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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. 39. MELBOURNE, FRIDAY, SEPT. 27, 1940.

## You Were Swindled!

### Elections Reviewed

The smoke of the election battle has now cleared away, and we can clearly perceive what has emerged from the struggle. It seems likely at the time of writing that the Menzies Government will have a small majority. However, even if Labor were to obtain office, as is still just possible, the position would be just the same. The Money Power would still have to be beaten, and that necessitates determined action by the electors, irrespective of party labels.

Before the elections we said that we were backing democracy for ultimate victory, and not candidates. We are more than ever convinced that this attitude is the only logical one. The electors were swindled at this election because they were not given an opportunity of accepting or rejecting any clear-cut proposition.

Never before in the history of Australian politics has there been a period when we have seen so much confusion and chaos as we had at this election. At no time did either of the major parties attempt to clarify the issue. A lot of "blah" was talked about winning the war, a policy that the majority of the Australian people were united upon months ago. Any suggestion that the Money Power is afraid of not being able to handle the Labor Party was most graphically shown in the Melbourne "Herald's" editorial of September 24. This editorial demanded that a seat be found for Mr. Curtin, should he be beaten in Fremantle, as seems certain at the time of writing. We have never had very much faith in Mr. Curtin. This demand by the mouthpiece of private finance that he be found a seat in the House at all costs confirms our suspicions.

Under the circumstances, it was not surprising that the average elector, caught up in the turmoil of the party battle, and the tremendous propaganda machines, instinctively reverted, to a great extent, to voting for a party candidate. It cannot be denied that the vote for the Independents was disappointing, although understandable.

A review of some of the outstanding features of the election will prove of interest.

#### KOOYONG

The tremendous interest evinced in the Kooyong campaign was nation-wide. We have no hesitation in saying that the "blitzkrieg" conducted in this electorate on behalf of Menzies was something never witnessed before in Australian politics. We now understand that a new game has started in Kooyong. It is a guessing competition. The idea is to guess how much was spent in conducting this "blitzkrieg." Our guess is £10,000.

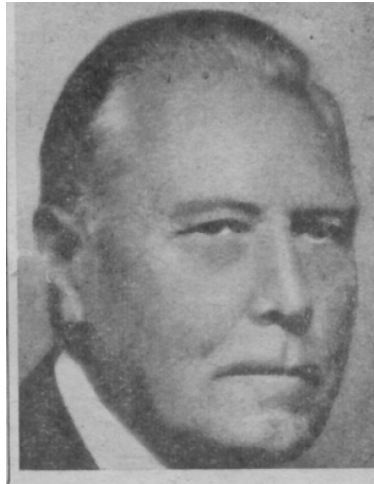
Some of the propaganda used was, to say the least of it, in very poor taste. It clearly demonstrated the manner in which elections have been reduced to a sorry farce. Under these circumstances it is all a question of whether you can stampede the electors into supporting some particular candidate. The suggestion put out by the U.A.P. propaganda machine, that the Government was

backing Mr. Churchill, was remarkable. In the first place, an impartial survey of the facts does not indicate that Mr. Churchill and his Government are making the maximum effort. We will go so far as to say that there is a growing tide of public criticism in Britain concerning the Government. And never let it be forgotten that Mr. Chamberlain re-

(Continued on page 8.)

### WHO IS MYRON C. TAYLOR?

The following answer to the above question is reprinted from "The United States," a Picture Post Special. How Mr. Taylor has reconciled his bonking and steel-corporation affiliations with "the interest of Peace between the warring nations" is not explained.



"The steel industry of the U.S.A. provides work for between 500,000 and 600,000 employees, to whom it distributes earnings of over £379 millions a year. More than half a million stockholders have invested a thousand million pounds in the industry, receiving as cash dividends some £12 million in 1938, and some £37 million in 1937. The industry really got its start in 1832, when crucible steel was first manufactured on a commercial scale in Cincinnati. By 1880 production was 1,267,000 tons. By 1900 it was 10,382,000 tons. By 1905, 20, -

354,000 tons. By 1910, 26,572,000 tons. By 1920, 42,133,000 tons. The peak year was 1929, when production reached 56,433,000 tons. After that, it fell to 13,681,000 in 1932; but recovered to

50,569,000 in 1937. And what has Myron C. Taylor to do with all this? In the last twelve years he has been the great reorganising force in the steel industry. But his early career was by no means exclusively involved with steel. Born in 1874, he was to become a master of many trades. Here are the stages in his versatile progress:

"1900-1910. —Practised corporation law in New York City.

"1910-1915. — Engaged in re-organising, consolidating, and directing large units in the textile and other industries.

"1915-1925. —Re-organised, consolidated, financed and directed a number of large industrial plants, specially during the depression period, 1922-23, and particularly in the textile and rubber industries.

"1925-1930—Merged two of the leading banks of New York—Guaranty Trust Company and National Bank of Commerce—into the largest bank in the country; became director of several important corporations, including the United States Steel Corporation; became Chairman of the Finance Committee of the United States Steel Corporation and retired its bonded debt of 350,000,000 dollars in 1929. In the November market crash he stood by to weather the storm.

"1930-1940. —Became Chairman of the Board of Directors and Chief Executive Officer of the United States Steel Corporation, re-organised its personnel and finances, and rebuilt and relocated its principal mills. Retired from this position in 1938, but remained a director of the Corporation. Appointed in 1939 an Ambassador to represent President Roosevelt to the Vatican in the interest of Peace between the warring nations.

### IS THIS A CLUE?

The Melbourne "Advocate" of September 19 publishes an interesting report from its London correspondent, of which we have independent confirmation. In part, the report reads as follows:

"In the House of Lords recently, the attention of the Government was drawn to the singular position reached by the apparent immunity enjoyed by the Communist daily paper, the Daily Worker." Although the Home Office recently issued a decree under which it became possessed of the fullest powers to suppress any newspaper which was guilty of subversive propaganda, the "Daily Worker," notorious for its persistent efforts to divide the country and weaken its power to conduct the war, continues its 'poison pen' activities unmolested.

"In the earlier stages of the war Communists picketed munition fac-

ories, distributing to the workers leaflets inciting them to strike; this attack on the country continues in a modified form in the pages of their national paper.

"This sort of thing is every bit as bad as the worst that used to be published by 'Action,' organ of the British Fascists. Yet, this was suppressed and the 'Daily Worker' is alone in the field of sedition, where it romps undisturbed to its heart's content.

"Speaking of the Communist Party, with its mission to foment class war, Lord Newton, in the House of Lords, had a tilt at Russia and the Socialist Party here.

"There is an extraordinary delusion in people's minds,' he said, 'fostered by our propagandists that we are fighting this war solely on behalf of democratic institutions, and that Hitler is naturally at war with us for

(Continued on page 8.)



Major C. R. Atlee (left) now Privy Seal in British National Government, giving the Communist clenched fist salute at a "Popular Front" rally in Madrid during the Civil War. Next to Major Atlee is General Miaja, Commander of Red Central Army.

## RECORD OF MENZIES GOVERNMENT

### AS SEEN BY A WEST AUSTRALIAN

(1) Broke Lyons' Government last election policy promise of £20,000,000 for farmers' debts.

(2) Tried to rivet a high taxation scheme of National Insurance on to the people, which the people refused to have foisted on them.

(3) Tried to exploit the Commonwealth Bank through a sale of debentures so that the trading banks could exchange their dud securities for the debentures in the Commonwealth Bank, and thus make sure of a good fat interest payment, which they cannot get through abandoned farm properties. This also was defeated by a strong public opinion,

(4) Allowed an Act, called the National Security Act, to be bludgeoned through Parliament without proper discussion. An Act, which was a compliment to Hitler.

(5) Nationalised the wheat industry; result, good job for spokesman Teasdale, but no payable price for the farmer.

(6) Appointed a price controller, Professor Copland (bankers' yes-man), who has failed to control prices in the electors' favour. The banking system does not like a stabilised price level.

(7) Saw to it that all directorships in relation to war industries came under the control of the Associated Banks, the Broken Hill Proprietary and General Motors (Holden's) Ltd., who have since paid an 81 per cent, dividend.

(8) Has failed to control war profits.

(9) Set up a Gr (apple) and Des (pear) Board, which ensures that the fruit that has been grown cannot be sold except at such a price as to force down the rate of consumption and ruin the fruit growers, who are now selling their fruit direct to the consumer at cut rates in a desperate attempt to make ends meet. Result, law makers make the producers law breakers.

