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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. 34. MELBOURNE, FRIDAY, AUGUST 23, 1940.

The Basic Wage Inquiry

A "Dead-End Job"

By J. McKELLAR.

As examples of bewildered economics it would be hard to find anything to surpass the proceedings in the Federal Arbitration Court. This applies equally to judges and to the union representatives.

If their remarks are correctly reported, and any strictures herein contained assume that they are, it would appear that some elementary teaching in industrial accountancy is a primary necessity.

It would almost seem as if the union advocates had failed to learn by experience, whatever may be the lore garnered from statisticians' publications and company balance sheets. For the industry displayed in the collating of such matter as they use in pursuance of the vain attempt to raise the standard of living of the masses of the workers, I have a profound respect, but it is depressing to see their valuable energies wasted upon futilities.

The judges themselves made certain admissions which have some value, but confessed to a helpless ineptitude as to the principles to be employed in assessing proportionate shares of the increased industrial productivity, on which the union representatives based the claim for a higher basic wage rate.

The whole proceedings of the court are archaic in the light of the advances made in productive efficiency, mechanical invention, and technical processes. The sum of all these things constitute an increase in the community's Real Credit, and there is no way by which that augmentation of Real Credit can be turned into real and tangible benefits, except by a financial system which reflects the physical facts of the new industrial economy.

Let us take the judges' statements first. The Chief Judge (Sir George Beeby), said, "Industrial people in this country should share in the increased productivity arising from the joint effort of all factors. They should share in the form of a higher standard of living, but the thing to do was to find a measuring rod."

He said at a later stage, "We have no rules to show what share of total production should go in wages, in profits, and in public services."

Judge O'Mara confessed, to be quite frank, I don't know how to go about ascertaining the highest basic wage industry can afford. I think other courts have fixed the wage on the needs of families."

PRODUCTIVITY

Now it is a fact that modern industry has enormously increased productivity per man, and can go on doing so. It is agreed that the community should benefit from it in a higher standard of living—or else we may as well return to handicraft production. The whole point is, how can the

fruits of industrial progress be made available to the community?

In the first place, the court should abandon the attempt to discover the rules governing the distribution of total production, for no rules can be devised for that purpose that would not be broken immediately they were formulated. The power of price fixation rests with the business entrepreneurs and industrialists, and the lowest price level, whatever the highest may be, is determined by the costs of production.

Wages and salaries, according to the Commonwealth Statistician, take approximately 20 per cent, of total value of factory output. Supposing the proportion was altered to make it 25% by a new award? The additional wages cost would be incorporated in the price structure, and the proportions would be as they were before in real purchasing power, whatever the nominal rate may appear to be.

We are all in the same fix as Judge O'Mara. None of us knows how to ascertain the highest basic wage industry can afford to pay. And from some points of view it doesn't matter. It is important in regard to selling goods in open, overseas markets. The ability of

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FINANCIAL QUESTION NOT TACKLED

Extract from Broadcast Speech by the Tasmanian Chief Secretary (Mr. E. Brooker) over Stations 7HO, 7LA, 7BU, at 7.45 p.m. on Sunday, August 11, 1940.

"The fact that the Federal Government has never, even in this time of national crisis, attempted to tackle the financial question is sufficient to condemn them. At the present time, we are spending on defence over two million pounds per week, every pound of which is borrowed, unnecessarily, at a rate of interest. As this money has to be created by the private banks before it can be borrowed by the Commonwealth Government, so it could be just as well created by the Commonwealth Bank, as was made clear by the Monetary Com-

mission set up to enquire into such matters.

"Personally, I have no doubt whatever in my mind, that to win this war we must place every pound of energy and purpose behind our effort. No ancient custom or accepted practice must stand in our path. If our past method of production or finance is inadequate, it must be removed. In other words, if the national effort for defence is physically possible, if men and materials are available, then it must be made financially possible."

SIDELIGHTS ON THE WAR

An English Writer's Comments

Behind the very real tragedy of France having to accept peace terms dictated by the rulers of Germany and Italy, lies a significant fact from which encouragement may be drawn: the Armistice concluded was contrary to the plan of those who prompted the war.

In its leader of June 23, after pointing out that France had a great Colonial Empire "with well-placed naval and military forces," the "Sunday Times" said: "Thither her Government, her Fleet, her Air Force, and what was saved of her armies, could for the time retire. M. Reynaud intended this. How and why was he deposed and an Ultra-Right Government put in his place, with the policy of making a separate peace in breach of the Anglo-French Treaty? We do not know. Marshall Petain and General Weygand controlled the Army at the centre, and both are men of the Ultra Right."

The French soldiers' fighting qualities did not fail, nor the generalship of Weygand. The battle for France was lost behind the lines before General Weygand assumed command of the Armies. It was lost by the powerful Interests, which Reynaud and Daladier and their Government served—Interests which prevented the adequate mobilisation of France's Industry, so that her Army could be properly equipped.

UNION FEARED?

Something caused Marshal Petain and General Weygand and their Government to lose faith in the British Government; otherwise assuredly they would have carried on the war outside France. They were well placed to see through the intrigues of their own politicians and what had really been

going on in France. Did they think the invitation to sink the identity of France in a Union with Britain a poor substitute for even Hitler's peace terms? Did they suspect that the mongrel Franco-British State was to be merely the prelude to an American-Franco-British United States?

The "Economist," on June 22, said: "This island is now the frontier bastion of liberty; but it is not the last frontier. We have accepted the great sacrifice of the Czechs, the Poles, the Norwegians, the Dutch and the Belgians—and now the French. They have laid down their lives and their liberty to gain time for us; could we do less to give the Americas time to stretch out a hand and take the torch from us?"

IN "THE PLAN"?

Is it in The Plan that Britain should be overrun and that when invasion reaches a certain point, we should receive an "offer" to sink our identity in a Union with America? If the Government of the U.S.A. does not wish us to reach so serious a plight, before it enters the war, why has it been so dilatory in giving the Allies aid? With the cognisance of President Roosevelt, the United States Secretary of State for War, Harry Heines Woodring, kept in force a regulation of March 14, prohibiting the sale of surplus Army goods to Allied agents. As one American commentator puts it: "There is something awfully funny about the War Department order of March 14, prohibiting the sale of surplus Army goods to anyone who might even be suspected of passing them on to the Allies. The Act of 1922 passed by Congress permits the sale of surplus War Department goods to anyone."

There cannot be any doubt that Britain will never agree to a peace dictated by her enemies, whether or not she will ever agree to a peace which leaves the sovereignty of both herself and her enemies uncompromised. We will fight to the point of exhaustion to avoid defeat.

A DRAW?

What if both sides should fight to the point of exhaustion? The "Economist," in the article already referred to, says: "the burden of evidence, weighed dispassionately, gives us every chance of resisting with success. Resistance, admittedly, is not itself victory, though it is an essential prelude. But a draw, if that is what it comes to in the end, will be better than the

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AND NOW DEMOCRACY

By "THE WALRUS."

I am filled with dismay. Until recently I have held the belief that high finance was the only subject, which discovered a blind spot in my vision. Indeed, I had got so accustomed to being at variance with orthodox pronouncements on the subject of finance that if I had found myself in agreement with a minister of finance I should have hurried home to take something for it. But I find it isn't a matter of a beloved blind spot: my blindness extends to other conceptions.

The devastating discovery was made during an argument about the money business. As a rule, if I quote the Banking Commission's report, the average opponent contents himself with saying, "You're another!" But this one looked at me learnedly and said, "If your perishing Commission had been any good our leaders would have adopted it."

"Excuse me," I asked, "but do you believe in democracy?"

"Certainly I do."

"Then what is the difference between a leader of democracy and a leader of a totalitarian State?"

"One leads a democracy and the other leads slaves, fathead."

