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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 ore forging,

Silence is crime.

—Whittier (1807-1892).

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J. B. PRIESTLEY HITS OUT

Financial System Condemned In Remarkable Article

In an article in the "News Chronicle" (England) of November 18, 1940, J. B. Priestley selected one of his critics and replied to him, giving back some punches a good deal harder than he had received. This is what he wrote (our emphasis):

Let us take a look at one out of many, the Vicar of Clitheroe. I was sent a report of a recent sermon of his, and here is an extract from it:

"Looking back over the last 25 years," said the vicar in the course of his sermon, "we saw the ghastly failure and inglorious fulfilment of those things; the depravity of the human heart, fickleness of mind and perversity of spirit. For those reasons he was all the more dismayed that there were false prophets speaking in the same strain today. The chief offender was Mr. J. B. Priestley, supported by some of the less reputable politicians. These men were doing a real disservice, and in his (the preacher's) opinion sowing seeds of future discontent and perhaps even of rebellion . . ."

So much for the Vicar of Clitheroe. I do not know how the war is going in Clitheroe, but clearly some of them there are receiving rather cold comfort.

Looking back over the last 25 years, we notice depravity, fickleness of mind, perversity of spirit, but if we have any sense we notice other things too. We notice that man the inventor has outrun man the organiser, with tragic results. We notice that an outworn financial and economic system no longer functions properly, with tragic results. We notice that a faked-up, embittered nationalism is superimposed upon a world that is now interdependent in its parts, with tragic results. We notice that men in their bewilderment and despair, aiming at some pitiful security at all costs, prostrate themselves before hysterical megalomaniacs, with tragic results. We notice that prosperous persons in many countries tend to prefer these megalomaniacs to any advancement of their own decent folks, with tragic results.

In our own country we have seen Democracy checked, and Government by a thinly disguised oligarchy more elaborately organised, until a wobbling, half-witted foreign policy takes us into a war that this cabal does not seem able to fight with any enthusiasm, at least not until the sacred doors are opened and a few of the common people are allowed an entrance. (Probably some of "the less reputable politicians" mentioned by the Vicar.)

The world before the war produced the war, and we want no

more such worlds. But we shall have them unless we dig down to the root causes. It is flattering Hitler—and some people would rather do that than think—to include him among such root causes. He is a man on top of a vast toadstool, pushed up by economic insecurity, idiot nationalism, and the cynical plotting of vested interests, inside and outside Germany. That he may now be sawing away at the toadstool, intent upon a tumble, makes no difference.

What, my dear Vicar, do you expect the people of this island to do? They have already given a magnificent exhibition of courage and endurance, as the whole world recognises, and they can keep that exhibition open for another season or two. But I trust you do not expect them to allow themselves to be rationed, regimented, machine-gunned and bombed back into August 1939. We are a sleepy and lazy-minded lot, but not, I think, quite so stupid. If we have to wake up to win the war, then we propose, with or without your permission, to stay awake after it; and to think a little during it.

A friend of mine now flying, who before the war had never

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HERE, THERE AND EVERYWHERE

SUNDRY NOTES ON THE NEWS

By ERIC D. BUTLER.

I mentioned in these notes a few months ago that there was very little real difference between the policies of Mr. Roosevelt and Mr. Willkie. Both these individuals have close affiliations with Wall Street interests. Since the American Presidential "election" late last year, Mr. Willkie has been constantly repeating that he is right behind Mr. Roosevelt. He is now in Britain. He says that he has gone to Britain to get certain "specific information." For whom? We are not told. Why? Once again we are left guessing.

However, the report in the Melbourne "Sun" last week that Mr. Willkie's first call was on Mr. Montagu Norman, Governor of the Bank of England, is a fairly good guide.

Let us examine the position; Mr. Willkie has close connections with the Jewish Wall Street group. He has publicly stated that he is pro-Jewish. Mr. Norman has similar connections and takes his orders from Wall Street. Mr. Willkie visits Britain to get "specific information." First call, Mr. Norman. "Deduction, my dear Watson, deduction."

* * *

It seems very likely that world events are on the verge of culminating in an upheaval such as most of us have never even dreamed of. Germany must strike hard before long, which will mean that the whole of Europe may become a battleground. The position in the "Far East" is far from reassuring in the light of the reported negotiations between Russia and Japan. Japan is now be-

ing governed more and more through a system of State Socialism, while China is being likewise "Sovietised." Wall Street intrigue may precipitate a catastrophe in the East, which might bring war to Australian shores. It is now obvious that any forces suitable for the destruction of Anglo-Saxon culture are being used by the International Financiers. Still further, I believe (with many others who have taken the trouble to study this matter) that the present world struggle is fundamentally a cultural clash. Australia is certainly destined to play a unique part in the preservation of British culture if we who know the forces at work refuse to compromise on our objectives.

* * *

The report appearing in the Melbourne "Herald" last week that the evacuated British children were showing signs of becoming neurotic was not surprising. The report informed us that even where the children were living in better homes they still showed the same tendencies. When the air bombing started, an hysterical campaign was conducted to break up the British home. Some mothers were stampeded at the time, but have since changed their minds. Their attitude has been stated as follows: "If we are going to suffer or die, then we will stick together. If our children are taken away we may never be reunited." Authorities raved, and said that these people were ignorant and didn't know what was good for them. That is always the way. These "planners" want to run everyone's affairs. Terrible predictions were made about the terrible effect of air bombing on children. All reliable authorities now admit that these children are very little concerned and are reacting far more realistically than some adults. Physical death must be expected in war. But that is no reason why a wholesale policy of uprooting people from their natural environments should be pursued; it is part of the attack against our culture and must be resisted. No amount of "learned" explanations can alter the bald fact that these evacuated children are becoming nervously upset for the very human reason that they want their mothers. Unfortunately, the "planners" don't believe in natural laws; they create artificial

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GOVT. BENDS THE KNEE TO PRIVATE MONOPOLISTS

On seeing the following report in the Melbourne "Herald" of Wednesday, January 29, readers must surely begin to wonder, "Who rules New Zealand?" The report reads:

"GOVERNMENT WAIVES RULE—Wellington, Wednesday.—New Zealand's stringent exchange regulations are to be suspended temporarily to enable holders of Broken Hill Pty. to take up shares in the new issue to which they are entitled by their existing holdings. New Zealand holders of Broken Hill Pty. stock may now use their Australian balances for this purpose or remit cash from New Zealand. [The exception is being made, presumably, because the N.Z. Government recognises that the projects for which B.H.P. wants the money are essential for the defence of New Zealand as well as for Australia. —Finance Editor.]"

Accepting the Rooseveltian axiom, that it is the function of a politician to yield to pressure, it would be interesting to know what form of pressure was employed by B.H.P. to convince Mr. Nash that this was essential to the war effort. Possibly the same method, also, was used to convince him some time ago that it was essential for the defence of New Zealand that he should confiscate—without recompense—the privately-owned Onekaka iron-ore

deposits, and leave these immensely rich deposits lying idle for the last two years, despite public agitation demanding that the Government should immediately take steps to begin production of iron and steel in New Zealand. Or was B.H.P. afraid that the New Zealand company then arranging to start production might prove to be a serious threat to the monopoly that it has built up in the iron and steel industry?

Tasmania's Treasurer Condemns Orthodox

The Treasurer of Tasmania (Mr. Dwyer-Gray), interviewed after the Loan Council meeting, said that body had authorised increases in the loan programme for 1940-41 totalling nearly £5,000,000, so that, excluding war loans, the Governmental and semi-Governmental loan expenditure had become approximately £30 million, instead of approximately £25 million, as set out in August last, and the Commonwealth and State Governments' ordinary loan allotments (i.e., excluding war) had become increased from £17 million to about £214 million. He did not say, given belief in the ordinary loan system, that these increases were not justified. Nevertheless, they were certainly a caustic comment on the policy of loan economy, in connection with ordinary activities, preached from the Chair by Australia's Acting Prime Minister (Mr. Fadden). Mr. Fadden's own Government had requested, and received, an increased loan allotment of £2,800,000 for drought-relief purposes, etc., which showed that the sermoniser was himself a sinner.

In his (Mr. Dwyer-Gray's) opinion, the writing was already well on the wall for orthodox finance, both in Britain and Australia. It was, in fact, being proved that those important London journals, which had recently declared "it is impossible to finance an unorthodox war by orthodox means," were quite warranted in that statement.