(10) Attempted, by a petrol rationing scheme, to ruin 90 per cent, of people connected with the

motor trade (especially the small man, despite the fact that petrol has been found in Australia, vide Senator Arthur's speech in No. 2 and No. 10 Federal "Hansards" for 1940, and kept a secret by the Federal Government so as to enable the Shell Oil Co. to keep a monopoly intact). Result, public opinion forced a 100 per cent, rise in petrol ration.

(11) Done absolutely nothing in relation to chronic unemployment.

(12) Put higher taxes on tobacco.

(13) Refused to finance the war without incurring financial debt and a mounting interest bill, which will mean further taxation, and further taxation means higher costs for the primary producer.

(14) Has bungled and held up recruiting and training because of lack of funds,

(15) Has grossly underpaid our soldiers and sailors and their dependents who, in lots of cases, cannot pay their rentals on their homes, and are, incidentally, depending on charity to survive.

(16) Has behaved undemocratically, and attempted to bring in a totalitarian regime with great power at the top, and abject slavery at the base, leading to greater centralisation, and red tape, preventing a real all-in war effort.

—V. J. Dury, in the "West Australian Wheatgrower."

### COMPARISON

A correspondent writes to the "W.A. Wheatgrower":

"A bank manager gets good wages for his services, and this being so, then the cocky, who is working for the same firm, should get equal wages. The farmer not only supplies his services, but creates the goods (the real wealth), which is monetised by the banks, and this supplies the wages of the banks and managers, also the shareholders. The latter for simply holding out their hands."

## United Democrats' Report

From Headquarters, 17 Waymouth Street, Adelaide.

The many friends of Mrs. L. Polkinghorne will be grieved to learn of the death of her youngest son, of the A.I.F., killed "somewhere in England." That she has been thus called upon among the first to bear the burden of war sacrifice gives us more cause for sympathy with her in so great a loss.

Members are asked to keep in mind Saturday, 5th October, the date of our next monthly meeting. We look forward to a big roll-up of members and friends. Basket supper.

Members, please note that the daily 12 to 2 lunch service, excepting Fridays, is discontinued meantime. It is hoped to offset this by having a larger attendance at the Friday luncheon, and since this is the once-a-week opportunity of getting together, members are asked to co-operate in making this meeting a greater success than before by telling their friends and acquaintances about it.

Members of the Women's Division, past, present and future, are invited to a special meeting on Friday, 27th September, at 3 p.m. Those who cannot attend, but would like to join, or re-join, may hand in their names at any time to Headquarters.

Old newspapers are still acceptable at Head Office as another method of bringing grist to the mill.

Stocks of "Victory Without Debt" are again in hand. The phenomenal success of this book in arousing minds hitherto undisturbed by the money question astonishes all who handle it. Get your copies at once; 1/1 posted. Reductions for half a

Mr. S. J. Thomas desires, per medium of the "New Times" so as to avoid further expense, to most gratefully thank all those who gave so generously—money, work, sympathy, encouragement—in the election campaign. "We will not fail, but fight on," he says.

dozen or more.

### Does Mr. Cameron Remember This Statement?

In the course of one of his replies to a questioner at the Kyabram meeting last week, Mr. A. J. Fraser said, on the question of oil supplies within Australia, that we could trust the Government when they said that limited supplies only were obtainable. In his address, Eric Butler said that taking Mr. Fraser at his word, the people would do well to read the remarks of some of these men they "trust." He asked them to recall the following statement made by no less a person than Mr. A. Cameron, M.H.R., in 1939:

"I entertain grave doubts as to the good faith of certain of the oil companies of Australia and New Guinea. I am inclined to believe that there has been a huge swindle of some sort in connection with the failure to discover oil in this country, I informed the previous Ministry that I considered that if as much money, time and energy had been devoted to the discovery of oil in Australia as has been expended by certain interests to prevent the discovery, we would have had adequate supplies long ago."

## Eric Butler in Wimmera

As mentioned in our last issue, Eric Butler addressed two further meetings in the Wimmera before returning to Melbourne and leaving again to address the Kyabram Rally, reported elsewhere in this issue.

Reports to hand are similar to those we published last week. The meeting at Minyip on Monday, September 16, was particularly successful, the attendance being double that of the first meeting, which Eric addressed earlier in the year. Another meeting at this centre would be very successful. Literature sales were good, and further readers for the "New Times" were signed up.

The meeting at Dimboola the following night was one of the greatest tributes paid Eric Butler. His other meetings had caused such discussion throughout the Wimmera, that people were there from over 50 miles away. The hall was packed at 8 o'clock, many having only standing room. Dozens stood outside. This was claimed as possibly the greatest political meeting ever seen at this centre. A return visit would fill the largest building in the town. Literature sales exhausted all supplies, while the number of readers signed up for the "New Times" very nearly equalled the record established at the Nhill meeting.

### Some Truth at Last!

Some people have been inclined to regard material that we have published from time to time about the activities of financial groups—particularly some with their headquarters in Wall Street, New York—as a little exaggerated. We could hardly believe our eyes when we read the following report, which appeared in the Melbourne "Argus" of September 24. Some people are very keen on running the war in their own way:

"Sydney, Monday. —Amid cries of 'shame,' Sir Walter Carpenter, chairman of directors of W. R. Carpenter and Co. Ltd., told members of the Millions Club today that when he was in the United States recently, the newspapers had revealed that not one of the American 'planes sent to help France before she capitulated was used.

"Sir Walter Carpenter quoted the American papers as saying that the American 'planes were all at Casablanca (Morocco) un-assembled, because certain French 'plane manufacturers were trying to get a better deal from their country for their machines,

"He had also read, he said, of the payment of vast sums for 'planes that never saw the light of day in France, of Belgian manufacturers selling munitions and 'planes to Germany in preference to their own Government, because it was more profitable, and of European countries buying oil and raw materials for resale to Germany."

Responsibility for all political comment in this publication is accepted by H. F. Ailsop, 5th Floor, McEwan House, Melbourne, C.I.

### SITUATION WANTED.

Reliable Tractor Drivers, Teamsters, Milkmen, Fern Cutters, M. Couples waiting. —WILLIAMS' BUREAU, 440 Flinders-street, Melbourne. "Phone: MU3423.

## You Should Not Be Without It!

### "THE WORLD-GOVERNMENT PLOT EXPOSED"

By ERIC D. BUTLER.

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

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

Price 6d; Posted, 7d

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

## HEATED MEETING AT KYABRAM

### MR. R. G. CALDECOTT AND ERIC BUTLER IN ACTION

The rally of dairymen and other interested people at Kyabram on Thursday, September 19, was the most sensational meeting ever seen at this centre. The rally was convened by Mr. R. G. Caldecott to oppose petrol rationing in the dairying industry. People came from long distances—one carload coming 100 miles. Seating capacity in the hall was taxed to the limit.

Highlights of the meetings were provided by the efforts of Mr. A. J. Fraser, Chairman of the Victorian Transport Board, who made a dramatic, last minute appearance, after intimating by letter that he was far too busy to attend. However, some consternation was caused when Mr. Davis, secretary of the Victorian Dairymen's Association, learnt that Eric Butler had also been invited by Mr. Caldecott to address the meeting. This information was, apparently, wired to Mr. Fraser, who made a trip of over 200 miles in order to be present. When he was invited by Mr. Caldecott to go on the platform with himself, Mr. Davis and Eric Butler, he refused to do so. Heated protests were made to Mr. Caldecott concerning Eric Butler.

#### ATTEMPT TO BREAK MEETING

Eventually, Mr. Caldecott, as convener and chairman of the meeting, opened his remarks with Mr. Fraser sitting at the back of the hall. It soon became apparent that an attempt was to be made to break the meeting. Mr. Fraser protested at some of Mr. Caldecott's remarks, whereupon he was once again invited to come on to the platform. By this time the big crowd had become rather hostile, and repeated demands for Mr. Fraser to sit down were being shouted from all over the hall. Uproar took place when, a little later, Mr. Fraser again interrupted Mr. Caldecott. Mr. Fraser walked to the front of the audience and attempted to make himself heard. It was at this stage that a dramatic attempt was made to break the meeting. Mr. Fraser appealed to all dairymen present to follow him and Mr. Davis to another hall, which had, apparently, been engaged. This effort failed completely, as only two men were willing to leave.

