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# THE NEW TIMES

Vol. 7. No. 14. MELBOURNE, THURSDAY, APRIL 10, 1941

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).

## America Has Been Helping Hitler

### Revelations in the House of Commons

How the United States of America have been indirectly helping Germany was revealed in Britain's Parliament by the Minister of Economic Warfare recently. (It is not true, however, that Mr. Churchill said America was "running with the hare while hunting with the hounds.") We sincerely hope to be able to reliably inform our readers at an early date that this activity has definitely ceased.

The following report is taken from the House of Commons Official Report ("Hansard") for January 28:

Rear-Admiral Beamish asked the Minister of Economic Warfare what official information he has of large quantities of cotton and other goods exported from the United States of America reaching Russia and later Germany; and will he give full details of such exports to Russia and say whether the shipping concerned is subject to navicerts?

Mr. Dalton: "I have little evidence that United States exports to the Soviet Union reach Germany directly, but ample evidence that the Soviet are exporting Russian goods to Germany and replacing these goods by imports from the U.S.A. United States exports of cotton to the Soviet Union, which are normally negligible, amounted, during the last quarter of 1940, to 30,000 tons, considerably more than recent annual imports into the Soviet Union from all sources. Large quantities of cotton are now being exported from the Soviet Union to Germany.

"In regard to other important commodities, exports of copper and brass from the U.S.A. to the Soviet Union rose from small quantities

before the war to 57,000 tons, and exports of wheat from negligible quantities to 100,000 tons in 1940. Exports of petroleum amounted to 114,000 tons during the first eleven months of 1940. Both wheat and petroleum are commodities of which the Soviet Government has undertaken to supply large quantities to Germany under their recent trade agreements. The value of exports of oil-drilling machinery from the U.S.A. to the Soviet Union during the first eight months of 1940 was nearly double that of the exports during the whole of 1938 and there were considerable further shipments during the last four months of the year. Shipments from the United States to the Soviet Union are not subject to navicerts since the trade routes concerned lie outside the navicert area.

Rear-Admiral Beamish: "Can the Right Hon. Gentleman say whether any representations have been made either to the United States or to Russia on this matter?"

Mr. Dalton: "We have made it quite clear to both countries concerned what are our feelings in regard to this matter. I hope that, as a result of conversations now taking place with Washington, it may be possible to take some steps to reduce this practice."

### NIGHTMARE

"Kindly sign the white form and return to Desk 14 Counter 10 Room 12 Section D Floor 7. Then bring the pink counterfoil of the yellow form and fill in as instructed on the back, age, nationality, birthplace, birth time, occupation of parents, whether single, married or a widower, number of children, official or natural, and where they are being educated. Thanks. Now produce your magenta form and hand it in at Counter 15 Room 10 Section M Floor 12. The clerk will in exchange give you a red form, which you will bring back to me. Don't lose your brown form but return the counterfoil for registration and reference. Now produce your Registration Card No. 4 and attach same to White Form No. X124AB/5, retaining same for reference."

"I see."

"Where's your day sheet?"

"I...I...I...er—"

"Let's see your papers."

"Yes...er...I—"

"Oh, here we are! National Existence Form No. 4X/1456."

"I... I... I... Yes."

"Attach this form to the yellow counterfoil with your Registra-

(Continued on page 5.)

### SHOWDOWN COMING IN CANADA

After an unsuccessful initial attempt, at the Conference called to "put-over" the Sirois Report to make Canada totalitarian, Mr. MacKenzie King threatened desperate measures. These are reported in the "Edmonton Bulletin" to be as follows:

"1. Invade the succession duty field.

"2. Increase the income tax rate.

"3. Discontinue advances to the provinces to enable them to meet their maturities.

"4. Ration gasoline, thus reducing revenues to the provinces through gasoline taxation."

"But," says the "Bulletin," "before the weaker provinces are engulfed in the consequent chaos, there will be another Dominion-Provincial Conference, probably in the late spring, at which the partners of confederation will have a second chance to avert catastrophe. For the moment the smoke of the wreckage obscures the real significance of what has happened,

"The rebel provincial leaders have either gone home or are remaining here in splendid and unenvied isolation. Premier Hepburn is expected to dissolve and go to the country within six weeks."

Every device of propaganda and misrepresentation is being used by some of the Canadian papers to isolate and attack the three Provincial Prime Ministers, Mitchell Hepburn, Aberhart and Pattullo. The following is the sort of thing to be found in the press reports on the Conference:

"The prospect of provincial leaders appearing in the garments of monetary reform at this critical stage in the war, plainly takes on a sinister turn in view of plans to put on a big war loan early in the summer and to enlarge the war savings pro-

gramme. Nothing is better calculated; it is felt, to upset the war effort by knocking out the financial foundation of Canada's fight against Hitler. Since inflation is the plain alternative to the Sirois reforms, as far as Mr. Hepburn and Mr. Aberhart are concerned, there is growing conviction that Ottawa will have to launch a drastic counter-attack. Meanwhile, Ottawa is waiting for Mr. Hepburn to show his hand, following his announcement that the Ontario Cabinet would consider his plan of monetary reform."

Most outspoken of the Provincial Premiers against the Report was Mr. Hepburn, of Ontario. When asked who was responsible for calling the Conference, he said: "King unloaded the full responsibility upon Finance Minister Ilesley, Ilesley was definitely made the goat. He (Mr. King) said he was influenced by Ilesley, and Ilesley probably was influenced by the financial interests."

Mr. Hepburn followed his Highways Minister, Mr. T. B. McQuesten, who, a few minutes earlier, had declared: "Our association with this so-called conference is over." Mr. Hepburn was not spared by the press. One paper reported:

"Mr. Hepburn was choleric, ill-tempered, prone to attribute scoundrelism to other people. He indicated his drift towards rubber money by applauding Mr. Aberhart on the first day of the conference, and by coming out flat-footed against orthodox finance on the second. He did so after listening to Mr. Ilesley. He said: 'We have to get away from the orthodox system of money, and we might as well come to it now.' Mr. Hepburn's pet word, during the two days, was 'nefarious.' He closed on it—that he and his delegation would withdraw and leave the wreckers of confederation, under the guise of patriotism, to continue to carry on their nefarious work."

"So it ended.

"Mr. Ilesley's speech rocked the dissenters who appeared not to have thought that the Dominion meant any harm. But the gun was pointing right at them. It was loaded, and nobody could watch Mr. Ilesley urging his case with a suppressed livid passion, without knowing that the trigger will be pulled.

"New and higher Dominion taxation will cripple provincial taxes Dominion aid to the provinces will cease. Gasoline rationing will slash provincial revenue. The prospect for provinces is one of unrelieved gloom. There will be no complaining to Ottawa because this war-must be fought and taxpayers will pay gladly for victory.

"And so the business of getting another conference began the moment this one failed. Mr. King is ready whenever the dissenting provinces are willing to sit down at the conference table."

(Continued on page 4)

### MONOPOLIES IN U.S.A.

"Washington, April 1. (A.A.P.). —The Federal Monopoly Committee yesterday recommended the creation of a Federal charter of inter-State corporations, and the formulation of a programme to avert further concentration of economic power.

"The recommendation is made in the final report of the committee, issued yesterday, after a study which lasted almost three years.

"So great a proportion of all national savings and all national wealth has fallen under the control of a few organised enterprises that the opportunity of those individuals who will constitute the next generation will be completely foreclosed unless, by the common consent of leaders in business and Government, we undertake to reverse the trends responsible for the present crisis," the report stated.

"One objective of the study was to ascertain the causes of, and possible remedies for, recurrent business depression. In this connection, the committee opposed Government spending as a

remedy, proposing instead the encouragement of private enterprise, and the use of private capital.

"We cannot continue to rely upon Government expenditures, whether by way of contribution or loan, to sustain enterprise and private employment, unless we are willing to invite eventually some form of authoritarian State," the report continued.

"It is quite conceivable that the Democracies might attain a military victory over the aggressors, only to find themselves under the domination of an economic authority far more concentrated and influential than that which existed before the war.

"In the modern world these two organisations, business and Government—in principle designed only to serve men—have instead undertaken to order the lives of all for their own selfish interests. It is this basic fact which is the primary cause of the terrible disorder that now threatens to wreck the world."

—"Sydney Morning Herald," April 2.