The Australian position was, to say the least, extraordinary. The total war expenditure of Australia in 1940-41 was now estimated at £186 million—namely, £143 million in Australia and £43 million overseas, and both figures were probably underestimated. Of the amount of £186 million, now in process of daily increase, about £65½ million will be exacted through taxation, and the balance by some form of borrowing, and the exhaustion of Federal Trust Account balances, etc. According to press statements, which were apparently quite correct, the overseas expenditure of Australia was not really being met at all, in the sense that Britain is doing the paying and not Australia. Overburdened Britain was itself spending about £15 million a day on the war, and had reached such a state of financial strangulation, as a result of orthodox finance, that it could no longer pay America for vitally-required armaments, which was, admittedly, the explanation of the "Lend or Lease (All Aid to Britain) Bill" still under consideration by the United States Congress. Under such circumstances, it was obviously altogether wrong for the Australian Government to borrow from the British Government as a means of meeting Australia's bills for overseas war services, and plainly, such a shocking state of affairs required to be terminated as soon as possible. The war expenditure of Australia in Australia alone was at the rate of £6 million a month last June, and Mr. Fadden admitted it would be at the rate of certainly not less than £15 million a month before next June. He (Mr. Dwyer-Gray) thought £20 million a month a much more likely early figure. Not even Mr. Fadden could safely estimate what Australia's war expenditure could be in 1941-42. The only thing that was certain was that it would be prodigiously increased. Nor should the public forget that Australia's war Budget, for the current year, had been eased by cash balances of £28 million on hand on July 1, 1940, but no cash balances what ever will be available on July 1, 1941, for utilisation in connection with the War Budget of 1941-42.

Finance Advocates National Credit Through Commonwealth Bank

At the Loan Council meeting he (Mr. Dwyer-Gray) had drawn attention to the undeniable fact that four of the State Parliaments of Australia—namely, those of South Australia, Western Australia, Queensland and Tasmania, had, through their Assemblies, affirmed their belief that national credit, operated through the Commonwealth Bank solely, should be utilised to finance Australia's war effort, and for the general well-being of the people of Australia. He had sought an opportunity to discuss this proposition, but had been informed from the Chair that it would not be in order to do so at that meeting, though Mr. Fadden admitted, "This is a matter in connection with which there is much difference of opinion." He was altogether at a loss to understand the position of State Premiers who, as members of the Loan Council, ignored the declared financial policy of their own Assemblies, and left it to Tasmania to raise an ineffective, because unsupported, voice at these gatherings in favour of national credit. He was not prepared to admit that mere over-draft conveniences, or even permanent borrowings through "the banking system," constituted any

such utilisation of national credit whatever. He stood absolutely by the financial policy advocated by the Parliament of Tasmania, and his own declaration at the Loan Council meeting, held at Canberra in November 1939, when he spoke as Premier of Tasmania. The official minutes of that gathering recorded his protest in connection with a resolution then passed authorising the raising of £10 million at 3½ per cent, from the banks, in the following terms: "The Premier of Tasmania dissented on the ground that a larger loan should be raised solely by using the national credit through the medium of the Commonwealth Bank. He objected to the payment of 3½ per cent, to the trading banks." He had, in fact, stated, "the Council's arrangement was an ignoble concession to an antiquated system of finance. If Australia financed its war efforts largely through old-fashioned ideas of borrowing from private persons and private banks, that would really mean that a victorious Australia would eventually find itself utterly ruined. All business people, who remembered the taxation following the last war, were even now beginning to

realise that, if Australia were to escape ruin this time, it was almost as necessary to defeat the present financial system as it was to defeat the Germans. Instead of extending a measure of national credit, the Commonwealth Government had come forward with a proposal to postpone the real issue by borrowing £10 million at 3½ per cent, through the banking system, and had actually come to an arrangement with the private banks to enable them to divide the resulting boodle."

"Those were my views in 1939," said Mr. Dwyer-Gray, "and they are still my views, and I am doing no running away from them." It was strange, continued the Tasmanian Treasurer, to observe how otherwise sensible people nearly fainted about the phantom of inflation when national credit was mentioned, while ignoring the fact that it was orthodox finance that caused the fearful inflation during the last war, and while further remaining quite blind to the menacing fact that the spiral of inflation was already becoming evident even in Australia, as a result of the continued superstitious idolatry of orthodox finance. There were plenty of easily adopted ways to prevent any rational use of national credit from causing any inflation whatever. On the interest question, provided the national credit was operated through the Commonwealth Bank only, it appeared to him to be almost immaterial whether interest was paid to that institution, or the national credit was used free of interest, since any interest paid to the Commonwealth Bank would return to the people through the profits of that Bank, which belonged to the people. In those circumstances, the credit issued would really be interest-free even if interest was charged.

J. B. PRIESTLEY HITS OUT

(Continued from previous page.)

had one political thought in his life, said solemnly to me a few months ago: "All these millions a day we're spending now—I don't understand it. Didn't they say before that we couldn't afford to do anything very much about the unemployed and the distressed areas and the slums?" I said, "Yes, they did." He looked very thoughtful. Something may come of it.

As for "sowing seeds of future discontent and perhaps even of rebellion," I would be proud to think, after finding myself in a second world war, after watching years of insecurity and misery for millions, that I was sowing such seed by the sackful. Is this a world to be contented in? Is there nothing here against which to rebel? I seem to remember certain hints of discontent and rebellion in a book that I trust the Vicar knows better than I do.

Later in his sermon he accuses false prophets like myself of "promising good times, which could never be fulfilled." I defy him to find in any statement of mine any promise of "a good time" that could not be fulfilled if the people of this and other countries really make up their minds to see that they are fulfilled.

The "hardships, the bad trade, the unemployment" that this clerical gentleman so amply promises his flock, as part of their wretched lot after this war, are not the result of natural laws, but are as much man-made as our bombing planes and bombs. We are not living in an era when mankind is forgetting how to sow,

reap, produce, manufacture, but in an age of immense potential fertility and production. Hardships, bad trade, unemployment have not been wished upon us by some vengeful deity. They are the penalty of not taking thought, of allowing anti-social forces to organise and act, of Government by speechifying anachronisms.

The most obvious anachronism, in spite of his up-to-the-minute tricks, is Hitler himself, who is really Genghis Khan in an armoured car. But there are thousands of others, in the seat of power, many of them much nearer home. There are banker-anachronisms, steel trust anachronisms, lawyer anachronisms, diplomatist anachronisms, superior civil servant anachronisms, fine lady and gentleman anachronisms. We have no better chance of arriving at a prosperous and sensible world with these people still pulling the strings than we would have of winning this war with bows and arrows.

"Before anyone in these days," continued the Vicar, looking no doubt like a true prophet, "embarked on any programme of facile optimism, let them ponder on the fact that there will be a National Debt of thousands of millions of pounds."

To which I reply that before making personal attacks in a privileged place, and using the National Debt as the climax of his argument, this reverend gentleman might have explained why we must regard the present financial system, if it can still be called a system when nobody

seems to know how it works, as God's first charge upon our obedience. Let them ponder on the National Debt indeed. Let them ponder on the whole crippling idiocy.

For example, we are told that about 97 per cent, of all the money in this country is created by the banks, which are in turn really controlled by the Bank of England; and this is a private company independent of any control by the general public; and I find no mention of such facts as these in your sternly realistic address, my dear Vicar; and, writing as one of the facile optimists who believe that at the present time ordinary human nature is superior to every financial, commercial, legal, political institution, code or system we possess, I commend them to you as matter for another and better sermon.

WHY IS IT KEPT DARK?

In Federal Parliament recently, Mr. Langtry asked the Treasurer, upon notice:

"What amount have the private banks subscribed to the Commonwealth loans since the commencement of the war?"

Mr. Fadden: "It is the invariable practice of the Treasury not to publish amounts subscribed by institutions or persons without the consent of the subscribers. As no permission has been given in this instance, the information cannot be supplied."

* * *
Was permission asked for?
—and refused?

Can the Public Credit be Employed Without Inflation?

By J. McKELLAR

A recent example of putting up a dummy and then knocking it down is found in Federal "Hansard," when the Prime Minister, Mr. Menzies, treated the Federal Parliament to a dissertation on the question of inflation. Mr. Menzies appears to be a master showman in this sort of thing, and members of Parliament were caustic in their strictures of his method of dealing with the problem.

