

ON OTHER
PAGES

OVERRIDING
THE
CONSTITUTION.
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EVERY FRIDAY

THE

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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).

Finance Hampers the War Effort

Sen. Brown Tells Parliament

The other day Senator Brown, of Queensland, told the Senate about yet another glaring example of purely financial restrictions holding up work of national importance. He also referred to outrageous delays caused by "red tape." Here is the relevant part of his speech, as reported in "Hansard" (No. 2, pp. 227-228):—

Senator Brown: . . . I consider that our methods of finance have had a bad effect on the organisation of industry and have not secured the best results from a defence point of view. I shall refer, by way of illustration, to what has happened to a certain firm at Sandgate, near Brisbane. I realise, of course, that the war effort has been retarded in the other capital cities also, because of the out-moded financial methods adopted by both Tory and Labour Governments. The firm to which I am referring was manufacturing producer-gas units, and was capable of turning out one high quality unit every quarter of an hour. Last June, it made an application for a certificate of approval of its unit, and it was not until October that a movement was set on foot to supply the necessary certificate. Because this firm had put every penny it had into the laying down of a plant, which is admittedly one of the best of the kind in Queensland for the mass production of producer-gas units, and because it was short of money, it was prevented from making over 1000 units available for motor cars and trucks. Despite the fact that the firm had a contract for 1000 producer-gas units at £35 each, and had the necessary artisans, moulders and fitters to carry out the work, production was held up because the firm could not get the necessary financial accommodation. I have approached the Government and have asked that something be done to assist the firm. . . . Everywhere I have moved with the object of assisting this firm, I appear to have been confronted by a stone wall, as though there is some antagonism to the war effort in this particular direction. Men have come to me in my office in Brisbane with similar complaints. One of them said he believed that some fifth column was at work, because weeks went by without his being able to move goods from the control of the customs authorities. "Everywhere I move," he said, "a hand seems to be held up to frustrate me." Would the Japanese prevent a manufacturer of producer-gas units from carrying out a contract merely because of lack of finance? The greatest crime of this firm was that it was unfinancial.

Senator McBride: If it was a good firm, why was it "broke?"

Senator Brown: The contract was given by the Government for 1000 units at £35 each, and the tenderer was asked whether he required bank accommodation. Naturally, he thought that he would receive accommodation to enable him to carry on but he did not get it. He mortgaged his home in order to raise sufficient money, and, with the help of a clever Russian, he erected the necessary plant at a cost of £4000. That

is why the contractor "went broke." Is it right that a small firm which is not a member of the Manufacturers' Association, but which desires to do its best in the interests of the community, should be prevented from contributing to the war effort because of lack of finance? Undoubtedly, we are "on the spot" in Australia, and anything that would help to safeguard this country should be considered seriously by every member of the Senate. Honorable Senators opposite have laughed at Senator Darcey and the Labor Party as a whole because new methods of finance have been advocated, but I ask whether it is right that an industry, no matter how small, should be closed down because it does not happen to have the necessary finance. Such treatment of a firm is damnable. The cry has gone up that we should save

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U.S. AND US

It is apparent that the defence of Australia is the defence of the United States. If this be so, and it can hardly bear discussion, then U.S. aid to Australia must belong in the same category as U.S. aid to Britain, which Roosevelt described as "hard-headed concern for our own self-interest." We are providing the "Americans" with an opportunity to keep the war out of their own country by fighting it in or from ours, and they have promised us such help as it will suit them to give us; not for our sake, but for their own.

It would appear to be mutually advantageous to the British people of Australia and to the people of the United States to co-operate in the military sphere. Now, co-operation is something which is mutual, voluntary and terminable at the will of either party. Co-operation implies a mutual willingness, even anxiety, to accept responsibility according to ability. In a military sense, nations can co-operate in the pooling of resources and in the field of strategy. In neither case, granted the will to co-operate, is there any necessity for a unified command.

Whether General MacArthur is the best man available to direct Pacific strategy is something which few of us are competent to judge at present; we must wait until we can judge by results. But there is something which is already plain to many of us. A unified army command denotes the intention to centralise administration. It is demonstrable, as has been pointed out frequently here and elsewhere, that the useful limits of centralisation are soon reached. In any centralised undertaking the executive ability required increases in geometric progression to the size of the unit to be administered. To administer centrally the combined armed forces in the whole of the "Anzac" area (which means of course, that ultimate decisions are the responsibility of one

man) would require an executive ability which probably is not possessed by any man living. Since this is so, why has the Australian Government requested that General MacArthur be given supreme command of the whole of this area? We are now ready for an exhibition of the efficacy of centralised control, in the direction of the war in the Pacific, such as has marked Mr. Churchill's brilliant strategical direction of the war on behalf of the British people on the other side of the world.

General Douglas MacArthur is an American soldier, and, as such, is naturally and properly responsible to the United States Government. Every member of the armed forces of Australia (Army, Navy and Air Force), from the lowliest private or rating up to the highest ranking officer, is now subject to the commands of the Supreme Commander in this area, General MacArthur, who is the servant of the United States Government. We are dependent on our armed forces for our very existence— whoever controls our armed forces controls us. By handing over the control of our armed forces to an alien, who has sworn allegiance to an alien Government, the Australian Government has virtually abdicated in favour of the Government of the United States of America.

—Francis F. Bennett.

NOTES ON THE NEWS

BEHIND SCENES. Under this title the "Herald" of April 7 tells the world that "Roosevelt is mediating (not meddling) in the India discussion, and that Colonel Johnson (Roosevelt's envoy) is understood to have promised the Indian Congress Party that the American Government would guarantee Britain's pledge for post-war dominion status for India." It will be a shock to Britishers. Firstly, to learn that Britain's pledges require guarantees; and secondly, that U.S. has any authority or power over Britain to enforce guarantees.

Conscription.—The "Sun" of April 7 reports that "some Labor members are prepared to waive their objection to limiting the conscription (call-up) for defence within Australia, and that very soon enabling legislation will be passed so that conscripts may be sent overseas." This betrayal of their solemn pledge may also be part of the price paid for compulsory unionism which is in the background, and behind that again, the probability that elections will be postponed so that the people will not be able to record their opinions on these matters.

Egyptian Reforms.—Sweeping reforms are promised by the new Egyptian Government in the form of "lower taxation, more conscription and increased local production." These are mixed benefits indeed, but lower

taxation is a new note, which, if true, does demonstrate that the enemy are not the only ones able to wage war and still reduce taxation; strangely enough, the "Herald" of April 4 informs us that our ally, China, is to have substantially increased taxation since accepting the £150 million loan from Britain and U.S. The best way to avoid taxes is to avoid loans.

Press Pressure.—The Murdoch Sup-press of April 4, among other stupid statements, says "the war cannot be won without newspapers." And this gem: "The press speaks for the public." What an atrocious falsehood. There seems to be anxiety behind the press antics that some action will be taken by the authorities to protect the public from the press.

Union Racketeers.— Senator Reed (Kansas, U.S.), speaking against compulsory unionism, said that "workers had been forced to pay at least 30 million dollars to labour unions." He also urged investigation of "scandals and racketeering elements in unions on defence projects." This should be a warning against the move for compulsory unionism on foot here. There can be no objection to voluntary unionism, but when people are to be compelled to contribute to the upkeep of union dictators, it is time to call a halt.

Menzies' Magic.—The London "Daily Express" is featuring a series of articles by R. G. Menzies entitled, "What Australia is Thinking." How this wizard found out what Australia is thinking is not stated; presumably there is some unknown machinery here which records such thoughts. There is something peculiar about the attempts to keep this wordy lawyer in the limelight—perhaps he has some latent ability observed only by the world-planners.

Public Action.—The New York evening paper, "P.M.," reveals that 25,000 people have written and sent telegrams to the Department of Justice asking for action against the "radio priest's" paper, "Social Justice." This campaign against Fr. Coughlin is conducted by the newspaper "P.M." on the grounds that "Social Justice" is linked up with Fascist propaganda. It will be remembered that Fr. Coughlin attacked Jewry and Communism—which apparently receive staunch support from "P.M." In this connection it will also be remembered that the London "Daily Mirror" was also severely attacked for the same "crime."

