have two enemies—Hitlerism in the front; Financial Institutions in the rear. In spite of the fact that we see by an article from 'Sound Finance' in the press that your message and views will cause a distraction of people's minds from the causes

and objectives of the present war, we desire to strongly deny this. In our opinion, you have indicated quite clearly that Finance hopes to govern the world under the cover of war.

"We are prepared to play our part in defeating Hitlerism, but we desire also to see the International Financiers, who made Hitlerism possible, removed from power. We appeal to those on the home front to back us up in order that we shall get those things we are fighting for. We urge you to carry on your fight, in order that private finance shall not make profit out of our sacrifice and crucify the nation when the conflict finishes.

"We believe, as you have stated, that both Hitlerism and the banking swindle can be beaten, and we challenge all Australian subjects to play their part on the home front—if not on the military front.

"Best of luck,

.....
.....
....."

"FANATICAL ZEAL"

While "Sound Finance" recovers from the shock of the above letter, let us examine the conclusions of its article: "The only excuse we can offer for the writer is his obviously fanatical zeal. Such posturing, accepted with good humoured tolerance in normal times, should be condemned today."

Well, I must say that it is most generous of "Sound Finance" to make excuses for me. But, on whose behalf are they excusing me? The increasing number of interested people who have been attending my meetings, or all those who bought two editions of "The Real Objectives of the Second World War" with such rapidity that it was quickly out of print? And then there is my "fanatical zeal." Once again we see the patronising suggestion that the "credit cranks" are some peculiar species to be treated "with good humoured tolerance." While thinking of a reply to this last statement, I read the conclusion of Mr. Adams' address to the Shepparton Chamber of Commerce. To quote from the "Shepparton News": "Our higher standard of living during peace is our strength, but only if we are prepared to surrender part of it for the duration of the war." This comes from an allegedly intelligent man. Surely Mr. Adams has heard of the restricted national effort due to lack of finance in this country, the wheat rotting on the ground, and the apples being destroyed?

If, by some strange chance, he hasn't, I repeat my offer to remove his ignorance on a public platform. If my memory serves me correctly, it was just after the late T. J. Moore played the previous secretary of "Sound Finance" Mr. Addison, in the columns of the "New Times" that this gentleman "retired" from office. It was even suggested by some that Mr. Addison realised later that the nonsense concerning the creation of credit which he broadcast over 3UZ, Melbourne, was not fact.

However, having debated Mr. Adams once, I expect that gentleman and his colleagues to defend their masters' interests to the last. They are wary about coming out into the open. But they have been forced to show their hand.

C. FORD
The Caterer

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"£19,000,000 STEEL COMPANY 'KING' TELLS WIFE I'M SACKED'"

"Sir William Firth, chairman of a £19,000,000 company, who started work as a 10/- a week office boy, went home to his wife at Weybridge, Surrey, and told her he had been 'sacked.' Sir William, it was announced, had been removed from his post as chairman of Richard Thomas & Co., the South Wales sheet steel and tin plate combine. The reason given is 'irreconcilable difference within the board.' He was removed by the Control Committee, of which Mr. Montagu Norman, Governor of the Bank of England, is chairman. News of Sir William's dismissal caused a sensation in City circles."

—"Daily Mail," London, May 4.

On this incident and its background, the "New English Weekly" of May 9, commented as follows:—

"FINANCE OVER INDUSTRY"

"The question we are raising is nothing less than the possibility of the survival of liberty in an atmosphere dominated by financialism, the final and fatal crystallisation of the doctrine of Economic Man. The 'National' Government was the logical outcome of financial orthodoxy and has been the executor of financial policies—notably in the tenacity with which it clung to Mr. Montagu Norman's fantasy of a profitable deal with Hitlerism. Lately we have seen a striking and sinister example of financialism at work in industry.

"In criticising the Budget last week, we expressed our misgivings at the tendency it exhibits to plan for a peace in which financial-industrial institutions will have more power and initiative than ever, and the public, even in its already restricted character as an investing agency, still less. This, it should be noted, was the worst feature of the Stinnes decade in Germany after the last war, when the great banks and combines (operating often in conjunction with Mr. Norman and his friends), had a monopoly of financial power, and produced the fantastic and devastating conditions out of which Nazism rose in successful protest, though riot without a deal with some of the plutocrats.