The matter under discussion was the Labor Party's amendment to the original Budget proposals, which reads: "That, in respect of financial policy generally, the resources and functions of the Commonwealth Bank be used to the limit of safety, and in order to provide against inflation, the private trading banks be regulated on the basis of the report of the Royal Commission on Banking in order to prevent their building up a superstructure of bank credit on the monetary expansion arising from war conditions."

Mr. Menzies professes not to understand that portion of the paragraph, which proposes to limit the power of the private banks, in respect to the public credit issued, by the Commonwealth Bank being used as a cash basis for further creation of bank credit. If he persists that he does not understand this simple proposition, he is hardly fitted for the high office he holds (and I say that despite the reputation for brains he has acquired). Mr. Evatt said in his speech, "It is a plain proposition, but the Prime Minister has not answered it, and rather affects not to understand it. I think that out of respect for him we should rather infer that he understands the proposition quite well, but does not agree with it." If that is the more charitable view to take, what, then, should we say of the pose of ignorance?

If Mr. Menzies does not understand it, he might well be offered similar advice to that which he tendered to the member for Melbourne, Mr. Calwell, when the latter made an interjection, that he would "be willing to place at his disposal the services of the head of the Treasury so that he might undergo a complete course of elementary training in the matter of public finance"—evidently not aware that Mr. Calwell was formerly an officer of the Victorian State Treasury.

If Mr. Menzies is ignorant (it is his own admission) of the proposal to regulate the private trading banks so as to prevent them from building up a superstructure of bank credit on the monetary expansion effected by the Commonwealth Bank, he also might well be advised to take a course of instruction, and we would be willing to place at his disposal the services of a mentor to instruct him in elementary principles.

Senator Darcey presented to the Senate, on November 27 last, an illustration of how the private banks use the payments made to them as a cash basis for further loans and advances repayable to them.

"Banks display large advertisements exhorting the public to purchase war-savings certificates, and the Treasurer is relying to a large extent upon that source of revenue with which to meet war expenditure. The staffs of the banks make weekly contributions to the purchase of these certificates, and the banks, at the end of each month, send to the Commonwealth Treasury a cheque for the total amount. They receive the cash and again use it as a basis for loans eight or nine times greater. This system is very profitable for the banks. Of course, at the beginning, the war-savings certificates scheme was not worthwhile from the banks' point of view, because no person or institution is allowed to hold more than £250 worth of certificates. The banks, however, had a brainwave, and soon overcame that limitation, by putting their employees into the scheme in the way I have described, but it is well-known that when the loan is

fully subscribed no money will have been paid by the banks to the Treasury. All the Government receives is the right to draw cheques against the banks for the amounts, which they have contributed. I do not know why the Government permits this racket to continue."

The banks know from normal experience that they can safely make advances far beyond the limits of their cash holdings, and the additional cash basis afforded by the employees buying war certificates enables the banks to make advances and overdrafts to the Government by crediting it with the amounts required without handing out a penny of legal tender to the Government.

The effect of using the public credit through the Commonwealth Bank, as suggested by the Labor Party's amendment, would naturally

be to set in circulation a large sum of money, and if this was used by the private banks as a basis on which to erect a superstructure of further credit, not only would it be a profitable operation for the banks, but would place the public in pawn to them, and would undoubtedly, failing the adoption of the price mechanism implicit in social credit teachings, produce a condition of inflation—i.e., dilute the purchasing power of money. Money is of value according to what it will buy. For instance, high wages have no additional value above low wages and low prices, if also you have a coincident condition of high prices; so that price control is really the primary consideration—that is, the price level in relation to income. One might almost say that the only important question awaiting solution in the modern world, economically speaking, is the rational and scientific use of the national credit together with the introduction of a self-regulating price mechanism. If it is not the only important question it is at least the immediately urgent one, and all the spate of words poured out in Parliament and on the public platform which ignores the primacy of this question, is so much wasted effort.

An adequate price formula is fully expounded in the literature of social credit, and if any politician confesses ignorance of it, then it is plainly his duty to familiarise himself with it. Indeed, it ought to be a condition of taking a seat in Parliament that a man shows some grasp of the problem.

In the remarks of Mr. Menzies, and, indeed, in the comments of all those who prate about the menace of inflation, it is implied that the use of the public credit will inevitably result in a deterioration of purchasing power—in other words, there is no means of controlling or regulating prices. It is that assumption that has to be challenged. If it

were, in fact, the case that no means existed of regulating the price level, what a commentary that would be on the intelligence of mankind. Think of the extraordinary things that man has accomplished in the realms of chemistry, invention, and engineering in the last 50 years only. Shall we have to confess the invention of a device or technique to enable the human race to use its vast actual and potential resources is beyond man's mental capacity? That would, indeed, be an abject admission of the collapse of civilisation, and of all our vaunted progress. Yet every argument advanced against the use of the public credit rests on that assumption; namely, that price control or regulation is impossible.

The method of the treatment of the question by Mr. Menzies was equivocal. He said, "I am not now talking of inflation as if it were a bogey. I am speaking of that state of affairs when everyone is substantially employed, when the resources of the country are employed to the full, and when you suddenly subtract from the total national resources a big percentage in order that you may engage in the production of the instruments of war. What happens then? A problem is created which you cannot solve by increasing purchasing power—to use a cant phrase. All that is achieved by increasing purchasing power without increasing production is to raise prices."

In the first place, everyone is not employed, and the resources of the country are not employed to the full—a long way from it. Therefore, the formulation of an argument based on unreal conditions, while it may be a clever forensic practice neither deals fairly with the public, nor really faces up to the real problem. As Mr. Makin said later, "It seems clear to me that the right honourable gentleman has this afternoon failed to appreciate the responsibilities of his position as Prime Minister."

No one has suggested that when the resources of the country are fully employed, when production has reached its zenith, further credit should be created; and the attempt of the Prime Minister to argue against the use of the public credit by supposing a state of affairs to exist which does not exist, impresses one as a piece of political trickery unworthy of "a leader of the people." What the Labor Party asked for in its amendment was that the credit of the Commonwealth be used to the limits of safety, and that adequate protection be afforded the public against any attempt of the private banks to exploit the situation to their own ends. That is a simple proposition, which a schoolboy could grasp, but the Prime Minister is unable (?) to understand it.

We all know now of the Labor Party's acceptance of the compromise Budget, and the deferment of the question of the employment of the public credit to investigation by the Advisory War Council in conference with the Commonwealth Bank and the Treasury. It will not be hard to predict the outcome of that arrangement.

In climbing down on this vital issue, the Labor Party lost a golden opportunity to establish a landmark in monetary reform of historic magnitude, and to accomplish something of real value for the people of Australia.

LETTERS TO THE EDITOR

What—Another?

Sir,

It seems that taxpayers are to have another, and still more Boards, foisted on them. According to a press report from Canberra, a Board of leading Advertising Experts is to be appointed to oppose "subversive activities" and support the Government's wartime financial proposals. A press report also stated that a "Tomato Board" is proposed; probably to emulate the success of the "Apple and Pear Board," which lost £750,000 on last year's operations—incidentally preventing consumers from getting fruit at a reasonable price, and impoverishing hundreds of fruit growers. Could not the Board of Advertising Experts and the Tomato Board work in together a bit? If they don't sell, what better ammunition for use against subversive actionists could be found, than prime, ripe and over ripe tomatoes? It must, of course, be admitted that the present financial system requires a lot of boards to prevent it from falling to pieces, and is doing more to ensure its own ultimate downfall than "subversive" actionists can. Anyhow, who can deny that Australia deserves all the Boards she gets, and their cost?—Yours, etc.,
"TOMATO."
Melbourne.

A Grave Indiscretion

Sir,—

I desire to draw your attention to what seems to be a grave act of indiscretion on the part of those concerned. In the "Argus" of 3rd inst, the following paragraph appeared:—

"CANBERRA, Sunday. —It is believed that a national publicity campaign, which would

involve expenditure of a large sum of money, in support of the Government's war-time financial programme, and to obtain full support against subversive activities, is being planned by the Department of Information. It is understood that sponsors of the plan contemplate appointment of a board of leading advertising experts, and that some members have already been chosen. It is proposed that the board should advise on routine organisation of publicity campaigns, and, in certain circumstances, should assist in distribution of advertising."

