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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. 45. MELBOURNE, FRI DAY, NOV. 8, 1940.

Queensland Has Oil, But Canberra Not Interested

Diesel Tractor's Performance On Local Product

From "Queensland Country Life."

While the Federal Government clamours for the conservation of dollar exchange, and the price of petrol soars in an ill-conceived plan to ration its use, large shale deposits in Queensland—exploitation of which would make this State almost independent of foreign supplies—remain undeveloped.

Attempts to interest Canberra in the Queensland deposits, for some mysterious reason, seem to have been unavailing.

No doubt graziers who have to pay 3/- to 4/- a gallon for petrol, and farmers who wonder where they are to get fuel for the operation of their tractors, will bring pressure to bear for a complete investigation of the oil shale deposits in Queensland.

An interesting demonstration in the production of oil from shale mined in the Drummond Ranges was given at the request of farmers of the Oakey district recently by Mr. T. Culman, F.R.G.S.A.

The test demonstrated that the oil would give a very satisfactory performance under heavy working strain.

The tractor is owned by, and the test took place on the property of Mr. James Speed, one of the best-known wheat growers on the Darling Downs. Here is the verdict, as given to "Queensland Country Life" by Mr. Speed:

"Everyone who attended was impressed, particularly with the simple method of processing the shale. The tractor using the shale oil gave at least as good a performance as it does on ordinary fuel oil pulling the same load."

Considered in relation to this report, a test made by Mr. A. B. Landley, chief designing engineer, Toowoomba Foundry Pty. Ltd., is interesting. Following is an extract from a report by Mr. Lindley to Mr. Culman, under date of April 5:

"One of our standard Mark YEB Twin Cylinder Diesel Engines was set running at full load—21 b.h.p. at 1200 r.p.m.—and the engine governor fixed so that the amount of fuel injected into the engine could not vary.

"Then, without stopping, or altering the engine in any way, the fuel was changed to your sample of oil, and when the engine was running on this oil, the speed increased by 15 r.p.m. to 1215 r.p.m.

CAR RUNNING ON THE OIL

A car using crude oil has been running around Toowoomba for weeks. It has an ordinary standard carburetor, but is equipped with an atomiser. Reports of its performance are quite satisfactory, even under severe tests made on the Toll Bar hill.

Shale, which produced the oil, was mined in the ranges near Emerald, where Mr. Culman and other members of a syndicate hold a lease, on

which a number of shafts, ranging from three to thirty feet, and with an average depth of about twenty-four feet, have been put down.

According to Mr. Culman, over 15,000,000 tons of shale has been located, and it is more volatile than any shale known.

(Continued on page 8.)

HERE, THERE AND EVERYWHERE

NOTES ON THE NEWS

By ERIC D. BUTLER

The war in Greece is, with the possible exception of the Presidential election in America, the most important news item at the time of writing. Everyone realises that the military war has entered a most crucial phase for Britain, and hopes that Winston Churchill will at last be connected with a successful military operation. Unfortunately, the Norway episode, with its "Dead Hand" still lingers in the minds of many people. The following news item in the Melbourne "Herald" of November 5 did not make very cheerful reading:

"LACK OF NEWS LIKE NORWAY.' London, Monday. — The Greek campaign is beginning to resemble Norway for the lack of authoritative British news. The war is now a week old, and while nobody expects the publication of details possibly assisting the enemy, there is an increasing clamour for plainer indications of what Britain is doing to meet her responsibilities and her opportunities."

Still, Mr. Churchill can always make "a challenging speech."

* * *
Roosevelt's faith in democracy—or is it deMARKracy? —is most touching. In his final election speech he said: "Dictators have forgotten the basis on which democratic government was founded — that the opinion of all the people, freely formed and freely expressed without fear or coercion, is wiser than

"BLACKMAIL IN ECHUCA?"

Readers will remember our reference, in last week's editorial under the above heading, to the proposal that the Patriotic Appeals Fund Committee of Echuca (Vic.) would decide how much individual citizens should give, and take extraordinary steps to extract larger donations than citizens' consciences dictated.

At a further meeting of the committee, Mr. L. A. Burgess moved that the previous motion be rescinded; but his motion was defeated by seven votes to three. We commend the remarks of Mr. Burgess and his seconder (Mr. Macfarlane), as reported by the "Riverine Herald," of October 30:

Mr. Burgess spoke first in opposition to amounts being published. Points from his speech were as follow: "I felt very concerned about this matter, because I felt that those members who voted for the motion to publish amounts did so for the benefit of the fund, with one thought in their mind, to make this fund a success. They had another thought in their mind, and that was to try to make some residents of the town give to this fund more than they otherwise would do if left to themselves to decide. There are not more than about twelve in the town. We as a committee might think they should give more, but I consider that we have no right whatever to dictate to anybody what they shall give. In my opinion it is quite wrong of you or me to ask them for a donation, receive a promise and then

say to them, "I think you should give more," or to put it the other way, and say that if you refuse to give me a reasonable sum, some other committeeman will wait on you. I know I have no outstanding ability, gentlemen, but I am quite aware that I have enough ability to know that even if I thought a donation altogether unreasonable, I would not suggest it, because I think it is not within my province. You might think a man is well off. But we have no definite idea of the liabilities and wealth of any man. We have no idea, although we may think we have. If I went to you and suggested you should contribute more, you would be quite within your rights in saying, "There is the gate; well get out." I think that that is perhaps what we will be told in some cases.

"We should accept whatever they wish to contribute, and we should let them fight it out in their own consciences. I think you will agree with me that really to go to anybody and demand certain payments, which we in our own minds think are reasonable is savouring of those bad forces in the world today. I believe the whole of the tragic state of the world today is due to the lack of better fellowship of mankind and the desire of the few to rule all the rest under a dictatorship . . ."

"You are distinctly saying to some people, 'You are not doing a fair thing.' You are trying to shame and injure the standing of those people in this community. Those people may be perfectly sincere and unable to contribute more."

Mr. C. B. H. Macfarlane, who seconded Mr. Burgess' motion, spoke second. Following are some points from his speech: "I have seconded Mr. Burgess' motion, and I feel that I should give some explanation of my attitude. I do not believe that the motion we want rescinded is in the best tradition of democratic principles . . . I feel that the scheme will be a success, but I feel that it will be a very much greater success if we refrain from the publication of the amounts. Because I express myself in this way, I do not feel that people who voted for the publication of amounts' were actuated by any other feeling. I do not accuse any member of this committee of wanting to sabotage the scheme. I (Continued on page 5.)

Last week we saw the appointment of Mr. A. Lewis as business manager of the Army. This appointment would appear to indicate that the private banks are determined that the war shall be run as they see fit. (Continued on page 5.)

MONTAGU NORMAN CALLS ON KING ALFRED

By "THE WALRUS"

It all started in one of those discussions of an idle moment. The topic was, "What would you do if you had your time over again?"

As far as I am concerned, there is a conviction in me that, whenever and wherever my reincarnation happened, I should be as hard up and, most likely, as puzzled over financial arrangements as I am now.

Nor can I rid myself of the thought that Jack Cade would always be the daring champion of a doomed cause whenever he lived; that Oliver Cromwell would have made a revolution of the Monmouth rebellion, and that, conversely, Monmouth would have been beheaded by Charles I.

John Brown might have freed the slaves of Greece and destroyed that civilisation a little sooner: our grand old men of politics would have brought the blessings of party government to the family of Noah if that indiscriminating patriarch had seen fit to save a couple of them. Bernard Shaw would have offered the Mayas death or walnuts, and our commentators would have described, by a running commentary, the progress of the ice age, could they have found a megaphone and an audience.

I am, therefore, sure that Montagu Norman would still have been Montagu Norman in the days of Alfred the Great, As Hillacut Northman, he would have been substantially the same: the same influence and personality as he is today. It isn't really so difficult to imagine what would have happened if Alfred, busy turning cakes and worrying over the Dane-geld business, instead of being discovered by the irate owner of the cakes, were confronted by a previous incarnation of Monty.

* * *

M.: "Wherefore broodest thou so heedless of the stink of burnt and spoiling food?"

A.: "Woe is me! These adjectival Danes bid fair to get my goat, yea, and those of my poor subjects. Except I slay them all, my people will be ground into the dust of their heath."

M.: "Let us get this thing clear. It is the Danes, and not thy people, who must be slain?"

Alfred glared and was ominously silent.

M.: "And it is the heath of thy people, and not the heath of the

Danes, into which the victims might be ground?"

Alfred spat into the embers and looked around for a brick.

"Art a fool?" he growled.

"Nay, verily. That am I not."