Federal Union.—The latest propagandist for Federal Union is Mrs. Evatt, who, according to the "Sun" of April 9, puts the issue in a purely feminine way by way of comment on

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THE MENACE OF THE CENTRALISED PRESS

By ERIC D. BUTLER.

It is claimed by those people who accept the "progressive theory" of history that learning to read and write was a great step forward in human advancement. In my more cynical moments I am inclined to doubt this. The people's knowledge of how to read and write has, like scientific knowledge, been used by centralised, power-lusting groups for anti-social purposes.

While used in peace-time, the aeroplane is a great boon to mankind, bringing many new opportunities for a better understanding of the marvellous world in which we live. (Yes, I maintain that the world is still a marvellous place, in spite of the fact that international financial bandits have been slowly turning it into a mad-house for some time.) But, used in war-time, the aeroplane has wrought untold havoc on civilian populations. And so it is with reading and writing. Reading and writing have opened new mental horizons for the ordinary people. But, ironically enough, this same knowledge of reading and writing has been used by anti-social forces to dominate the people. How would Hitler control and regiment millions of Germans under one central control without his broadcasting stations and big papers? And, if the Germans couldn't read, what then! The Communists are very loud in their claims that the Revolution in Russia brought the benefits of reading and writing to millions of Russians. This is called progress. But, is it? One former admirer of Soviet Russia cynically remarks that, before the Communists could inculcate their doctrines into the minds of the people, they had to teach them to read and write. Otherwise the "backward" peasants might continue to run their own farms with pride instead of appreciating the "benefits" of collective farming where no one gives a damn because he has no personal interest; they might continue to amuse themselves with their folk dances and songs instead of jazzing to the latest "modern" negroid music from Hollywood; and, still more terrible, they might go about their own local affairs without being used by power maniacs to attack other people. Even the centralised press cannot erase from people's memories the fact that a "splendid northern race" (Churchill) was attacked by a centralised Russia. And even the "progressive" historians cannot completely suppress the fact that

a decentralised Germany, prior to 1871, was much more civilised than a centralised Germany under Bismarck and subsequent power-lusters.

Let me repeat. The knowledge of how to read and write, like the aeroplane, does not necessarily mean greater individual happiness. And, after all, isn't individual happiness the vital thing in life?

Making obvious allowances, was the average unlettered individual of Shakespeare's time any worse off than the millions of nifty, economically worried people of to-day? His common sense told him that, if he had good seasons, there should be more food to eat. If he grew some farm-produce he could, without the knowledge of reading and writing, use his natural intelligence and use the produce to feed his family.

Centuries of "education" have taken us to the stage where we wouldn't dream of consuming what we produce without first filling-in some forms—in fact, we have reached the stage where we don't even think of consuming produce; we form boards to destroy as much as possible. Then we form another board to ration the artificially-created scarcity.

This mad state of affairs has been brought about through the exploitation of the people's knowledge of how to read and write. We have seen what has been done in the totalitarian countries—perhaps, as Mr. Hilaire Belloc suggests in one of his delightful essays, better termed—th: despotic countries because everyone understands that old-fashioned name better—and, much more terrible, we are seeing the same developments in our own countries.

For example, is it right that one man—Murdoch—should, through his newspaper monopoly, a monopoly spawned and maintained by the pri-

vate banks, mould our thought as he thinks fit? No man in a real democracy should have power over other people such as Murdoch has. And power always corrupts. Murdoch is a typical example. He is dishonest and unscrupulous in his desire to further his own policy. Read his own articles featured so prominently in his own papers. Some of them are almost nauseating—and threatening. For example, his article, "The Australia We Fight For," in the Melbourne "Herald" of March 30 contains the following: "The bribery of voters will cease. 'Political pressure groups' will not dare to raise their heads." Note the words "will not dare." And what will deter us, Dictator Murdoch? Perhaps the centralised world-government for which you appear to have considerable sympathy.

Readers of this journal will recall that I had some correspondence with Keith Murdoch some few weeks ago, concerning the untruthful statements he made about war production in Britain after his return to Australia. He failed to answer my accusations that he was using his press to keep the real truth from the people. Let me give another glaring example of this: In the Melbourne "Herald" of April 2 appears an article entitled "Survey of British Factories Shows War Output Near Peak." The article itself contained the same old material. Just after reading this article about peak production, I read the following in the British Imperial Policy Group's "Review of World Affairs." (This was NOT published in the Melbourne "Herald"):

"It is said by some very great authorities that, if the Government concentrated upon organising production in existing factories with existing labour, we could increase output by 79 per cent. . . . There will be more and more pressure upon the Government from the more responsible Parliamentary elements, and from industry, and it is vital in the interests of the nation that the Prime Minister should more closely examine what the critics have to say."

Another report from Britain says that Mr. E. C. Gordon England, chairman of the Engineering Industries Association, and managing director of General Aircraft Ltd., says he is "sick and tired of hearing we have a record industrial output this week, and that a record will occur next week," and so on. "It is stuff and nonsense. I wonder these people who talk about outputs dare to mention them."

The finance-controlled press will say anything so long as it suits those who seek to put the British people where they have put the despotic nations.

The British Empire's war effort is being delayed because alien financial forces are determined to maintain their system—even if our productive effort is thus hampered. Small groups of loyal British subjects in all parts of the Empire have been striving to bring the real facts before their fellow citizens. But this work has been hard. The centralised press and radio are being used to mould mass opinion as desired by those behind the scenes. Our task is to use all and every means within our power to defeat this centralisation. Readers of this journal should never waste a copy by throwing it away or by lighting the fire with it. Place it in the hands of some new "contact." And then there are various booklets. Buy a quantity of these and keep them in circulation. They are no good in the "New Times" office. Everyone can do something in this line. It is the only way that the centralised press can be beaten.

And, unless the centralised press can be beaten, the peace to come is already lost; whatever we do about the war.

So what about it? Declare war on the centralised press—TO-DAY.

Show the people how they can use their ability to read and learn to gain individual security and happiness.

TRUST THE PEOPLE

Senator Brown: ". . . I have said before that the war effort would benefit if the people were told the truth, and I still contend that the Government should tell more of the facts of our situation to the public. Senators and members of the House of Representatives have met in secret and have heard certain things that have not been told to the public. I believe that the complacency that has been evident in Australia since the beginning of the war has been largely due to the fact that we have not trusted the people to the extent that they should be trusted. Had they been told more of the truth we should now be in a better position than we are to meet the onslaughts of the enemy."

Senator Herbert Hays: "Does the honorable member suggest that the press should not be censored at all?"

Senator Brown: "I am not so foolish as to say that. There is a happy medium in all things, and I believe that wrong methods are being used both in Australia and in Great Britain, with the result that there is complacency where complacency should not exist. . . ."

—"Hansard," March 16 issue, p. 366.

SOUTH AUSTRALIAN NOTES

From United Democrats, 17 Waymouth Street, Adelaide,

"Y GROUP."—This group of young people is definitely getting on its feet. Recently it was decided to establish a library, consisting of books, weekly papers and monthly journals, to be quickly passed among members, after which they are to be distributed among friends in the services. The library would appreciate gifts of books, weekly papers, educational and pictorial magazines, all of which will be soon sent to the troops.

A second practical step is the decision to devote the first half of every meeting, when there is no invited speaker, to discussion, which may be stimulated by, or added to, by three-minute speeches by members on any subject of interest to him or her during the week. Discussion and questions follow, with the introduction of other subjects if necessary.

The third step in the growth of the movement results from a committee decision to secure a speaker to lecture upon our Parliamentary institutions, and the uses which different schools of thought would make of them to get social conditions generally desired. This series began with an address by Mr. Berry-Smith, of the SA. "Hansard" reporting staff, who described Parliamentary procedure as observed by a non-party official, concluding with a strong plea for the young people to exercise their franchise regularly and wisely. He reminded his listeners of the significant fact that all S.A. members of the Army, Navy and Air Force, both men and women, would probably be given the vote for the SA. Upper House after the war, if the precedent established after the last war is observed. The speaker last week was Mr. Williams, a University lecturer, who gave an interesting and provocative address on political-economy, illustrating his points mainly from the historical standpoint. After both these lectures animated discussion followed, until time required that the meeting should close. The average attendance is thirty-five.

