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THE NEW TIMES

Vol. 7. No. 50. MELBOURNE, FRIDAY, DEC. 19, 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 Pacific War—and the Enemy Within

An Open Letter to Members of Federal Parliament

The following open letter to Members of Federal Parliament was handed to us by Mr. Eric Butler last Tuesday before he left to report for military duty. The letter speaks for itself. A copy of this issue is being sent to each Federal Member. Readers are requested to obtain extra copies and circulate them as widely as possible:

December 15, 1941.

Gentlemen, War has been brought closer to our shores. Stirring speeches have been made, warnings have been sounded, and the people have been called upon by some of you to make greater sacrifices. Brave words about national control of industry have been uttered. We virtually have a national Government. It is implied that all obstacles to a real maximum national effort are to be ruthlessly swept aside. But I desire to say quite bluntly that nothing like a real national effort can be made until a majority of you gentlemen decide to tackle the one fundamental problem of this nation — the money problem.

In spite of a national Government in Britain, the fact remains that men most competent to speak on industrial effort have recently stated that Britain's war effort is still lagging. Sir Herbert Williams, one of the most competent engineers in Britain, recently said that the British people are winning the war in spite of the Government. He said that, in his opinion, the present British administration was the most inefficient in modern times. Government interference with private enterprise has proved a farce. And now it is proposed to pursue a similar policy here. We have competent engineers, industrial organisers and workmen in this country who are eager to produce all military requirements if they are given orders and money. They don't need a lot of second-rate planning experts ordering them about.

But, of course, money—or the lack of it—has been, and still is, our major problem. A report in the Melbourne "Herald" last week deals with the "increased financial strain" which the Pacific war will place upon the nation. What nonsense is this, gentlemen? We all realise that an extra strain will be thrown on our real resources. We must conserve these real resources and use them to the best advantage. But it is absurd to talk about conserving our money resources. Money is a man-made ticket system. It is an elementary fact of banking that practically all the money used in this country is manufactured, in

BLACK-OUT OR LIGHT-UP?

Readers will recall the full report in these columns on May 30 of the utter condemnation of the "blackout" by Noel Pemberton-Billing, one of England's leading aviation experts, in his book "Defence Against The Night Bomber."

There has been abundant confirmation of his views since then—indeed, it is reported that at least one English city has already abandoned the "blackout" in favour of the "light-up." A. F. Dickerson, leading American lighting engineer, writing in the "New Republic" recently, says:

"Is there any alternative to the blackout? I sincerely believe, and many others agree, that the blackout of large cities as practised in Britain and elsewhere is not the answer. A better plan would be the creation of a glaring canopy of light over principal cities to blind enemy pilots, to obscure and hide important targets, and to aid protecting aircraft pilots in shooting down the enemy. This canopy of light could be created by installing on high elevations numerous small, though powerful, searchlights and wide-angle floodlights, with their beams pointed skyward and in a fan shape.

"With the aid of the light-up plan people could live, work, and play under conditions more comparable

to those in peacetime. Undoubtedly they would have to be convinced of its value and of its advantages over the blackout.

"It is encouraging to know that the United States Army, with the assistance of General Electric engineers, recently made a preliminary test of the light-up plan on a modest scale.

"The Press reported that in flights over a small area surrounded by incandescent floodlights not even a long viewing tube could penetrate the glare. Further experiments by these and other qualified sources undoubtedly will be made to determine by experience the other merits of the light up. And if air raids ever threaten the United States, we may see the plan in operation."

the form of "bank credit," by the banks at practically no cost to themselves. Even the London "Economist" of February 1, 1941, contained the following:

"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." Note this admission well, gentlemen. It is an open admission that a private monopoly is rapidly obtaining possession of the

(Continued on page 3.)

imposed by the first three war Budgets was estimated to yield £250,000,000 a year in all, while in the fourth Budget a further sum of the same amount was levied at one stroke. The total increase of £500,000,000 in these two taxes was about one and three-quarter times the whole of the Income Tax and Super-tax paid in 1918. With the combined taxation on the highest slice at the rate of 19s 6d in the £, it is clear that the maximum rate has been practically reached, at least in certain ranges of income... In the last two years we had to find, in addition to the Budget deficits, nearly £150,000,000 for the repayment of debt in the hands of

SPOTLIGHT ON FINANCE IN BRITISH PARLIAMENT

When the Supplementary Vote of Credit, 1941, came up for debate in the House of Commons on October 1, the Chancellor gave some interesting figures and made an important admission.

Other members made pertinent observations and asked questions about such matters as Anglo-U.S. financial relations, money being freely created for war but not for peace, and the banking swindle in relation to war-finance. Here are relevant extracts from the Official Report ("Hansard"): —

The Chancellor of the Exchequer (Sir Kingsley Wood): . . . As I have explained previously, these Votes of Credit are available only for war services. When we include the service of the Debt and the Civil Votes, including those of our extensive social services, we are now spending in all some £13,000,000 a day... at the peak of our activities in the last war the Vote of Credit expenditure averaged about £7,000,000 a day and the total expenditure about £8,000,000 a day . . .

. . . If I take Income Tax and Sur-tax alone, the additional taxation

the public and other smaller capital payments, so that in all we had to raise, by means other than revenue, no less than £4,380,000,000. Again, I would point out that the full magnitude of figures such as these soon lose their reality, and I think it would be more informative if I referred in terms of percentages rather than of totals to the principal sources from which that sum of £4,380,000,000 was raised.

In the first place, 17 per cent was covered by the realisation of our holdings of gold and foreign exchange and by borrowing balances on non-budgetary official funds such as the War Risks Insurance Funds and the Unemployment Fund. There is another striking figure. No less than 21 per cent, of the considerable total to which I have referred was provided by small savings—the net proceeds of National Savings Certificates, Defence Bonds, and deposits in the Post Office Savings Bank and Trustee Savings Banks . . .

Subscriptions from non-official sources to medium and long-term market issues provided for 33 per cent, of our borrowings, and outstanding among such issues were National War Bonds which provided 19 per cent, out of the 33 per cent . . . Treasury Bills and Treasury Deposit Receipts taken up by the banks and other financial institutions provided 26 per cent, of our borrowings. The new system of borrowing from the banks by means of Treasury Deposit Receipts provided 12 per cent, out of the 26 per cent, and has amply fulfilled our ex-

(Continued on page 5.)

COLES, M.H.R., ON FEDERAL UNION

In reply to a letter in which three of his electors strongly objected to—(a) the proposal to abolish State Parliaments; (b) the suggestion of Union with America; and (c) the piling up of huge war debts; Mr. A. W. Coles, M.H.R., wrote:

"... Regarding Union with the United States, I have not heard any suggestion of this nature in Governmental quarters, and as far as I know it is purely talk from irresponsible people. My sentiments on the question are the same as yours and all Britishers."

Mr. Coles ignored the other two issues: abolition of State Parliaments and war debts.

NOTICE

To All Readers

Following previous custom and owing to the editor's ill health, the "New Times" will NOT be published on December 26 (Boxing Day) or January 2.

Publication will be resumed on January 9.

MORE FEDERAL UNION PROPAGANDA

A pamphlet written by Lionel Curtis and called "Decision," is a subtle piece of propaganda in favour of some form of international Federal Union. The pamphlet is definitely English in tone and background, but Clarence Kirschmann Streit, of U.S.A., is acknowledged as the real hero of the Federal Union movement.

As social crediters in all things aim to be realists, and as they have been in the forefront of those who have opposed the proposed moves towards Federal Union, the references to "realists" in chapter VII are likely to be meant to give a sly dig at social crediters.

Curtis suggests that realists may "increase the blood and tears" before freedom is established on the earth. We do not admit that that is true, but even if it were, we should be prepared to suffer even more blood and tears, if that were the only way to establish all human relationship on a realistic basis. Lionel Curtis can probably be included amongst the so-called Christian sociologists whose ideals are not properly related to reality (i.e., to God).

The immediate steps towards Federal Union suggested in the pamphlet are less extensive and less drastic than those put forward by Streit, for Curtis says, "I believe that the power to control migration and tariffs can and should be left to the National Governments of the component States." So far so good, but tariffs are but one aspect of financial manipulation, and it will be found that any State which wants to bargain for full control over its own financial policies will not be included in any Federal Union as the term is now understood.