"Why, then, dost thou imagine I should slay my people and bury them in Denmark?"

M.: "I did" not so imagine."

A.: "Well, you started it."

M.: "Methinks there is a way out of this pass."

A.: "Oh, yeah!"

M.: "Yea, verily."

A.: "'Tis well. How shall I come to slay them?"

M.: "Slay whom?"

A. (wearily casting round for the brick): "Start not that again."

M.: "Nay, not so hasty, O king. I know a way in which thou may'st pay this Danish oaf, Offful Sweyn, in such meed as might cause thy people to prosper."

A. (scornfully): "Bah! I like not thy tongue. When is the giver richer by that which he gives?"

M.: "Quite easily, O king. Be thou the judge of this."

The king leaned forward, interested in spite of himself.

M.: "If thou had'st money more plentiful than thou hast, and reckoned out each article and beast in terms of this money, then could'st thou pay this Offful Sweyn in consideration of a surrender of thy goods on his demand, he offering the money he had been paid."

A.: "Why must I scheme so that I might give away my goods?"

M.: "That's the big laugh. Give thy people freedom and land and tools, and they will produce abundantly, receiving from the Danes this money with which to buy for themselves. The Danes

are paid. The people prosper. But to prevent their absolute prosperity and to ensure that at all times the people submit to law, they shall be told that they are the salt of the earth: that upon their efforts everything depends. They shall be told that they, and they only are the source of the money with which to pay the Danes. This, they will reason, is something any fool can see. And what are they but fools? Then, by taxing their surplus prosperity from them, crying only thus can the enemy be requited, they may be kept as humble as we please."

The king frowned in deep thought. He spoke at length.

"There was a soothsayer once, who, when I did complain of a plague of rats and a dearth of furs to keep out our winter's cold, came unto me with some scheme I never could rede. Said he, 'Tis but a matter of the rats being devoured by the cats, whose unwanted carcasses are fed to the 'rats.' But 'tis beyond me to find beginning or end of it. Yet is this a simple matter as against what thou hast said. Whither will it lead?"

M.: "To the victory of the vanquished could we but free the peoples of the conqueror, making them dependent on this money: for since we would be the providers, we, as I said, must prosper while the free people of the conqueror must languish and be

without means, since none would ask them to work."

A.: "But, haply, the conqueror might demand all that we could produce."

M.: "Aha! There are ways of which thou canst know naught. Inflation, for example."

A.: "What is that?"

M.: "We make our money worth a bit less. The conqueror gets less."

A.: "Our people, too, get less."

M.: "What of it? They will become the easier to rule."

A.: "I like it not. Nay, I will not do it."

M. (insinuatingly): "Wilt not, me thought I heard thee say."

Alfred rose from the settle on which he had been seated throughout. Alarming and hairy he looked, the thongs of his jerkin straining in his anger.

"Aye! That said I, Hillacut Northman. Hast aught of magic for that?"

M.: "Nay, O king. I did but try to help, but (signing) since thou wilt not, there is naught more to say."

A.: "Whither goest?"

M.: "I go to Offful Sweyn." Then, sotto voce, "Whither didst thou think, thou great big mutt?"

* * *

It may not seem optimistic in me thus to believe in a recurring role of personality throughout the centuries, but be of good cheer. The problem is finite. At any rate, it will cease when we do.

THE RICH AND THE POOR

In his "Economic Nationalism," Maurice Colbourne entertains the student of the New Economics in simple, newsy style. In the following he shows the fallacy of the theory that "the rich are rich because the poor are poor":

"The common phrase, 'the idle rich,' affords another example of puerility. It is used as a catchword of hate to be put into the mouths of the poor to keep them quiet and for their tongues to roll around. But used so, is it not obvious that the phrase is meaningless? UNDER THE "PRESENT SYSTEM" the poor are indebted to the idle rich, and ought to be extremely grateful to them for remaining both idle and rich. May they grow idler and richer should be the poor man's prayer. For consider, if the rich man became poor he would need to work, and would thus find himself competing with the poor man in an overstocked labour market since already there is not enough man-work to go round; secondly, the idle rich, by spending money on expensive goods, help to keep industry's wheels turning and the poor man in his job; and thirdly, the poor should realise that it is the active rich and not the idle whom they have cause to keep an eye on."

"The implication is that poor men are poor because rich men are rich. Now, of all the bees in the Socialist's sentimental bonnet this is probably the one with the loudest buzz. Equal measure for all is the usual note the buzz takes, and it may help to drown it if we examine the ludicrous sting of this ridiculous bee. Taking the population of Great Britain as 45,000,000, and assuming the average family to consist of 4.5 persons, there are 10,000,000 families to be considered. Let us further assume that each family is in possession of at least £3 a week or £150 a year. This is an amount so small that even the reddest Communist and pinkest Socialist will be willing to keep their hands off it. What, then, is the amount of the country's additional income that is to be seized, divided and redistributed? This question has been answered by Professor A. L. Bowley, in his treatise on "The Distribution of the National Income." Referring to the period immediately before the war, he estimated Great Britain's annual

income over and above £150 per family at £250,000,000; which sum divided among the 10,000,000 families, would benefit each of them by £25. Imagine England, then, and how she would fare if every family received £175 annually and none more. The absurdity of the idea is self-evident. The extra £25 would be spent in a few weeks, and the poor would once again be as poor as they were before. Thereafter, they would be poorer still. For since no one would be able to afford, say, a country house or a car, industry would sicken for want of orders and quickly proceed to pour forth a further stream of unemployed where before it poured forth a stream of goods. In short, the rich man would lose his comfort and the poor man his job, with an aggravation of scarcity for everyone concerned except the families . . . in receipt of less than £150 a year. The richer man could justly quote Iago to the poorer man, showing how the latter—

'Robs me of that which not enriches him

And makes me poor indeed.'

Sentimental myths die hard and this one is no exception."

Northcote Central Ward Election

Mr. A. (Andy) Whyte, who is a keen supporter of the principles for which this paper stands desires readers in Northcote (Melbourne) to know that he is contesting the Central Ward election as an Independent. Mr. Whyte has been an outspoken critic of the private banking swindle, and has contributed many articles to the Northcote local paper on this subject. Those who desire to help Mr. Whyte can communicate with him at 20 Ryan-street, Northcote.

NOW OUT!

"THE WAR BEHIND THE WAR"

By ERIC D BUTLER

PRICE 3d; Posted, 4d

Every person who desires to gain a thorough knowledge of the real background to the present conflict should read this booklet. The most critical and impartial analysis of the "Jewish Question" to appear in this country.

Is socialism democracy? Where does Russia stand? Is Hitler a tool or an enemy of International Jewry? What are we fighting for?

These, and other questions of great importance, are clearly dealt with in this booklet, which is packed with facts and information. Every reader should obtain a copy.

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

THE BOMBING OF LONDON

Broadcast from 7HO and 7LA on Sunday, October 27, by James Guthrie, B.Sc.

In the English and Australian papers, and in the British House of Commons, a great deal is being said about the lack of provision of air-raid shelters for the people of London. Sir John Anderson, who was the Minister in control of the A.R.P. organisation, became the centre of such a mighty storm of criticism that he had to be removed from office.

How the Government were unable to foresee the possibility of air attacks over London, and what prevented them making provision for a reasonable number of air-raid shelters is one of those mysteries almost equal in magnitude to the famous imaginary Line in the north of France.

Considering the number of brilliant and capable men in Britain, it is a matter of wonder and amazement that no one other than Sir John Anderson could be found to occupy such an important position in the defence of England.

Now that Sir John Anderson has been removed, it is to be hoped that the gallant citizens of London will be provided with more shelter from high explosive bombs.

The experience of air raids on Madrid in Spain showed that when the people went deep enough underground, the enemy planes could bombard them all day and not kill a single person.

Scientists in England wrote about these shelters; books were written on them; men and women pleaded for them; but almost nothing was done by the Government—although there were hundreds of thousands of unemployed looking for jobs that could easily have been employed in building shelters.

Now, after the German air-raids have reached their height, and people are getting very angry about the lack of shelter, something is going to be done.

Fortunately, the British Government is being protected by the Royal Navy and the Royal Air Force, and has the opportunity of building shelters even at this late date.

France did not have that protection, and she obtained no time to clear out her Sir John Andersons. All France can do now is to bring these men for trial before a court. I mention these things for a very definite purpose, and that is, to emphasise what is becoming apparent to many people: namely, that the great and vaunted German Air Force is not all it was supposed to be, and that Germany did not conquer her victims so much by military skill and excellence, but by the treachery and incompetence of those who had wormed their way into the seats of power in Europe.

