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# THE NEW TIMES

Vol. 7. No. 45. MELBOURNE, FRIDAY, Nov. 14, 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).

## The TIME PAYMENT RACKET

### £6 Million a Year Rake-Off THE MEN BEHIND THE BUDGET

Mr. A. G. Warner, giving evidence before the Parliamentary Committee on time payment and hire purchase, pointed out that the public indebtedness in this connection, although restricted since the war began, is about £85 million, and urged that the "low" earning rate of about 7% should not be interfered with. He also stated that 80% of sewing machines and bicycles, 75% of pianos and radio sets, and 72% of furniture was purchased on the hire system.

Which is further evidence, if such be needed, of the chronic insufficiency of the people's incomes in relation to their productive capacity. They have to mortgage future income to obtain goods they have already produced.

What a wonderful illustration of the debt system! There are only a few firms controlling this racket, and on the above figures, assuming the £85 millions is a constant turnover figure, these few individuals get a gross rake-off amounting to £5,950,000 per annum.

In other words, they add nearly £6 million to the cost of these goods and play no useful part in the actual production or distribution; they are simply retailers of the debt system for the trading banks, who finance them, on overdraft at wholesale rates.

#### GOVERNMENT HAS THE WRONG ATTITUDE

Apparently the Government has the idea, among others, that it can divert the "capital" of these firms into 3 per cent Government bonds, and at the same time drive those engaged in the industry into the Army. Seemingly the Government prefers to pay 3 per cent, to these Shylocks in preference to obtaining its own finance through the Commonwealth Bank at cost,

#### TAXES CUT BY EX-KING

"Soon after his arrival at Nassau, Bahamas, as Governor, the Duke of Windsor appointed a Labour Advisory Committee, which found that the constant rise in the cost of living there was due to the restriction of imports owing to the lack of shipping. The Duke endorsed a recommendation of the committee extending the minimum wage fixed for building labourers to apply to all classes of labour. The legislature rejected this until, they said, the Duke found a way to find work for the unemployed. Unsuccessful in his first attempt to reduce living costs (says Associated Press), the Duke persuaded the legislature to a reduction of taxation. Timber, fresh and salt meat, and raffia—used in the island's straw-work industry — have been exempted from the five per cent, war tax; eggs and milk already being exempt. The Duke indicated that he would soon ask for a further reduction on 'certain articles which are essential to the life of a huge section of the community.'" — "Evening Standard," August 1.

which would be only a fraction of this amount, and need involve no debt whatever.

Of course, this idea of diverting the "capital" or "funds" of time-payment firms would involve chasing a will-o'-the-wisp—it would largely consist of taking over their overdrafts! By doing so, the Government would merely be that much more deeply in debt to the banks, without laying hands on an extra penny!

In any case, knowingly or otherwise, the Government would be using the bankers' technique of using the money system to implement its policy; that is, to cut off the money supply from unwanted opponents or enterprisers—thus leaving the alternatives of bankruptcy and starvation, or doing what they are told.

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#### NEW ZEALAND AND "SACRIFICE"

Taxation per head in New Zealand for the year ended March 31, 1940, amounted to £27/4/8, according to the latest Official Year Book. (In 1931 it amounted to £12/12/-.) The total loan indebtedness of New Zealand reached £225 per head of the population, an aggregate of £367 millions, of which all but £70 millions is central Government debt.

Meanwhile, as a correspondent of the New Zealand "Otago Daily Times" wrote recently:

"Sir Harry Batterbee, the British High Commissioner in New Zealand, has been warning the people in this country at a meeting of the Royal Agricultural Society in Wellington, that 'greater sacrifices' may be called for from the people of New Zealand before the war can be won or a 'better and happier world' dawn for its peoples. What about a little sacrifice from the heads of the banking system? The surrender, for instance, of the power it has usurped to monetise the nation's credit at no cost to itself? 'The war,' says Sir Harry, 'is being paid for out of the pockets of the people of Great Britain.' The war is being 'paid for' preponderantly by creations of bank credit, for which the people are being put further into debt to the banking system, further and further into the power of the financier. Does he expect us to believe that £14 millions per day are coming out of the pockets of the people of Great Britain? Especially when we have read in the Chancellor of the Exchequer's own words that only a proportion of the cost is being or can be raised in taxation. . . . We know how the world was to be made safe for democracy twenty-four years ago, and how it actually was made safe for bankers. We know about the foreign loans of the Bank of England, by which the credit of Britain was used to finance German re-armament. The other day Mr. Winston Churchill

In the course of a naive, but informative, pre-Budget article, entitled "Men Behind the Budget," the Canberra correspondent of the "Sydney Morning Herald" wrote as follows:

Ever since Mr. Chifley began his Budget preparations, Mr. Scullin has been somewhere near his right hand. Some of the younger elements of Caucus, looking forward to a financial millennium, have occasional feelings of intolerance for the key role, which the elder statesman of the Caucus still plays in most major decisions of their party.

For a big Caucus majority, however, there is some comfort in the feeling that the wisdom of the former Prime Minister, who faced the biggest financial problems, until now, in the history of Labor government, has been there to be used in the preparation of a Budget that can bring trouble.

The spotlight shifts from politicians (who have always to pay some heed to politics), to the "brain trust" - the professional economists who are much consulted on pre-Budget occasions.

Who would have thought a few years ago that their number

would have included, with a Labor Budget on the stocks, Professor Douglas Berry Copland?

Professor Copland, be it remembered, was chairman of the committee of economists and under-treasurers whose report to the Australian Loan Council in 1931 brought about the depression-time "Premiers' Plan."

Many Caucus members, be it also remembered, still regard the Premiers' Plan as having been responsible for the cataclysms which swept the last Labor Government out of office, and held the party in the Opposition wilderness for nine and three-quarters bleak years.

Professor Copland, of course, has tremendously versatile talents. Mr. Menzies, when Prime Minister, put huge faith in him. He was appointed Prices Commissioner early in the war, and was chosen by Mr. Menzies as his special Economic Adviser in the middle of this year.

Mr. Menzies's Prime Ministership passed, as all Prime Ministerships pass. Mr. Fadden became Prime Minister. No financial adviser seemed closer to Mr. Fadden than Professor Copland during the preparations, which resulted in Mr. Fadden's Budget—though, strangely, Mr. Menzies's admiration for Mr. Fadden's Budget was imperceptible.

In turn Mr. Fadden fell—on an amendment to his Budget. One of the first questions put to Mr. Curtin as Prime Minister was

(Continued on page 8.)

#### ALBERTA MAY PAY OFF DEBT

At a recent meeting between representatives of the Alberta Government and representatives of the bondholders of that Canadian province's public debt, which amounts to 147,000,000 dollars, it was agreed that ways and means of refunding the debt should be considered immediately.

Among the bondholders' representatives were H. W. Tatlock representing the Prudential Insurance Company of America and other United States interests, and J. M. Macdonnell, president and general manager of the National Trust Company.

If Australia paid off her Federal and State debts, the taxes, by which the interest on them is collected, already amounting to more than £1,000,000 PER WEEK, could be abolished. It is rumoured that when Mr. Curtin announces in Parliament that Australia's national debt is definitely going DOWN, Mr. Montagu Norman will make a handsome donation to the "New Times."

## LABOR'S FIRST WAR BUDGET

A Talk Broadcast From 7HO, Hobart, on Sunday, November 2, by James Guthrie, B.Sc.

**While writing this broadcast a few details of the Budget were given over the air, and I have had little time to consider the more important items. All I can do at present is to discuss three important questions, which govern the taxation policy of the Government.**

In Labor's new Budget there is no increase in direct taxation on incomes under £1500 a year, but there is to be a further increase in indirect taxation. As most of the indirect taxation, whether it is company tax, sales tax, or excise tax, will be paid by you and me in higher prices, I thought it worth while to examine these indirect taxes.