Curtis appreciates and extols the principles which have been responsible for the development of the British Commonwealth of Nations, loosely held together by the tie of common citizenship; but he says little about the King, whose person and office are an important factor in cementing us together. Readers should see the importance of reasserting the value and usefulness of the idea that a person as a crowned Sovereign shall be at the head of our political system. Britishers look upon their King as an embodiment and symbol of, and a safeguard to, the idea that ultimate sovereignty vests in the individuals of the community, and not in any such abstraction as the State, or Republic, or any sort of Union.

It is argued in the pamphlet that, because with all its influences, advantages and accomplishments, the British Commonwealth "failed to prevent the outbreak of the 1914 war," and because together with the League of Nations it "failed to prevent the outbreak of an even more terrible war," we must have some form of international government.

In the argument as summarised above and throughout the pamphlet, the fact is ignored that we, and most other nations, are actually not masters in our own houses, but bow to the domination

of a false, stupid, and anti-social financial system, based on policies imposed by irresponsible internationalists.

That Curtis dismally fails to understand the proper ways of democratic functioning is shown in a number of ways, and especially by his statement that: "It (International Union) will come when some accredited leader has told his followers that no lasting peace can dawn on this earth until two or more national States have merged their sovereignty in one international commonwealth."

Let us remember that the distinguishing mark of a true democracy is that the focus of power in the determination of policy does in fact lie with the people themselves. The persons who are elected to sit as members of governing bodies are expected to be honoured servants, and not to act as leaders to "move in advance

of public opinion."

If we ask why it is that the splendid experiment of the British Commonwealth of Nations has failed to bring satisfaction to its own citizens, and to act as a powerful instrument to maintain peace, we will find one of the principal reasons in the fact that we have retained the "export or perish" policy which the said false and stupid financial system forces upon us.

If any self-governing country can inaugurate a system under which the total of money-incomes inside its own borders is kept equal to the total prices of the goods produced, such a country will make an invaluable contribution to the establishment of world peace; for it will have shown the way to stop the mad competitive scramble in finding markets at home and abroad.

—C. H. Allen.

THESE ROYAL COMMISSIONS

For some time past some of our small business owners must have been perplexed to the point of wondering if they had been mistaken about their own nationality and were in reality enemy aliens all the time, so persistently have they been hammered by the war effort.

How relieved they must have been to see the time-payment question handed over to a Board of Inquiry. Like me, they must have smiled into their whiskers—a feat made possible for me by the arrival of the Christmas face fungus; for doubtless they realised that instead of being unmasked as the menace striking at the roots of our way of life, time-payment might be discovered to be our way of life itself, and that instead of abolishing time-payment so as to be able to buy a dreadnought on the lay-by, we should have to envisage a plan for the purchase of the instalments themselves on the lay-by.

That's the way it looks to me, anyway, for a Board of Inquiry is pretty well as good as a Royal Commission. I am not, as a matter of fact, very clear about the difference between Boards of Inquiry and Royal Commissions. Pongo Pyke has explained to me that the difference consists in the fact that certain delimitations of power germane to and inherent in one are not so in the case of the other. But I prefer the less tedious way of saying I'm not clear about it.

But I am fairly clear about the functions of a Royal Commission. A Royal Commission is a design to give the people with the grievance the full redress of democracy: which is to find out who is to blame and to prevent him or them suffering the consequences.

It is marvellous what you can do with a Royal Commission if you give your mind to it. There was, for example, in Queensland a few years ago a Commission, which turned the tables very neatly on some settlers who had grown clamorous. When you consider how heavily the dice were loaded against the Commission by the physical circumstances you feel obliged to give great credit to its adroitness in saddling the settlers with the responsibility for the disappearance of the Nathan Dam, the dam which was to have made the desert blossom as the rose, but somehow didn't as there was a hole or something in the place where the dam should have been. There is, of course, evidence that the Nathan Dam existed. It is, or was until recently, to be found in the school geography books, but the settlers couldn't find it—the real dam, I mean. It was very silly of them to bring up the subject, because, by doing so, they placed themselves in the position of Willie and the missing jam tarts. It was an open invitation. The Commission slugged them penalty arrears until

such time as they should produce the missing dam.

Whenever I come upon a queer patch in history or a more than usually incredible legend I straightway suspect a Royal Commission, especially if a disappearance is involved. The mistletoe bough is a typical instance. I am practically persuaded that the frantic prince who lost his lady love in the old oak chest would have had a pretty good chance of finding her if he hadn't allowed himself to be fobbed off with a Royal Commission, and I am equally persuaded that the girl's whereabouts were known to the Commission but couldn't be divulged because to do so might violate certain interpretations of the terms of reference.

But I just can't imagine how there ever was a Royal Commission on banking. That was a rummy business, in my opinion, because the bankers knew what banking was and could have told the people all about it, only they knew it wasn't any good telling the people because it all sounded so silly the people wouldn't believe it.

That commission was a very risky business, and may lead to trouble yet. I am inclined to think it was all a mistake. I think what probably happened was that someone breezed into the Treasury or somewhere and had a few words to say about the unwelcome publicity the money barons were receiving from certain quarters. This someone (according to my theory) said, "Now, pay attention! I have a plan." And, after explaining to the Treasury bloke what his juicy idea was, he added, with just the right amount of casualness, "Of course, I shall expect a commission—I may say, an absolutely royal commission." Whereupon the Treasury bloke rubbed his eyes and said, "Quite!" and didn't let on that the last dozen words were all he had heard.

I don't want you to think I'm being disrespectful about Royal Commissions. I am merely pointing out that they haven't so far proved much good at discovering either, as in the banking inquiry, where the money comes from, or, as in the recent secret fund inquiry, where the money goes to.

But apart from these failures, I wonder the idea of the Royal Commission isn't exploited a good deal more. I only know that if ever my crimes are sheeted home to me I shall not appeal, if I can be granted the boon of a Royal Commission instead.

I hope, of course, to do even better for myself, namely, not to have my crimes sheeted home at all, but to remain on the side of the Royal Commissions.

—FOOTLE.

THE LEADERSHIP PRINCIPLE

The pagan milk on which we are suckled throughout our life of education may be defined as the "Leadership Principle." It is of the very Devil, for it includes what was the greatest temptation of Christ, the offer of power to remould things.

We find it developed very early in childhood by a system of rewards and punishments; we grow up and go to the university, leaving with a wonderful education and a string of degrees or diplomas; and we know how men should run their lives according to our ideas.

Leadership is based on the idea that, by superior birth, education, bank balance, push, debating skill or manipulation, we become endowed with the belief that we know best how people should live their lives. All the so-called world leaders and statesmen, the would-be-if-they-could-be's, say, in effect, "Now we have a particular idea of Utopia, follow us and we will get it for you."

In actual fact the Leadership Principle constitutes a moral and intellectual slavery of mankind to a few, probably well-intentioned, but nevertheless self-satisfied individuals. We see this quality exhibited every day by people who try to interfere with the life and liberty of their fellows, telling them that they mustn't drink, smoke, eat this or that, do this or that—restrictions which are not a physical necessity except in the extreme rigour of war-time conditions and even then should be applied only as little as is consonant with getting on with the job (which is far less than authoritarians would like us to believe). For the less restriction people are subjected to the more satisfaction they will find in their association as a group or nation, and the more they will do voluntarily to preserve it. The most interesting point of this attempt to impose restrictions is the fact that those who would rule others are very often the first to resent

any interference with their own lives. They strive their hardest to protect their own liberties, whilst they would deny them to their fellows.

This principle of Leadership is inherent in the wearing of all coloured shirts in the cause of politics—green shirts, black shirts, brown shirts.

Against such a false leadership may be set the only real leadership, that described by Christ when He told His followers that he who would be greatest among them, let him be the servant of them all.

Social crediters don't pretend to tell people how they shall live their lives, but they do say, "If you desire to live your life in conformity with your own desire and your Creator, then there is the way towards your being able to do it." If people will not take that way then it is not our prerogative or responsibility to force them to do so. In attempting to use force we would deny our own rights. "Freedom," says Douglas, "is a real thing. It consists in freedom to choose or reject one thing at a time." It is for personal freedom that men fight and will continue to fight, and when they have achieved that they will fight no more.

We are passing through that period which Douglas referred to in 1923 when he said that there would come, well within the lives of the present generations, a period when the forces of darkness would appear to be in the ascendant; and ours is the beacon from which shines a light that is becoming brighter as the darkness grows greater.

—A. A. Chresby.