## DO TAXES MAKE US RICHER?

### BUSINESS JOURNAL SAYS THEY DO

By HILTON ROSS

**Old-fashioned ideas on finance and economics die hard, and one of the hardest dying of the lot is the belief that taxation increases the purchasing power of the community. The editorial in this month's issue of "Rydge's Business Journal" dealing with the Child Endowment Scheme, despite its resemblance to a literary colander, accepts this broken-down dictum of orthodox finance without question, and forthwith proceeds to erect a brilliant epitaph to the would-be builders of our new world order. Brilliant, if it were not erected on a foundation of sand.**

Having decided that the Child Endowment Scheme, in its present form, has come to stay, the next job, apparently, is that of convincing the business man that the new tax he will have to pay is not a tax at all, and that, on the contrary, by giving something away, he is going to have more left than he had before. After carefully calculating that the payments that will be made under this scheme will total something in the vicinity of £13,000,000, all of which will be collected by some form of taxation or other, the result we are told is that "the spending power of the community from July 1 next will be increased by that £13,000,000." And in case you are in doubt as to exactly what is meant, a subsequent paragraph points out "To a certain extent the Child Endowment payments must result in a further measure of inflation."

Obviously, if you take sixpence out of one pocket, and put it in the other pocket, even a child can see that you've now got a shilling. "The sixpence you've got in one pocket, plus the sixpence you haven't got in the other pocket.

By this method, if you gave the Government everything you had in taxes, the people's purchasing power would be tremendously increased.

Yet ridiculous as this theory is, it is surprising the number of

individuals who regard it as a sound axiom of national finance, and who will blindly accept it as one of the higher mysteries of high finance, when uttered by some person reputed to be in close contact with the "upper ten" of the banking fraternity. The only reason there appears to be for this attitude, is either its adherents have become completely mesmerised by the mediaeval atmosphere of awe that surrounds the question of "money," they have never bothered to look closer into the question, and merely accept it at its face value, for the same reason, or else the link between their powers of reasoning and the primitive brain cells of the Neanderthal Sub-man has not yet been broken, and they are still mentally incapable of seeing what is an almost self-evident fact.

All these theories, however, have some tasty piece of bait attached to them somewhere to make them appear highly desirable, and in this case we have not far to look. The poor deluded and much misled businessmen, as a sop to their suspicions, are promised that they "will find added prosperity which will more than counteract their payroll tax payments . . . business turnover will substantially increase. **Business will benefit by more than the £13,000,000** a year, because as we all know, once money is placed into circulation it goes, from the home to the butcher, from the butcher to the baker, from the baker to the

shoe man, from the shoe man to the milkman, and so on in a large circle. The one pound-note finds a part in the turnover of many different types of business, and so this £13,000,000 will be turned over again and again."

In other words, you take out sixpence from the communal moneybox, and you immediately have a shilling—what you are looking at is not £13,000,000 at all, but more than £13,000,000. The actual process whereby this £13,000,000 became more than it was, is not disclosed. Of course, we can understand that it "is not in the public interest to divulge this," otherwise we might all start making our £4/19/- a week into £7/19/- a week on the same principle, which anyone can see would be very bad for the community; in this instance represented by the private money-lenders, the banks, who would find no takers for their loans and overdrafts at tempting rates of interest.

I had always thought that the stories of good fairies who made palaces and teams of milk white horses appear out of thin air with a wave of their wand were tales told to us in our childhood days, and it comes as a bit of a shock to hear grown-up and otherwise intelligent men babbling about good fairies, and magic money, that multiplies by the simple process of handing it around. This must have been one of the ideas that Hans Andersen slipped up on, and somebody ought to have put him wise to it. Yet the fact remains, that men who would never let anything be put over them in their own trade, will swallow such palpable nonsense as this without even a protest.

The most important point that "Rydge's" forgot to mention was the fact that although the "same" pound might go from the butcher to the baker, the butcher would only keep a small portion of it, and use the rest to liquidate business costs already incurred. As there is only £13,000,000 paid in endowments, then obviously there can only be £13,000,000 worth of goods bought by the families that receive the endowment, and just as obviously there will only be £13,000,000 to be shared out by the bakers and the butchers of the community. So that the only "extra" trade the business community will get will be £13,000,000 and no more. But as they had to pay the £13,000,000 in the first place, then actually they are in exactly the same place as they started from. Economists can re-divide the available purchasing power in the hands of the community endlessly, but this will not increase the volume in the slightest. The only way in which the purchasing power in the community can be increased is by putting more new money into circulation; that is, not money, which is taxed from industry and is therefore a cost on production, but money introduced from some external source.

Trade, of course, could be permanently increased by £13,000,000 per annum (by increasing the people's purchasing power by this amount), and so, over a period of years, the total would be more than £13,000,000, but that is quite a different thing from saying that in one year the business community will get more than £13,000,000 back from their "investment." A distinction, which most orthodox economists fail to make. Naturally—for the scheme as it now stands merely means that you give up £13,000,000 and get back £13,000,000—less the cost of keeping a new Government department with its staff, inspectors, etc., for operating the scheme—but the entirely erroneous impression is given in this way, that by surrendering £13,000,000 you might get 18 or 19, or even

£20,000,000 in return. A subtle difference, yet a most important one.

This idea of taxation stimulating industry and putting more money into the businessman's pocket is also shared by Mr. Holt, the Minister for Labour, so that our friend, Mr. Norman Bede Rydge, moves in distinguished circles.

Mr. Holt, as reported in Monday's "Argus," appears to have repeated, almost verbatim, the gist of Mr. Rydge's editorial, thus giving further evidence that our politicians are most certainly not the experts that they profess to be, and that they, at least, have not progressed along this line since the time of Adam Smith.

Still, as Mr. Holt is merely a servant of the people, and the people remain quite content to have this sort of twaddle put over them without giving indication of what they actually DO WANT DONE in the matter, then Mr. Holt, ably aided by his unofficial colleague, will continue to ramble along exactly as before, pulling us with him—unless the electors decide to do something about it—into either the next war, or the great Nirvana of International Finance: World Federal Union.

## THE SAME OLD STORY

Alf and I work for the same State department. . . Our day's work was over. We came home together in the tram, chatting all the while. We alighted together. It was payday. We drank together at the milk bar on the corner of the street. Alf pulled a magazine from his pocket. It was "Youth Parliament," the official organ of the Victorian Youth Parliament. We read: "It is hoped that through these pages, liberal thought will blossom into concrete practicable plans, paving the way to ultimate achievement." We really did hope for achievement, ultimately if not sooner.

We turned the pages over. On the page opposite the "Did You Know" column, we read an account of a Y.P. deputation to the Minister for Labor, Mr. Mackrell. Points especially enlarged on by speakers were payment for juveniles on a percentage basis as agreed by the Y.P. session; equal pay for boys and girls in industry; raising of the school-leaving age to 16; and abolition of night-time training. The Minister gave the deputation a very sympathetic hearing, and commented that "the Government" quite agreed that such matters as brought forward by the deputation were a necessity. The thing stopping them being put into operation, he said, was—lack of MONEY.

According to the report, the verdict of the Minister was: "You have your finger on the pulse of youth problems," but it was not clear to us whether he gave his verdict before or after he told the same old story. We called for two more glasses of milk.

After further speculation and reading between the lines we thought that a motion might be on its way to the All-Australia Youth Parliament conference, urging unrestricted action by all individuals to compel our representatives in Parliament to change "the Government's" policy, so that the money for what we want will be available to us, as when and where required. A rude individual interrupted us: "Time, gents, please," so we said "Good-night," and proceeded to our respective homes, hoping for ultimate achievement.

—Terence O'Toole.

## A BOOK YOU MUST READ

### "The Money Power Versus Democracy"

By Eric D. Butler. Price, 10d, posted

**This book is being acclaimed by readers from all over Australia as the finest exposition of political and economic democracy to yet appear in this country. A former executive of the Queensland movement, now residing in Melbourne, told a meeting of Melbourne supporters in the Centenary Hall on Sunday, December 15, 1940, that this was the best book he had read during his ten years of activity. He urged supporters to buy copies and pass them around.**

**This book will save you a lot of talk. In forty-eight pages, the author has crystallised the philosophy, history and application of democratic principles. A handbook, which every supporter should have.**

**ALSO BY THE SAME AUTHOR: "The War Behind the War." Price, 4d, posted**

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.

**"Elections Over—What Now?" Price, 6d per dozen, post free.**

A summary of political strategy. The campaign director of the N.S.W. Division of the Electoral Campaign has written as follows about this brochure: "We consider this to be a masterly presentation of vital factors, and probably the finest article that has yet appeared in any paper in this country."