Excluding company tax, I found that in 1939-40 we paid in extra prices by indirect taxation £66 million; in 1940-41 about £73 million; and in 1941-42 I estimate about £100 million. This, of course, is over and above Federal income tax and State taxes. That is, in indirect taxes we are going to pay about 60 per cent, more than we pay in Federal Income Tax.

The increasing indirect tax which all have to pay, including the old age pensioner, has been a popular field of exploitation by the Tax Collector. The fine art of collecting taxes seems to be fittingly described by that old proverb: What the eye doesn't see the heart doesn't grieve about. This seems to have suggested the idea of taking taxes out of the pay envelope before we see them, and then to tax us on the money we didn't get.

I very much doubt if it is legal to extract money from pay envelopes without written order from the Court. I think if we ever have a Government which is courageous enough to represent the people, the first two laws it would pass would be, first, a law making it illegal for the pay envelope of men to be tampered with, and, secondly, a law making it illegal for any Government to increase the cost of any commodity by indirect taxation.

I think it was the great English statesman, William Pitt, who said: "If you were to try to collect all the taxes in one lump sum the people would rise in open revolt, but there is a method by which you can tax the last stitch from off their backs and the last bite out of their mouths, and they wouldn't know they were being

taxed; they would only grumble at the hard times, but they wouldn't know what was causing it."

That method is indirect taxation. It is by indirect taxation that the money given in higher wages and higher pensions is taken back again.

This brings us to the other question: Are taxes necessary? And the following important article, published in an English paper, puts the matter beyond discussion. I quote:

"There are three reasons, and only three reasons, why it is alleged that taxation is necessary: The first is that the money which the public possess is the only source of money available to the Government to pay for the war and for social services. The second is the only way to switch the employment of labour and raw materials from civil production to production for war, is to deprive the public of part of their incomes so that this part of their incomes is spent by the Government on war materials. The third is that if the public has more money to spend than there are goods to buy in the shops, rises in prices, or inflation, must ensue.

"All three of these statements are untrue. The first statement, namely, that the only money available to the Government for paying for the war is the money in our pockets is proved to be untrue by the fact that the Government has been spending large amounts of credit created by the banks since the war started. For evidence we can turn to the "Economist" of June 21, 1941, which says:

"In the past twelve months,

bank credit has been created to the average extent of £33 million a month, and lent to the Government.' Actually, two or three times this amount of credit has been created and lent to the Government by the banks during the past year. Then a recent issue of the British banking journal, *The Banker* said;

"But it is not in the least true that the production of arms could not take place, even on a smaller scale, if the public were not providing the money in the form of gifts or loans or taxes. If the money were not forthcoming in one of these ways it would have to be created. And this the State, as the monetary authority, can do perfectly well, at negligible cost and practically without limit.

"So says the British banking journal.

"The second statement, namely, that the Government cannot get men and materials because civilians are using up too much labour and materials is quite, untrue. Civilians cannot use more petrol than the Government permits them to have; civilians cannot use more boots than the Government permits them to have."

The plain facts are that the Government has full powers to use factories for its own purposes, or to close them, or to take what labour it requires for the army or for the production of munitions. It is quite untrue to suggest that these things can only be done, as Mr. Curtin suggests, by reducing people's spending powers. If there is not petrol for sale, people cannot buy it, and that is the end of it.

"The Banker" has this to say on the subject; "... It cannot be said that the public, by failing to cut down its consumption expenditure sufficiently, is preventing the release of resources for the war effort. It is for the Government to decide what shall or shall not be produced, irrespective of the way the public disposes of its money."

The third statement, namely, that if the people have more money to spend than there are goods to buy in the shops, prices will rise. This statement is untrue, because it is when people engaged in industry are paid higher wages that prices go up; the price of any article is made up of costs and profit. Money spent by the public in shops does not increase costs, and it need not increase profits, since the Government has power to control profits and can, if it so desires, control them in such a way that the producer is encouraged to produce more with the same or less labour.

Summing up, we can say:

1. That on the highest authority, and from well-known facts, taxation is not required for the building of a single gun, shell or aeroplane. That the Government has power to issue the necessary credits through the Commonwealth Bank for all necessary war production.

2. That taxation is not required to prevent the people buying materials, which the Government requires because the Government has full powers to take what it wants.

3. That taxation is not required to prevent rises in prices; the Government has power to control prices. Many of our rises in prices are due to taxes.

"It is quite evident, therefore, that taxation serves no useful purpose and is sheer robbery of the public by the State. It is, in fact, doing immense harm. For one thing, it is necessitating the needless employment of an army of taxation officials. It is discouraging producers by depriving them of a proper incentive to produce. It is causing frustration, friction and endless time-wasting in the filling up of forms by the

public, and it is wasting paper. And it is causing the assets of private individuals and producers to be mortgaged to the banks, and thus putting the nation in pawn to the institutions. All taxation is a transfer of the credit of individuals to the State, and those who stand behind and manipulate the State.

"The war should be paid for with the credit which the bankers have themselves admitted costs them practically nothing to create. This credit should be claimed by the Government on behalf of the country as national credit, and not created as a debt. As the last war has shown, it can never be repaid in any case. And the banks are not entitled to claim more than a small fee from the Government to cover their book-keeping costs. A single payment of ½ percent would cover their costs. They have no right to claim the ownership of this credit, nor to be paid annual interest on it."

We are told by our critics that this war cannot be waged without cost; it has to be paid for by labour and sweat—issuing money won't add a single man or machine to our war effort. Suppose we accept this statement as true well why all the bother about war loans? Why bother the soldiers and munition workers and farmers with ever-increasing taxation? Either more money is required for the war effort, or it is not. If more is required, the Government can create all that is necessary; if it is not required, then why bother us? Our critics can't have it both ways.

The plain fact is that money, cheque money, has been created in hundreds of millions for years by the private banks at practically no cost to themselves. This credit money, which is based on the resources and energy of the nation as a going concern, is claimed by the private banks and their nominees as their own, on which we are forced to pay interest forever afterwards. Practically every road and railway and public building has been financed on credit issued by the private banks. The entire income tax of this State is required to pay interest on our debts to private financial institutions. That's what taxes are for.

More than eighty per cent, of the Government Loans are picked up by financial institutions and their dummies by merely writing out cheques on themselves. That is why there is a terrific fuss about inflation and the risk of the Commonwealth issuing the money for the people of this country without payment of interest.

This money question is the biggest thing in this war. The whole war production of the British Empire has been, and still is, held up because of money. The evidence for that is authoritative and monumental; there is not the slightest doubt about it.

Labor's proposals to issue licences to banks is a good one; each bank manager should be required to obtain a licence before he is permitted to operate on the nation's credit. This will, if controlled for the benefit of the nation, take away control from a small group of financiers.

The Labor proposals to make private banks deposit "excess deposits" with the Commonwealth Bank is just a joke, as the total amount of cash in private banks in Australia is about £50 million, and the deposits of the banks are about £400 million. That means that about £350 million of the deposits in the banks are merely numbers in books, entries in pen and ink. What the Government will do with a lot of numbers in books, the Treasurer, Mr. Chifley, has yet to explain. We shall be interested to hear that explanation.

## USE OF NATIONAL CREDIT

### "No New Order Without It" Claims M.H.R.

**The utilisation of national credit, in the opinion of the Member for Riverina (Mr. J. I. Langtry), is essential if Australia is ever to enjoy a new order. Mr. Langtry has forwarded, with his compliments, the following speech, which he made recently in the House of Representatives:**

"When the war is over, we shall still have to fight the financial monopoly, which will keep Australia down and out until such time as it is defeated. The only way in which to judge anything is by its results, and the results of the present financial system have been tragic.

"Abraham Lincoln, the greatest democrat the world has produced, once said that he could defeat the army that confronted him, but the most difficult adversary with which he had to contend was the financial interests that were attacking him from behind. Many people in Australia realise that, while our troops are fighting overseas, we must do battle at home with the big financial interests.