"That looks to me like a difference between the sort of people led and not a difference in the quality of leadership."

"I suppose you think we could do without leaders," he retorted scornfully. "We used to call people like that 'anarchists' when I was at school."

"Don't let that worry you," I soothed him. "We used to refer to chemistry as 'stinks,' but the science itself persisted, somehow."

"But, my dear ass, in any sort of government you must have leadership."

"It looks as though that must be so. But if that is all there is to it, all governments throughout the world must be the same."

"But they are not: witness England and Germany."

"Quite so. I am aware of it. But I am aware also that not long since, Germany had a Government similar to ours. What I want to find out is, since our form of government is more acceptable to us than Hitler's would be, what went wrong with the democratic works?"

"Give it up. What was it?"

"You're pinching my line. That's very smart of you. But my own idea is that in one important sense you can't lead a democracy."

"But you must have a leader: someone to give effect to the policy of the people."

"What is the policy of the people?"

"Well-er- liberty of thought and speech—and all that."

"But a mandate on lines as general as that would hardly be a sufficient equipment for the ambassadors of a democracy."

"I think you're simply making difficulties."

"That's tough. I had an idea I was merely discovering them."

"What is your own idea about all this, anyway?"

"Well, your leaders have to lead from behind. And every time a crisis arrives they trample on everybody's toes in trying to elbow their way to the front, and everyone glares round at them resentfully and demands, 'Who're yer shoving?' or words to that effect. The recent words to that effect were, 'Hands off the people's petrol!'"

"So what?"

"It seems to me that the people who demand leadership and nothing else, demand totalitarian government."

"Probably! If they demand nothing else."

"I only put that in for bait. What else do the people demand?"

"A fair go, for one thing."

"That is a demand for benevolent autocracy. And who is to guarantee the benevolence?"

"Perhaps," he suggested bitterly, "you are like the Communists, who believe in an army composed entirely of generals. And you haven't said, even now, what's to be done about it."

"Well, we might arrange to teach the truth in our schools. We might concentrate on accurate observation and logical deduction, with the objective of developing the power of synthesis, which can

without expert knowledge, weigh the evidence of experts."

"In other words, we wait for the next generation."

"Not necessarily. But obviously, since we cannot permit our leaders to lead in the sense we generally attribute to leadership, and if we are to avoid becoming totalitarian under the pressure of events, it is urgent to educate ourselves on certain social issues."

"You come back to your Communist army of generals."

"Not at all. It is for the people to decide on a policy of war or not. If they decide on war, then the conduct must be handed over to the army. Similarly, it is for the people to state the objective of peace, and appoint its ministers for the achievement of the objective. In other words, you can't be democratic and allow responsibility to pass out of your hands. The moment you do, you get bureaucratic government. It is

even worse than that. You might have a leader of government today who finds himself in agreement with the most enlightened social policy, yet he dares not put it into effect, because those interested in the maintenance of privilege will see to it that he loses his job if he tries. If the people appreciated the point, that couldn't happen."

"D'you mean to say that our Government might be secretly in agreement with this money business you're always advocating, and refuse to touch it?"

"Why not? The money business, as you call it, is becoming pretty common knowledge even among politicians, and the facts are easily verifiable. So either they refuse to believe, or refuse to act on their belief."

"Seems to me you're as cranky on that point as you are on finance." Which, on reflection, I feel bound to agree with.

LETTERS TO THE EDITOR

OIL IN AUSTRALIA

Sir, —There is no need to stress the importance of fuel oil as a wartime commodity; everyone admits it. The Federal Cabinet is preparing to enforce drastic restrictions in the use of imported petrol as a wartime necessity; but there are definite indications that the Government is failing to vigorously encourage the development of a proved oil-producing industry in N.S.W. At Baerami (about 70 miles north-west of Newcastle) very extensive deposits of kerosene shale and Cannel coal have been proved beyond doubt, and in a test run of 73½ hours, carried out in a special "Rebco" retort, and checked throughout by Messrs. Julius, Pool and Gibson, the consulting engineers, it was proved that excellent oil can be produced economically.

The production of petrol up to 30,000,000 gallons per year is a practical possibility within a few months, provided that no artificial restrictions are imposed by red tape and financial limitation. To complete the arrangements for oil production, works estimated to cost £2,500,000 is required, and failure to proceed with these works under present conditions may well be a major mistake in our defence programme.

Everyone who reads this should at once be active in pressing his representative in Parliament for the RESULT wanted — namely, petrol produced in Australia and for use in Australia. If it is physically possible, it must be made financially possible, and it will be made financially possible as soon as a sufficient number of Australian voters are aware of the facts, and are awake enough to exercise their privilege and responsibility of pushing the idea that Parliament exists to free us from each and every influence that prevents us, as Australians, from doing what we want to do with our personal and national resources. —Yours, etc.,

C. H. ALLEN.

Millwood, S.A.

"The Spirit and the Letter" of the Commonwealth Government's Financial Powers

Sir, —The uncertainty which seems to exist in the minds of some, as to the constitutional power of the Commonwealth Government with regard to finance,

and also, as to the most convenient and effective method for setting that power in operation, may, perhaps, be clearly resolved by the recapitulation of some relevant clauses from the report of the Royal Commission on Banking. It is well known that the proposal to establish the Commonwealth Bank met with fierce opposition, both inside and outside Parliament, and that every possible objection, constitutional and otherwise, was exploited in opposition.

The report of the Royal Commission on Banking sets forth the following important points: —

(1) The power to determine the monetary policy of Australia is the prerogative of the Federal Parliament through its Executive, the Ministry. This is clearly stated in para. 530, which reads: "The Federal Parliament is ultimately responsible for monetary policy, and the Government of the day is the Executive of Parliament. . . . The Government should give the Bank an assurance that it accepts full responsibility for the proposed policy, and is in a position to take, and will take, any action necessary to implement it. It is, then, the duty of the Bank to accept this assurance and to carry out the policy of the Government."

Successive spineless Governments, instead of exercising their constitutional powers, have allowed the Bank Board to dictate financial terms to them.

(2) Functions of the Commonwealth Bank are stated in Clauses 503 and 552. Para. 504, states: "Because of this power the Commonwealth Bank. . . can even make money available to Governments or to others free of any charge." The Chairman of the Commission, Mr. Justice Napier's, interpretation of this clause (given through Mr. Harris, the Secretary of the Commission) is as follows: "This statement means that the Commonwealth Bank can make money available to Governments or to others on such terms as it chooses — even by way of a loan without interest, or even without requiring either interest or repayment of the principal."

It is thus apparent, that the Government of the day, the Executive of Parliament — accepting full responsibility — could direct the Commonwealth Bank Board, to issue for Commonwealth purposes a loan, without interest charge or repayment of principal — or, alternatively, repayable in the year 4040, or in Jericho. — Yours, etc.,

"STIRREM."

Sandringham, Vic.

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Will Democracy Survive?

By ERIC D. BUTLER.

(Continued from last issue.)

In dealing with the money question and its relationship to democracy, I would mention that we are not concerned with the administration of the present banking system. As a matter of fact, the present banking administration is practically perfect. That is a job for experts. Policy is another matter. What we need to understand is the simple principle of the money system, and, the following statement by the Earl of Tankerville, a Member of the British House of Lords, is as lucid a statement as I have yet read. He has stated:

"But, just as it is simple for an ordinary person to understand the principle upon which an aeroplane flies—though it is a very complicated matter to build one scientifically—so it is quite simple for an average individual to understand the principle upon which money should function for the service of a nation. The nation, however, having once decided and made itself quite clear upon this principle, it is undoubtedly well advised to order its specialists to work out a means of carrying out that principle scientifically and efficiently."