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

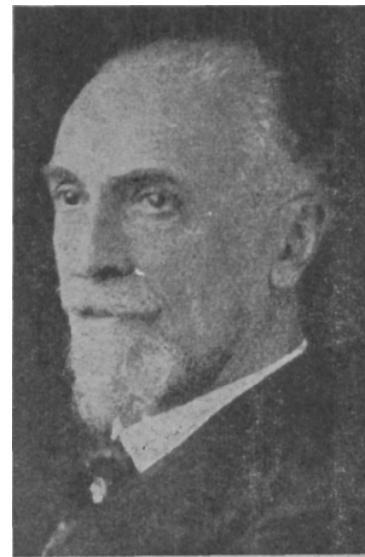
# The Enemy Within the Empire

## A Short History of the Bank of England

By ERIC D BUTLER

(Continued from last Issue.)

One of the outstanding features of the Bank of England is the manner in which its history and operations have been shrouded in secrecy. A very good orthodox history was published in 1908, but revealed nothing. Research in regard to this institution has not been simple. There are no publicly available files of the Bank of England. Since it is not a limited company, but operates under Parliamentary charters, it has no registered offices, and therefore no place where by law its accounts may be examined.



MB. MONTAGU NORMAN

**The following is a reply to one inquiry:**

"In reply to your recent letter I have to inform you as follows:

- (1) The list of stockholders published by the Bank is for internal use, and is available to proprietors of Bank Stock only.
- (2) The Bank has no status or Articles of Association; their constitution being based upon a Charter of 1694 and various Acts of Parliament, of which the chief is that of 1844.

"I may mention that a Statistical Summary, compiled by the Bank of England, has recently been made available at an inclusive charge of 12/- per annum, payable in advance.

RONALD DALE, Secretary."

One of the most remarkable facts about the Bank is that it assesses its own profits for Income Tax. The following extract is from the British "Hansard," dated June 13, 1940:

"Mr. Stokes asked the Chancellor of the Exchequer whether he is aware that the Bank of England assesses its own profits for Income Tax; and whether he will take such steps as may be necessary to have them assessed by an independent authority?"

"Sir Kingsley Wood: I would refer the hon. Member to Section 68; the actual computation of liability is subjected to examination and check by the officers of the Board of Inland Revenue.

"Mr. Glenvil Hall: How can they make an assessment if they do not issue a balance-sheet?"

"Sir Kingsley Wood: That is another matter."

It was by Section 24 of the Income Tax Act, 1842, that the Bank of England, a private institution, was empowered, to assess and tax itself with no other person or body in control.

The present authority for this is contained in the Consolidation Act, the Income Tax Act, 1918, Section 68, from which I quote the opening paragraphs:

"For the purposes of assessing and charging Income Tax and in the cases mentioned in this Section, the following persons shall be commissioners, and shall have all the powers of the general commissioners for that purpose, and shall make assessments under and subject to the provisions and rules of this Act, that is to say:

- (1) The Governor and directors of the Bank of England and Bank of Ireland respectively, in respect of interest, annuities, dividends and shares of annuities, and the profits attached to same, payable to either bank out of the public revenue of the United Kingdom;
- (2) The Governor and directors of the Bank of England and of the Bank of Ireland respectively, in respect of:
  - (a) Interest, annuities, dividends and shares of annuities, entrusted to either bank for payment;
  - (b) Profits or gains of either bank chargeable under Schedule D;
  - (c) All other interest, annuities and dividends, and salaries and pensions payable by either bank; and
  - (d) All other interest profits chargeable with tax arising within any office or department under the management or control of either bank."

These important concessions not only indicate that the Bank has something to hide; it is definite evidence that the Bank of England has power over the British Government.

**THE MACMILLAN INQUIRY**

The Macmillan Committee was appointed by a Labour Government in 1929 "to inquire into banking, finance, and credit, paying regard to the factors, both internal and international, which govern their operation, and to make recommendations calculated to enable their agencies to promote the development of trade and commerce and the employment of labour."

The list of members on this committee is particularly interesting:

- The Rt. Hon. Lord Macmillan (Chairman)—Lawyer.
- Mr. Ernest Bevin—Trade Union Official.
- The Rt. Hon. Lord Bradbury—Treasury Official; President, British Bankers' Association.
- The Hon. R. H. Brand—Managing Director, Lazard Bros., Merchant Bankers; Director, Lloyds Bank; Vice-President, International Financial Conference, League of Nations, 1920; member of Expert Committee advising German Government on stabilisation of the mark, 1922.
- Professor Theodor Emanuel Gugenheim Gregory—Bankers' orthodox economist.
- Mr. J. M. Keynes—Orthodox economist; Treasury, 1915-1919; Principal Representative of Treasury, Paris Peace Conference, 1919.
- Mr. Lennox B. Lee—Chairman, Calico Printers' Association; member of Advisory Council, Board of Trade; President, Federation of British Industries, 4929.
- Mr. Cecil Lubbock—Director, Bank of England.
- The Rt. Hon. Reginald McKenna—Chairman, Midland Bank since 1919; Chancellor of Exchequer, 1915-16.
- Mr. J. T. Walton Newbold—Fabian Society, 1908; Independent Labour Party, 1910; Plebs League, 1917; left LL.P. to join Communist Party, 1921; member of the Executive, Labour Research Department, 1922-26; Member of the

Executive of the Communist Party and Communist International, 1921-23; resigned from Communist Party and International, 1924; Labour Party candidate (Epping), May, 1929.

Sir Walter Raine—Coal exporter; ex-President, Association, British Chambers of Commerce; ex-Chairman Coal Exporters' Federation of Great Britain.

Mr. J. Frater Taylor—Associated with various industrial undertakings in England, India, Canada, U.S.A.; Director, International Power and Paper Co., Newfoundland; Director, Canadian and Foreign Investors, Ltd.

Mr. A. A. G. Tulloch.

Sir Frederick Leith Ross—Entered Treasury, 1909; British Representative on Finance Board, Reparation Commission, 1920-25.

Mr. Paul Einzig, in his admiring biography of Mr. Montagu Norman, wrote: "The efforts of the Macmillan Committee to throw more light upon the machine of the Bank of England, failed almost completely. . . . Indeed, the evidence of Mr. Norman is a study in non-committal and evasive answers." However, some significant facts were brought to light.

In the September issue of the "Examiner," Mr. A. N. Field, the New Zealand author, writes as follows: "The Bank of England is controlled by a Governor, a Deputy Governor, and twenty-three directors elected by holders of £500 or more of Bank Stock, The Court of Directors is not required by law to meet more than twice a year. Sir Ernest Harvey explained that the Bank is really managed by what he called 'an Inner Cabinet,' known as the Committee of the Treasury. This Inner Cabinet consists of the Governor, Deputy Governor, and nine directors elected from among their number by the Court of Directors. The rest of the directors stay outside.

"From the questions asked of Sir Ernest Harvey, some members of the Macmillan Committee were strongly under the impression that certain powerful firms had permanently reserved seats on the Bank of England. Mr. J. M. Keynes, the economist, asked whether 'the class of merchant bankers from whom the directors of the Bank are largely drawn historically, by reason of ancient tradition, is suited to modern conditions.'"

"Sir Ernest Harvey replied that recent tendency 'has not been to follow quite the old historical tradition.' He doubted whether it would be possible to collect by any other method a body of men 'so absolutely unbiassed and disinterested in judgment,' and 'if the names of the representatives of certain firms do appear it is generally the result of seeking for somebody of the very highest financial standing in the City of London,' etc., etc.

"Mr. J. T. Walton Newbold, another member of the Committee, chipped in with a remark that: 'It is very strange how certain merchant bankers have members of their firms appearing on the Court of Directors over a period of fifty years. As fast as one goes off another comes on.' Sir Ernest Harvey replied that this was not true in recent years except in one case. Mr. Newbold rejoined that there had been a 'continuity in merchant bankers since 1889, adding, 'I checked it the other day.' Sir Ernest Harvey said: 'No, pardon me, there has always been an interval, except once.' Whether the 'interval' was in the nature of hours, days, months, or years, was not disclosed, the matter being dropped at this point.

(Continued on page 7.)

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THURSDAY, APRIL 10, 1941.

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## HOUSING SCHEMES

Last week we referred, in this column, to the housing problem. Some of our readers may have wondered why we did not go beyond a general analysis of the problem, and put forward still another housing "scheme"—or endorse one that is already functioning or proposed.

The reason is not far to seek. We consider that, **nationally** speaking, the problem goes no further than we outlined last week. We are, in fact, opposed to housing "schemes"—as the term is generally understood.