LATEST BOOKLETS. - The United Democrats have a wide range of the latest booklets on monetary reform, etc. Call in at 17 Waymouth street, Adelaide-or write and get a supply of "ammunition" for YOUR war on the "enemy within."

-M. R. W. Lee, hon. Secretary.

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CONCENTRATION OF POWER AND UNIFICATION OF TAXATION

A Talk Broadcast from 7HO, Hobart, at 8.15 p.m. on Sunday, April 12, by James Guthrie, B.Sc.

During your lifetime you have seen many changes come over this country; you may or may not have noticed that these changes have been more or less in the same general direction—that is, life has become more organised and more uniform.

Our organisations have become larger and more powerful: Insurance Companies, Private Banks, Breweries, Newspapers, Tax-Collecting Offices, Trade Unions and Political Parties, etc., all have become bigger and more powerful; and bigger and more powerful by gradually destroying or swallowing the smaller organisations.

We also find that these organisations are interlocked one with the other; we cannot attack the one without attacking the lot. There is a bond of union between them which is most impressive.

This bond of union is only between the heads of the various organisations; it is not shared by the private members who pay the expenses of these organisations. But modern organisations being very complicated affairs, their control rests necessarily in the hands of the permanent officials. The legal process required to bring about any change is so complex, difficult and expensive, and requires the expenditure of such an enormous amount of energy, that the ordinary man who comes out of our schools has neither the equipment nor the desire to tackle such jobs. The result is that the men in power find their power daily increasing.

Men in power are in power because they want to have power, or because they are especially chosen by others because they can be easily used by men in power. We find, therefore, that men in power never in any circumstances desire to reduce their power; on the contrary, we find from experience that they always desire to add to their power.

I shall go further and state emphatically that there is no statesman in power to-day in any country who does not wish to increase the power of the central organisation at the expense of destroying the power of every other organisation.

I will go still further and state that no man, however talented, has any remote possibility of reaching the seats of power unless he adheres strictly to the policy of centralising all power in the hands of a few men.

We see in Germany the "perfect" case of organised political and economic power. We see seventy million people educated, disciplined and mesmerised by the leaders of the National Socialist Party, backed from the first by financial help from abroad and assisted by powerful Jewish support from within. Hitler was supported in preference to other men because he was willing to carry out the policy his own party objected to—we centralisation of all power in Berlin; that is, the power to raise taxes over the whole of Europe; forcing people to pay taxes being the modern method of making servile races work for the ruling caste in power.

In Japan, we see the same influence at work; we see a nation organised by a few men; we see the people changed in two generations from an easy-going peasantry to hard-working wage-slaves of a harsh industrial system. We see a few men disciplining a nation of forty million souls and using it for purposes which the people neither know nor understand, but for which they had to pay in blood and sweat and ever-increasing taxation.

That is what comes of centralising power in the hands of a few men.

No man should have unrestricted power over a million men, or a hundred men, or even over one man.

Where there is a really democratic community consisting of voluntary organisations, then the power of one man to persecute others does not exist. Conscripted labour is never satisfac-

tory; it is never efficient and it cannot hold its own against voluntary labour. It is only tolerated where results do not count, where corruption and inefficiency does not matter.

A dictator builds a great scheme at the cost of two million lives and the loss of all personal freedom; we are asked by ignorant fanatics to applaud the grandeur and efficiency of this wonderful scheme. But surely there are other ways of building great structures.

One Prime Minister of Australia said that if he gave profitable prices to farmers they would flood the country with their produce. He let the cat out of the bag. If sufficient inducement is given anything can be accomplished.

During the end of last century and the beginning of this, there was a scarcity of skilled labour in America; labour was well paid. The result was that millions of men flocked from

every part of the world, toiled day and night, and in one generation erected roads, bridges and factories that in sheer immensity staggered the entire world.

We in Australia are facing a similar task to that faced by America fifty years ago, but instead of inducing the workers to give of their best, we pay them a small wage and then take a big slice back again in taxation. One does not need to be a professional psychologist to realise the horrible stupidity of such an act.

If the Government pays men wages, why take a big slice back again? If a man earns £6 a week and finds he has really only got the buying power of £4, he becomes annoyed; he feels cheated. But if he were given only £4 and could buy £4 worth of goods with it he would have less feeling of frustration.

The taxation methods used in Australia and England seem to me to be designed to one end—to discourage all human effort. If men work late, night after night, on munitions, then they have to pay extra tax for it. It is not fair to pretend to pay them extra and then take it away again. But whether it is fair or reasonable or just; is not of much importance in war-time—the important fact is that it doesn't work, and that is an end to all argument.

If there were a pressing need for the Commonwealth Government, to find money to pay for war expenses then we would just have to grin and bear it; but the Commonwealth Government can create all the monies necessary.

At the present time, all industry is

supplied with credit, created by the private banks; the banks create all the means of payment out of nothing by means of cheque money. The Commonwealth Government has to pay interest on this fake money, which, according to the Australian Constitution, is illegal money, and to pay this interest the Government has to tax the people more heavily each year.

It is quite beyond all dispute to say that the Commonwealth Government can create all the necessary monies to pay for this war without taxing the people one single penny.

The Government need not be held up for anything through lack of money.

It is also beyond dispute that the Commonwealth Government can prevent any unnecessary rise in prices if it so desires. Also, most of the rise in price has been caused by the indirect taxes imposed by the Commonwealth Government.

For example, a small packet of cigarettes costs 8d. The tax collected by the Government is 5½d, the retailer gets 1d. The wholesaler, the manufacturer and the tobacco grower get between them 1½d. Yet Mr. Curtin and Professor Copland solemnly assure us that they are going to watch carefully over this 1½d. What we want is somebody to watch, over the 5½d. Now the Commonwealth Government is going to try to push the State Governments entirely out of the field of taxation. The States, of course, only pay for the education of the children, pay for hospitals and roads and bridges; pay for interest on all public buildings and for the unemployed.

The Commonwealth Government wants to collect all taxes—why? To decrease them? Certainly not. It wants to increase them. It wants to unify all taxes throughout Australia. Why? Because we want uniform taxes? No. Because it will be better able to raise all taxes to that of the highest paid in any State.

This is no good reason at all. Firstly, because the Commonwealth Govern-

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THE CONFESSIONS OF A GERMAN INDUSTRIALIST

The material which is now published in England as a book called "I Paid Hitler," by Fritz Thyssen, was prepared in France about April, 1940. The publisher states that he has delayed publication because of doubt as to the whereabouts and fate of Thyssen; but he considers that now the reasons for publication outweigh the reasons for non-publication.

Thyssen was one of the key industrialists of Western Germany, with large mining and steel manufacturing interests, and because of his first-hand experience of many phases of German national life, and some aspects of international trade, he has been able to write a useful summary of the happenings in his unhappy fatherland from the time of the Versailles Treaty onwards.

Thyssen tells how the German thinkers of the day made it clear at the time that they thought the terms of the Versailles Treaty "could not be fulfilled." Amongst the summaries included in the book are those of certain political revolutions, and counter-revolutions—of the passive resistance which broke the effectiveness of the French occupation of the Ruhr district—of the famous "inflation" period due to the action of Dr. Havenstein, the president of the German Reichsbank—of the effect of the financial bungle called the Young Plan, which was "one of the principal causes of the upsurge of the National Socialists (Nazis) in Germany."

Thyssen openly, and for a long period, supported Hitler and contributed to the party funds; but when he saw Hitler's plans for war being developed he protested with all his energy. After Thyssen had escaped to Switzerland his property was confiscated, and his citizenship rights cancelled.

The repentance of Thyssen is much on the lines of that of any punter who admits that he backed the wrong horse; and it may not be amiss to remind ourselves that an actual turning to a more satisfactory way of life is of more importance than an expression of repentance. Social Crediters are not likely to consider that his suggestions, as detailed, for a new attempt to give Europe security

are thorough-going enough to be satisfactory.

If what Thyssen says about the distinct types of culture in the eastern and western parts of Germany is true, then his suggestion that each should form a separate monarchy does seem to fit with the fact that people can live more comfortably under governmental agencies that, are smaller, more intimate and more manageable.