The tragedy of Belgium and France is not yet fully explained, but we are beginning to learn enough to show that it is the height of madness to place in the hands of one man the protection of the entire civilian population of a country like Great Britain.

If the various municipalities throughout the country had been given what they asked for—money to build shelters for their own citizens, Londoners would not now be witnessing the humiliating and pathetic sight of thousands of men and women standing long hours in queues to obtain shelter in the underground railways.

Gradually, more and more power has been taken from the municipal governments so that they have become incapable of helping themselves. If anything of importance has to be done in Britain, permission has to be obtained from London.

The result of this stupid centralisation of power and money is that local responsibility and initiative is killed. Everyone of importance has to go to London; has to live in London. London grows bigger and bigger at the expense of the rest of the country, which is denuded of its finances and of its natural leaders, and left without cultural and social leadership.

In fact, to live outside of London is to be looked upon almost as a barbarian — one simply does not exist.

The greatness of the British Empire is not the British people; it is the English people, the Scots and the Irish and the Welsh, the Australians, the Canadians and the New Zealanders, etc. They are all different; therein lies their strength.

When these people all have the same B.B.C. accent; all attend the same State schools; all read Lord Rothermere's newspapers; watch the same American-Jewish films; dance the same dances; then we can say that they are all truly united—they are all the same; as like as one sheep is to another. All that is required to rule over them are sheep dogs, all obedient to their master's whistle. That is called a united nation. When Prussia united the various States of Germany, she destroyed the life and the culture of each State; and Germany signed its own death-warrant; it simply handed over its political and social life to the lowest type of man in the country—the Prussian—the man who scorned everything else but power over his fellow men.

The tragedy of so many idealists, reformers and planners is that they all want everything centralised; they want us to surrender all power to one authority—their authority; they want us to conform to one pattern—their pattern.

They want to remove the present tyrant and put their own tyrant in his place. That is their new social order. It is called the Federated States of the World.

Several statesmen in England and America are very keen on this idea, but I don't think the British people are very keen about it. I am quite sure that they are not fighting for this type of super-Government, run from New York or Moscow.

And it appears to me that at the present time it is only the British people who are doing the fighting.

Yet, strange to say, all the schemes that are given worldwide publicity (your ideas and mine can get no publicity), contemplate doing away with the British way of life: the way of life the British people are fighting for—the only people that are doing the fighting.

Meanwhile, British statesmen are talking about the rebuilding of London. There will be many willing hands to help in that job. Artists, architects and engineers; they have been ready for a long, long time; long before I was born—but they have never been permitted to start their work.

Money has never been available for building a pleasing and beautiful world. Many men who could have built that world have had to spend their lives in useless and degrading jobs, selling corsets and vacuum cleaners.

These men now have a job to do; the small clerks from small towns are dressed in blue uniforms; they have proved themselves the salt of the earth; they can fight, and fight alone without brass bands. They are our volunteer airmen who are making such a terrible mess of Hitler's regimented conscripts.

Many of these men are tackling the only real job they ever had; they were given the impossible to do, and they did it. I wonder what jobs they will be given to do after the war; I wonder if they will have to go back to selling corsets and vacuum cleaners.

I wonder if all the vast sum of money poured out for the destruction of men's lives and men's homes will be poured out in times of peace

to build a more beautiful world? And what world can be made beautiful unless it is filled with beautiful homes; beautiful homes which belong to the family; beautiful homes which no moneylender or tax collector can take away.

To build these homes is our first job of peace: that comes before all others. No man can have roots in his country who lives in another man's house; and men without roots are like trees without roots: they are liable to be dangerous in a storm.

No man should have any say in the government of Tasmania who does not live in Tasmania. To have Government officials coming from Melbourne to Tasmania telling us how much taxes we should pay or

how much of our fruit we shall be permitted to eat is sheer impudence.

This centralised control from afar off is called absentee management; it is a danger and a curse. It must go, or we must give up all ideas of democratic government.

The larger an organisation becomes, the more impossible it is for the ordinary man to make his voice heard; he becomes merely a cog in a vast machine. But as his power over his own life disappears so that power goes to the man in charge of the organisation. That is why I always say: The problem of the future is, first and foremost, a question of power. How can we get back power over our own lives?

The purpose of these broadcasts is to help solve that problem.

THE PURPOSE OF POLITICS
At a meeting of the Yallourn (Vic.) branch of the U.E.A., held in the Housewives' Hut on Tuesday evening, October 18, an address was given by Mr. L. Yeomans on "The Purpose of Politics."

In the course of his remarks, Mr. Yeomans said:

"A most insistent necessity of our day is the application of careful thought to the various 'isms' that have arisen from the defects of our present society. Many terms are freely used with little conception of their implications. You will find people who have a strong desire for freedom forming Communist, Fascist and kindred organisations. The difference between these groups in regard to fundamentals is of microscopic proportions. When in power they all are of intolerant character, calling for violence, suppression of free thought and elimination of all individual liberty. Any person not agreeing to such an arrangement is 'liquidated.' The 'State' is exalted, the individual barely tolerated. Yet a 'State' is only a collection of individuals operating or living together because their collective efforts in specialised channels produce the means of life in great excess of the sum of separated individual endeavour. How can a State become enriched by each of its members becoming impoverished?"

"If we are to avoid being forced into this way of life, a greater amount of thought and attention will have to be paid to politics in the immediate future than has been the case at any time in the past history of Australia. Politics, in analysis, means the determination and putting into effect of a policy, and is thus associated with government. But what is government? I venture to state that what we have been suffering in the name of government is far removed from the ideal. The purpose of politics is to put into effect the desires of the electors. The electors (make no mistake about it) are united in the common desire in obtaining the maximum possible amount of goods, leisure, travel, etc. A democracy should

function so that the Government acts as a board of directors to achieve these aims with the minimum of interference with personal liberties. Beyond the broad version that this power age makes the achievement of these things easy (or at least, possible); it is not the elector's place to concern himself with technical detail. Neither is it the function of members of Parliament to pose as experts on all the subjects brought up in the House, but rather to appoint trained specialists to achieve a given object.

"The major feature of existing government, however, is increasing compulsion and regimentation of the people. We have restrictive egg boards, apple and pear boards, milk boards, etc. No activity or means of life may be undertaken without a licence. We are hampered, restricted and taxed on all sides. The fundamental difficulty of all Governments is finance. No matter what the project is—even war—the major consideration is 'Where is the money?' The private banks have this country by the throat, and usurp the Government's function in issuing the nation's money.

If a Government cannot finance the country's activities, its only alternative is to restrict these activities. It then becomes an agent of the money power, whose interests are directly opposed to the interests of the people. As a result of this situation, the people no longer trust their own Governments. Thus, when a referendum on some technical matter is put to the people, the ordinary man — not understanding the matter — senses that it may be a further attack on his liberty and pocket, and, on principle, says No!

"It has been said that finance is government and government is finance, and until such time that our Government carries on its function without debt or taxation, the purpose of politics is stultified."

TO OUR READERS—

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PROGRESS

Most people who have endeavoured to show their fellow citizens the absurdities of the present financial tyranny have had the experience of being dubbed "cranks." However, history has always vindicated the "cranks"; today we recognise and pay homage to the greatness of such men as Galileo, Harvey, Pasteur, Edison and many others. These men, and all other pioneers of freedom, both mental and physical, were subjected to much abuse; some of them even lost their lives as a result of their "heresies." The path of progress has been strewn with many obstacles.

Within living memory, those who first sought to fly were jeered at by the "authorities" of the day; wireless was "a myth," while only a few years ago television was a dream.

In 1877, the following item appeared in a Boston newspaper:

"A man, about forty-six years of age, giving the name of Joshua Coppersmith, has been arrested in New York for attempting to extort funds from ignorant and superstitious people by exhibiting a device which, he says, will convey the human voice any distance over metallic wires so that it will be heard by the listener at the other end. He calls the instrument a 'telephone,' which is obviously intended to imitate the word, 'telegraph,' and win confidence of those who know the success of the latter instrument without understanding the principles on which it is based. Well-informed people know that it is impossible to transmit the human voice over wires, as may be done with dots and dashes and signals of the Morse code, and that, were it possible to do so, the thing would be of no practical value. The authorities who apprehended this criminal are to be congratulated and it is hoped that his punishment will be prompt and fitting, that it may serve as an example to other conscienceless schemers who enrich themselves at the expense of their fellow-creatures."

It has been said that a study of history is the best cure for pessimism; therefore, those people who are prepared to face the barrage of public opinion, mainly moulded by reactionary interests, can take heart from the fact that they are fighting in the ranks of those whom history will regard as the great stalwarts of progress.

