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EVERY FRIDAY

# THE NEW TIMES

PRICE FOURPENCE

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).

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## Senator Darcey Exposes the Enemy Within!

### Revelations In Parliament

**Senator Richard Darcey, of Tasmania, is to be congratulated on his courageous and untiring warfare, inside and outside Parliament, against the Enemy Within. His latest major offensive took place in the Senate on June 4, when, in the course of his speech on the Supply Bill, he said:**

In the first year and also in the second year of the war people were asking themselves, "What is the matter with the Empire's war effort? Why have these disastrous things happened which we were told could not happen? Why were we caught so terribly unprepared? Why has the Empire lost battle after battle—Norway, Libya, Greece, Crete, Hong-Kong, North Borneo, Malaya, Singapore, Rangoon, and the greater part of Burma? Why is the enthusiasm lacking to make this in the nature of a holy war for democracy?"

#### A Traitorous System

There is one short answer to all these questions: Because of a traitorous financial system. That is what has starved defence and left the Empire perilously unprepared for war and that is what has piled defeat and humiliation upon the Empire head. It is the popular doubt about the private banker's financial system, together with the depression and untold suffering that it has caused, which makes too many people — this struggle with a measure of disinterest and hold back the help that they could give. There was no limit before the war to the Empire's physical resources, but for six years, while Germany and Japan prepared, Great Britain reduced its navy, scrapped or sold a large part of its merchant fleet, failed to mechanise fully its army, and did not do anything to build a real air force. Why? Because the bankers said that those things could not be afforded. France and the British dominions listened to the same treasonable counsels. They saw aggressive dictatorships grow to menacing size, but they "could not afford" to build and equip their armies, and "could not afford" the "luxury" of a bigger navy or a more powerful air force. When the former Premier of Tasmania, the late Mr. Ogilvie, returned from Europe some years ago he said that Australia's defence should be in the air and that we should make the sky black with aeroplanes. But, the orthodox economists of the day who were advising the Commonwealth Government, said, "Where is the money to come from?" The Treasurer of Tasmania, Mr. Dwyer-Gray, urged that the Commonwealth Bank



DR. SCHACHT  
of the Reichsbank.

should be asked to find £100,000,000 to provide the aero planes. That statement was published

in the newspapers and can be verified. That is the tale of high finance, I am confident that not one honourable senator who has listened to me during the past three years is not convinced that what I say is true, but, unfortunately, it does not suit their purpose to admit it, despite the fact that I have quoted the highest authorities in the world for my statements on finance and economics. It was not until the shadow of war was upon us that those who control the money of every nation—the private bankers—made some funds available for eleventh hour defence measures, but it was too late. France was overrun and subdued in a few weeks, and only a miracle saved Britain at Dunkirk. From thence onwards the British Empire has staggered from defeat to defeat. Why was the Maginot Line never completed? Because the bankers of Paris said that it had already cost £600,000,000 and that was all that was to be spent on it. I grant that no great war can be all victories, but so far there is no feeling of assurance that the long series of reverses has come to an end, and men and women are asking themselves, "What is the matter with us? What is holding us back?"

#### Germans Not Hampered

On several occasions I have explained the difference between our financial system and the system used in Germany. When Hitler decided to conquer Europe he required finance. Dr. Schacht had been the head of the German Reichsbank for many years, and he wanted to stick to the old orthodox methods of finance. The result was that he lost his job. What is the position in Germany today? How have the Germans been able to build up their enormous war machine? The answer is to be found in the difference between their financial system and ours.

The profit motive remains, and that is why the people in Germany work so hard to produce their war requirements. But what do we find in the democratic countries under their outmoded financial system? The profit motive has been taken out of business, with the result that many concerns have no incentive to continue in operation. Recently, I met a man in Sydney who has a large estate on the south coast of New South Wales. He told me that he had a big stock of timber which he could cut and sell at a high price but he would not do that because it would mean that his income tax would reach 18/- in the £1. Therefore he was content to let the trees grow. It is true that that is not a patriotic attitude, but this man feels that he is obliged to adopt that course under our present rotten financial system. That is merely an instance of what is going on to-day.

#### A Bank of England Director's Words

In 1941 the Sydney "Daily Mirror" published a series of articles by Sir Vincent Vickers, exposing the "money trick."

The following is an extract from one of those articles:—

"Unless we can contrive to design and establish an improved and reformed financial system, which is the first essential towards a new and better economy in our own country, no satisfactory outcome of the war is possible. It would have been wise to have expended some of our energies in strengthening our home defences by placing democracy in an impregnable position under a money-machine managed and controlled by its government and worthy of the public confidence."

That was published in the "Daily Mirror" on October 24, 1941. Sir Vincent Vickers was for twenty-two years a director of Vickers Limited. He was a director of the Bank of England from 1910 to 1919, and a deputy lieutenant of the City of London. He lifted the lid off the banker's "box of tricks" in his book, "Finance in the Melting Pot." He claims to hold views which the London press would not publish. Of course, the London press would not publish his views, for the simple reason that it is controlled by the banks. Three years ago the bank overdraft of the Melbourne "Argus" was £224,000. It can be seen, therefore, who controls the policy of that journal. In fact, the banks control all newspapers. The overdraft is a tremendous weapon in the hands of the banks, and they use it on every occasion when it suits their purpose. Sir Vincent Vickers also said—

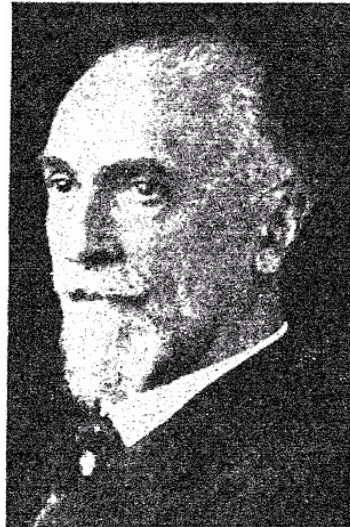
"Let us recognise that great social change is coming to this country also, and that a serious social upheaval, even in this country, is not impossible; that prompt action only can ensure that the future shall bring reform and not revolution."

Recently, Lord Baldwin said that if the present system continued, the people would rise and tear their Government to pieces. Who is responsible for the terrible state of the world to-day if it is not the Government? I have said before in this chamber that the destiny of the people is placed in the hands of their governments, and if we cannot charge world conditions to world governments, to what can they be charged? I have also said on previous occasions that corrupt and incompetent governments calling themselves democracies brought Hitler and the other dictatorships into existence. There is nothing surer than that. Sir Vincent Vickers also made the following statement:—

"I have watched for ten years every move, every wriggle, of financial policy: I have seen the effects of the greatest financial blunder the world has ever known—our return to the gold standard after the war."

In the Atlantic Charter, which was signed by twenty-five nations, provision is made for a return to the gold standard, if possible, despite the fact that in the past the gold standard has produced most disastrous results. Again quoting Sir Vincent Vickers—

"As long as the present system is allowed to remain unchanged, nothing can permanently alter the present tragic state of affairs or resolve this devastating economic paradox." Of the "enemy within," he says:—"Are we now fighting to uphold freedom and democracy, or are we fighting to uphold and strengthen the dictatorship of international finance? But this world power, with its permitted control of the national money supply, and with its support of a monetary system that has plunged every nation



ME. MONTAGU NORMAN.

into the miseries of irretrievable debt and the world into economic strife, should not be underestimated."

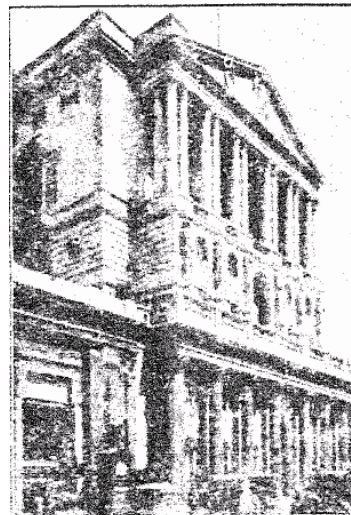
It is well known to most honourable senators that I do not approve the present system of raising war credits. I have said more than once that wars are not fought with money, but with credit. Whilst these credits have the same purchasing power as money they are manufactured on the bank premises and the raw materials used are pens, ink and paper.

#### Subtle Sabotage

In the House of Commons on April 9, 1941, Mr. P. C. Loftus, M.P., remarked:—

"There has been a lot of talk about the period after the war. Many think it premature to discuss what will happen after the war. I think it right to do so. We have the lessons of the last war before us. I well remember coming back from France in 1919. This country was richer and had a higher prestige than ever before in its history. We had the greatest navy, the greatest air force, and the finest army in the world. We had the land of England better cultivated than it had been for two generations. We had more skilled mechanics, more skilled ship-builders in the country, with magnificent new factories and machinery. The whole world was clamouring for our goods, and primary producers throughout the world had good incomes because prices were satisfactory, and they could pay for our goods, and they were demanding our goods. Our position was of immense

(Continued on page 8.)