Thyssen, as a German industrialist, retains the false outlook common to most people who "make a living" in productive processes. Such people ignore the fundamental importance of consumers, who should be so financed that they can directly control the productive processes. Let the pro-

ducer (we say) become the aristocratic servant of the people who want his wares, instead of remaining the tool or sport of the financiers, or the bureaucrats, who make or break markets according to their whim, or folly, or foul design.

These notes do not pretend to touch many interesting parts of a book, which, whatever its shortcomings, ends on a note with which many will agree (p. 292): "The economic field may perhaps prove the most fertile in new solutions. A sound economy, permitting all the peoples of Europe to live and to prosper, is fundamentally of greater interest to them than the ambitions of dictators."

—C. H. Allen.

TO OUR READERS

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OVERRIDING THE CONSTITUTION

The Melbourne "Argus" of April 7 states that: "When the time comes to take the offensive against the Japanese beyond the present Australian territories, the A.M.F., as well as the A.I.F., will be used to hurl the enemy back. . . . This was authoritatively stated yesterday. . . . The view was taken that Australian territory was wherever the Australian flag flew." The name of the authority is not disclosed, but presumably the statement may be taken as an expression of Government policy.

Among the many evasions, half-truths, and deliberate lies, with which the world has been flooded, this most wretched exhibition of political juggling has seldom been equalled. The statement that wherever the Australian flag flies is automatically Australian territory has not even a superficial appearance of truth, if it means anything, it means that if Australian troops enter Timor, then that island is Australian territory. Likewise, if they attack the Philippines, or Japanese-occupied China, these, also are part of our territory. It might be interesting to hear the opinions of our American and Chinese allies on such a statement! If the Government has so easily swallowed such a camel, what, then, prevents it from swallowing a gnat, and laying claim to Libya, Syria and Palestine! Ridiculous as the statement immediately appears, a brief consideration of the words proves them even more absurd. Since the troops would be used in capturing the territory (or part of it) it would, to permit of the use of the A.M.F., be Australian territory even before our flag was flown there! In short, Australian territory is any territory which the Government or General MacArthur wishes to occupy. Territory may be acquired by a mere wish!

This matter completely exposes the Government's inability to understand the principle of democracy, and its own legal position. No one with the intelligence of an average schoolboy would give a moment's consideration to such a superficial pretext. Such action would be nothing more nor less than a deliberate violation of the Constitution, a most glaring example of plain tyranny. Anyone with even an elementary knowledge of the principles and history of government, or of public life, knows that when a Government commences to overrule, a Constitution, honesty is at a discount, evasion and lying become guiding principles, and confusion is inevitable.

Utterly unconstitutional though the proposed action is, it is not surprising to anyone who has kept in touch with the policy of the present Government. The public has a short memory, but electors will easily remember the valiant defiance by the Labor Party, in Opposition, of the Money Monopoly. Members asserted, with all the fervour of an honest man or of a hypocrite, that they would use the Commonwealth Bank to serve the purpose of its founders, and that the credit of Australia would be made available through that "People's Bank." In contradistinction to words, the Government has in practice just tinkered about with banking administration, without in any way preventing private banks from creating financial credit as their own property. Such promises deceived many, who may understand our financial system; but who could not get low enough to understand the language of politics. A political promise is not an ordinary promise. It is at best just expediency, and at worst just vote-catching bait. The members of the present Government always asserted that they would never support conscription of manpower. (Conscription of wealth, of which we heard so much, is now conveniently forgotten.) Yet is anyone able to distinguish between conscription and the action proposed by the Government? Anyone who is still simple enough to believe Government spokesmen when they profess opposition to conscription or to the financial monopoly would be simple enough to buy Prince's Bridge from a street lounge.

In condemning the proposed Government action on the foregoing grounds, the merits or demerits of conscription are not relevant. The proposed action is plainly an act of tyranny; tyranny by a Government pretending to express the will of its electors, yet, under the guidance of its real controllers, breaking down the Constitution and imposing a dictatorial will. The way to fight dictatorship is not by imitating its worst features; but by using the best in democracy—the will and co-operation of the people, fighting in defence of their liberties and constitutional rights.

S.C. GROUPS AND THE SECRETARIAT

The following notice appeared recently in the "Social Creditor" (England):—

To all Social Credit Groups and Associations, Home and Overseas.

Affiliation to the Social Credit Secretariat, which has been accorded to Groups of Social Creditors, will be replaced by a new relationship, and all existing affiliations will be terminated as from January 1, 1942.

This new relationship is expressed in the following Form which Associations desiring to act in accordance with the advice of the Secretariat are asked to fill in:—

Name, Address, and approximate number of members of Association

We desire to follow the advice of the Social Credit Secretariat.

To acquaint ourselves with the general character of this advice and the reasons underlying it, we agree to

Continued on page 7)

HER SON IS A PRISONER

A Short Story by John Clifford.

There is nothing remarkable about this story; it is simple and commonplace. But I sometimes think that more can be learnt from the so-called simple incidents of life than from the "great" events. You must. . . . But I nearly forgot. I am digressing from my intention of telling my story. It will explain itself:

The thick-set man was holding forth in a loud voice, a voice which nearly, but not quite, overcame the noise of passing trams: "It's absurd nonsense. . . . Wishy-washy sentimentalists who should be locked up. Of course, the people must be shocked out of their complacency. We must hate like hell. By God, if I were running this country. . . ."

The speaker's last sentence was cut short by the noise of a passing tram. But one glance at his face was sufficient to indicate that he was a man who liked to have his own way. At that moment he looked very flushed and excited as he banged his paper on his knee. His light-coloured eyes gleamed with a peculiar look behind a pair of horn-rimmed glasses. He might have been a Professor of Economics or a Chairman of a Marketing Board. Whoever he was, his demeanour suggested a typical "puritan," a man who was quite certain that he knew what was good for other people.

His travelling companion, who sat next to him, was of a more genial type. He listened with good-natured tolerance. He was obviously a good listener, although he interrupted his talkative companion from time to time with a very pertinent remark. The "puritanical" gent had been holding forth on the international situation: "Why the hell doesn't Britain open a second front? . . . Russia is making all the sacrifices. . . . We want a Stalin to make us realise there is a war on," and much more in similar strain. The genial gent had just interrupted his lecture by asking if he had seen the news item in the press about the citizens who were urging the Government to discontinue the anti-Japanese hate campaign. The effect on the loud-mouthed gent was instantaneous.

He nearly burst when the noise of the passing tram interrupted his views on how he would like to run the country. He had to raise his voice to almost a shout to make himself heard. The noise of the passing tram suddenly died away and his words, ". . . the yellow swine never were any good. They all should be exterminated," startled every passenger on the tram.

A sweet-faced, middle-aged lady sitting opposite interrupted in a very quiet voice:

"Are you a returned soldier, sir?" The loud-mouthed one looked flustered, groped for words as he felt everyone's eyes on him, and then, adopting a blustering, aggressive tone, said:

"No, the last war was a trade war. I'm against imperialism."

"So am I," replied the lady in an even tone. "Particularly the Asiatic type conducted by commissars. But that's by the way. My husband was one of those who left these shores in 1914 to fight German aggression. Of course, I don't know as much about history as you, but I do know that the Japanese fleet played a big part in conveying our troops overseas. The Japanese discharged their obligations honourably, much more honourably than some who are now supposed to be our friends."

The "puritan" had now regained some of his cocksure manner.

"But surely, madam, you aren't pro-Japanese? We must hate them now, whatever happened in the past."

"I'm not pro-Japanese. I'm a loyal Australian. I will do all in my power to resist any invasion of this country. But this nauseating hate campaign is a sign of weakness, not of strength. The Japanese people have been misled by a bunch of

military gangsters, just as the Germans have been misled. But we have to live in the same world as these people after the war. Why not have a more positive and constructive ideal to fight for?"