THE PACIFIC WAR AND THE ENEMY WITHIN

(Continued from page 1.)

nation at no cost to itself. This monopoly lends us the claims to our own wealth as a debt. That is bad enough; but, when we are robbed through oppressive taxation to pay the interest bills, it is something, which no loyal citizen can tolerate. It is a lie to suggest that we must have heavier taxation simply to fight the war. We have heavier taxation to pay increasing interest bills on increasing debts. Thousands of people who could be used in some constructive manner are wasting their time and energy as tax collectors. Businessmen are being harassed by an increasing flood of forms which they are expected to fill in. Increasing taxation is severely hampering the industrial effort. Detailed evidence of this was recently published by the British Engineers' Institute, who said that British production was being hampered by the financial system; and I would rather believe the views of a group of the best engineering brains in the world than the views of men whose only idea of industrial organisation is to try and solve problems by passing laws. If the passing of laws, the filling-in of forms, and the establishment of committees, boards and commissions, were any reflection of the war effort, we would have defeated the enemy long ago.

TAXATION NONSENSE

Let us examine this taxation issue still more closely. There are three main arguments advocated in favour of taxation: (1) - That the money which the people possess is the only source of money available to the Government to pay for the war; (2) that taxation is the only way to transfer employment of labour and raw materials from civil production to production for war; (3) that if the people have more money to spend, rises in prices, or inflation, must follow.

In answer to the first argument I have only to point out, on the banks' own admittance, that the bulk of the money for the war is being manufactured by themselves. They could manufacture all the money required if the Government really governed. Even 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."

The second argument, namely, that the Government cannot get men and materials because civilians are using up too much labour and material is absurd. Civilians cannot use more petrol than the Government permits them to have. Taking money off people may mean that they won't buy so many apples, or so much butter. I challenge any gentleman to show me how an apple orchard can be transformed into a tank-producing unit, or a dairy farm into an aeroplane factory. Our entire national strategy must be based upon food production and distribution. Even from a military viewpoint, it is absolutely essential that we maintain the highest possible standard of living commensurate with our powers of production, which don't encroach upon the production of war equipment.

"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 statement that taxation is necessary to prevent inflation is also nonsense. The Government has the power to control prices. A study of taxation reveals that many of the price rises have been DUE to increased taxation.

The whole idea of taking money off the people is a bankers' ramp. The time has arrived, gentlemen, for some blunt talking on this matter.

INDUCEMENT, OR COMPULSION?

A study of society and its growth reveals that there are two ways of getting people to do things: by inducement, which leads to voluntary association, or by compulsion. Voluntary effort has been responsible for our present civilisation; it allows the individual to develop his own particular genius. Compulsion kills this genius. Now, we have heard a lot of talk about compulsion since the outbreak of the Pacific war. I believe that, if the Government makes it quite clear that we are fighting for real freedom, and, more important, takes practical and tangible steps to indicate clearly that we are going to finish the war with freedom and security, everyone will cooperate voluntarily. This suggestion of compulsion is an insult to the loyalty of Australian people. As a matter of fact, I believe that every crisis is used by the financial interests to attack further the liberties of the people. William Jennings Bryan, the famous American statesman, once said:

PARLIAMENTARY NOTES

Mr. Curtin, in his speech on the Budget, mentioned that the indirect taxation on incomes of £400 per annum or less amounted to approximately five times the direct taxation. Now the direct taxation on an income of £400 per annum is, on an average, £20, therefore, the total amount paid in taxes is £120, or 30% of the entire income. Yet, taxation is to be increased.

Mr. Guy easily attained the best "howler" of the debate. He quoted a schoolboy who had described a farm as "a piece of land surrounded by mortgages." Said Mr. Guy: "In many cases that is a true description, due largely to the non-existence of a Mortgage Bank" !!!

Mr. Scully remarked that the outlook in respect to egg production was not very satisfactory, particularly as production was increasing at an alarming rate. (Note: So we get an Egg Board appointed in South Australia to sabotage this production, precisely as other Boards have sabotaged wheat, and fruit production, and munition-making.)

Mr. Ryan is terribly alarmed at the wheat position. In spite of licensing, prohibitions, etc., we still, it appears, have a large surplus, and although we will destroy 17 million bushels in producing power alcohol, yet "other ways and means must be found to dispose of our surplus wheat." (Note: The idea of forming great storages of flour, meat, fruit and clothing, against evil days to come, seems to occur to no one. Even a maggot does not quarrel with an apple for being too large, but then the maggot, happy insect, knows nothing of finance.)

Senator Darcey, in a speech which, it is to be hoped, will be reprinted in pamphlet form, quoted a statement of the manager of the Canadian Government Bank, Mr. Graham Towers, who, when giving evidence on oath before a monetary commission, was asked whether a Government

"The money power preys upon the nation in times of peace, and conspires against it in times of adversity."

One of the major causes of lack of unity and voluntary association is the money question. It is the fundamental cause of nearly all strikes. All the commissions and inquiries in the world will not remove the cause of the friction.

The greatest national effort will only be obtained when all financial restrictions are removed and every individual is voluntarily doing the job for which he is best suited.

There may be a few who won't help under any circumstances. We will be better off without them. If we compel them to help, we are only impairing efficiency.

But it is quite apparent that, if the present policy is pursued, we are all going to be bossed and bullied about by hordes of bureaucratic officials who would be better employed doing something useful; and there are many citizens who are very suspicious of the utilisation of every crisis to foist more regimentation on the people. I, for one, do not like it, and intend to expose and oppose it wherever possible.

HOW TO SOLVE THE LUXURY TRADE PROBLEM

Let me now deal with the question of luxuries. We have heard a lot of vague, garbled statements about this matter. But we have yet to hear a clear, definite statement about the things considered to be luxuries by the Government. If, for example, vacuum cleaners are considered luxuries—and I have no doubt that we can do without vacuum cleaners until after the war—then let the Government say so. The task is to transfer the resources used in manufacturing vacuum cleaners to the manufacturing of war equipment. The obvious and simple thing for the Government

to do is to approach firms possessing equipment which can be quickly turned to the production of war equipment, and to ask these firms to participate in the national effort. Surely, gentlemen, it is not suggested that these firms will not participate if you offer to pay, them sufficient to recover all their financial costs. But perhaps you have to have an organised "cadging" campaign first to raise some money!

If firms cease manufacturing vacuum cleaners and other luxuries, and start manufacturing war equipment, there will be no luxuries to buy—and that is the end of the matter. This is an obvious and simple approach to the problem—at least, to those who are not mental slaves to the money mesmerism. The mental slaves suggest that we waste manpower, paper and energy in first taking money off people in order that they won't be able to buy luxuries. So far as I can follow this line of reasoning, the suggestion is that, as there will be no demand for luxuries, the firms producing luxuries will close down, and yet, in some remarkable manner, be diverted to the war effort.

Let me repeat, this idea of taking money off people under the guise of transferring resources used for non-essentials is not necessary. It is directly camouflaging the colossal swindle being foisted upon a stampeded public by the financial gangsters.

Even "Sound Finance," mouthpiece of the financial oligarchy in this country, in its issue of August 14, 1941, made the following amazing admission:

"If there were real resources already unemployed which could be brought into war production, those transfers (taxation, loans, etc.) would not be necessary. There would be no need to transfer real resources from civilian production. In that case, it would be wrong to attempt to transfer money resources from civilian use. THE CORRECT METHOD WOULD BE THE USE OF NEW MONEY, CREATED BY THE COMMONWEALTH BANK THERE WOULD BE ADDITIONAL PRODUCTION, WHICH WOULD NEED ADDITIONAL MONEY."

Naturally, "Sound Finance" doesn't admit that there are resources at present unemployed. But I trust that I am addressing this letter to intelligent and honest men, not hirelings of the private banking swindle. If new money for new production can be created at practically no cost—and who can deny it?—then why all the nonsense about loans and taxes and this "money-is-hard-to-obtain" theory?

Let the Government proceed immediately to list all resources being used by luxury production, issue sufficient money as an asset, not as a perpetual interest-bearing debt, to utilise all these resources in war production without all these suggestions that the people must have money taken off them.

A FEW WORDS TO MR. CURTIN

Let me now address you, Mr. Curtin. As Prime Minister of Australia at the present time, you have an opportunity of proving yourself the Empire's greatest statesman by immediately taking action against the "enemy within." You, sir, cannot plead ignorance. You know. You have been telling us for years what you would do about the money power if you obtained office. But, like many before you, you have clearly indicated that you are prepared to surrender to that enemy in a crisis. And don't tell me that you haven't the power. This is no time for compromise, Mr. Curtin. Take the Australian people into your confidence and never mind the heavy-hand attitude. Leave (Continued on page 6.)