THE BANK "OF ENGLAND."



## "THE TYRANNY OF WORDS"

Here is a book\* which it is impossible to review in the accepted sense of that term. For the book itself is a digest of a quite inordinate meal, and one cannot make a digest of a digest.

Amidst a rather confusing number of issues raised—for Mr. Chase, following the lead of the great Francis Bacon, has "taken all knowledge for his province"—the outstanding impression left is one of a dawning intellectual humility, a change of mind and heart both deep and genuine; and God alone knows how badly that is needed to-day!

For a student of Economic Democracy, it is not easy to assess what impact, if any, this book may produce on the "unconditioned" mind, and on those—the great majority of the world's "literate"—who still cherish their intellectual pretensions. They might hop out of the bath at the first touch of the icy water, or else their mental crust may have been rendered bomb-proof. But to those who have digested the philosophic implications of Social Credit, Mr. Chase comes merely as a confirmation, immensely welcome, from a very different source, of the call to economic repentance. "The confusion of the word 'money,'" says the author, "with things in the real world required for survival and comfort is perhaps the central economic difficulty of modern times." And don't we know it!

The actual subject of the "Tyranny of Words" is a new and emerging science (semantics) dealing with meaning and words; with their uses, and especially their abuses, what Mr. Chase, with much more reason than the moralists, calls "bad language." If that statement suggests something dull and abstruse and academic, the only reply is, Read the book and see for yourself. The subject, of course, is not dull; it is vital. And the author robs it of none of its natural vitality in his treatment of it. In terms of the publishers' blurb—There is not a dull page.

In a sense, the manner of the book is disarming—one had almost said, misleading. Mr. Chase's breezy, transatlantic style, serves to hide what is really the modern, intellectual equivalent for the Psalmist's "broken and contrite heart." Its wit and its breathless, almost naive enthusiasm notwithstanding the "Tyranny of Words" is, both by admission and in fact, the work of a broken-hearted man and reformer. That is its great quality—the thing that outweighs entirely all its minor defects. Mr. Chase has taken the advice of poor Charles I. to reformers, to try out their experiments on the dog, or rather, as he feelingly said, "on their own hearts"—and heads! It is the advice to the physician, that we all so badly need, to take his own physic.

This is no small thing for an author so circumstanced, at the very apex, so to speak, of modern achievement; successful, witty, accomplished, in the richest and most highly-equipped state that has ever existed. Is this book symptomatic, one begins to wonder, of a dawning awareness in the United States—without doubt Exponent No. 1 of "modernism"—of the intellectual monstrosity that twentieth century civilisation is rapidly turning itself into? The author's whole concentration is upon that mental attitude, that disease which we know as "abstractionism," upon which Douglas has turned such a searching light; the acceptance of the shadow for the substance, of the theory for the fact, which is undoubtedly the predominating and universal social trouble to-day. And has not America—doubtless through no innate fault of her own—been foremost in this race, this urge for the substitution of the spurious and the counterfeit for the genuine? The substitution of journalism and "digest" for literature; of propaganda and advertising for news and information; of "movies" for drama, and "swing" for music; of planning for organic growth.

It would be only fitting, then, were she to repent and lead the world back again from the counterfeit of Life to its reality. But then America, as such, is an abstraction, and it is not wise to make predictions in re-

\* "The Tyranny of Words." By Stuart Chase. (Methuen.)

gard to abstractions. What reality she possesses lies solely in the one hundred and thirty million cinema-educated and Yellow Press-fed individuals which go to her making. And the test when it comes will be the test applied to Sodom and Gomorrah—there is no other. All that can be said is that Mr. Chase's book suggests the possibility of a happier fate.

At least one can pay it a high compliment by stating that off-hand it would be hard to suggest more likely or salutary mental fare for anyone, and particularly for intelligent adolescents of both sexes, than a serious study of it would supply: no more healthy antidote to spooks and journalistic poison and the wiles of reformers and educationalists in general.

It is a book that brings out strongly the almost limitless potentiality of modern science and the scientific method, and that method's "moral" beauty—because integrity at all times and everywhere, is beautiful, and especially so in a disintegrating world. And it shows, too, the dangers of its ignorant exploitation—a horde of monkeys climbing about and over a box of high explosives! According to Mr. Chase the only safeguard is to be found in a course of Semantics, this embryo science, which even in its early stages begins to demonstrate how language, in proportion as it becomes divorced from its origin in experience, relinquishes its real function of instructive communication, which is the primary requisite for mankind's

survival and development, and inevitably becomes the henchman of theory, in short, of our old friend "planning"—PEP., Israel Moses Sieff, "et al.," and the cult of national suicide by means of universal war-to-end-war.

To separate words—this is the conclusion of Semantics—from their "operational," physical meaning; that is, their origin in a sensation, almost always associated with the urge to survive, is to run the grave risk of converting their pre-eminent and positive value for that purpose into a negative handicap. From being a means to enlightenment, they become the chief source of man's confusion, of spell-binding and sorcery, and ultimately the destroyer of what must be any live organism's prime impulse, enlightened self-interest—the natural, Christian instinct to live, and let live. What appears as a fact beyond dispute is that individually, men and women want to live peaceably on this earth, each under his own vine and fig-tree, if only they knew how. But in pursuance of this reasonable objective we find ourselves, instead of achieving it collectively proceeding to blow one another sky-high. The phenomenon is not new, of course, but its scale is. One recalls Paul's heartfelt outburst (Romans 7: 15—Moffat), as his honest mind wrestled with the entangling symbols in his endeavour to transmit the glimpse he had got of the path ahead. "I cannot understand my own actions; I do not act as I want to act; on the contrary. I do what I detest. . . . The wish is there, but not the power of doing right. . . . Miserable wretch that I am! Who will rescue me from this body of death?"

Semantics, as from a slightly different angle Social Credit, supplies us with a most valuable and interesting analysis of one of the principal reasons for the excessive darkness of the wood through which society is passing in these present years of grace. And, again like Social Credit, more than a hint of the path through, and out of it.

—N.F.W.

## U.E.A. ACTION

Arrangements for the coming "offensive" sponsored by the United Electors of Australia are nearing completion. The ready response of country supporters in all States is gratifying indeed — but, have YOU personally responded?

The large number of new "contacts" received will be attended to as soon as they are sorted and listed correctly. Offers of help in the office are numerous, but more will be needed as the campaign progresses. For the benefit of metropolitan supporters who desire to call personally arrangements are now complete to have the office open every night except Saturday and Sunday; so don't fail to take advantage of this. The hundreds of letters received indicate a solid demand for action—any kind of action, provided it is directed at the forces of ignorance and suppression. The demand, for action comes from all States—they all want to be in it and, of course, they can. It is very encouraging to headquarters to have supporters' views and suggestions; so let us have YOURS, whoever you are. If you have not previously joined in the fight, do so now. Each individual is expected to carry on in his or her own circle. In this way, the circles will gradually widen and merge into each other, finally becoming one big circle, bringing irresistible pressure on the centralised, anti-social anti-British financial forces of the Enemy Within. So, if you have not already joined in the fight, let us hear from you—NOW. Address all communications to: Hon. Sec., United Electors of Australia, McEwan House, 343 Little Collins-street, Melbourne.

—O. B. Heatley, Campaign Director.

## CAUSE AND EFFECT

"Truth" (England) says: "The only revolution which is needed is the revolution of the wheels of industry. That can best, be ensured by removing the clogs, wedges and brakes which two-and-a-half years of fussy, amateur, ideological interference has clapped upon the productive machine." Yes, but "Truth" omits the two-and-a-half centuries of satanic, expert, ideological preparation for the fussy, amateur interference.

distributing them in your town-or locality, or sending them to clubs, organisations, friends, etc.

3. By sending, say, 10/- or £1 to the secretary, c/o 3AK, and mark slip inside, "for Town Hall and broadcasting expenses." Note: Four members of the committee alone have contributed over £500 personally. There will be 1000 separate appeals made. If each person donated £1, the Movement could progress to a greater campaign, and bring about the great change in this country that we all so earnestly desire. Please do what you can.

4. Write out extra invitations yourself and put them in letter boxes, also mention the wireless session, time, etc.

5. If you yourself have not already done so send in 2/6 for charter and 5/- membership fee.

6. Call at the little Collins-street address, given, above, for posters, window cards, pocket cards and any information you want, or ring Central 5001.