The "puritan" violently interrupted: "A hate campaign's the only thing to wake the people up. Now, if we were in Russia —"

"But we are not in Russia. We are in Australia. And over 18,000 Australian boys are prisoners in Japan's hands because, while the Russians were denied nothing in the way of 'planes, our boys had practically none. I don't need any hate campaign to make me realise that we must beat the Japanese. It's an insult to loyal Australians." Many of the passengers in the train nodded approvingly. She continued: "But I am also thinking of our boys who are prisoners of war. Abusing the Japanese people in extravagant terms will not do anything to help the negotiations between the Red Cross and the Japanese authorities on this question of Australian war prisoners. Perhaps you aren't interested in those boys. Well, I am. One of them is my youngest son. Your kind of talk, sir, may be jeopardising his life. When you aren't busy relating how you would run other people's lives, you might think that over."

With those words she left the tram. The other passengers, as they watched the frail figure, clothed all in black, walk away in the cold autumn evening, were obviously moved by the quiet, but touching, appeal.

The "puritan" was quiet. He got out at the next stop.

(The End.)

A NEW ROOFING MATERIAL?

"It would cost £1,000,000 to provide covering for all slit-trench shelters, said the Premier yesterday in reply to a statement by Mr. Cain, Parliamentary Labor leader. A start on this had already been made. If they were to be covered, however, the Government would have to find more MONEY than it had at present."—Melbourne "Argus," April 10. (Our emphasis.)

So the only hold-up, ONCE AGAIN, is the "SHORTAGE OF MONEY," which the Government will have to "find"!

In the first place, one doesn't FIND money—it is MADE. Most of it cost practically nothing to create. Shelters are MADE, too; but the production of them requires some real physical effort, as well as tools and materials. Money is mostly made by means of pen-scratches in bank ledgers. If we ALL thought money was "found," there would be so many of us so busy looking for it that we would have no time to notice the fact that private financial institutions create and/or control practically ALL OF IT!

(N.B.—By "financial institutions" I do not mean merely the banks. At the present time, a walk along Collins-street, Melbourne, for instance, should suffice to illustrate my point. Take a note of ALL the pretentious edifices whose imposing frontages men are busily engaged in bricking, boarding, and wiring-up. Then look for equal activity and expenditure on our hospitals, schools etc., where thousands of helpless souls are herded together! High Finance first — human lives later?)

—"Scissors."

CANADIAN LECTURER DENOUNCES DEBT-SYSTEM

The Rev. Dr. Robertson Orr, Canadian lecturer on biblical prophecy, gave three addresses in the Central Hall, Melbourne, last week. Biblical prophecy is, of course, outside the scope of the "New Times," but there was much within our scope in Dr. Orr's third lecture, entitled: "Why Is Victory Delayed? Is the Money System To Blame?" Here are some extracts:

I am reminded that ministers know nothing about business and money, and that they should leave this question to experts. I agree that preachers don't get much chance to know about money first hand.

But some of them wake up in spite of their constant struggle against poverty to ask why poverty should exist. That happened to Premier Aberhart, the Christian Premier of one of Canada's largest provinces. It was my privilege to have a long conversation with him recently on these matters. He told me that he had intended to become a Presbyterian preacher—in fact, he made application to the Presbyterian Church in Canada to be trained for the church, but their conditions didn't suit him, and instead he went on to become principal of one of the high schools. At the same time he carried on Christian work by teaching one of the largest Bible classes in that country. Essentially he is a Bible teacher, yet in his work as an educationist he was awakened. He found that the boys that he turned out of his school couldn't find any employment. Educationally "they were all dressed up and had no place to go." What awakened him was reading Maurice Colborne's "Unemployment and War."

The social credit government in Alberta came into existence because of that awakening. It was the first real government experiment in finding some intermediate stage between the present accursed system and God's system.

It was rather strange, as we compared notes, to find that my awakening came about the same time. It was in 1933, and at a funeral. That day I had three funerals from the same parlor. At the third one I was substituting for a brother preacher. When I arrived at the parlor the director said: "There will be no service for this one, Dr. Orr." I asked: "Why?" He replied that there were no mourners in the chapel, and he handed me a slip with the particulars of the death. I saw that the deceased was a widow of forty-eight, and that she had died of malnutrition in a Vancouver, B.C., rooming house. As I looked over these particulars and visualised the circumstances of her death, I knew that if she had had money she would have had friends, flowers and funeral with tears, and the whispered words of sorrow. But because she had none, she was being laid away in a pauper's grave, unwept, unhonoured and unsung. So I resolved that she would have a service in the chapel, and we had it. There were just three of us, but it was a service in all respects as though she were the best in the land—as she probably was. At the cemetery there were not sufficient to carry the coffin, and I was asked to assist. As I grasped the handle of the simple casket and walked to that lonely grave I thought of the dead one as some mother's baby, and then as a girl with her dreams, of love, then as a wife and mother with her dreams of home, and I wept over the condition of society that would permit such a tragedy. I knew that if I could then have reached hearts of my fellow citizens that I could have stirred their hearts that such a pitiful thing should not occur again.

I know that this is true. I know that the great majority of men and women are decent, kind humans and compassionate.

So I awakened in that hour, I became a revolutionary with Jesus Christ. By investigation and potential inquiry I became certain of three things.

One was that the pre-eminent money law in the Bible is the law against interest. Because of that law among the Israel people there was no profit in debt, and so there was no incentive to lead people into debt.

If some fellow up in Mars were to put a supertelescope on this sin-cursed earth, he would find just one word printed across the forehead of old man earth, and that word is DEBT. I doubt whether there is a single country in the world that isn't in debt. The combined debt of these countries—public and private—would run to the amazing sum of maybe a trillion dollars.

Do you know what I found in Australia? I found that two pounds out of every three pounds of the national income of this country went to pay interest on debt; that is, it went to the bondholders, who are chiefly the banks and the insurance companies; that is, the people out

here are working two-thirds of their time to bring in usury to a comparatively small number of people. If that is the figure in Australia, you can be sure that in America at least half of our income gathered by taxes and excise debts goes to the large corporations. The great mass of the people is working to make millionaires—billionaires.

During 1941 Hitler spent 90 billion dollars on armaments, which is equal to the whole of America's national income—that is,—Hitler will spend three times as much this year as the American Government will receive to carry on the affairs of this country and become the arsenal of the democracies. Hitler is a jump ahead of us. We should learn from what he has done. All those who are able to make a correct survey of what is going on in this country know that the present war effort of Canada, Australia, Britain and the United States cannot win until there is an "all out" effort. There cannot be an all out effort under the present system.

The second thing that I learned was that there was PLENTY FOR ALL. God has poured out an abundance for all flesh. We should not be envious or jealous of those who have fine homes, luxurious clothing, and an abundance of good things. That is God's standard for all. He has given sufficient for all. There are fruits, vegetables, grains, timber, metals, and butter in plenty. God has made the valleys and hills of

(Continued on page 8.)

AN OPEN LETTER

To the Employees of the Civil Service of Victoria

Ladies and Gentlemen,—At a time when your willing co-operation in the war effort is being freely given, the proposal of Dunstan and Co. to compel you to work overtime without pay seems to reveal that policy which is so repulsive to the spirit of Britishers who are fighting for the policy of inducement and freedom. There is no realistic reason why you and your fellows serving in the fighting forces should not be adequately paid. If it is argued that additional money in your pockets could not, in present circumstances, buy additional civil goods, an alternative is for the Government to pay in war bonds to be honoured when peace returns. By this means no one need be deprived of his just rights. Such inducement would not only stimulate the war effort, it would also make wise provision against the slings and arrows of the bigger and better depression which orthodox finance has in store for us when the war is over. You, and your many friends who have votes, could easily persuade your representatives in Parliament to get this done. All you have to do is to write and tell your M's.P. what you want in sufficient numbers.—Yours for victory, "The New Times."

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

PRICE - 6d.

SENATOR DARCEY'S SPEECH ON THE LOAN BILL

(Continued from last issue.)

Senator Darcey: Six months before the outbreak of war, I read to this Chamber a statement entitled "Warning Europe," which had been prepared by Major C. H. Douglas the only man who told the people of Europe that war was inevitable under the existing monetary system. Unfortunately, that statement has proved to be true. I recall attending a ceremony at the Cenotaph in Sydney a couple of years ago, when a wreath was placed on the monument with a large placard bearing these words, "Because you would not think, we had to die." That was a true statement. Because there has been no constructive thinking by Australian governments, hundreds of people are dying to-day and millions more will have to die. Until we have in this Parliament men of character who will put what they can into it instead of taking all that they can out of it, there will be no change of the present shameful system. A committee of members of this Parliament is at present considering social reforms. What is the use of that? We all must know that our rotten monetary system has brought the existing dreadful social conditions into existence. We cannot improve social conditions until the cause of our present bad conditions is removed. Professors tell us that, in the physical world, there is no effect without a cause. Why do we not get down to fundamentals, and find the cause of all the trouble in the world? Since I have been a member of this Senate, I have learned that no members of any government that has been in office during that period has tried sincerely to find what must be done in order to improve social conditions and make the world fit to live in.