Within a few years people will look back on the views expressed today in our finance-controlled press, and marvel that anyone could have been so stupid.

Death of Mr. Frank Anstey

AN EARLY PIONEER OF MONETARY REFORM.

The death of Mr. Frank Anstey, ex-Labor M.P., last week, marked the passing of a man who carried on a life-long struggle against the private banking swindle. As far back as 1919 he was publicly advocating the nationalisation of credit, and possessed more than the average Labor M.P.'s vague notions about the mere nationalisation of banking. Amongst his books were "The Kingdom of Shylock," "The Money Power," "Democracy and Monopoly," and "The Nationalisation of Credit."

The following statement by Mr. Anstey is a typical example of the forceful, but eloquent, manner in which he attacked the Money Power. Needless to say, no such statements were quoted in the reams of material on his career

which appeared in the daily press last week:

"The banks, insurance companies, trustee agencies, and mortgage companies of Australia are controlled by a few men. They control the 3 per cent, agencies in which the people put their savings, and the 6 per cent, agencies from which the people borrow. They dominate all loans, flotations, and conversions. They command the channels of investment. They direct currency into channels they desire; cut it off from where they wish, depress or inflate values, and make fortunes on the fluctuations. They are the inner circle of all rings, trusts and combines; and they are the actual owners of scores of enterprises masquerading under the names of the original proprietors. They own daily and weekly newspapers to defend their interests, and by their power to give or withhold advertisements, they dominate the policy of nine-tenths of the Australian press."

PLANNING AND THE PEACE

A SAMPLE OF SPECIOUS PROPAGANDA

"The most orthodox economists in England, who condemn any Government interference in business, admit that even a victorious peace would be accompanied by an extension rather than a reduction of Government control and planning . . ."

"The European discussion about the economic organisation of the peace is, therefore, no longer much concerned with the basis, which is generally admitted to be that of a planned, Government-controlled economy, whoever wins. Only the methods are debated. Should, as the Socialists demand, Government actually own the key industries? Or should it just control them? And which of the four major controls is the most important and efficient one—control of labour, of raw materials, of capital and credit, or of distribution? Should the planning be national or international? And should it work directly through the planning of production—the German and Russian way—or through manipulation of the monetary machine, as J. M. Keynes, the famous English economist, and his school suggest? None of the proposals for the post-war organisation of Europe that has been made by Europeans seems to regard as possible a return to the economy of free enterprise and free competition . . ."

" . . . in the event of a German victory, three-quarters of all the world trade will automatically be on a totalitarian basis. But would Great Britain, if victorious, be able to return to free international trade?"

"This question was a pressing one even before Mr. Chamberlain resigned. But Mr. Chamberlain at least wanted the clearing system to be only temporary; he was fully convinced that democracy can be preserved only if the planned totalitarian economy of the war is abolished as soon as the war is over. There is every reason to think that Mr. Frank Ashton-Gwatkin, Mr. Chamberlain's adviser on international economics, was absolutely sincere when he declared in Washington last April that planning, restrictions and controls were nothing but temporary emergency measures forced by dire necessity upon an unwilling British Government; and M. Reynaud, the French Prime Minister, was equally sincere when he said at about the same time that the restoration of economic freedom was precisely what his Government was waging war for.

"But the management of Allied economic affairs did not rest in his hands; it lay in London; and Win-

ston Churchill has entrusted key positions in the management of international economics to two men who did not see in planned economics and controlled foreign trade temporary measures, but permanent solutions. Mr. Robert Hudson, the British Minister of Agriculture, and Dr. Hugh Dalton, Mr. Churchill's Minister of Economic Warfare, do not believe that democracy and planned Government-controlled economics are incompatible. On the contrary, both are convinced democracy cannot survive without them . . ."

" . . . Hudson, tall, well dressed, debonair, is the typical English gentleman of independent means. Dalton, high forehead, high stiff collar, bald, and with a suave, slightly unctuous manner, looks like one of the absent-minded, impoverished English lords in a Wodehouse story.

"These two men will not have it all their own way. Sir Kingsley Wood, Mr. Chamberlain's man Friday, who is Chancellor of the Exchequer, and thus controls the purse strings, is bitterly opposed to all but the most necessary economic experiments. Should he be ousted, there is still the ultraconservative Montagu Norman, who, as head of the Bank of England, wields great political power without being responsible to Government or Parliament. But if the war continues for any length of time the planners will get complete control, not only in England, but everywhere in Europe. And then the British Empire is not likely to be able to scrap the poor man's economy—even if victorious.

"Discussing the attitude of this country toward war and peace in Europe, the London "Times" said recently: 'Americans must realise that . . . when the fighting is over, all national economies in Europe will be, in essentials, controlled economies; and there is little likelihood that the controls will disappear later as (largely at American bidding) they did after 1918.' And if the London "Times" is famous for one thing, it is for its infinite capacity for understatement."

—From an article by Peter F. Drucker entitled "Poor Man's War," published in the "Saturday Evening Post," July 20, 1940.

"The Australian Statesman" Criticises Eric Butler's Booklets

In the October issue of "The Australian Statesman" there appears a vitriolic attack on Mr. Eric Butler's two booklets, "The Real Objectives of the Second World War" and "The World Government Plot Exposed." As far as we can learn, "The Australian Statesman" appears to be the mouthpiece of the Young Nationalists and kindred bodies. The criticism mentioned is practically a reprint of the material issued by "Sound Finance." We have already dealt with this at some length in previous issues.

The storm of criticism which Mr. Butler's two booklets has caused in orthodox financial circles, strongly suggests that they touch a vital spot.

Apparently the people responsible for "The Australian Statesman" have been reading the "New Times" carefully for the past few years as witnessed by the following extract dealing with the monetary reformers: "Their crankiness has so possessed them that they must turn everything to account. Strange and wonderful are the subjects they seize upon in their fanatical zeal. In 1937 it was National

Insurance and the incapacity of the Royal Commission on Banking. Then criticism of the churches and the Japanese problem were used to colour the mixture. In 1938 it was the Dempsey murder, anti-defence, the Oxford Group, wheat, threats of revolution in Australia, and bush fires. In 1939, when we were facing the great danger of German world aggression, it was anti-rearmament, and anti-universal training and pro-pacifism which they made their chief medium of propaganda. Now it is international finance as the cause of the war, and that Australia is in the grip of sinister and designing people called international financiers, with the Australian wheat problem as a side issue. And, strange but true, as an election cry, the most recent addition to their bag was that of anti-petrol rationing."

If this is the best criticism of which "The Australian Statesman" is capable, the cause of orthodox finance must be at a low ebb.

In conclusion, Mr. Butler's offer to publicly debate any of his critics still stands. Where are these Young Nationalists?

THE MONEY ILLUSION DISPELLED

HOW BANKS MANUFACTURE CREDIT

By B. A. LONGFIELD, F.S.P.A., F.C.I. (Eng.), F.R.Econ.S.
(London); in the "Railway Officer."

Mass ignorance on banking and credit is at the root of poverty, unemployment, malnutrition and slumdom.

This mass ignorance is not restricted to the "Submerged Tenth" but is shared by Prime Ministers, State Premiers, Politicians, Judges, Lawyers, Doctors, Accountants, and Union Officials.

The writer of this article confesses that until about 15 years ago, he was also steeped in this mass ignorance. Like so many others, however, he did not remain there; he sought the truth and passed from darkness into light. It is hoped that this article will help others to do likewise.

Until this mass ignorance on Banking and Credit is dispelled, poverty, unemployment, malnutrition, slumdom and other social evils will remain.

What is a Bank?

Most people would answer that a bank is a financial institution, which accepts deposits, which it loans out again, and that is all there is to it. That is only a half-truth, and half-truths are more difficult to refute than straight out untruths.

Banks do accept deposits from customers, which they loan out again, but in addition they make advances or loans which have no deposits against them.

In short, banks are permitted to manufacture credit, or, we might say, manufacture money.

Banks are, in effect, private mints. How Banks Manufacture Credit

When a Bank grants an overdraft of, say, £1000, it incurs a liability to pay £1000 in legal tender (Commonwealth notes) if called upon, and the client incurs a liability to repay the Bank £1000 when called upon.

The client to whom the Bank grants the overdraft of £1000 draws cheques against the overdraft to pay his creditors, most of whom will pay the cheques into their banking accounts at the same or other Banks, as deposits.

Banks can safely grant overdrafts because most of these overdrafts will eventually become deposits in the banking system.

Hence deposits in the banks come from the overdrafts: whereas most people hug the delusion that the overdrafts come from the deposits.