Normally, if citizens have sufficient purchasing power, they will **individually** devise their **own** housing "schemes." That is, they will each obtain a house of their **own** choosing, in a locality of their **own** choosing. Unless the object is assumed to be the stamping out of individuality, the hampering of development of personality and the imitation of the ant-heap, then the above method is infinitely preferable.

Of course, collective housing "schemes" appeal to those who delight in planning other people's lives for them—and to those who are so mesmerised about money that they accept as inevitable the phenomenon of most of the population having artificially and drastically limited purchasing-power, such "schemes," while only a crude palliative, seem to be all that can be done.

Much propaganda has reached this country, which paints a glowing picture of the housing "schemes" in New Zealand. Even accepting much of this at its face value, the fact remains that what has been done is less than was **physically** possible and, more important, one basic objection to such "schemes" again holds good, namely, that the houses, while not as standardised as might be feared, are grouped in "settlements" so that the inhabitants are branded as objects of Government "charity." And, of course, the sites for the settlements are chosen by the Government.

## SHOWDOWN COMING IN CANADA

(Continued from page 1.)

After the conference Mr. Hepburn stated that he was well pleased with the result. "The Federal Government," he said, "tried to put over a 'blitzkrieg' to force us to abandon our rights and privileges under the guise of a war effort."

The next day, under such banner headlines as, "Hepburn Urges New Money for War Needs," the press reported Hepburn's Financial Proposals. The following are extracts from his statement:

"My first proposition is that the authority for creating money, now vested by the Constitution in the Dominion Government, should not be delegated to any other authority, public or private . . .

"During this time when the very existence of the State is threatened, the Government should not be required to hire or borrow money from others and to pay high rates of interest, except that which might be termed a reasonable service charge, for the use of the very thing which the Dominion Government alone has the right to create.

"By attempting to prosecute the war, which is, in fact, a great industrial and economic effort, by means of money, either exacted at burdensome rates from the tax-

payers or borrowed at unreasonable high rates of interest, is merely to load down the Government with extra burdens which discourage and prevent an all-out participation in the war effort of the democracies.

"In time of war, governments . . . must realise that so long as the goods and services necessary for the prosecution of the war effort of the nation are available the problem of creating money to secure these goods and services is of very secondary importance . . .

"Heavy taxation is bound to grind down the producers and particularly the primary producers . . .

"An increase in the quantity of money is not of itself inflation. The problem, as I understand it, is not the issue of new currency to retire all existing bond obligations, thereby flooding the country with useless and worthless paper money, but rather to make available sufficient new currency in order to take care of the expanding requirements of wartime . . .

"This war in which we are engaged is not being waged for money and its cost will never be expressed in terms of money. The real cost will be written in terms of human sacrifice."

## CARES AND CAREERS

By FOOTLE

**Have you ever noticed what a frightful bally swiz life is when you consider it in cold blood? You know what I mean: That "stinking butt of a stale cigar" sort of depression that comes over you for no reason that you can think of, but that's proof against the latest in socks and ties and even the new barmaid.**

That's usually the time Aunt Ella chooses to ask what I'm going to do about some beastly thing or other, some poisonous activity seemingly inseparable from war. And this morning, when the whole world looked about as enticing as a boil on the neck she had the gall to prate of a career. I mean, dash it, it's hard enough when she slings off about something in particular, such as changing the canary's water or putting the sporting page back in the paper, but to suddenly start burbling about a thing like a career seems to me just about as thoroughly wet as to prate about marriage with no desirable female in the offing.

After all, when you get down to it, a career is just something that happens if your luck's in. Naturally the chappies who "arrive" never admit that; they'll always tell you they started behind scratch with a brutal step-father, or one lung, or some other unspeakable affliction. But you can't kid me. Not in the morning, anyway. Look at dear old Pongo Pyke; one of the best and all that; takes his soup properly, never picks his teeth in public and couldn't be induced to do up the bottom button of his waistcoat. So far, so good. But apart from these undoubted accomplishments and a pretty judgment in horses, what is he? Well, a rag, a bone and no hair to speak of, as the poet chappie says. All the same, he's on a board of directors. See what I mean? He has a career. He's somebody; not just "Old Pongo." I did my best to point this out to Aunt Ella.

"Look here, Aunt, dash it, be reasonable," I said. "What would you suggest? You must see for yourself that if there doesn't happen to be a career handy you just have to go without."

"Men who are men make their opportunity," snorted Aunt Ella. "Oh, well," I answered huffily, "if you've fallen for that stuff there's not much I can say. But take the most successful man today—little Adolph—he's practically admitted that he'd be selling picture postcards to the Jews in Vienna if it hadn't been for the Versailles treaty. You've got it all wrong. Its opportunity makes the man. Can you see him saving the stricken German minority in Australia? Of course you can't, because we still believe in fun without vulgarity. I mean to say, we don't mind a bit of clowning, but you don't have to give the clown a real red-hot poker to make us laugh. There may be times and places for knocking people about, but you have to have generations of training before you can do it in public."

I thought that was a notable effort on my part. But did it register? Well, I ask you.

"What on earth has knocking people about to do with a career?" demanded Aunt Ella tersely. "Why can't you keep to the point?"

"It might be very much to the point," I retorted frostily. "You'd be surprised if I took up prize-fighting. That's knocking people about—or getting knocked about, which is almost the same thing. It just depends how you look at it."

"I certainly should be surprised, almost as surprised as you. And far more surprised than if you conducted a

Punch and Judy show which also consists in the idea of knocking people about."

And, of course, at this point Pongo had to arrive on one of his innumerable leaves. Now that he's a lance corporal, he's all for the Footle career. They both agree there's nothing I'm able to do, but when I now demanded to know what sort of a career was fitted for a man able to do nothing . . .

"Politics!" said Pongo promptly. "Politics," I gasped. "Dash it, be serious. I mean to say, I've never made a speech in my life." "That's nothing," declared Pongo. "I read about a bloke the other day who sat in Parliament for years and never said a bally word."

"Besides," Aunt Ella chipped in, "you don't need to be an orator. All you need is some sort of policy."

"That's all very well," I grumbled, "but in the extreme event someone else gets the £5,000."

"Not that sort of policy, old man," Pongo explained patiently. "It's just a matter of glossing over unpleasant details and making certain promises." "Like what?" "Oh, just the obvious ones. You promise the farmers higher prices for their produce and so on." "And if they're not farmers?" "You promise to lower prices." "If they're employers. . . ." "They're interested in taxation. Say you'll reduce it. And, of course, for the employees you have to promise a rise in the basic wage—if the retiring government doesn't beat you to it."

"Wouldn't it be rather awkward if you were talking to a mixed crowd?"

"Not a bit," old man. No one takes the slightest notice of what interests the other fellow."

"But how do I know which side I'm on? I mean, according to what you say, whoever does the persuadin' has to promise the same things to the same people. How can you oppose a bloke if he's the same as you are yourself? Are you sure you've got it right? There must be a difference somewhere that you haven't spotted."

"I think you're being more than usually fussy, old fellow. Of course both sides are the same. If you don't think so, you try something new. You'd be like the chappie who tried to separate a man and his wife, who were fighting. They both took time off to kill him before resum' hostilities. Nobody expects anything of you and nobody really blames you. They guess it's just a career you're after. After all, nobody believes all the bally advertisements. If they did, the only girl with a chance of marriage would be the one in the chemist's shop."

"My dear old lad, you're just made for politics. Just think. There isn't another career in the world where you don't need some beastly qualification or other. I can't see why you hesitate. I'm sure there's one great thing in your favour you haven't thought of."

"What's that?" I asked with drooping brow.

"People jolly well have to pay a fine for abstaining."

And that's how it started. . . .

To be or not to be; blackmailer or benefactor; that is the question.

## ALBERTA'S TREASURER ON " TREASURY BRANCHES "

**Mr. Solon Low, Provincial Treasurer of Alberta, has unmasked an organised campaign to make political capital out of "grossly misleading" statements concerning the Government treasury "branches" instituted in the Province as part of the "interim" plan. At the same time he announced that the Government was preparing to expand this service.**

Mr. Low said, "All this untimely and misleading propaganda has been emanating from a small group of political antagonists to reform, who seem as yet unaware of the realities of the extremely critical situation which has developed in the world." In spite of this, he said, and in spite of the fact that the purpose and policy of the treasury branches as an essential feature of the interim programme has been explained and has been endorsed by the people of the province, "it is necessary that their statements should not go unanswered."

Mr. Low said that it had been represented to the public that the treasury branches had cost Alberta taxpayers about 336,000 dollars in the last fiscal year, and that this amount constituted a complete loss to the people.