"This monopoly tendency is suggested by the incident to which we now refer, the forced retirement, or in plain words dismissal, of Sir William Firth from the chairmanship of the Richard Thomas steel combine, the great technical achievements of which in recent years have been entirely due to his initiative and drive.

"CREEPING TOTALISIS"

"This dismissal of an industrial pioneer has taken place at the hands of a 'control committee,' instituted with a vast capital two years ago, to finance the large-scale improvements then made at Ebbw Vale, and presided over by Mr. Montagu Norman; a committee powerful enough by its joint control of finance and technique, to dominate the en-

tire steel industry, and in fact designed to do so. The origin of this control committee and an explanation of its functions is discussed in a cautiously objective article in last week's 'Economist'; the subject is complex, and we have no space now to deal with its ramifications. "But the dismissal of an industrialist, who had brought British steel production up to the best world standard and who has been shown to have the confidence of his employees, by a committee consisting partly of bankers and partly of his rivals, is an extremely bad omen for the future of British industry. It is interesting and heartening to see that it has been recognised to be such, even by labour interests themselves, who have not often shown themselves able to distinguish between authentic industrial pioneering and financial exploitation. The stand which the 'Daily Herald' has taken in this instance, for which credit is primarily due no doubt to Mr. Douglas Jay, one of the less purblind of 'city editors,' might become of real importance if it were made the prelude of the discernment and exposure of the 'creeping totalisism' by which it is sought to get all the more lucrative heavy industries neatly tucked away under the shadow of the financial wing and integrated into the financial system as a whole, probably under such a banner as 'national planning,' only too well calculated to dazzle the simpletons of the Left.

"For such a policy will increasingly divorce industry from consumers' needs, producers' interests, and the public welfare; pursue secret purposes calculated to dominate markets rather than serve them; and suppress as insubordinate any groupings arising naturally out of a genuine industrial co-operation. Whatever the need of a true national planning, the need for which, so long as we are allowed to define it, we have never denied, the worst possible approach to it is a surreptitious oligarchic control in the interests of a usurping finance; and we join with Sir William Firth, and those who have contentedly worked with him, to demand an investigation of the gangsterdom which has put him on the spot."

TO OUR READERS—

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AN INTERESTING EXPERIMENT

Fascism is a puzzling phenomenon to people living in a democratic country. It has been equally puzzling to psychologists; among them Dr. Kurt Lewin who is associated with The State University of Iowa's world-famed Child Welfare Station.

Why not try and get laboratory answers to some of the questions posed by Fascism? asked Dr. Lewin. Why not create conditions of authority, which would approximate Fascism, democracy and anarchy? Then subject the psychologist's best guinea pig—the child—to those conditions and see how he reacted?

Lewin, with the help of Ronald Lippitt and Ralph White, selected children from Iowa City grade schools. The children were told that clubs were being formed where they would make model aeroplanes, theatrical masks, and furniture. Those that wanted to join should raise their hands. From those who volunteered, four groups of five children were selected. Scholastic ability, social relationships, family background and other such factors were checked for each child in an effort to make groups as nearly alike as possible.

It was up to leaders—graduate students in psychology — to duplicate three sets of conditions. At six club meetings the ten-year-olds would work under democratic conditions. In a second period they would be under authoritarian or Fascist conditions; and for the balance of the time under laissez faire or anarchy. Ten observers kept club meetings under minute observation. Stenographic records were made of all conversation, and the movie camera made another record.

Under authoritarian conditions the leader determined all policy and directed all actions, whereas, in democracy the leader gave club members various alternatives and let them vote on procedure. Under anarchy the leader answered only those questions that were put directly to him.

During the Fascist club periods the children seldom smiled and rarely spoke. The same air of tenseness prevailed that many tourists have noted in German railway coaches. Children did what they were told to do, but stopped work immediately the leader left the room. Under democracy they were talkative and friendly. The presence of the leader made little difference to them. They continued work whether he was in the room or not. Children discussed problems, and assumed the jobs for which they were best fitted. Under anarchy there was a lot of horseplay, but scarcely any work. This spirit of robust freedom in the anarchist groups gradually gave way to complete boredom.