Mr. Davis attempted to deny several remarks made by Mr. Caldecott, with the result that some heated exchanges took place on the platform, with Mr. Caldecott finally telling Mr. Davis that he would make him "eat his words."

#### MR. FRASER QUESTIONED

Although it was quite apparent that Eric Butler's presence was the underlying cause of the desperate attempt to break the meeting, he sat through this turmoil without saying a word. Mr. Fraser later attempted to again interrupt Mr. Caldecott, with the result that a motion was carried by the audience requesting that Mr. Fraser go on to the platform. It was quite apparent that he was very worried at the reception he and Mr. Davis were getting. However, he at last decided to take the platform and said he would answer questions. His answers to questions were very evasive, and the audience was in a continual uproar. Repeated cries of "Throw him out" were heard, while many of those present were shouting, "We want to hear Butler." This demand for Eric Butler to speak became so persistent that Mr. Fraser and Mr. Davis seemed to realise that they were lost. Another clash between Mr. Caldecott and Mr. Fraser caused another uproar. Mr. Caldecott challenged Mr. Fraser to meet him in public debate on the question of the regimentation of the dairying industry by financial interests. Mr. Caldecott said: "Mr.

Fraser has been recently making some £10 bets. I am prepared to meet him for £20." Mr. Fraser said that he wouldn't. Cries of "You're a squib, you can't face the facts."

Mr. Caldecott said: "You are not game." "You're a liar," said Mr. Fraser. Further uproar, with cries of "We want to hear Butler."

#### OPPOSITION RETIRES

Amidst thunderous applause Mr. Caldecott called on Eric Butler. Mr. Fraser and Mr. Davis then started to leave the platform amidst "boos" and cries of disgust from the audience. Blows were nearly struck several times while Mr. Fraser and Mr. Davis were making their exit. It was 10 p.m. before Eric started to speak, but the big audience sat through a very hard-hitting address. He said that although Mr. Fraser and Mr. Davis said that he was not a primary producer, he was doing as much as they were doing for the primary producers by exposing the cause of their problems and the correct action to be taken. He was working under great difficulties and was not receiving the salary of these men. He dealt with the Government's unsatisfactory attitude towards petrol rationing, and the manner in which the Transport Board was being used to regiment the dairy farmers. He also dealt with the financial implications, and said that unless the tremendous increase in bureaucracy and regimentation was successfully resisted, Australia would soon be a second Russia. He showed the real position by quoting Mr. Fraser himself, who had inadvertently admitted that, if rationing were necessary, a voluntary system would succeed. Questions were asked and answered to the satisfaction of those present. Literature sales were good.

#### FUTURE ACTION

The temper of this meeting must have given some people in certain circles a rather nasty jolt. It is quite evident that primary producers have no intention of becoming "bolshvised" without a fight. Two resolutions were unanimously passed by the meeting. The first requested the establishment of a Royal Commission to investigate the petrol rationing as applying to the dairying industry. The second motion requested that an approach be made to all managers of butter factories to cooperate in arranging further meetings. The general feeling of the meeting was that the Victorian Dairymen's Association was not acting in the best interests of the producers. Mr. Davis was bewildered at the reception he got from the dairymen.

Mr. Caldecott and Eric Butler have written a booklet between them dealing with the subject from every angle. This booklet contains a demand form, which will be widely circulated if this campaign gets the support, which it deserves. We are of the definite opinion that there is a big move by financial interests to ruthlessly regulate all production along lines indicated by finance-controlled journals at various times. We hope to deal extensively with this matter in the near future. Any supporters who are dairymen and interested in the proposed moves are requested to get in touch with Eric Butler, c/o Box 1226, G.P.O., Melbourne.

## ARMS PRODUCTION IN AMERICA

The following article from the American magazine, "Time," of May 4, is an exposure of rifle production well worth thinking about.

Without infantry, armies cannot win wars; without rifles, infantry cannot fight. The U.S. Army, therefore, thought hard and long before deciding in 1936 to junk its rugged, battle-ried Springfield rifle and adopt a new, rapid-fire, semi-automatic, called the Garand (for Inventor John C. Garand, a civilian who works for the War Department). After nearly five years, the Army last week was still using mostly Springfield rifles, and thinking about Garands. Official excuse for this situation: that the Garand has not yet been supplied to the Army because it is still going through a normal process of trial, error, and correction. Some critics think there is another reason: misjudgment, followed by scandalous reluctance to admit and repair a mistake. This week a serious charge against the Garand is being made public.

Last March, a House subcommittee thrashed out the Garand argument with the Army's Chief of Ordnance, Charles M. Wesson, Cagey, capable Major-General Wesson stood up for the Garand ("the best semi-automatic rifle ever considered by the Army"). When Congressmen wanted to know who originally sponsored the Garand, General Wesson passed the buck to the Infantry. He also confirmed a rumour, which reflects more gravely on Army bureaucrats than on their new rifle. In the fourth year (1939) of Garand tests, the Army discovered a defect so serious that a new barrel had to be designed. As of last February 16, the Army had on hand 28,088 Garands with the faulty barrel. It is still getting them (200 a day from its own Springfield Arsenal), will have 35,000 to 40,000 defective Garands in service before tools are installed to make the corrected barrel.

The Army has spent some 15,000,000 dollars on Garands, needs at least 6,500,000 dollars more to reach its goal of 240,559 new rifles by June 1942. After hearing General Wesson, the House committee approved a 2,000,000-dollar appropriation for fiscal 1941, with this significant reservation: "The committee is unwilling to take the responsibility of not doing so, even though it later may be found that we have gone ahead too rapidly." Said Committeeman D. Lane Powers (New Jersey): "We do not want to appropriate for . . . additional rifles if what we hear and what we read and what we are told by some well-informed people is true."

One of Congressman Powers' informants was Major-General Milton A. Reckord, who is head of the Maryland National Guard, and

executive vice-president of the authoritative (though civilian) National Rifle Association. "My opinion," testified General Reckord, "is that the War Department has made a very grave mistake. . . . Just how grave the mistake may have been, General Reckord's N.R.A. disclosed in the May issue of its "American Rifleman."

A "Rifleman" expert (F. C. Ness) somehow got one of the jealously guarded Garands, tested it by firing a moderate 692 rounds in three days. Mr. Ness's verdict: "A fine combat weapon, with certain shortcomings." He emphasised the shortcomings: Garands are supposed to be rapid-fire guns, banging out (from clips of eight cartridges) 26 aimed shots a minute, many more shots if unaimed. Mr. Ness wrote: "When we fired [the Garand] very slowly, loading each cartridge into the chamber by hand, the oil started to bubble out . . . in tiny specks after 40 shots to 60 shots fired in 25 to 35 minutes." In brief: fired at speed, the Garand would get so hot no soldier could hold it.

By Army account, the Garand is accurate at ranges up to 600 yards (far enough for ordinary combat), N.R.A.'s Garand was disgracefully inaccurate at 600 yards and less. On a 600-yard target, with the gun locked in a bench vice, its shots at the end of 60 rounds were hitting six feet below the mark. Reason: " . . . The barrel . . . warped or buckled as it heated from our slow-fired shooting (only 130 shots in three hours)."

At the 395th shot, the N.R.A. Garand began to falter. During the final rounds it broke down, so hopelessly fouled by carbon that it could not be used until it was dismantled, cleaned, lubricated, re-assembled—a complicated job for a soldier under fire.

One man who rubbed his hands over this report was a tall young Bostonian, named Melvin Maynard Johnson, Jr. Captain (Marine Corps Reserve) Johnston wants the Army to buy a semi-automatic rifle he has designed. The Army has tested the Johnson rifle, says the Garand is better, has not published enough comparative data to prove or disprove its statement. "Ideal for combat and for battle-field firing," Major-General Walter C. Short called the Garand last week, reporting its performance in Army manoeuvres. Expert Ness rates the Johnson far above the Garand.

Whoever is right, Melvin Johnson makes sense" when he says: "The point is not whose rifle, or whose face, or what procedure . . . The real problem is to get a suitable, manufacturable, reliable, rugged rifle, and plenty of them."

#### TO OUR READERS—

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FRIDAY, SEPTEMBER 27, 1940.