At 30th June 1940, the overdrafts, etc., granted by the Trading Banks of Australia to clients amounted in round figures to £300,000,000, while the deposits were approximately £345,000,000.

Drawing on these overdrafts the banks' clients pay their creditors by cheques, which the creditors deposit in the same banking system—thus the overdrafts become the deposits.

It will now be appreciated that while deposits and overdrafts are distinct from the point of view of the individual client or bank, from the point of view of the banking system as a whole, deposits and overdrafts are largely identical.

Furthermore, if the trading banks called in and cancelled the £300,000,000 of overdrafts, which they have a right to do, £300,000,000 of bank deposits would go out of existence—resulting in widespread bankruptcy, unemployment and economic collapse—even a restriction or reduction of credit by the banks at the wrong time causes untold misery and suffering—witness the recent depression with its Premiers' plan, 10 per cent, cut in real basic wage, suspension of awards and unemployment on a scale unprecedented.

Limit on Creation of Credit.

There are limits on the manufacture of credit by banks. Theoretically the limit is the amount of security, which clients have to offer for overdrafts. This, however, is practically unimportant, since banks will sometimes grant an overdraft simply on the security of the client's good name.

The real limit is imposed by the necessity of keeping a cash reserve

against liabilities involved in all bank accounts, credit as well as deposit accounts.

If people were always content to trust the bank, and to make and receive payments by cheque, then banks need keep no cash reserve. But everybody at some time needs legal tender, such as Commonwealth Bank notes.

A bank must, therefore, keep adequate cash reserve, but a glance at a bank's balance-sheet shows that a small proportion only of its assets are cash, and none of the other assets will serve instead of cash, if there is anything in the nature of a "run" on the banks.

Cheques cannot be met by the offer of investments, the securities held against advances, bank buildings, or any of the other assets, and in such a time it will be impossible to call in loans or to realise any of the assets, except at a heavy loss.

It is essential, therefore, that a bank keep a cash reserve adequate to meet all the demands for cash that will be made by clients who have deposits with or advances from the bank; it is almost as essential that the bank keep its assets "liquid"—i.e., invest its resources in such a way that they are Hot "locked up," and can be converted into cash at short notice.

The Banker's Dilemma

By keeping a large scale cash reserve in proportion to his liabilities, he will secure safety; but he will reduce his profits, since the cash reserve earns him no interest, and he may embarrass his clients, who rely on him for advances and who may be seriously inconvenienced, perhaps even driven into bankruptcy, if he contracts his credits in order to strengthen his reserve.

If, on the other hand, he keeps a small reserve, freely giving his clients the advances they ask for and increasing his profits by reducing the proportion of his assets lying idle, then he will be jeopardising security; in case of a collapse of confidence in the business world, he will be unable to meet the demands for cash made upon him, and may involve in his ruin many of his clients who had relied on him to supply them with cash.

It will be seen from the foregoing how a bank manufactures credit which it loans out to clients at a fixed rate of interest, and that the only limit to the expansion of this credit is the liability of the bank to be called upon at any time to meet the demand for legal tender—i.e., Commonwealth notes.

The Case for Banking and Credit Reform

1. There are nine Trading Banks who have manufactured and issued about £300,000,000 of credit by means of overdrafts.
2. These Credit issues have created a corresponding amount of deposits in the banks.
3. These deposits comprise the principal money of the community by means of which goods and services are produced, and distributed.
4. The Legal Tender notes issued by the Commonwealth Bank are approximately £61,000,000—about £14,000,000 is held in reserve by

the Banks, while £47,000,000 is in circulation amongst the public.

5. It will be seen, therefore, that the Legal Tender notes (the small change of the community) issued by the Commonwealth Bank is a mere bagatelle compared with the credit money in the form of overdrafts, £300,000,000, issued by the Private Trading Banks.
6. Deposits in Private Trading Banks amounted to approximately £345,000,000, and if all the depositors claimed the payment in Commonwealth notes of their deposits, the Trading Banks only have about £14,000,000 Bank notes in reserve for the purpose.
7. In this event the Trading Banks would either have to close their doors, or the Commonwealth Bank would have to come to their assistance by printing more notes to meet the demands of the depositors for legal tender.
8. It will be seen, therefore, that financial credit is the lifeblood of a civilised community.

Financial Dictatorship Must End.

9. We have permitted the directors of private banking institutions to control our blood stream—they determine how much credit shall be issued, to whom it shall be issued, when it shall be issued, and when it shall be withdrawn.
10. By means of this credit monopoly banking institutions can make or break Governments, restrict production and consumption, cause unemployment, salary and wage reductions, as well as malnutrition, and prevent social reforms such as slum

abolition—simply, by restricting credit.

11. The Government rightly will not permit private financial institutions to print as many bank notes or mint as many coins of the realm as they like. Heavy penalties are provided for counterfeiting notes or minting spurious coins, which are only the small change of the community. Yet the State permits private financial institutions to issue and control the big money of the community in the form of financial credit amounting to hundreds of millions, without let or hindrance, for private gain, and this is what bankers, financiers and reactionary politicians call "sound finance"!!
12. We have the Commonwealth Bank—established by the Fisher Labour Government in the teeth of fierce opposition. In stead of the bank functioning as a prop for the private credit monopoly—the trading banks—the Commonwealth Bank should be converted into a real people's bank directly responsible to the Commonwealth Government, and should have sole right to issue and control all credit for the purpose of financing Commonwealth and State Governments, all Governmental instrumentalities, municipalities, social services and reforms, such as slum abolition, and to finance all legitimate forms of production, as well as provide the consumer with adequate purchasing power to enable him to consume the abundant production of the machine age.

**ASK YOUR FEDERAL MEMBER
WHAT HE IS GOING TO
DO ABOUT IT?**

Sixty were admitted to the factory, and from them the three positions were filled."

Comment is hardly necessary; but who said something about a maximum war effort? And, of course, you have heard how "they don't want work"!

* * *

I recommend the following extract from "A Hundred Years of the British Empire," by Professor A. P. Newton, of the University of London, to all Federal Unionists and other "unity" seekers and centralisers: "Usually the term (Empire) has implied centralisation of rule, domination over dependants held down by military force, and unity of governmental system. None of these characterise the British Empire, for there is no centralisation, there is no uniformity . . ."

There are many imperfections in the British Commonwealth of Nations. However, in spite of the bankers, the British experiment has been developing in the right direction. The "progressive" thinkers want to destroy all this development. I would suggest that whenever we hear people advocating Federal Union, we should immediately call a policeman, and give them in charge. It might cause a sensation to lay a charge against some of our "loyal and respectable" citizens. I can see no difference between those who openly say "To hell with the British Empire," and those who urge that we give it away—or are we selling it?—to some international Government backed by a bunch of international gangsters called bankers.

"Blackmail in Echuca?"

(Continued from page 1.)
feel that they have made a honest mistake. . . .

"There is in Nazi Germany a scheme called Winter Relief, organised by the Black Shirts—an "entirely" voluntary contributory scheme, in which each householder is duly called on by the Black Shirts or the Gestapo, I don't remember which, to make a donation. He is persuaded, if necessary, with the butt end of a rifle. I feel we must be very careful to see that we don't err in that direction . . ."

Here, There and Everywhere

(Continued from page 1.)

Mr. Lewis is a director of the Perpetual Trustee Co. of Sydney, and Colonial Mutual Life Association Ltd. As a director of the Perpetual Trustee Co. of Sydney, Mr. Lewis associates with Mr. T. H. Kelly, Lieut. -Col. T. A. J. Playfair and Mr. E. R. Knox, who are also directors. Mr. T. H. Kelly is also a director of the Bank of New South Wales, while Lieut.-Col. T. A. J. Playfair is a director of the National Bank. Mr. E. R. Knox is a director of the Commercial Banking Co. of Sydney.

Associated with Mr. Lewis on the board of directors of the Colonial Mutual Life Association Ltd., is Sir Harry Chauvel, who is a director of the National Bank.

It will be seen that Mr. Lewis moves in the "right" circles, and can be relied upon to see that there is no suggestion of conducting the war on anything but orthodox financial lines.

This was confirmed by the following report, which appeared in the Melbourne press on November 2: "Mr. Spender said the new appointment would result in the attainment of a much higher standard of administration in the Department of the Army . . . The finance member would be responsible for technical details of financial administration, submitting major matters to the business manager. (My emphasis.)"

