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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. 33. MELBOURNE, FRIDAY, AUGUST 16, 1940.

Centralisation Condemned

Engineer -Economist's Warning

Nowadays there are many inspired suggestions for the greater regimentation of mankind by the few. Federal Union and Abolition of State Parliaments are examples. Despite common sense and the lessons of the past, they are so speciously presented and receive so much artificial "boost" that the unwary or ill-informed citizen is in danger of endorsing his own "death-warrant."

In the first of a series of articles commencing in an English contemporary of June 29, C. H. Douglas writes as follows. (Our sub-headings):

Before 1914, Great Britain and France were comparatively free countries - - gravely mismanaged, but not enslaved by law. Germany was the most regimented country in the world, by no means excepting Russia. War broke out with, superficially, every circumstance favouring Germany. She declared war at her own time, and was sure of victory.

In three months, Germany was decisively defeated at the Battle of the Marne. The French and British Armies operated under their own commanders-in-chief.

In 1918 Germany surrendered. If the competence necessary to run the traditional wheel-stall had been applied to the situation, instead of leaving it to international German - Jew - American - crooks and their satellites, the German people could have been set on their feet and made happy, while at the same time the German Reich could have been removed for ever from the position of the menace it has been since its inception, and will be until its destruction, in common with other centralised dictatorships.

From 1918 to the outbreak of war again, the history of both Great Britain and France is one long tragedy of centralised misadministration and half-baked "socialism," with no discernable objective other than the strengthening of financial and industrial monopoly and "Political and Economic Planning," accompanied by bribes to Labour to keep it quiet pending the establishment of a world Police tyranny under the League of Nations and the Bank of International Settlements.

THE PRESENT WAR

When war was declared in September 1939, everything appeared to favour the Allies. If it didn't, why did we declare war? Only a fool declares a war he expects to lose. It was explained in great detail how marvelously we were organised on the latest scientific principles. It is unnecessary to recapitulate the havoc that "Hitler" inflicted on this country by the blackout, bureaucracy and billeting, without firing a shot. Were we not under the unified command of General Gamelin in the West, behind a Maginot line which probably 98 per cent, of the population, not merely of Great Britain but of France, believed to be a practically impregnable fortress stretching from the sea to Switzerland, instead of a useless, and nearly unused, sham, stopping at

the point where its extension to the sea would have made it invaluable?

Only by a miracle was the flower of the British Army saved from the greatest disaster of all history, within one month of its disposition by this same unified command. Does any sane Englishman believe that the Belgian debacle was an "accident"? Within two months, France, still under unified command, but separated from the British, who saved themselves with the loss of incredible quantities of arms and stores, all placed in "planned" positions, was utterly broken, except for sections which refused to act under centralised orders.

Are we, in this fateful hour, learning anything? I doubt it. Or don't we want to beat Germany? Every newspaper, which has been conspicuous for its advocacy of monopoly (which is to say, every newspaper which is part of the newspaper control monopoly), clamours for more control, more deprivation, less freedom, more police action. More Russia and Germany, in fact. The outstanding Fifth Columnists in this country for the past 25 years are the "great" newspaper proprietors.

(Continued on page 7.)

MOTORISTS DEMAND PETROL PRODUCTION—NOT PETROL RESTRICTION

WILL SUPPORT ELECTION CANDIDATE! WHO AGREE, OPPOSE THOSE WHO DON'T

A resolution to the above effect was carried unanimously by a well-attended public meeting of motorists and others, held in the Central Hall, Melbourne, on Monday night.

A further resolution, having the same wording as that carried at a similar meeting in Moonee Ponds Town Hall (reported, "New Times," Aug. 2), was also carried unanimously.

The meeting was presided over by Mr. A. J. Amess, of the new Australian Motorists' Protection League. The principal speakers were Messrs. Eric Butler and John Hogan.

In opening his address, Mr. Butler said that the hope of the British Empire was the acceptance of personal responsibility by individuals. "I have no hesitation in saying that if we had more individuals like Mr. Amess, who has organised this meeting, there would be no doubt about the ultimate result of this conflict," he said. In a vigorous address he dealt with the question of political democracy, and said that the Government was not there to impose its will upon the people; it was there to obey the will of the people. If we need to make sacrifices, we will do it voluntarily if the Government will put its cards on the table and tell us the truth. We don't need conscription of any kind in this country to get things done. The speaker then outlined the Electoral Campaign, and the successful manner

in which it was used at the time of the fight against the National Insurance proposals. He concluded by urging similar action against petrol rationing, pointing out that the Government would have no alternative but to bow to the will of the electors. "Those members who refuse to do what their electors demand can be given a taste of real democracy by their removal at the coming Federal elections," he said.

Mr. Hogan dealt at some length with the arguments against petrol rationing. "While any means whatever are available in this country to maintain industry, transport and employment, there is no justification for imposing disruptive restrictions," declared Mr. Hogan. "The people must not accept unwarranted sacrifices. They must realise the close connection between our continued economic strength, progress and development and a successful war effort. They must recognise the danger both to our fighting forces and our post-war responsibilities in the policy of general restriction which has been blindly pursued by the present Government, dominated by an orthodox financial outlook which is seriously subversive at such a time as this."

Greater output required an increased income, Mr. Hogan pointed out. Our pre-war income had permitted only a very limited employment of manpower and resources. Additional income, arising out of private bank credit expansion to the extent of nearly £100,000,000 already had increased out total output, including both civil and military requirements, to some extent. The employment of additional men, material and equipment to produce necessary fuel supplies to maintain civil and military activity, if financed by new credits, would not interfere in any way with what we were doing now. In other words, the actual cost to the nation would be nothing. It was utterly impossible to succeed if we regarded the need for additional effort solely in the light of our previous income, and took it for granted that there were some divinely ordained or unalterable limits to our income.

The chairman reported that 100,000 letterforms demanding abandonment of rationing, were already being circulated for signature by electors through Victorian garages.

The Melbourne daily press, excepting the "Argus," reported the meeting surprisingly well.

UNITED STATES—ITALIAN TRADE

MUSSOLINI REFUSED "DESPERATE BRIBE"

"Time," the American weekly newsmagazine, published this interesting item in its issue for June 10, 1940:

"Last week Benito Mussolini kept the Allies in a dither, the Italian people in a lather. While he took his time about leading up to Fascism's grand climax, war, his purchasing agents in the U.S. operated more feverishly, less obtrusively. Their job was to move as much strategic material as possible out of the U.S. before Italy is branded a legal belligerent and a moral foe. They did pretty well.

"Mussolini had long been a leading beneficiary of the well-known schizophrenia afflicting U.S. foreign-trade policy; while trying to throttle exports to totalitarian States, Washington has simultaneously tried to stimulate crop exports too. To serve the latter purpose, the U.S. Export-Import Bank gave Italy a credit of

1,567,022 dollars last June, which enabled her to double her cotton purchases here in the first six months of war. It also freed enough Italian cash to buy other things. From last September through February, U.S. shipments to Italy totalled 43,686,000 dollars, 54% more than in the corresponding months a year earlier. Against this six-month average of 7,281,000 dollars, Italy's March takings came to 9,634,000 dollars. April was also above 9,000,000 dollars.

"Italy drew heavily on the U.S. for copper (up 45% for the first six months of the war) and scrap iron. But her purchases of oil were another matter. Allied optimists have counted on Italy's being short of oil, hoped she would prove a drain on Germany if she joined up. In 1938 Italy bought 6,750,552 bbl. of U.S. crude; in 1939, 4,984,809. But in the first

(Continued on page 8.)

WHERE THERE'S A WAR THERE'S A WAY

By "THE WALRUS."

I don't think anyone can say I'm not making an effort to understand finance. Neither, alas, can anyone say that I am making any advance in my effort to comprehend its aims and processes. Between the lines of every orthodox article on the subject I see what the French call "a long nose" mocking me.

Here, for instance, on July 26, I perceive the thumb and fingers well extended in derisive gesture: "Recognising the magnitude of the financial effort . . . the Commonwealth Government has resorted . . . with much more vigour to taxes and to drafts upon current savings . . . than it did in 1914-18."