Senator Allan MacDonald: We cannot alter the human system.

Senator Darcey: The character of a human being is determined by his environment. Give to the people economic security, which they have never had under any government, and all this grasping and fighting and cheating to try to make themselves secure will gradually fade away and we shall have common decency prevailing in the world. We were told when old-age pensions were introduced that the system would do away with thrift.

The President (Senator the Hon. J. Cunningham): Order! I ask the honorable Senator to connect his remarks with the motion "That the Bill be now read a third time."

Senator Darcey: Then I shall deal with bank profits. The English banks are at present paying dividends of from 14 per cent, to 16 per cent.

The President: Order! The honorable Senator is not entitled to discuss bank profits on this motion.

Senator Darcey: The banks are supposed to provide the money for this £35,000,000 loan. I have already told the Senate how these single contributions, about which so much has been said, are made. Everybody with an overdraft has been compelled to subscribe to these loans. If these people do not take up bonds at the instance of the banks, they are compelled to pay off their overdrafts.

Senator McBride: That is untrue.

Senator Darcey: I know that it is true. I have been told that it is so by a bank manager. Perhaps the honorable Senator has not been bothered in this way so far. One honorable Senator said to me several days ago that it is almost impossible to change the monetary system for the reason that members of Parliament with bank overdrafts dare not open their mouths in an attempt to do so. This is a fact. If a member of Parliament is muzzled by the banks in this

way, he has no right to draw a salary as a representative of the people. I asked the Government what it cost to float the last loan. I was told that the cost was £41,800. All of these costs would be done away with if we used the Commonwealth Bank. Stock Exchanges are complaining because their operations have been restricted. When an inquiry took place, it was found that the banks did not hold a great number of stocks. I investigated the big amounts that were subscribed to the last loan. The Australian Mutual Provident Society subscribed £1,500,000.

Senator James McLachlan: What has this to do with the Bill?

Senator Darcey: We are discussing the means of raising an amount of £35,000,000, and I am showing how it can be raised without cost to the country. The Commonwealth Inscribed Stock Act provides for the selling of inscribed stock to the banks instead of the utilisation of national credit. The first Bill that this Government introduced was for the purpose of raising £50,000,000 by means of inscribed stock.

Senator McBride: And the honorable Senator supported it.

Senator Darcey: I am not the Government, and I am not responsible for its policy. I am exposing the rotten financial system of the Governments that preceded the present Government. The loan proposed in this Bill is to be raised according to the old Menzies-Fadden system. Eighty per cent, of all war loan subscriptions come from the banks in various ways. A bank manager told me that he made one man take up

£1000 worth of bonds. Although he had previously told the man that he must pay off his overdraft, he informed him that, if he took up the bonds, he need not worry about the overdraft. The bank bought the bonds and drew the interest. Yet that would be called a voluntary contribution to the loan. That is only one of the swindles that is being perpetrated on the public. Does any honorable Senator think that an organisation as big as the Australian Mutual Provident Society would have £1,500,000 waiting to be invested in a war loan at 2½ per cent, when it could charge the people who have given it business in the form of life insurance policies a rate of 7 per cent, for overdrafts? That sum of £1,500,000 carried a bank commission of £2750. The manager of the Australian Mutual Provident Society instructed his society's bank manager to apply for £1,500,000 worth of bonds. With that application, the bank received £2750, which represented 5/- per cent, on the whole loan. I do not know whether the bank would split that commission with the society or not, but it would hold the bonds as security against the overdraft advanced for the purpose of purchasing the bonds. Not one of the big business concerns which contributed to that loan is operating without an overdraft.

Senator McBride: Nonsense!

Senator Darcey: Then where do the banks get their profits? As a business man with fifty years' experience, I know that hardly a firm in Australia operates without an overdraft. Nevertheless, businesses with big overdrafts can make applications for bonds up to an amount of £750,000. All that their banks have to do is to send a cheque for the amount of the subscription, just as they do for war savings certificates. The war savings certificate

swindle is the biggest racket that has ever been operated. When the banks learned that no person would be allowed to hold more than £250 worth of certificates, they made their employes subscribe. Every £1 taken over their counters for the sale of certificates goes to swell their cash reserves, which represent their lending power. In Great Britain, people have tried unsuccessfully to obtain information about the operations of the banks in that country. Sir John Simon was asked whether he would bring in a Bill to alter the charter of the Bank of England so that the people could learn who owned the bank and in whose interests it was working. He refused to do so. Great Britain ran up a bill of £6,000,000,000 for the war of 1914-18, and is now paying £300,000,000 a year interest on that amount. Does the Government think that it can raise the £300,000,000 said to be required for this year's war expenditure merely by selling war bonds? The nine associated banks of Australia are holding only £14,000,000 worth of notes between them and this, with their holdings of silver and copper coins, represents the whole of their real purchasing power, except by means of cheques. Yet, in the first year of the war they bought £67,000,000 worth of bonds and Treasury Bills. The only way in which they could do this was to write cheques. All that they had to do then was to honour their own cheques. The period that elapses between the time when money leaves a bank to pay wages and dividends and when it returns to the bank is never more than ten or twelve days. If we asked a working man how much he had left of his last week's wages, he would probably say that he had paid his butcher, his baker and his landlord, and had had a few beers; but his wages would have gone back to the banks, because he had paid various tradesmen and other accounts. This shows that it does not require a great deal of money to keep the banks in operation.

Sometime ago I offered a suggestion as to how the Government could reduce its expenditure. I gave to the Menzies Government an idea which I claim is worth millions of pounds, but it was turned down. It was also rejected by the Fadden Government, and I have put it before the present Government. There is such a thing as reciprocity in

(Continued on page 7.)

NOTES ON THE NEWS

(Continued from page 1.)

U.S. troops marrying in Australia. Her words are: "It is awfully important that there should be a great amount of co-operation between us in the future." Presumably, this does not apply to India, China, Russia or other countries. Most likely Mrs. Evatt overlooked these allies. To say the least of it, it was very tactless.

Prophecy?—Speaking at New York, Sir Victor Sassoon, banker and ex-member of the Assembly of India, reputed to be the third richest man in the world, said: "There will be no rich men after the war, and the power to make decisions on commerce and trade will not be the privilege of a few, as before." It will be remembered that this banker is also a strong advocate of the world-government (Federal Union) idea. Another point worth noting is the prominence given to these bankers, and the fact that they are all gathering at "Wall Street"—presumably to be "in at the kill."

Word Slaves.—Commentators on the U.S. administration, after strongly criticising the naval action at Java, say, according to the "Herald" of March 3: "Why are politicians such slaves to words that now, because the doctrine of 'offensive' has become fashionable, they are prepared to recklessly sacrifice forces on foredoomed excursions?" The answer will be found in the stupidity of these men allowing themselves to be influenced by press propaganda barrages conducted by theoretical strategists (safely out of range).

"Rainy Days"—It is now dawning on the infantile minds which devised the 4 per cent profit limitation scheme that it cannot be policed. The planners now propose a "rainy day" fund, as per the "Herald" of March 20. This asinine

plan provides for profits over 4 per cent, to be paid into a fund against bad years and post-war shrinkage of business. The planners certainly have the "after war depression" complex, and are using this as an argument to entice trading companies not to evade the 4 per cent, limit. The inference is, of course, that practical business men are too stupid to provide for rainy days, whereas novice socialistic planners are not.

Last-War Errors.—At the end of the last war (to end war), says the "Herald" of March 10, "American corporations were so heavily in debt that the stage was all set for deflation and depression, rather than for launching new enterprises which would absorb men and women released from war work." What, an admission! And how true of the present time when the debt referred to is far greater. If the private banks who own all this debt are allowed to demand repayment and precipitate another catastrophe, it will be far worse than before, but maybe the people will have a say this time—and not the banks.