**"HOPE FOR NEW ORDER."**

"Our only hope for a new order in Australia lies in public

finance by means of the full use of national credit. Interest-free and debt-free money could be obtained through the Commonwealth Bank. I have been endeavouring without success to ascertain how much money has been advanced to the Government by the Commonwealth Bank. If the private banks can advance millions of pounds, why cannot the Commonwealth Bank advance money to the Government free of interest?

"It has been proved beyond doubt by Members of the House, that that could be done, and I desire to know why it has not been done. The only possible explanation is that past Governments have been more interested in the financial institutions than in the welfare of the people of Australia."

# How to Win the War — and the Peace

## A Challenge to Every Britisher

By ERIC D. BUTLER

(Continued from issue of October 31.)

The following statement is from an article, which appeared in the London "Daily Telegraph" of December 5, 1939:

**"Industrial power will win the war. Overwhelming output of armaments would shorten it, with its incalculable loss of life and misery."**

Most people have been forced to realise, as a result of the tragic events of this war, that manpower is useless unless backed by an industrial machine producing as much, or more, modern equipment than the enemy. Lord Gort's disclosures on the Dunkirk disaster clearly revealed that the Allied forces were beaten because the Germans were far superior in equipment. While there may be some excuse for the shortage at Dunkirk, there is no excuse now.

British engineers, industrial organisers and workers are the best in the world. But they have been hampered, and they are still being hampered, by men who want to make the industrial system subservient to their crazy financial system. This is a deliberate policy being pursued by the private manipulators of the present financial system. Representatives of the financial oligarchy admitted to the Macmillan Committee in England that they were trying to obtain complete control of industry by centralising it into bigger and bigger units, through progressively crushing the smaller businessmen. I have dealt with this in my book, "The Enemy Within the Empire."

And the great tragedy of the present situation is the fact that these financial interests are actually using the war emergency to intensify their policy. Of course, this was openly admitted in the P.E.P. journal, "Planning," of October 4, 1938, when it said: "We have started from the position that only in war, or under the threat of war, will a British Government embark upon large-scale planning."

### PLANNING IN BRITAIN.

There has been a growing objection in Britain to this policy of useless sabotage. It is quite impossible to deal with all the evidence, but let us take some random cases.

The following letter, written by Mr. Thurtle, M.P., appeared in the "Daily Telegraph," England, on January 31, 1940:

"There was an old-established firm in the Midlands area which had been for a considerable time supplying water bottles and cooking stoves for the Army. About May last year, the output was unsatisfactory, and a representative of the Ministry of Supply went down to the firm to investigate the reason. He found that the firm was in financial difficulties. It lacked the necessary working capital. As it was essential that the supplies should be forthcoming, the Ministry of Supply, went so far as to write to a bank to ask it to give additional credit. The officer of the Ministry who wrote to the bank was Colonel Howell Jones, The bank declined to advance further credit"

This letter indicates who the real Government is, and how it is hampering and closing down small firms, while extending liberal credits to large monopolies and chain stores.

The following extracts are from a letter published in the London "Times" of January 20, 1940. It was written by the secretary of the Motor Trade War Executive:

" . . . We are further crippled by an official policy, which, one imagines, can be inspired only by ignorance, and not by any ill-intention towards an industry which has served the country well in time of peace. . . . Why, again, should these civilian garages be debarred for use for repair work by Service vehicles when occasion arises? Their efficiency is not in question, because it has now been ruled that Service vehicles damaged in France are to be shipped back to England for repaid reconditioning or salvage through trade channels . . . And why is the potential manufacturing capacity at thousands of these motor trade concerns, well equipped, well stocked, well staffed, ignored by any coordinating authority?"

The answer is that it doesn't suit the policy of the financiers. The following extract is from the British "Hansard," May 2, 1940:

"Major Milner: This is a very serious matter indeed. Apparently these contracts have been largely restricted to specified firms. In my city of Leeds, there are extremely efficient contractors in every direction who have never had an opportunity, and there are many others in this country who have written and interviewed every Department of Government, every Department of the War Office, and every commander of the War Office, but they have never had a contract."

### EVEN THE ARMY

Judging from the following item from the Sydney "Truth" of June 8, 1941, even the Army authorities have to fit in with the financial policy, instead of the financial policy serving their requirements:

"**BRITISH ARMY BEATEN BY TREASURY.** An English paper tells how the Commander-in-Chief of the British Army is beaten by the Treasury and valuable time is wasted: His most urgent request will be considered in a leisurely manner. In all probability it will be shelved. New pressure may result in reconsideration. Months will pass. At this stage the red tape cocoon. Then, at last, the butterfly will appear and decision will have been made. An urgent increase in establishment, asked for six months earlier, is at last agreed to. But, too often, the crisis to deal with which such an increase had been requested has already matured and ended disastrously for lack of the equipment needed. For lack of sense of values there cannot be found the will to waive formality—so another battle is lost. The time-honoured procedure of their Lordships of the Treasury must, it seems, persist unruffled. It would often seem that officialdom would rather the enemy be allowed to land unharassed than forego writing a single minute or scribbling a single chit. While the Treasury counts in money the cost of each item of the Army's needs, it is too often wasting something far more precious.

It is throwing away the Army's chances of early success by the profligate expenditure of that priceless war commodity—time."

Mr. Montagu Norman, Governor of the Bank of England, once stated that the relationship of the Bank to the Treasury was that of Tweedledum to Tweedledee.

### BRITISH BANKS CARRY ON.

As mentioned, the bankers are carrying on their policy of restriction, war or no war. The following remarkable report appeared in the Melbourne "Herald" of September 7, 1940. It is almost beyond belief that these private institutions can pursue such a policy while the nation is fighting for its very existence:

**"UK. BANKS ACCUSED OF PRESSING CLIENTS.** The newspapers are indignantly campaigning against the high-handed manner in which local branch managers of banks are pressing small clients with overdrafts to sell out industrials at present levels, because 'they will go lower,' and to reduce their overdrafts . . . Some shares have been sold at ridiculous levels. The 'Daily Mail's' city editor says that he is receiving many surprising accusations of the bullying tactics adopted by branches, and instances individual cases."

The finance editor of the Melbourne "Herald" immediately rushed in to print to assure us that nothing of this nature was taking place in Australia. Unfortunately for him, the following item had already appeared in the Melbourne "Age" of August 3, 1940:

"Complaints are being made by several manufacturers in Melbourne regarding difficulties experienced in arranging finance for the carrying on of essential war work. The complaints are being made by small manufacturers, who allege: (1) That the trading banks are adopting an unsympathetic attitude towards them and their claims for financial accommodation to carry out work for the Defence authorities; (2) that owing to red tape delays they were unable to take advantage of guarantees from the Federal Treasury or the Commonwealth Bank, as provided in the Nations! Security (Guarantee) Regulations recently issued. One manufacturer, who claimed his case was typical, said yesterday that he had been engaged in carrying out a contract for the Defence authorities involving the manufacture of a certain essential product for use by the armed forces of the Commonwealth. Upon completion of his contract he had rendered his account, but payment had been delayed for five weeks pending inspection of the goods delivered. In the meantime, the Defence authorities had approached him again to carry out another substantial order immediately, but he had been unable to do so because of inability to secure financial accommodation from his own trading bank. Despite the fact that he had a substantial sum owing to him by the Defence authorities on the first order, the bank declined to finance him in purchasing raw materials to carry out his second order. No exact reason was given in this, or in several other similar cases, apart from a general vague indication that the banks considered the expansion of small manufacturers' businesses under pressure of war orders likely to lead to an undesirable uneconomic state of affairs. One banker had actually stated: 'If we encourage you to expand your business to carry out these war orders, what are you (and others like you) going to turn to when the war is over? The country will be glutted with small uneconomic business units.' (My emphasis.)

In other words, the financial system is more important than the national effort. We still persist in thinking in terms of abstractions, such as money, instead of thinking in terms of real wealth.

(To be continued.)

LONDON, June 25  
A declaration that plant is still idle in Britain and that further important reforms are still required in industry is made in an article, which it featured in the "Financial News."