In order to make the matter still more easily understood by those who have never thought about the matter, let me outline a simple analogy. Imagine a small group of about a dozen people on an island. Between them they are producing the necessities and amenities of life; one producing wheat, one collecting fruit, and so on. They interchange their goods and everyone is satisfied, while the standard of living depends upon the amount of wealth being produced or collected. Now, supposing our imaginary community decided that the introduction of a money system would be a great benefit to the business of the community. Leather discs are to be used; discs of different sizes having different values. Everyone agrees to accept the discs. Now note: It is not the discs which are wealth; it is the goods which they represent which alone gives them any value. One of the community is deputised to create and regulate the supply of discs according to the production of real wealth. As the wealth increased, so should the supply of discs. Obviously, the man performing the task of manufacturing and regulating the supply of discs should receive portion of the real wealth for his services. Now, what would we think if the man making the discs said that all the discs, when made, belonged to him, and that he would only lend them—at full "face value"—to the rest of the community, and would charge interest on them. Although the discs would obviously be community property, having been created merely to represent the community's wealth, the man creating the discs would be in the position to govern the entire life of the small community. That is exactly what is happening on a big scale today. Pen-and-ink money—bank credit—functions as money today, and, because the private banks only lend this money, and charge the community interest on it, a small but powerful group are obtaining control of all the real assets by a confidence trick which is without parallel in the history of civilisation.

It is of interest to note the remark of Mr. Beaufort Pearce, Chairman of Lloyd's Bank, who said in Melbourne, as reported in the "National Bank Monthly Summary" for December 1934, that no capital is necessary to start a bank. The "Sydney Morning Herald," of April 5, 1935, published the following: "The hearing of the protest of Mr. Andrew Mellon, the former Secretary of the (U.S.) Treasury, against the Federal Government's assessment of 3,000,000 dollars on his 1931 income, was continued today . . . Mr. Mellon then harked back to last century, when he was partner with his father in a private bank, which never had any capital, the depositors simply bringing their money there for safe keeping. He and his father divided the profits and drew them out. His father's capital was goodwill and name." The trading banks of Australia increased their total assets by over £298 millions from 1910 to 1935. The harder the community works the faster the total debts to the banking system increase. War only intensifies the pawing of the nation still further.

THE FUTILITY OF THE PARTY SYSTEM

Having clarified the fact that the immediate and urgent task confronting Australian democracy is to demand, through parliamentary representatives, that the nation, and the nation alone, shall be the initial owner of all money, let us see how the people can try to have this policy implemented.

Through the political Parties? The Party system of Government can play very little part, if any, in the struggle for real democracy. In principle, it is the very antithesis of democracy. One of the greatest contributions to the cause of true democracy is to be found in that monumental work, "The Party System," published in 1912 by Hilaire Belloc and Cecil Chesterton. As appropriate now as when it was written, this critical analysis of the party system of government should serve as a finger post, indicating the line of action we must take. To quote: "While the parties dictate our democracy, the people have no power to get what they want. Nothing is left for them but to choose the least of three evils. In a really democratic government the initiative would come from the people. They would ask for certain things, and would send men to Parliament to represent their wishes. There is no machinery at present by which the people can raise a particular political question, however it may interest them, unless it is included in the programme of one or other of the political parties."

If true democracy is to become a reality, the present Party tyranny must be removed. Sovereignty and initiative must be restored to the people, who will, at all times, frame their own policy. For too long centralised groups have been telling the people what they think will be good for them. The time is long overdue when the electors must state what they think will be good for themselves.

At the best, the Parties only represent sectional interests, which divide the people; one group believing that they can only get some advantage if more can be taken away from another section of the people. How futile in a world of plenty! But, then, all the Parties tell us that there is a shortage of funds. Apparently, they believe that there is naturally a fixed amount of money, and that, because some do not have enough, then some must have too much.

We have seen how the party system is undemocratic. Apart from this is the failure of the parties to get any worthwhile results for the particular sections they are supposed to represent.

The so-called United Australia Party, supported mainly by what may be called business interests, has piled up taxation on every business enterprise until it has broken all records—and the only prospect offered is one of still further debt and taxation. After years of pinning their faith to the Country Party, most primary producers are likewise more heavily in debt, and more insecure than ever about the marketing of their output. While, after a generation of Labor Party activity, the official statistics show that the position of the average wage-earner in Australia is now worse than it was 30 years ago; the buying-power of his wage has not increased, while the security of even drawing that wage is diminishing as mechanisation of farm, factory and mine proceeds.

We have not far to look for the failure of these Parties. They all make the same excuse. The country is "short of funds." Those who control the funds, therefore, control the Governments—whatever the Party label.

Possibly the most open admission of this fact was made by the late Prime Minister, Mr. J. A. Lyons, prior to the 1937 Federal elections, when he said, in the Adelaide Town Hall: "The banks had confluence in my Government, and we were able to carry on." (Reported in Melbourne "Argus.")

What hypocrisy, under these circumstances, to talk about democracy. Section 51 (a) of the Constitution Act of Australia gives the Commonwealth Government sovereign power over its own money supply.

While we put our faith in parties, which do nothing but divide the people, instead, of uniting and demanding results, nothing will be done. As a matter of fact, the following quotation will graphically indicate that the party system is part of the approved method used by Finance to frustrate the people. The U.S.A. bankers' Magazine of August 26, 1924, says: "Capital must protect itself in every possible way, both by combination and legislation. Debts must be collected. Mortgages must be foreclosed as rapidly as possible. When, through a process of law the common people lose their homes, they will become more docile and more easily governed through the strong arm of government applied by a central power of wealth under leading financiers. . . . by dividing the voters through the political party system we can get men to expend their energies in fighting for questions of no importance. It is thus by discreet action we can secure for ourselves that which has been so well planned and so successfully accomplished." (From Melbourne "Age.")

HOW TO MAKE DEMOCRACY EFFECTIVE


One leading scientist has said, "that definition is the breath of science." In the realm of political science the necessity of defining democracy has been long overdue.

In a democracy, power should reside in the electors. One might, therefore, ask why the electors are not using that power to get what they want. The fact is, that the function of the elector has been entirely misunderstood. He is asked to choose between technical programmes, or, in other words, he is an arbitrator.

Now, in this respect, "one man, one vote," seems obviously absurd. It is quite ridiculous to agree that a typical waitress or a professor of Greek can ably sum up the pros and cons of such things as "quotas," "nationalisation," or, for that matter, upon the technique of how the present obsolete money system should function.

But, as any dictionary will indicate, democracy is the root of power, not judgment. It is power, which should be drawn from the elector's will, not judgment from his intellect. That is the common ground upon which all men can meet. All of us, whether professor or waitress, businessman or farmer, want the same results. We want the security and freedom, which the modern world could easily give us. Obviously, then, we must use the power, which we possess as electors to unite upon a demand, and tell our members of Parliament what results we want. If we desire that sufficient purchasing-power be created for the purpose of allowing the people access to the actual or potential plenty of this country, without further debt or taxation, then we must demand it by forwarding a signed demand-form to our Member of

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FEDERAL ELECTIONS

The electors of Australia will soon have the opportunity to form the kind of Government they want if they are sensible enough to choose their representatives from candidates who have bound themselves to obey the instructions of their electors if elected. Candidates who are independent of authorities other than the voters can truthfully claim to have the essential qualification for genuine service in the interests of the people. The anaemic political organism is much in need of a liberal infusion of new blood.

It is a matter of the utmost importance that the majority of electors should be stirred into consciousness of reality and individual responsibility. If we elect politicians to uphold the present methods of financial madness, sane Government is impossible. The nation, especially in this hour of crisis, needs faithful servants of the people in Parliament, who will consult with their electors and show results. A mere re-shuffling of Party hacks will achieve nothing. We must bestir ourselves. Each elector should be told that he is directly concerned in the kind of Government he will get from the election, and that the intelligent use of his vote, along with others, can give him the results he wants.