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## Nonsense From a British Economist

In the Melbourne "Herald" of September 24, a broadcast address by Mr. J. M. Keynes, the British economist, is given some prominence. To quote: "It is not likely that Britain will be compelled to lower her standards of living after the war." This is a most interesting statement. We would like to know who are the people or group likely to **compel** the British people to accept a lower standard of living?

After stating that there has been no indication of inflation—although he does not mention the technique introduced by the Chamberlain Government to prevent inflation—he goes on to say: "This is the second year of the war, but the first year of real conflict for Britain. We have the freshness of a fighter in the first round, whereas Germany has already suffered exhaustion from five years of prodigious effort; but it is well worth while for Britain to have a policy, however drastic, about taxes, savings, wages and prices, in order to maintain her present sound position."

We are interested to learn that the people of Britain must be taxed more in order to remain "sound." This, mind you, with nearly a million unemployed and lack of finance, together with centralised bureaucracy, hampering the war effort. The people can only be in a sound position when they are obtaining the highest possible standard of living in order that public morale can be maintained at a high pitch. The only possible excuse for more taxation would arise if the consumption or use of non-military materials was hampering the war effort. Even in Britain, there does not seem to be any justification for a policy of increased taxation—except, of course, to pay the interest bill to the private banks. That is another matter altogether.

We don't quite understand the "exhaustion" of Germany, unless she is becoming short of essential materials. Where is there any evidence to support this viewpoint—with International Finance pouring materials into Germany via Russia?

No, Mr. Keynes, we know that you are only a bankers' apologist. Your ideas seem to have a sinister meaning. The British people are becoming united in their attempt to win this war for themselves, not for financial institutions, with their policy of sacrifice and bigger taxes.

## THE LONDON BOMBING FUND

We yield to none in our sympathy for the unfortunate victims of Hitler's mass attacks upon the civilian population of London. Every decent person feels angered at this murderous attack upon women and children. However, we do object to this matter being exploited—unconsciously or otherwise is beside the point—to give false impressions concerning the fundamental cause of all this suffering: the present private financial swindle.

When we read that Melbourne's Lord Mayor, Mr. Coles, was cabling some thousands of pounds to London, we felt inclined to ask him just what good this would do. We have never seen Australian money leaving this country; and we are prepared to offer a substantial donation to charity if someone could present us with a photograph of this money in process of being cabled.

What the unfortunate bombing victims need is material assistance—food, clothing and shelter. There is only one place where these things can be immediately obtained from, and that is Britain itself. If these things are not available in Britain, then we can "cable, money" until we are "financially exhausted," but, it will be of no use to the people in Britain.

Of course, if the materials are in Britain, as we sincerely hope they are, we can only ask why the British Government has not utilised its sovereign power over the creation of the

## SANCTITY OF CONTRACTS

By H. T. BERRY, in the "West Australian Wheatgrower,"

Every now and then a more pious member of the community brings up the question of the sanctity of contracts. In no measured terms he attempts to embellish the standard of his own morality by stressing the weakness of the other fellow's, a sort of mote in the other chap's eye. It never occurs to him that perhaps it is only by such comparison that his own self-claimed probity can be burnished to its fullest extent.

Now, no one in their senses will cavil about honouring a debt if such debt were contracted in such manner that it can be shouldered. But if the debt is entered into on a basis of, say, five shillings per bushel for wheat and is expected to be repaid with wheat fallen to about half that value, then some other factor has entered into the calculation. Furthermore, if the issuer of the debt is in a position to inflate or deflate commodity values by the simple expedient of lending or withdrawing credit from the export values of the commodities forming the basis of the debt, then the morality of the undertaking fades and disgust takes its place.

That this latter can be, and is, done is beyond question.

Any financial institution capable of restricting credit can very quickly hold the borrower in the palm of his hand. By this time we all must be aware of this.

Yet a few weeks ago we had a member of the Legislative Assembly, blaring about the sanctity of contracts and, I think, really believing the substance of the noise he was making.

And while he was making all this fuss about how wrong it was for the farmer to squeal about his financial obligations, we had the Price Controller, under the Profiteering Act, playing his little part. The moment the price of sheep began to rise, so that some, at least, might have turned an honest penny or two to combat the ravages of his interest and overdraft, the price of mutton was fixed. Down came the value of the sheep and away faded the long-deferred hope of the man on the land.

Oddly enough, and as though to make the position quite clear, despite repeated protests, the Price Controller has now decided to fix the price of chaff.

It is a paradoxical position. You must observe strictly the sanctity of the contracts entered into financially, but if prices for the commodities you are interested in are to rise so that there would be a hope of you being economically sanctimonious, along comes the controller and says, "No, you don't. I am going to fix a maximum price."

It has never occurred to anyone to look at this from an opposite and equal point of view. If prices have to be fixed because they are going too high for the people, then surely they should have been attended to when these self-same prices were falling so low that they were ruining the farmer. Had this been done, then "the sanctity of contracts" cry would not have been so absurd.

Finally, a little more morality. On the monies advanced as payments against last year's acquired wheat crop, the farmer is paying no less than 3½ per cent. This means that interest will rob the farmer of, at least, £600,000 on the value of his acquired wheat. In other words, the farmer is to pay £600,000 in interest on his own money, with his own commodity as security.

Sanctity of fiddlesticks'.

## A Kooyong Elector's Comment

Menzies has won, not because he had anything constructive to say, but because a great many electors apparently do not understand Dr. Dale's language. For the rest, the senile and high-stomached, they are afraid that a man holding such "outrageous" views might interfere with their smug and miserable existence.

We live in a land that is being rapidly destroyed. Within two generations the best of our forests have been decimated. Already bush fires have commenced for this year. Fertile valleys are being destroyed, for all time, by gold dredges. The arable and pasture lands, thanks to overstocking and bad husbandry, are also being rapidly ruined, so much so, that if the wind blows strongly from the north for a few hours the top soil of the hinterland may be seen in the air floating out to the ocean. This occurs with greater frequency as the months go by, and if it continues for a few more generations Australia will become as barren as the Sahara.

Our political economy is such that we cannot avoid trade depressions, poverty and degradation at home, and serious disagreements abroad, and our war effort is half-hearted and inefficient.

All of these things continue because it does not pay, or because we haven't the money to do otherwise, and the electors of Kooyong, in voting for Menzies and the status quo, have decided that it shall continue.

These people had an opportunity to give a lead that was not afforded the general body of electors, and they failed to give it. —S.W.N.

nation's money supply to see that these unfortunate people have, purchasing-power, without appealing to people on the other side of the world.

Now, exactly what takes place when money is "sent abroad"? The banks in London will write certain figures in their books, while the banks in this country will also write certain figures in their ledgers. It is only a matter of book-keeping.

If we are going to help the people, in London, the obvious thing to do is for a local committee, representing the British Government, to be set up in this country, in order that they can purchase goods in this country to be shipped to Britain. This has been mooted, and should certainly be done.

We thought that the banks might at least have foregone their charges on handling the fund for the London victims. But, no. They have refused to do this. They demand, and get, their pound of flesh, no matter what happens.

After Mr. Coles' display of ignorance on this matter, what can we expect from him as one of the nations' "leaders"?



## LATEST MOVE IN ALBERTA

### ABERHART'S STATEMENT ON BANK VETO

**At the Alberta elections, early this year, the Alberta Government obtained a mandate from the electors to establish a Government-owned and controlled Bank.**

**The matter required the sanction of the Ottawa Parliament and finally went before the Banking Committee, where, after short consideration, it was rejected.**

**Herewith, we print Mr. Aberhart's statement on the action of this Committee in refusing to allow the Alberta Government to proceed with its mandate:**

It is hard to understand the extent to which some of the members of the Federal Parliament have gone in heaping insult on injury in their consideration of Alberta's application to incorporate a provincial bank.

The tactics used against Alberta in their application for a bank charter, I feel, must have appeared, to many of our citizens entirely unwarranted and most provocative.

I have refrained from commenting on the manner in which the Province's request has been treated by the Federal Government and the Banking Committee, not because I have felt satisfied but because I did not wish to provide any pretext for such conduct.

This is no time to play politics or to treat lightly serious Dominion-Provincial affairs when such great issues are threatening the very foundations of civilisation, and the need for Federal unity is a most vital factor of our national life.

The Saskatoon "Star-Phoenix" has this to say about the sessions of the Banking Committee:

"There is not much real opportunity for the old game of politics in the House of Commons at Ottawa these days; so it is hard to blame the boys for having a bit of the old-time fling when there is an opportunity such as the Bill to create a State bank for Alberta furnishes."