7. Arrange a personal party, and see they arrive at Town Hall.

8. Send people to Allan's, Collins-street, to book reserve seats, 2/- or 1/-. Upstairs seats will be free (unbooked).

Start now to build the peace and make Tuesday evening, July 28, not only a memorable, but historic occasion. We are depending upon you.

Yours faithfully,  
NEW WORLD RECONSTRUCTION,  
(Chas. K. Cutting, Hon Sec.)

## TOWN HALL MEETING IN MELBOURNE

Organisation is proceeding vigorously for the New World Reconstruction Movement's meeting, to be held in the Melbourne Town Hall on Tuesday, July 28; but the secretary appeals urgently to supporters of the N.W.R.M. for more organisers in country and suburban areas. The following circular has been sent to known supporters:

### THE NEW WORLD DEMOCRACY.

Box 2121 T, G.P.O., Melbourne.  
Hon. Sec., Central 5001 or WX 2782.

### MONSTER CITIZENS' MEETING.

Melbourne Town Hall, Tuesday, July 28th, at 8 p.m.

Dear Sir/Madam,—

In accordance with the Resolution passed at the meeting of The New World Reconstruction Movement, held at Central Hall, to adjourn the meeting to a future meeting at the Melbourne Town Hall, the committees have accordingly made all necessary arrangements for such a meeting to take place, and after months of preparation, they propose to present on this occasion, the New World Charter to Australia and the world.

It is proposed to have representatives of the 26 free nations present, who will then present the Charter to the heads of their Governments. The Movement will, in addition, present a Bill of Human Rights and a Petition to the Governor-General. (Dr. Floyd will play at the grand organ from 7.15 to 7.45.) A massed military band will precede the opening of the meeting, and many notable reformers and social workers will be present.

The executive committees have spent months planning this meeting, and now ask you to do all in your power to make this occasion not only a success, but an outstanding event.

We have to interest nearly 4000 people to fill the Town Hall—we can do this and more with your fullest

co-operation. It is the desire of the committees to fill the hall to overflowing, for we are convinced that this Movement is of the greatest importance to the people, not only of this country, but to the peoples of all other nations of the world. We are convinced also that the initiative for a new world order will come from Australia, and that this country holds a key to a door which, until it is opened, will imprison the whole of mankind.

This work, outside your war work, is the most transcendent thing in life to-day, and demands every waking minute you can devote to its cause. The Movement's future depends upon this meeting, and we therefore ask you, and urge you, to make a mammoth effort individually, to ensure the success of this meeting. The committees have done everything possible to provide the best speakers, the best presentation, and a New World Charter that will, we feel sure, exceed all expectations. The rest can only depend upon your work and help during the next three weeks. We would ask you, because of war conditions, to double any efforts you have made before. We can assure you in return that your efforts will not have been made in vain.

We would like to suggest the following ways in which you can most effectively help:

1. By word of mouth and by handing a ticket to the person you approach.

2. By procuring more tickets from the Organising Secretary, Lower Ground Floor, 300 Little Collins street (under the "Milky Way"), and



## FRAUDULENT DEPRESSIONS

### Will We Take Another?

(A letter to the Editor from Bruce H. Brown.)

(Continued from last issue.)

**Sir,—On the authority of the Monetary and Banking Commission, it was shown last week that depressions are the direct result of action deliberately taken by the banks. They reduce the quality of purchasing power available for the people, and they do it by raising the interest rate, tightening the money "market," securities, and calling in overdraft's.**

This increases bank charges and forces economies; makes finance more difficult to get; obtains money from the people through sale of securities; and then finally destroys bank deposits through the liquidation of overdrafts and cancellation of the credit.

Needless to say, this immediately upsets government budgets and causes "deficits," making it necessary for Governments to cut their coat according to their financial cloth, thus leading to cutting of salaries, wages, and pensions, vast unemployment, general stagnation, and widespread misery. In the past, the men responsible for this sort of thing have had their names included in the "Honours List," and we now speak of them as "Sir" this and that.

It was stated last week that monetary policy for the British Empire is imposed by the Bank of England. In reality, of course, it is not the bank of ENGLAND at all. It is an agent of international finance, and serves the interests of Wall Street, New York. During the last war it was required to serve the Government, but so far during this war it been master of the Government. It is on public record that when the Council of the Bank of England informed Lloyd George that he could have no more financial accommodation, the Prime Minister promptly informed them that if they did not produce the money he wanted within three hours there would be a new Council in control of the bank the next morning. There was no need for a new Council, and the war went on! More than once during the war Lloyd George was warned by the "Financial Times" to cease his interference with credit policy or he would be held up for finance by the stoppage of the "Ways and Means" advances. The "Ways and Means" advances are under the control of the Bank of England!

As I have already said, the Bank of England (sic) is merely an agent for Wall Street. In 1917 "Britain" was seeking loans in America, Lord Northcliffe, the newspaper magnate, was there at the time as a British Government representative, and a telegram which he sent to London included the following:

"They are complete masters of the situation as regards ourselves, Canada, France, Italy, and Russia. IF LOAN STOPS, WAR STOPS."

Note particularly the words I have written in capital letters. The prosecution of the war depended upon finance, and the controllers of finance were complete masters of the situation. Lord Reading was thereupon sent from England "to arrange matters." He was formerly Sir Rufus Isaacs, a great "Englishman," director of several newspaper combines, of the Mond Imperial Chemical Industries combine, and of the Allied Financial Corporation of Great Britain and America, which is linked up with the United States Money Trust. He "arranged matters" beautifully for the financial gangsters. Through him all British borrowings were specifically made repayable in GOLD ON DEMAND, or at most three days' notice, and were convertible at the option of the United States into long-dated stock. They were to bear interest "at NOT LESS THAN THE HIGHEST RATE ON ANY UNITED STATES WAR LOAN." From this you can see that, despite the fact that the necessities of war had forced us off gold, and that the whole of the gold in the world was then only two thousand millions, Britain had just been committed to produce a thousand millions within three days, on penalty of being declared bankrupt. Lord Reading had signed a contract that the British

people would perform impossibilities and also imposed on them the OBLIGATION of returning to the fraudulent gold standard.

Immediately after the termination of the war there was great pressure from Wall-street for Britain to return to the gold standard. But even before the war had ended the British Government, on the advice of its financial "experts," had set up a special committee to report on the matter. This Committee was known as the Cunliffe committee and consisted almost entirely of bankers. Producers and manufacturers, with whose destinies these bankers were playing, were given no voice whatever in the deliberations, and, as intended by the American Money Trust, the Committee duly recommended that Britain return to the gold standard. The Chairman of the Committee, Lord Cunliffe was then Governor of the Bank of "England."

Following this, a conference of international bankers was held at Brussels in 1920 and, notwithstanding the solemn warning of Professor Cassel that such a course would lead to world-wide distress and suffering this conference callously decided to bring

pressure to bear on the governments of all countries to return to the gold standard. The appointment of Mr. Montagu Norman as Governor of the Bank of "England" synchronised with this decision, which meant that the nations were to be FORCED to pay back in GOLD the enormous war debts which had been contracted in paper. The same thing is being engineered again, and we have already been told by Mr. Sumner Welles that the plans for reconstruction include return to the gold standard!

Further confirmation of this devilish planning was given last week by Mr. R. G. Menzies, who, in the course of the Joseph Fisher lecture at the Adelaide University, said this: "The Lease—Lend Act warns us that our industrial development is to be reconciled with general world trade after the war, and is not to be thought of as something designed to make us an entirely self-contained community." (Melbourne "Sun." 7/7/42.) I am asking Mr. Menzies to quote the portion of the Lease-Lend Act referred to and also whether he can name the originators of the "warning." The American PEOPLE had nothing to do with it, and I thought it rather a coincidence that the last letter received from one of my sons on active service should have contained the following:—

"I was having a talk with a young American, and he told me there is a mounting hostility to the Wall-street Jew in the States these days."

There is little doubt that the same old gang expect to be "complete masters of the situation" after this war, as they were after the last war, but they have to reckon this time with a far less ignorant populace.