## Attack On British • War Production In House of Commons

LONDON, Thursday. (A.A.P.) Hard-hitting speeches, which included charges of idle factories, muddled instructions and confused control, opened the debate in the Commons on war production.

The lack of most important war materials in Greece, Crete, Libya and Syria has been almost chronic, said one member.

## Poll Reveals British War Output Lags

Daily Telegraph Service

LONDON, Monday. —More than 50 per cent of the people in Britain are dissatisfied with the output by war factories, according to a poll held by the British Institute of Public Opinion.

The poll indicates a conviction that a much greater output is possible.

## British Tanks Broke Down, Commons Told

LONDON, Thursday (A.A.P.). —Between 70 and 80 per cent, of British tanks in Greece broke down before they went into action, declared Lieut. R. A. Brabner (Cons.) in yesterday's House of Commons debate on war production.

"German troops in Greece left transport, wagons within sight of our troops, but we had nothing with which to hit them," he said.

UNION LEADERS ATTACK BRITISH PRODUCTION  
Exclusive Sun Service  
LONDON, Tuesday. — Speeches reflecting an unsatisfactory state of production continue to be made, the latest attack being made by union leaders.  
The president of the Amalgamated Society of Engineers, Mr. J. Tanner, declared yesterday that the debate in the House of Commons on war production was the result of the Government's failure to take any effective steps to increase production in the field.  
The general secretary of the Miners' Federation, Mr. Charles Brannan, said: "Our position is not rosy. There are considerable physical and mental defects in the production of war material. The Government must take effective steps to increase production in the field."

When Mr. Churchill had replaced Mr. Chamberlain as Prime Minister of Great Britain, the finance-controlled press told us that marvellous things were taking place in the realms of production. Over twelve months later the same press contained many similar headlines to those above. Bureaucracy, red tape and chaos in production must continue, irrespective of the labels of Governments and Prime Ministers, while men with false ideas concerning finance and industrial organisation are left in control.

# The New Times

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## MR. NASH'S STRANGE MISSION

The visit of Mr. Nash, New Zealand's "radical" Minister for Finance, is of interest to those people who have so closely watched the progress of the New Zealand Labour Government and its "heroic" efforts to free New Zealand from the shackles of the old financial system controlled by the private banks.

More interesting still, however, is the reason for his visit; for, according to the daily papers, he did not come, as one would suppose, to talk over matters relating to exchange or loans, or anything at all dealing with the question of finance—except in a very distant sense. His purpose was to discuss the problem of defence.

It is most significant that the task of discussing the defence of the Dominion should have been delegated, not to a group of the country's defence leaders, or even to the Minister for Defence, but to the Minister of Finance! The major problem to be dealt with was the joint defence of our countries against possible aggression originating in the Pacific. A problem of this nature should only be approached with the object of obtaining the most effective and most efficient defence preparations of which we are capable by working in conjunction. As Minister for Finance, Mr. Nash is only concerned with the "cost" of defence preparations, not their effectiveness. Nor would anyone attempt to claim that Mr. Nash is an expert in the matter of military strategy, and well versed in the technique of defence of a country against invasion.

Looking at the question intelligently, the only way in which the matter can be properly dealt with is to ascertain what physical and strategic limits there are to our making adequate defence preparations in the Pacific. Once having done that, it is the task of a Minister for Finance, (or Treasurer) to automatically make financially possible whatever has been decided as physically possible. Also, he should ensure that the financial "burden" corresponds—as regards size, duration and incidence—with the physical burden.

Replying to a question as to how New Zealand was financing her war effort, Mr. Nash said: "We are using the triple methods of taxation, borrowing and credit expansion." What he did not say was exactly what form this "credit expansion" took. There certainly has been no increase in debt-free and interest-free advances by the N.Z. Reserve Bank—at the present moment they are exactly nil. On the other hand, there has certainly been an increase in the amount of financial credit made available, as debt on which interest has to be paid, and which the "new" returned soldiers will have to help to pay when they return. Not a credit expansion, but a debt expansion, is what is taking place in New Zealand. In its capacity as a central bank, the New Zealand Reserve Bank has made it possible for the private trading banks to make bigger loans, and to allow private enterprise to go deeper into their debt.

There has been no real advancement along the road to the introduction of a more realistic monetary system, nor does this seem likely so long as Mr. Nash remains the ostensible dictator of the finances of the unfortunate Dominion.

The results, however, of the conference on Pacific defence should be very interesting, and we await them with bated breath. No doubt Mr. Nash has inspired his fellow-Labourites in this country with some of that fiery ardour and dynamic progressiveness with which he has tackled the private banking system and its international tie-ups, in his own country!

## BUREAUCRACY IN BRITAIN

The worst variety of a privileged class is springing up in this country with the rapidity of a poisonous fungus. A nightmare of Communism, "To each according to his needs" as settled by a temporary civil servant who is five hundred miles away from anything more real than a card index, results in a temporary land girl with a weak digestion getting cheese she can't eat, cows not getting oil-cake of which there is plenty, chain-stores getting supplies and country grocers getting none, bus services run to suit the fads of someone with a pull in Whitehall, wages being raised and management returns lowered, the

Ministries legislating at their own sweet will in regard to persons and property conscripted and handed over to their tender mercies whether they require them or not. It is quite beyond argument that the only things, which are giving general satisfaction at the moment, are those few with which the bureaucracy has not interfered, and that our urgent problem is not a New Order but to save the successes of the Old, as a basis on which to deal with its failures. We are not fighting this war to divide the country into Kommissars and Proletariat.—"The Social Creditor" (England).

## WHEN IS A WAR NOT A WAR?

By FOOTLE

I have always been an advocate of the spirit of inquiry—in the larger sense, of course. I am not, for instance, particularly interested in the washing on a neighbour's line, though I must admit there are people who can apply the method of Sherlock Holmes to such domestic exhibitions with occasionally surprising results.

I am thinking mainly of those abstractions which everybody talks about as though there could be no two opinions on the subject, until some professor or other comes along and points out that nothing is what everybody thought it was. Just lately we have been treated to so many interpretations of democracy, Christianity, freedom and so on that it looks as if it is going to be necessary to invent new names for these things until we make up our minds about them—or, as is more likely, allow someone to make up our minds for us.

No doubt this habit of sceptical inquiry is nothing very new, for we are told that jesting Pilate asked, "What is truth?" and waited not for an answer. I used to think this a trifle stuffy of him, but I see now that the older you get the more convinced you are that the latest is not out yet; an experience which is always a source of controversy between age and youth. Age, conscious of its right to lecture, says, "When you are twenty you think you know everything; when you are forty you begin to doubt, and when you are sixty you are finally convinced that you know nothing." To which youth, a bit peeved, replies: "No doubt it seems like that because at twenty you have grasped as much as you are likely to understand; at forty you have begun to forget, and at sixty you've forgotten the lot."

In spite of all this, however, I should have thought that if there could be one subject on the nature of which all opinions would coincide, that subject would be war. I should have thought that everybody would be satisfied by now that military war could be defined as "armed conflict for the enforcement of policy." But I'm not so sure now, for according to a report from Stockholm, Sweden's Foreign Minister, M. Gunther, in affirming his country's determination to keep out of the war, stated in his Parliament, "We are united in our determination to stay out of the war. We will resist by arms if necessary, any attempt to force us into war."

I expect it's my fault, as usual, but I am obliged to say this bloke appears to be using the back of his neck as a medium of conversation. Of course, I know foreigners are different. In fact, I remember, years ago, coming upon an advertisement for a Swiss resort at a time when the whole of Switzerland was a sort of Luna Park. The advertisement was designed to attract the more sedate-minded by calling attention to the marvellous solitude to be enjoyed at the advertiser's chalet. He claimed to be able to prove the solitude by thousands of testimonials from grateful solitude-hunters who now flocked to his chalet.