I have been much encouraged by the comments of many prominent Alberta citizens, who, after following the proceedings at Ottawa, volunteered their opinions that the mandate which we had received from the people at the last election was being treated more or less as a farce, and its importance for the welfare of our people was being entirely ignored.

I was astounded by, and very naturally disappointed with, the antagonistic opposition to Alberta's application for a bank charter, which was voiced in Parliament by Finance Minister Ralston on behalf of the Federal Government, when it was a well-known fact, that had been drawn to our attention on many occasions, that Finance Minister Dunnig, apparently with the full approval of his colleagues, had declared that the Federal Government would be prepared to recommend to Parliament the granting of a bank charter to Alberta within the four corners of the Bank Act.

I had thought that Prime Minister King and his Government would have recognised the people's mandate given to the Alberta Government at the last election. Surely, with this direct democratic approval, the Federal Government could not consistently have refused us the opportunity to demonstrate the efficiency of our proposals. Even if they are unable to comprehend the importance and the technique of the new economy, under the scientific laws of progress at least, they should have allowed Alberta to demonstrate within its own confines the change absolutely essential in the existing financial system, if we hope to meet effectively the exigencies of the present crisis and to prepare for the after-war period of reconstruction. Are we to suppose that the bitterness

of the two Alberta Liberal city members, coupled with the hostility of the loquacious Mayor of Calgary and the effervescent secretary of the Edmonton Chamber of Commerce are more effective upon the administration at Ottawa than a definite application of a constitutionally-elected Government having a clear mandate from the people of one of Canada's great provinces? If so, the people may well ask; "What type of democracy have we in Canada?"

I am definitely of the opinion that this play-acting was for the purpose of concealing the sinister hand of Finance, which is exacting its toll from our country for supplying the credit that is so necessary to the nation's life at this crucial time, and which is so determined that nothing shall be allowed in any way to diminish the power it wields through its exclusive private monopoly.

Two main objections were offered to Alberta's application for a bank charter. The first was voiced by the Hon. J. L. Ralston on the ground that granting Alberta a charter would in effect make the Federal Parliament a rubber stamp for the Premier of Alberta.

Are we to conclude from this that the then Minister of Finance admits that when a charter is granted to any group of men forming the directorate for a privately-owned and controlled chartered bank, Parliament becomes a rubber stamp for that directorate?

That is in effect what it does, but Alberta's application was the first attempt that has been made to reverse the relationship and to make the banking institution subservient to the will of the people.

Under the Alberta charter the representatives of the people as a whole would alone be eligible for the directorate; and the affairs of the bank would of necessity be conducted, therefore, in accordance with the will of the people or the directors could be at once removed.

That is the essence of true democracy. Parliament in any true democracy must be a rubber stamp for the will of the people.

How different is the position where a private group seeks direction of a bank incorporated to deal with the money affairs of the people as a whole.

In granting them this power, Parliament becomes a rubber stamp for the directorate of the bank, which represents only a very small number of the people, and in whose election the people as a whole have no voice, and even the shareholders have little actual freedom of choice.

We maintain that until this present method of incorporating banks and of leaving them free to pursue any policy of credit expansion or contraction without reference to the will of the people, is reformed, "all talk of democracy is idle and futile."

The other objection was even more astounding and far-reaching in its effect on the sovereign rights of the people of Canada. A law officer of the Crown declared that the Bill to incorporate the Alberta Bank was ultra vires of Parliament, because Parliament has no power to grant a charter

to a province for the operation of a bank under the Government's direction.

This ultra vires expression is becoming very familiar to the people of Alberta. It would almost seem that anything contrary to the interests of finance is ultra vires of the Canadian constitution.

We seem to have no option but to conclude that while Parliament has the power to give banking privileges to a few persons in Alberta under directors acceptable to them and operating for their own profit, yet Parliament does not possess the power to give banking privileges to all the people of Alberta, under the direction of their elected Government and operating for the benefit of the people as a whole.

What a strange situation we have got ourselves into! We have always been under the impression that under the B.N.A. Act and the Statute of Westminster those sovereign powers, which are not reserved, exclusively to the provincial legislature are assigned to the Federal Parliament.

I wonder if Canadian citizens can explain for us how any province could ever get the right to have its own bank if the Parliament of Canada has no power to grant it a charter? From whom could this authority be secured?

Or, again, if perchance, a Federal Parliament decided to give a province this authority, who would have the right to prevent them? These questions, you see, bear directly on the freedom of the Canadian people—a freedom that we proudly cherish and defend.

There is another aspect of this question which I must mention before we leave the matter. If it is a fact that the Bill to incorporate the Alberta bank was ultra vires of the Ottawa House, why were we not informed about this months ago, when we first forwarded our application for a charter to the Federal Government? Are we to suppose that the law officers of the Crown did not know about it at that time?

You see there is something discouraging in any attempt to help the common people that is detestable.

I do not mean by this that I am discouraged. Far from it, for it makes me more determined than ever to combat this sinister reactionary force behind the scenes.

Many thinking people will, no doubt, give grave consideration to these matters, particularly in view of the open hostility, which has been displayed by the financial institutions to any and every attempt made to reform the present widely discredited and disastrous money system.

I will say no more on this matter at the moment. Notwithstanding the refusal to grant the province a bank charter, the Alberta Government will go ahead with the development of every and any means at its disposal to protect and support those who need the same. We shall continue to cooperate wholeheartedly and to the fullest extent within the limits of our ability in the vigorous prosecution of the war for liberty, justice and fair play against selfishness, lust and paganism wherever they are found.

Though now somewhat handicapped, we shall do our utmost to cope with the grave problems facing our farmers, and with the even greater national problems of the after-war reconstruction period, as they are likely to affect Alberta.

Thus, by putting forth our best in the immense task facing our country and the Empire at this time, and preparing to meet in our own sphere the task which lies beyond, we can all help to build the greater Canada that is the inspiration of our endeavours.

I hope most earnestly that no narrow political prejudices or sectional interests will be permitted to mar the sincere efforts of the people of Alberta in attempting to do their share in the solution of the tremendous problems which face us.

—"New Era."

## DANGER OF PARTY POLITICS

**Mr. Alex. Russell, Independent candidate for Ballarat, sounded a timely warning during his election campaign. The fact that, even at this stage in our political evolution, more than 5000 electors gave their votes to a candidate expressing such views is significant. The Melbourne "Herald," of Friday last, reported the incident as follows:**

"Dictatorship is the almost inevitable consequence of party politics in war time, said Mr. Alex. Russell, Independent candidate for Ballarat, at Castlemaine. . . .

"Mr. Russell said electors should ask themselves this question: 'Can I help to send to Parliament any party with a majority in both Houses, and be sure that party will not invoke powers which already exist to establish an absolute and unchallengeable dictatorship of its own interests?'

"The powers of dictatorship exist now,' said Mr. Russell. 'It needs only a party Government with a safe majority to use those powers.

"I am not suggesting that Messrs. Menzies, Cameron or Curtin would be the danger, but can you be sure about those who may come after them?

"It does not need a March on Canberra, or an army of coloured shirts to put an Australian dictator into control. All it needs is a big party majority at Saturday's election. The parties voted themselves the power of dictatorship in the last Parliament. Now all they have to do is to send the new Parliament into recess and govern by regulation.

"If the ruling party is so minded, Parliament will never

meet again. There is your dictatorship.'

"Mr. Russell said the only way to destroy this danger was to smash the party tradition. Men should be voted for, not parties. . . .

### Not Government's Policy

In an election address, Mr. E. J. Holloway, M.H.R., quoted an instance where the Administrator of New Guinea required £150,000 for the construction of a road. It was sought to raise this amount by loan, and it was proposed to charge a toll and thus assist towards repayment of the loan. When the Administrator asked for the loan the private bankers refused, but said that they would be prepared to make the money available if the Commonwealth guaranteed the loan. Actually, they had refused "because the security was not good enough." He (Mr. Holloway) had asked why the money was not loaned through the Government's own instrument, the Commonwealth Bank. The Treasurer's reply had been, "That is not the policy of the Government."

## PUBLIC CREDIT FOR PUBLIC FINANCE

By J. McKELLAR.