Well, here we are, right at the very commencement, having the Government recognising the magnitude of that queer intangibility—a financial effort. For me, that is just as sensible as saying, "The lion recognises the magnitude of the shadow of the piece of meat carried by his keeper," or "The man recognised the magnitude of the task in foot pounds when his car was ditched." In fact, it isn't really as sensible as either of these examples, for no one would try to dissuade a lion from his meal on account of the size of the shadow, nor leave his car to be repossessed for want of arithmetic.

I can never get it out of my head that either a project is feasible or it isn't. Men's labour, men's brains and materials, are all that are required for any project: they, and they alone, determine its feasibility, and I don't see why you should ask Bill Smith to go without his dinner because Bill Jones is building a tank, unless there happens to be a shortage of dinners—and nobody has even suggested that yet.

It appears from the learned writer of the article under discussion that "The object of the Government, briefly, is twofold: (1) Avoidance, so far as possible, of dependence upon bank credit expansion with its inflationary tendencies; (2) restriction of ordinary civilian consumption so as to divert a proportionately larger share of the material income to war purposes."

No. 2 is easily recognisable as Bill Smith going without his dinner because Bill Jones is building a tank, and though you clothe the idea in the language of quasi-science, I'm afraid I shall never see it any other way. I don't feel like bothering about this hardy perennial any more, if you don't mind.

NOT FEASIBLE

But this (No. 1) avoidance of dependence or dependency (either of which I believe to be correct, and not "dependence") does not appear to me to come under the heading of feasible projects. Economists are quaint people, and it has always been my wish that one of them might donate his cerebellum to some society or other in the interest of science. I suppose what gives them pause is the risk of being shot by over-eager physiologists and psychologists: though, for the matter of that, it amazes me that they haven't been shot for more homely reasons. But about this avoidance business. They seem to believe what they are saying, just as certain tribes believed that the sun was subsidiary to the earth. For example, no less a person than Professor Reynard—Sorry!—Maynard Keynes has said that nearly all capital is the result of savings. Since everybody, of course, looks to Capital to pay the wages, and to nowhere at all but to other Capital to make possible a dividend, it is obvious that Professor Keynes means us to believe that all material production is the result of financial savings.

If that be true, and in view of the enormous savings of the Empire as a whole since the invasion of William the Conqueror, we are bound to disregard any theory that the Norman Conquest was undertaken for loot, since William obviously must have had the price of a whacking great empire in his pocket, for even an economist can't save what isn't there.

And since everything can be done out of savings, I can't see what the newspapers are so pleased about over this war savings certificate business. If we are going to win the war and

salvage civilisation without any expansion of credit worth worrying about, we'd better get busy, for, considering the English Chancellor's announcement that the war is costing Britain £9 million a day, it would seem that we still have a long way to go if we are to finance the Empire's war effort for more than thirty-six hours.

Now, since we are to avoid bank credit expansion as far as possible, the first thing to do, so it seems to me, is to obtain the measure of this possibility. One way of doing this is to add all the war savings to all the taxation for the past twelve months and compare the total with war expenditure for the same period. Unfortunately, by this method we are forced to the conclusion either that the war has been over for several months, or that some anonymous persons of fabulous wealth have been exceedingly busy. It is my opinion that these persons should be suitably rewarded if and when they can be found.

PERHAPS

But, of course, we might take a more literal view of the writer's statement, and assume that when he talks of refraining from the expansion of bank credit, he has it in mind to expand national credit. Personally, I doubt it. The writer is so concerned about inflation that, in my opinion, he wouldn't dare to make such a suggestion, for the bankers them-

selves have repeatedly told us of the inflation-resisting quality of their own created credit as compared with nationally-created credit.

The writer is particularly worried about inflation, and it is evident that he doesn't think much of the Price-Fixing Commissioner's share in stabilising the price-level of commodities. Indeed, he definitely ascribes the degree of stability we have certainly experienced almost wholly to the wonderful idea of relieving people of their money in order to avoid inflation, though one would think it must seem obvious enough that if you pursue that course to its uttermost, you might finally bring down the cost of living to the point where everything costs nothing at all—the only thing remaining to be discovered being how to keep the people alive to enjoy this shoppers' millenium.

Well, we can comfort ourselves with the reflection that, while hostilities persist, ways and means will be found—mostly contrary to "sound finance," Mr. Keynes notwithstanding—to keep the people alive. That is what the people are for, and if we are to make consistent deductions from the contemplation of regimes and ideologies, that is all the people are for. They are only a confounded nuisance in peacetime.

But where there's a war, there's a way.

"WHY LEOPOLD QUIT"

AN AMERICAN VIEWPOINT

In the old moated castle of Wynendaele, south of Bruges, the pale young man with sunken eyes and rumpled curly brown hair faced another sleepless night. For 14 days he had watched terror-stricken people fleeing across the fertile fields and meadows of North Flanders. For 14 nights he had seen the moonlit May sky turn murky yellow from the glow of burning villages. Four-fifths of his country had been devastated and overrun; how many of his countrymen had been slaughtered he did not know. As Commander-in-Chief of the Belgian Army, holding the Allied left flank, he had seen it beaten back with frightful losses toward the English Channel. On this night the Germans were at the gates of Bruges. Leopold III, King of the Belgians, sent for his Ministers.

When they arrived — Premier Hubert Pierlot, Foreign Minister Paul Henri Spaak, two others—they faced a King who was agitated and harassed, with tears in his eyes. Latest military reports, said the King, showed that the Belgian Army was bearing the brunt of the German attack. Behind it the British and French were already backing toward the Channel. Further resistance would not save Belgium. In his opinion, King Leopold said, the Belgian Army should withdraw from the war.

Not one of the four Ministers agreed with him. The Allied cause was not lost, they argued; if Belgium fought on, she would be restored after the war. The King was sure he knew better. His aide-de-camp and chief military adviser, Major General R. Van Overstraeten, was in Rome, and had already sent the King an urgent personal message. Furthermore, the King was conscious that his first duty was not to the Allies, but to Belgium. Too many Belgians had died already, for a cause that was doomed from the start.

All night the argument went on, growing bitter as time passed. The Ministers urged the King to quit the army and go to France or England. According to the account of Foreign Minister Spaak, Premier Pierlot finally said:

"It is time to leave. I shall stay with you up to the last minute on condition that you go with me."

"I stay with my army in my country," Leopold replied. "You remain with me to govern."

"Do you think Hitler would permit it?" M. Pierlot exclaimed.

"No," said the King, "but you can stay with me as privy councillor."

"But a Government will be formed in France," M. Pierlot persisted.

"It will be against me," said Leopold. "I wish to have Ministers. I am no dictator."

"In that case we leave," Premier Pierlot said. The Ministers quit the castle and went to Dunkirk.

It was not until 72 hours later that Belgium's Army laid down its arms—a fact that was slurred over by bitter Britons and Frenchmen — and Leopold's warning gave the Allies time to prepare for the blow. French Premier Paul Reynaud flew to London to consult Prime Minister Winston Churchill, then, back in Paris, told France over the radio that Belgium had given up. His tone was almost a snarl when he spoke of Leopold.

The first moderate voice raised was that of Admiral of the Fleet Sir Roger Keyes, the old hero of Zeebrugge and British special attaché to King Leopold, who was with him up to the hour of surrender. Said he: "I trust that judgment will be suspended on a very gallant soldier until all the facts are known." Prime Minister Churchill agreed.

The facts were not all known, but many that were known were overlooked or distorted. No coward is the King of the Belgians, but a very sensitive and high-principled gentleman. He has always wanted to be a Peace King, as his father, Albert I., was a War King. So great is his abhorrence of bloodshed that he despises hunting (one of his pet projects was a bird sanctuary at his villa at Le Zoute). Above all, he is a patriot, and it was a supreme irony that his pity for his people led to the surrender of his country. —"Time," U.S.A.

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.

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Bumper Crops Every Time?

INVENTOR OVERLOOKS "MARKETING PROBLEM"

Orthodox economists are already embarrassed by the paradox of poverty amidst plenty. An American inventor has found means to add to their embarrassment: by circumventing one cause of occasional poor crops—low-fertility seed.