* * *

The following interesting news item appeared in the Melbourne "Herald" on November 5: "1000 Men In Rush For Three Jobs. One Loses Trousers. Sydney, Tuesday. —One man lost his trousers in the crush when 1000 unemployed applied for three jobs at a Surry Hills factory. He was given another pair by a factory employee. The jobs were for light work, permanent to suitable applicants, at the Morgan Crucible Co., Australia, Pty. Ltd., in Hutchinson-street. By 8.30 a.m. 500 men were outside the factory. Their ages ranged from 16 to 60. Some were shabbily dressed and others were in their best clothes. By 9 o'clock the waiting lines had doubled, and when the factory gates were opened they surged forward.

BEHIND THE INTERNATIONAL SMOKE-SCREEN

By C. H. DOUGLAS, in the "Social Creditor" (England).

It must surely be evident to anyone capable of appreciating the meaning of events—a capacity which involves a cold disregard for the distorting verbiage of war propaganda—that there are immensely powerful forces operating through both the Germanic Russo Italian bloc, and the "D'markrazi" bloc, but outside either of them, which are merely concerned to ensure that whichever bloc "wins," the centralised power of organisations, whether masquerading as Pan-Germanism, Pan-Americanism, Federal Union, the Bank of International Settlements, or Dr. Arnold Toynbee's vague and unnamed World Sovereignty, shall be intensified; and a particular social ideal (so far as I can see, quite similar to that depicted in the "Protocols of Zion") shall be imposed upon the world, and maintained by what Lord Lothian describes so attractively as "Law [i.e., absentee management] supported by overwhelming force."

The nucleus of this social scheme is a bureaucratised factory system on the Russian model, "industrial welfare" is presented as the final aim of the millennium, and Henry Ford, its Prophet.

That these Forces worked systematically, and with immense cunning and ability, first to weaken, and then to present Great Britain with the alternative of State Socialism or World War, seems clear. For twenty years we followed the usual British half-baked course of compromise, during which period every interest except Finance was systematically attacked. I am inclined to suspect that this policy was to some extent abandoned with the happy, but far too long delayed, exit of Mr. Baldwin, who was ably assisted by such Labour admirers of the Bank of England as Lord Snowden. From that moment, if not before, war was inevitable, and the threat of defeat was substituted for the threat of war.

That Hitler and Germany were and are an indispensable factor in this diabolical policy is obvious. To what extent Hitler is a tool in using anti-Semitism, or rather, anti-Jew instinct, in the same manner that he cheerfully sacrifices half a million men in a Blitzkrieg to gain a predetermined objective, can only be judged by its assistance towards the ultimate objective. The misery through which Germany passed at the hands of the Jews in the pre-Hitler days, served the same purpose in reconciling the German population to the finance-backed Hitler, with his "Guns before Butter" policy, as is served by the determined maintenance of an under-privileged class in the "d'markraties." It stimulated a revenge complex for use as a weapon against the diminishing number of persons economically or politically capable of individual initiative. My own feeling is that Hitler is merely the usual "Myth" (we have a typical instance in this country at the present time—vide U.S. press) on which to father an imposed policy, and if he departed from it, he would be "liquidated."

Yet I am happy to feel that, immensely clever and able as have been the preparations for the installation of a world tyranny, they "are not going wholly according to plan. In order to make a little clearer the reason for this dawning faith, it is necessary to examine to some extent the nature of a Plan—one of the key words of the present period, and, perhaps for that reason, one of the most subtly misused and misunderstood.

The attraction, which the idea of "Planning" has for many wholly well-intentioned people, is due in a considerable degree to the confusion in their minds between tactics and strategy. If you have decided to build a house, which is strategy, you quite properly draw a plan of it, which is tactics. The

essential nature of a plan is that it is a means, not an end. And a plan, as such, is static, and quite foreign in nature to an organic growth, such as Society. Similarly, if you have decided to conquer the world, you make a succession of plans, the object of which is strategic. The plans in themselves are tactical. But to anyone familiar with warfare, an observation of a number of tactical plans will reveal the grand strategy. In short, a plan presupposes an objective, which has already been decided.

Now this Plan business is clearly and indisputably interwoven with the "Leader" racket and State Capitalism, cunningly mis-called Socialism. Not only is this the case in Germany. The racket began, although it did not originate, in Russia, and the "Planners," who are for the moment in control in Great Britain, are running the "Heaven-sent Leader" stunt, notably in the Jewish controlled New York press, which is also pro-Roosevelt-New-Deal. In the "British" Press, claims, which any technically trained engineer knows to be absurd, are being made for the miraculous results of a government more unrepresentative than any in history.

And, while the "British" Press, for obvious reasons, is doing its best to obliterate the facts from the minds of the general, and in particular, the Labour-minded population, Germany, Russia and Italy, are not only actually, but titularly, Socialist States, and the triumvirate of gangsters who rule them are the fine flower of Socialism. War, accompanied by immense financial bribery and rising prices, is clearly Socialism's opportunity in Great Britain. These confuse the issue and give the appearance of successful organisation to what is, in fact, cumbersome, inefficient and oppressive. In short, there is conclusive evidence that the war is a screen for an attempt to impose despotism everywhere under the guise of Socialism.

I think that there are real grounds for hope, not only that this "common war aim" is widely recognised, but that Great Britain is now beginning to face a Real Enemy, and will beat Him both in Germany, here and elsewhere.

One of the many vicious fallacies, which I think will be dispelled in this process, is the idea that mere quantity, in human beings or elsewhere, is a satisfactory substitute for quality. Life is intolerable under a system, which allows millions of individuals to be swung into action by a puppet "Leader." But it is equally, or even more intolerable, under conditions, which impose the ideals of an uninformed majority, inspired by crooks, on the activities of the diversified aptitudes of the human race. The well being of the majority is always right: the ideas of the majority, as such, are invariably wrong.

FINANCIAL DESPOTS DICTATE TO PEOPLE

"NONE DARE BREATHE AGAINST THEIR WILL"

Money for War . . . None for Peace

(Reprinted from the "Catholic Worker" of November 2)

Millions of pounds are being found every day for the manufacture of munitions to deal out destruction and death. When the war is over and pressing social expenditure becomes urgent, will the people continue to accept the favourite cry of the financial despots that there is no money?

Whenever any really important social reform has been broached in the past, it has always foundered for lack of finance. Consider the slums. They ought to be abolished. Everyone says so; but the slums are not abolished. We have the wreckers to pull them down—we have the architects to design the new houses—we have the sites to put them on—we have the carpenters to put them up—we have the timber to build them—we have the people to live in them when they are built.

Surely, then, there is no reason why the slums should not go and a new housing plan should not be begun? There really is no reason, either, except the artificially created reason of the controllers of credit, who tell Governments and people alike that there is no money.

SOCIAL SABOTAGE.

So it is with the rural problem. The "C.W." has again and again insisted on the introduction of small subsistence farms and settling many more Australians on the land. The land is there, all right, and so are the people, but the rural problem remains unsettled because any solution worthy of the name would need plenty of capital and a liberal credit policy. In other words, money would be necessary, and there is no money available under the present insane system.

It is the same story all over again with soldiers' pay, hospitals, child endowment . . . They may all be splendid things in their way, we are told by our masters, but there is no money for them, and there the matter ends.

The reason is not far to seek. The reason why people accept the "no money" cry so passively is because the finance-controlled press, assisted by various intellectual tricksters, has created the impression that money is a commodity, limited in amount and difficult to obtain; that when it comes into existence it must only appear as a bank loan and must only be issued to Governments and individuals at 3½ per cent., and that interest should then be paid upon it in perpetuity. It is on this fraud that the whole Empire of Mammon has been built and is today sustained.

THE LIE AND THE TRUTH.

The whole thing is a despicable lie. The truth is that money is merely a mechanism for getting things done. This is what it would be under a Christian social order. In fact, however, under finance capitalism, money is the greatest obstacle in the way of getting things done. Ninety-seven per cent, of the money in Australia consists of figures in books and it is called credit. Pius XI described credit as the economic life-blood of the community. He said, further, that the people who govern credit and determine to whom it shall be granted exercise a "particularly irresistible power" in that "they have their grasp on the very soul of production, so that none dare breathe against their will."

NATIONALISE CREDIT.

The "C.W." insists, therefore, that this power is such that it must no longer be controlled by private individuals operating for their own profit, but must be vested in a national authority responsible to the people and to no one else. Only thus can the supremely insane paradox of our financial system be ended; **for today 3 per cent, of our money consists of bank notes**

and coins; if a non-Government agent makes these bank notes or coins he is called a forger and gets gaol; on the other hand, 97 per cent of our money consists of credit, but if a non-Government agent makes this credit he is called a banker and gets interest.

TREASON.