—D. J. Amos, F.A.I.S.

The New Times

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LIKE WINE, POWER GOES TO MR. CURTIN'S HEAD

During the course of an address at the R.A.C.V. on Thursday of last week, the Prime Minister (Mr. Curtin) is reported by the Melbourne "Herald" as saying that the Government could no longer risk Australia's safety upon appeals. It must make decisions which when made **must be immediately accepted by the people without argument about their wisdom** To further quote the "Herald," Mr. Curtin's speech was "an imperative call to **immediate and unquestioning obedience by every Australian to war decisions about to be made by the Federal Government.**"

Apparently both Mr. Curtin and the "Herald" regretted having gone so far in their statements, as this particular part of Mr. Curtin's speech was omitted in later editions of the "Herald":

"Responsible government can no longer risk the safety of this country on appeals to the multitude. It must make decisions, and when they are made there must be no argument on their wisdom, but a ready and immediate acceptance."

Statements of this nature are definitely not calculated to improve the morale of democratic people, and such a sweeping rejection of the people's prerogatives must be looked on with the gravest concern.

We do not set up average citizens as being military or naval strategists, nor do we stress their right to have some say as to the **particular** way in which our defence forces will be used. After all, there are highly-trained experts who have been trained, at public expense, to use those forces in the best possible way; whose function it is to advise the Government on these matters, and get results or get out. But we most emphatically declare that any attempt to implement a policy of complete and unlimited control of all our lives, together with a demand that we must accept such decisions without question, savours not only of Hitlerian tactics and a blatant attempt at self-aggrandisement, but definitely tends to destroy the very spirit of democratic government. It is inimical to the people's interests, and is a direct attack upon the sovereignty of the people and their right to rule themselves.

Such demands are not just strongly worded "appeals" made to the people. They are the identical tactics, the attitude, the specious excuses and "justifications" which, as history shows, have preceded practically every attempt by power-minded individuals to grasp control of a nation. Napoleon, Cromwell, Stalin, Hitler—all the great dictators have couched their onslaughts on the rights of the individual in eloquently-worded requests that the people must not question the wisdom of the "Leader's" actions, but merely accept them in good faith.

The faults in our war-effort lie, not with the people of Australia, but in our would-be Leaders' attempts to direct it. The people have not received one tangible and worthwhile piece of evidence to show that things are to be any better after this war than they were after the last. There has been government procrastination and vacillation on every hand, red tape and bureaucratic bungling. Requests by many manufacturers and skilled men that they be given some part in the nation's war-effort have been constantly ignored until they have given up in disgust. Monopolies have been permitted almost complete freedom of action in their handling of war production-- now to be superseded by government officials whose main concern is not **results**, but "how much will it cost?" And so on.

The public has been treated to a caricature of a war-effort and now, seemingly, in a last-minute attempt by the Government to "save face"—and at the same time introduce, by the back door, a few more "socialist reforms" to the nation—we are to be virtually deprived of all political rights, as well as being accused of not taking this war seriously! The buck is to be passed on to the public.

Mr. Curtin's words should remind democrats of the danger that the war situation may provide the pretext for the complete socialisation and regimentation of our economic and social systems. The communists have fought for this for years—so too, have the leaders of International Finance. Let us not delude ourselves that once they have imposed this thing upon us they will just as readily remove it after the war. We must fight for our political existence as free men and women on the home front—NOW.

STERILE STATESMEN AND STERLING

By "IKONA MALI," in "John A. Lee's Weekly," Auckland,

"Silly symphonies and film comics, Are saner than our economics."

Seem funny, is right! You don't have to go to the "flicks" to have your funny-bone tickled! Just listen in to Parliament when they are discussing "Finance" with the emphasis on the "fie." These chuckles with chowers-of-the-rag come to you through the courtesy and conceit of those rival firms, Lab. & Co and Nat. Limited, manufacturers of bulls-wool pullovers, made small at the neckband so that you can squeeze your head through to see what is going on. It may be that the reader has a yen for crossword puzzles, and consequently no liking for radio rag-time as rendered by these self-advertisers in the House If so, you are missing some of the best crossword puzzles ever framed to defeat God-given intellects.

Take the last Finance Bill, which the Hon. Adam Hamilton approached with all the baulking hesitancy of an old maid reviewing a modern bathing costume—knowing well that she wouldn't show up to the best advantage in it, and feel naked, not ashamed. Quoth the Raven from Wallace: "I will not endeavour to clarify the mind as to what either sterling or inflation is. I do not think there is very much of a secret or mystery about sterling. I have always taken it that sterling is British pound note—a word used to define the British pound—that is somewhat similar to the American dollar." Mr. Hamilton doesn't explain the similarity, simply because there isn't any. According to his profundity a pound is a pound, a dollar is a dollar, just the same as piastre isn't a peanut, or a kopek kapoc. If you don't believe the latter, stuff your bed with kopeks a 100 to the rouble and notice the difference. Adam was right, too, when he said he was not endeavouring to clarify our minds. Apparently his intention was to further confuse them because Britain quoted the pound sterling long before she printed pound notes and fobbed then off as sterling. Mr. Hamilton was replying to Mr. "Kaiapoi" Williams (who comes up later for our attention), and Mr. W. then put the question, "What is a pound sterling?"

Mr. H. answered: "A British pound is a pound sterling."

Lucid, but ludicrous. Though I failed to trace it recorded in "Hansard," we heard later that the Minister of Finance had looked up "Sterling" in the "Ency. Brit." When our financial experts have to turn up "Smiles' Self-Help" and "Old Moore's Almanac," it's time to help ourselves or turn it up. The trouble with Mr. Nash is this. He dare not use his ordinary intelligence in conjunction with his form of finance lest he runs contrary to its orthodoxy, and finds himself off the rails by following the lines laid down by common sense. In his study of finance the Hon. Minister strongly resembles Boileau's pedant:

"A thousand authors he in vain has read,
And with their maxims stuffed his stubborn head,
And thinks that without Aristotle's rule,
Reason is blind and common sense a fool."

Common sense tells us that "sterling," in the English language, means unadulterated, pure, genuine, of stable merit.

Once upon a time—as the story goes—the British pound had these qualities (even though one-twelfth of the gold sovereign was alloy), find the term sterling was applied to the English pound to convey to the public its genuineness and stability. It had some foundations in fact, as for donkeys' years the 21b loaf cost 2½d.—the only fluctuation spending on whether the baker had any stale buns left, in which case the kids got one "buckshee." Since Mr. Hamilton has linked the pound with the dollar that will serve for

illustration. Over a long period of years, some of which the writer spent in the dollar countries, the £ remains steady at four-eighty-six and two-thirds. During the last two decades it has concentrated like a pleated skirt that keeps losing its original shape. To say that the British pound, today, is "sterling" is no more true than the statement that our newspapers are printed on white paper because white is the emblem of purity.

A British pound (sov.) buried in the earth during the last war and dug up after a decade was worth more than if it had been invested, plus the ten years' interest. Pound sterling is now changed to pound stealing. Mr. Polson, who must be the blanc-mange end of a farmer's cornflour, was a bit stiff when he took the starch out of his bench-mate's argument by saying that "sterling is a flexible term denoting the British unit of currency." Flexible means yielding, giving way, unsteady, the exact opposite to the stability for which "Wallace" had bled; and the sound pound that our "blanc" friend so often tries to expound. Mr. Polson can be condemned while his "cobber" is to be congratulated. Mr. Hamilton has taken the first step to knowledge by knowing, and admitting, he is ignorant of the subject.

All this is the result of the member for Kaiapoi, in a dissertation on finance, saying: "We talk of sterling, but few seem to know what sterling really means. Many have tried to explain the term to me, but I have failed to get a clear definition of it. Perhaps some honourable member will be able to enlighten me?" This was not the only time that Mr. Williams barked up the wrong tree. Your humble scribe rather likes Mr. Williams because he seems an earnest hunter, though he always misses the scent. We haven't the space to be playful about dogs and dogmas, but when Mr. Williams says he is not dogmatic he is off the trail again. He is steeped in the Labor dogma of "work for work's sake," and is hide-bound as the result. Labor Governments have always suffered from the complex of not being able to divorce work from money. Says Mr. Williams: "Ultimately, I think, we shall adopt a unit of currency with something at the back of it. I submit for the consideration of the House and the country that the real basis of value is labor, and the real value of all commodities is the amount of labor embodied in them." Well, as the late George Formby, senr. used to say: "John Willie! Come on!"