Presumably, he hasn't heard of the shortage of purchasing-power (money), which prevents the present level of actual abundance from benefiting mankind—nor heard of the restriction and destruction of crops, which has already taken place, particularly in his own country.

His experiments and their results are briefly described as follows by Andrew R. Boone, in "Armchair Science":

Working secretly for three years in a tiny vine-clad laboratory at Pacific Palisades, California, Theodore Earle recently succeeded in perfecting a startling new process, which makes possible the separation of seeds on the basis of variety and relative fertility. Substantiating his laboratory tests, some one thousand two hundred plantings of wheat, barley, sugar beets, corn, carrots, oats and other farm products on three Southern California ranches have produced increased yields and better crops from "separated" seeds.

Earle's methods virtually duplicate the froth flotation of gold and other valuable minerals from gangue. He stirs into water, agitated by an apparatus resembling an electric washing machine, the seed he plans to separate. After the seeds are thoroughly wetted, he adds a few drops of a chemical, which quickly produces a soapy froth. The reagent, usually synthetic alcohol, or pine oil, has an affinity for some of the seeds. These, becoming attached to a rising column of air bubbles, are buoyed to the top and skimmed off. Others sink to the bottom.

Several demonstrations have recently been given of discoveries, which promise to develop superior crops for farmers everywhere. Morning glory seed mixed with matt beans popped up through the froth and flowed over the side. Barley of relatively poor fertility was separated from other barley of higher fertility. By washing wheat for five minutes in the agitator, the outer, woody coating was removed, after which a few drops of pine oil added to the agitator caused the bran to float. Grains containing weevils and other bugs come off with the coating, leaving only clean wheat on the bottom of the cell. Again, in a three-minute run, both smut spores and smut balls came up through the froth. These were skimmed off, and under a microscope the remaining clean grains appeared entirely smut-free.

These important discoveries sprang from a very undramatic beginning. Three years ago Earle, a mining engineer who has patented forty processes relating to minerals, planted blue grass seed in his lawn. It failed to grow well, and a good many weeds spotted its appearance. Purely as a matter of interest, he put a quantity of seed through a flotation machine, using various reagents until he got a good-looking separation. He planted both groups of seeds in flats. The selected seed produced a firm and beautiful stand of grass, while the culls yielded nothing. Devil grass seed, he noted, came up in the float; while the blue grass settled. He replanted, using these tails; and today, after two years, not one sprig of devil grass mars his lawn.

Thus began his experiments in variety separation. He bought several kinds of seed, mixed various lots. Some would separate, others would not. After a while he noticed that some of some kind would not float, while all the others emerged through the froth. He planted both the floaters and the sinkers, and found the floaters

usually made poor plants. This led him to believe that differences in chemical composition of the seeds and, therefore, possibly fertility, were responsible.

He continued his experiments. Corn, oats, barley, wheat ran through the cell, each being tried by a dozen different reagents. When he got what appeared to be a satisfactory separation, he planted tails and concentrates in flats. Not until they grew was he sure which group would prove superior.

When making a separation it is started with run-of-the-field seed. Usually, several will be mixed, smaller grains being found among larger seeds. All must pass through the frother, which acts as a conditioner and collecting reagent. Through some strange affinity of the seed, the reagent covers some grains and not others. Those seeds, which are covered, become attached to the air bubbles and are buoyed to the top.

On a nearby ranch, Earle planted in each of three plots seven thousand three hundred and ninety-four seeds of Escondido wheat, a soft grain widely used in southwestern United States. When he threshed the crop six months later, the scales revealed he had produced thirty-one pounds from the tails, while the crude and concentrate yielded only twenty-two and twenty-three pounds each. Cleaner seed raised the crop nearly half. Again, Earle separated these seed, and replanted. This second generation shows a more golden, plumper seed—one far superior to the crude of two years ago.

Next came malt barley. For one series of plantings, he double-separated the seed into three groups. When the crops were harvested, he was amazed to learn the poor seed gave a yield of twenty-seven pounds, the middle group twenty-nine and the best thirty-nine.

Startling discoveries in this out-of-the-way laboratory are not confined to grains. Plants, which sprang from selected cantaloupe seed, were bearing four weeks after others had succumbed to mildew. Sugar beets in three plantings grew much larger than their neighbours, many weighing ten pounds before harvest time.

As for carrots, the good seed produced twenty-one pounds against fourteen pounds from the poor . . .

While tracking down the main line, separating many kinds of seeds, the inventor found himself detouring through side issues. "How can I eliminate smut?" he asked himself, and "how can I peel wheat?"

Many seeds are covered with fungus growths. Smut occurs both on and inside wheat. At present, exterior spores are killed by washing in a chemical solution. This treatment does not reach smut spores inside the balls, however. So, Earle submitted this problem to the notation reagents. Shortly he hit the right combination, and pine oil brought up smut balls along with the sooty spores.

Sometimes he de-smuts wheat by "peeling" only. By agitating the grain eight or nine minutes, then adding a reagent, the dirt and thin outer woody bran coating float surfaceward. This peeling,

(Continued on page 8.)

BELGIUM AND THE INTERNATIONAL BANKERS

M. FRANQUI AND CENTRALISATION

(Continued from last issue.)

M. Franqui was a businessman who declared bluffly the he only took office to accomplish monetary reform, not to take part in politics. He even declined to take part in Parliamentary discussions.

He was a banker, vice-governor of the Societe General de Belgique, and renowned for his exploits in the Congo and in China (where he had succeeded and for a short time worked with Herbert Hoover when Belgian interests bought out British ones for which Hoover was working).

He introduced severe measures of economy. He suspended public works; dismissed all temporary Government officials, and decided that no new ones were to be recruited for three years; suppressed some public services and cut down severely expenditure on national defence. Extra taxes amounting to 1500 million francs a year were imposed—more than twice the amount proposed by M. Janssen.

The franc was still falling in July, although more slowly; Belgium's taskmasters were still unsatisfied.

The next step was to introduce a law by which for the period of six months Franqui was enabled to rule by decree. Almost from that moment the franc improved.

IN THE TOILS

By the end of 1926 the State railways had been "industrialised" and a forced conversion of Treasury Bonds into preference shares of the new company had been carried through, and external short-term foreign loans had either been extended or paid off.

So when, at the beginning of October, Franqui and the new governor of the National Bank again approached the international bankers, they had no difficulty in getting rediscount credit at the central banks for 35 million dollars, and in following it up a fortnight later with a long-term foreign loan. A syndicate of bankers, including J. P. Morgan and Company, Baring Brothers, and the Westminster Bank, Hope and Company of Holland, L'Union Bancaire Suisse and the Stockholm Enskilda Bank offered 100 million dollars for thirty years: at 7 per cent. The United States took over 50 millions of this, and England 7¼ millions.

On this loan stabilisation was accomplished, and the Belg brought into the fold of the gold standard.

But the taskmasters had not yet finished with Belgium. The

Belgian merchant, like the Norwegian, preferred the small bank of his native town to any branch of a highly centralised concern. Of Belgian banks before the war the authors of "Foreign Banking Systems" said:

"In Belgium... few banks spread beyond the city of their head office; in fact, the Societe General de Belgique alone had grouped about it a chain of dependent banks or banks that supported. . . the individualist spirit of Belgian manufacture and merchants was better adapted to the existence of numerous local banks of moderate importance."

CENTRALISED CONTROL

After the war horizontal concentration increased, but was limited owing to the lack of restriction in setting up banks. A group of producers or merchants, if too far "controlled" would create a bank on co-operative lines for their own benefit.

In 1935 Belgian commercial and banking systems again threatened to collapse and M. Paul van Zeeland formed a Cabinet to carry out more monetary and financial "reform." The franc was again devalued, and among the change made in the banking system with the establishment of an autonomous Banking Commission with wide supervisory, powers over banks, minimum capital requirements for setting up banks, and restrictions on activities of bank directors.

In 1914 the Banque de Bruxelles was confined to Brussels; between 1914 and 1925 it had acquired 21 banks. In 1937 it had 258. A centralised system had been established.