Montagu Norman's appointment as Governor of the Bank of England in 1920 was the signal for the commencement of action, via the celebrated "technique" explained last week, to withdraw purchasing power from the people as a preparatory measure for the subsequent re-establishment of the gold standard. The private banks throughout the Em-

pire took their cue from the great "Mother" bank, and proceeded to impose conditions of financial stringency, but, fortunately for us, we then had an honourable Australian in charge of the Commonwealth Bank, and he temporarily defeated the international gang so far as their plot for Australia was concerned. What happened in this respect is explained by Mr. D. J. Amos in his "Story of the Commonwealth Bank" as follows:—

"In the latter half of 1920, the banks in other parts of the world started their policy of deflation, in order to raise the value of currency to such high levels that they, who possessed the monopoly of it, could secure the real wealth of the nations for themselves, and 'in the winter of 1920-21,' says Robertson, 'the price-level was saying, like Alice as she shot down the rabbit hole. "I wonder if I shall fall right through the earth." The private banks in Australia commenced to follow the example set by the banks abroad, but Sir Denison Miller brought the Commonwealth Bank with a rush to the rescue of the threatened people. Partly by purchasing Commonwealth and other Government securities, and partly by increasing his advances, he released, between June and December, 1920, £23,000,000 of additional currency, as a slight hint as to what he would do if necessary, and deflation in Australia was deferred."

Deflation in Australia was DEFERRED. Note that particularly, because later on I want to quote our own Prime Minister regarding the subsequent deflation of 1931. It should also be noted at this point that Sir Denison Miller was immediately put on the spot by the bankers, and their hired press began spreading the idea that the Commonwealth Bank was not being used in the best interests of the Australian people.

It was an unpardonable crime for him to explode the "trade cycle" bubble. We were expected to believe in its sanctity and inevitability. Unfortunately, Sir Denison Miller died in 1923, and that event has proved to be a great calamity. (To be continued.)

Yours faithfully,  
BRUCE H. BROWN.

189 Hotham-street,  
East Melbourne,  
July 12, 1942.

## PIONEERS OF DIETETICS SEEK FAIR PLAY

On Thursday evening, July 9, a meeting representative of all branches of Naturopathic thought in Victoria was held at the Melbourne headquarters of the Natural Health Society. Mr. James E. Doyle, chairman, introduced the speaker of the evening, Mr. F. G. Roberts, president of the Natural Health Society. Mr. Roberts briefly outlined the purpose of the meetings to devise ways and means of gaining amendments to a proposed Bill shortly to be tabled in the Legislative Assembly of Victoria. This Bill, in its present form, directly threatened the existence of all consulting dietitians, and aimed a blow at the fundamental principles upon which all naturopaths based their practice. Pointing out that what adversely affected one branch of practitioners must inevitably affect all the rest. Mr. Roberts called for unity of purpose amongst all naturopaths, and a concerted effort to prevent any unfair curtailment of their right to practice in the field of dietetics. The meeting having then been thrown open for comment and discussion, a motion was unanimously carried that a committee be elected to follow out the practical suggestions of various speakers. Representatives to the number of seven were then, chosen: Messrs. Roberts, Flower, Armstrong, Herzog, Doyle, Hart and Wood. Mr. Lawrence Armstrong was appointed to act as secretary of the committee representing the united naturopathic practitioners of Victoria. The following letter has been, sent to all members of the Victorian Parliament:

13th July, 1942.

Dear Sir.—In the Governor's speech delivered at the opening of the Victorian Legislative Assembly, mention was made of a Bill dealing with the

registration of dietitians who have recently completed a course at Melbourne University.

A cursory examination of the various clauses discloses the fact that no mention has been made of the numerous dietitians who have been practising in Victoria for many years past. In fact, in its present form, the Bill would automatically wipe them out of existence.

To remedy this palpable injustice, we would respectfully suggest that certain amendments be made giving recognition 10 men of long experience, whose efforts have pioneered the science of dietetics in this community. In the interest of all concerned, we believe they should be registered as a separate body, free from medical control, since the dietetic principles which they advocate are far in advance of the accepted medical procedure.

Though these men have no university diplomas to offer, they have, in most cases, long years of faithful service to the public and an extensive practice, built up on the recommendations of satisfied clients. Many of them have also studied abroad, in countries where the science of dietetics is much farther advanced than in Australia. It is not in accordance with the principles of British justice that they should now be prevented from practising in the very profession which came into existence as a direct result of their own tireless efforts to promote good health amongst the general community.

We should further like to point out that all naturopathic practice is based upon the same dietetic principles. This Bill will, therefore, vitally affect the whole body of practising naturopaths, osteopaths, chiropractors and homeopaths. All branches of natural healing are included in the organisation which we have the honour to re-

## THE RIO PLAN

"To-day and To-morrow" (Canada) summarises the major objectives of the Rio de Janeiro conference (American) of foreign Ministers:—

- (1) Removal of all trade barriers, import duties, etc.
- (2) International money based on gold.
- (3) Emergency labour programme permitting "free movement" of labour throughout the international money lands.
- (4) Communal shipping facilities.
- (5) Socialisation of all Latin-American air services "for ten years."
- (6) U.S. guarantee of "basic essential exports" to preserve the internal economy of the nations; communal "pooling" of all international mineral, agricultural resources. U.S. "capital" supplied for development.
- (7) U.S. to be the arbiter, statistician, and collector of commercial "information."
- (8) U.S. "financing" of certain major projects.
- (9) U.S. "financing" and creation of "free" ports, the signatory giving a "99-year lease."

present, and we express the sentiments of a great body of public opinion.

We would ask you to give this Bill your earnest attention, and to support any proposed amendments along the lines which we have suggested above.

Yours respectfully,  
LAWRENCE ARMSTRONG,  
Secretary of Committee, United Naturopathic Practitioners of Victoria.



## The New Times

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

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### Medical Monopoly?

Readers of this paper will, no doubt, feel sympathetic towards the consulting dietitians and naturopaths in Victoria, who, as reported elsewhere in these columns, are putting up a fight for the amendment of proposed State legislation which threatens their vocation.

Monetary reformers and electoral campaigners know from personal experience how those who hold unorthodox views are often regarded as "cranks," "quacks" and nuisances. They know, too, that the big bankers seek to preserve the private monopoly of creating financial credit, while the political-party bosses are equally determined that political power shall remain their monopoly. It would not be surprising if some of the "leaders" of the B.M.A. had monopolistic aspirations, like their counterparts in the mundane spheres of finance and politics.

Whatever may be the relative merits of orthodox and unorthodox health advisors—and that, in all its detail, is a technical subject beyond the scope of this journal—the suppression of those whose methods are unorthodox would undoubtedly stifle or delay progress and do a grave injustice to many who are worthy pioneers in their particular sphere. History abounds with examples, too numerous to mention here, that illustrate the point.

Many of these consulting dietitians and naturopaths have been established from fifteen to fifty years in Australia and claim to have filled a great need by promoting better health and preventing disease solely by the use of natural therapies. Many thousands of grateful and satisfied patients will support this claim. Yet, in Canberra, less than two years ago, legislation was passed making illegal, in the Federal Territory, the prescription of dietetics, naturopathy, osteopathy or even physical culture (!) except by a medical practitioner. This prevents the intelligent and long-suffering citizen from making a free choice of his health advisor—an intolerable form of regimentation which our Victorian readers will not want to see introduced here. They should, therefore, write to their respective representatives in the State Parliament and say so.

#### WISE WORDS

"The most miserable tramp is happier than the best fed convict."—Chesterton.

\* \* \*

"If I knew a man was coming to my house with the conscious design of doing me good I should run for my life."—Thoreau.

\* \* \*

"I wonder if the education of opinion towards public affairs might be approached from a different angle; instead of trying to teach people to reason better, which is very likely beyond the inborn capacity of most of us, why not teach us to understand our feelings better, to know what we really want so that we would be less at the mercy of unscrupulous exploiters who like us to rush into what suits them?"—Joanna Field in "An Experiment in Leisure."

\* \* \*

"In dealing with the State, we ought to remember that its constitutions are not aboriginal: that they are not superior to the citizen."

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

"This is the history of governments—one man does something which is to bind another. A man who cannot be acquainted with me taxes me; looking from afar at me, ordains that part of my labour shall go to this or that whimsical end, not as I, but as he happens to fancy. Behold the consequence. Of all debts men are least willing to pay taxes. What a satire is this on government! Hence the less government we have the better, the fewer laws, and the less confided power."—Emerson.

#### INGERSOLL ON RUSSIA

Ralph Ingersoll, editor of the notorious "PM," is a well-known leftist. He cannot be accused, therefore, of bias against the Soviet, and for that reason certain of his comments upon conditions in Russia are of more than usual interest. George T. Eberle, writing in "America," describes Ingersoll's recently published book, "Action On All Fronts," as "a skilful job of reporting," and refers, particularly, to the left-winger's impressions of the U.S.S.R.: "The author's impressions of Russia check well with what we have heard and read from other sources. There are the grim things; the dead level of poverty, quantity production of bad quality, a wide gap between the wages of skilled and unskilled labour, regimentation, a disgusting bureaucracy and boring bureaucrats, plus a universal distrust of foreigners."