Digging one hole to fill up another is hard labor, but it has no value. Marching up a hill for the sake of marching down again is labor, but it doesn't get you anywhere. Bastiat, the French economist, in 1841, said: "Industry is an effort followed by a result." That was true a hundred years ago, and it is infinitely more true today, when industry no longer depends on labour. Try the hardest way to "work" today and you find the easiest way to poverty. Instead of concentrating on effort to get wealth we must concentrate on results. The production of the greatest amount of commodities lies no longer in the hands of man, but in the steel sinews of the machine. The commodities are there, Mr. Williams, for a basis for your currency; tangible and real, without your searching for a standard based on the basic wage for unskilled labor. You say you understand the Gold Standard, but you don't. It passeth all understanding or Sound finance wouldn't have anything to do with it. The Creator who gave us everything included a standard, and one standard only: The fullness of the earth; feed for the ravens and bread for His children. These are commodities and not the gilded god-gold. Your Government has the commodities, and the right to issue the unit of money for the unit of meat, and the people say: "Get on with it or get out."

(Continued from page 1.)

pectations that it would prove to be a convenient innovation, though it must not be supposed that such short-term borrowings are, in any way, a substitute for borrowing as much as we possibly can direct from the public and for long periods. I think we may regard it as a matter for satisfaction that no more than 26 per cent, of our borrowings has been achieved by additions to the Floating Debt in non-official hands.

Mr. Stokes: Before the Chancellor of the Exchequer sits down will he kindly explain what he meant by the term "non-official sources"?

Sir K. Wood: Banks and financial institutions, etc.

Mr. Lewis (Colchester): . . . At present, our relations with the United States of America are of a very nebulous character. The Government is in close touch with the Government of the United States and we are not told much of the negotiations that go on between them. Nobody complains about that, because of the obvious importance of preventing our enemies knowing what the two Governments are planning. But I have wondered whether anything has been said about the financial problems, which will arise after the war, and, in particular, whether any engagements have been entered into, or are being contemplated.

The assurance that I hope to get is a perfectly plain and categorical one. It is, that the Government has not agreed and is not contemplating agreeing to any arrangement with the United States, which would tie sterling either to gold or to the American dollar. I cannot see that our war interests can be damaged by a disclosure on that point. I do not wish it to be thought that I have any but the friendliest feelings towards the United States or that I wish to suggest that after the war we should pursue any policy but one of close collaboration with them, in finance or in other ways. But Americans have the peculiarity that they are generous givers but very hard bargainers. If you ask them for a gift, you will probably get a magnificent one; if you go to them to discuss a bargain, you are certain to have a very hard bargain. I can foresee that if we are so foolish now as to enter into any commitments about the future of sterling with regard to gold or with regard to the dollar, that might prove a most awkward obstacle in any subsequent negotiations with the United States. With that characteristic of hard bargaining they might, even though it were against their own interests, allow that to become a great obstacle to us. I do not wish to suggest whether, at some time in the remote future, there may be some definite relation between sterling and gold, but I am certain that the experiences resulting from our mistaken return to the gold standard after the last war show the great danger of being too precipitate in these matters. I am for the moment concerned only to secure that when the vital time comes we may have our hands entirely free to act, as my hon. Friend the Member for East Birkenhead said, with common sense and skill in these matters . . .

Mr. Loftus (Lowestoft): . . . When we vote such a sum as this we reach a stage where money is subordinated to materials. We have realised that whatever it is physically possible to accomplish in the war effort we will accomplish. We will use every ounce of man-power, every piece of machinery, every piece of material that we can acquire in the vital effort to win the war, to preserve ourselves and to pre-

serve freedom for the world. Whatever is physically possible we will do, and we will then provide the money. I think that contains a lesson, which I hope we shall remember in future when peace comes. We have accomplished this immense expenditure; we have utilised the whole manpower and much of the womanpower of the country; we are utilising it for utterly non-productive purposes with very little inflation so far—a certain amount, but very little. This makes one reflect that if during those bitter years 1929, 1930 and 1931 we had looked at the material facts and used some of our manpower, as we could have used it, for revenue-producing schemes, we could have raised the standard of life without any inflation whatever and largely solved the bitter tragedy of unemployment . . .

My hon. Friend the Member for Chesterfield dealt with the gap between genuine savings and created money, a gap that, he pointed out, amounted to hundreds of millions. That gap has to be bridged by the creation of money through the banking system. I repeat what I have said on many occasions, that where there are genuine savings, especially by the small man, rates of interest up to 2½ per cent, can be given. Where there is a creation of money to bridge the gap through the banking system, the rate of interest should cover only the cost of the creation of that money. The "Economist" estimated that that cost was 1 per cent. Today on Treasury deposit receipts we are giving 1½ per cent. I am willing to accept the point that the servicing of Government expenditure costs 1½ per cent. What does concern us is that it is a short-term method of raising money. These Treasury deposit receipts can be converted, and are, I think, being converted, into long-term loans at 2½ per cent. I feel that where money is created to bridge the gap it should be perpetually at no higher charge than 1 per cent . . .

Captain Crookshank: [In reply to Mr. Lewis's question] . . . that Question has been asked before and answered quite

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categorically.

All I need do is to remind him of the reply which my right hon. Friend gave on December 10, 1940, to a Question put by the hon. Member for Ipswich (Mr. Stokes) in which he asked:

"Whether he will give an assurance that no undertaking, specific or implied, has been or will at any time be given to the United States of America that this country will return to the gold standard after the war without first consulting this House."

The answer was:

"There has never been any question of giving any undertaking of the kind suggested."—[Official Report, December 10, 1940; col. 785, Vol. 367.]

That still stands, and for the further comfort of my hon. Friend I would say that one must remember that anything that has to do with the gold standard requires legislation and it would be necessary for this House, as was the case when it happened after the last war, to deal with it should it arise.

Mr. Lewis: Is my right hon. and gallant Friend in a position to say that no understanding has been come to between ourselves and the American Government as to linking sterling in any way with gold or the dollar after the war?

Captain Crookshank: I cannot take it any further than what I have said in reference to it. These are not matters to be lightly bandied about, and a shade of meaning of one word or another might cause very great difficulty. The statement to which I have referred conveys the position of the Government, and I would ask hon. Gentlemen to leave it at that. If my hon. Friend wants a further considered statement, as he or any other hon. Member is entitled to receive, perhaps he will put a Question on the Paper and give my right hon. Friend the chance of putting exactly the words that are suitable. Words are very often open to misinterpretation when used on matters of high policy in this House. Even if my hon. Friend has not tried to lead me into a trap, I hope that he will not let me get even into the danger zone....

A Personal Letter to All Friends and Supporters from Eric D. Butler

Dear Friends, —As a result of the Pacific war, I am sorry to say that I will no longer be able to devote my time to the work in which I have been engaged during the last few years. I expect to be on full-time duty in the Army until after the conclusion of military hostilities. There can be no doubt that each and every one of us will be called upon to face an increasingly difficult situation with faith and courage. But I appeal to you to always remember that there can be no real victory unless the machinations of International Finance are completely smashed. We have done splendid work in the past. The results of that work can never be destroyed. It has been built on reality.

We are the only people who can save the British peoples from the ultimate fate now being prepared for them. We have a great responsibility. Surely we will not waver now.

I would like to take this opportunity of thanking friends and supporters who have so magnificently co-operated with me in the past. Without that co-operation I could have achieved but little.

I may find time to continue writing for some time, although this will depend upon circumstances. However, whatever happens, we must all do whatever we can in the critical months ahead.

So, until we have successfully dealt with the external enemy, I bid you all au revoir. —Yours sincerely, ERIC D. BUTLER.

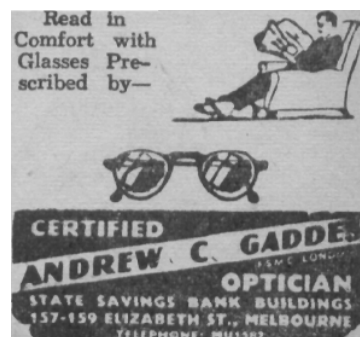
THE WESTERN FRONT

(Report from the Electoral Campaign, 81 Barrack St., Perth.)