"It is as sensible to state that because the treasury services cost 336,000 dollars there was a deficit of that amount, as it would be to assert that education services showed a deficit of 2,868,000 dollars, the agricultural services a deficit of 573,000 dollars, and so forth," said Mr. Low.

Continuing, Mr. Low said:

"In the case of all public services the justification of the cost is the value of the services to the people. The critics of the treasury branches argue that the need for economy requires the elimination of the cost of the branches. On that argument the cost of Government services in general could be reduced to nil by the simple procedure of eliminating them all—health, education, relief, debts, highway and other services.

I agree with these critics that the need for economy today is imperative. But we probably differ on the meaning of the word 'economy.' I would refer them to the Greek derivation of the word, and they will find that originally it meant 'home management.' Its correct application is 'good house-keeping as applied to the management of the entire social life.' That is the urgent need today, not only in Canada, but in every country. Nobody in their right senses could dispute that.

Is it good management to give the people of Alberta the services of treasury branches? On balance do they gain or lose by having these facilities? That is the test.

"In the first place, let us take the financial cost of 336,000 dollars. Of this amount, 86,000 dollars represented the return of taxes collected, in the form of consumer bonuses. It was no more a 'cost' than a straight refund of taxes, because everybody was eligible to get the bonus. The higher their income and the greater their purchases the more bonus they could obtain, so that they could have gained a refund in this way in proportion to the taxes they paid. Could anything be fairer?"

"Was the bonus the best way to refund these taxes? What about the remainder of the cost of 250,000 dollars? What did the people get for that? Let us now examine these questions.

By bonusing goods obtained by consumers with vouchers and by making Alberta-made goods the basis for the amount of bonus, the manufacturers and producers of Alberta-made goods obtained the benefit of a most thorough-going system of sales promotion for their products. As anticipated, the results have been quite spectacular, for, to our knowledge, a number

of manufacturing concerns have found their sales steadily expanding, and, in some cases, expanding at a rate which has taxed their productive resources. In other words, by making Alberta consumers 'Alberta-made conscious' we have boosted the development of Alberta manufactures and other products.

"This, in turn, has meant increased employment and increased payrolls. Which, in turn, has meant further increases in the demand for Alberta-made goods and so on.

"It is no exaggeration to state that as a result of the Interim programme, the people of the province—manufacturers, producers, wage-earners and everybody else—have benefited, in terms of increased business, to the extent of many times the cost of maintaining those services. This in itself has boosted revenue receipts by the Government by far more than 250,000 dollars paid out in maintaining the treasury branches service.

"That is the true picture of whether the treasury branches are an economic proposition. As yet all the people of Alberta may not have fully realised the tremendous advantages they are obtaining by these facilities. But an increasing number are doing so, as is evidenced by the number of resolutions reaching the Government, urging an extension of the interim programme in accordance with the mandate given the Government at the last election.

"As a matter of fact, the Government has been working for some months on the expansion of Treasury Branch service and the announcement will be made at an early date in response to the growing demand for such action. For the present all I can say is that in its preparation of plans for giving extended services in all branches of the interim programme the Government has kept clearly in mind these vitally important considerations:

"(1) The responsibility resting on the province to direct the development of its economy to the dominating task of making a maximum contribution to the national war effort.

"(2) The need for laying strong foundations now to meet the problems of post-war reconstruction.

"(3) The growing necessity for relieving our people—particularly farmers—of the acute economic conditions arising out of the agricultural situation.

"(4) The need to incur no expenditure which does not constitute a sound economic investment.

"(5) The importance of avoiding any action which might impair the national unity so essential at this time.

"This policy, which I feel confident will be endorsed by every responsible-minded citizen—and I hope, it will help those who have been pressing us for action to understand why the preparation of future plans has taken a little longer than might have been possible under normal conditions.

"As we move in 1941 let us stop all this political scrapping and get on with the great job before us as a united people with a single purpose—to concentrate our energies on defeating the totalitarian enemies of our country and empire, and out of victory to build a greater Canada based on an economic foundation of prosperity and peaceful progress, in which all will be secure and all will be free."

## LETTERS TO THE EDITOR

### The New Order in the Pacific

Sir,—Readers of the "New Times" should feel grateful for the information given in its last issue regarding Japan's expansionist aims in the Pacific—a matter about which there has been some doubt and apprehension; particularly in New Zealand and Australia.

The Japanese Foreign Minister has recently voiced the aspirations of his country for further territorial gains in the Pacific; and its resolve to institute a New Order in the East:—the shape, size and pattern thereof to be decided by Japan.

According to the statement quoted in your columns, the "undefined Oceania" which he claimed for Japan, is a much smaller area than that over which she now holds a mandate (and surely no one today is simple enough to imagine that she has the slightest intention of ever relinquishing it).

It is also stated "the area involved in the Japanese mandate" extends "in thickly scattered groups for 2,700 miles along the Equator and for 1,300 miles north of it." This indicates that Japan, has already gained a very extensive tract of new territory, and yet is still unsatisfied! The further extension into Oceania, "envisaged by Mr. Matsuoka in his recent statement," even though the area were less than Japan's mandated territory, would probably extend her boundaries, if not beyond Australia, at least close enough for the kiddies to make faces at each other over their respective back fences. Police Court records would prove that back fences are often the scene and cause of rather sanguinary "scraps"; particularly so, when one of the neighbours is addicted to "fence-jumping." It has repeatedly been shown that in their haste to establish a "New Order," some eager neighbours are not averse to jumping back, front and side fences, as Korea, Manchukuo, China, and sundry European and African nations can testify.

There have been many conjectures advanced as to the object of Mr. Matsuoka's visit to Japan's Axis partners. May it not have been for the purpose of congratulating Hitler on his success in turning the Maginot Line: and to enquire for details as to how it was accomplished?

Australia, by the way, also has a Maginot Line—the White Australia policy—but unless it alters its insane financial system, this line may prove to be as illusory as France's supposedly impreg-

nable fortress.

In any case, to Japan's expansionist claims, Australia might well adopt the suggestion advanced by the "New Times" and reply "You've Got It Already"; "Why the Excitement?"—Yours, etc., P.E.W., Melbourne

### What Next?

Sir,—As a result of the work of the "New Times," it is becoming more widely recognised by the people of Australia that "Socialism" and "Sound Finance" are almost synonymous terms. Although the daily press now advocates "Socialism" under different headings—i.e., Planned Economy, New Order, etc.—I would like to bring to the notice of your readers the publication of an article in "The Australasian" of April 5, 1941. It is little short of astounding. "The Australasian" is a weekly publication of the Melbourne "Argus," which has done magnificent work on behalf of the financial overlords in this country. The article is an open defence of Russia. Dealing with the Russo-Finnish war, the writer says: "If the Red Army had not taken action as it did in the winter of 1939 to push the Mannerheim Line back from Leningrad, the Soviet might have good reason to fear for its second city and its greatest port. But today no imminent danger faces its territories." Excellent propaganda photographs appear in conjunction with the article. Has the Melbourne "Argus" in effect taken the place of the banned Communist paper "The Guardian"? It would almost appear so.—Yours, etc., ERIC D. BUTLER, Melbourne.

### Nightmare

(Continued from page 1.)

tion Form No. 1. That's it. Now let me see."

"Yes....I—"

"Take this card up to Room 50 Counter 16 Desk 4 Section C Floor 2, ask the clerk to file your brown form with Registration Card No. 1 and give you a check-pass marked A2/B4. Take this to the next counter and purchase a sixpenny existence stamp, affix same to your yellow counterfoil and keep it for general inspection at the end of the month."

"Yes—Thanks awfully. Er—"

"That will be 10½d. please. Thanks. Three halfpence change."

"I—er... Where did you say? Oh yes, of course. I see. Yes."