I found it amusing, fool that I was! For, in view of this Gunther wheeze, I am assailed by belated doubts as to whether I have been at my old game of seizing bulls by the tail and scorpions by the horns. Nevertheless, I wish one of those journalist chappies, whose job it is to give us intimate pictures of the socially elevated, would give us a sketch or two of the boyhood days of a few people like M. Gunther. I have no doubt that this gentleman exhibited a similar originality in quite early

youth. I can imagine him keeping out of a fight at school by bashing anyone who so much as made the suggestion. I can imagine him laying a wager of ten to one you'd never catch him making a bet, and it is practically a foregone conclusion that he belongs to that class, common among Scandinavians, who keep their heads shaved in case they go bald.

Or am I mistaken in this, as in nearly everything else? Is it possible that M. Gunther does not regard war as I do, but as something different? Possibly in well-informed circles my view of war would be regarded as painfully old-fashioned. Japan, for instance, does not consider herself at war yet with China. If it comes to that, I am not very clear who has declared war on whom, so it is possible that I have fallen hopelessly behind in the race for—oh, well, the race anyhow—and haven't the type of mind to appreciate the enormous strides we have made in obtaining all the benefits of war without actually saying too much about war. Maybe the whole thing might turn out to be just an incident after all, and not a war at all. If that is so, I withdraw anything I may have said out of my turn concerning Sweden's Foreign Minister, for that gentleman said nothing about keeping out of incidents.

I can almost imagine a time when we say in reference to the present upheaval, "On, that! Pooh, that was only a war after all," in the same sort of disparaging way that it has been said of the charge of the Light Brigade, that it was magnificent, but it was not war; or, as it might be said of Passchendael, that it was war, but not magnificent. It is a nuisance in one way to have to wait for the verdict of history to know what you have been at, but it is fortunate in another way. The various conquerors of the world, for instance, would be a trifle fed up to discover they'd been banging the velleum and sounding the brass over what turned out to be a backyard affair after all. How humiliated they would be by the realisation that they were no better than the raw Hieland Laddie who was contemptuous of Glasgow until he discovered there was a lot more outside the railway terminus.

But apart from this inquiry as to whether war is really war or not, the words of M. Gunther give promise of a unique exhibition if ever he makes good his boast. With the fate of all those other countries spread out before him, he can hardly be contemplating the unaided overthrow of Germany. And yet he must have been contemplating a more satisfying result from Sweden's point of view than that which was accorded to the inadequate efforts of all those other democracies. The thing is an enigma, and although, as I pointed out last week, puzzles seem to be my portion, I dislike enigmas, which I regard as puzzles without a proper answer.

I see now, however, that I should have amplified my definition of war to mean the enforcement of policy by armed conflict with a definite chance of success. And international morality being what it is, I see no reason why a statesman should hesitate to commit his country to war when (Continued on page 5.)



## SUCCESSFUL CENTENARY HALL MEETING

### SPEAKERS CAUSTIC ABOUT LABOR PARTY

In spite of the wet night there was a good attendance at the Centenary Hall, Melbourne, last Sunday night to hear Dr. John Dale and Mr. Eric D. Butler speak on "The Labor Party and the Banks." The chair was taken by Mr. F. Parker, chairman of the United Electors of Australia.



Dr. John Dale

The financial result was excellent, while literature sales indicated that all recent publications are in good demand. Both speakers contributed towards a clarification of the issue confronting the Australian electors as a result of the recent change in Government. The major idea developed by both speakers was the hard fact that more educational work must be carried out, and that public opinion must be further mobilised behind individual Members of Parliament to ensure that the national effort will be financed without further debt or unnecessary taxation.

#### DR. DALE'S ADDRESS

In opening his address, Dr. Dale said that he was very pleased to have the opportunity of addressing supporters at such a time. He dealt with his work as a medical officer, and the manner in which he had come up against the money question. "There is no denying the fact," he said, "that unless the Government controls the purse strings, then it is not the real government. Like many others, I thought that there might be just a chance that the Labor Party would give some indication that it was going to really do something. But what has happened? Mr. Curtin went to Sydney to launch the new loan. I waited for him to indicate to us that he was going to really challenge financial policy. But he talked the same old 'hooley' that we have been hearing for so long. I would have liked him to have told us that all the money manufactured in Australia from now on was going to be the property of the Australian people as an asset and not as a perpetual interest-bearing debt. But he said nothing about this matter. So far as his Budget is concerned it doesn't differ very much from the previous Government's Budget—a shilling extra here and a few pence somewhere else."

Continuing, Dr. Dale said: "We are all agreed that things are not very bright at the moment. I can't see how we are going to get the greatest effort to win this war until our Governments are honest with the people about this matter of finance. We must have more unity. The democracies are

### When is a War Not a War?

(Continued from page 4.)

an ideology was at stake. If M. Gunther considers he has no chance of success by resort to arms, aided or unaided, the question from his point of view is of course, no longer one of war. But, as he apparently has no objection to armed resistance with no chance of success, I take this opportunity of retiring from the inquiry while the old grey matter is still more or less intact.

In fact, I leave the question where I found it.



still sailing under false colours. We must make a change now if we are to lead civilisation back to sanity. We all have more work to do before we obtain that change."

#### FORCEFUL ADDRESS BY ERIC BUTLER

In introducing Mr. Butler, Mr. Parker said that he had just come out of a military hospital and wasn't feeling his best. "However," he said, "I am quite sure that those of us who know Mr. Butler are confident that he will give us one of his usual addresses." Mr. Butler, in a very forceful address, thoroughly analysed the present situation and the Labor Party's Budget. He left no doubt in the minds of those present that any suggestion that we can "leave it to Labor" was playing right into the hands of the enemy. "The whole crux of the problem confronting us today," he said, "is whether all the money created in this country is going to come into existence as the asset of the people, who are producing the real assets, or, whether it is going to come into existence as an interest-bearing debt. Mr. Curtin has made himself quite clear on this matter. In a recent letter to a correspondent he said that he is opposed to debt-free money. I can only presume, therefore, that Mr. Curtin is in favour of further debt, with increasing taxation to pay the interest charges. Mr. Curtin wants more taxation. His Budget is certainly a sop inasmuch as it "soaks the rich." But I would point out that most of the taxation must be passed on. We don't want a levelling down in the community. We want a levelling up. Furthermore, heavy taxation on those people fortunate enough to still own property will force these people to pawn their property to the banks in order to obtain the money to pay the taxation. The policy of Socialism, with its cry of "tax the rich," suits the banks very nicely, because they will finish up owning everything. It is not without significance that the greatest supporters of centralisation are to be found in the Labour Party. We now hear the suggestion by Labor members that further power be taken away from the State Governments. Most of their talk about the banks deals with administration, not with policy. Nationalisation of banking is a snare and a delusion, because it makes the people believe that

something is to be done about the financial system. Change of ownership does not mean a change of policy. And wasn't it Mr. Montagu Norman, Governor of the Bank of England, who once said that he would welcome nationalisation. As a student of economic history, it appears to me that every time the money power wants a dirty job of work done they have a Labor Government put into office, fully confident that they will do the job for them. I am not denying the fact that there are many fine individuals in the Labor Party. But these men are controlled by the centralised Labor Party junta. Unless they do as the junta says, they are likely to lose the pre-selection and consequently their seat at the next elections. Our immediate job is to continue to mobilise further public opinion behind all individual members of Parliament in order that they can really fight the financial monopoly without fear of being victimised. I appeal to every supporter to do his utmost to carry on the big fight, which undoubtedly lies in front. If we keep our objective in constant view and do not allow ourselves to be misled by any party, then I am confident that ultimate victory will be ours."

The vote of thanks to the speakers was moved by Mr. J. Bradshaw, who, in a brief address, urged all those present to take heed of what had been said by both speakers. He appealed for more individual action by people in writing to their representatives. He also suggested that they write to the A.B.C. protesting about the recent series of talks broadcast over the national stations, which contained an attack upon monetary reform.

Mr. McCormick seconded the vote of thanks.

## W.A. NOTES

(Prom the Electoral Campaign, 81 Barrack Street, Perth.)