Small groups of electors working in association can use their local papers and various other means to inform large numbers of electors of their personal responsibility in the choice of parliamentary representatives and how to use their votes to their own advantage. It should be easy to convince the ordinary elector that no man can serve two masters and that no candidate who is subject to the control of a centralised party junta can simultaneously recognise his prospective constituents as the supreme authority as to what the electors want.

We do not want our industries to be socialised. The producers of eggs, apples, milk and other needs and the vendors of petrol, etc., together with all their customers, will tell you why. We want representatives who will employ experts to devise a system to avoid the inflation of prices and wipe out bureaucratic boards and commissions.

We do not wish the private banks to plunge us further into their debt, and we do not want to pay heavier taxes directly and indirectly to enable our Government to erstwhile benefit banks. No. We do not want Australia to be a heaven on earth for the rich and hell for others. We want representatives who will fulfill our demand that experts shall be instructed to use the financial credit of the nation to win the war without causing our own strangulation by increasing our debt and taxes. To obtain the results we want, our first step is to elect, with calm deliberation, candidates who are free to do what we want them to do as our representatives and who, when elected, are ready to act as soon as we express our desires. From the election of a majority of such representatives a truly national Ministry will follow as sunshine after a fog.

Disenfranchised Queensland Electoral Campaign

"Any person who ties himself by membership of an association or by direct membership of a Party to support any one political Party in perpetuity is by himself disenfranchised because he is thereby restrained by his own sense of loyalty, if nothing else, from voting for any but that Party's preselected candidate. He has imprisoned his own vote."

—E. J. Baker, in the "West Australian Wheatgrower," August 15.

A public meeting will be held on Sunday, September 1, at 7.45 p.m., in the Builders' Exchange Rooms, 28 Wharf-street, Brisbane, for the purpose of placing before our many new inquirers the policy of the electoral campaign, the work that has been done, and an outline of our intended activities for the future. All readers are requested to make a note of the date, come along themselves and bring their friends.

THE NATURE OF THINGS

By B. M. PALMER, in an English contemporary.

On that unforgettable Sunday night when we were told that the French had asked for an armistice, Mr. J. B. Priestly broadcast from the B.B.C. His talent for presenting simple characters in their natural environment, which made "The Good Companions" so well beloved, gave us a picture that I shall not soon forget. It was as if I were standing on the cold, starry down land with the local L.D.V.'s. "There she be!" says one of the shepherds: and the searchlight picks up the raider.

Men of simple piety, said Mr. Priestly, and men who are in touch with real country life, with ploughing, lambing and harvest, can bear the trials of the present with more fortitude than some, more easily, perhaps, than the "intellectuals," so many of whom, he added, had gone to U.S.A.

I think this is perfectly true. These people are concerned with things towards which a constant personal adjustment has to be made. No man can control the weather, nor is it possible to deal with crops, flocks and herds, except in accordance with their nature. The real countryman, therefore, can face a disaster, when it concerns him, without theorising. He accepts it as it is, and his life training urges him to cope with it without delay. Provided the danger is close and real, he rises to the occasion. True, he is not very interested in other troubles, but does this matter very much? We cannot understand other people's problems until we have solved our own. It cannot be too insistently urged that this is the first thing to be done by everyone.

GOD OR MAMMON?

Napoleon once wrote to Josephine, "I have a master without pity; it is the nature of things."

We are all bound to conform to the nature of things, and, let us add, to human nature also. Napoleon's success and ultimate failure were direct results, even more than he realised, of his relations with this pitiless master. World planners may try a pass with the inscrutable one. The rapiers flash. Who wins? Certain actions are taken. Certain results follow. No one can control the nature of things. The present state of the world proves that. On the other, hand, it IS possible to act in harmony with the nature of things, so that the result may be the best that can humanly be achieved.

This pitiless master is not the fates of mythology, or the predestination of the Calvinistic Methodists and other puritanical creeds. It is not the unreasoning Immanent Will set forth by Thomas Hardy, pervading all things, and moving them to its inexplicable artifices. Still less is it the terrible picture of a Benevolent Deity deliberately placing obstacles in His children's path, in order that their characters may be improved. It is something so much simpler than all these that only a simple nature can understand it. It is God's law. God's law is that which is immutable, and the wages of sin against it is death. It is for us to conform.

NAPOLEON'S MASTER

The fault is in ourselves, not in our stars, that we are underlings. There are still people in England, who understand these things, and they will save England by their exertions and Europe by their example. As they deal with real things in the course of this war, they will gradually discover that the greatest obstacle to conformity with natural law is the financial law that has been set up above it. You cannot serve God and Mammon.

The village wanted six stirrup pumps to deal with possible incendiary bombs. The pumps were

on sale in the shops. They could not buy those pumps until they had saved up enough money from their wages. A house-to-house collection was organised. Suppose they had been raided before the money was ready, and their houses destroyed by incendiary bombs? To whose agency would that have been due? Who was placing obstacles in their way?

Financiers, bankers, insurance experts and economists are making it more difficult for us to win, not easier; just as, before the war, they were making it impossible to use the resources of our country in the way they should be used.

There are many signs of our re-awakening to the fact that we are a nation and our re-assumption of national sovereignty, for which there is now reason to hope, must be accompanied by a firm resolve that the financial system and its agents shall be our servants, not our masters.

HOME MARKET — And How!

Milo Perkins, President, Federal Surplus Commodities Corporation, gives this challenge to America: "The 65 per cent, of our families living on an average of sixty-nine dollars a month need twice that much income for a minimum standard of living. The unsatisfied wants of two-thirds of our people make up the greatest new market that has ever loomed before our businessmen and our farmers. It's right in our own back yard."

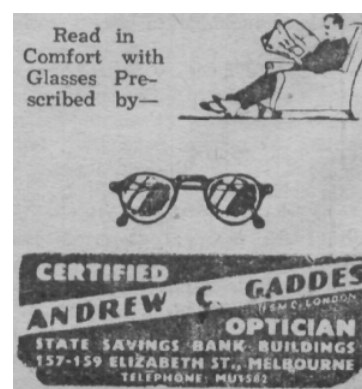
—"Money" (New York), June 1940.

(Under the prevailing policy of money-scarcity, it will just go on looming. Talk about the tortures of Tantalus! Of course, if the 65 per cent, the businessmen and the farmers had enough sense to get together and use their votes to mutual advantage . . . but that, as Kipling would say, is another story.)

Jewish Army?

At a great mass meeting held in New York, Mr. Vladimir Jabotinsky's call for the raising of a Jewish Army to aid the Allies is reported to have been accepted enthusiastically.

One speaker at the meeting praised "Bulldog" Churchill, "under whose leadership," he said, "we shall wear down the German monster and emerge victorious out of this titanic struggle."



POWER MANIACS v. THE PEOPLE

By JAMES GUTHRIE, B.Sc.

(Based on a talk broadcast from 7HO, Hobart, and 7LA, Launceston, on Sunday, August 11, at 8.15 p.m.)

Over most of Europe the armed gangster is in control. Brute force reigns supreme. Today, we say we are fighting Hitlerism; but Hitlerism is just a variation of Prussianism—and what is Prussianism, but rule by men imbued with the desire for more and more power; the desire to rule over other people; the desire of men who believe they are supermen, capable of forcing their will on other people?

It is a revival of the old religious mania for the persecution of heretics. You see some of these religious fanatics cropping up in letters to the press—always demanding compulsion, always demanding rigid obedience to rules made by themselves or their kind. Most of these people, when they write to the press, are careful not to use their names.

These people are small in number, but they make their voices heard. And because you sit in your armchair and merely grumble into the fire, your voice is not heard; evidently you do not think that the things you believe in, the things you have faith in, are worth hearing, are worth saying or are worth struggling for.