**It takes a long time for economists to assimilate new ideas. Traditional practices and habits hold them in thrall, and inhibit their thinking. An economist, withal a young one, was expounding to a Melbourne audience recently, "How to pay for the war." He went over the three methods, which are now familiar to most people. That is, the war can be paid for by:**

- (a) Taxation.
- (b) Borrowing.
- (c) Public Credit.

This latter method, by the way, was endorsed by the lecturer in question up to a limit, which will be indicated presently. It is worth pointing out that ten years ago, economists were still in the dark in respect to the use to which the public credit can be put for financing Government projects. Now we have an economist who concedes that this method can be employed, and we have hope that he may yet learn to extend his own limitations upon it.

It was the conclusion of the lecturer that the war must be paid for by taxation that people would have to make sacrifices and accept a lower standard of living. It was INESCAPABLE!

The practice of borrowing led to inflation, he said, as would the financing of the war by the use of the public credit.

It did not seem, to the present writer, to make much difference whether one made a sacrifice by a lowered standard of living through taxation, or whether it came by an inflationary process—i.e., by the lowering of the purchasing power of incomes through increased prices. But let that pass for the moment.

We are concerned with paying for the war by the use of Commonwealth Bank credit, made available to the Government.

It was contended that this could be done up to a limited amount. The argument runs in this wise:

Supposing the Government obtains a public credit from the Commonwealth Bank for £50 million. This money will be spent on the equipment of war, creating employment, and increasing the spending of the community. When this sum is exhausted, the Government account is credited with another similar amount, and so on and so on until we reach a stage of full employment, or supply the community with money it cannot spend, because the credit is used in munitions production and not upon saleable commodities, which in consequence are in short supply. If the Government then continues this method of finance, and uses the public credit for its war effort, the condition will arise in which the community will have a superabundance of money, and a deficiency of goods to purchase.

Presumably, as there is no "borrowing" of money, the sums which would otherwise be invested in war loans remain in industrial investment, and so further augment the flow of money into the pockets of wage and salary earners—i.e., consumers. If there is no taxation, or a limited amount of taxation, the buying power of the community would greatly exceed the goods purchasable, and so force up prices and depreciate the value of money.

In reply, there are four points to be considered. First: It is indeed hard to visualise reaching a state of affairs when the community has a plethora of spending power in relation to purchasable commodities. Even if there were a point beyond which no food commodities could be bought, and so to that extent the standard of living was reduced. It doesn't mean that there are not other and endless ways of spending. Paren-

thetically, it should be noted, that, while wheat rots or is eaten by mice and weavels, there can be no lack of food requirements.

But on the question of the excess of spending power, how can that state ever be reached while there are huge stocks of wireless sets, motorcars and better homes to be bought? The families now depressed and on sustenance rates in the back streets of Fitzroy, could use their "surplus" by occupying the expensive flats in Toorak. That would raise their standard of living, especially if furnished with the ornate luxuriousness many such flats enjoy.

What about a motorcar for the dole man? The showrooms of motor firms glitter with unsold cars, made even more difficult of disposal by petrol rationing.

In practical reality, one utterly fails to see how excess spending power is even a shadow in the social world. It is a nightmare conjured up by doctrinaire economists, who spin their web of theories on the supposition that no control can be exercised over inflationary tendencies in a community, a large number of whose members do not enjoy even that standard laid down by Mr. Justice Higgins in 1907 as a basis for fixing the basic wage.

The second point is the suggestion that if such a desirable condition of things emerged from the use of the public credit for war finance (or peace finance, for that matter), as to furnish the community with more money than it could use, taxation could then be used as the instrument to correct that situation. Taxation could start when the surplus age of spending power begins to show itself, and so the "redundance" could be skimmed off.

The third point is, that a Prices Commissioner has been appointed to prevent inflation. As I understand the function of this official, the principle guiding him is the cost of production. That is to say, no manufacturer or retailer will be permitted to take advantage of the effective money demand, and raise prices to the public, because goods are in short supply. A plentiful supply of money, therefore, if the job is done sincerely and impartially, cannot cause inflation. It may mean, of course, that people, if unable to buy goods, because there is a deficiency of them, will be able to save some money, and practice that virtue so often enjoined, but which before they have had little opportunity to cultivate.

The Government boasts of its foresight in making this appointment, and alleges that prices have not risen above 3% in consequence. If the Prices Commissioner's range of inquiry and control is at present limited, it can easily be extended to include all saleable commodities influencing the price level.

The fourth point is, that 20 years ago a formula, adequate, scientific, and automatic in its operation, was put before the world, designed to lower prices, increase purchasing power, and prevent inflation.

If ever the time was ripe for its introduction it is now. A new economic era would dawn for the world when it is applied, as the canon of industrial costing. It requires neither special training in

economic science for its understanding, nor anything more than good-will and common sense for its application.

The formula runs thus:

The Price of goods shall bear the same ratio to their cost as the Total National Consumption bears to the Total National Production.

The calculation of the cost of National Production, and the calculation of the cost of National Consumption, is a matter for statisticians, and has nothing to do with political parties, or interference by any bureaucracy of officials. It is a mathematical calculation resting solely upon facts easily ascertainable. When once people grasp the vital principle that the cost of production is consumption, it is no great step to operate a formula, which will recognise that principle in our economic life.

The correct price of consumers' goods would then be determined by subtracting a fraction of the seller's price of any particular article, the fraction to be deducted corresponding to the money ratio between values created and values destroyed during a given period. Should the community, for example, consume as much as it creates, price will be at par. Should it consume less, price will be below par—i.e., so much less than the money value of production. Thus the Just Price in the modern world is that fraction of total costs embodied in any given article or service, which represents values, destroyed or used up.

The special virtue in this proposal lies in the fact, that prices are regulated according to Consumption, on the sound economic

principle that depreciation, waste, loss of energy and material, constitute cost of production in any real sense, the money value of which alone is chargeable to the community.

People are slowly but certainly coming to the conclusion that money is a notation system, symbols for the recording of the transactions between organisations and persons. It is of no more intrinsic value than notches on a stick, which primitive people used to register exchanges of cattle. To say that persons or organisations owe money to each other is as primitive a way of looking at the realities of our productive system, as it is to say that one person owed another a notch on a stick. America talks that way to England in respect to the war debt. She will not take goods. She wants, so to speak, notches on a stick.

If mankind says it is IMPOSSIBLE to control inflation except by keeping money in short supply, then, indeed, it is doomed, like Sisyphus, in his vain attempt to roll the stone to the top of the hill. Financing the war by public credits, in conjunction with the operation of this price mechanism, cannot produce an inflationary condition, or depreciate the value of money, even though spending power should temporarily leap beyond the capacity of industry to supply goods—a romantic speculation in the light of the tens of thousands of under-nourished people in this country alone. They suffer the loss of the amenities of civilisation in a thousand other ways as well. A little surplus money would enable them to buy them.

## WORKERS' PARADISE!

**The following extract from a statement by Dr. Lancelot Hogben, Regius Professor of Natural History at Aberdeen University, is most informative. Dr. Hogben is a world-famous figure, and has been noted for his "Leftist" tendencies.**

When Germany attacked Norway, where he was lecturing at the time, he had to escape through Sweden to Russia, where he earned a living for some time by translating scientific works. His report of what he saw in Russia should provide further "stimulating" evidence for the local Communists and sympathisers who think that Russia is the workers' paradise.

"The country is one vast slum. Outside of Moscow I saw nothing that compared favourably with even the worst slums of Glasgow. Moscow offers little enough; the rest of the country offers nothing. It is perfectly evident that the attempt to industrialise has broken completely down. If the engine is running, it is not in gear.

"The Russians are greatly in need of clothing. Outside Moscow—and with the exception of Red Army officers—I saw no one so well dressed as the men who

wait outside Labour Board offices in English cities to receive the dole.

"I talked with a number of impartial newspaper men who knew Russia — Americans who have spent considerable time in the country. They told me that the present breakdown dates from the great purge of 1935, when, in a wave of nationalism, foreign experts were kicked out. There is simply no one to carry on the industrial work. It is believed that Stalin signed with Germany simply because he was too weak to fight Germany."

## ALIEN REFUGEE PROBLEM INDEPENDENT CANDIDATE'S VIEWS

**In the course of his policy speech, Dr. Frank Hartnett, Independent candidate for Kooyong, made the remarks quoted below.**

It has been suggested to us that his outspokenness on this matter accounted, in part, for the candidate's lack of success—that the "refugees" referred to found unobtrusive means of hitting back.