[References: "Belgium," by Emile Cammaerts (in "Economic Problems in Europe Today"). "Foreign Banking Systems," by Willis and Beckhart. "The Monetary Experience of Belgium, 1914-1936," by H. L. Shepherd. "Letters and Journal," by Brand Whitlock. "Europa."]

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Don't Abuse Your MP. -Use Him

"PARLIAMENTARY REPRESENTATIVE"- WHAT DOES IT MEAN?

We hear a lot at the present time about broken pledges and the duties of a Representative or the duties imposed on those who have been elected to represent the people in Parliament. So that we can be sure of starting on a sound foundation, let us turn, first of all, to the dictionary, and see exactly what these words mean. Here we find the following:

REPRESENT (Fr. representer from Latin repraesento—re, again, and praesento, I present . . .) to give an account of; to describe; to supply the place of; to act as a substitute or agent. REPRESENTATIVE; acting as a substitute for another or others; performing the functions of others; (a representative body); conducted by the agency of delegates chosen by the people; n. one who or that which represents; something standing for something else; an agent, deputy, or substitute who supplies the place of another or others.

Now, first of all, it becomes obvious that a representative is no authority of his own, but acts in the place of, as a substitute, or as an agent for another or others.

Theoretically, then, every person qualified as a voter has a right to proceed to Canberra when Parliament meets, and have an equal say with others in the framing of the laws. But as it is inconvenient to do this, the people are divided into different groups, called constituencies, and each group elects one of its number to take their place and act as a substitute for them, to act in their place, to act as an agent for them.

Now the derivation of the word "represent," re, "again," and praesento, "I present," makes it clear that something has to be presented again. In the capacity of an agent, then, or substitute, the representative has to "present something again." It's certain, isn't it that nothing can be presented again that has not been presented before? And what is that which it is the duty of this representative to present again? **Obviously something that he has already been presented with by his masters or principals, the people who pay his salary for this purpose.**

His electors present him with their instructions, and his duty is to represent those instructions to Parliament.

This seems quite clear; the people in each constituency should INSTRUCT their respective agents, or substitutes, what results, as a sovereign people, they are demanding, and the representative should RE-PRESENT those demands in Parliament.

He should not be influenced or affected by what the "representative" from Kooyong or Maribyrnong thinks about the matter, but steadfastly re-present the demands made by his masters. He should not be influenced by what the vested interests, who supply the party funds, think, but steadfastly and honestly act as the agent for his principals, re-presenting their demands with undiminished firmness.

Wait a minute! At election time, these people, competing for the job of re-presenting the demands of the people, never wait to ask what the people want, they never seem the slightest bit interested to hear what their masters might have to say, but rush on to the public platform or soap-box, and with great eloquence proceed to lay down what **THEY will do if** placed in the happy position of drawing a large salary as the so-called representative of their electors.

Just think about this! You, Mr. Elector, are allowing these men to usurp your rights, to **tell you** what **they** think would be good for you, or what they think would be better still, perhaps, for the vested interests supplying their party's funds. You are allowing these men, who should be your servants, to become your masters, and in many cases the servants of those big vested interests whose privileged position of power can only be maintained by keeping you and your family in a state of poverty and subjection.

Snap out of it! Make up your mind NOW that for the future you will exercise your prerogative to the full, and tell your representative what you want **him** to re-present **for you** in Parliament.

Tell him the results you want, and see that you get them.

Campaigning in Northern Victoria and the Riverina

M.H.R. OUTSPOKEN

Meetings have been addressed by John Hogan at the following centres: Bendigo, Swan Hill, Kerang, Cohuna, Mathoura and Deniliquin.

The meeting at Swan Hill was particularly successful, and, like the Kerang meeting, was also addressed by Mr. Alex. Wilson, M.H.R., for Wimmera.

Mr. Wilson outlined many aspects of the present position of Australia, and pointed out from his personal knowledge and the communications sent to him from farmers, factories and business people throughout the country, how seriously inadequate and inefficient our present efforts are to the desperate need of the nation, and how the enthusiasm and loyalty of the people is being needlessly dampened and frustrated.

He concluded by appealing to his electors to realise how impotent Parliament was to deal with any serious problem or pressing need for great action unless backed by organised and awakened public opinion. "You must make it clear that you are determined to get Results," he said. "You must stick steadfastly to the Results you want, and bring the utmost pressure to bear on the Government, giving me the utmost support in my own endeavours. Without that I am powerless, and many Members will not even try to act. This is a Democracy for which we are fighting, but there is no Democracy without public opinion."

Mr. Wilson stressed the tragic limitations imposed by orthodox financial policy, and declared that this was the key to the whole situation, and the secret of the Government's tardiness. It was wrong that money should limit our prosperity and progress and development in time of peace, but fatal in time of war. Now was the time to make permanent changes both to win the war and win the peace. Money, as Mr. Spender himself had said, was only a mechanism for getting things done, and, Mr. Wilson added, it must no longer prevent us from getting things done.

John Hogan's Programme

Deniliquin—Association meeting, Thursday, 15th, 8 p.m. Tuppal.—Friday, 16th, 3 p.m. Tocumwal.—Friday, 16th, 8 p.m. Finley.—Saturday, August 17, 3 p.m.

Jerilderie.—Saturday, August 17, 8 p.m.

Wagga.—Sunday, August 18, 10a.m. Junee.—Sunday, August 18, 3 p.m. Junee Association meeting, 8 p.m.

Methul.—Monday, 19th, 3 p.m. Temora.—Monday, 19th, 8 p.m.

Barmadman.—Tuesday, 20th, 3 p.m. West Wyalong.—Tuesday, 20th., 8 p.m.

Westhale Show.—Wednesday, 21st. Ungarie or Giral.—Wednesday, 21st, 8 p.m.

Tallimba.—Thursday, 22nd., 3 p.m. Ardlethan, Thursday, 22nd, 8p.m.

Coolamon.—Friday, 23rd, 3 p.m. Ganmain.—Friday, 23rd, 8 p.m.

Narrandera.—Saturday, 24th. Sunday, August 25, is the date of the Monetary Reform Convention in the Criterion Theatre Hall, Narrandera. Persons still requiring tickets should communicate immediately with John Hogan, c/o Mr. Jack Washington, Leeton, N.S.W., There is no charge.

SITUATION VACANT.

JUNIOR TYPIST,

Australian Motorists' Protection League.

At Once.

Phone: FU 6443.

UNITED ELECTORS' REPORT

Weekly Lectures: We are pleased to announce that the well-appointed Lounge of the Christian Club has been reengaged for the forthcoming meetings. Last Tuesday night Messrs. Parker and Ellis, in debating on price control, provided a most interesting and stimulating entertainment. Next Tuesday our visiting speaker will be Miss Grace Iggulden, who will speak on an "important subject." Remember the address: Christian Club, 8th Floor, Albany Court, Collins street (near Swanston-street).

Country Supporters are urged to send in to the secretary the names and addresses of non-supporters attending meetings or otherwise interested.

REPERCUSSION

The following item from Monday's Melbourne "Age" should be read in the light of last week's "New Times" leader (in which an "Age" report was quoted):

BANK LOANS

Reply, to Criticism

The chairman of the Associated Banks of Victoria (Mr. P. F. G. Gordon) made the following announcement on Saturday:—

"The statement appearing in Saturday's issue of the 'Age' that trading banks are adopting an unsympathetic attitude towards the claims of manufacturers for accommodation to carry on defence works is entirely without foundation.

"The banks are fully aware of their responsibilities, and are doing their utmost to assist and to give preference to advances for purposes essential to the successful prosecution of Australia's war effort."

(The statement in the "Age" referred to by Mr. Gordon was based on declarations made by manufacturers in Melbourne, who submitted specific details in support of their allegations.—Editor, the "Age.")

West Australian Notes

From Electoral Campaign Headquarters, 81 Barrack Street, Perth.

SPECIAL NOTICE:

Headquarters wishes to make a special propaganda drive in the city, and with that in view invites subscriptions from supporters, which will serve to provide us with, sufficient for rent for at least a week.

The display will be supported by posters, and will popularise our war literature. Special donations will be acknowledged in this column.