Does it not appear probable, sir, that action such as that indicated above, would be regarded by Hitler and his criminal associates, as proof that the people of Australia are either hostile to the Government's War Finance programme, or, at least, are lukewarm about it?

Further, will not the appointment of a Board of Advertising Experts to assist in the campaign, tend to give the entirely false impression, that subversive activities in Australia has reached serious proportions?

The fact that it will "involve expenditure of a large sum of money" should certainly remind taxpayers that theirs is not the only interest that is being considered.

The Associated Banks and financial institutions have always taken a lot of interest in connection with Government War Finance, and can confidently be expected to take a lot more interest in the future;—in fact, so much interest, that surely, it would not be out of place to ask them to bear the whole cost of this publicity campaign.—Yours, etc.,
"STIRREM."
Sandringham, Victoria.



The New Times

A non-party, non-sectarian, non-sectional weekly newspaper, advocating political and economic democracy, and exposing the causes, the institutions and the individuals that keep us poor in the midst of plenty.

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FINANCIAL INTERESTS ARE WORRIED

On several occasions in the past we have had reason to complain of the manner in which the Department of Information has been used to issue propaganda on behalf of the present financial system. The Department of Information is a public institution—or it should be—and is maintained by the taxpayers of Australia. Its function is to supply the Australian people with reliable news and information concerning the nation's war effort. The Department of Information is now widely recognised as a typical example of inefficiency, lacking inspiration and drive, which is a natural product of the present financial system. We protested strongly in the past when the Department of Information was used to distribute Mr. Spender's famous apology on behalf of the private trading banks.

The following report, which appeared in the Melbourne "Argus" of Monday, February 3, suggests action by this Government department, which savours of Hitlerism in its worst form. However, it is further dramatic evidence of the fact that financial interests are becoming very alarmed at the rising tide of really patriotic thought in this community:

"CANBERRA, Sunday. —It is believed that a national publicity campaign, which would involve expenditure of a large sum of money, in support of the Government's war-time financial programme, and to obtain full support against subversive activities, is being planned by the Department of Information. It is understood that sponsors of the plan contemplate appointment of a board of leading advertising experts, and that some members have already been chosen. It is proposed that the board should advise on routine organisation of publicity campaigns, and, in certain circumstances, should assist in distribution of advertising." (Our emphasis.)

We all know that one of the main methods by which Hitler has subjugated the German people has been to stifle all opposition political and economic opinions, while conducting a nation-wide propaganda campaign in favour of his own ideas. National Security Regulation 42A is an attempt to stifle criticism in this country, while this proposed propaganda campaign by a Government department is a further move towards dictatorship and the destruction of Anglo-Saxon culture.

Unfortunately for the financiers, the people of this country are not allowing the introduction of anti-democratic ideas without a vigorous protest, as witnessed by the nation-wide protests against Regulation 42A. Readers are urged to bring this move to use the Department of Information as a bankers' organisation to the notice of all their associates immediately; also to communicate with their members of Parliament registering a vigorous protest. The enemy is retreating; don't let us give him the opportunity for a counter-attack. Keep our war motto before the Australian people: a real victory for the British peoples, not for the International Financiers.

Every reader should make a resolve to redouble his efforts. We need an increased circulation and immediate financial assistance if we are going to successfully accomplish the big task ahead.

'THIS ENGLAND'

"This England, this old, this paradoxical, this particularist, this insular, this English England, this Great Britain of yours, in brief, is not the whole of England. Everywhere in the world where you see a Parliament, you see a bit of England, for England is the mother of Parliaments. Everywhere that you meet with political democracy you have found a bit of English intellectual territory, for England was the first in this world of ours to evolve the ideals of democracy. And everywhere on this planet where the ideals of the liberty and dignity of man, of tolerance, of respect for individuality and the inviolability of human rights are held in honour, the cultural heritage of England is there, and you are NOT looking at a foreign land, but upon that Greater England which is the home of the majority of civilised mankind. Every struggle for the preservation of democracy is simultaneously a struggle for that Greater England, for that spiritual realm which extends far beyond the frontiers of Great Britain herself. That struggle—or to express it more pacifically—that evolution of the world, will decide the fate of certain principles, values and ideals in which the soul of England finds expression. Today their preservation or their destruction is actually at stake. I would say that the shores of England begin wherever the value of liberty finds application. There are many Dovers in this world, but you must seek them on the moral map of the world."

—From a talk given by Carol Kapek, a Belgian professor, over the B.B.C.

NEWS AND VIEWS

WEDNESDAY, 29th JANUARY.

Following his appointment as Director-General of the British Purchasing Commission, Sir Clive L. Baillieu has resigned his position as chairman of New Broken Hill Consolidated Ltd., the Zinc Corporation Ltd. and Imperial Smelting Corporation Ltd. Mr. J. R. Govett has been appointed in his place in each instance. Sir Clive Baillieu remains a director of the three companies, and has been granted leave of absence.

An investor who expended £1600 in buying 1000 Broken Hill Pty. shares at 32/- at the peak of the market in 1929, and exercised all subsequent rights, would now have 3280 shares costing him a total of £3100. The market value today of his holding would, be approximately £7400, showing a capital appreciation of £4300, or about 40 per cent.

Mr. J. Cranwell, chairman of the Commonwealth council of the Amalgamated Engineering Union, said the union was concerned about the increased taxation burden which had been placed upon the workers, but it would not ban overtime, because it would be able to supply any labor for the introduction of three shifts. The decision applies to 35,000 members throughout Australia.

THURSDAY, 30th JANUARY.

The Minister for Labor (Mr. Holt), said that unemployment was a challenge to the resourcefulness and statesmanship of the Government, but it was not an insuperable problem.

The Acting Prime Minister, Mr. Fadden, vigorously replied to critics of the Government's taxation measures.

"Not a day has passed, Sundays included," he said, "but that I have had to listen to protests against the higher taxation imposts. I personally cannot amend a single budgetary proposal. Parliament agreed upon the proposals, to which the Government is now giving effect, and only Parliament can rescind or vary those proposals in any way.

(Parliament will rescind or vary any proposals, should the electors unitedly bring pressure upon their respective representatives in Parliament.)

"No one objects to fair criticism, but today there are several persons in the community, including some in highly responsible positions, who apparently delight in making public criticisms of what the Government has done, intends to do, or should do, without pausing to learn the real facts. While I am a member of the Government or of Parliament I will strenuously resist any attempts to stifle legitimate criticism of Government actions. Everyone is entitled to his or her views on finance. What I do object to is this continuous sniping at certain actions taken by the Government.

"Let us never relinquish our Freedom of speech or of criticism, but in these perilous times let everyone in the community resolve to give the Government a square deal. We will not let you down, but in the interests of a united war effort and in the interests of the nation, let us banish from our midst those snipers. Such critics, instead of being constructive, are doing a great disservice to Australia."

Fruit growers and shippers protested against the acquisition of crops by the Apple and Pear Board. Growers are not getting their cost of production. The public is not getting a fair price, and the "plan" will bring ruin to a number of growers, they said. The State had been divided into four sections in each of which one shipper had control with unwritten Government approval. It was stated that Mr.

Menzies had promised that there would be no compulsory acquisition this year without first having a ballot by the growers. This had not been done. Not a "hole in the road," but a hole in the bridge across Gardiner's Creek was discussed at a protest meeting of Glen Iris ratepayers. They appointed a deputation to request Malvern and Camberwell councils to build a new bridge.

(These ratepayers should be reminded that councillors are elected on the basis that they will serve the ratepayers, and the ratepayers who vote for them should hold "their servants" personally responsible for the attainment of the results they want.)

"The trade union movement is wondering whether the child endowment question will not resolve itself in the manner of national insurance," said Mr. Crofts, Secretary of the Australian Council of Trade Unions. "When he resigned from the Lyons Government, Mr. Menzies gave as his reason the failure of the Government to proceed with the national insurance legislation, but when he became Prime Minister and was asked what he intended to do about it, he replied that he was not going 'to pick up a corpse left on his doorstep by the previous Government."

The Premier, Mr. Dunstan has been ordered a month's rest by his doctors. He has been in the Victorian Parliament just over 20 years. Mr. Lind, acting Premier, attended the Loan Council at Canberra today.

All applications for licences to operate a road service between Melbourne and Phillip Island, over the new San Remo Bridge, which connects the island with the mainland, were refused by the Transport Board yesterday.

Phillip Island Shire Council opposed a road service, because the shipping company might consider discontinuing its Stony Point-Cowes service.