And here I want to speak personally to you. You are a man who has worked hard all your life; who has made countless sacrifices for your family; who has acquired skill and has given that skill to the community. And yet you find you have very little say in that community. You find things done, which you and your friends and relations thoroughly dislike and despise; you find things not done, which you and your friend are very anxious to have done, and nothing happens. You protest feebly, but nothing happens. You are asked to take an active part in the affairs of the State, but you decline, and say, "Well, I'm not very squeamish, but I must draw the line somewhere; politics are too dirty for me."

Well, well, I don't altogether blame you. The Party Machines have been so powerful that the independent man has had a very hopeless time. But only because people have not understood the position. Now they are beginning to understand, and are realising, vaguely, perhaps, that they

are the victims of some organised fraud. And Party Politics are being blamed for this fraud.

YOU AND DEMOCRACY

If you were to ask children just left school, or to ask school-teachers or politicians what is the meaning of a Democratic country, they would give you every meaning but the real essential meaning.

A democratic country means a country where the people obtain the results they want. It means no more than that; and it means nothing less.

And a people can never get the results they want unless the majority of the people ask in an emphatic manner for those results.

At election time, you are given the opportunity to vote for a Labour candidate or a U.A.P. candidate, neither of whom you have any faith in. That is not a democratic election. That is just Dictatorship of Party cloaked over with a veneer of democratic ritual to amuse the people.

The policy which decides what results we are to obtain can only be built up by the people when they have access to the truth. This they cannot get through the daily press, and they must get it to their own little groups—the home, the office and the factory: their various associations.

What happens in the next five years will depend on what is said in all these places. The men who have a sound knowledge of the important facts concerning the social and economic life of their community are very few. The men who have the courage to place these facts in front of their friends and associates are fewer still; and the men who have the knowledge and the courage and the ability to tell the truth so that it is recognisable are so few that they are the most precious part of our whole society—they are the salt of the earth. Most of the rights and privileges you enjoy today are only enjoyed because of the eternal vigilance of this small band of men.

Some of you sit back and do nothing, because you think there are plenty of others to carry on the work. You are making a big mistake. Very few men have the health and the time and the energy and the ability and the opportunity to do what you could do if you realised the need for your assistance.

YOUR VOICE MUST BE HEARD

Your voice is not being heard in the community; things are being said in associations in which you are interested which should never be said, and would not be said if you had been there to let people know the truth. A few words of truth would blow sky-high some of the ridiculous propaganda that goes on in your circles while you sit at home.

What happens in the next five years depends on what countless

little communities think and say. What they will say will depend largely on how they are influenced by those they admire and respect, and on those who have earned the right to be listened to; on those in their immediate circle who have proved that they knew what they are about and can be trusted to steer others through the oncoming chaos.

That is how a popular demand is gradually formed, and when it is formed no Government or Party organisation or dictator can defy it. Organised public opinion is a tremendously powerful instrument for getting things done.

You and I are forced to play a very big part in moulding that public opinion, if only to counteract the powerful and insidious instruments of propaganda which you have allowed to fall into the hands of the worst elements of our society.

After the last war the public was muddled, disillusioned and cynical; they had no idea where their own interests lay; they hadn't the remotest idea of the real nature of organisation, the schools, the press and the politicians all seemed to combine to keep the ordinary man and woman completely in the dark as to the real nature of the vital problems affecting them, or else to cover up and disguise simple problems in the vaguest and most abstract terms so as to make recognition almost impossible.

The rules for people living together in association to get the maximum value out of that association are as exact as the rules for bridge building. But you will find no hint of them in the daily press or in any of the speeches

of politicians. Why? Because if men at present in control are going to force their will on a large number of people, it is essential the people should be divided against themselves. To do that, the people must be kept ignorant of their own interests. This is the function of political parties: They keep the nation divided—fighting over inessential things, and the great and vital essentials are not even discussed.

No vital and worthwhile reform can be readily won from a strong centralised Government operating through political parties. Yet, we find so-called reformers demanding a stronger and still more centralised Government: a worldwide Government.

These people do not desire to do away with despotism: all they want is to put their own despot in power, and give him more power. Many of these men are sincere men, but they are ignorant men and they become the convenient tools of power maniacs and wirepullers.

The organisation of the nation into two great hostile political parties, with countless officials going round the countryside leaving a trail of hatred and scandal behind them is something we can very well do without. Ninety-nine per cent, of the Australian people, as far as the Government of this country is concerned, have common interests and common desires; and these desires and interests are not those of the financial backers of the great party swindle. It is your duty to point out these things to the people, and to show them where their true interests lie.

NATIONAL FINANCE—AS SEEN BY AN "AVERAGE WORKER"

The August issue of "The Union Carter"—which is the official organ of the Transport Workers' Union (Melbourne Sub-Branch)—contains an article headed "National Finance." Although the writer of the article has not yet "woken up" to the Party swindle, he is making progress with the Money swindle, as the following extracts show:

To the average worker, and the writer is just one of them, the question of finance is one that is given very little thought, because the average worker is unable to understand the intricacies of the financial system, and because the outlook on finance is bounded by his attempts to make his earnings cover his expenditure.

The worker who does give some thought to the question speedily arrives at the conclusion that it is a huge swindle; and in the main he is right! When the country has some large extraordinary expenditure to incur, they send out a call for money and offer interest at some rate. For this money they render themselves liable to the investors for repayment and for interest; and as most of the investors have to go to private banks for their money to invest, these private banks become the real rulers of the country: granting or withholding money to the Governments as they will.

A writer to the "Age" of 19/6/40, . . . refers to the issue of War Savings Certificates as follows: "We are to lend ourselves 16/- and get, some day, £1 in return. But as we will have to tax ourselves to pay ourselves what we owe ourselves, plus the profit—and that will not be popular—we will, no doubt, raise a loan to pay us what we owe us, and then forever pay interest, not only on what we lent, but on the profit we make on it."

A position which has placed nearly every Governmental body in the position of having to pay more than half their revenue

in interest on past borrowings. The worst feature of it all is that the Commonwealth Government has ample powers to use the national bank to finance all their undertakings from the National Credit with practically no cost; just in the same way that they established the bank itself and the East-West Transcontinental Railway without interest charges of any sort.

The remarkable part of it all is that when the private institutions come to the end of their tether in a crisis, it is to the Government that they turn to save them. During the last war, the Bank of England and all the Associated Banks were on the verge of insolvency, and to avert the crisis the Government came to their assistance. They created the Bank of England a national bank of issue, printed £4000 million notes, closed all banks for three days, lent the notes to the banks, and then proceeded to borrow their own notes at 4 per cent, interest, and today the self-same bank that they saved from oblivion, dictates the extent to which Britain may carry out her policy.

As we said at the start, the average working man knows nothing about National Finance, but he does not need to be an expert to know that the above methods are as wrong as hell, and without any knowledge of the intricacies of financial intrigue he can readily recognise that the fundamental remedy is for the Governments to control finance, instead of leaving it to the interest-mongers who control banks, etc., to juggle with the lives of the masses.

IT ALL DEPENDS ON YOU!

Monster Rally

ASSEMBLY HALL,
Collins Street, Melbourne,
TUESDAY, SEPTEMBER 3,
8.15 p.m.

HEAR

F. C. PAIGE

on

"THE REAL ISSUE AT
THE ELECTIONS"

and

ERIC D. BUTLER

on

"THE FIRST TWELVE
MONTHS OF THE
WAR"

All supporters and friends are urged to make, this meeting as widely known as possible. Both speakers have a vital message in connection with the present crisis. A packed hall is wanted.

AMERICA'S WORLD POLICY

By ARTHUR BRENTON.
Condensed from "Reality" (England).

This article is virtually a review of a book entitled: "American White Paper," written by two of the best-known Washington journalists, Joseph Alsop and Robert Kintner, and published by Simon and Schuster, New York (price, one dollar). Since publication, late in March, it has run into its fourth edition.