Rent Fund. —What about it, campaigners? Are we to have larger and better offices to do our job, which is your job as well? We do not intend to make another financial appeal. If we are to stay in this fight you must make up your minds to penalise your

pocket to the extent of sixpence or a shilling per week—more if you can manage it. Do not imagine you can leave your share of the financial fight to the other fellow. There can be no reform unless you are prepared to pay for it.

We put it bluntly: Are you coming in to help, or are you just simply another reader of this paper who thinks that by reading it reform will come? We want to make things "hum," we know how to make things "hum," but we must have a guarantee that you are going to help each week. If we are not to be swamped out with this "New Order" propaganda for the "Old Order" policy, our demand for a New Policy based on the Christian philosophy will be retarded for many years. If you want the paradox of poverty amidst plenty solved, you must demand a new policy—and back up your demand in a practical way.

Social Event. —On January 18 a boat-trip will be run by the Subiaco branch to Garden Island and Rockingham, as is usual at this time of the year. Tickets will be 3/- each; children will be able to go at a special price, to be paid at the boat. All profits from the proceeds go to help campaign funds. As this is the one social outing each year, we trust that one and all will help to sell the tickets and make it a jolly affair. Here is a chance to exchange views and swap experiences that may help in your work in the new year.

Literature. —Any social crediters who have social credit literature on their shelves that they may not be using should send it in to the librarian. He will be pleased to utilise it. The demand for social credit literature cannot be met, but we can help many people who are wanting to know the truth—through the library. Please note: Library Membership is only 2/- per annum, and three pence per book per fortnight. We sell and recommend these two books: "The Enemy Within," by Eric Butler (the book that is opening the eyes of the people everywhere) price 7d, posted to you. "The Story of the Commonwealth Bank" (in popular form), by D. J. Amos, F.A.I.S.; price 1/-.

Donations to the funds will be welcomed as Christmas gifts to the campaign.

—V. J. Dury, Campaign Director.

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## THE TASK BEFORE THE CURTIN GOVERNMENT

By D. J. AMOS, F.A.I.S.

**Once more, after many years of wandering in the wilderness, the Labor Party, as represented by the Curtin Administration, holds the reins of office. It commands an uncertain majority in the House of Representatives, is in a minority in the Senate, and finds itself confronted with the most gigantic task, which any Labor Government—or any Australian Government for the matter of that—has ever had to face.**

As if this was not enough, it has to carry out this task in the teeth of the bitterest opposition from an unscrupulous enemy who commands the main avenues of publicity—the daily press and the radio. The task is two-fold, and may be briefly set forth as follows:—

(1) To make possible the greatest physical war effort, by methods that will neither shackle the people in the fetters of interest-bearing debt nor break their backs by taxation.

(2) To raise in every way the living standard of the people so that in winning the war they will not lose everything that they have fought for.

What steps, in the order of their priority, should the Curtin Administration take in order to be in a position to accomplish this task?

Obviously, the first thing to do is to establish a direct channel of communication between the Government and the People. The Minister for Information should have direct control of the main radio stations, and the "Government Gazette" should become a daily newspaper, to which all Government advertisements should be confined, so as to give it an immediate circulation. No Boards, Commissions, or anything of the kind, should be allowed to come between the Government and the People. No Government can achieve any task, or even exist, when its voice is rarely heard by its electors, while a stream of vilification and vituperation is

unceasingly directed against it in the columns of the daily press and over the air.

The formation of the National Guard during the Lang Administration in New South Wales proved conclusively, if it needed to be proved, that the adversaries of Labor Administrations will not hesitate to employ force should other methods prove ineffective, and this points out the second step to be taken. The Government must entrust the command of the armed forces of Australia, including the police, to officers who are loyal to it and to Australian ideals, otherwise its term of office may come to a sudden and unexpected conclusion.

The third step is for the Government to re-obtain control over the public purse, and to do this it is not necessary to pass any new legislation. The Commonwealth Bank Act contains a clause, which makes the Directors and officials of the Bank the servants, and not the masters, of the Government. They may in certain cases—and failure to carry out the orders of the Government should certainly be deemed one—be summarily dismissed and their places filled with more tractable individuals. All money needed by the Government, whether for war or for social services, should be created, either in the form of legal or non-legal tender, by the Commonwealth Bank, and should be free of either debt or interest charges.

Having done these things, the

Curtin Administration would be in a position to get on with its double task of increasing the war effort and raising living standards, and again it is permissible to ask how it would set about it?

In the first place production, both civil and military, must be speeded up in every possible way. The present frantic attempts to sabotage production for civilian purposes by licensing, by restriction and by straight-out prohibition should be regarded as treason, and those responsible for such attempts brought to the very strictest account. In total warfare, the feeding, housing and clothing of the civilian population is every whit as important as that of the military, for it is by their efforts in workshops and on the land that the war will be finally won.

Our present production is capable of almost indefinite expansion if producers are assured of a fair price for their goods, and if the home market is not deprived of the necessary money to purchase its quota by crushing taxation, collected either directly by levies upon income, or indirectly through the increased price of goods. Moreover, every attempt should be made, after the home market is satisfied, to accumulate large stocks of food-stuffs, clothes and equipment of all kinds, because no one knows how long we will be permitted to produce unhampered by war in our own country.

Immediate steps should be taken to develop the oil fields, which we now know to exist in Australia—in addition to our shale-oil deposits. Firms with concessions over oil-bearing lands should be forced to develop or lose them. We have also large deposits of bauxite and other minerals awaiting development, and now is the time to set about it, for, when all is said and done,

Australia's most important contribution to the war lies in materials rather than in men. We cannot afford to send too many of the latter abroad—we may need them nearer home.

It must again be emphasised that only a small fraction of our people are needed to produce, not only all we can consume, but more, much more, if they are not interfered with and hamstrung by either Governmental Regulations or by Financial Restrictions. The remainder of the population can be employed in our war effort, and the more firms and individuals who are allowed to contribute to that war effort the better. Australia must use the private enterprises she possesses. Those, which co-operate loyally with the Government and treat their employees decently can be left to function by themselves; those which adopt obstructive tactics with the Government or oppressive ones to their working staffs should be placed under Governmental control.

Our Price-Fixing Commission and our Arbitration Court can be rendered human and taught that it is their duty to ascertain how high the living standard can be raised, not how low it can be pushed. The fact that we are at war is a reason for feeding our people, not for starving them.

**If in attempting to do all or any of these things, the Curtin Administration loses office, then it can go to the country with a stout heart and a clear conscience, and Australia, who dearly loves a good fighter, will see to it that it goes back with a working majority. If, on the other hand, it pursues a policy of appeasement with its natural enemies, and just tinkers round with things in order to retain office, when it finally goes to the country it will go there hopelessly discredited and he swept into the wilderness of opposition once again.**

## "GOVERNMENT'S DILEMMA"

**"Sydney, October 30. —The State Government's plans for the re-organisation of the milk industry will remain a mystery for some time, but the abolition and reconstruction of the Milk Board is forecast. The Government's dilemma is to reduce distribution cost, AND TO GIVE A BIGGER RETURN TO THE PRODUCER WITHOUT INCREASING THE PRICE OF MILK TO THE CONSUMER."—Maitland (N.S.W.) "Mercury."**

In order to recall—with apologies—the rusty "rob Peter to pay Paul" thesis, I have emphasised the portion of this report bearing thereon. It is nowadays obvious, however, that both Peter and Paul, and their descendants, are being robbed. We in Australia have no major milk problem. Our problem—if it can still be called such—is one of money.

No doubt the removal of the Milk Board will be welcomed by those who realise what a mess boardism has made in this country, but—these removalists have got to replace it with something; something which will produce satisfactory results.

I would think that any plan for a "bigger return to the producer" must involve (a) lower costs; (b) higher prices; or (c) a bigger market.

A market means people with money to spend, not money that is owing for food, rent, rates, taxes, interest, etc. Whether in the case of an individual, or a nation, a state of debt is the opposite or negative of a state of credit. For a market to exist we must be credit-worthy; we must have the money; and an expanding market obviously necessitates an expanding money supply. At present the money supply is short, consequently production, distribution, and consumption are restricted. During the "depression" money was even shorter, and instead of increasing

the money-supply, they decreased the milk supply, dumping millions of gallons down the drains—to keep the price up and "save" Paul at the expense of Peter!