Ocean and River Trip: On January 18, 1942, we hold our annual trip. Tickets this year will be 3/-. Children pay on boat as usual. Will all those who desire to help the campaign come forward and help sell the tickets—in as speedy a fashion as possible? Go out of your way this Christmas to help the campaign along. Tickets will be available at headquarters from now on.

Please Note: It is hoped to be able to close the office for at least ten days during the Christmas vacation in order to allow headquarters' staff to have a well-earned rest.

Country Tour: Mr. V. J. Dury undertook a short country tour in company with Mr. H. T. Berry, M.L.A. The itinerary was as follows — Moonjin: Friday, December 12. Cadoux: Saturday, December 13. Ballidu: Sunday, December 14. It was anticipated that campaigners at these centres would ensure a good muster. Books: Major Douglas's latest book, "Sign Posts to Bondage," should arrive this month. Make sure of your copy by a deposit of 2/-. balance when book arrives. Orders for Barclay Smith's most valuable addition to his series of books, "Federal Union Exposed," should be booked now. Federal Union is the issue we have to fight—now. Spread this book in quarters where it will do most good. —V. J. Dury, Campaign Director.



THE PACIFIC WAR AND THE ENEMY WITHIN

(Continued from page 3.)

the dictatorial attitude to Hitler, Mussolini and the Japanese warlords. We are Australians; we are British. We are prepared to cooperate voluntarily—that is, if we are allowed to. And further: Australians have a reputation for fighting to the death, no matter how overwhelming are the odds.

Let us look at your record. You denounce the "enemy within" for years. You finally obtain office. But what is your first action? To support the very swindle that you formerly denounced.

You have retained as your economic and financial advisers Professor Copland and Professor Giblin, the very men who carried out the dictates of Niemeyer and Guggenheimer back in 1929 to destroy this nation.

And now, while you call upon Australians to die in the fight against the military enemy, you calmly announce that you are going to pawn Australia still further to the private financial institutions by raising more loans. This means that in order to obtain money—which your Government has the constitutional power to issue—you propose to allow the financiers to obtain a further stranglehold upon hundreds of millions of pounds worth of Australian assets at no cost to themselves. You are allowing the very things we are fighting for to be filched away.

You apparently believe that we can only, obtain military victory by selling us into perpetual financial bondage. Are we, at the conclusion of this war, to witness again the spectacle of Australian families crucified by murderous taxation to pay the debt racketeers? Are we to see thousands commit suicide as they did during the worst years of the depression, because our leaders deserted them? If we are, then what are we fighting for?

Face up to the issue, Mr. Curtin, in the Australian manner. You will then have the solid backing of hundreds of thousands of loyal citizens who are determined to defeat ALL their enemies.

But, personally, I don't think that you will fight the money power. Frankly, sir, I regard you as a canting hypocrite, and just as likely to "rat" as other Labor leaders have "ratted" before you.

AN APPEAL TO THOSE WHO KNOW

And now a few words to those of you who know this debt-and-taxation, swindle.

You have fought a hard fight so far. Perhaps you have not dared to say as much as you would have liked to say. Now you must put thought of party interests to one side. This is a matter of life-and-death. You know that all this talk about a maximum war effort and a new deal after the war is so much "hot air" while the money barons remain in control of the nation. Hundreds of thousands of Australians are looking to you, gentlemen. Don't fail us now.

THE OBJECTS OF THIS WAR

I would like, at this stage, gentlemen, to affirm my loyalty to the British monarchy, that great corner stone of the British Commonwealth of Nations, and to the preservation of British democracy and British culture. I am prepared to do all within my power to see that all the enemies of the Empire are defeated - - whether they reside in Germany, Italy, Japan, or within our own borders.

Abraham Lincoln once told the American House of Congress:

"I have two great enemies; the Southern Armies in front, and the financial institutions in the rear.

Of the two, the one in my rear is my greatest foe."

Finance is international today. Napoleon once said:

They [the international bankers] know no motherland; they are without honour and without decency. Their sole object is gain."

Students of modern history know how international finance has progressively whittled away the foundations of the British Empire since the last war, when they obtained a strangle-hold through their debt-and-taxation swindle. In the intervening years we were told that there was a shortage of money, but the same groups were actively engaged in financing the building up of the aggressor countries. International Finance — today centred in Wall Street, New York — poured American materials into Germany through Russia during the first eighteen months of this war. Recent reports state that American oil is being sent to Germany through Spain. And you all know, or you should know, that Japan would never have been in the position to have attacked if she had not been liberally supplied with American oil and other things essential for war. We also helped by sending scrap-iron and lead. And some of you gentlemen actually condoned this dastardly business. But Finance reigns supreme.

Now, under the cover of war, we hear a treasonable suggestion, sponsored by the groups primarily responsible for this war, that we forego our national sovereignty in favour of some new international Government. Some very powerful interests are supporting this plot under various guises. We have had far too much centralisation and internationalism. We desire to have control over our own destinies, and not hand our power over to some international Government, which will be the tool of a bunch of international financial gangsters. Surely this policy of centralisation, pursued to its ultimate as it has been in Germany, Italy and Japan, should convince us that we must get government back to the people. That is the basic foundation of the British Empire. I call upon you, gentlemen, to remember your oath of allegiance to the British monarchy. Have nothing to do with any moves to remove power away from the people—even if the move bears such a nice-sounding title as Federal Union.

A SUMMARY

Let me now summarise what is urgently required:

(1) The Government should control financial policy—i.e., to say how much money it requires to use all resources to the maximum. It should instruct the banks to make this money—or credit—available as fast as required. This would release all the energy now being spent in raising loans—mostly created by the banks in any case—and in "cadging" appeals, for more constructive purposes.

(2) As the Australian people are paying the real cost of the war IN FULL, as it is fought, all money when created should belong to the nation as a credit and not as a perpetual interest-bearing debt.

(3) The banks should be paid like everyone else in the community; they should receive payment for their services once, and once only.

(4) I have proved that further taxation is unnecessary, is mainly a direct result of the debt swindle, and is seriously hampering the national effort. If the Government controlled financial policy, there would be no need for additional taxation. This would release more people for the war effort and save

SOUTH AUSTRALIAN NOTES

From United Democrats Headquarters, 17 Waymouth Street, Adelaide.

VICTORY WITHOUT DEBT. The S.A. demand form, requesting M.P.'s to work for Victory without Debt, has been read before the House of Representatives. The following quotation from "Hansard," November 7, 1941 (p. 209) should make it clear that some Members are not very clear in their minds about either Debt or Victory.

Mr. Duncan-Hughes, M.H.B.: "It seems that for Labor supporters the slogan is 'Victory without Debt.' I have received, I suppose, a couple of hundred circulars, carrying this slogan, and I dare say other members have also received them. [I dare say!] It is utterly impossible to emerge from a war of the magnitude of this one without having incurred a debt. How can any reasonable person expect to attain such an impossible end? One communication I have received on this subject reads as follows: [Quotes our form.] The persons who sign these circulars seem not to have given any consideration to how we can get through the war without incurring debt. Such a thing would, of course, be impossible."

The real cost of this war will be paid IN FULL as the war is fought,

business men from being buried in a sea of paper forms.

(5) Once the Government had control of financial policy it could switch all the resources not required for civilian use to the war effort, without decreasing the supply of basic requirements for the people. Primary producers could be paid a reasonable price for their produce, and all the thousands of people wasting their time operating the various boards and commissions could join in the national effort.

(6) The people would rapidly respond to these moves. They would realise that they were not going to be sacrificed to the financial institutions. Morale would soar.

These things can be done, gentlemen, if you have the courage. I ask you to examine the facts I have stated. Can any of you prove them wrong? Some of you, I know, don't want to face the issue. You, Mr. Menzies, have recently resorted to telling downright lies about this matter. But I expect nothing better from you and your kind. Loyal Britishers treat your kind with contempt—particularly you, Mr. Spender, who, when Minister for the Army, allowed National Security Regulation No. 75, Section 11. Subsections (1) and (3), to be brought forward. A representative of the people, who will be a party to a move to allow aliens to hold commissions in our armed forces without taking the oath of allegiance to his Majesty the King, is to be treated with suspicion.

CONCLUSION

In conclusion, gentlemen, I desire to state that it is my intention to circulate copies of this letter as widely as possible. Should any of you desire to comment on this letter, I will be pleased to hear from you. My views are the views of hundreds of thousands of loyal Australian citizens who want to know where you stand in this hour of crisis. I am prepared to appear before any public inquiry to substantiate what I say. You, gentlemen, are now before the bar of public opinion. History will record whether you fought for your nation, or whether you capitulated to the "enemy in the rear."