Statistical summations, not yet complete, gave an even more revealing picture. There were forty times as many hostile acts under Fascist conditions as under democracy. Under Fascism 70 per cent of all utterances were "I" centred, rather than "we" centred. For the democratic groups this figure was only 30 per cent. Under Fascism there was marked submission to the leader and "scapegoat" situations arose twice in authoritarian groups. At different times, the whole group ganged up on a single luckless youngster making life so unpleasant that he dropped club membership. Work accomplished, negligible under anarchy, was about the same for both Fascism and democracy. This fact surprised sponsors of the experiment. They expected authoritarian efficiency to far outstrip democracy.

Votes and interviews after the last club meetings gave more facts. Children invariably elected their democratic leaders most popular, although that same leader might have performed the authoritarian role with another club. Only one out of twenty children—the son of an army officer—preferred

Fascism to democracy. Seven out of ten preferred anarchy to Fascism. A typical comment on an authoritarian leader: "We didn't have any fun with him." Of an anarchist leader: "He was too easy going."

Disposal of the products made offered another sidelight. In an orderly manner the democratic groups voted to give the leader one of the theatrical masks the club had made, and voted disposition of the others. In authoritarian groups there was much bickering. One child finally snatched a mask and, in a fury, smashed it to pieces.

The reader may draw whatever parallels he will between facts turned up by these experiments and conditions, as they exist in totalitarian countries. For his part, Dr. Lewin is cautious, but one thing seems to be clear. Best results in the field of education will come, not from the iron-fisted schoolmaster of tradition, and not from radical progressive schools, which allow complete child freedom. The experiments indicate that a moderate compromise will best serve to cultivate individual initiative.

UNITED ELECTORS' REPORT

Weekly Lectures: Owing to illness, Mr. C. J. Crowley was unable to address the meeting on Tuesday night last, but will speak at a later date. Mr. O. B. Heatley filled the breach with an interesting talk on our aims, objectives and strategy. A bigger attendance is necessary as an encouragement to visiting speakers who make their services available at the initiation of our executive. We therefore appeal for a better roll-up on Tuesday, August 6, at 8 p.m., to hear Mr. L. G. De Garis, who is making a special trip from Geelong, on "Reconstruction Under the Commonwealth Constitution." Note the address: Christian Club Lounge, 8th Floor, Albany Court, Collins-street (near Swanston-street), Melbourne.

New U.E.A. Group: A new group is being formed at Cohuna, Vic. Those interested should get in touch with the hon. secretary, c/o headquarters.

Acknowledgments: "Workshop" Group, Yallourn, 10/-.

U.E.A. Badges (brooches for ladies) are obtainable from headquarters for 1/- posted. Know your fellow-campaigners by wearing the blue and gold symbol of unity and co-operation.

Appreciation from the U.E.A. is extended to the "Radio Times" for the publication of the secretary's letter opposing the Government's attempt to assume dictatorial powers over news media in Australia. Similar letters were sent to all the major newspapers in Melbourne, but, as far as we are aware, they failed to publish them.

Urgent: A "busy-bee" will be held at headquarters on this and next Friday night, 2nd and 9th August respectively. Owing to the increasing work, there is a job waiting for every willing helper. Don't let yourselves down. All inquiries: Hon. Sec., United Electors of Australia, Room 9, 5th Floor, McEwan House, Little Collins-street, Melbourne.

HALL AT TATURA REFUSED!

Record Meeting Expected at Later Date

Supporters at Tatura were staggered when their application, on behalf of Eric Butler for the local hall for a meeting last Friday evening was refused by the hall committee. Two bankers are on this committee!

However, pressure is being brought to bear, and, should no alteration of the decision be made, that great stalwart, Mr. R. G. Caldecott, is going to appeal for "a ten-acre paddock," to accommodate the protest meeting at a later date. Shades of Tongala!

At a recent meeting in Echuca, the mayor, who was presiding at a meeting to hear a speaker from the Department of Information, saw fit to deplore Eric Butler's first meeting at this centre. He pointed out that while there were only 16 present to hear the speaker from the Department of Information, the hall had been packed to hear Eric Butler. He said that Eric's meeting could do no possible good.

Councillor Geo. Ogilvie, in opening Eric's second meeting at Echuca on Thursday, July 25, referred to the mayor's statement, and said that Mr. Butler's audiences indicated what the people were thinking at present.

This meeting, like the first, was very successful. A unanimous resolution to Mr. Rankin M.H.R., protesting against the present deflationary policy of the Government, was carried unanimously. An active group is now being developed in this big centre.