We are after a bigger market, which will benefit both producer and consumer. Well, lower costs means less distribution of purchasing-power, therefore a smaller market; and higher prices produce the same result—unwanted, as even the Government admits.

So what? It appears that a "brand new" Government is about to make another age-old blunder. Or is it? It should know by now that, the vital need is not more and more "organisation" of the milk industry. The average consumer is not concerned with who owns, feeds, stalls, or milks the cow. Only the amount of money he has available determines whether he shall have milk or not.

Likewise, those who control the money of a nation control also its milk—plus everything else.

Those who are not taking their place somewhere on the "home front" might well ask when will our Governments recognise the right of the nation to issue and control its own money-supply.

The answer is: **Just as soon as public opinion is powerful enough.**

Governments may come—and go—but until the electors act unitedly this so-called marketing "problem" will go on indefinitely.

—"Scissors."

## CABINET MINISTER'S INDEPENDENT ATTITUDE

**Quite a stir seems to have been caused as a result of Mr. Ward's unprecedented action in criticising the Budget proposals of the Labor Party last week. Contrary to customary procedure, Mr. Ward voted against his colleagues in the last Caucus meeting, and sided with the rank-and-file of the Caucus in favour of higher old-age pensions than had been provided for.**

As a result, accusations that he is "trying to obtain the benefits of collective responsibility and yet gain the advantage of individual freedom of action" have been levelled at him by his fellow Cabinet members.

Far from being criticised, Mr. Ward deserves to be praised for his forthrightness in using his right to freely express his own opinion, instead of blindly allowing his actions to be dictated by a party policy on matters on which he held a different opinion.

An essential of democratic government is our right, or our parliamentary representative's right, to propose or oppose certain measures, and to vote against measures of which he disapproves. Slavish adherence to a policy to which an individual representative is opposed all too frequently results in that "Yes-man" type of mentality which was instrumental in enabling Hitler to seize power in Germany. It is the particular principle for which the individual is fighting that counts, not the abstract thing called "collective responsibility," else those concerned quickly develop that soulless

abstract state of mind which is more concerned with the "plan" concerned, the "State" and "solidarity," than with the individuals who are to be the victims of "the plan."

**While so concerned with the Party, the other hon. members seemed to have forgotten that Mr. Ward has a responsibility that overrides any loyalty to the Party, and that is his responsibility, to his electors who put him there and who pay him his salary to represent them and their views and desires.**

Mr. Ward has shown a most original and individualistic conception of Cabinet responsibility. In fact, it may be that he intends to accept this responsibility in the fullest meaning of the word—to really represent his electors and not be simply a rubber stamp to a "policy." Democratic government can only be gained by deciding what is wanted and sticking out until we get it.

All we can say is, "Go to it, Mr. Ward—it's a pity there aren't a few more members of Parliament who take their duties as the people's representatives so conscientiously."

—Hilton Ross.

## THE CONSCRIPTION OF WOMEN IN BRITAIN

According to the "Daily Express" 75 per cent, of the young women recruits to munition factories and other industrial enterprises are dissatisfied, and many of them have returned home without permission, thereby creating problems for the authorities, some of whom have said that they do not wish to take severe measures. Only faint repercussions can be heard in the "Times." It is probable that a true picture of the situation is something between the two.

A question concerning the conscription of women was put to Mr. Bevin on July 29 by Sir Leonard Lyle. Sir Leonard has since written to Mr. Bevin pointing out that the use of the word "conscription" would perhaps prove somewhat misleading.

The reply he received is interesting in that the first half is a mere play on words.

"Mr. Bevin is sorry if the reply given to your question in the House on July 29 was open to misunderstanding. He used the word 'conscription' in the sense in which it applies to men of military age. In this sense there is no conscription of women to the Armed Forces of the Crown — i.e., the W.R.N.S., the A.T.S., and the W.A.A.F. The Minister of Labour and National Service has, however, power under the Defence Regulations to require any person to perform any services specified at the 'rate for the job.' Mr. Bevin can, therefore, direct women to war work. If a direction is issued, the person directed has a right of appeal to an Appeal Board, which makes a recommendation to the Minister, which she can either accept or reject." — "Times" Report.

And the second part is an admission that after all this measure of compulsion was unnecessary—"Present experience shows that most persons are prepared to undertake work essential to the war effort when the necessity has been explained to them and their circumstances do not reasonably prevent it. It has, therefore, been necessary to issue directions only in relatively few cases." — Ibid.

Surely if Mr. Bevin is to "direct" me to leave my home, and only relax his orders after a successful appeal to the Minister of Labour and National Service, then to all intents and purposes, direction and conscription are interchangeable terms, and Mr. Bevin is the leader of the modern press gang, however considerate his methods may be.

And if "most persons are prepared to undertake work essential to the war effort when the necessity has been explained to them," etc., why not revert to the voluntary system immediately, and allow "the relatively small proportion" to return to their homes? Industrial concerns will lose nothing in relinquishing the services of these unwilling and therefore inefficient girls, who are merely a drag on the wheels, a source of irritation to foremen and workmen alike.

The trouble, of course, is that the whole theory of conscription, the press gang, is a flat contradiction of one of the four basic facts of realistic political economy, whether it be applied to the mechanised fighting forces or to industry.

"Labour is not exchangeable, product is."

A democracy wherein that axiom were properly understood would be in no need of a press-gang, no matter how dire the national emergency. The principle of voluntary service with pay would suffice. For were a man's or woman's power to do work acknowledged as his most precious possession to be cherished and developed with the most skilful care, each would already be in a position to make full use of this inalienable right—when he so desired; and provided that the national affairs were "explained" to them (explained, Messrs. Churchill, Eden and Bevin, not merely given a good face) every volunteer would before many days pass

automatically to his place in defence or attack, as the ball-bearings fall around the axle.

But if your political economy is arranged after the manner of Heath Robinson, with as many square pegs in round holes as possible, and good pieces of machinery rusting or scrapped, it will be hopeless to believe that any amount of oil (which Mr. Bevin has promised to use) will force nuts and bolts to fit when they are of different gauges. Why not use a little intelligence concerning the nature of the material?

Perhaps it was Mr. Winant, Hariman, or Harry Hopkins who whispered the idea to Mr. Bevin, at the time of the Lease and Lend Act; no greater mistake could have been made than to suppose better results were to be obtained by "directing" women than by allowing them to volunteer. But the results desired by us may not be the results desired by these gentlemen. We do not know.

"It is necessary to make it quite clear," says the Ministry of

Labour and National Service, that neither the armed forces nor the war industries can be fully mobilised unless women in large numbers are obtained."

There is no reason to doubt this statement, but there is every reason to object to the word "obtained." Once again the Press Gang spirit is manifest. It is assumed that the people of this country are unwilling to employ their full strength to win this war, that it will only be won by the constant efforts of the administration in gingering up "the public" by rousing speeches, and finally by forced labour.

—B. M. Palmer, in the "Social Creditor" (England), September 13.

## United Democrats' Report

From Headquarters, 17 Waymouth Street, Adelaide.

Here is a Lead: The new Social Credit Group, Adelaide, No. 1, has just produced a chain letter, neatly printed, with space for the name of a friend at the top. You sign it and send it going. The receiver is requested to read it, copy it, and send it on. The letter contains some challenging facts about the international situation. Make use of these at once. Send in for a number and see what possibilities they have. —M. R. W. Lee, Assistant Secretary.

## The Time-Payment Racket

(Continued from page 1.)

This illustrates what a dangerous power resides in a few private bankers having control of policy by which they could compel any or all sections of the community to obey them, and cause depressions by reducing the money supply as they did in 1930.

But, as yet, there is no evidence to indicate that the Labor Government intends to remove this power from them; all that seems to concern it is the reduction of profits—when the question of the power operated is the important matter. Such power should not rest with private individuals over whom the electors have no control—the question reduces to this: "political control of banking policy or banking control of political policy?"