### RE-ENTER THEODORE

On February 25 last, "The Bulletin" (Sydney) published the following:—

An elderly politician and an elderly ex-politician, each with a newspaper which publishes articles bearing his name, have been offered to Australia as saviours. The claims of Mr. Lang have been rejected. Those of Mr. Theodore have been accepted, to the extent that he has been named "Director-General of an Allied Works Council in Australia."

Who is Mr. Theodore? To a generation, which sets little store by elderly ex-politicians, he is known only as a Rich Uncle from Fiji, where he is interested in gold mines. But Queensland knew him as a burly young Labor member who did not attend the last war. . . . and as a spendthrift who, in nine years of misrule as Treasurer and Premier, turned an annual profit on the railways into an annual loss of £1,500,000 or so, doubled the cost of the State establishment and the taxes, and added £24 per head to the State public debt, in the process introducing American loans; one of 12,000,000 dollars at 7 per cent, and another of 10,000,000 dollars at 6 per cent., which have since been headaches to the National Sinking Fund Commissioner. He was M.L.A. for Chillagoe, and in that district he committed the State to a vast speculation in Government mining ventures which proved singularly unfortunate.

Theodore's connection with Queensland politics ended in 1925. Having resigned the Premiership, he stood for Federal Herbert, an electorate held since 1901 by a Labor member, who left the party after the conscription split, but was not a candidate in 1925. Mr. Theodore failed to defeat a little-known Nationalist. Dr. Nott. That gentleman, at the subsequent election, was unseated by a Labor man who has held Herbert ever since.

Coming to Sydney, Mr. Theodore was elected in 1927 at a by-election for Federal Dalley, in circumstances without parallel before or since. They led to a public enquiry, at which the previous incumbent explained that he had made his pile by backing the winner of the Melbourne Cup, with bookmakers whose names he could not remember, and had thereupon decided to efface himself to admit of the surpassing merits of Mr. Theodore being placed at the nation's service.

In 1929 Mr. Theodore became Treasurer in the Scullin Government.

But clouds were gathering in the North. The continuous Labor Government had fallen, and the Administration that succeeded it gave a former N.S.W. Justice a royal commission to enquire into the Chillagoe mining ventures. Mr. Theodore's attendance was solicited, and the Royal Commissioner offered to keep the inquiry open to enable him to give evidence. Pleading a Budget engagement, Mr. Theodore remained in Canberra, and his Honor returned his commission with a startling report:—

"Theodore was guilty of the grossest impropriety in becoming secretly associated in the Fluorspar Mining Co., and the Argentum Mining Co."

Theodore and others were "guilty of fraud and dishonesty in procuring the State to purchase Mungana Mines for £40,000." The leases had been forfeited to the Crown for non-payment of rent. "Theodore's banking account showed that he received regularly one-half of McCormack's share of the fruits." (McCormack was another Labor Premier.)

As for Chillagoe operations in general, there had been "reckless extravagance, unscrupulous exploitation, suppression and misrepresentation of truth in yearly balance-sheets and cynical transgression of the law," leading to a loss to the people of £1,127,000, exclusive of interest.

Declaring that he had been a



MR. E. G. THEODORE

victim of a "frame-up," the work of "a hired assassin" (though the "Labor Daily" said "the integrity" of the Royal Commissioner "is undoubted in this State"), Mr. Theodore resigned his portfolio, but not his seat, and challenged the Queensland Government to take action against him and the other parties mentioned. This it did, the issue, as presented by the Chief Justice to a special jury of four being whether Mr. Theodore, Mr. McCormack, the manager of the State smelters and the Mungana lease holder had "conspired to take the Government down by selling it a mine for £40,000 which was not worth more than £10,000." The jury found for the defendants, with costs against the Crown. Mr. Theodore had refused to "answer the charges" in Parliament, saying, "I am looking for a better opportunity . . . a fair opportunity to face my accusers, and to present evidence in rebuttal of that which they may bring." He did not go into the box.

Before the case came on Mr. Theodore was reappointed Treasurer. Thereupon Mr. Lyons and Mr. Fenton quitted the Ministry and the party and helped to form the U.A.P. The Scullin-Theodore Government fell on evil days. At the 1931 general election its party was routed. Mr. Theodore, making his final appearance as Federal member, was defeated by the present Labor M.H.R., for Dalley, Mr. Rosevear, scoring only 7272 primary votes out of 37,129.

Mr. Theodore's appointment, in which, according to his own paper, he is to have "complete freedom of action," is no compliment to the Allies concerned in the Allied Works Council (said the "Bulletin" in conclusion).

\* \* \*

Just why Theodore was appointed to this key post is a mystery to many. When Menzies was in office a report gained currency at Canberra that Theodore was marked out for some special appointment, but a storm of protest in the House had a sedative effect, and the effort lapsed. The Labor Cabinet then popped him into this vital corner when the minds of the people were crowded with other thoughts, such as air raids, invasion and taxation. The trades unions are not happy about it, and Curtin may be taken to task if Theodore is not sufficiently yielding to union pressure in the matter of wages and conditions. The unions have won the first round, as evidenced by the recent departmental "back-down."

There can be no doubt whatever that Theodore is persona-grata in all banking and other financial institutions, both in Australia and abroad. He is jumps ahead of most of his brother financiers. Nearly ten years ago he was advocating an international money control of the very type now visualised and prescribed by the Sassons, the Rothschilds, the Morgenthau and the Normans. In fact he was doing missionary work, towards that end, in the Labor Movement and a sample of his propaganda appeared in the

(Continued on page 5.)



## THE BIG IDEA

By C. H. DOUGLAS, in the "Social Crediter" (Eng.)

(Continued from last issue.)

**The details of the Marconi Scandal are available to anyone interested in them. They were fully reported in the newspapers of 1912 and in the files of the British Museum or elsewhere.**

The only matters which are important in connection with it are: (1) The comparative rarity of this type of politico-financial scandal in the United Kingdom. (2) The part played by the Isaacs family, (3) The prominence of the Cabinet Ministers and other public men alleged to be beneficiaries, and their immunity.

It is of course, well known that every effort is made to prevent the rise to political power of individuals who cannot be blackmailed in some form or other. On the Continent and more particularly in France financial corruption became so universal that only something especially flagrant, such as the Stavisky affair, would attract much attention. In England, it is probable that until the opening of the twentieth century, which saw a marked lowering of the standards of political life, together with a transformation of business ethics, financial corruption had in its grosser forms been almost unknown to political life for fifty years.

The managing director of the Marconi International interests was Mr. Godfrey Isaacs, brother of Mr. Rufus Isaacs, K.C., afterwards Lord Chief Justice of England and Viceroy of India: first Marquis of Reading.

In 1917, as the result of the collapse of Russia from causes which have been indicated elsewhere, Germany was in sight of victory. Rigid financial orthodoxy had strained the credit of the Allies to breaking point. As Sir Cecil Spring Rice has pointed out in his Memoirs, President Wilson was completely dominated by the German-Jewish group of which Kuhn, Loeb, and the Schiffs and the Warburgs were the moving spirits, and these had not only done everything possible to achieve the destruction of Russia both internally and externally, thus depriving the Allies of the strategic advantage of a double front, but had obstructed British interests in the United States to an extent which, to any other circumstance would have amounted to effective participation in the war on the side of Germany. Lord Reading headed a delegation to Washington which resulted in the

Melbourne press on February 27, 1933. It read:—

### Re-Enter Theodore—Continued

SYDNEY, Sunday.—The introduction of an entirely new monetary system was advocated by Mr. E. G. Theodore in an address delivered to the Australian Labor Party at Rawson Chambers to-night.

The obvious weakness of the gold standard system in the past, he said, was the principle that the volume of money in each country depended not upon the needs of its industries, but upon the fortuitous arrival and departure of gold. It was the recognition of the effectiveness of the Power of a universal fiduciary money which led Mr. J. M. Keynes to recommend to the various nations the establishment of a central world bank to issue and control a new world currency. This would be an international fiduciary currency in the form of gold certificates. There would be no gold or other metallic backing.

The amount of the issue, Mr. Theodore said, would be determined by the volume found to be necessary to restore and maintain general prices at a predetermined level. The gold certificates would be an international legal tender, and would be supplied to each country in proportion to their respective importance in international trade. The local currencies would have an exchange value (not an invariable one) in definite relationship to the international gold certificates.

entry of America, with the co-operation of Kuhn, Loeb, into the war on the side of the Allies, and the turning of the scale against Germany.

I think that it is important to recognise the philosophic detachment of this group from the interests alike of Germany and the Allies, because it was the primary factor in raising Japan to the position of a first-class Power. No doubt the Pearl Harbour fiasco thus made possible was one of those unfortunate incidents which seem to be inseparable from the operations of God's chosen people when engaged in High Finance.