The railways asked that the applications be refused. If a road service were granted the railway service to Stony Point would be affected seriously, and might have to be closed.

Mr. J. Spicer (for an applicant) submitted that the island should have facilities similar to those of other holiday resorts. Visitors and residents should have the advantage of being able to travel all the way between Melbourne and Cowes by motor vehicle.

FRIDAY, 31st JANUARY.

The Shepparton Tomato Growers' Association was notified by Professor Copland that he regretted he could take no action as the price regulations related to maximum prices only.

Speakers, including parliamentarians and a representative of the A.N.A., stressed the urgency of decentralised industry at Australia Day meeting held in Castlemaine.

Speaking at the opening of additions to the plant of Bonds Industries Ltd. at Wentworthville, Mr. Harrison urged a conference of Federal and State Governments to draw up a plan for post-war decentralisation. He said that with the co-operation of State Governments and local government bodies, the transfer of industry to country centres could easily be arranged.

Senator Cameron, of the Labor Party, said the Government was to blame for alleged sniping. It preferred to govern by regulations behind closed doors. The remedy was to call Parliament together immediately.

Mr. J. P. Abbott, M.P., said at the N.S.W. Country Party conference that "unless Federal Parliament got rid of the rotten party spirit down there at Canberra"

(Continued on page 8.)

PUBLIC PROTEST MEETING AGAINST TAXATION AND N.S. REGULATION

A public meeting, convened by the Citizens' Rights League at the Scots Church hall, Melbourne, on Tuesday, launched a campaign against unnecessary taxation and the recent regulation to stifle criticism of the Government's financial proposals.

Mr. J. McKellar, J.P., gave a comprehensive address on the subject of national finance; he pointed out that taxation was inevitable under our present system of borrowing from private financial institutions; also the futility of sections of the community trying to merely shift the burden of taxation on to other sections. Strong opposition to the recent regulation against criticism of financial measures was voiced from the audience. The following manifesto has been adopted and is being circulated by the League:

CITIZENS' RIGHTS LEAGUE MANIFESTO

THE CITIZENS' RIGHTS LEAGUE is composed of loyal, responsible individuals, who believe that in association they can obtain what they in common desire. They are keenly aware of the gravity of the international situation, and fully believe in the justness of our cause; which seeks to destroy dictatorship under which citizens are regimented and compelled to obey Parliament — which is the very opposite of their conception of democracy.

NON-PARTY ASSOCIATION. — The league is a politically active, but non-party body, which seeks to place personal responsibility on individual political representatives — irrespective of party affiliations — and to use the pressure of votes to obtain the required results. We believe it is the function of citizens to advise their representatives of the results required — and that it is then the duty of Parliament to give effect to such directions.

CONSTRUCTIVE PROPOSALS. — We desire to point out that the authority, which guides us to the knowledge that what we seek can be accomplished, and that the necessary power and facilities exist to give effect to our proposals, is the Royal Commission on Banking. This Commission consisted of leading judicial and financial experts, whose knowledge and integrity should be beyond question.

IMMEDIATE OBJECTIVE. — It is obvious that our present system of national borrowing from private financial institutions is the primary cause of taxation. This is self-evident from the fact that over half of all taxation is required to pay interest charges only — and that this amount equals £52 million annually. As a constructive proposal supporting our claim for the repeal of unnecessary taxation, we insist that the Federal Government use the power and the facilities referred to in Paragraph 504 of the Report of the Royal Commission on Banking and we point out that this would immediately save the taxpayers £52 millions per annum. We further insist that this saving be used to reduce taxation on all incomes below £1500 per annum and to progressively reduce indirect taxation, commencing with the sales tax. We appreciate that indirect taxation is the most insidious of all.

TAXATION PRINCIPLES. — Expressed very briefly and simply taxation (direct and indirect) may be described as a governments mechanism, backed by legal sanctions, for reducing the people's spending power and their standards of living. Less than half the money so taken is used for governmental purposes, while the remainder is collected on behalf of private financial institutions — to meet their interest charges

These charges are quite unnecessary, because the Commonwealth Government, under Section 51 (a) of the Constitution, has sovereign power to issue its own financial requirements. It has its own banking facilities, which could be used to save this £52 millions per annum. It is obvious that whoever controls this mechanism can inflict their will on the citizens, and that citizens themselves must see that it is operated in their interests as a whole. Business men in particular should realise the danger of this power whereby Governments can serve taxation demands on them at will, irrespective of their ability to pay.

WAR FINANCE. — Having clearly in mind the present war conditions, we point out that such conditions naturally call for large amounts of new money, and we emphasise the fact that there is no need to let private trading banks create this and charge it up to the Government: having in mind that the Government can create its own needs free of interest charges. In reality, wars are not fought with money from taxation, nor are they fought with savings in the form of citizens' loans. Actually, they are fought with guns, 'planes, ships and human lives; money being simply a token by which these things are inadequately measured. The resources of nature, plus the accumulated scientific achievements of man produce these things — not money, which in the last analysis is merely pieces of metal and paper with figures on them. These tokens, it should be remembered, can be created by the Government without interest charges or increased taxation.

VICTORY WITHOUT DEBT. — Wars are always paid for in terms of physical effort, when they are waged, and it is illogical to tolerate the practice of usury, which leaves a financial debt to private moneylenders, who neither fight nor produce. It is our duty to see that our fighting forces are not enslaved to the financiers' debt system, as they were after the last war. Let it be remembered that the financial institutions received approximately £900 millions in interest since the last war, and that, despite this, the national debt has increased to £1400 millions. This is the cause of our present crushing taxation. In the interests of Australia we must see that it does not happen again.

OUR NATIONAL WEALTH. — It will be of special interest to the business community to learn that our national real wealth, as distinct from money tokens — consisting of mineral deposits, primary production, irrigation and electrification services, roads, houses, cattle, machines, etc., etc. (excluding overseas investments and

valuation of Australian citizens), has been conservatively valued by Mr. D. J. Amos, F.A.I.S., of Adelaide, using official statistics, at more than £7004 millions (£7,361,000,000), as at 30/6/39. This is several thousand millions in excess of public and private liabilities, and exceeds £1000 worth of assets per head of population, including all women and children. Other earlier valuations, made by reliable authorities on such matters, confirm the figure given by this expert investigator. Notwithstanding this colossal asset, we have only £60 millions of "real" money (legal tender or legally authorised currency), while we also have approximately £600 millions of unauthorised currency in the form of bank credit (cheque money), which is deposited with the savings banks and the trading banks. The banks have issued about £600 millions of unauthorised currency, which functions as a substitute for money, and thus evades the counterfeiting laws. It is on THIS kind of money that we pay interest to private banks by way of taxation; it will also be seen that our physical assets exceed our money supplies by more than £6000 millions. The Federal Government could, and should, monetise some of this excess of assets as an alternative to taxation. Providing this was done without interest charges, it would constitute using the national credit on behalf of the people.

CENTRALISATION EVIL. — There is a growing conviction in the community, especially among those loosely called the middle-income group, that they are not adequately represented in Parliament, and that their destiny is dictated by a small financial oligarchy which aims at centralising power in the hands of a few monopolies. Such convictions are well founded, and also the view that they work their will by dividing the people into groups and classes, and get them fighting among themselves for sectional benefits; the aim of the "Citizens' Rights League" is to defeat this plan by uniting the people on common objectives — in this instance to oppose unjust and unnecessary taxation and the centralising of power which can only lead to "Hitlerism" in Australia — this must be resisted at all costs.

LIBERTY AND CULTURE. — An important phase of our activities is maintenance and extension of the maximum liberty and facilities for the cultural development of the individual; we accept the philosophy that man does not live by bread alone, and that systems were made for man — not that man was made for systems. We also agree that war conditions is not a sufficient reason for interference with these rights; indeed, we point out that these are the fundamentals for which members of our fighting forces are laying down their lives. It is a regrettable fact that a few of our political deputies, as evidenced by recent coercive regulations, are apparently determined to subject the individual to unnecessary regimentation — this is a most undesirable attitude, which should be promptly checked.

INDIVIDUAL INITIATIVE. — Each member of the League can carry on the work of the League in his or her own immediate circle, thus decentralising the activities; they can form provisional committees in as many centres as possible, using this manifesto as the basis of operation and keeping headquarters advised of their activities. A copy of the constitution and the nature of the organisational plans may be obtained from the secretary for guidance "Letter forms" containing the specific directions to be served or Parliament, along with further

literature developed, may be obtained also.