"Child endowment is ignored by Mr. Menzies, whose only idea of populating is by filling the country with foreign refugees. I do not refer to the poor, unfortunate evacuees (another bungle), but the refugee who thinks in terms of interest, who lands with international finance at his back, with luxurious clothes and possessions, and immediately buys in and buys up. Every Australian is too familiar with their presence, with

their purchases, with their hold on certain industries, even at this early juncture of their arrival.

"I say without fear, with no apologies, fully aware of Christian principles of live and let live, yet fully possessed of the fact that charity begins at home. I say that as part of my policy the insidious penetration into ownership without even apprenticeship to our country should be cause for inquiry and control."

## ELECTIONS OVER-WHAT NOW?

### OUR TASK IS CLEAR

By ERIC D BUTLER

**I have been asked by so many people if I am disappointed with the election results that I would like to give my candid impressions of the situation.**

I feel that we must calmly and realistically look at the situation. I must admit that I cannot understand the attitude of those who are disappointed, unless, of course, they belong to that group of people who bolster up their feelings by wishful thinking.

But wishful thinking is of little avail against an enemy who exploits every weapon that will maintain his position of power and privilege; an enemy who plays on every human weakness.

Those people who believe that we can only obtain political and economic democracy by getting "our" men into Parliament may feel disappointed. Personally, I am more than ever convinced that this idea of making a frontal attack upon the citadel of finance, by trying to fight the enemy on his own terms, is sheer lunacy. We must look at the matter as a military problem. If we allow the enemy to choose the battleground, and continue to engage him, we will be progressively worn down. The battleground at this election was so confused with party shibboleths and emotionalism that it was almost impossible to bring the real issues before the people. But, if we carefully preserve our financial and moral strength, and wait until such times as we can choose the issue we are going to fight about, and the conditions under which we will fight, then we will get the maximum results with the minimum physical, and, much more important, financial effort. In the last analysis events will force the issues; we can't make events; we can only explain them when they happen and show the people the correct action to be taken.

#### THE REAL ISSUE

Elections, wrongly regarded, are dangerous in many respects. They arouse false hopes, with the result that those who pin all their faith in them despair when they do not obtain the desired results. Let us forget elections for a few minutes. Let us face the fundamental problem. Every problem in this world in which we live resolves itself into a question of power. We are engaged in a war against an enemy who will defeat us unless we defeat him. We must therefore mobilise and use greater power than the enemy. Have we that power at our disposal? Yes. Our knowledge of social organisation and history leaves no doubt in our minds that the power of the people is supreme when utilised. In other words, democracy can work. Now, we must make up our minds on this point. We either believe in democracy or we don't. We either believe that a majority of the people will get what they want when they demand it—irrespective of what 74 Members of Parliament think—or we don't. I think that we are all agreed that it is absurd to suggest that 74 men at Canberra, and those financial interests which control them through the political party system, can defy the clearly expressed will of the majority of the electors. I challenge anyone to show me one case in history where the people have not eventually got what they wanted once they clearly and unitedly demanded it. This being the case, why do we still persist in thinking that our main objective must be to get men into Parliament? If the tens of thousands of pounds, which have been spent by monetary reformers over the past few

elections in endeavouring to get men into Parliament, had been spent in educating the people on the simple fundamentals of economic and political democracy, we would be now much nearer our goal.

If we are going to attempt to fight the Money Power with money, we are in a hopeless position. I appeal to every reader to learn from past experience, and not to be misled by what appears to be a short cut to reform. We have to relentlessly continue our attack without wearing ourselves out in the process. Let us carry our message to the source of real power—the people.

#### DO THE PEOPLE KNOW WHAT THEY WANT?

This question is often put to me by some monetary reformers. Once again, let us get down to a clear-cut issue. The people either know what they want, or they don't. If they don't, as some people suggest, we have two alternatives: We can either regard the situation as hopeless and do nothing about it, or we can attempt to gain power ourselves—like Hitler and others, in principle—and give the people what we think will be "good" for them. All the talk in the world cannot cloak this issue. It decides the very basis of democratic philosophy. I agree that the electors can hardly be expected to decide what they want at election time, because they have so many issues before them—mostly matters concerning administration, about which the electors have neither the desire nor the ability to pass an opinion. These tactics have been used so often by the financiers that I am surprised that more people have not yet realised that elections are the very worst time in which to try and get the people to get down to fundamental issues.

However, there comes a time when events force the people to become extremely agitated on some clear-cut issue. The people must be given the opportunity to accept or reject one thing at a time. They must be able to clearly recognise whether they have got what they wanted. In this way, and this way alone, can the people learn their power. More important, they will then become CONSCIOUS of that power. Confidence that they can obtain further results will thus be strengthened. This is most important. If the people should happen to obtain something without being conscious of their power—even Hitler might, by chance, give the people what they wanted—they will not have the correct knowledge of how to obtain further results on some future occasion. Let us take an example. We know that the Commonwealth Bank was used to give the people of this country a more liberal credit policy during the last war. It was also used to save this nation from the first post-war depression in 1920-21. But, Sir Denison Miller was mainly responsible for this. The people did not consciously demand it, with the result that they did not know how to obtain further financial relief in later years. If the people are given the opportunity of expressing

their wishes on one clear-cut issue, which they can all recognise, they will quickly learn their power. The campaign against National Insurance in this country taught that very clearly. We didn't need an election; we didn't need a party; we didn't spend thousands of pounds. The people took action as individuals. They became functioning democrats instead of voting machines. The question of individual initiative and responsibility is the basis of democratic philosophy.

Unfortunately, some people will do anything for the people except let the people do things for themselves. Personally, I have no desire to do things for the people, such as obtaining a seat in Parliament to give them money reform. I want the people to obtain these things for themselves by their own conscious action. By so doing they will expand their own conception of democracy, add to their personality and sense of responsibility. In such a manner we will see the development of a society of free individuals, fully conscious of their supreme power. I know of no other basis upon which a consistently stable society can be built. This process may be a trifle slow, but it is sound and sure.

#### THE STRATEGY OF REFORM

I have indicated that we are engaged in a war. Warfare demands correct use of strategy and tactics. Strategy is the marshalling of armies by a General. However, once the enemy is engaged, those on the spot must decide what tactics are to be used. Now, our army has been marshalled, but the issue is what tactics are to be used by those on the spot. Those who think that straight-out monetary reform is the only issue have not taken the trouble to study the strategy of the enemy. He knows that in the very nature of things the people will continue to become more interested in monetary reform. However, the enemy is now substituting a change of control through ignorance to one of centralised bureaucracy. The police state can be then introduced. If the financiers can hold the attention of our small army while they smash through our defences, we will be lost. That is why political democracy must precede economic democracy. Our line of action is clear. We must use guerilla tactics. We must use our smaller army to the best advantage and never disclose our strength to the enemy. I am convinced that a comparatively small number of

men all over Australia, fully understanding the strategy of reform, could work great changes within a very short period. Unless we are prepared to learn from experience, and carefully study the tactics of our enemy, we have very little hope. Once again I appeal to readers to get to grips with this problem. Let me in conclusion quote the following extract from a series of lectures given in Sydney to Electoral Campaign students:

"It would, for instance, be criminal folly to attack a battleship with a pea-rifle. You have to use a 12 to 15 inch shell. Yet this is what the bulk of social crediters are busily engaged in doing. They are trying to storm the 'Citadel's' of High Finance, with forces inferior in terms of money and mechanism, etc. The correct way to act is to attack the many phases of bureaucracy, etc. Petrol rationing; taxation; rates; interest burden; the myriad of apparently unrelated spheres of activity, which the enemy presides over. These are his lines of communication; his outposts, which have to be captured first before we can get to the stronghold. Find out what a person is interested in, in the political and economic sphere, then go into action and attack that phase of the sphere of bureaucracy as I have just outlined. In this way you achieve 'Unity of Intention' arising out of action taken towards the defeat of bureaucracy, through a diversity of action, which, though apparently unrelated, is in actual fact 'Unity of Action.' The strategy? Attacking bureaucracy, because that is the main point through which the enemy controls our social mechanism."

Every reader can best decide what is the issue of the greatest importance in his own locality. Having decided this, he can go into action. And we have no need to wait for another election. The real job has never stopped. On with the campaign!