Kattanning group secretary, Mr. N. Beeck, reports increasing interest in his locality and requires the help of a speaker from headquarters to form a group at Woodanilling. Wongan Hills will also have a visit from the campaign director by the time these notes appear. It is hoped that all supporters will rally to the meeting, which is for supporters only.

RESIST HIGHER RATES

The Lord Mayor has fixed the ratepayers' meeting for August 15, in the Murray-street. Chambers, Perth. An objection, however, has been lodged by the association, which requests that the meeting be called for the North Perth Ward, and so allow ratepayers to attend, which, naturally, they could not do if the meeting is held in Perth. The Resist Higher Rates Association cannot allow the Lord Mayor to sidestep the real purpose of the Demand which 500 ratepayers have signed against higher assessments and rates.

Headquarters would like to get into touch with ratepayers in the Leederville Ward. Our address, 81 Barrack-street, Room 1.

Mr. Rushton, State Chairman, will be addressing a private meeting in Northern at an early date. He will be accompanied by the State Director of Campaign.

"EXCHANGE CONTROL"

HOW IT AFFECTS US AND WHY, EXPLAINED SIMPLY

By D. J. AMOS, F.A.I.S.

(With acknowledgments to the Rational Economy League of Australia. —Continued from last issue.)

Speaking generally, the amount of legal tender money in circulation varies little from time to time. The total of current deposits in Australian banks is increased or decreased by the action of the banks themselves. The granting of an advance by a bank, or a bank purchase, usually leads to an increase, while the recall of a bank advance, or a bank sale, is usually followed by a decrease. Economic and vital statistics reveal that there is a definite, if not a rigid, relationship between the total of Australian current deposits in banks and the economic and social welfare of the Australian people.

When a Government creates a community's money and regulates the supply so as to make the community free to behave economically and socially as it wishes to behave, it will be acting as a democratic Government should act; but when money is created and the supply regulated by private trading companies, known as banks, these private trading companies become, not indeed the Government of the country, but its concealed dictators. Power lies in their hands, but the responsibility for their actions rests upon the shoulders of the Government.

Having seen that the Australian banking system exercises exchange control, we have now to find for which of the buyers they have acted—Australian Governments, Australian Importers, or the Overseas Investors,

IN WHOSE INTERESTS?

They have certainly not acted on behalf of Australian Governments. In his work on "Australian Monetary Policy in the Depression," Professor Copland points out that, between 1928-29 and 1930-31, the national income fell from £645 million to £430 million, and unemployment rose from 9.3% to 30%. Combined Government deficits rose from £31 millions in 1930-31, to £40 millions in 1931-32, and the debt problem became dangerous in the extreme. According to the Professor, "All these developments were caused by the intense deflation that marked the early stages of the depression in Australia." The Governments of Australia have suffered financially for two reasons—firstly, exchange control has played havoc with their revenues; and secondly, has driven them to continually borrow, not only to meet their overseas commitments, but to meet current expenses at home. Our national debt has now reached astronomical proportions; and the interest upon it is now a millstone around the national neck, and a fetter upon all our activities, whether for war or peace.

Neither have the banks acted in the interests of the Australian Importer. The weapon of exchange rationing was used against him during the depression until, with ruin staring him in the face, he formed, together with the Australian Exporter, a market independent of the banks. Forced in their own interests to compete, with this "outside market," the banks raised the exchange rate as high as 130, but finally "pegged" it at 125. This rise in the rate of exchange was one of the main contributory causes of financial recovery in Australia, as was admitted by the Royal Commission on the Australian Banking System, but the formation of an "outside money market" is now a criminal act, punishable by heavy penalties.

There remains then the Overseas Investor, and the cap fits him very neatly. His income from Australia is largely a fixed income, derived from fixed rates of

interest upon his investments, which means that he is unaffected by a general lowering of incomes following upon a reduction in the money supply.

THE OVERSEAS INVESTOR

A strong link is observable between the Overseas Investor and the Australian Banking System. The English Banking System is very often itself the Overseas Investor, and many of our Australian banks are branches of English banks.

The manner in which English banks have come into possession of large Australian investments is not difficult to imagine. Over the last hundred years English exports to Australia (visible and invisible) have been considerable. Some of the money realised by these exports, instead of being converted into English money, has been used to buy assets in Australia. The English banks, as creators of English money, have received these Australian assets in return for money advanced to English industry, or they may have purchased the assets themselves. These assets are largely in the form of Australian Government Bonds and Preference Shares in Australian Industry, which accounts for the incomes

ERIC BUTLER'S MEETINGS

Leaving Melbourne for Gippsland on Monday, August 5, Eric Butler was to have addressed a meeting at Trafalgar that night. Unfortunately, the weather conditions were such that there was only a very small attendance, and the meeting resolved itself into an informal chat. However, good work is being done at this centre, while the contributions of Mr. H. Hotchkin to the local paper have caused widespread interest.

On Wednesday, August 7, Eric and Mr. Hotchkin visited Mirboo North. Splendid work has been done at this centre since Norman Rolls and Eric first visited it during their Gippsland tour earlier in the year. The local paper has been reprinting quite a lot of Eric Butler's material. The meeting was well attended, the speaker being given a particularly enthusiastic hearing. The highlight of the meeting was the vote of thanks moved by one of the

received from them being largely fixed incomes. The close connection between the English and Australian banking systems is a matter of economic history, and the Australian Banking System has followed a settled policy of controlling exchange to the advantage of overseas investors and to the disadvantage of all other parties. We know now that "intense deflation" was the means used to restrict the demand for one particular "commodity" (exchange) by restricting the demand for all commodities.

GROUNDLESS FEARS

In order to clinch the case for the freeing of the exchange rate, it may be as well to deal directly with two commonly expressed fears. The first is that "low wage" countries would then be in a position to "flood Australia with goods." The second is that our governments could not afford the extra cost of a free exchange rate and the meeting of overseas debts. Both fears are groundless.

A free exchange rate would tend to equalise Australia's overseas trade at a level mutually desired by the parties concerned. Any increase in imports would increase the demand for exchange (relative to supply). The consequent rise in the rate would reduce the flow by making imports dearer. In the same way any excess of exports would be corrected by an opposite movement. This principle would operate no matter what the price level in any overseas country might be, and no matter how any price level moved. In any case, it is controlled exchange, not free, that has caused Australia in the past to be sometimes "flooded with foreign goods." Controlled exchanges contribute to the "need" for tariffs, quotas, embargoes, export bounties and similar insanities. A true exchange rate would give equitable and equal protection to all Australian industries, whereas tariff protection is afforded to individual industries according to their relative inefficiency and political "pull."

WHAT WE CAN'T AFFORD

With regard to Australian Governments, they should have no interests apart from the people they represent. What they cannot afford is the general impoverishment, which is always present when exchange control is strongest. They cannot afford to have their export producers generally, and a large proportion of their working population upon sustenance. They cannot afford malnutrition among Australian children. They cannot afford the ill will between nations that follows automatically upon trade restrictions, nor the wars to which this ill will inevitably leads.

local bank managers, who expressed himself in favour of the views of the speaker in no uncertain manner. A good report of the meeting appeared in the local paper.

Last Sunday, August 11, Eric Butler and Ron Jones, together with friends, paid a visit to Powelltown, where a successful meeting was held in the afternoon. Literature sales were exceptional, while a quantity of demand forms was quickly obtained by local enthusiasts. Splendid work is being done in this area, and it is hoped to arrange further meetings in adjacent centres in the near future. Already preliminary steps have been taken for a meeting at Warburton.

After the Petrol Rationing Protest Meeting in the Central Hall on Monday night, Eric left for two further meetings in Gippsland. These will be reported next week. He expects to visit the Wimmera next week.

UNITED DEMOCRATS' REPORT

From Headquarters, 17 Waymouth Street, Adelaide.

A profitable evening was spent by members and friends at headquarters on Saturday, 3rd inst, at the second of the regular monthly meetings. Through the courtesy of two visitors, much light was thrown on the oil development question in Australia, and some interesting and valuable information obtained. Early action is expected as the outcome of this excursion into a matter so vital to Australia at the present moment. This meeting showed a larger attendance than the first—a fact that is encouraging. Supper and general conversation ended the meeting.