BETTER SOCIAL ORDER. — The League appreciates the importance of reconstruction, which must follow the present chaos, and we suggest that it provides the machinery to accelerate the inauguration of the "BETTER social order" as distinct from that abstraction, the "NEW order," of which so much is heard. We call upon all citizens to join us and play a part in awakening our fellow men to the importance of this task. We commend to them our motto — "Act Now."

* * * *

MEMBERSHIP FORM.

The Secretary, "Citizens' Rights League," 169 Walsh Street, South Yarra, Victoria.

Dear Sir,

I am in complete agreement with your manifesto, and I am prepared to play my part in achieving the objectives of the League. I herewith forward my annual subscription of 2/6.

Signed.....
(Block letters.)

Address.....

Phone.....

* * * *

"LETTER FORM."

(To be signed and sent to Members of Federal Parliament.)

To Mr. M.H.R.

Date

(Address to: Parliament House, Canberra, A.C.T.)

Dear Sir,

In association with my fellow-citizens, I direct you, in your capacity as my Federal Member for electorate, to forthwith press in the House the following:

- (1) That the amount of £52 millions per annum now taken by taxation to pay interest on money borrowed from private financial institutions shall be immediately and equally applied to reduce taxation on all personal incomes below £1500 per annum, and to progressively reduce indirect taxation, commencing with the elimination of the sales tax.
- (2) That immediate remedial action be taken to liquidate loans from private financial institutions, thus eliminating the cause of unnecessary taxation.
- (3) To obtain the necessary finance to give effect to these proposals from the Commonwealth Bank, free of interest charges, using the power and facilities indicated by the Royal Commission on Banking.

Please understand that I am holding you personally responsible in this matter.

Yours faithfully,

Signed

(Block letters.)

Address.....

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(Copies of the foregoing Manifesto and "Letter Form" are obtainable from: The Secretary, "Citizens' Rights League," 169 Walsh Street, South Yarra, Victoria.)

CHARLES DICKENS ON BUREAUCRACY

SOME SATIRE FROM THE PAST

By ERIC D. BUTLER.

Some people suggest that one is rather old-fashioned when one talks about some of the great writers of the past, such as Charles Dickens. It is rather unfortunate for our civilisation that greater heed was not paid to some of these men when they attempted to show their fellow citizens the many social wrongs requiring attention.

Dickens has certainly had a tremendous influence on English thought; his attacks upon the then-existing social conditions in England are familiar to the English-speaking world. He may have exaggerated to teach a moral; but, for all that, he portrayed the common people with a realistic pen. It is a pity that he is not with us today.

I have been re-reading "Little Dorrit," and think that Dickens's chapter in this novel on the science of government is worthy

of careful reading. What he wrote so many years ago, applies with greater force than ever today. It is impossible to quote the whole of the chapter, but the following extracts should commend themselves to readers:—

THE CIRCUMLOCUTION OFFICE

"The Circumlocution Office was (as everybody knows without being told) the most important Department under Government. No public business of any kind

Dickens clearly perceived, even back in his time, that a change of politicians does not necessarily mean a change in results for the people. Unfortunately the financial cause of social evils was not clearly recognised in those days. To quote further: "It is true that How not to do it was the great study and object of all public departments and 'professional politicians all round the Circumlocution Office. It is true that every new premier and every new government, coming in because they had upheld a certain thing as necessary to be done, were no sooner come in than they

" 'May I inquire how I can obtain official information as to the real state of the case?'

" 'It is competent,' said Mr. Barnacle, 'to any member of the—public,' mentioning that obscure body with reluctance, as his natural enemy, 'to memorialise the Circumlocution Department. Such formalities as are required to be observed in so doing, may be known on application to the proper branch of that Department.'

" 'Which is the proper branch?'" "I must refer you," returned Mr. Barnacle, ringing the bell, 'to the Department itself for a formal answer to that inquiry.'

Much more could be quoted, but I have not the space. I urge the reader to read this chapter from "Little Dorrit" for himself.

However, before concluding, I cannot resist quoting the following gem:

" 'I beg your pardon. How shall I find out?'

" 'Why, you'll—you'll ask till they tell you. Then you'll memorialise that Department (according to regular forms which you'll find out) for leave to memorialise this Department. If you get it (which you may after a time), that memorial must be entered in that Department, sent to be registered in this Department, sent back to be signed by that Department, sent back to be countersigned by this Department, and then it will begin to be regularly before that Department. You'll find out when the business passes through each of these stages, by asking at both Departments till they tell you.'

" 'But surely this is not the way to do the business,' Arthur Clennam could not help saying. 'This airy young Barnacle was quite entertained by this sim-

(Continued on page 7.)

Here, There and Everywhere

(Continued from page 1.)

conditions and try to force human beings to conform to them.

* * *

After reading the increasing bally-hoo from "Gard's Own Country," it was surprising to read the following item from the New York "Sun": "It is a good thing to remember that the United States is getting a great deal in return for what it is doing to aid Britain's war effort. Major-General James E. Chancy, who recently returned to New York from an observation trip to England, points out that the United States Government is receiving for nothing from the British Government technical information and scientific data 'worth hundreds of millions of dollars.' Without this information, based on war experience, which the Government passes on to designers and manufacturers, the U.S. should today be arming with obsolete weapons."

* * *

The closer relationship between America and Russia is a significant feature of the international situation at the moment. Although Roosevelt was "horrified" when Russia attacked Finland he has apparently forgiven Joseph Stalin and Co. A recent press report states that America is making a gesture to the Soviet by lifting the moral embargo applied at the outbreak of Russia's attack on Finland. A further increase in American exports to Russia, which may be ultimately traded to Germany, can be expected. You DO see the advantages of being a "nootral" in this war, don't you?

* * *

Like us, Greece has two enemies: The military enemy in front and the financial enemy in the rear. In the Melbourne "Sun" of January 30, the following extract appeared in the report dealing with the death of General Metaxas, Greek Prime Minister: "Mr. Alexander Corizis, former head of the Greek National Bank, has been appointed Premier. (The report doesn't say who appointed him).... The new Premier is 51. He has been Governor of the Bank since 1939, and was Minister for Health in the present Government. He has held many important posts connected with banking and economics."

It can be confidently anticipated that there will be no alteration to

the debt-and-taxation system in Greece.

* * *

"Reform of Debt Collection. U.A.P. Leader Urges End of Racket." I was rather startled to read these headlines in a recent issue of the Melbourne "Sun." However, upon reading further, I saw that Mr. Holloway was only talking about the "debt-collecting hawks" which the present financial system breeds. He didn't mention the financial hawks who tax the people's earnings to meet the interest charges on a perpetually increasing national debt.

* * *

The following is from the Melbourne "Herald" of January 31: "Nazi Influence in U.S. Industry, New York, Thursday. —The Department of Justice announced today that it had 'startling evidence' of German influence in domestic industries that were essential for the defence of the United States. The Federal Grand Jury, which is investigating defence bottle-necks, today returned indictments charging the Aluminium Company of America, the Combined German Dye Trust and other companies, with having attempted to produce a situation in which Germany got at least four times as much magnesium a year as the United States."

If this is correct, I would like to know how this magnesium is being sent to Germany. The press has been trying to infer lately that Russia wasn't sending material from America to Germany. Waal, waal!

* * *

The following report from the Melbourne "Sun" is evidence that both Hitler and Mussolini have "only bent the Jewish financial system without breaking it": — "To finance its war effort, Italy evidently has been obliged to borrow at far higher interest rates than Germany, whose most recent bond issue was at 3½ per cent; or Britain, whose maximum rate is 3½ per cent. says The Times' correspondent on the Italian frontier. According to the Italian Official Gazette, a new bond issue in mid-February, the first since Italy's entry into the war, will bear five per cent. This announcement explains Signor Gayda's repeated attacks on the small clique of unpatriotic speculators throwing the market into an unhealthy state by booming commercial stocks as preferable to State securities."

applied their utmost faculties to discovering How not to do it. It is true that from the moment when a general election was over every returned man who had been raving on the hustings because it hadn't been done, and who had been asking the friends of the honourable gentlemen in the opposite interest on pain of impeachment to tell him why it hadn't been done, and who had been asserting that it must be done, and who had been pledging himself that it should be done, began to devise, How it was not to be done." (Mr. Curtin, today, for example.)