Charges have been made against prominent Frenchmen that they betrayed their nation. I can only hope that we won't have reason for similar charges against prominent Australians.

Yours faithfully,
ERIC D. BUTLER.

and therefore cannot become a debt. Our financial arrangements should reflect that fact.

MR. HARVEY, our organiser, has been putting in full time (and overtime) with us for about three months now. He has achieved a splendid job of work on our behalf. Therefore we regret to announce that, temporarily at least, Mr. Harvey will not carry on in the same capacity. He feels that the public would not be sympathetic with a man who, as they might think, should be doing something more for the war. We think he has been doing his utmost for the war; but it is difficult to make new people realise that. Further, Mr. Harvey himself feels very strongly about the present situation. He feels that we have been let down again, and that the only way to prevent these "glorious defeats" from recurring too frequently, is to get into the breach oneself. He is considering munition work. We cannot say how much we appreciate what he has done, and hope that after some short months it will be possible to make arrangements with him again. He resigns as Organising Secretary on December 19.

OUR EMPIRE IN DANGER THROUGH FAULTY FINANCE.

That is the headline statement on our new leaflet, which is just out. Do you doubt it? Most of you know something of the "Enemy within the Empire"; most of you know something of what this Empire could have become, shed of its parasites and exploiters. All of you know that things are not what they seem; that beneath all the glamour and glitter of our "Democracy" there are the seeds of dictatorship. Dictatorship is only the logical consequence of a false democracy. In a democracy you have the right to say what shall be done—that is your responsibility. In a dictatorship you only have the right to do what one man says must be done. That also would be your responsibility—if you allowed it to happen.

Do you doubt that the present mess is largely, or even entirely, due to the failure to realise our responsibility? The irresponsible, reprehensible individuals who "hold the people in the hollow of their hands," those men who for sheer power will do anything—even thought it brings them and us to where we are—must be curbed. Some day they may realise what they have done. They never will, unless you realise what you have not done, and what you could do. Do not allow the men overseas to return and ask you what you have been doing while they were away. You know that the New Order that is promised them will not be worth much unless their relatives, friends and supporters do their bit at home. Our job is to defeat this enemy within—the enemy that fosters faulty finance and finds keeping an accurate account of what is actually done, "impossible."

We appeal to you then to carry our Campaign, with our new Leaflet, into every corner of the State, and beyond if possible. This leaflet has a quote from the London "Times" on Hitler's secret weapon, which shows that Germany is putting up with no financial restrictions. They are "all in." You can't defeat an enemy like that unless you're "all in" also. Distribute this leaflet as widely as possible, and get the forms signed. Do not duplicate unnecessarily — many people have signed our earlier "Victory Without Debt" forms; but should they sign again no great harm will be done. There is no charge for reasonable sized lots of these leaflets, although donations will be accepted. The more donations that come in, the more leaflets will go out, and the more signed forms will go to Canberra.

We do not often appeal through these columns, but when we do the response is very gratifying. Do not

(Continued on page 8.)

THE FALL OF MELBOURNE

From another "famous" correspondent, "Lord Luvus":

The censorship may or may not be responsible for it, but one of the major campaigns of this war has scarcely been mentioned and no accurate description of it has yet been vouchsafed to the public. Yet so important is it to the future of the nation that no history of the war will be complete without a description of it, an analysis of its principal ingredients, an explanation of its causes and its significance in relation to the war effort. I refer to the investment and occupation of Melbourne, one of the most ruthless and uncompromising operations in the history of any country.

It began a few months after Hitler started, but the tentative raids then made were no index of what was coming. After the fall of France, however, the invader suddenly sent up reinforcements. Unprepared, the inhabitants found their barricades swept away, street fighting grew in intensity and the conflict became a general melee. Doggedly defending building after building, the population gradually fell back to the inner ring of defences. It was confident that the aggressor must eventually exhaust his resources.

But Melburnians had hopelessly underestimated his capacity in this direction. Throwing in one battalion after another, he gradually extended his conquests, even penetrating that part of the doomed metropolis hitherto sacred to confectionery shops, beauticians' parlors, cinemas and cafes.

After the downfall of Greece, the enemy gained new determination, throwing in reserves and fresh enlistments with a reckless disregard for the consequences, financial or otherwise. The capture of Crete seemed to stimulate him still further. The occupation was practically completed just prior to the fall of the Fadden Government.

Beaten and bruised and driven into holes and corners, the population gave up its resistance and accepted the inevitable.

The result is that today it is impossible to find a large area of office space to let in the whole city. At least one Government department—in some cases six or seven—is housed in every skyscraper, which has come out of the hands of the builder since the conflict started.

Tenants of old buildings have been evacuated, against their will, into older buildings, and tenants of older buildings have been driven to seek accommodation in bits of oldest Melbourne which had hitherto been considered unfit for human, let alone business, habitation. Tenants who have only just moved into new buildings have found themselves evicted the week after.

In every main street, in every lane and back alley, the invader flaunts his coat-of-arms, his insignia of office and his function. At lunchtime his staffs, all unmistakably bearing the stamp of the conqueror, shoulder the plain citizen into the gutter. At knock-off time they occupy all the seats in the trams and buses, and in the evening they stretch their legs in the front rows at the theatres. Those who wear officers' uniforms pay a three-hapenny tram fare as against the munition-worker's two pence. Postmen and telegraph messengers stagger through the streets loaded to the Plimsoll with the letters the conquerors write to one another, and office-equipment firms are working double shifts to supply them with card indexes, Dictaphones, computing machines and ready-reckoners.

The situation is so desperate that poor Mr. Dedman, who as Minister for War Organisation of Industry should naturally want to continue the offensive on the grand scale and create at least as many directors, sub-directors, coordinators and co-ordinators of coordinators as his predecessors, is faced with the possibility of having to accommodate them under canvas. And no co-ordinator of coordinators could write chits to himself under canvas. —"Bulletin," December 10.

Settling the Question

A man was strolling past a lunatic asylum one day, when a number of the inmates appeared on the other side of the wall, beckoning excitedly to him. "Well gentlemen," said the man, pleasantly, "what do you want of me?" "Please sir," said a wild-eyed individual, "we want to see a political economist—an orthodox one!" he added.

Drawing himself up with great dignity, the man replied, "I, gentlemen, am a political economist—what is it that you wish to know?" "Well, Sir," said the lunatic, "it is about this here national debt. We say it can be paid off quite easily, but our keeper says it can't." "What nonsense," exclaimed the economist, "of course it can be paid off quite easily. It is really a very simple matter! All that is necessary is to borrow some more money and pay it off with that."

"Hooray! Hooray!" yelled the delighted "loonies," "that's just what WE say. Come inside, brother!" —"STIRREM."

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DON'T FORGET JANUARY 9

Although the "New Times" will NOT be published next week or the week after, **please remember** that it WILL be on the newsstands the following week — i.e., the next issue will be dated **January 9**.

Make sure you don't miss that or subsequent issues. Give your newsagent a definite standing order NOW. You will thereby avoid disappointment **and help us to conserve newsprint, made doubly precious now by the Pacific situation** because, if newsagents only have definite regular customers, we can adjust our printing order to correspond almost exactly with actual sales in each and every week. Hit-or-miss buying can only mean either of two things: (a) if we print enough copies to allow newsagents a "margin of safety" some newsagents will have copies left over and thus newsprint is wasted; or (b) if we don't allow newsagents a "margin of safety" it is a case of "first come first served and latecomers not served at all."

LABOUR'S BANK CONTROL REGULATIONS

You have no doubt read the Federal Government's bank control regulations. Mr. Curtin said that they "mark a definite step forward."

I wish I could feel any assurance that they are a definite step forward to a change in financial policy, instead of being merely a step forward to Government control of banking administration. But I can't.

One-clause demands that all "surplus investible funds" held by the trading banks shall be lodged with the Commonwealth Bank, apparently to finance the war.

These "surplus investible funds," if they mean anything at all, must mean the cash reserves of the banks. If that is so, the Commonwealth will get the difference in the cash reserves held by the banks at August 31, 1939 (£36,462,000) and the £41,362,000 they held at August 31, 1941.

[The foregoing figures were the banks' cash holdings at June 30 in both cases, but they would not differ much over two months.]

The Commonwealth Bank would gain funds totalling approximately £5,000,000 from this source—which is like the proverbial drop in the ocean.