What was the exact nature and scope of the bargain concluded by Lord Reading in 1917, we shall probably never know. That it was aimed at the elimination of the British Empire is certain. Beyond making the United Kingdom responsible for the repayment in gold for all sums credited as the price of goods supplied, whether to Britain or any other Ally, some kind of effective control over every aspect of British life and policy was imposed. The Bank of "England" was placed under an American "adviser" and an obviously nominated permanent Governor; an Irish "settlement" which placed, as we are now witnessing, a potential enemy across St. George's Channel, was forced, and Rufus Isaacs, Marquis of Reading; became Viceroy of India, with a member of the bullion-broking family of Samuel Montagu and Company as Secretary of State for India in Whitehall. From that date, the chief factor in Indian affairs has been the Indian National Congress, an organisation mysteriously subsidised from outside India, whose maximum "paper" affiliation has never exceeded four and a half millions out of the four hundred millions of India's population and is

Only a nominal rate of interest would be chargeable on the supplies of the

new money to the participating countries. In order to defray the cost of management a new monetary system on lines similar to this, with power to administer it vested in an international bank independent of private banks and private financiers, would work a magical cure of the world's ills, and bring order to a chaotic world. It would restore prosperity and employment, and prevent the recurrence of money crises in the future.

\* \* \*

Soon after this Theodore appeared, in company with the great John Wren, as a gold mining magnate. John's influence with politicians is generally thought to be profound, and if Theodore was not a good political bet, he certainly was a winner in gold mining, and possibly a valuable financial adviser. It is understood that this alliance between Wren and Theodore continues and, even if the Japanese capture their big gold mines, Wren and Theodore will not be destitute.

It would, therefore, seem that if the gold standard disappears from world money control, Mr. Theodore has the approved alternative. If, on the other hand, gold wins, he is still in the saddle. There is not a shadow of doubt that the influences behind the Theodore appointment are very powerful.

generally much less. It is detested by all the better elements of the population.

During the most critical period the Finance Minister for India was Sir George Schuster. It is not unimportant to notice that the present Secretary of State for India is Mr. Leo S. Amery, a colleague on the Board of Messrs. Marks and Spencer of Mr. Israel Moses Sieff. We do not hear much of Mr. L. S. Amery just now any more than we hear much of Mr. Benjamin Cohen, U.S.A., but it would be very unwise to assume that either of them is idle.

Now, it is difficult for anyone who is not familiar with India to understand that it is perhaps there that the clearest indication of the war of the international Jew against British culture can be perceived. What is being attacked and undermined in India is prestige and prestige is a basis of credit. To put the matter another way, the Indian problem can be reduced in essence to a battle between prestige based on character, and prestige based on money—real human credit in conflict with the golden calf.

This attack on British prestige has been in progress for a long time—Kipling's "Mutiny of the Mavericks," written in the early 'nineties, was an amusing dramatisation of something which was already no novelty. The unscrupulous attack on the regular Army, and its capable officers, resulting in the warning by the Home Secretary to an illustrated newspaper which, whether rightly or wrongly, is generally credited to the control of Mr. Sieff, and the advertising by the "B".B.C. of the achievements of overseas troops, to the exclusion of those from the United Kingdom, are examples of the same policy.

It may perhaps be remarked in passing that, taking the condition of India into consideration, British Administration in India between 1857 and, say, 1900, was probably the finest example of successful Imperial Rule which the world has ever seen. It could not be, and it was not desirable that in the nature of things it should be permanent, but it was as far removed from the picture of soulless tyranny which was persistently circulated amongst people who had never been within ten thousand miles of it, as the fantastic figures of "thousands of British Officials batten on a downtrodden peasantry" were from the fact that the Indian Civil Service never reached a figure of 1500 Europeans, and is now less than five hundred in number. British Policy in India is not quite so safe from criticism, for the simple reason that it was primarily a financial and mercantile policy. But even in this, there is little which was peculiar to India.

This vital question of prestige is linked directly and clearly with the financing of Japan, and the parallel corruption of Russia by the Schiff group. The culmination of it was the abrogation of the Anglo-Japanese Treaty under pressure from Washington in 1922, probably one of the most fatal pieces of folly ever perpetrated by any British Government at any time. From the date of this abrogation, it was mathematically certain that any and every embarrassment elsewhere would be complicated by an enemy gratuitously created in the area in which we were, at one and the same time, weakest, and from which it was most necessary we should draw uninterrupted supplies of oil and rubber.

It is not possible that any explanation of the events of the past twenty-five years can be adequate, and therefore not possible to ensure that proper action is taken to deal with their consequences and to prevent their repetition, which does not provide an answer to the following questions:—

(1) Why was Rufus Isaacs chosen to head the delegation to Washington in 1917, and what were the undisclosed terms that he made?

(2) When an Eastern Front was essential to the quick defeat of Germany, why, and at whose request, did the British Government

## A LETTER FROM ERIC BUTLER

(To the Editor):

Sir,—It is impossible for me to answer individually the many letters and telegrams of congratulation which my wife and I have received over the past few weeks. I trust that this short letter of thanks will suffice. There is no need for me to stress the point that I am proud to think that my work has been so widely appreciated. The number of letters received also indicated the nation-wide interest in the cause we are working for. This, to me, was very heartening. I sincerely thank all those who contributed to the wallet of "printed stationery." Considering the times in which we live, the total amount was a tribute which I will never forget. I would like all readers to know that my wife is intensely interested in my work, and that our united efforts in the future will be directed towards the goal we have been working towards for so many years. Thanking everyone again, I am, sincerely yours, ERIC D. BUTLER, Melbourne.

## DR. J. T. HOLLOW PASSES ON

Many readers of the "New Times" will share our deep, personal regret occasioned by the death, on Sunday last, of Dr. J. T. Hollow, who was one of the pioneer advocates of monetary reform in Melbourne. He assisted in the establishment of the "New Times," was for some time President of the Douglas Credit Movement of Victoria, was author of the excellent booklet, "Capital and Income," and was an able lecturer. He was also associated with the Christian Social Order movement. The passing of a Christian gentleman of such intellectual attainments and endearing personality leaves a sad gap in our ranks.

Facilitate the release of the Jew, Trotsky, from Halifax, Nova Scotia, so that he might be sent to Russia by Germany to assist in the Bolshevik Revolution, the first act of which was to make a separate peace with Germany at Brest-Litovsk?

(3) Who foisted the British catastrophe, Baldwin, and Montagu Norman, on us, and kept them in office until Great Britain was weakened to the status of a fifth-rate Power?

(4) Why was the Japanese Treaty, which had relieved us from any serious embarrassment in the Pacific, denounced? What, if any, undertakings were given by the United States to meet the situation which was bound to result from the insult involved in its denunciation, and isn't it odd that the Japanese can't take the Philippines,\* which are at their back door, but can take Singapore, and that there's only one great General, MacArthur, although he's never won any battles, and that all our generals, who have been fighting for years, mostly without equipment, are "Brass Hats," "Blimps," and "Old School Tie" failures?

(5) Why was a Jew, Rufus Isaacs, anathema to the Indian Moslems, the Palestine Arabs, and the Indian Princes, the only reliable bases of British stability in the Middle and Far East, made Viceroy of India? Why had Ramsay Macdonald, the "Labour" Prime Minister, to make a visit to Rufus Isaacs in India, before he could assume office? Why has the Labour Socialist Party, the friend of International Finance, persistently meddled with the Indian question, of which it knows nothing?

(6) Who controls the Bank of "England" and its apparently permanent Governor, Montagu Norman? Who authorised him to co-operate with the American-German, Dr. Schacht ("the most unscrupulous and oleaginous scoundrel I have ever come across"—Lord Vansittart), in financing Hitler with British credits? Certainly not the Foreign Office.

(To be continued.)

\* This article appeared in the "Social Crediter" on April 4.



## A DEADLIER MUNICH THREATENS EUROPE

Mr. Anthony Eden, acting on behalf of the British Government last year solemnly declared that Great Britain would never recognise any changes in territory obtained by aggression, says Count Antoni Tarnowski, in the Jesuit magazine, "America." Yet, already symptoms of the old, immoral policy of bargaining with other nations' property seems, with respect of Eastern Europe, to be appearing again to-day. Count Antoni Tarnowski was formerly Second-Secretary of the Polish Embassy in Washington. Previous to that he held diplomatic posts in Danzig and Amsterdam. His article casts light on some recent disturbing dispatches from Europe.