"... It is true that the royal speech, at the close of such session, virtually said, 'My lords and gentlemen, you have through several laborious months been considering with great loyalty and patriotism. How not to do it, and you have found put; and with the blessing of Providence upon the harvest (natural, not political), I now dismiss you.' All this is true, but the Circumlocution Office went beyond it."

HOW BUREAUCRACY FUNCTIONS

Those unfortunate individuals who have endeavoured to obtain any satisfaction from our increasing modern Government bureaucracies will find the following lines from Dickens most appropriate:

"It being one of the principles of the Circumlocution Office never, on any account whatever, to give a straightforward answer. Mr. Barnacle said, 'Possibly.'

" 'On behalf of the Crown, may I ask, or as a private individual?'

" 'The Circumlocution Department, sir,' Mr. Barnacle replied, 'may have possibly recommended—possibly—I cannot say, that some public claim against the insolvent estate of a firm or co-partnership to which this person may have belonged, should be enforced. The question may have been, in the course of official business, referred to the Circumlocution Department for its consideration. The Department may have either originated, or confirmed, a minute making that recommendation.'

" 'I assume this to be the case, then.'

" 'The Circumlocution Department,' said Mr. Barnacle, 'is not responsible for any gentleman's assumptions.'

ONIONS

It is said that in Germany food rations are, on occasion, cut down more than is strictly necessary in order that the government may later have the kudos of relaxing them and benefiting by the improvement in that elusive quantity, morale. The antics of Britain's Ministry of Food are not always those of an organisation concerned primarily with ensuring a food supply to the nation.

Mr. Hector Knowles, an onion importer of Bradford, went to some trouble to arrange to get onions from Spain after the supply from Holland was cut off. He said recently:

"I knew money would not be allowed out of England to pay for them, so I arranged a barter with wool waste of a type widely used on the Continent.

"I wrote to the Ministry of Food asking for an import licence. They refused me one, saying they could not be granted to private firms. The result was that the onions stayed in Spain and Bradford housewives were either without onions or had to pay a heavy price for the few that could be obtained.

"Had I been able to get them here, I could have sold them at 4½d. per lb., and then been well repaid. I could have supplied all Yorkshire but for the Ministry ban on licences. "It might be argued the ship that brought them was being used for bringing more vital commodities, but I should have chartered a neutral boat privately.

"The same applies to oranges and lemons. I'm afraid there is going to be a shortage of both this Christmas, but if I was allowed to do it I could get plenty.

"There is too much bureaucracy and control that isn't doing us any good. Potatoes are plentiful and I could sell well under the Marketing Board price, but they won't let me. Other dealers are in the same position of course."

— "Social Creditor."

W.A. PARLIAMENT'S FURTHER DEMAND FOR MONEY REFORM

(Continued from Last Issue.)

On November 6, as briefly reported in our "West Australian Notes" of November 29, the Legislative Assembly of that State re-affirmed its demand that the Federal Government use the Commonwealth Bank to provide adequate financial credit for national purposes "without inflation or any charge."

We considered the debate which preceded the passing of the resolution, by 28 votes to 6, of sufficient interest to our readers to warrant publishing it in full, but its length is such that we are only printing part of it in each of several issues. **The editor would welcome readers' views on this experiment.** Here is the seventh instalment from "Hansard":

Mr. McDonald (West Perth): If I may say so, with respect, the views that I hold regarding a credit expansion have been expressed by the Premier in his speech and with more authority than I can command. Therefore I do not propose to repeat the reasons he gave for the criticism he advanced of the motion. I also endorse what the Premier said with regard to the premises upon which the motion is founded. That is one of the reasons why I intimated earlier that I proposed to vote against it. As a member of a representative body, I am not prepared to proclaim to the world that Western Australia and the Commonwealth are suffering from a deplorable shortage of money, that there is ever-increasing poverty in our midst and that we are not even approaching the point of decency in our living conditions. That is not correct and I do not propose to be a party to a public declaration of alleged facts, which I think have not been correctly stated. On one point alone—on the point of living conditions—it is reasonable that we should appreciate and endeavour to improve all the deficiencies in our standards. But I consider it proper that we should also have some regard to what I believe has been real progress achieved by the Commonwealth and by this State during the last 40 years. After all, we have to remember that during the last 40 years we have witnessed the introduction of old-age pensions, invalid pensions, and vastly improved conditions for the sick in our hospitals, besides provision made on an organised basis for unemployment which we never had before, and provision to a considerable extent for the care of widows and orphans. All these things were unknown 40 years ago; and, while we have a great deal to do to improve conditions and must labour to that end, we would be foolish to paint an unbalanced picture. We must take into account some substantial advances in social legislation and humanitarian conditions which have been made during the last 40 or 50 years in Australia. I am in sympathy with the desire of the member for Murchison to explore the question of monetary reform. There is room for such reform; but I also agree with the member for Brown Hill-Ivanhoe (Mr. F. C. L. Smith) that it is extremely difficult to say how the reform is to be carried out. It is a matter for professional opinion, and even professional opinions are far from agreeing upon the steps we should take to bring about the reforms, which we all admit are desirable and should be possible. If the motion were one calling upon the Commonwealth Government to institute further inquiry into the best avenues of monetary reform then I should be fully behind the mover. But when it comes to a motion for credit expansion without cost and to the hon. member's credit, the motion clearly adds—without inflation, we have to

recollect that the Premier has already said that the Commonwealth Government, in conjunction with the States, is now pursuing that doctrine. It is already providing for limited and prudent extension of central bank credit suitable to the circumstances of the times. By passing this motion, it seems to me we shall convey to the public at large a suggestion that people are entitled to be uneasy about the control of our monetary system, such as it is today. We would cast a reflection upon the Federal Government and upon State Premiers for the part they are playing in the control of our financial system. At the present time that reflection is undeserved. I am not prepared to say that we can safely extend central bank credit beyond the limits to which it has gone today; and I do not propose to support a motion which may convey to the general public the impression that something of this kind can be achieved, whereas in fact possibly nothing can be done except what is already being done.

I want to say a word or two about the extension of credit in New Zealand, because that has been referred to and we are guided a great deal and perhaps instructed by the example of New Zealand. But the latest budget of the New Zealand Government was regarded in the Dominion as being notable for one circumstance, namely, that it provided for practically no additional finance for the war by means of central bank credit. It had been New Zealand's policy for many years to use what it called costless credit, the only charge for loans being, I think, 1¼ per cent, to cover the cost of bookkeeping and other charges of the central bank. Under that system, New Zealand expanded central bank credit to some £10,000,000 or £12,000,000. I have not the latest figures and so speak subject to correction. It was thought that when war broke out the same policy would be pursued on perhaps a much larger scale; but in a recent speech made by Mr. Nash, the very able Treasurer of the New Zealand Government, he very strongly condemned the idea that central bank credit could be used to finance war expenditure to an unlimited extent. It has been remarked by financial journals that so far from increasing central bank credit for war expenditure, the latest New Zealand war budget—the budget of expenditure for the current financial year—has been remarkable for the very limited reliance placed upon expansion of central bank credit. The example of New Zealand is not unworthy of some consideration, because we would not be wise in discouraging the efforts of our Commonwealth and State Parliaments in the steps they are taking to meet the present emergency. On consideration, they may be doing as well and even better than other countries. The latest official bulletin

of the New Zealand Reserve Bank drew attention to the fact that the New Zealand Government is paying appreciably greater interest on Government loans than is Australia. That is a circumstance, which the New Zealand Reserve Bank apparently considered reflected more favourably upon Australian Governments than upon the New Zealand Government. So there are definite limits—without traversing the subject further—to the extent to which central bank credit can be used, and I think those limits are being reasonably observed by the Commonwealth and State Governments at the present time. I would not feel satisfied to support a motion, which would convey to the public that a great deal more could be done than is being done today.