## £37 STILL REQUIRED

### Have YOU Helped Yet?

**With this issue of the paper we make a special appeal to all those readers who have not yet contributed to our appeal for a minimum of £250. We still need at least £36/7/6.**

**A survey of the list of contributors reveals the fact that the sum of £213/12/6, which has been contributed so far, has been subscribed by a rather small number of people—in fact, in comparison with our thousands of readers, a VERY small number. If you are one of those thousands who have not yet contributed, will you forward a donation, small or large, by next post, to Box 1226, G.P.O., Melbourne? Even 1000 shillings would be £50. Further acknowledgements hereunder:**

N.C.H., Walkerville, S.A., 2/6; F.W.N.G., Clyde, Vic., 6/4; J.J.F., Red Cliffs, Vic., 5/-; "Anonymous," Berri, S.A., £1; Miss N. O'N., Claremont, W.A., 10/-; W.E.T., Wodonga, Vic., 5/-; F.H.S., Ardlethan, N.S.W., 13/4; J.D.T., Rochester, Vic., 2/6; T.M., Richmond, Vic., 2/-; B.S., Colac, Vic., 10/-; J.A.R., Yallourn, Vic., £1; J.A.S., Murrayville, Vic.,

5/-; J.T.L., Canberra, A.C.T., £1 1/-; F.C.C., Atherton, Q'ld., 10/-; J.B.T., Bayswater, Vic., 5/-; K.S., Berri, S.A., 10/-; B.C., Camberwell, Vic., 10/-; W.J.A., Murgon, Q'ld., 5/-; C.B., Murgon, Q'ld., 5/-; J.L.C., Boddalini, W.A., 3/-; H.N., Pantapin, W.V., 5/-; R.H.H., Rockhampton, Q'ld., 10/6; J.H., Teralba, N.S.W., 10/-; "Anonymous," —, 10/-.

## BANK OF NEW ZEALAND (?)

"Auckland, Monday. —A minority of the Labour Party is concerned about what it regards as the 'unwillingness' of the Government to take over the control of the Bank of New Zealand.

"The members of the minority contend that the Government must take over the bank if it is to carry out its currency control policy.

"At a recent meeting of caucus the subject was debated at great length, and it is believed that the Minister for Finance, Mr. Nash, strongly opposed the proposal. He told the caucus that the Government had no power to take over the bank.

"Finally the caucus endorsed the Ministry's financial policy.

"The appointment of a governor of the Reserve Bank in succession to Mr. Lefeaux, who retired in December, is not expected for some time. It is suggested in some Labour circles that the salary paid to the new governor will be less than £5,000 a year, which was paid to Mr. Lefeaux."

—Sydney "Morning Herald," April 1.

This article speaks for itself—only. The "S.M.H." doesn't make a habit of speaking for the people—of New Zealand or any other country. Unless of course it regards that small coterie of individuals whose names appear on the shareholders' lists of the "S.M.H.," the Bank of New South Wales, etc., etc.

It was to be expected that Mr. Nash would oppose such a motion. Mr. Nash believes in the "status quo" in respect to finance; one of those "don't touch it—it might collapse" gentlemen.

Mr. Nash says the Government of New Zealand has no right to take over the Bank of New Zealand, meaning presumably that its Ministers are in office but not in power. In other words, they are NOT the REAL Government. Then WHO IS? Mr. Nash talks about "Democracy"; one of these days he is destined to come face to face with it, and it will have something to say and something to do which will make him think all the astrologist johnnies have picked out all the "unfavourable" days for the farewell to the Minister of (Sound) Finance.

—"Scissors."

## TO PLANNERS

**Addressed to all who claim Divine Sanction for their own schemes of interference with the lives of others.**

So, gentlemen, you're privy to God's plan!

That puts your Saviour's teaching in the shade!

To you has been vouchsafed the power to scan

The past and present of this creature man

And plot his future! You are not afraid

As humbler men would be.

You know your trade

And boldly flaunt the trademark of your clan.

God is not mocked, so do not be deceived.

Your claim to knowledge of the primal cause

And sequence infinite of cosmic laws

Shall be assessed by what you have achieved.

God,—God alone can make His purpose plain,

And woe to them that take His Name in vain.

—Excalibur.

## THE QUESTION OF POWER

A Radio Talk by JAMES GUTHRIE, B.Sc., Broadcast from 7HO Hobart, on April 6, at 8.15 p.m.

**In spite of the great strides made by science, invention and the use of power machinery, the ordinary man and woman probably feels less secure today than at any time in the last 400 years. In fact, in practically every country in the world, a tolerable existence can only be secured by reducing the size of family to vanishing point—in other words, by committing race-suicide.**

In Australia, our politicians and bankers have boasted about our high standard of living, yet we have not noticed any floods of people coming to this country to share with us this high standard of living.

Indeed, if we had the same size of family as our fathers had, our standard of living would reach vanishing point.

When we think of the amazing amount of work that has been done in our lifetime; of the millions of acres of new lands that have been brought under cultivation; of the new methods of agriculture; the new schools and universities that have been built; of the endless debates in our Parliaments; the enormous number of laws that have been passed—when we think of these things, no one but a fool can say that our generation has not worked, and worked hard.

We have toiled; we have planned, and we have thought; we have built monumental institutions. But where has it got us? What do you and I get out of all this amazing activity? What do we get in terms of happiness, leisure and dignity?

What has happened to all the great men of the world; where are they; what are they doing and thinking? Is it too much to expect that some of these scientific brains that are at work today could apply themselves to the great problem of this age—How to abolish poverty amidst plenty; how to ease the tension and the scramble of getting a little economic security for our families, without having to fight our fellow-men and other nations?

When you come to face this problem, you soon find out that it is not a problem of producing more; the men in charge of production can increase it to as much as we want. There is no great difficulty there; there is no need for large-scale planning there. The men in charge of finance can issue as much money as they like to enable us to buy all that we are able to produce in food, clothes and recreations. There is no need for large-scale planning there; most of the machinery is already in existence. Then what is our trouble? The supreme problem today is a question of POWER. There is no other political and social problem worth discussing while the question of power remains unsolved.

While the engineer, the farmer, the scientist, the business man, and the mother of a family have all been working hard minding their own business, other men—the power maniacs—have stepped into the seats of power, and gained control of all our activities, ties.

The world has raised its head from its daily labour, stretched its arms, and looked around—to find that it is being ruled over by men over whom it has no control. We have delegated our powers to other men—to members of Parliament. But we have found that something strange has happened: our members of Parliament, instead of being our paid servants, have become our paid masters.

But when we speak privately to these members of Parliament, they tell us that they are neither our servants nor their own

masters; they themselves are the servants of a political party—which means, the servants of those who control the party funds. And it is not very difficult to find out who these are.

It cannot have escaped your notice, the great publicity given to party leaders in our press. The only people who can subscribe substantially to party funds and gain control over the press are the great financial houses.

Finance and news grew up together. Finance is the hidden control; the party is their political instrument, and news their propaganda machine. The three work together; they are essential to each other's existence.

No man reaches a position of power and authority today without the help and permission of the great money monopoly. Hitler and Stalin had financial assistance from the start—and from the same firm: Khun, Loeb & Co., of New York.

But the great International Money Monopoly, with its subsidiaries in every country, could not maintain its stranglehold over politics and industry for very long without the assistance of a large number of people and many institutions.

The power of any Government, which rules a people against the wishes of the people, depends principally on:

1. Keeping the people ignorant.
2. Keeping the people divided.
3. Keeping them working all day, and every day, until they are too old to be troublesome.

The art of ruling over people has been known for centuries. You remember reading about the Egyptian astronomers; how they made themselves into priests, then into kings, then into gods. The Romans knew that to rule over a people they must divide that people. "Divide and rule" was their watchword.

Think how Hitler conquers his victim States: divides them, then walks over them.

However broken and disrupted England was under the reign of Baldwin, she became strong immediately war was declared—not because of its Government, but in spite of its Government; because the people were united in their resolve.

Politically, We have been a divided people because of the party system of Government. There is no possibility of having a democratic Government with the party system of Government. I don't think the present financial system would last five minutes if it were not for the political parties—especially the Labor Party. I have always considered the Labor Party an essential part of the present financial swindle. You will remember that the greatest attack ever made on the living conditions of the people of Australia—the Premiers' Plan—was pushed through Parliament by a Labor Prime Minister, Mr. Scullin.

Most socialistic legislation and bureaucratic control over private industry has been introduced into England and Australia by the opposite party. In fact, Mr. Menzies has said that he is able and willing to introduce socialist legislation, which would not be tolerated from the Labor Party.

From these facts one gathers that things are far from what

they seem. In fact, we can say that the party bosses are saying one thing and doing the exact opposite. The party, which is supposed to stand for private enterprise, has done more than any Labor Party to destroy it. Labor, which is supposed to be fighting the great monopolies, has strengthened them and increased their powers on every possible occasion. And those who talk so fluently on behalf of Democratic Government are busily digging its grave.

We have been fed on catch-cries and slogans, which are completely out of date and very misleading. The books, which flood this country, written by Socialist writers, have helped in the mad confusion of thought. Many socialistic books are obviously written by men who have no contact with reality; the books are written round themes that were out of date before the authors were born.