LECTURE ON FEDERAL UNION

Before leaving Deniliquin, N.S.W., Eric Butler gave an address on Federal Union to a small house

meeting at the home of Mr. and Mrs. E. Muller. Much interesting discussion as a result of the lecture took place. A group, with the mayor as chairman, has been formed in this centre. Eric has made arrangements to write several articles for the "Deniliquin Independent."

FUTURE ACTIVITIES

After the Nathalia meeting last Tuesday night (report next week), Eric returned to the city for a few days before leaving for the Gippsland tour. He hopes to address an afternoon meeting at Powelltown next Sunday, and will leave for Gippsland the following morning. Although it is very difficult to fulfill all requests, he hopes to pay a flying visit to the Wimmera at the conclusion of the Gippsland tour. All supporters who are keen to have a meeting locally are urged to get in contact with Eric, c/o "The New Times," Box 1226, G.P.O., Melbourne-NOW!

The present plight of the wheat industry will be the burning issue in the Wimmera at the moment, and the people must be shown the financial cause of the situation.

ELECTION MUST BE HELD

(Continued from page 1.)

tacks on Mr. Chamberlain and the noise of the "blitzkrieg" just across the Channel? The daily papers tell us that the war effort immediately grew out of sight—and everyone knows that a daily newspaper cannot exaggerate. If British electors were upset, it must have been because they were not consulted. But, even then they "carried on."

BE ON GUARD

There certainly seems to be more behind the proposal than a few politicians clinging to their jobs and Mr. Menzies' desire to go on parading in the role of Man of Destiny. Moves are afoot (Hitler's armed forces, Federal Union proposals, etc.), designed to rob Britishers of their hard-won liberties, so we must be on our guard against any proposal, however innocent its immediate sponsors, which might drive the thin end of a wedge under the very foundation-stone of Democracy.

It is no disparagement of the British Government to view with extreme gravity the move to seek the un-Constitutional power from that quarter—over the heads of electors. Has our democratic self-government, for the preservation of which Mr. Menzies says we are at war, been such an utter failure that Mr. Menzies seeks to abandon it? Or is it that the Menzies Government has found electors too much inclined lately (for its liking) to take their responsibilities seriously and assert their democratic right to dictate policy? If the Government really had a case for seeking this extraordinary power, it should immediately refer it (by referendum) to the electors—and would not fear to do so.

Every democrat worthy of the name and of his salt will IMMEDIATELY write to his Member in the Federal House (Parliament House, Canberra, is sufficient ad-

dress), requesting him to do all in his power to see that the elections are held on the due date (or before), and making it quite clear that if he does so he will receive preferential consideration whenever the next election is held, but will definitely be voted against if he doesn't. Every citizen who can afford to send a telegram as well (and who can't with such an issue at stake?) should make a beeline for the nearest post office.

If sufficient electors take such action promptly, few politicians, if any, will support the Government's proposal—realising that they would probably commit political suicide by so doing.

A good many citizens have already made a start, not merely by sending an appropriate letter or telegram, but by telling fellow-citizens what to do. One Melbourne man, by his own spontaneous action, has been responsible for several thousand letters, and some organisations are using the letterform, ready for signature, which he initiated. It reads like this:

... MHR.

Parliament House, Canberra.
A.C.T.

Sir,

Our forefathers fought and died for the British right to elect and control their Parliamentary representatives.

I therefore insist on being able to exercise that right on the due date, war or no war. I am prepared to subscribe towards the expense, and demand that you do your utmost to retain this right—on penalty of forfeiture of my support should you fail to do so.

Signed.....

Address

Date.....

* * *

ELECTORS, ITS UP TO YOU!

DANGEROUS PROPOSALS

(Continued from page 1.)

This means, and could only mean, giving into the hands of international bankers supreme powers such as has never yet been vested in any body, and which would be so vast as to place the world under its domination.

The aim is clear. It is to move ever on towards greater and greater centralisation. Of this we have seen enough. Even in Australia the States have gradually found their sovereign rights whittled down, their powers reduced, and, in the name of Federation, they have tended to become shadows of their original selves. The United States of America shows the same results, but it is when we turn to the very centres of centralisation that the effects are best seen.

Germany, Italy and Russia, the three dictatorships in which provinces and minor States have been wiped out, advertise to the world what happens when millions of people give up their rights and liberties for the doubtful blessing of being governed from one spot by a group of individuals who can have no knowledge of the needs of the people with whom they are never in contact.