Finally, lest I be misunderstood, I would say that elections do serve one purpose. Although they have been farcical so far, they provide electors with sanctions over any parliamentary representatives who may resist pressure from their constituents. If, and when, a majority of electors in a particular electorate have requested their M.P. to vigorously re-present in the House their demand for a certain result, and he has neglected the matter or refused, then an election provides them with the opportunity to "sack" him.

## MOTORISTS' PROTECTION LEAGUE

#### The State Hon. Organiser of the Australian Motorists' Protection League reports:

"Like the war when it is over, we will be presented with the bill. During the three months' campaign over 200,000 leaflets have been printed and distributed. Newspaper advertising played a big part in moulding public opinion against petrol rationing; also metropolitan picture-theatre slides. We are still £150 down on expenses, needing another 10,000 members at 3/- each to break even. We intend circulating the blue "Demand on your M.P." to completely wipe out petrol rationing, and when this has been achieved we will start on the reduction of the petrol tax.

"Hoping before the next State elections to get busy and have the motor registration fee reduced to at least 1914 level, £1 per year for cars and trucks, and 5/- for motor cycles.

"We regret to announce that our motorists' candidates, with the exception of three sitting Members—Drakeford, Wilson and Ded-

man—were unsuccessful at the elections, but the apathy of the garage proprietors and motorists was terrible. They have not been hit hard enough yet to wake them up. Perhaps they will be (and the public generally) within the next few months.

"It has been reported by our West Australian State hon. organiser, Vivian James, Box K877, Perth, that the Garage Association in that State was 100% behind the Government in their petrol rationing proposals. We believe that Australia is potentially a rich oil field, and demand petrol production, not petrol restriction, which will bring industrial chaos in our country and sabotage Australia's war effort. These restrictive Boards will be the ruination of this country, and it is only by organising and pressure, by democratic methods, we can hope to maintain our democracy. People can never hope to get what they want through bureaucracy. We must build up our membership to obtain funds for future action.

## FINANCIAL ADVISORS TO BRITISH TREASURY

**A statement issued by the British Treasury on July 1 announced that Lord Catto had accepted an appointment in the Treasury as Financial Advisor, a post newly created, and that the Chancellor of the Exchequer had appointed a Consultative Council of eight members to advise him on special problems arising from war conditions.**

The members of this Council are Mr. S. R. Beale, Mr. Colin F. Campbell, Sir Walter Citrine, Mr. H. D. Henderson, Sir Bertram Hornsby, Mr. J. M. Keynes, Mr. George Riddle, and Lord Riverdale. In his letter of invitation to these gentlemen to accept membership of the Consultative Council, Sir Kingsley Wood said "it was his wish to ask the Council from time to time for their help and advice upon the special problems which confront the Treasury as a consequence of war conditions."

Lord Catto was a director of Morgan Grenfell and Company Limited, and of Yule Catto and Company Limited. He is also a director of the Bank of England, and in April succeeded Lord Woolton as Director-General of Equipment and Stores at the Ministry of Supply.

Mr. Colin F. Campbell is chairman of the National Provincial Bank Limited, and of the committee of London Clearing Bankers.

Mr. H. D. Henderson is Research Fellow in Economics at

All Souls, Oxford, and was formerly Joint Secretary of the Economic Advisory Council.

Sir Bertram Hornsby was formerly Governor of the National Bank of Egypt, and is Chairman of the Commercial Union Assurance Company Limited.

Mr. J. M. Keynes, the Cambridge economist, has recently been in the public eye by reason of his scheme for financing the war by compulsory saving, or, as he now prefers to call it, deferred pay a scheme remarkable only for its disregard of the real source of money for financing wars.

Mr. George Riddle is chairman of the Finance Committee of the Co-operative Wholesale Society.

Lord Riverdale, the chairman and managing director of the steel firm of Arthur Balfour Limited, has sat on many international financial and commercial commissions. He is on the Board of the National Provincial Bank.

### MYER'S PROFITS

#### "Steady at 9 Per Cent."

We note in the press of Tuesday, September 24, that the directors of the Myer Emporium have announced that the profit for the year to July 31 was £322,260, after providing £97,500 for taxation. This profit was an increase of over £17,000 on last year's figures.

We note these figures with interest. They indicate that the big monopolies are not making any of these sacrifices we have been hearing so much about. A steady 9 per cent. ordinary dividend has been declared. Now for a little arithmetic. If Myer's increase their profits by £17,000 for every twelve months of war, what dividend will they be paying by the end of the war?

Of course, bithneth ith bithneth.

### Even the London "Times"

"Expenditure of money is not what matters in itself; it is only the reflection, the measure, more or less accurate, of the economic effort upon which the issue of the war depends . . . taxes, loans and other expedients are merely the financial—it might also be said the bookkeeping—machinery of the national effort."

—London "Times" leader, April 26, 1940.

### NOTICE

Dr. John Dale would like to meet and thank those electors who supported him in the recent election campaign. The Camberwell Town Hall (supper room) has been engaged for this purpose. The date: Wednesday, October 2, 8 p.m. All welcome.

## YOU WERE SWINDLED!

(Continued from page 1.)

tained his majority in the House of Commons just before Churchill was brought in. Another thing, does Mr. Menzies remember saying, just before Churchill became the British Prime Minister, that if he did, we could look forward to a series of brilliant mistakes? Perhaps it wasn't convenient to remember it during the election. Mr. Menzies increased his majority by sheer force of propaganda. However, this does not concern us in the slightest. The time is rapidly coming when the events will be such that all the propaganda in the world will not keep the real issue from the people. The same as Hitler's "blitzkrieg" will eventually exhaust itself, so Mertzies' "blitzkrieg" will eventually exhaust itself. That is the time for a counter-attack. That time is now.

### "THE WATCHMAN" REBUFFED

We must express our great pleasure at the rebuff given to "The Watchman" in Flinders. Some will say that a U.A.P. man has won the seat. Let us say that no U.A.P. man could be of greater hindrance to the real functioning of Australian democracy than Mr. E. A. Mann. He will now be able to go back to the radio and give us some more of the sanctimonious platitudes for which he is already famous.

### WIMMERA

It appears certain that Mr. A. Wilson will retain the Wimmera seat. This is most gratifying, as a real issue was at stake here—the issue of whether the people were going to have a real representative or be dictated to by the Party machines. As we said before the elections, the move of the Labor Party to stand a man against Mr. Wilson, who has clearly shown his understanding of the fundamental problem confronting the nation, together with his desire to really represent the electors, was one of the most deplorable examples of Party politics we have yet seen. We congratulate the electors of Wimmera, and are confident that Mr. Wilson will carry on the great fight he has been waging during the past three years.

### THE ELECTION OF DR. EVATT

Great national interest was evinced in the action of Dr. Evatt in standing as a Labor Party candidate for Barton. However, we

must confess that we have been a little disappointed with some of his utterances. He has also clearly shown that he suffers from the Party mentality, while we also note that he is in favour of placing the burden of taxation on those best able to bear it. Surely he knows better than this. If he doesn't, then it is quite obvious that the Labor Party is in a hopeless position.

### THE JOB AHEAD

Taking things on the whole, we would like to express the viewpoint that things are now much more satisfactory than before the elections. Several men like Mr. Nock, of Riverina, and Mr. Thorby, of Clare, look like losing their seats. This summary dismissal will have a very stimulating effect on other members, who had their previous majorities seriously reduced. They will be more inclined to take heed of public opinion than ever before. Electoral campaigners must capitalise on this situation by clarifying the issue for the people, and pressing on with the campaign of bringing pressure to bear upon every member of Parliament.

### U.E.A. Lectures

Last Tuesday night was devoted to a review of the implications of the elections, which was given by Mr. E. D. Butler owing to the absence of Mr. F. Paice through family illness. The review evoked helpful criticism on campaign tactics and educative efforts among supporters. Next Tuesday Mr. Carruthers will deal with the "History of Politics"; this should be well worth hearing—so come along and bring your friends next Tuesday night at 8 o'clock to the Christian Club, Albany Court, Collins-street, Melbourne—a few doors from Swanston-street.

### Is this a Clue?

(Continued from page 1.)

that reason. . . . I maintain that Hitler is no enemy to democratic principles. His Government is founded upon the model of the Soviet Government, which excites the admiration of many people in this country who belong to the Socialist Party."

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