Members and supporters are reminded that Saturday, September 7, has been fixed as the date for the annual meeting. This will begin at 2 p.m. and will continue, with a break for tea, until the evening, when the meeting will become less formal and more sociable.

Book Stopped by Treasury

LONDON, Monday (A.A.P.).

Without explanation the Treasury today ordered the indefinite postponement of publication of the 6d "Penguin Hansard," containing a digest of debates in the Commons for the period from the resignation of Mr. Chamberlain as Prime Minister until recently.

Between 30,000 and 40,000 copies have been circulated to 2,000 booksellers throughout the country, to whom the publisher, Allen Lane, has sent telegrams stopping sales.

Mr. Lane said that his Majesty's Stationery Office originally gave permission for a book to be published, in which speeches were to be impartially abbreviated. It was his opinion that the suspension might be due to a misunderstanding, which could be cleared up.

—"Argus," August 6.

THINGS TO COME

By HENRY FORD

"Mark my words: A combination aeroplane and motor car is coming. You may smile. But it will come. It won't spring from the brain of any one man.

"The two major within-sight developments in aircraft are much bigger and much smaller planes. The former are on their way. The latter will come as the science of aeronautics progresses.

"The body of our motor cars will be provided right from the farm in the not distant future. Even weeds can, and will be used—so-called weeds; most growing things, you know, originally were weeds. Furniture will be a product of grain. Lumber takes too long to grow. Press almost anything with the right mixture—and press it hard enough—and you can get results beyond anything people have yet imagined."

—"Forbes," New York.

Keep This Date Free!

Tuesday, September 3, at 8 p.m.

MONSTER RALLY

Assembly Hall, Collins St.

Eric Butler and F. C. Paice will give special addresses on the present situation.

BRING YOUR FRIENDS.

THE FEDERAL ELECTIONS AND THE PETROL RATIONING

By JAMES GUTHRIE, B.Sc.

(Based on a talk broadcast from 7HO, Hobart, and 7 LA, Launceston, on Sunday, August 4, at 8.15 p.m.)

According to Press reports, the Prime Minister was anxious to obtain a postponement of the elections, which fall due this year. According to the Australian Constitution, a Federal Election must be held every three years; this can only be altered by getting permission from the people by means of a referendum.

It appears, however, that Mr. Menzies did not want to ask permission from the people, but from the British Government instead. It is very doubtful if the British Government would be stupid enough to meddle in Australia's domestic affairs—such a policy is usually dangerous and is the best-known means of creating antagonism.

The British Commonwealth of Nations, as a working unity, would have ceased to exist long ago had its affairs been controlled by one central authority. The growing opposition in America and the British Dominions to the ever-increasing powers of centralised Governments, or absolute management, as it is called, is neither stupid nor misinformed. It is the natural instinct of a self-respecting people; and it is a very sound instinct. It is only by recognising this that the unity of the British Empire will be preserved.

The Prime Minister did not want to have an election just now, because, he said, it would upset the country during a time of crisis or expected crisis. I would point out to you that every crisis that has passed has been used to take away some of our liberties, and never during any crisis have we gained any liberty or any advantage whatsoever. We gather, therefore, that crises are convenient instruments with which to steal from the people those liberties with which they could not otherwise be forced to part.

PARTY POLITICS

Political Democracy, under the Party system, has developed into such a farce that some people do not worry which Party gets into power; taxation keeps on increasing just the same under the U.A.P. Party as under the Labor Party—so why worry? These people argue that Party Politics is only a racket, and the people have no control over the Party Bosses, which, of course, has been quite true in the past. But it has only been true because we the electors have allowed it to remain so.

The time is approaching when any candidate endorsed by the Party Machine will be looked upon as a political place-hunter, and will be turned down with contempt. However, it doesn't matter which Party a candidate belongs to, you still have power over him if you are prepared to use it. If the results you expected are not forthcoming you still have the power to vote against the sitting member, and put a fresh man in his place. This is a very good thing to do, as no member likes to lose his job; and if he thought he were likely to lose his job, he would take less interest in the wire pullers and more interest in his electors.

We still have power to change our Government and to put in fresh men every three years; we have not yet learned how to use that power, but we have it, and we have got to stick to it, war or no war. I advise you to make known to your member of Parliament that you will not tolerate any extension of the life of Parlia-

ment without your permission. The choice of our representatives in Parliament is one of our last remaining privileges; it is the essence of our democratic liberties. It is the thing we are supposed to be fighting for, and, as the Prime Minister himself said: "It would be a tragedy if we won the war and lost the very things we were fighting for." War or no war, there has to be an election this year.

PETROL RATIONING

There is a great deal of opposition to the petrol-rationing scheme in Australia, and the reasons for it are many. In the first place, the destruction of £20 million worth of industry in order to save £2 million in foreign exchange seems to me like cutting off a man's head to cure the toothache. It doesn't seem reasonable.

The welfare of Australia depends largely on the motorcar and the motor lorry. In fact, it is safe to say that the motor-driven vehicle has made modern Australia possible; it is one of the main props of our economic and social life. And to cut that main prop away without first supplying a substitute is going to do

more damage to the country than would a large number of air raids by enemy bombers.

The least we expect is that petrol be made available in adequate quantities until such times as Australian industry has produced adequate numbers of gas-producer plants and sufficient quantities of petrol substitutes. The motor trade has been dealt a crippling blow, and is suffering a heavy loss at a time when there are so many unemployed in the country; and no provision is being made to absorb the unemployed members of the motor trade into other industries, nor to recompense those owners of small garages and workshops who have put their life savings into their business.

This appears to be the day of big business, and evidently the edict has gone forth that small men have to be destroyed and their independence taken away—the "Sovietisation" of the country goes on apace. I would suggest to the Commonwealth Government that if it has any more bright schemes for the destruction of the trade of this country, that it forget about them and leave our enemies to do all the destruction necessary.

The motor car is a vital part of the social life of the community, and many hard-working families have built cottages in the country in order to give themselves and their families a chance of a reasonable existence by supplementing their wages by growing fruit and vegetables, keeping poultry and, perhaps, a cow to supply fresh milk and butter for the children. This miracle of self-help was managed by the wage earner travelling to town in a secondhand car.

The Petrol Rationing Scheme is going to drop a bombshell into these gallant little communities, and it now appears that these deserving families are to be uprooted from their homes and forced into the cities to add to the great army of the dispossessed.

POLITICIANS' FOLLY

I cannot see how the security, the efficiency, or the morale of

the Australian people is to be helped by a ruthless cutting out of their transport. The crowding of the population into cities has been condemned by public men for years; and the people who have taken their families out of the city, and have invested their money in a small piece of land and a home in the country, are now entitled to some protection from these same public men. It is to be hoped they will get it.

We expect the Government to organise the effort of the country in the most efficient manner. Disorganising industries and throwing men out of employment before there is a munition industry established doesn't appear to be a very helpful contribution to our war effort.

There are too many valuable men with nothing very useful to do and too many inexperienced officials trying to teach experienced men what to do. Unfortunately, the best type of man doesn't get his name in the newspapers, nor is he willing to put himself forward.

But something serious will have to be done to get the best type of Australian in charge of our war effort—a clean sweep is required in all departments. One suggestion I would make is to get the leaders of all political parties to meet together in conference, say, down Mexico way, and then to keep them there for the duration of the war.

THE PRESENT SCANDAL"

Britain and the Banks

In reply to a question from Mr. Stokes in the House of Commons on June 18, asking whether, now that the Chancellor of the Exchequer has power to control the banks, he would take back to the State the right to create money—thereby, in addition to other advantages, enabling Britain to finance the war free of interest charges—Sir Kingsley Wood (the Chancellor) replied simply, "No, sir."

"Does the Chancellor realise," went on Mr. Stokes, "the amount of saving that could be effected by the nation if he took back to the people what is its right, instead of allowing the present scandal to continue?"

Mr. Speaker: "I must ask the hon. Member to put his Supplementary Question in reasonable language."