## The Last Day—Friday, November 21

Frank Devlin, tailor, whose advertisement appears elsewhere in this issue, begs to announce that Friday, November 21, is the last day for acceptance of orders for Christmas delivery. So be wise and place your order for a tailor-made costume or suit without delay. A special note: Frank Devlin has ample stocks of the newest suitings for your approval. Every order is given personal attention, and complete satisfaction in every transaction is guaranteed. There is every indication of increased prices early in the New Year. So don't delay. Address: 340 Little Collins-street, Melbourne. Open every Friday night. —Adv't.

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THE CONSPIRATORS.

Dr. Schacht (of the German Reichsbank) and Mr. Montagu Norman (Governor of the Bank of England) talking things over before the Second World War.

"In view of the disastrous policy followed by the Bank of England after the last war and the part it is believed to have played in the re-armament of Germany, does not the right hon. gentleman (Sir John Simon) consider it time that the people knew a bit more about the proprietors of this unique concern?"

—Mr. R. Stokes, in the British House of Commons, April 16, 1940.

## LETTERS TO THE EDITOR

## Russian Resistance

Sir, —So much nonsense has been published in the daily press about the Russo-German war, that I feel that your readers will appreciate the following realistic piece of writing by the Sydney "Bulletin's" military writer in last week's issue:

"Future resistance may be gauged by admissions—an ominous feature of recent Russian bulletins—that the Red Army is even now "outnumbered" on every front, despite its superior potential of man-power. The position is deadly serious. It is more so because the famous correspondents and propagandists have kept it all the time in wrong perspective, leading the world to believe that in effectiveness the Russian resistance has been something superlative, beside which the resistance of France and Greece are subjects for scorn; hence that the U.S.S.R. still has a chance of victory. The facts are that in all previous campaigns together—France, Belgium, Holland, Norway, Denmark, the Balkans and Poland—the enemy occupied 490,000 square miles, mostly the territory, of nations without modern mechanised armies, in 120 days' fighting. From the heavily mechanised U.S.S.R. Forces, defending strongly fortified lines and with an allegedly endless reservoir of trained men, he has taken about 500,000 square miles of territory inhabited by 70,000,000 people in 131 days, crossing on the way what were thought to be insuperable river obstacles and a country which was stripped and scorched by the defenders. The Russian war has been written up in the wrong way, and people are now beginning to realise it. The figures quoted should be a pointer to the British Empire of the kind of enemy it is up against, and of the effort which will be needed. There is not now the faintest hope that Russians will do what Bernard Shaw and heaps of authorities predicted that they would do—win the war on their own account."—Yours, etc., Eric D. Butler, Melbourne.

## That New Order

Sir, —Today we hear many references to a "new order" as a desirable post-war objective. This would seem to indicate to the average person that the present

order is bad and in need of a drastic overhaul, but upon reflection we find that our present way of life, our economic and governmental systems are, in the main, sound, and as near perfection as any yet devised by civilised peoples. The trouble is, as usual, in the human element, not in what it does, but in what it fails to do. By analogy, the machine does not always function as intended by its maker, when it is subjected to continued neglect on the part of its operator. Many of us are proud to boast that we live in a democracy, that we govern ourselves through our elected representatives. In practice, ninety-eight per cent, of us govern ourselves only on election day, when we elect a so-called representative, and promptly delegate our self-governing duty and responsibility to him. How do we expect him to act for us, giving him, as we do, no instructions as to our wishes? Our Federal representative, Mr. Blackburn, recently received many letters, expressing concern at the terms of the Fadden Government's budget proposals, and demanding that Mr. Blackburn strongly oppose them on behalf of the writers. The great majority of his electors, however, left to Mr. Blackburn the job of guessing their wishes. Fortunately, he read their minds more or less correctly, guessing that if there was anything they wanted, it was not in the nature of compulsory loans and extra taxation. Although Mr. Blackburn is not now a member of the Labor Party, this does not at all affect his position at present as a representative of the people of Bourke, who will ultimately have the last say concerning the retention of his services. In a democratic community this would depend on whether or not his electors were satisfied that their wishes had been carried into effect by action on his part. It is a well-known fact that no reform ever originated in Parliament. All reforms have been brought about by pressure of public opinion. To encourage an active public opinion, our State representative, Mr. Mutton, M.L.A., on his election last year, promised to serve and obey the people of Coburg, regardless of party or creed, and agreed to come before the electors every three months for the purpose of receiving instructions, and to give an account of his stewardship. Mr. Mutton has faithfully carried out these obligations, but what of ourselves, his electors? Four such public meetings have been held, and it says much for the satisfaction of Coburg people with their way of life, living

whether Professor Copland would be retained as an economic adviser.

"Professor Copland," Mr. Curtin replied, "will retain his position, just as Mr. Tracy (the Prime Ministerial chauffeur) will retain his position."

So, in the Canberra way, events themselves commented on such Labor questions as that by Mr. Calwell (Vic.) to Mr. Fadden (then Prime Minister), on September 18:

"Has the Prime Minister taken over Professor Copland as his economic adviser, and has the Professor had anything to do with the preparation of this year's Budget? Is this the Professor Copland who was one of the authors of the Premiers' Plan, and who, ten years ago, recommended the reduction of wages by 10 per cent, in order to bring about budgetary equilibrium?"; and on such remarks in Labor speeches as that by Dr. Evatt (N.S.W.) on October 3: "The economists, professors, and ex-professors advising the Government have, I think, wrongly concluded that the Keynes Plan is automatically applicable to Australia."

Another professor also assists in brewing Canberra's financial mixtures — admittedly as nasty-tasting medicines as were ever planned to be of benefit to the health of a nation.

He is Professor Giblin, who mined for gold in Alaska many

conditions, and their civic pride, that no more than fifty are interested enough in any order, old or new, to turn up at these meetings. I would like to make quite clear that Mr. Mutton's political or religious views are his own personal and private concern. What does concern me is that he is my representative and I expect him to present my views in the House, whenever I trouble to make those views known to him. For instance, many people who are interested have now the opportunity to let him know how they want him to vote on the proposed Marriage Loan Bill. He will be pleased to acknowledge every letter received. Let us well remember, that failing the receipt of any instructions from the mass of Coburg electors, Mr. Mutton has no option but to obey the instructions of the fifty or so people who have troubled to exercise their individual responsibility as real democrats, the rest, by apathy, having signified lack of interest. — Yours, etc., ARTHUR V. COLBECK, Coburg, Vic.

## THE MEN BEHIND THE BUDGET

(Continued from page 1.)

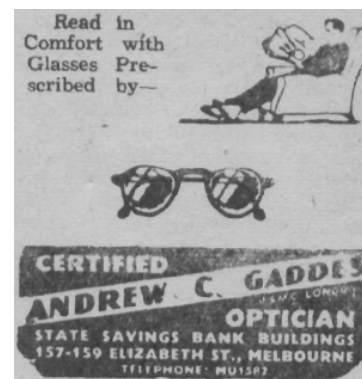
years before events gave him an inside view of Governments mining for credit in Australia.

Professor Giblin is chairman of the Commonwealth Financial and Economic Committee, and, perhaps more importantly from Labor's viewpoint, a member of the Commonwealth Bank Board.

## MORE ACTION BY THE U.E.A.

The present political situation demands more vigorous and sustained action. To meet these circumstances an able and energetic campaigner, in the person of Mr. J. Bradshaw, has undertaken to concentrate on organising groups in the metropolitan area. Mr. Bradshaw is prepared to organise meetings at the homes of all supporters willing to make same available. He will also organise a speakers' class for this purpose, and for the mobile public address unit now being assembled. Will all those willing to make their homes available, and those desirous of being enrolled in the speakers' class, advise headquarters immediately? Send all enquiries to the Hon. Secretary, United Electors of Australia, McEwan House, Little Collins-street, Melbourne—and may we urge you to do it now.

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