Its sub-title is: "The Story of American Diplomacy and the Second World War." The story consists of an intimate account of the consultations between Roosevelt, Hull, Berle, Welles and other advisers on the steps that were taken to avert war in Europe.

It starts with the events leading up to "Munich," and goes on to the culminating event of September 1939. It is staged, of course, against the background of America's basic policy in world affairs, which the authors explain as they proceed.

This policy they summarise later under the following five heads:

1. "Disarmament" and an "opening of trade" are the indispensable conditions of peace. (Roosevelt.)

2. "Neutrals are parties at interest in a modern war, and particularly in the post-war settlement." (Welles.) They therefore have the right to intervene, at an appropriate time, on behalf of a world return to common sense.

3. Whilst no political commitments may be made outside the Western Hemisphere (U.S.A. and South America) economic commitments are permissible as a reward to belligerents for accepting the neutrals' intervention. These may entail considerable short-term sacrifices by the U.S.A. and other neutrals.

4. Since victorious dictatorships would not conceivably join in disarmament and an opening of trade, the democracies are to be aided by "methods short of war."

5. "Whatever happens we won't send troops abroad." (Roosevelt.)

The general construction to be placed on these five points is indicated by the authors in the concluding paragraph of their book where they say that this war is not a mere "conflict of imperialisms" nor a mere "jihad against intolerances and brutalities" (or, as they could have put it, a "conflict of moral philosophies" or of "moralisms") but it is a conflict between "fundamentally incompatible economic and political systems," in which "we have sensibly sided with the defenders of the American economic and political system." The authors proceed: "If our side loses, our oceans will protect us from political aggression, but they cannot ward off economic pressures. Under the competition of the autarkies (sic) we shall have to adopt the methods of autarky to survive. We may then bid farewell to the historic free-

doms for which the founders of this republic toiled and fought."

Now all this would have been excellent realism in 1914, but it is nothing but superstition in 1940. For these authors have expressly ruled out all dangers to the U.S.A. except the "danger" of cheap imports into the republic and into markets which have hitherto taken goods from the republic. That "danger" can be not simply averted but turned into a benefit. The only real danger that any country need fear, provided it finances its domestic economy on social credit principles, is the opposite danger of being denied imports of vital necessities which it can't provide for itself.

LOWER RATES CAMPAIGN

Municipal election will be held at Coburg, on Saturday, August 24. The Coburg Ratepayers Defence Association has issued the following guide to the ratepayers:

The real issue is the increase in rates.

This is YOUR responsibility. Did YOU want the increase?

IF NOT, now is the time to let the retiring councillors know your will, by voting against councillors GOFF, HOSKEN and MORRIS, who voted for increased rates, and by supporting CR. HAY, who voted against increased rates.

This information is made available by the Coburg Ratepayers' Defence Association, not for the purpose of supporting any Party candidates, but as a reminder to ratepayers that the councillors are their servants, and these councillors have defied their wishes.

Rates are your responsibility. So is your vote.

Tell all your friends to use their votes.

—Authorised by A. V. Colbeck, hon. secretary Coburg Ratepayers' Defence Association.

[We shall be pleased to receive reports of activities from secretaries in other centres where the debt racket is being exposed. —Ed., "N.T."]

West Australian Notes

From Electoral Campaign Headquarters, 81 Barrack-street, Perth.

W.A. ROADS BOARDS UNITE.

The State Labour Government has again intimated to all Roads Boards that it would introduce again the legislation to take into Government revenue the traffic fees which, incidentally, are the chief source of Local Government revenue, and which, if taken away, would mean a rise in rates. The State Labour Government has expressed confidence to such a point as to include an item of £120,000-odd from traffic fees in its recent Budget, which would very nearly balance the Budget. In other words, the Labour Government is so bankrupt of ideas concerning how to get hold of sufficient money to run the State that it is now attempting to upset Local Government finance and also its stability—which has always been a feature of Local Government finance, at least in West Australia. It is well known, however, that a Government can only balance its budget by unbalancing everybody else's. It is distinctly salutary to politicians to make them realise that the people who pay are the people who have the right to call the tune; in this case, ratepayers, through their Roads Boards throughout W.A., have combined to stop the Government in its drunken spiral downwards in respect to obtaining "easy" money and throwing the onus on to local representatives to put the screw on in higher rates, to obtain revenue to carry on. It is so like the contemporary politician to pass the buck and not accept responsibility for his actions. The Roads Boards, at their annual conference, passed a resolution, which, in essence, means instructing their parliamentary representatives to vote against the proposed Bill. The Minister for Local Affairs assured the conference that it would only apply to metropolitan Boards, but the country Boards are awake to the fact that it would create a precedent which any Government might take advantage of. Unity is strength. The Boards have refused to take the bait and the Government is either faced with withdrawing the Bill or having the Bill thrown out. Ratepayers throughout W.A. will be wise to write to their local Roads Board representative congratulating them on their defence of the local taxpayer. Pressure politics will make politicians do as the electors want them to do and give them the results they require. The above Bill has already been debated in the House last session. The same fate awaits the Bill again.

Whittling Down

The following letter appeared in the London "Times" of June 20, with reference to the proposal to unite France and Britain into one Franco-British Union:

Sir, —In view of the proposal submitted of the Government of France for the conferring of mutual rights of naturalisation on the peoples of the United Kingdom and France, it is interesting to recall that at Amiens in 1513, Louis XII., and at Villiers-Cou-terets in 1558, Henry II., of France, conferred upon all Scotsmen full rights of citizenship in France. These grants were confirmed by subsequent French kings. Reciprocal privileges were granted to Frenchmen in Scotland (Thomson's Acts of the Parliaments of Scotland, 1558. Vol. 11, P. 207).

I am, Sir, your obedient servant,
MACMILLAN.
Moon Hall, Ewhurst, near Guildford, Surrey, June 18. (The emphasis is ours. —Ed., "N.T.")

MOTORISTS' PROTECTION LEAGUE

The Campaign Director of the Australian Motorists' Protection League reports:

A successful street meeting was held at Camberwell Junction on Friday night last. Two slides on each of Hoyts suburban theatres, explaining the objects of the League, are having good effects and bringing in many members. People sending in donations to the campaign are asked to nominate members for the League to cover the amount of donation—10,000 members required before the election. Nominations close in three weeks. Members' meeting took place in Central Hall on Monday night, 19th, where candidates for the League's support were discussed. (See advertisement in this issue.) On Tuesday night, 20th a meeting arranged at the Hawthorn Hall by Mr. Townley brought a large and enthusiastic gathering. Helpers are asked to arrange other meetings in metropolitan area. Helpers are required for the open-air meeting of Eric Butler and Alex Amess at Rickett's Point next Sunday at 3.30 p.m.

THE CENTRAL FALLACY

By HENRY FORD

What stands in the way of exchanging the goods which people are willing and anxious to make?

What are the two great businesses of today? Government and finance. Neither of them creates anything, but they are supposed to maintain an orderly society and a sound money so that men who do create may the more easily exchange the goods they make. Up to a point, government and finance are useful and necessary. But they easily become parasites. If they become overgrown, they suck the life-blood out of the circulatory system, which sustains mankind. That, it appears, they are doing. That is why government and money changing have everywhere become the really big business, and that is why producing wealth for use has languished. The conveyor system has broken down. Instead of production becoming the programme to abolish scarcity, we have seen the debt business become the only business that has not suffered from the depression.

Money of itself does not create anything. The only useful money is that which arises as a convenience to exchange goods. To regard money as the principal commodity of commerce and to deal in it as such and to regard the making of money as more important than producing goods—that is the central fallacy on which government and finance agree. It is contrary to all experience and common sense, and its day is short.