State Rights.—Mr. Beasley is reported as saying that "as the war developed the question of revenue and State rights would have to be swept aside. The war situation is now to be used to remove the power of the people by centralising control—presumably in the hands of the Federal Government; but since the real Government is the bankers, the purpose of the move is easily understood - and should not be tolerated. It is just another step towards Federal Union. When State Government render their sovereignty to the Federal Government that body will be induced to surrender its sovereignty to the World Government (somewhere as yet

unnamed). If State sovereignty is retained, this cannot be done—hence the determined efforts to achieve the first step.

Hate Talks.—Strong objections have been made to the Government over the "Learn-to-Hate" talks propaganda, which, according to Senator Ashley, as reported in the "Herald" of April 6, were commended by Mr. Ogilvie, of the Broadcasting Federation. In their quest for notoriety newsmongers fail to realise that civilised beings do not hate people, especially when they know that those they are urged to hate are merely the victims of power-drunk, leaders. It would be more to the point if these propagandists carried out a campaign against the leadership mania.

China's War Aims.—The President of the Legislature, Yuan Sun-Fo, is reported as saying that "China must assume leadership of the Asiatic peoples." Similar claims for Leadership over peoples come from all other countries—so, where are we heading? It is noticeable that all claims come from the so-called leaders, not from the people concerned. Most leaders are only mouthpieces of the international bankers, who, in turn, have a "one-world-government" in mind. There will be a grand mix-up when they get around the peace table for the carve-up.

"A TWENTIETH-CENTURY ECONOMIC SYSTEM"

Review by BEATRICE C. BEST, in the "Social Crediter."

It is possible, without spending time or trouble on an inclusive or meticulous examination of all the points in this Memorandum, to expose its fallacious character, not to say its perverse tendency, by giving attention to one only of its recommendations.

The Memorandum admits a deficiency of purchasing power, and the necessity for making it good. Since the remedy proposed is alone under consideration in this short commentary, the reasons given for the deficiency need not, at the moment, be examined.

The remedy, then, proposed for making good this deficiency is that the necessary "purchasing media . . . should be spent into existence by the State." The implications contained in these few words—"should be spent into existence by the State" are of a momentous nature, and a clear understanding of them is necessary to reveal their true intent, and their "perverse tendency" alluded to above.

It is almost inconceivable that such a remedy should be advanced by any person or persons claiming to offer, for serious consideration, a "Twentieth Century Economic System." For if there is one thing more than another that is clear about twentieth century economics, it is that, owing to increasing mechanisation, or, more properly speaking, the increasingly efficient methods discovered by science for the application of solar energy to industrial production, whether of goods or services, man's labour is necessarily a diminishing factor in that production. Therefore, although by these methods the possible increase of real wealth is almost limitless, the part of that wealth that can be said to be earned by man's labour is, in respect to the amount produced, a diminishing quantity. This undeniable fact is so obvious that by now it should be re-

garded as a truism. Yet "A Twentieth Century Economic System" ignores it absolutely. For what does its proposal that this "purchasing media . . . should be spent into existence by the State" imply, if not that the money necessary to make good an—acknowledged—deficiency of purchasing power must be earned? But, in truth, it cannot, and should not, be earned. This "over," or "surplus" production is not an outcome of the labour of living men, but an "unearned increment of association" due to the efforts of both the hands and brains of men long since dead; of their discoveries and inventions, going back through the ages—to the discovery of the use of fire, to the invention of the wheel. The increase of wealth due to these accumulated discoveries is a communal or national inheritance, it is in the nature of a bequest, committed or entrusted to us, and cannot in justice be distributed by means of an earned income, or a wage, but only by way of an unearned income, otherwise a dividend. In short, to distribute this "surplus" production by means of earned incomes—always supposing this could be accomplished in the way outlined by the system—is a method that would reflect neither facts nor reality. Should it be argued that some of this "State-spending" could result in a measure of free social services, then the answer is that those benefiting therefrom would become, not free inheritors, but State dependents, subject to the disabilities consequent thereon. There is a further and perhaps more serious objection to this intention to dis-

*"A Twentieth Century Economic System." (Economic Reform Club, London)

tribute a "surplus" by the State spending the necessary "purchasing media" into existence. The obvious implication here is that industry, or employment, is to be used primarily to distribute "purchasing media." But the true function of industry and employment is to produce goods and services needed or desired with as little trouble as possible consonant with efficiency. In this process the distribution of incomes, though essential, is secondary and incidental. If, therefore, for whatever reason "purchasing media" is found to be insufficient, it is, nevertheless, most improper that the end and purpose, of industry should be misdirected to produce a result unrelated to industry's true function. In short, to use industry for the purpose of distributing "purchasing media" by creating employment* constitutes an abuse of function,† and the result of such an attempt would be harmful to the health of the body politic, as an attempt to misdirect bodily function would be to one's physical health. Finally, this recommendation, as already shown, reflects neither facts nor reality. It is the denial of economic truth, and, on the assumption that it could be made materially efficacious, the effect upon man's psyche and his spiritual development would be disastrous in the extreme; the more so as its operation would be secret and insidious, and not immediately open and blatant. Man cannot live a healthy or progressive spiritual life unless he lives according to the truth in fact and in reality.

It is the purpose of this brief review to show that by this one recommendation contained in the Memorandum, "A Twentieth Century Economic System," fact and reality are falsified and distorted, and therefore the result of its application could be nothing less than fatal to man's future development, and to the realisation of his true destiny.

* "The reform referred to . . . would also solve the problem of unemployment."—"A Twentieth Century Economic System." † C. H. Douglas.
 ‡ It is also an estimate of man, as primarily, a functionary, and is a denial of the Christian valuation of man, as, primarily, a person.

THE GOLD-MYTH DIES HARD

"Following the Government's decision to curtail operations of the gold-mining industry, Bendigo executives are considering a plan to maintain the mines in proper condition for resumption after the war. . . ."—Melbourne "Argus," April 10.

Can we believe that at long last our "leaders" have discovered that the "winning" of gold will NOT help to win the war and the peace? Do they now realise that the "gold standard" is an artificial standard, and that in a sane economy the bright metal would have to take second place to "base" metals? In other words, is this a move towards relegating gold to the level of its real value to the community? The latter portion of the above extract suggests that it is NOT.

During two-and-a-half years of war-crises—whilst children sweated in factories, shops and farms, whilst a section of our adult population returned from a day's work to start work again, and men and women in essential industry were striving to add their quota by twice the gold-miners' hours—"twenty-five companies and 700 men" on the Bendigo field alone were digging, not defences or air-raid shelters, but holes in the ground! Subsequently, the gold—which neither fed, clothed nor housed anybody—found its way to such places as Fort Knox, Kentucky—to be buried again! Had this man and machine-power been applied to "winning" some of the iron and other ores ("frozen" by big monopolies in S.A., N.S.W., and elsewhere) our war effort would have been so much the greater. But the companies stuck to their holes and the political rabbits stayed in their burrows, and, like "Brer Rabbit," said "nuffin." And what of the people? Apparently they, too, have been emulating the legendary bunny, so far as saying or doing anything about it. However, rabbits at least have the common sense to dig shelters for themselves, and as for worrying about useless metal—well, try offering gold to the kiddies' angora!

—"Scissors."

Senator Darcey's Speech on the Loan Bill

business. If I sold a watch worth £10 to a man who was a tailor, I could arrange to take payment in the form of a suit of clothes. As the Government is paying out scores of millions of pounds to contractors, I suggested that every contract should contain a clause requiring the successful tenderer to use the Commonwealth Bank in order to finance his operations. By teaching the people to use their own bank, millions of pounds of revenue could be obtained. The credit of the nation stands behind every advance made by the Commonwealth Bank. If a contractor sent in a bill for £50,000 worth of goods, he could be paid by means of a Commonwealth Bank cheque, which he could put back into the bank in order to reduce his overdraft. We have been told that the problems of finance can be grasped only by those who have special training in monetary matters. I remember reading an article in which the writer said that the essence of credit is faith—faith on the part of the depositor that his money is safe in the bank, and faith on the part of the manager of the bank that his client will repay the advance at the right time. But that is a fallacy, because the essence of credit is approved security. I remember reading a statement by Professor McConnell, of the Sydney University, who said that banking is a business. He contended that a banker sold credit the same as a butcher sold beef but I claim that there is no analogy between the two transactions. Before a butcher can sell beef he has to buy a bullock on the hoof, have it slaughtered and cut up and put on view, and he can sell a bullock only once; but, metaphorically speaking if a banker

has one bullock on the premises he can sell seven or eight bullocks, and be paid for them by way of interest.