If the term doesn't apply to the banks' cash reserves, it may possibly apply to other bank assets

The "New Times" extends Christmas Greetings and Best Wishes for the New Year to all its Readers

—but HOW it applies is all delightfully vague.

The "hidden reserves" of banks, for instance, mostly apply to grossly under-valued securities and properties. The Bank of New South Wales, in its last balance sheet, by way of example, valued all its properties throughout the world at £3,600,000, whereas its 100 banking properties in Sydney alone must surely exceed that figure.

But hidden reserves tied up in under-valued properties and stocks and shares are of no use to the Government for war finance. You can't lodge buildings with a bank, and the Commonwealth Bank scarcely needs the securities of the banks when it has the security of the whole of the Australian people and their assets.

The reserves held by banks "against contingencies" are mostly eyewash for the public, to "inspire confidence." They only have a balance sheet or book entry existence.

For example, the latest Bank of New South Wales balance sheet shows a reserve fund of £6,150,000. Whether any, or all, of this is already lodged with the Commonwealth Bank is not stated, but if not, and it comes under the head-

ing of "surplus investible funds," then the Bank of New South Wales will pay it to the Commonwealth Bank by writing out its cheque for that amount.

The only other assets that a bank has are the most important of all—its holding of Government and Municipal securities (Bonds and Treasury Bills).

In June 1939, the banks of Australia held £94,000,000 of these. Today, they own £154,000,000. To be specific, they have acquired a further £19,000,000 of Treasury Bills and an additional £41,000,000 in Government and Municipal securities during the last two years, which is surely quite modest for a war

(Continued on page 8.)

Eric Butler Cancels All Future Meetings

As a result of the Army mobilization, Eric Butler has cancelled all future activities. He arrived back from the North last Tuesday to report immediately for duty. He does not think that he will be available for further lecturing during the war. However, this will depend on circumstances.

On Monday December 8, he addressed a well-attended meeting at Nullawil. Considering the fact that the farmers are busy harvesting, the attendance was remarkable. The address was listened to very attentively. There was a big demand for literature at the conclusion of the meeting. This meeting was organised by Mr. J. McLean. Citizens at the meeting from surrounding centres expressed a keen desire to organise meetings in the future.

Mr. Butler travelled across country on Tuesday to Birchip to catch the Mildura train early on Wednesday morning. Supporters at Birchip decided to arrange a hurried meeting for that night. In spite of the short notice, a small, but attentive gathering listened to a short address by Mr. Butler. Literature sales were, in comparison to sales at other meetings, a record.

He caught the train to Mildura at 2 a.m. on Wednesday, arriving at Red Cliffs at 7 a.m. Some splendid work has been done here since Mr. Butler's first meeting earlier in the year. There was a good attendance to hear Mr. Butler speak again. He dealt graphically with the new crisis confronting the nation, and said that a drastic change in financial policy was urgently required. A strong local group has been formed at Red Cliffs, mainly as a result of Mr. S. W. Butler's splendid and untiring efforts.

Mildura lived up to its reputation of small meetings on Thursday night. There were approximately 40 people present. In spite of the warm night, those present gave the speaker an attentive hearing. Literature sales again indicated the desire of people to get some genuine and vital information.

LABOR'S BANK CONTROL REGULATIONS

(Continued from page 7.)

run on the principle of equality of sacrifice!

These securities, however, are of no value to the Commonwealth for the purposes of war finance. They are credit instruments, which, for the most part, have already assisted the war—at a price, of course.

Some day, perhaps, the Treasurer may take us into his confidence as to what Clause 9 of the new bank control regulations, referring to "surplus investible funds," really means—if it means anything—which I very much doubt.

The only other interesting clause in the regulations is Clause 8, which reads:

"8. A trading bank shall not, except with the prior consent of the Commonwealth Bank, purchase or subscribe to Government, semi-Governmental, or municipal loans, or purchase or subscribe to securities listed on any Stock Exchange in Australia."

By the operation of this clause, the Commonwealth Bank is in a position to control the open-market operations of the banks.

Through open-market operations, through their ability to buy the best gilt-edged securities by the simple expedient of honouring their own cheques, the Banks are in a position to conduct a financial racket on a gigantic scale, manipulate their profit to suit the "political" considerations of the moment, and generally carry on at the public's expense in a manner that is not necessarily reflected in their balance-sheets.

The new clause certainly offers an opportunity of controlling and, if need be, stopping, this traffic in public assets to the aggrandisement of the private banks and the impoverishment of the public.

But—and herein lies the weakness of the clause—who is to be the arbiter in these matters? The Commonwealth Bank Board—a board whose personnel is chiefly representative of the same interests as the private banks themselves and whose whole policy is based upon the private banks' monopoly of the public credit!

These are the "people who will administer the new regulations, and we can be sure that it will be done in a way that will give the private bank directorates no occasion for losing sleep.

Even the "Sydney Morning Herald" is not perturbed, and is happy to say that the new regula-

tions "appear reasonable, and can hardly be said to give the Government and the Commonwealth Bank more powers than the needs of the times justify."

None of the Government's bank control regulations goes to the heart of the problem of national financial policy. They merely draw a fat red herring across the trail and serve to gull the easily gullible Labour supporter that, at long last, a Labour Government has asserted its mastery over the private banks (?).

Mastery, like charity, should surely begin at home. When is the Federal Government going to assert its mastery over its OWN bank—over the financial POLICY of the Commonwealth Bank?

When is it going to use its greatest power—CREDIT POWER—to mobilise the maximum war effort?

The industrialist, the farmer, the shopkeeper, and the rest of us are now forbidden to borrow from the banks without permission. When is the same principle to apply to the Government itself? How much longer does it intend to finance the war by a beggarising policy of borrow and tax when it has its hand on the controls of the entire credit power of the Australian nation, putting it above and beyond the need to pawn the national assets, and thus saddle an heroic people with further life-long humiliations which they could so easily be spared?

—C. Barclay-Smith, author of "Victory Without Debt," etc., in the "New Era."

NOTICE

To All Readers

Following previous custom and owing to the editor's ill health, the "New Times" will NOT be published on December 26 (Boxing Day) or January 2.

Publication will be resumed on January 9.

DICTATION TEST IN U.S.A.

"Now, Miss Blogg," boomed Jasper M. Whurtle, president of the Whurtle Whirlwind Laundry Co., to his new stenographer, "I want you to understand that when I dictate a letter I want it written as dictated, and not the way you think it should be. Understand?"

"Yes, sir," said Miss Blogg meekly.

"I fired three stenogs. for revising my letters, see?"

"Yes, sir."

"All right—take a letter."

The next morning, Mr. O. J. Squizz, of the Squizz Flexible Soap Company, received the following:

"Mr. O. K. or A. or J. something, look it up, Squizz,

"President of the Squizz what a name Flexible Soap Co., the gyps.,

"Detroit, that's in Michigan, isn't it?"

"Dear Mr. Squizz, hmmm:

"You're a h - of a business man. No, start over. He's a crook, but I can't insult him or he'll sue me. The last shipment of soap you sent to us was of inferior quality and I want you to understand; no, scratch out I want you to understand. Ah, unless you can ship, furnish, ship, no furnish us

with your regular soap you you needn't ship us no more period or whatever the grammar is and please pull down your skirt. This d---- cigar is out again pardon me and furthermore where was I?"

"Paragraph. The soap you sent us wasn't fit to wash the dishes no make that dog with comma let alone the laundry comma and we're sending it back period. Yours truly. Read that over, no never mind. I won't waste any more time on that egg. I'll look at the carbon tomorrow. Sign my name. We must go out to lunch soon, eh?"

INCOME TAX ON BRITISH SOLDIERS' PAY

In the House of Commons on September 30, Sir E. Graham-Little asked the Chancellor of the Exchequer whether, in view of the increase in the cost of living, he will consider exempting, for the duration of the war, all members of the armed forces from paying income-tax on their service pay?

Sir Kingsley Wood: "I regret I cannot see my way to adopt this proposal."

Mr. Frank Devlin, tailor, whose regular advertisements in these columns are familiar to our readers, has asked us to convey the compliments of the season to these numerous readers whose patronage he has received.

South Aust. Notes

(Continued from page 6.)

allow your enthusiasm to flag, nor your reputation to wane. Send for a bundle of these leaflets (forms attached) today, or call in and secure some of them.

OUR EMPIRE IS IN DANGER THROUGH FAULTY FINANCE. YOURS is the job to SAVE IT!

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