Social Credit Movement of South Australia

Under the leadership of Mr. D. J. Amos, this educational group is making progress. This movement was formed in February last, and a series of monthly meetings has been held in the A.N.A. Buildings, Flinders-street, Adelaide. Much interest is evinced in this educational project, for as such it has been agreed the movement shall function. A Study Class is to start immediately, and will be conducted by Mr. Amos. From it, it is hoped a number of capable speakers will emerge. The committee extends a cordial invitation to social crediters who desire to become active workers and give their support to this movement. The next monthly meeting will be held at the A.N.A. Buildings on Thursday, August 29; at 8 p.m. Mrs. B. C. Hull is the assistant secretary.

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 & 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.

Will Democracy Survive?

By ERIC D BUTLER

(Continued from last issue.)

The basic economic problem, which has confronted civilisation for many years, is one of distribution. Poverty amidst plenty has become a common expression. This unsolved problem of distributing the fruits of science has been the greatest factor in increasing our national ills—while the rise of totalitarianism has been the direct result of similar social ills in other countries.

The international fight for markets, with increasing international friction, is the result of the failure of the nations to distribute the results of production to their people. Distribution depends upon money. There is a gap between production and consumption. The Southampton Chamber of Commerce summed up the problem in the following statement:

"Thus, from whatever angle it is viewed, we have the situation of widespread industrial trade stagnation, with producers capable of production and millions in want of the things which can be produced in abundance. In the *prima facie* evidence, the fault in the economic system lies in the machinery responsible for the transfer of the goods from productive industry to individuals of the community. The link between production and consumption is money. In order that it should function smoothly, the quantity of money should always be sufficient to provide the community with purchasing power to give full access to the goods available. As the creation of money by the banking system can be effected as and for any purpose they consider desirable, it would seem that a power nothing less than the control of the entire economic activity of the nation is vested in a private monopoly."

DICTATORSHIP OF RIGHT OR LEFT?

Dr. C. E. M. Joad, writing on the failure of the present system of distribution and its effects upon the democratic system of government, in his book, "Liberty Today," says: "It is precisely this abundance which holds up the existing economic system to ridicule. The conditions of poverty which millions were once prepared to accept as the natural order of things are completely intolerable in a world where wealth is daily destroyed because its distribution does not pay its owners. It is the consciousness of ill-clad men that cotton is being ploughed into the soil, of ill-warmed men that the coffee for the hot drinks which they crave has been used for fuel; of starving men, that the wheat which might have been used to make bread has been allowed to rot and smoulder, and that the farrowing sows, whose offspring might have provided them with bacon, have been killed; it is the spectacle of the world's quays and warehouses, stocked with the rotting fish and fruit that might have fed, of the world's wharves filled with the coal that might have warmed them and theirs, that constitutes the greatest enemy to democratic government throughout the world. . . . This intolerable paradox of poverty in the midst of plenty is a standing indictment to violent action, and violent action in modern conditions leads almost inevitably to dictatorship, whether from the Right or from the Left. . . ."

All over the world we have seen this swing towards dictatorship in various forms because of that unsolved problem. It remains for the British people to show that democracy will allow a constitutional solution of the problem. That is one of the main reasons why the military challenge of those nations who have abandoned any semblance of democratic government must be met.

PRIVATE BANKS MANUFACTURE MONEY

Distribution, under our modern system of economy, is dependent upon the amount of effective purchasing power in the hands of the public. The subject of purchasing power cannot be discussed unless we are familiar with the source from which it comes. That source is the private banks. Banks manufacture money just as boot-manufacturers manufacture boots.

Not very long ago, the majority of the people thought that banks only lent their depositors' money. The whole question of money seemed to be shrouded in such mystery that one would have thought that it was some peculiar substance over which man had no control. Thank goodness we have moved forward a little since then, and that an ever-increasing number of people are beginning to understand that the bulk of our money supply today consists of no more than figures in ledgers operated upon by cheques. It is only a matter of bookkeeping. Let the following authorities indicate the true position:

The "Encyclopedia Britannica," 14th Edition, under the heading of Banking and Credit, says: "Banks create credit. It is a mistake to suppose that bank credit is created to any important extent by the payment of money into the banks. A loan made by a bank is a clear addition to the amount of money in the community."

Mr. J. M. Keynes, the noted economist, says: "There can be no doubt that all deposits are created by the banks."

Mr. R. G. Hawtrey, Assistant Secretary to the British Treasury, put the matter as briefly and clearly as possible when, in his book, "Trade Depression and the Way Out," he wrote: "When a bank lends it creates money out of nothing."

Professor Soddy has written upon the matter as follows: "**The cheque system, itself beneficial, has enabled the banks continuously to create and destroy money at will. It is this power of the private mint, which imperils the future of scientific civilisation; which makes politics a sorry farce, and reduces Parliament to a sham. It is a manifest injustice to those who have to earn their money that private firms, by a stroke of the pen, should be empowered by the cheque system to create it. But it is far worse that the money of the country, by a mere refusal of a banker to continue a credit to a debtor, should be suddenly and secretly destroyed again.**"

Hon. Reginald McKenna, Chairman of the Midland Bank, summed up the position in the following terms:

"I am afraid that the ordinary citizen will not like to be told that the banks can create and destroy money."

"The amount of money in existence varies only with the action of the banks in increasing or diminishing deposits. We know how this is effected. Every bank loan and every bank purchase of securities creates a deposit, and every repayment of a bank loan and every bank sale destroys one."

On another occasion, McKenna said: "**The Bank of England, and no other power in heaven above or earth beneath, is the ultimate arbiter of what our money supply shall be.**"

Professor F. Soddy, F.R.S., writes in his book, "Wealth": "**The cheque system, by dispensing with tangible tokens for money, enables the banker to vary the quantity at will; in fact, it is now never the same for two instants at a time. His 'loans' are not loans as between ordinary people, in which one gives up what the other gets. He creates the money he lends and destroys it when it is repaid. What he really does is to empower impecunious borrowers to buy, extracting security from them in the event of their defaults, and owns in perpetuity the sellers who supply the goods or those who in turn sell to them. The bank deposits are figures showing how much more money the banks owe the depositors than actually exists in the form of tangible tokens. Money is exchanged for wealth, not changed into it.**"

WHAT IS MONEY? IT IS NOT WEALTH

The simple facts about money cannot be stated too often. There has been no greater delusion, keeping man a mental and physical slave, than the idea that money is wealth. Money only represents a claim to wealth. It has taken many forms through the ages, from cowrie shells to our present cheque system. Possibly the best orthodox definition of money is given by Professor Walker: "Money is any medium, no matter what it is made of, or why people want it, which no one will refuse in exchange for his goods. Its value is not in the material of which it is made, but in its exchangeability and acceptability in return for goods and services rendered. The common forms of currency, metallic coins and paper money, are really exchange tokens."

In view of the fact that the people have collectively produced the real wealth, which alone gives any kind of money its value, it is a remarkable thing that they are going further into debt to private groups who do no more than create the claims to the wealth. However, this is so. Furthermore, taxation must be progressively increased to meet the interest charges on the debts being incurred.

(To be continued.)

CENTRALISATION CONDEMNED

(Continued from page 1.)

DEFEATING GERMANY

Now, it is quite certain that the winning of Armageddon involves the defeat of the German armed forces. I am confident that there are, and have been for more than 150 years, Satanic forces behind Germany, using Germany for their own ends, just as those Satanic forces have landed us in an unnecessary war, which it is hoped will be the end, not merely of Great Britain, but of British culture—the culture of tolerance and individual initiative, which the Planners detest and fear. To win this war involves a good deal more than the defeat of Germany, but—one thing at a time.

The defeat of Germany involves maximum efficiency over an unspecified time. Is it possible to State the conditions of this efficiency? I think that it is.

First, consider the simple proposition that the more static the situation, the less dangerous is absentee management - centralised control. Centralised control of graves seems fairly unexceptionable. The military acquiescence in "unity of command" so far as it ever existed in 1918, grew out of the trench warfare of 1915-1918, which was purely static, punctuated by catastrophes hatched out by absentee-management. This war is not static. The British Army of 1940 is as good, or better, than the British Army of 1918. It has been made to look like a team of elementary schoolboys playing Cambridge University at Rugby Football—by "unity of command."