There are one or two Socialists who see what is happening, but their books are not popular. You do not find them in the book-shops; they get little publicity in the press and no financial backing. You can see the position quite clearly in the case of the two leaders of the National Socialist Party in Germany before Hitler gained control: Otto Strasser believed in Democratic Control; he believed in giving power back to the small States; he was strongly opposed to the domination of the bureaucrat—the Government official; he was strongly opposed to a centralised Government in Berlin dominating the entire country and destroying its varied culture. Hitler believed in a strong, centralised Government concentrated in the hands of a few men, and everybody else taking the orders from this one source. Hitler, therefore, obtained the support of the great international financial houses from the start. Otto Strasser got none. Otto Strasser had to flee for his life, but it is said that his work still goes on in secret.

You will find today that, whether in the U.A.P. or the Labor Party, those who believe in real democracy, who believe in giving power back to the people, get no publicity and nowhere do they reach high office. On the other hand, those who believe in centralising all power in the hands of a small coterie are in power in every country in the world.

In the light of these undoubted facts we come face to face with the real problem of our times:

1. In spite of the fact that we are fighting Hitler and Mussolini, we are having imposed upon us, under cover of war emergency Acts, the same systems of Government we are supposed to be destroying.

2. Therefore, the great question immediately in front of us is not what kind of reforms we should introduce, or how we shall alter the financial system, but how we can get any power to protect ourselves against our own Government.

The fight, therefore, is the age-old one of civilised communities: Man versus the Institution. We have built up institutions and delegated all power to them, and now we stand gazing up at them helpless, hopeless and stunned.

We do not know how to start; our schools, universities and political parties and newspapers don't seem to know there is such a problem—if they do, they keep it very, very secret.

But the technique of power and Government has been known for centuries. The task of the Electoral Campaign has been to try to explain this technique to you. It has been a difficult task, but with your support we hope to carry on. But I would like to remind you we have to pay money for these broadcasts you have been hearing for the last four years. We have no political parties behind us—very much the reverse.

**MORE CENTRALISATION**

"Meantime, in Sydney, a bunch of country representatives was consulting with the New South Wales Minister for Works concerning a scheme to create a State Electricity Commission. Nobody expressed any desire for such a commission, which would have the effect of centralising control of the many power-and-lighting plants in the country. However, the countrymen supported the creation of a State Electricity Committee, composed of a majority of local-government men, and agreed to a levy on the principal electricity-generating interests of not more than £25,000 a year to provide a fund for rural development. The Sydney Premier says his Government will "consider sympathetically these recommendations."

Mr. W. H. Myers, of the Government railways, it seems, drew up the plan for the proposed State Electricity Commission. Apparently it received the blessing of the Minister of Works and Local Government.

Mr. Myers produced statistics showing that £10,490,000 would be required during the next 13 years for new generating plant in New South Wales:—

Sydney County Council, £6,375,000; Railway Department, £1,945,000; Balmain power station, £1,200,000; plants under Department of Works, £900,000.

This leaves the munificent sum of £70,000 to be divided up among the controllers of the Nymboida scheme, the Broken Hill, Albury, Hay, Forbes, Parkes, Tamworth, Dubbo, Bourke, Condobolin and a multitude of other country plants. The Myers plan, it was claimed, would reduce the total by £2,490,000. Mr. Myers can't quite understand why the country coves rejected it. No city-minded advocate of such commissions can understand country coves."

—Sydney "Bulletin," April 2.

**Commonsense versus Commission**

"Repeated pleas for finance having been unsuccessful, the Balmain Hospital Board decided last night to proceed with urgent extensions to the hospital and 'bill' the Hospitals' Commission for the work. Congestion at the hospital has recently been so acute that patients have had to be accommodated on mattresses on the floor."

—Sydney "Daily Telegraph."

What's all this bunk and ballyhoo about our system sound, When we're short of beds and hospitals, and patients on the ground?

Are we short of bricks and mortar in this land of milk and honey?

Or do the bankers button up with "haven't got the money"?

The Balmain boys have shown a lead, they'll charge it to "Commission."

They've got the goods, they've got the men, to blazes with permission!"

—"SCISSORS."

**THE "NEW TIMES" IS OBTAINABLE AT ALL AUTHORISED NEWSAGENTS**

**"THE ECONOMIST" AND SOCIAL CREDIT**

By JOHN MITCHELL, in the "Social Crediter" (England), February 8.

**The banks have published their Annual Accounts and held their Annual Meetings; the bank chairmen have made their traditional speeches and the city editors have contributed their customary comments upon them. Mr. McKenna, as usual, has made the most provocative statement, and this statement concerns the costless creation of credit.**

Unable to say that credit has not been created, and unable to say that its creation is not an almost costless process, because too many people would not believe him today, Mr. McKenna has attempted to confuse the issue by drawing a Red Herring across the trail.

He asserts that the new deposits (caused by the issue of this credit to the Government, who pay it to contractors, the latter paying it into their bank accounts) cost more in services than the interest paid on fixed deposits. The answer to this, of course, is that the cost of servicing deposits is quite a separate matter; it does not prove that the actual creation of the credit is not nearly costless. As a matter of fact, Mr. McKenna gave figures, which show that even the servicing of current accounts costs considerably less than 1%. So that it can be seen that a single payment of ½% would amply cover any costs incurred in the actual creation of credit. The cost of servicing accounts is a matter, which obviously should be settled

armour of the banking position. Because "Their increase for the year is £162,318,000; but of this as much as £135,236,000 occurred in the last six months of 1940. Admittedly the banks have given their full support to War Weapons Weeks throughout the country, encouraged by pressing appeals to play their part and in the full conviction that they were doing their duty. But one must seriously question whether the 2½ per cent. War Bonds or any other of the Government's tap issues are a fitting vehicle for the expansion or creation of bank credit. It is an expensive basis for such expansion, and if utilised for this purpose to a much greater extent it would provide some justification for accusing the banks of extracting excessive profits out of the

**THE ENEMY WITHIN THE EMPIRE**

(Continued from page 3.)

"The 'merchant bankers' referred to as sitting so continuously on the directorate of the Bank of England and thus controlling the British Empire, were later on described to the Macmillan Committee by Sir Robert M. Kindersley, himself a director of one of these firms, that of Lazard Brothers. They are also known as 'issuing houses' for big loan flotation and as 'acceptance houses.' 'Practically every acceptance house of long standing in this country,' said Sir Robert M. Kindersley, 'commenced purely as merchants trading with foreign countries, and a great many of them, most of them, I think I may say, are of foreign origin. If you take the names, Goschen, Hambro, Kleinwort, and Lazard, and Brandt, you can go through the whole list of them, and I think you will find a very large number, the majority, are people of foreign origin.... It is only the origin.... some people might think they are still very largely, perhaps, under foreign influence, which, of course, is not so.'

"In spite of Sir Robert Kinderley's assurances, the fact remains that when the Great War broke out in 1914, the head of one prominent firm of merchant bankers, long represented on the directorate of the Bank of England, was discovered to have omitted even the easy formality of naturalisation. This was Baron Bruno von Schroeder, who according to statements by Lord Wittenham in the House of Lords on July 26, 1918, had to be naturalised after war was declared in order to save the solvency of the City of London.

"Having got so far in our glance at the Bank of England, which governs our Empire in its monetary affairs, we have next to note another pleasant little trait in its habits. It is answerable to nobody, and never explains its actions. On Mr. Keynes asking Sir Ernest Harvey if this was the case, the reply was, 'Well, I think it has been our practice to leave our actions to explain our policy.' What about the reasons for the Bank's policy? asked Mr. Keynes. It is a dangerous thing to start giving reasons,' said Sir Ernest Harvey." (To be continued.)

between the bank and the depositor.

The work of Social Crediters in enlightening the public about the creation of credit by the banks has made such splendid progress in this country that nearly all the bank chairmen adopted a defensive attitude in speaking of their profits, and "The Economist" evidently felt impelled to deal with the matter in a peculiarly frank article on February 1, entitled "The Growth of Bank Credit." This article says: "The rise in bank deposits over the year 1940 is, of course, entirely due to the direct use of bank credit in helping to fill the void of the budgetary deficit... Treasury deposits alone had by the end of the year risen to £313,500,000, in addition investments had risen over the year by £162,138,000." These two items alone amount to £475,638,000.

"The Economist" thinks that the increase in investments by the banks is the "weak link" to the

peculiar conditions created by the war."