The doctrine of scarcity, which has been imposed upon this country, is a money doctrine—although it has not been imposed by the money men alone; they have been helped as never before by government. Scarcity breeds speculation, and speculation is only a word covering the making of money out of the manipulation of prices, instead of out of supplying goods and services. We have seen how a government can suppose that it is fighting finance while playing directly into its hands.

—"Money" (New York), June 1940.

EDUCATION?

New York bankers have decided to spend \$250,000 a year to educate the public on the merits of bankers.

MOTORISTS, AWAKE!

JOIN THE AUSTRALIAN MOTORISTS' PROTECTION LEAGUE

Public Meetings:

RICKETT'S POINT, BEAUMARIS, SUNDAY, AUGUST 25, 3.30 p.m.

HASTINGS HALL, HASTINGS, MONDAY, AUGUST 26, 8 p.m.
Speakers: ERIC BUTLER, A. J. AMESS.

YOUR CANDIDATES FOR FORTHCOMING ELECTIONS

Sitting Members:
Melbourne.—Dr. W. Moloney Wimmera.—A. T. Wilson
Maribyrnong.—A. S. Drakeford Wannon.—T. H. Scholfield

Motorists' Candidates:
Fawkner.—Leo V. Drill Indi.—Cr. T. Nolan.
Henty.—S. J. Thomts Deakin.—Cr. D. McCallum
Flinders.—A. J. Amess Yarra.—J. S. Smith

Others Pending.

We Demand Petrol Production—Not—Petrol Restriction.

—Advertisement.

Eric Butler Addresses Big Meeting of Yallourn

Yallourn reformers are to be warmly congratulated for their efforts in organising the public meeting addressed by Eric Butler on Tuesday, August 13. The local theatre was engaged for the meeting, and a splendid attendance was the result of wide publicity. The local band co-operated and entertained the audience before the meeting began. The chair was taken by Mr. Beanland, Principal of the Yallourn Technical College. The chairman asked the audience to stand for a minute's silence before the meeting as a gesture of respect to those leaders of the nation who lost their lives in the Canberra air tragedy that morning.

Eric Butler was given a very attentive hearing. After his address (lasting over two hours) many questions were asked, and were answered to the satisfaction of those present. The meeting did not finish until a late hour. Literature sales were very good while a powerful local group has been forwarded to carry on with the campaign. A resolution from the meeting was sent to Mr. Paterson, M.H.R. Demand forms are also being signed and forwarded to Canberra.

The following night a group of local enthusiasts accompanied Eric Butler to Tanjil Bren, which is a small centre forty-five miles back in the mountains. Very few political speakers ever visit these outback centres. However, Eric was given a very good hearing. Literature was sold and another new centre was introduced to the campaign.

Eric Butler left for the Wimmera last Monday morning, where he was to address meetings at Horsham, Murtoa and Warracknabeal. Reports of these meetings will appear in our next issue.

United Electors' Report

Weekly Lectures: On Tuesday next, at 8 p.m. Mr. C. J. Crowley will speak on "This Brave New World," at the Christian Club Lounge, 8th Floor, Albany Court, Collins-street (near Swanston-street). All welcome; bring your friends.

Acknowledgment: "Workshop" Group, Yallourn, 12/-.

FEDERAL UNION?

The following report appeared in the Sydney "Daily Telegraph" on August 9:

SEES AMERICA AS OUR RULER.

"Mexico City, Thursday.

"Leon Trotsky, exiled Russian Communist leader, predicts that the United States will become 'the legitimate inheritor' of Canada, Australia and New Zealand.

"This would follow defeat of Britain by Germany,' he told newspaper men today at his fortress-like Mexican villa.

"The United States has left the job of smashing England in the hands of Germany, he said.

"Trotsky predicted that the United States, without entering the war, would emerge as the most imperialistic nation in the history of the world as a result of it."

GOLD STANDARD

U.S. ECONOMISTS VIEWS.

Elden Smith, economist for the Security-First National Bank says: "The gold standard was a British system managed by British banking skill, policed by the British navy, operating in a friendly co-operating world. It has declined since 1914. The U.S. is the only important nation now trying to maintain a form of gold standard. Our gold holdings are so large as to be completely ineffective as a basis for control or stability."

—"Money" (New York), June 1940.

WILL DEMOCRACY SURVIVE?

(Continued from page 3)

Parliament. In other words, the electors in each electorate must organise their demand on a non-party basis, give their Member of Parliament clear instructions as to what they want, and let him understand that they are not concerned with his Party label—that unless he does what a majority of his electors tell him, they will vote him out at the next election. Members of Parliament are only interested in one thing: They want to know how much voting power they have behind them in order to keep their seats. If the electors show them quite clearly that they will support them, irrespective of Party, just so long as they do as they are told, then control of the Member will be removed from the Party-machine and restored to the electors.

Most Members will welcome a move similar to this. They desire to be individuals, not mere machines voting as a Party tells them. Until the electors organise behind their sitting Member on a non-party basis true democracy will remain a myth. Should any Member refuse to do as he is told, then the electors will vote him out at the next elections. The next man will then be inclined to do as he is told. A threat of votes is the only thing, which impresses Members of Parliament.

No matter how much a Member may desire reform, while he is controlled by the party, instead of by the people, his position is hopeless. The responsibility lies with the people, and a study of the great reforms in history clearly indicates that Parliament never initiates a reform. It only puts its name to it after the people demand it.

As a further illustration of the ridiculous manner in which the nation is governed at the present time, possibly the best analogy that can be utilised is to briefly look at the manner in which the running of an ordinary trading company is conducted.

The company is owned by its shareholders, who, by their votes, periodically elect a number of representatives to direct the company's affairs and get results. These directors are chosen not so much for their technical knowledge of the company's manufacturing process as for their reputation for integrity, common sense, and general business ability. The directors then proceed to appoint sectional managers, who in turn select the technical staff for their various departments—engineers, chemists, accountants, salesmen and so on.

The business is now run on a basis of getting results. The principle involved is that of personal responsibility, resting ultimately with the responsibility of the directors to the shareholders. And the shareholders are interested in one thing, and one thing only, and that is results. If the directors fail to get results, the shareholders remove them.

The same procedure should take place in our national affairs. Let us consider ourselves as political shareholders in Australia Unlimited. We have our national board of directors—Parliament. But, from a common sense and business viewpoint, how futile is the administration of the nation! We elect a board of directors who are openly pledged to oppose each other on every major issue, and who tell the shareholders what they think will be good for them. Furthermore, under the present ideas of administration, they are also expected to be technical experts, with results, which are heading towards chaos.

Could we possibly imagine any business running satisfactorily if the directors openly opposed each other, imposed their will upon the shareholders, and started entering the factory and telling the technical experts what to do? Still further, can we imagine the shareholders voting at shareholders' meetings on the technical manner in which the company should be run? The whole idea would be absurd, and the company would soon be in a chaotic state.

Well, that is exactly what we have been doing in our national affairs, and it is hard to visualise anything more chaotic than our present conditions. And there is every indication that this state of affairs is going to get worse unless we decide that the present administration of the nation is wrong.

As mentioned, we must immediately start demanding results from our national directors, and hold them responsible for getting results or getting out. They in turn must call in the necessary experts, and, in turn, hold them responsible for getting results. To sum the position up. Experts must be removed by Parliament if they fail to get the results, which the people want. Failure by the Members to get results will also mean their removal, while failure by the electors to demand the results they want will also hasten their own "removal"—either through poverty or wars, which are products of the system we tolerate.

In the last analysis the electors have no one else to blame but themselves. They get the results they deserve. Their slogan in future should be: DON'T BLAME YOUR M.P.—TELL HIM.

(To be continued.)