The first essential of maximum efficiency is not unity of command it is unity of intention. Are we fighting this war to beat Germany, or to put over some secret scheme of a "new order of society" vide Mr. Anthony Eden, Mr. Baldwin's white-haired boy, who is controlling the British Army? Why has not a single Communist been arrested when hundreds of Fascists have been interned?

Every competent authority knows that Russia is a mere satrapy of outside interests—originally American - German - Jewish, now more directly German. What is the "Russian" Jew Ambassador, Maisky, who is in constant communication with Berlin, doing at large in London? Is he assisting in "unity of intention"?

SECONDHAND IDEAS

Does Mr. Eden think that all the virtues, all the brains, and all the competence flourish in an order of society, exemplified in Soviet Russia, a country of 180,000,000 of people, 70 per cent, of whom cannot read or write, a country with a record of mass-murder never remotely approached under the worst of the czars, riddled with corruption, on the verge of famine? Because if Mr. Eden, and those like him, are chiefly interested in making Britain Communist, we are not going to beat Germany. We don't need to. Germany would like nothing better than that we should go "Communist." The powers behind Germany and Russia are willing to take the Dictatorship of the World under any title, which dupes the greatest number, until such time as it becomes no longer a matter of consequence what the dupes think.

While I am confident that argument is lost on Mr. Eden, and those of his colleagues who share his views, I feel that it should be put on record that the overwhelming majority of the people of this country detest almost equally the realities of Communism, Nazi-ism (National Socialism) and Fascism. And, perhaps, as an insignificant individual whose roots in these islands go back more than a thousand years, I might warn much more significant persons than Mr. Eden of the rising anger of the British at the suggestion that we have to take our social ideas at second hand via either a paperhanger, an Italian gangster or an Asiatic mass-murderer.

Pharaoh and the New Escape

By W F ALLEN

And it came to pass in these latter days that a new Pharaoh arose in a new, rich and productive land. But the people were poor and dispossessed, for they were in the grip of the financiers.

But the heart of Pharaoh was hard, and he said: "I will not listen to your complainings. Go ye now, and make more bricks and find your own straw and gather ye greater harvests."

But the people moaned and groaned and spake thus to the new Pharaoh: "We do now grow more produce, our crops increase, yet are we bankrupt and are turned off our holdings."

And Pharaoh replied: "There is no other way, it is your concern, not mine, see ye to that. Go ye, therefore, spend less, tighten your belts, save more, work harder. Yet must ye eat more apples and pears, more eggs and milk, and spend your spare time in physical jerks, making for National Fitness."

"But be ye warned. Do not ask for more money for your home industries, for that would be inflation—so have our professors declared and that wisely. But make ye more munitions by the million, for it hath been declared by our old wizards that millions of money can easily be found in the first week for "Defence," and that method hath suitably been named "sane finance." Now, go ye to it, for we are "all in it"—as it were—what say you?"

And it came to pass that the new Moses went into the presence of the new Pharaoh, and thus he spake: "In the natural course of

events, many sorrows shall be to the wicked, and many plagues and pestilences will come upon you, rich tho' ye be, in consequence of your evil ways. Therefore, relent and let my people go that we may feast and not starve all the rest of our days."

But the new Pharaoh hardened his heart the more and said: "My fathers did whip you with whips but we shall lash you with scorpions—your taskmasters shall demand yet more of you: whilst, after the war, ye shall be overtaken with disease, desolation and death, with famine and terrible sufferings such as yet ye have not known."

Even so did Interest, like lice and flies of old, batten on the people, their crops had a mysterious blight on them called "Banks-era," reactionary laws bound the people, there was a money-famine, poverty like slimy frogs invaded their homes, and disease broke out by reason of malnutrition. Their misery waxed greater, day-by-day.

But at length, when their first-born had thus been slain, even unto Pharaoh's first-born, the people did notice some relenting on the part of Pharaoh. So they did clamour greatly and sent Moses again into Pharaoh's presence.

And Pharaoh said to Moses: "Things are not good. Have you an idea to alter this?" And Moses said, "I have." Then did Pharaoh wax eager and said: "Make haste and declare it." And Moses replied: "We have—O King, improved on the old barter system, we do use money as a medium of exchange—and it is good and efficient so far as it goes. But here, O King, is the catch. The manipulators thereof—the banks; who it is said, give us umbrellas when it is fine and demand them back when it rains—do issue insufficient of this pleasant medium and do keep us restricted in our living. So, O King, demand that the full measure that equates consumption with production be at once made available to the people."

But Pharaoh did hesitate, for the old wizards had talked with him often. Many were his objections, but Moses did meet them all, so that he did relent and did issue an edict accordingly.

Thus did the people escape from their bondage so that all were contented and at peace with their brethren. And great was the rejoicing throughout the land.

SCIENCE MARCHES ON

DARNING BLOOD VESSELS

How to repair torn veins and arteries is a big problem for surgeons. For broken blood vessels grow limp, like a flat tire, and it is difficult to spread the severed ends into tubular shape so they can be stitched together. Some thirty years ago, Dr. Alexis Carrel, then teaching at Chicago, overcame this difficulty by stuffing torn blood vessels with Vaseline. But this technique was so troublesome that few surgeons have followed it. Recently, famed physiologist, Anton Julius Carlson, of the University of Chicago, announced that one of his medical students, Sidney Smith, had finally made the two ends meet—by the simplest of inventions. For this he was awarded Chicago's coveted Harry Ginsburg prize.

Young Mr. Smith (he will get his M.D. next year) conceived the idea of slipping the severed ends of a blood vessel over a slender rod from opposite directions and sewing them where they met. The rod, like a darning egg inside a torn stocking, makes sewing easy. Of course, the rod cannot be left inside, nor can it be removed. So Sidney Smith makes his rods of sugar in sizes to fit all types of blood vessels. Coated with a thin film of bland oil, the rod stiffens the vein or artery while a surgeon mends the break with overcast stitches. Clamps cut off the supply of blood during the stitching. Then the clamps are removed and in ten to fifteen seconds, the warm blood melts the sugar and circulation proceeds normally.

Although doctors have tried the new technique only on dogs, they hope to use it soon on human beings. Not only would it be invaluable for accidents, says Dr. Carlson, but it would also enable doctors to cut open blood vessels and remove emboli—clots, which block circulation, may cause death. —"Time," U.S.A.

United States-Italian Trade

(Continued from page 1.)

four months of 1940 her imports slacked off to 1,330,140 bbl, a rate of less than 4,000,000 bbl. a year. Nevertheless, she was getting lots of oil. Her new source: Mexico, which, in the first 20 weeks of this year was fueling her at the yearly rate of 5,943,600 bbl., up 1,874% from 1938.

"When Hitler attacked the Low Countries, U.S.-Italian trade almost got the biggest boost yet—on U.S. initiative. Ambassador to Italy William Phillips, on orders from the White House, offered Mussolini a desperate bribe to stay out of the war: a treaty of friendship, a trade agreement, new credits. Such appeasement must have flattered Il Duce. Nevertheless, Il Duce refused. Meanwhile parallel British appeasement feelers, equally fruitless, resulted in a temporary easing of contraband inspection of Italian vessels passing Gibraltar. Last week Italy made hay while the sun still shone.

"Although many a U.S. steel mill, preparing for armament orders, was in the market for scrap steel, Mussolini's agents managed to place orders for no less than 250,000 tons—the equivalent of about seven months' purchases at the rate of the last two years. Trade authorities agreed this amount was above Italy's normal needs (200,000 tons a year), was obviously headed for her (or Germany's) war chest. Steel men recalled that National Steel Corp.'s Ernest Tener Weir, in behalf of the industry, had two weeks ago demanded that exports of U.S. scrap be limited. Such regulations need not hurt the Allies, who buy mostly finished steel and steel products, but to impose it now would be about as useful as locking the barn door ex post facto."

BUMPER CROPS EVERY TIME

(Continued from page 3)

according to tests made recently at the California Institute of Technology, contains twenty-eight per cent, of cellulose, which is both unappetising and indigestible. All except a small part within the crease of the seed comes off. Not long ago, seeking a faster method of peeling, the inventor erected a machine resembling a small water heater. Fitted with impellers and baffles, it peels wheat under water in five minutes, delivering the grains in a steady stream at the bottom.

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