These three countries provide the lesson on centralisation which itself is the core of dictatorship, whether of Fascism, Nazism, or Communism, and which says that individual differences must be swallowed up in a vast standardised system of State-owned, State-controlled services, resources, people, and law.

Mr. Mackay makes great play with the League of Nations, and finds its failure due to the fact that nations were unwilling to give up their sovereignty to it and become its plaything. An interesting feature of Mr. Mackay's proposals is found in his schedules, in which he considers the number of members that each State will be entitled to send to the international parliament.

We find in the first schedule that while Great Britain would have 124 members, Germany would have 182, Austria 18, and so on, the calculation being based on one member for every 250,000 electors.

SCHEME INDEED!

The whole scheme—which seems to be the best word to describe it—is set forth in imposing form with highly legalised jargon covering the constitution, and is,

therefore, well beyond the capacity of many people to understand, and outside the willingness of many more even to read. But reduced to its final analysis, we in the British Empire are asked to accept this German-American made scheme as the divinely inspired way to peace, and to achieve it we must give up our liberties, place ourselves under the heel of international financial power, and hand over our means of defence. In other words, we must, like the crayfish, throw off our protective shell, and then, instead of creeping into a quiet place for safety, throw ourselves on the mercy of those to whom we have given power such as was never held in the long story of this world of folly.

.... The very origin of the scheme and the name of its maker carries enough warning.

Not more centralisation, but a good deal less, is needed in every country; not more linking up of tremendous masses of people under one authority, but more division of power is required. And this is exactly what Federated Europe, as propounded by Clarence Kirshman Streit, of America, and R. W. G. Mackay, of Britain, would take away from us. The book is one to be read because it makes clear that by putting its proposals into effect, Britain and the Empire would have fought in vain, and the battle won by grim endurance and valour would be lost to sinister plans devised to take away the fruits of victory.

—"Scribe," Hobart "Mercury," July 23. Our emphasis and sub-headings.

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PETROL RATIONING CONDEMNED

Essendon Meeting Carries Strong Protest

A large meeting in the Moonee Ponds Town Hall on Monday night unanimously endorsed a resolution condemning the petrol rationing proposals of the Federal Government. The chairman and convener, Mr. A. J. Amess, was also requested to convey thanks to Mr. Drakeford, M.H.R. for Maribyrnong, for his stand on the matter as evidenced by correspondence between him and the Minister for Supply and Development (Sir Frederick Stewart).

The meeting opened with the National Anthem, and the chairman introduced the four speakers Messrs. Lightner, Thornley, Hogan and Sandford. He hoped that this would be the forerunner of a series of demonstrations throughout Australia, including big rallies at the Melbourne Exhibition or Wirth's Olympia. This was no time for the people vitally affected by unwarranted restrictions to sit back and take them. Democracy demanded a protest—a constructive protest that urged on the Government a better way of strengthening our national effort, a way that would ensure them the support of public opinion. A people prepared to meekly accept dictatorial methods from their own Government were in no fit state to win a war against foreign dictatorship.

PRODUCE OWN REQUIREMENTS

Mr. Lightner said that he had been brought out here from America eight years ago in connection with the search for oil in Australia. He had spent most of that time in East Gippsland, and as a technical expert was absolutely convinced that payable flow oil was present there, and probably elsewhere in Australia, which had not been properly exploited. This country should make a really determined effort to become independent of foreign supplies of motor fuel, and while these possibilities were not honestly developed, and those private interests doing their best to develop them were not receiving adequate support, to talk of petrol rationing was wrong in principle and practice.

Mr. Thornley, a Melbourne industrialist, supported the remarks of the previous speaker. He urged that the owners of nearly a million motor vehicles in Australia should combine to finance the development of our own fuel requirements. Shale was a proven and practicable source of fuel, quite

apart from other possibilities, and we must help ourselves in this time of crisis. He had proposed a contribution of £1 per ten horsepower unit towards a co-operative concern for this purpose. If some such step were taken we could be getting on with the job at the same time as pressure was being brought to bear on the Government.

Mr. John Hogan was then introduced by the chairman. Mr. Hogan urged organised pressure on every Member of Parliament to put an end to what he described as a "destructive, deflationary policy of financial orthodoxy being pursued by the Government." He claimed that this was severely hampering our war effort, and that the petrol-rationing proposal was one serious aspect of this policy.