TO THE NEW READER

At a time like the present, when there is no shortage of the real things needed to ensure comfort and liberty for everyone in the community, we yet find ourselves surrounded with poverty, fear and debt, while every day fresh inroads are made on our liberties through taxation and vexatious regulations.

In consequence of this, we find a fertile breeding ground for Fascism, Communism, and other varieties of change—some of which may possibly add to our material well-being, but all of which exact the price of still further surrender of our reasonable liberties.

Parliament is rapidly falling into disrepute. Why? Because Parliament has lost much of its real powers to add to your liberties. Parliament can do little more than take away your liberties. Parliament is ineffective. For proof of this, read what Ministers are daily telling deputations which wait upon them. All sorts of desirable plans are put before Cabinets—plans for hospitals, schools, roads, etc. We have the men who are willing and anxious to do the work; we have the skill and experience; we have all the materials. Only one thing is lacking. That thing is finance. Finance is a matter of bookkeeping entries, of proper accounting for things done. In other words, finance is, or should be, a reflection of facts. Instead of this, we have allowed it to control practically all our activities.

Until this state of affairs is righted we shall never regain our prosperity or our liberties; and it can be righted through Parliamentary action in such a way as to extend our liberties and without any interference with private property. Parliament is elected by the people. THIS MEANS YOU; and it is your duty to yourself, to your dependants, and to your fellow-citizens to give serious thought to those removable impediments which are preventing Parliament from doing its duty and which are stopping the further progress of our country.

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THE BASIC-WAGE INQUIRY

(Continued from page 1.)

Australian export trade to compete with cheaper production methods in other countries, is affected by the basic wage level in this country, hence the necessity to subsidise nearly every class of primary product competing in foreign markets, which accounts for the fact, admitted on a previous occasion by a union representative, that the basic wage in purchasing power, is no higher than it was thirty years ago. Indeed, Senator Cameron has shown that it is a good deal less. When will the union representatives learn the import of that lesson?

LIKE DOG CHASING HIS TAIL

I repeat, it is immaterial what basic wage the court fixes as the amount industry can afford to pay, for, paradoxically, it cannot afford a low basic wage nor a high basic wage; or, to put it another way, it doesn't matter two hoots whether the basic wage is high or low, since the standard of living under the present financial economy will be the same.

Mr. P. J. Clarey, M.L.C., for the unions, contended that the court should return to the method devised in 1907, as that would give an increase of 11/- over the present figure. Let us look at this. The basic wage is at present 84/- per week; 11/- added would make it 95/-. A manufacturer employs 100 men at 84/- per week. His total wages bill will be £420. He now pays 100 men 95/- per week. His total wages bill will now be £475. Either he suffers this loss, or he passes it on to the consumers of his product. But as the fundamental axiom of industrial costing is that minimum prices are determined by financial costs, so will the product of that factory be correspondingly dearer when sold to the public. The only advantage of a higher basic wage level is when you are able to preserve its purchasing power, and that is impossible, as experience has proved, within the framework of a financial economy, which distributes incomes through the wages system only. If the manufacturer is an exporter as well, the difficulty of getting his goods on the foreign market is increased, and the worker is no better off. One feels an apology is necessary for stating these elementary truths.

WHAT IS THE REMEDY?

Incomes must be paid to workers without passing through the costing system. Is it possible? Is it credible? Yes.

I suggest that the enhanced productivity, which, the unions claim, justifies a higher basic wage rate, instead of being incorporated in a new basic wage, and so taken back in higher prices, be monetised as a separate fund, and drawn upon to meet the extra costs involved in a higher basic wage, and so enable consumers to buy goods at the old price. In a word, finance price reduction (in relation to incomes) by monetising the extra productivity.

It will not thus become part of the costing system, and therefore not a part of the price structure, but will raise real purchasing power, which means more goods and services in proportion to the amount involved.

If the judges of the Arbitration Court are really concerned about industrial workers sharing in increased productivity in the form of a higher standard of living, and their remarks indicate they are, then they must abandon antiquated ways of thinking out contemporary problems. The first thing to see is that the discussion of what industry can afford is irrelevant, since industry always takes care that it can afford it, by mulcting the public of any increase in wages by a rise in prices, or by taxation for subsidies. Industry says in effect, "Very well, if you will increase my costs of production, I will pay you out by giving you less goods and services."

THE KEY

The key to the whole situation is the price mechanism, and here I regret to say there appears to be, on the part of the union representatives, as much perplexity probably as among the distinguished gentlemen, who abjectly confess a mental confusion and inability to formulate determinative principles, to give effect to what they believe is a desirable thing.

I have dealt with the question in principle only, the technique and formula necessary are matters for expert discussion, when agreement is reached that incomes for work performed is not the only means of distributing purchasing power to the community. I only need to add, that if it

United Democrats' Report

From Headquarters, 17 Waymouth Street, Adelaide.

"No news is good news." Though there is nothing of an outstanding nature to report for the week, the work is still going forward by means of "peaceful penetration." Much literature is going out, and we have many indefatigable workers who, by distributing books and pamphlets and in private conversation, are building up a public opinion and thus laying that foundation on which will rest all our future action.

Members are asked to keep in mind Saturday, September 7, the date of our Annual Meeting. Those who are not financial members may still pay their dues up to that date.

Roosevelt Rattled

The "Ham and Eggs" Association in California has 420,000 paying members, and wields the power of over 1,000,000 votes. Their third great campaign for a State pension of thirty dollars a week for all citizens aged fifty or over, is promising so well that President Roosevelt has already found time to broadcast an attack upon it.

Poverty Amidst Plenty

From "Municipal Sanitation" (U.S.A.), May, 1940:

"In this land of plenty, New York City is having trouble keeping hungry persons from raiding the garbage cans located outside the Bronx Terminal Market. In one year, some 600 scavengers have appeared before the magistrate's court for digging decayed fruit and vegetables from the cans to eat. On Broadway well-fed people crowd the theatre to see Charles Laughton in "The Beachcomber," while in the city's hinterland other New Yorkers beachcomb for morsels of rotten food. "Safunny world."

is held that there is no possibility of obtaining extra purchasing power except through the wages system, then we should give up talking about sharing in increased productivity, since it amounts to so much futility.

ABOUT ALBERTA

STRANGE BEDFELLOWS

After the Alberta elections, the following letter was received by the editor of "Money" (New York), and is reprinted, with our emphasis, from the June issue of that journal:

Edmonton, Alberta, Canada.

Dear Mr. Scott,

The standing of the Legislature here since the election (which returns Aberhart and Social Credit to office) is: Social Credit, 36 seats; Independents, 19; Labor, 1.

The so-called "Independents" are actually Tories, Liberals, United Farmers, C.C.F.'ers (Socialists) and so forth who under the guidance of background men from the usual headquarters, combined to "defeat Aberhart."

After five years of organisation and slander against Aberhart, they failed to defeat anything but their masters' purpose.

One seat now credited to the Independents is in doubt. Only four votes separated the Social Creditor and the man returned, but it is understood that a protest will be lodged charging irregularities.

Best luck to "Money" and its staff. — Yours very truly, Kevin Padraic, for Hon. Lucien Maynard.

Sidelights on the War

(Continued from page 1.)

terms of submission we could now expect from a tyrant drunk with conquest. Moreover, the blockade remains, and though it is unlikely ever to lead to a German collapse, it does set limits of time and extent to Hitler's effort, while we shall form part of the military machine of the free outer world, to whose expansion no limits can be set."

If Germany is exhausted, Soviet Russia will become the dominant partner in the German-Russian partnership. Is it, then, supposed that America and Russia could "win the war" and so dictate the peace terms? Or will the British discover among themselves the sagacity, which will enable them to maintain their national sovereignty and integrity, and defeat all their enemies? The final battle is likely to be against enemies within frontiers rather than between forces geographically disposed.

—John Mitchell, in an English contemporary of June 29.

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