Since the banks have been drawing interest out of the taxpayers' pockets on the best part of £8000 million of War Debt since that Debt was incurred from costless credits created by the banks in the last war, it might seem a little strange that the proprietors of "The Economist" should now suddenly be giving expression to pricks of "conscience" about it. But obligingly and candidly they admit the reason for it:

"The growth of bank credit and its genesis in Government financing appear to have made the bank chairmen as a whole peculiarly sensitive to the charge of profiteering, a charge based on the growth of resources which, as the advocates of Social Credit are never tired of telling us, have been created without cost to the banks."

"The Economist" thinks that the banks will continue to be al-

lowed to monopolise credit if this untenable position is faced up to and: "the facilities and service granted to depositors should be paid for by the depositors themselves and not subsidised by the Exchequer. . . . And if the new current accounts become really self-supporting, the credit thus created can be given a less expensive counterpart than the new medium-term securities with which the banks are now in process of filling their investment portfolios. It would be wholly wrong if the expense of doing banking business were allowed to over-ride the principle that purchasing power newly created to finance the community, and based on the Government's credit, should not bear more than the most nominal rate of interest."

"The Economist" no doubt hopes that those, or most of those, who have raised this matter into an issue which they and the bank chairmen have had to discuss openly, will be content to close the discussion with the admission that banks have created large sums of credit for the Government upon which they should only receive a nominal rate of interest. This is a vain hope, for the admission in regard to the costlessness of the credit thus created and that the payment of interest upon it should be duly restricted is of very secondary importance to two other admissions, which they have perhaps made unwittingly.

The first of these is that the credit created is based upon wealth, which does not belong to the banks—the nation's wealth, erroneously termed "the Government's credit" by "The Economist." As all money, including this credit is a claim against real wealth, the banks have no right, therefore, to claim the credit as their own, and it should be issued as a credit instead of as a debt to the nation.

Secondly, "The Economist" admits that the new credit has been issued as purchasing power, which the Government is using not as capital, but as income to purchase current production. This is tantamount to admitting that the normal national income is insufficient to buy all current production unless it is supplemented by new purchasing power issued direct from the banking system. That is what Major Douglas said over twenty years ago, and Social Crediters will not "tire" in drawing the attention of their M.P.'s and the public to "The Economist's" statement and its endorsement of the correctness of what he said.

When the war is over, instead of the Government spending the new purchasing power which it is found necessary for the banking system to issue in order that the "surplus" production need not be destroyed, production restricted or exports be made to exceed imports, this additional purchasing power must be issued direct to consumers, so that they can choose individually what to spend it on. The people of this country want the freedom to plan their own individual lives, not to have their lives planned for them by highly centralised organisations created for the purpose, and usurping the individual's right to spend his own money. Mr. Greenwood, please note.



## THE ROAD TO DICTATORSHIP

The "New Structure," now developing in Japan under the guidance of the Prime Minister, Prince Konoye, embodies, in its initial stages, some features that bear a most distressing similarity to recent moves by the Menzies regime for the centralisation of control in Australia.

The first step has been a sweeping reduction in the number of Government departments, from 13 to six Ministries, while the Ministers of State are being relieved of a large part of the departmental duties by the appointment of permanent heads of departments. The powers of the Prime Minister are also to be greatly increased. These will include a Bureau of General Affairs, including a new Civil Service Commission, for Planning (Note: The growth of boards in Australia, with their planned systems of economy), and for Information, directly responsible to him.

A considerable measure of "parliamentary reform" is also being contemplated. Prince Konoye points out that the two major political parties have divided the constituencies, by tacit understanding, into spheres of influence, with the result that, elections being conducted on the basis of an electoral "slate" for each constituency, there has been no reason why a member, once returned, should ever fail to secure re-election. (Readers will note the resemblance between this system and the prevailing system now operating in Australia.)

With the object of ending this, the present constituencies in Japan are to be enlarged, while the size of the House is to be reduced from 466 to 400, and lists of candidates are to be scrutinised beforehand. In this country, this is taken care of by the pre-selection ballots of the parties concerned, who naturally will only choose members who will be assured of support from the "right quarters."

On the economic side, the "New Structure" will include a Supreme Economic Council, which will control agricultural associations, vocational and industrial organisations, and even associations of "free enterprise units." The industrial, agricultural, and financial systems of the country are to be "overhauled," while a number of "basic plans" covering every aspect of the new economy have been formulated. The keynote of the system is to be "Rationalised Planned Economy," but, as yet, this will only be fully applied to heavy industries. Entrepreneurs belonging to the same industries will be organised into "economic units," directed by

managers approved by the Government.

The agricultural policy, as outlined by the Japanese press, aims at securing an agrarian population of a fixed size, "stabilisation" of the livelihood of the farming families, etc. Wheatgrowers in this country, no doubt, will take what consolation they can from knowing that their counterparts in the totalitarian countries are having the same sort of rationalisation treatment meted out to them, as they have been receiving from the Menzies Government.

Finally, plans have been drawn up for a Supreme Cultural Council, which is to have charge of the entire social activities of the Japanese people, and of propaganda.

By such means it is a very simple matter for even an allegedly democratic country to be converted into a dictatorship, and be thoroughly conditioned for its incorporation in that greater tyranny, the World Federation.

The similarity of the "New Structure" now being implemented in Japan, and the new system of planned economy and centralisation now being imposed on the people of Australia, seems to indicate an affinity between the leaders of this country and the leaders of Japan which bodes ill for the people of both nations. It would almost be a justifiable accusation to say that the guiding spirit of the New World Order—Federal Union—seems to have penetrated the defences of both these countries, and that Federation is now well on its way.

—Hilton Ross.

## Burning Corn

The Argentine Ministry of Agriculture, on November 19, authorised the sale of Government-purchased corn as fuel for railroads and electric power plants, according to United Press dispatches. The scale of prices fixed by the Ministry will give the railroads unshelled corn at less than \$5 per metric ton (2,204 lb.). The Government itself paid almost \$12 per ton to the farmers for the corn.

The move is based on experiments

## United Electors' Report

Heckle Hour: Owing to the Easter holidays, there will be no "heckle hour" next Tuesday evening. On the following Tuesday—April 22—the subject to be debated will be, "The Basic Wage for Soldiers." Members are urged to give these discussions the widest possible publicity, as these meetings are a valuable recruiting ground for new members, and a means of publicising the activities and work of the U.E.A. Place: The Housewives' Association Rooms, 1st Floor, Howey Court, Collins-street, Melbourne. Time: 8 p.m. All welcome.

Helpers are needed to fold and place in envelopes copies of Australia's balance sheet, as compiled by Mr. D. J. Amos, which are to be circulated among the accountants and businessmen of Melbourne. Copies of the balance sheet are available at headquarters at sixpence a dozen.

Country Supporters: Keep in touch with headquarters, and let us know the latest happenings on your home front. By keeping us informed of the latest activities and events in your hometown, we can then always be on the alert to help you, or to help other members of the movement. Get in the habit of dropping a line regularly to headquarters, and so build up a channel of news and information running from us to all our supporters in Victoria. Remember that the supporter in Gippsland or in the Wimmera is always interested to hear what is going on, and what is happening to fellow supporters in other parts of the State. Please try to co-operate with us and your fellow-members.

Special Prize: There is a special prize waiting at this office for Mr. R. F. McLaren, of East Kew, if he will call in any time this week, or after the holidays, to pick it up.

Address all enquiries to the Honorary Secretary, United Electors of Australia, Room 9, 5th Floor, McEwan House, Little Collins Street, Melbourne, C.I.

recently, carried out with the co-operation of the prospective railroad and utility purchasers, in which it was found that corn could be used at the fixed prices as cheaply as coal, wood, or fuel oil.

—"Railway Age," Dec. 7, 1940.

## CALLING ALL VICTORIAN SUPPORTERS

### Extensive Country Tour Planned

Victorian country readers are asked to note that the Editor of the "New Times," Mr. H. F. Allsop, and Mr. Eric D. Butler will be making an extensive tour of the whole of Victoria, starting in three or four weeks' time. If time and circumstances permit, the Riverina may also be included. The Editor is keenly desirous of meeting as many readers as possible; Mr. Butler will be available for meetings in as many centres as possible. This tour will be of a vital nature, as it is essential that the real background of the present conflict should be as widely spread as possible.

As this tour will take considerable preliminary, organising, all those supporters who can arrange a meeting in their particular centre are requested to communicate with Mr. Butler, c/o. Box 1226, G.P.O., Melbourne, NOW. It does not matter in what part of Victoria you reside. Further details of the tour will be announced through these columns when supporters write in.

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