The territory of Eastern Europe, lying between the Black and the Baltic Sea in one direction, and between Germany and Russia in another, is like any other part of the world endowed with its own life and history. In analysing its thousand-years-old tradition, one can say without exaggeration that, situated between two steadily growing empires, the nations of Eastern Europe had to use most of their efforts to protect themselves against being engulfed by either or both of the two neighbours. Their chief characteristic throughout the ages was that they refused to become either part of Germany or part of the Muscovite Empire later called Russia. The striking desire, repeatedly stressed, of those nations was to preserve their own individual cultural and political life.

There were times when this policy seemed doomed, such as the period after the partitions of Poland when this part of Europe ceased to exist as a free land for almost 130 years. There were, however, years of glory and strongly expanding life, years when a happy union between Poland, Lithuania and Ruthenia (called at present the Ukraine) assured a peaceful development for these nations for a long period of time. Poland's return to freedom in 1918 re-created normal conditions for an independent life in this whole region.

In the twenty years of their independent life that followed World War I, the Baltic States proved to be efficient and progressive organisers of their countries. The agrarian system was changed quickly, and large feudal estates were broken up into many units for present farming. Schools were built and the general standard of living improved greatly. It certainly would be advisable to have someone seriously study and present to the public the achievements of the Baltic nations and compare them to the achievements of the Soviet Union. This comparison doubtless would not be to the disadvantage of the Baltic countries.

### SIMULTANEOUS AGGRESSION

The outbreak of the war in 1939, initiated by two simultaneous aggressions on Poland, by Germany on the West and Russia on the East, forced again the collapse of the independent system of Eastern Europe. In a short time after Poland's resistance was broken, all neighbouring states were overrun in turn. Lithuania, Estonia and Latvia lost their freedom, and Roumania was faced with the choice of acting as a German puppet or of being annihilated.

As in past centuries, the nations of Eastern Europe consider the present loss of their independence a temporary blow, and are sparing no effort in blood and sacrifice to win it back. One obvious lesson ought to be learned from the present tragedy, not only by the Baltic peoples themselves, but by all those who believe in principles of freedom and hope for a durable peace. It is this: the future of peace and prosperity in Continental Europe largely depends on the continued existence of strong and independent Baltic nations.

This necessity, so much misunderstood after the last war by many statesmen, should be kept in mind now, since already symptoms of the old, immoral policy of bargaining with other nations' property seems, with respect to Eastern Europe, to be appearing again to-day. The sponsors of such ideas are certain circles in England who would like to pay

Russia for her gallant fight against Germany with the living bodies of half of Poland, Britain's ally, and of Lithuania, Estonia and Latvia.

### DANGEROUS IDEA

This idea is so dangerous with regard to the entire moral prestige of



SIR STAFFORD CRIPPS

the democracies and to the very issues of this war that it must arouse a well-founded indignation everywhere. Is it possible that in the midst of the war, when the moral confidence of all belligerents one for another, and the trust of the defenceless, overrun small nations in the democracies is of such vital importance, a sudden return to the ill-famed policy of Munich is envisaged? Some editorials of the London "Times" and Sir Stafford Cripps' recent interview in "Life" magazine indicate that a grave danger in this respect lies ahead.

When last summer, after Hitler's attack on Russia, Poland followed England's example in signing an agreement with the Soviet Union, Anthony Eden, acting on behalf of the British Government, solemnly declared that Great Britain would never recognise any changes in territory obtained by aggression. A similar statement was issued later by Sumner Welles, then acting Secretary of State of the United States. Mr. Welles' declaration was in full accord with the well-established principles of American policy, which refuses to accept force as a criterion of settling international affairs, and is based on the conception of morality in the relations between nations. This morality absolutely rejects any suggestion of recognising acts of force as legal. Vivid symbols of the American policy are the representatives of conquered nations residing still in their official capacity in Washington. Among them are also the diplomatic representatives of Lithuania, Estonia and Latvia.

### MR. MAISKY'S CAMPAIGN

That Mr. Welles' and Mr. Eden's statements with regard to the Polish Soviet boundaries were necessary was proved very soon after they were issued. The day after the Polish-Soviet pact was signed, Mr. Maisky, the Soviet Ambassador in Britain, started a campaign to interpret the agreement as Poland's resignation from her status in the East and an opening of discussion in the matter of Polish-Soviet boundaries. Unfortunately, this rather unfair Russian attitude was followed by an editorial in the London "Times" expressing the opinion that Eastern Europe must

be given over to Russian influence. Thus, England's first ally in the war was forgotten, and handed away to the most recent one, Russia, because the new ally has a larger population than Poland and a strong army.

Although the Foreign Office in London repudiated this editorial it was already plain then that a sinister bargain in some circles is in mind. The spectre of a Red Munich proposed by pro-Soviet bearers of Mr. Chamberlain's umbrella, reappeared lately again, but in a much more open shape. William Stoneman, London correspondent of the New York "Post" (March 7), writes as follows:

"The London 'Times' in its leading editorial to-day suggests Great Britain make an agreement with Soviet Russia recognising the Soviet Union's boundaries as of June 22, 1941 (that is subsequent to the Polish and Finnish wars and the absorption of Lithuania, Latvia and Estonia). And strangely coinciding with the 'Times' article is Sir Stafford Cripps' interview, in which he plainly says: 'To protect Leningrad, it is essential that the Russians should control the Gulf of Finland and the Baltic coast. It is also necessary that there should not exist small States close to the vital points of Soviet industry which can be made use of by hostile Powers as a base for attack.' This means that judging by the strategic necessities of the situation, the Soviet Government must ask for boundaries of June, 1941."

The matter is very clear! The plan is to sacrifice three free and independent nations, whose territory was occupied by aggression, for the sake of being pleasant to the Soviet Union. Sir Stafford appeared to be more kind to Poland, as he suggested fixing Polish-Soviet boundaries by mutual agreement "between what are now, I am glad to say, two friendly countries, Poland and the U.S.S.R." By a strange coincidence again, at the time Sir Stafford's interview appeared, the New York "Times" announced from London that the Soviets refused to the Polish Government the recognition of passports, issued to Polish citizens who were born in territories occupied by Russia in 1939, because they are Soviet citizens. In this light Sir Stafford did not, indeed, need to bother about the Polish-Soviet boundaries, because the Rus-

sians have already made the point clear themselves.

### POLISH CLAIMS

Needless to say, no Polish Government will ever consider Russian claims to the Polish soil which temporarily fell into Soviet hands because of an act of wanton aggression. If this aggression, as well as the conquest of the Baltic States, was only a precautionary move of a strategic character, as is the official Soviet interpretation, why did Russia, deport two million Poles, Ukrainians and Jews from their home in Poland to atrocious conditions of starvation and disease in Siberia? Why did they deport ten per cent, of the populations of Lithuania, Estonia and Latvia and imprison their Governments? Fake plebiscites subsequently arranged in such conditions can hardly be considered a free expression of the will of the inhabitants.

The Poles are ready to fight for their eastern boundaries with the same violence with which they have defended their homeland and are now fighting on all fronts of the world. So are the people of Lithuania, Estonia and Latvia. Would it not be better then, if Sir Stafford Cripps and his followers, instead of planning another Munich, tried rather to prevent future unnecessary bloodshed in Eastern Europe by inducing the Soviets to abide by the principles of the Atlantic Charter?

In the case of the Soviet demands, there is no evidence of an intention to repair the wrong done to these nations.

Poland fought from the first day of this war. Her resistance allowed the Allies time to prepare for their own defence. Poland saved Russia from German onslaught in 1938 by refusing to join Germany in her invasion plans on Russia. Now it is proposed to pay Poland for her sacrifices with the loss of a half of her territory, not in the case of a German, but in the case of an Allied victory.

### AIMS, MILITARY AND POLITICAL

Between the United Nations and the Soviet Union there is unity of military aims: but there is a complete disunity and even, a striking difference between their political aims. Tanks can be given to the Soviets, but principles, being the strong-

(Continued on page 7.)

## NOTES ON THE NEWS

**RUBBER ABUNDANCE:** In pointing out that the Army was concentrating on rubber production in New Guinea, the Melbourne "Sun" of July 9 says: "Estimates by Army officers indicate that its potential rubber output could supply three-quarters of the pre-war requirements of the entire British Empire." The article also pointed out that tea, coffee, cocoa, quinine, tobacco, spices, and similar products which made the Dutch Indies the world's treasure house, could be produced. No mention was made of petrol, which at other times has been stated to exist there. It might be troublesome to the overseas oil combines if that were located—and worked.

**POST-WAR PLANS.** The Minister for Munitions (Mr. Makin) is reported as saying: "After the war manufacture of munitions and equipment for Australia's fighting forces should continue at the rate of about one-third of war production." (The vision splendid!) But he also says that industrial development must serve the nation in peace time by providing labour-saving devices; which indicates that he may be losing the "work-complex." Fancy a died-in-the-wool Labour man advocating elimination of work!