Now just a word or two on the question of interest. The mover of the motion has very understandably made it a feature that the financing of the country should, as far as possible, be accomplished without the payment of any interest. We would all very much like to achieve that. I agree with him that the interest burden is something that will have to be reckoned with in future. I think some reform must be undertaken in order to meet this burden, which is laid not only on private individuals but also on Governments and the people at large. But if we are to abolish interest or reduce interest, it must mean some very radical changes in our monetary and economic system. I do not propose to enter upon a discussion of that subject because it is a very extensive one, and so far as I can judge, the abolition of interest could not be accomplished except by the introduction of the single tax on land and by the introduction of some such principles as have been advocated by the very eminent German economist Gesell. Those would be fundamental changes in the whole economic and financial system of

the country, and they could not be undertaken at this time when we are engaged in a war for our existence. When we have met the immediate emergency, when we have solved the immediate problem, which is whether we are to survive to discuss these questions ourselves, then I agree with the member for Murchison that the time will have arrived for the most urgent inquiry to be made as to whether we cannot bring about changes in our economic system to meet the very grave objections he has mentioned as regards interest and the obligations for principal, and in order to make a real advance in the social conditions not only of the primary producers but also of all the people of the community. In principle I support the idea that, as soon as we are in the position to do so, we should try to establish a better system, but for the reasons I have mentioned, I do not feel justified in supporting the motion.

(To be continued.)

CHARLES DICKENS ON BUREAUCRACY

(Continued from page 6.)

licity in supposing for a moment that it was. This light in hand young Barnacle knew perfectly that it was not. This touch and go young Barnacle had 'got up' the Department in a private secretaryship, that he might be ready for any little bit of fat that came to hand; and he fully understood the Department to be a politico-diplomatic hocus pocus piece of machinery, for the assistance of the nobs in keeping off the snobs. This dashing young Barnacle, in a word, was likely to become a statesman and to make a figure."

In other words, bureaucracies are established for the purpose of preventing things from being done and to smother the electors in red tape. Times haven't changed much since Dickens wrote—unless it be for the worse.

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The above are obtainable from the "New Times Box 1226, G.P.O., Melbourne

NEWS AND VIEWS

(Continued from page 4.)

there was a danger that this country would face the kind of dangers from which France had suffered. Australia could not have a proper war effort unless people were prepared to forget the party spirit.

A meeting called by Frankston and Hastings Shire Council and the Fruit growers' Defence League, was attended by several hundred fruit growers from all over the Mornington peninsula. Speakers said that if growers did not get rid of the Apple and Pear acquisition scheme, it would get rid of them.

(The scheme passed through Parliament on the votes of Parliamentary representatives of producers and consumers. The growers should unite with consumers in bringing pressure upon their members in Parliament for the results they all want.)

The population of Australia at the end of September last year was 7,050,084—3,557,687 males and 3,492,397 females. In Victoria and South Australia females outnumber the males.

The Leader of the State Opposition, Mr. Hollway, is reported to have said: "I regard it as no crime, even if I do change my attitude on matters affecting taxation and social service. These are times of rapid change, and it is our intention that the U.A.P. will not only move with the times, but, I hope, be ahead of them."

The Minister of Customs (Mr. Harrison) warned manufacturers and retailers to expect further drastic import restrictions. He said that if Britain endeavoured to get commodities from countries closer than Australia, Australian exports would suffer. Therefore if our export industries were to be affected to a large degree we would have to restrict our imports from sterling quarters.

SYDNEY, Thursday. —At the annual meeting of Newcastle Wall-end Coal Company today the chairman (Mr. H. de Y. Scroggie) said that it was a strange coincidence that the total sum lost by the miners through strikes between 1928 and 1939 (£5,818,300) approximated the total capital of the fourteen coal-mining companies listed on the Stock Exchange. It was regrettable that continuity of production could not be secured. This would assure regular employment to the men and consequently good

wages, a fair price to the consuming public and a fair return to the colliery owners on the capital invested.

(The money—£5 millions odd—which the miners are supposed to have lost is a phantom. It was never born to be available, and so the miners could not pass it around to the public to buy that amount of coal. As the coal remained unsold, the colliery owners could not pay dividends with this imaginary money. But the bankers could lend the owners money (costless book-entry credit) against raw material and plant (capital goods), whereas they absolutely refuse to provide money to enable the miners or anyone else to buy food and clothes (consumable goods) unless they "work" for it. "Work" is a method of distributing money, which keeps the bankers on their pedestals—above them all.)

Saturday, February 1.

The Prahran Patriotic Society is appealing to people in the country to help members' efforts by sending gifts of fruit or tomatoes of good quality for jam making. Fruit and tomatoes should be sent to Prahran railway station, where freight will be paid to our State railways.

(There's a difference between the individual and the State, isn't there?)

The Minister of Agriculture, Mr. Hogan, said when a deputation of tomato-growers waited on him, that legislation to protect only consumers and not producers was unfair. He would get in touch with the buying manufacturers to see if better terms could be arranged.

(Apparently Mr. Hogan is blind to the fact that talk about legislation to protect consumers amounts to so much "ballyhoo." When the manufacturers prove that their increased costs must be passed on to the consumers of their products in higher prices, what then? Will the fruit continue to rot?)

Mr. H. H. Lees, secretary of the Unemployed Committee, said, a shortage of labour for fruit picking was not anticipated. The Government Labour Exchange had not received an application from growers for a single man.

At a meeting of the Victorian Sheet-Metal Workers' Union, it was moved to the effect that the union should fight for abolition of all direct and indirect taxation until interest-free money is made available by the Commonwealth Bank to finance the war effort. It was decided to print thousands of let-

ters for the use of individual electors who desire to write direct to their members of Parliament to demand this reform. Co-operation of other unions is being sought.

(We congratulate, the members of this union on their acceptance of individual responsibility in action, for which they have full support of this paper.)

The Building Trades' Federation is making arrangements for a mass meeting of building workers on the last Sunday in February to discuss taxation, National Security Regulations, and other questions.

Mr. F. K. Maher, national director of Catholic Action, said that the National Catholic Rural Movement, at the outset, was considerably handicapped by people who were not prepared to take risks. That had now changed. The "Advocate" writes: "The investigations and discussions of the Catholic farmers of the Rural Movement have shown that the problem of the land in Australia is not due to isolated accidental causes which can be solved by enlightened political and economic measures, but is an in-

HEAR**JOHN HOGAN**

on

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in the

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tegral problem, involving education, social life, finance and agricultural technique and many other elements, all of which are closely inter-related."

The State secretary of the Iron Workers' Union (Mr. B. Flanagan) said that the overtime ban had been effective, but the ironworkers were not prepared to fight the battle single-handed. Other unions apparently were not prepared to carry out the wishes of the rank and file in opposition to the taxation on overtime.

The Co-ordinator of Works (Sir Harry Brown), said he could not but be deeply impressed by the fact that with so gigantic a demand on labour, there remained a spectre of unemployment. Even in England, where so mighty an effort was required of her people, unemployment figures were still

considerable. Government spending could be a great stabilising influence. He advocated some more flexible system in allocation of loan funds to the States for greater freedom in their works programmes.

The Metropolitan Gas Co. reports substantial increases in costs of all raw materials.

On January 13, the total issue of Commonwealth notes amounted to £63,869,444. The banks held £15,163,479, and the public held £48,705,965

It is now considered almost certain that the Prime Minister, Mr. Menzies, will visit America after his discussions in Britain on the development of industry in the general war effort, and certain aspects of post-war planning.

The chairman of the Metropolitan Board of Works, Mr. Jessop, stated that the present indications were that the reduction in the board's rating adopted last year would probably remain for several years at least, and that unless some unforeseen circumstances arose there would be another substantial surplus this year owing to excess water payments.

Sunday, February 2.

In a broadcast radio address, Archbishop Mannix referred to the struggle of the man on the land in peace and in war. The new order must provide not merely a decent living for soldiers—the returned men—but for all men. A new name should be found for the dole, to be given to those unable to work, and work provided for those able and willing to work. The best market you can have is the home market, not dependent upon foreign affairs, war and complications over which you have no control, he said.

The moral convictions of the British Empire of liberty and democracy must always be preserved, but recently the inheritance had been taken too lightly, Rev. P. W. Robinson said at St. Paul's Cathedral. British people were the most favoured on God's earth, but sometimes failed to realise it. Though in grave danger at present, they would fight to keep the principles of liberty and democracy. When victory came, these ideals must be established paramount forever.

Monday, February 3.

The financial editor of the "Argus" wrote: "As Victoria is the lowest-taxed State in the Commonwealth, any modification of tax rates embodying the bringing of State taxes to a uniform level concurrently with a compensatory increase in Federal taxes must press disproportionately on this State."

(Won't it be interesting for you and me to watch the "State" writhing under disproportionate pressure?)

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