The men who now control the money supply have made a very bad job of it. At their door must be laid the responsibility for depressions and the absence of social justice in Australia. They have sabotaged our country in peacetime and they are doing the same in wartime by refusing to make credit available to the smaller manufacturers who could assist materially with our war effort. Plain men call this treason, and if ever men were guilty of treason the financiers of Australia are guilty of it today. To put an end to treason, to see that our war effort is not hamstrung, we must nationalise credit.

IF NOT?

If credit is not nationalised, this country will come out of the war in immeasurable debt. It is only proper, of course, that after a war a country should be in debt. It should be in debt to its returned soldiers and to the widows and orphans of the men who do not return. It should be in debt to no one else. It certainly should not have to pay interest in perpetuity on money, which did not exist until it was created by the financial despots. If credit is not nationalised, there will be enacted again the same tragic story that took place after the last war.

U.E.A. REPORT

Presentation. —In appreciation of the services of Mr. N. Rolls and Miss J. Robinson, who are to be married this week, a presentation of a wallet of notes was made to the couple last Tuesday evening. The chairman, Mr. F. Parker, eulogised the sterling services of the two stalwarts, and read, appreciations from others unable to attend; he also pointed out that the contributions were not yet complete, as some had intimated that they were forwarding contributions which would be handed on later. In reply, Mr. Rolls and Miss Robinson indicated that, although they would be leaving the State for some time, their energies would still be devoted to the cause, and that, perhaps, in the near future they may be back in Victoria.

Lectures. - - The subject, "The Function of Democracy," was dealt with in an interesting manner by Mr. E. D. Butler, and aroused useful discussion. He will conclude his series of three lectures next Tuesday night. All supporters are urged to attend and bring their friends to the final lecture. Mr. Butler will take as his title for next week, "Democracy And The World Struggle." Note the address: Christian Club Lounge, 8th Floor, Albany Court, Collins-street, Melbourne.

"GUILTY MEN"

By JOHN MITCHELL, in the "Social Crediter" (England)

"Vengeance is mine; . . . saith the Lord." But "Cato," anonymous author of the book, "Guilty Men,"* thinks otherwise. The preface to this book has two paragraphs: "On a spring day in 1793 a crowd of angry men burst their way through the doors of the assembly-room where the French Convention was in session. A discomfited figure addressed them from the rostrum. 'What do the people desire?' he asked. 'The Convention has only their welfare at heart.' The leader of the angry crowd replied: 'The people haven't come here to be given a lot of phrases. They demand a dozen guilty men.'"

"The use of recriminating about the past is to enforce effective action at the present." — Mr. Winston Churchill, May 29, 1936; now Prime Minister of Britain."

The "guilty men" are referred to as "the cast" and are named as follows: Mr. Neville Chamberlain, Sir John Simon, Sir Samuel Hoare, Mr. Ramsay MacDonald, Lord Baldwin, Lord Halifax, Sir Kingsley Wood, Mr. Ernest Brown, Captain David Margesson, Sir Horace Wilson, Sir Thomas Inskip (Lord Caldecote), Mr. Leslie Burgin, Lord Stanhope, Mr. W. S. Morrison, Sir Reginald Dorman Smith.

Their "crime" is that "they were responsible" for the lack of armaments of the B.E.F., and, in general, for the ill-preparedness of this country for war.

The demand is that "those guilty men" who still remained members of the Government should resign. The reader will apprehend almost at once two things about this book. Firstly, that Mr. Hore Belisha, War Minister for the first months of the war and for some time previously, and a member of the British Government for several years before the war, is not cast as a "guilty man." Secondly, that the publisher of the book is Victor Gollancz, who, like Hore Belisha, is a Jew, and is the founder of the Left Book Club, the main disseminator of Communist ideas in England, and a warm advocate of an alliance with Soviet Russia.

In the opinion of the author: "War preparation is fundamentally a matter of economics." And it is pointed out that the Government's Economic Adviser during the early months of the war was Lord Stamp. But considerable care is taken to exculpate him as far as possible. We are told that one of the causes of the trouble "was that Lord Stamp was only asked to give half his time to the job." We are also told: "Whatever the true cause, the matter is academic. The soldiers of Britain had insufficient tanks and aeroplanes to protect them for the simple reason that insufficient money had been spent to buy them. It was not really Lord Stamp's fault. He was only half guilty. The nation's railways must be carried on." Having regard to the 17½ per cent, increase in railway charges in the brief space of the last five months, we cordially agree, at any rate, that it would have been a happy thing if the other half of Lord Stamp's time had not been devoted to the railways.

It is, of course, very clear that the real object of the book is to obtain the removal from the Government of Mr. Chamberlain in particular, and of all those Ministers who are not prepared to turn over this country completely and permanently to Socialism.

This book, which went through eleven impressions during the first month after publication, is clever and specious propaganda. Someone has to bear the heavy responsibility for what has obviously not, but should have been done during past years. There is, of course, solid justification for placing a large measure of responsibility at the doors of all those who are in this book dubbed the guilty ones. But

*"Guilty Men," by "Cato," Gollancz, London, 1940. Price, 2/6.

no attempt is made to distinguish between the grey sheep and the black, so that it seems suspiciously as if the black sheep were included in the flock for the purpose of damning the grey. An examination of the sheep in the next field would probably show many of them to be black (and not even grey), too; but this is ignored. The occasion for the play of such propaganda as this ought to provide a first-class lesson for all those who are attempting to withstand the march of Socialism in this country: that the fighting of rear-guard actions will not suffice to defeat these evil forces.

The charges "Cato" makes are based on the assumption that the main object of national policy over the past ten years has been to prepare for war. Conveniently ignoring all other national aspirations, and starting from this position, it is not difficult to convince an un-informed public that those politicians who have in earlier years preached spectacular policies based solely on a war objective, are prophets and leaders to whom the nation should now turn. To the informed, however, the utter dishonesty of the book is manifest; we are told "War preparation is fundamentally a matter of economics." But it is not pointed out that the prophets and leaders to whom "Cato" would now have us turn never once attempted to warn the nation of the real causes of our economic troubles, nor does he himself make any attempt to enlighten us in regard to this all-important matter.

This book is part of a deep scheme of propaganda and revolutionary activity carefully planned in advance and adapted to English conditions. It is vital that people should take account of the special revolutionary technique now being developed in this country. In line with this activity is the propaganda being disseminated by Sir Richard Acland and his associates, which has as its aim, "equality of standards" in lieu of "equality of sacrifice."

The British people do not want "Guilty Men." They want certain specific results.

That All-in Effort!

The following interesting news-item appeared in the Melbourne "Argus" of November 2:

"DEFENCE ORDERS.

"Sydney Wants a Bigger Share.

"SYDNEY, Friday—A deputation of manufacturers told the Deputy Leader of the Labor Party (Mr. Forde) today that the majority of defence orders was going to Melbourne, and Sydney was not getting its fair share.

"The deputation complained that most of the work of making machine tools was given to Melbourne firms. Later Mr. Forde said that New South Wales and Queensland seemed to have good cause for complaint. He thought that something should be done to ensure a more equitable distribution of defence expenditure. The Government should adopt a policy of greater decentralisation.

"Mr. Forde claimed that the figures quoted that morning by the Minister for the Interior (Senator Foil), concerning the £3,300,540 involved in the munitions construction programme already put in hand by Senator Foil's department, was further evidence of the discrimination against New South Wales and Queensland."

* * *

And still Mr. Menzies and other apologists for the present financial domination of our national effort talk about a maximum effort! Every factory capable of producing material should be limited only by the manpower and materials available—not by a financial policy emanating from Collins St., Melbourne.

BORROWED BLITZKRIEG

The following is quoted from "Social Justice," U.S.A., of June 17, 1940:

Writing for the Associated Press, John Lear says: "There is evidence in the files of the Federal Government that a substantial part of the plans for Adolf Hitler's 'blitzkrieg' were 'borrowed' from the United States . . .

"For these plans are America's plans for mobilisation in event we go to war, and they gear up men and machines and every other resource of the nation to win war as swiftly as possible.

"They are plans for 'total war.' They cover every conceivable factor in preparation for battle. Nothing approaching their efficiency had been devised anywhere in the world before the organising genius of the United States began drawing them up to twenty years ago. . . No treachery . . . is responsible for the fact that the Nazis were aware of them . . .

"I cannot name the source of the following information, but I can vouch for the fact that it is both official and reliable:

"(1) Within a year after Hitler came to power in Germany in 1933, the Nazi military attaché here began studying the American war mobilisation blueprints. He had the right to do so under ordinary diplomatic procedure. He spent six months making his examination.

"(2) Not until a year after he completed his study was the first of the Nazis' national defence laws passed—on May 21, 1935.

"(3) The war mobilisation system which took shape in Germany after that was a striking parallel to the American plan in all its principal characteristics.