RESOLUTION CARRIED

Mr. Hogan moved that "This meeting affirms its loyal determination to co-operate with the national war effort but emphatically protests against the severe and unwarranted petrol rationing scheme proposed by the Government, which would have disastrous effects on trade, employment, and civilian morale to the detriment of our war effort. In view of the continued unemployment of a large proportion of Australia's manpower and Resources, and the failure to properly exploit every avenue of fuel production, including natural oil, in this country, we further demand that the national credit be freely used through the Commonwealth Bank to remove all orthodox financial restrictions on our war effort and national security." He urged that this be not only endorsed by the meeting and sent to the proper authorities, but that all present simultaneously pledge themselves to stand solidly behind the chairman, actively and financially, in carrying on the vitally important campaign he had taken the responsibility of inaugurating that night.

LETTER TO EDITOR

Flax and Finance

Sir,—In connection with the growing of flax it has been pointed out by experts, to meetings of farmers in various parts of Victoria, that owing to the time for sowing seed being so far advanced, there are only three districts in Australia where there is a prospect of success this present season. The districts are a small portion of Gippsland, a similar portion of the Western District of Victoria and Tasmania. If farmers are prepared to make an honest attempt at flax growing in the stated districts, even at this recognised late period of sowing, the Government of Victoria will guarantee those farmers £4/10/- per acre sown, irrespective of the result of the crop. The seed resulting from such crops being recognised as of very great value for subsequent seasonal sowings. It is also recognised that certain farmers may not be able to meet the immediate cost of the sowing; so to enable such farmers to proceed, the Government is prepared to issue authorities which can be operated through any of the associated banks, for an advance of 30/- per acre. The associated banks being permitted to charge a rate of interest for the transaction. The scheme up to the point of entry of the associated banks appears very sound. What I cannot understand is, why the associated bank should be permitted the use of public moneys, or the guarantee of the Government security to make a rake off of interest from farmers who are willing to fulfill an urgent national request of the Government. A very simple way, in my opinion, to make the advance of the 30/- per acre where required, would be to issue authorities for the collection of the amount required through post offices, and the postal department to be reimbursed by the State Treasury in exactly the same manner as that which is the practice for the payment of Invalid, Old-age and War Pensions. This method would show a practical Governmental appreciation of the farmers' effort by saving them an undue and unfair additional tax in the form of an interest charge by the banking institutions.—Yours, etc.,

A. E. FEWSTER,

Yallourn, Vic.

The resolution was seconded by Mr. Sandford, who stressed the importance of pressure politics to get results, regardless of party, and was carried unanimously.

This Week's Gem

Sydney, 16th July 1940.

Mr. H. Gerrard,
Box 51,
Barham, N.S.W.

Dear Sir,—

Yours of the 11th July to hand. It really conveys no fresh arguments to those submitted by you on previous occasions. We would all be glad if we could have protection for nothing, but I am satisfied that it is not possible, nor is it reasonable to expect that prosperity should pay the whole amount required.

I made some inquiries from the Commonwealth Statistician yesterday, with regard to European countries which have adopted the policy which you and your friends advocate, and he replied that it was adopted in Russia, Germany, Austria, Hungary and Poland; in all these countries it practically wiped out the monetary unit and destroyed every form of capital or saving which was not invested in goods or real property. There were other countries, such as Rumania, Greece, Bulgaria and Turkey, where the Governments pulled up before dropping over the precipice, and the Australian Government's policy is to be guided by history rather than by theories of the imagination.

Yours faithfully,
(Signed) H. K. NOCK.

Minister in Charge of External Territories.

Monetary Reformers' Convention

Criterion Hall, Narrandera, N.S.W., Sunday, August 25, 10 a.m. to 10 p.m.

Monetary Reform Associations, Electors' Committees and similar organisations throughout the Riverina and adjoining Federal electorates in N.S.W. and Victoria may appoint delegates to this convention. Supporters from anywhere will be welcome, but should apply for tickets from John Hogan, c/o the "New Times." Leading monetary reformers from both Sydney and Melbourne have indicated their intention of attending, and Mr. Alex Wilson, M.H.R. for Wimmera (Vic.), will also come across from Canberra. Those wishing to attend should write for tickets immediately, indicate whether they want any arrangements made for accommodation or transport, and if travelling by car for some distance, indicate whether any spare seats will be available.

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