At the outbreak of the last war, the Prime Minister, the late Mr. Andrew Fisher, pledged Australia to the last man and the last shilling. But what happened? Not knowing anything about finance, Mr. Fisher ran up a bill of £385,000,000, on which Australia has already paid over £400,000,000 in interest. When the "diggers" came back from the war, their last shilling was taken in order to pay the bank interest. When I became a member of the Senate I was told that I was a voice crying in the wilderness, but, so long as this chamber remains a financial wilderness, and I am here, my voice will still be heard on monetary matters. It has not been raised entirely in vain, because a resolution has been passed in the House of Assembly of South Australia, where there is a Government of the United Australia party variety, backing up all that I have said regarding monetary problems.

The President: The honorable Senator must connect his remarks with the motion before the Senate.

Senator Darcey: The views that I have expressed are in accordance with my confirmed conviction. I notice more smiles from honourable Senators opposite, but I can see nothing to justify them. Is the interest on the huge sums now being raised by way of loans for the conduct of the war to be charged against the widows and orphans who will be left as a result of the deaths of our fighting men overseas? I can do no more than express my disapproval of the way in which the loans are being raised in order to finance the war.

S.C. GROUPS AND THE SECRETARIAT

(Continued from page 4.)

subscribe to the "Social Crediter" regularly in the proportion of at least one copy to every five members.

We agree not to discuss with others, without authorisation, the details of the special advice received from the Secretariat.

Date.... Signature.....

A brief statement is also requested

giving the history or account of the initiation of the group, and its present activities and intentions.

—Hewlett Edwards, Director of Organisation and Overseas Relations.

N.B.—For this purpose an Association to consist of three or more Social Crediters. The Secretariat is the channel used by Major Douglas, the Advisory Chairman, for the transmission of advice. Address: 49 Prince Alfred-road, Liverpool, 15, England.

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Mrs. I. H. Moss, O.B.E., J.P.

Rev. J. T. Lawton

Councillor Langfield

Charles K. Cutting, Esq.

COME AND BRING YOUR FRIENDS!

Concentration of Power and Unification of Taxation

(Continued from page 3.)

ment is not short of money. Secondly, because the State Governments are more competent to look after their own States than a few men sitting in Canberra. And, thirdly, because each State has different conditions (there is no similarity between Western Australia, Queensland and Tasmania), there is no need for uniformity.

This idea of uniformity is something that needs to be watched with the utmost care. The only uniformity we are likely to get by concentrating all taxing powers at Canberra is a uniform and steady increase in taxation year after year.

When the various States federated under the name of the Commonwealth of Australia in 1901, the promoters told the people of Australia that the cost of federation would not be more than the cost of a dog-licence. Since federation the people have paid £1000 million in interest alone; have paid more than their debts and still their debt increases every year. Last war, special taxes were raised, but these taxes still remain. In 1914, the taxes were £4/14/6 per head; in 1920 they were more than doubled and became £10/9/- per head; during the depression they still went up and were £13/12/- per head. In 1939, before this war, they were £15 per head; now they are about double that and they are going to be increased, or, as Mr. Fadden and Mr. Scullin suggest—made uniform.

It is suggested that a uniform scheme of taxation operated from Canberra would save a quarter of a million pounds a year and the labour of 1000 men. I don't believe this. I suggest to you that a year from now, if they unify taxation, not only will they not save anything, but that there will be more men in the taxation offices than there are to-day.

The Federal Government has very much more on its hands than it can tackle at the present time; to try to put more on the Federal Government is just like giving a man a bigger job because he has failed to do a small job.

The chief task of the Federal Government is to look after the war and to co-ordinate the work of the State Governments. The chief task of the State Governments is to co-ordinate the work of the municipal governments; the chief task of the municipal governments is to co-ordinate the work of individuals living together in a small community.

The only community that has the remotest possibility of being democratic is the small community. There is no such thing as a large democratic State. Personally, I do not believe that there is a remote possibility of making a large State democratic. That is why experienced political thinkers say the basis of democratic government is municipal government.

The further the seat of government is removed from the people who are governed, the less chance there is of efficient government. The history of absentee management is the history of incompetence, disruption and revolt. Any person who suggests that Australia should be run by one Government at Canberra is merely a political babe. The proper place for the Government of Tasmania is Tasmania, and by Tasmanians. If there is to be only one taxing authority the proper people to collect the taxes is the Tasmanian Government.

We may not have much control over the Tasmanian Government, but what control will Tasmanians have over a taxing authority sitting in Canberra?

If there is to be only one taxing authority, all money required by the Federal Government should be given as a grant by the States for the maintenance of the army, etc. If any uniformity is desired it can be based on the lowest-taxed State, taking as a basis the year 1914. If the Federal Government can't find men capable of doing this, I can find the men who can, but they won't be Mr. Fadden or Mr. Chiffley.

FINANCE HAMPERS WAR EFFORT

(Continued from page 1.)

petrol, but when a firm desires to provide necessary producer-gas units, it is prevented from doing so because of the rotten financial system in operation in Australia.

Senator Herbert Hays: Has the Capital Issues Advisory Board given approval for the raising of the necessary capital?

Senator Brown: There appears to have been underground engineering. First of all, the proprietor of the firm is not a member of the Manufacturers' Association.

Senator McBride: Is he competent?

Senator Brown: Yes. Every unionist in the trade is behind him. Having failed in my approach to the Commonwealth Government, I shall now go to the Government of

these dominions to stand thick with corn and wine. He did not just smile on this great continent. He laughed out loud, so great and many and wonderful are the products of the land.

Yet thousands and thousands are clothed in rags and wrapped in penury, while we go out onto . . . the orchards and see apples rotting by the million, in the interests of a money system which has broken down. God intended that abundance in the latter days for the children of men . . . Money was intended originally to distribute that abundance . . . It is not doing it. It's the job of governments to find something to take the place of a money system that can only thrive by fake-famines and godless waste.

Think of the irony of it. Food and clothing are plentiful, but this thing called money is scarce. Look at it. Examine it well. Look at this pound note. They tell us that there is difficulty in getting them. What does it cost? A fraction of a penny. When will we wake up and see how we have been fooled?

We, the people, are to blame for this state of things. We sit down and take it, instead of saying to our elected representatives: "Mister, your first and only job is to see that the abundance of God's country is rightly and equitably distributed."

One of your weeklies is at present carrying a series of articles on the

long overdue reform of our money system. They are by Vincent Vickers, who was a director of the armaments firm of Vickers Ltd. for 22 years, and of the Bank of England; and he ought to know. In his last article he speaks of the danger confronting the democracies and of "the sectional interests which control finance" and which have it in their power to inflict a financial crisis upon the nation should they ANTICIPATE LEGISLATION INIMICAL TO THEIR OWN PARTICULAR INTERESTS."

THESE ARE THE REBELS (against God). They are but few in number. Yet he says that "they control the money supply and the management of the money system and ARE ALMOST ENTIRELY OUTSIDE THE CONTROL OF THE GOVERNMENT." They alone can say whether "goods can change hands." The Government of Alberta, Canada, has proved to the Empire what Vickers wrote: that the rebels are almost entirely outside the control of the Government. Isn't that a fine state of affairs within a democracy that now is fighting Hitler.

See what recently happened in U.S.A. That government lent, to Russia a BILLION DOLLARS WITHOUT INTEREST.

"A BILLION DOLLARS TO RUSSIA WITHOUT INTEREST." Without Interest? And to Russia? But many in America said as Jesus said: "Should the children not be fed?" Placards were everywhere, "We must look after our own," and instead of the Government doing it, it sends a billion to a godless nation without interest, while its citizens panhandle for the children at home.

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