"Agents from this country, working in Germany, described it as a 'conscientious imitation.'

"(4) The similarity was sharply illustrated in the Nazis' very first conquest—the 'anschluss' with Austria.

"Immediately after occupying Vienna, the Germans made a census of Austrian industries and allocated their respective share in supplying war needs in identically the same way as the same

step is outlined under the American plan.

"(5) Then came the invasion of the Low Countries, and the repeated overpowering blows against the Allies which military men agree can be explained only by highly concentrated resources poured into the fighting front through ultra-efficient lines of communication."

So, for twenty years America has had plans for a "blitzkrieg." We have kept these plans pigeon-holed during the past seven years, although we anticipated this present war. We knew that America would not enter the first phase of the war. There was too much sentiment against it. But we also knew that our internationalist-minded administration would move a mountain of gold to get us into it.

Eric Butler Plans Further Country Activities

Mr. Eric Butler is prepared to address, further meetings in country areas before Christmas. With the present party strengths almost equal, it is felt that the time is most opportune for the electors to give a definite lead to their respective Members of Parliament. Mr. Butler will be in Melbourne until Wednesday, November 13. If arrangements can be made, he will spend a week in the wheat areas in the Wimmera.

He then hopes to spend a week in the Western District before leaving for the North-Central districts early in December.

To this end, it is essential that all supporters in these areas co-operate to achieve the maximum results. They are urged to communicate with Mr. Eric D. Butler, c/o Box 1226, G.P.O., Melbourne, IMMEDIATELY.

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LETTER TO THE EDITOR

THE INFLATION NIGHTMARE

"A warning that inflation would follow a rise in the basic wage was given by Mr. A. L. Pickering when, before the full Arbitration Court yesterday, he opened the case for the South Australian Government and Railways in the basic wage inquiry."

Thus the "Age" reports for the delectation of its readers on November 5. Mr. Pickering proceeded with a gloomy foreboding that "with consumers bidding against one another for the reduced supply of civil goods now available on the market, the whole economic structure would be imperilled, and the Government price control system might break down."

It is queer that, when representatives of the employers embark upon these sombre predictions regarding the deficiency of goods available for consumption, they never be any chance specify what goods are in short supply. Is it wheat? All the Governments in Australia are embarrassed, by the quantity of unsold tonnage. Not even the experts know what is to be done about it. The farmers have produced millions of bushels and can't sell it. Is it fruit? Ask the orchardist. Is it vegetables? Ask your greengrocer. His complaint is that not enough people are coming into his shop to buy. Is the grocer short of jam, a commodity upon which military camps make large demands? Ask him. Has the complacent cow at last become impatient, and realising her importance in the economy, struck for better conditions?

I hesitate to employ the argot that comes naturally as I contemplate Mr. Pickering's melancholy picture of a community with not enough goods to sell. Despite the number of men and women withdrawn for war purposes from industry and from the manufacture of consumption goods, I have yet to find the storekeeper and retailer who has been depleted of stocks and is unable to replenish them. The whole issue is one of PRICE. It is always a question of PRICE, and even Mr. Pickering inferentially admits it when he says, "the joint result of the severe curtailment of civil consumption goods, and the increasing spending power could only be inflation."

Now, let us give a closer inspection to this demon of inflation.

Rent, Interest, and Profit are also causes of inflation, but of this we hear nothing. If the argument used

by Mr. Pickering, that the Court should make no increase in the basic wage, since such increase would raise the price level is valid, then even more so could a contrary argument be advanced by the union representatives against interest and profit, as they produce a condition of "true" inflation, which cannot, under our financial system, be overcome.

At least, whatever degree of price-inflation is produced by a higher basic wage, the increased money-income of the workers is there to meet it. But this cannot be said for the condition of inflation produced by the profit-making system. That is why I have described it as a condition of "true" inflation.

The inflationary condition alleged by the Government's representative to follow upon an index figure of 1000 being made to equal 100/- instead of the present 81/-, is simply a rise in the price level, or a higher price for goods and services cut to the amount of the increase entering into the cost of production. I do not dispute the soundness of this argument, all I am trying to point out is that the difference in cost of production is paid out as wages, and purchasing power remains the same; there is no inflation in the sense that purchasing power is further reduced. But in the case of interest and profit, these are book figures added to the cost of production, not distributed during production as are wages and salaries, and when the goods are sold a price figure appears on those goods which includes the book charges, whereas the only money received by consumers is represented by wages and salaries.

The financial costs of actual production, analysed down to their ultimate, are composed solely of wages paid out to work people. This is true whether the wages are paid in the final operation, or whether at any intermediate stage from the getting of the raw material to the article as it passes over the counter to the consumer.

The price ticket on the article, however, might show anything up to 100% and over above the factory cost. Why? It is due to the book charges being added to the factory costs, which no one previously receives as income. This is a "true" inflationary condition, since a claim is made on consumers for money, which they do not possess. This inflation is a disparity between the money claims of industry and the financial capacity of the public to pay those claims.

One may state as a generalisation that the functioning of our financial system ALWAYS produces such in-

John Hogan for New Zealand

On Thursday of last week, John Hogan left Sydney on the "Awatea" for Auckland, New Zealand, to commence an initial tour of the Dominion. A comprehensive and strenuous itinerary has been arranged, which will not conclude until December 16. John carries with him letters of introduction from the Hon. J. Dwyer Gray, Tasmanian Treasurer, who visited New Zealand last year; to the Prime Minister; the Minister for Finance, and other leading Parliamentarians; the Governor of the Reserve Bank; directors of the Bank of New Zealand, and several influential New Zealanders. While some people hope that the Labour Government of New Zealand will yet take more encouraging direct action against the private control of credit than has yet been the case, it seems most likely that John will have no alternative but to attack and expose the amazingly orthodox statements that have recently been forthcoming from New Zealand's leaders to justify their finance policy.

That Christmas Suit or Costume

Mr. Frank Devlin, tailor, of 340 Little Collins-street, City — whose advertisement appears elsewhere in these columns — wishes to inform previous and intending clients that Saturday, November 23, is the last day for the acceptance of orders for ladies' tailor-made costumes or gents' suits for Christmas delivery. Prices have NOT been increased and a record Christmas season is confidently expected. So, to avoid disappointment, order your Christmas suit or costume TODAY.

flation. That is to say, the flow of money in channel "A," i.e., wages and salaries, is never equal to the flow of prices in channel "B," representing wages and salaries, rent, interest, and profit.

When Mr. Pickering stated an increase in the basic wage would result in inflation, he failed to qualify it by also stating that the wage-increase would be proportionate to the degree of inflation. He also failed to observe that the adding of rent, interest and profit to the costs of production, was an inflationary proceeding; but perhaps that is an argument better left to the union advocates. It was not for Mr. Pickering to blow the gaff. —Yours etc.,

J. MCKELLAR.

Toorak, Vic.

Queensland Has Oil, But Canberra Not Interested

(Continued from page 1)

Mr. Douglas Henderson, B.Sc., B. App. Sc. (Aust.), A.M.I.E., chartered engineer and consulting chemist, reported: "From the examination carried out on the samples submitted, it is my opinion that this shale will yield 132 to 164 gallons of crude oil containing about 22 gallons of refined motor spirit per ton."

These reports warrant a thorough investigation, particularly in view of the difficult position in regard to imported petrol. Mr. Culman states that already he has been offered a big figure for his interest in the syndicate, but he is anxious that the deposits should be developed as a national undertaking in the interests of the community.

His negotiations so far have been mainly with Canberra, but progress has been most difficult. The Prime Minister's excuse has been that, in view of the war, no finance is available at present. This attitude cannot be reconciled with the petrol position, especially as it affects the rural areas of Queensland.

Mr. Culman was to have interviewed the Premier, Mr. Forgan Smith, recently.

He claims that, on a moderate estimate, the shale will yield 12,000 gallons of crude oil a day, working one shift. An outlay of approximately £25,000 would be required for plant and equipment.

The shale field is about 14 miles from a gazetted main road, and 38 miles from rail. A 35 mile coal seam was exposed during the search for oil shale. A test showed the coal to be of excellent quality with a very low ash content, and highly suitable for steam engines.

Mr. Culman, who is a Canadian, has been working on oil experimentation for 20 years, and has been in most countries of the world. He was chief engineer at King's Refinery, Bakersfield, California, and also was attached to the staff of the Associated Oilfield, California, as field engineer.

"There is shale of a lower oil-bearing content in the Carnarvon Ranges, while low grade shale at the foot of the Toowoomba Range would, if required, produce sufficient fuel to keep the tractors on the Darling Downs working during the war," Mr. Culman declared.

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