**WAR PROSPERITY.** A woman writer in the Melbourne "Sun" of July 3 illustrates the raw deal handed out to soldiers' dependents. Her husband is in the army fighting for freedom and security, while she often has to go without lunch so that her delicate baby can have necessary food and medicine. Meat, fruit, and vegetables are almost unprocurable. She says she is unlikely to use her clothing coupons

for obvious reasons, and because of her delicate baby she cannot go out to work. Imagine the effect on her soldier husband when freedom and democracy are mentioned to him.

**DEBT-FREB BABIES:** The London "Times" correspondent reports that a research institute was opened in Vienna by Professor Knoll, to examine and treat fruitless couples who on general biological grounds are officially considered to be desirable parents. If their fertility can be restored couples lacking finance will be provided with homes without cost. It is not stated whether or not the examination is compulsory, but provided it is a voluntary act no objection can be raised.

**FAITH IN BRITISH.** From American newspaper comes a spirited defence against the inspired attempts to present the British as a decadent race. It points out that the Philippines and Pearl Harbour episodes leave no room for criticism of other nations from U.S. The writer then points out that Britain's fight in the dark days after the fall of France, undoubtedly prevented Germany from being master of all Europe; he also points out that it was the stout-hearted men and women (not their leaders), who held the line. The disasters which have befallen the British have undoubtedly been caused by bungling or treachery in high places—a fact which seems to be dawning on some people, judging by recent comments in the House of Commons references to Montagu Norman and Lord Beaverbrook, for example.

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## THAT BRAVE NEW WORLD

A Talk Broadcast from 7HO, Hobart, at 6.30 p.m. on Sunday July 5, by James Guthrie, B.Sc.

**At this time, when we appear to be entering the most bitter stage of the war, great diplomatic activity is being reported from New York, Moscow and London. Pacts of peace are being signed between the allied nations in preparation for peace.**

We may not know the nature of these pacts for quite a long time; but the fact remains that statesmen all over the world are making some preparations for peace, and organising for peace. This, of course, is essential, because the difficulties of the post-war world might prove to be just as disastrous, or even more disastrous, than war itself.

We all realise now that we are going to see, after this war, quite a different world than that to which we have been accustomed. What the nature of this world will be will depend on many things and, in particular, it will depend mostly on how ignorant we are.

During those years between the great wars—the twenty years of so-called peace—those of us who have been watching the political, social and economic scene have seen many things which made us realise quite clearly that when the military war of 1914-18 had stopped only the military part of the war had stopped; the war still went on in the economic field.

We saw this war continue for twenty years, and we knew military war must break out again, and we said so, and we said so in print for all to see. Wherever there are two small shops in a village competing for a declining trade, there is war—economic war. Wherever there are 100 men competing for 60 jobs, there is war, a cruel, bitter war: war, war that destroys and has destroyed the very foundations of our society.

There are many stupid things said about competition, end, like many stupid things said in public, they are designed to produce chaos and to prevent successful and effective action. Competition is a good thing, a constructive thing in its right sphere. But nobody, surely, is so stupid that he would, suggest that our judges should compete with one another in dispensing justice, or that judges should be paid on a commission basis on the number of men they convict as guilty. No one would

suggest that the manufacture of our money should be let out for competition between men who paid the highest price for the privilege. Competition, like everything else, is all right in its place; but competition has to be fair and reasonable, and serve some useful purpose.

Where there is plenty of work to be done, no man need be idle; men can always obtain an income of some kind, as in war time; there is, at least, a sporting chance for those who wish to work. Under such conditions men feel that there is some kind of future for themselves and their families; that any person who has something to offer the community will be given a reasonable remuneration.

But during the depression we found that although a great deal of work was waiting to be done, only a certain portion of the population were allowed to receive wages—the rest could work if they liked, but they would receive no wages. The explanation given was that there was a shortage of money to pay wages. As there was no shortage of food or other necessities at the time, and as most of our money was paper money, one would logically conclude that there must have been a shortage of paper. But the real reason why there was a shortage of money was because those who controlled the supply of money decided that there should be a shortage.

Now you know what happens when men are hungry and hang about street corners looking for jobs. You know how parents feel when their sons and daughters get no start in life but are rejected by society as

surplus to requirements. Under these conditions, competition for jobs is neither clean, healthy nor reasonable; it is just a disgusting scramble when no man is safe, and when the only law that holds is the law of the jungle. And I am doubtful if that is fair to the jungle. That is not competition; that is a dog fight. If you fling one bone to four starving dogs, that is not competition; that is a deliberate attempt to force dogs to mutilate and destroy each other.

And I definitely state that the depression of 1930, and the depression in England in 1920, were deliberately engineered to produce social chaos, and that the vast number of small business men and small farmers who lost the results of their lives' savings indicates the technique behind this policy—monopoly through the elimination of the small man, and the centralisation of power in fewer and fewer hands. That is not competition; that is something so terrible that I am afraid the English dictionary provides no adequate adjectives.

If the Brave New World of the future is to be a place fit for young boys and girls to grow up in, we have got to make sure that the great monopolies are broken up and that no man or small group of men is given the power to order millions to their death or to create depressions at their will.

This will never be accomplished by passing laws or by building up a huge central Government, with no competitors. Society must be built from the base upwards, not from the top downwards. If the home is secure, then the nation is secure; collective security is just a joke unless there is individual security.

There are quite a number of people, small in number, no doubt, but powerful politically, who believe that the only way to produce order out of political and economic chaos is to have some kind of dictatorship where each man is given his place and where there is only one authority—the Party Caucus; and only one monopoly—the Party Caucus. This sounds attractive to those who expect to be beneficiaries under the act, and who expect to be a member of the new aristocracy!

Dictatorship is attractive to many simple people who like simple solutions. A dictatorship sounds nice and tidy; you simply make your plans, and if anyone objects, you simply chop off his head. Unfortunately, the people who get their heads chopped off are men like myself who have the audacity to have an opinion of their own quite opposite to the official political parties.

The reason why dictatorship is desired by immature political thinkers is to try to introduce order out of chaos, no matter at what price. The question I ask is: Why have chaos? And I am told that we can either have chaos or a dictatorship of some kind. At this point I would like to warn you of the trick of being forced to vote for one of two evils; it's an old trick for the simple minded, and the correct answer to the two alternatives is, Why have either?

I submit that the political and economic chaos before this war was deliberately produced by the political and financial monopolies, so that you, in your desperation, would turn round and say that we must have only one monopoly, one dictatorship, one army. Of course, it wasn't to be known that the same little boys who produced the chaos would be given the job to restore order at their own price. And I have no doubt they would restore order. But would the end justify the means? Has the chaos and the rot got so deep into our bones that we are willing to sacrifice all that makes a man more than an animal, just to obtain a little cow-like comfort and security?

If this radio station, and all others, were handed over to one all-powerful Government, I would have to go to that Government to get permission to criticise the Government. Do you know any Government which would give that permission? I don't. Yet, members of the Labor Party want all stations under Government control.

If you suggest to them the idea is to suppress all criticism, some would be horrified, such an idea not having occurred to them; others, of course, admit the truth straight away and say that's what we want—suppression of criticism.

We are living in an awkward period, a transition period, a period where men have been given control over the secrets of nature and the technique of vast productive powers. We are told that the old methods of reason, argument and criticism, intellectual freedom, freedom of the Press and of man's conscience, the method of experiment—we are told that these old methods cannot deal with the situation. I do not believe that, because I know that where these methods have been tried they have been ruthlessly suppressed by every trick known to the underworld, and a good few more besides.

Why have these methods been suppressed? They have been suppressed because if it were once proved by an actual experiment, that a community of men and women could live happily together in prosperity, without the help of the tax-collectors and all the other gentry who live on their debt-stricken brothers, then nothing in this world would hold men in their present serfdom.

One successful experiment on a reasonable scale is sufficient to do the trick; that experiment has never been permitted in any part of the world. The reason is obvious. And by the number of people who ask me if I can name any part of the world where my ideas have been put into practice, I realise how far we have yet to travel before the people of this country understand the real political problem ahead of us.

If you wish to see this country remain a fit place for independent and intelligent men and women, then you, dear listener, will have to play your part in building the Brave New World. If you think you can shelve this job and hand it over to some superman, you are going to be very, very disappointed. You may not be able to do much, but you can do something. You can support those men who are fighting your battle. There are many fine men in this country and in England; you, perhaps, have never heard of them, because they cannot get their names in the daily press, but surely you are sufficiently interested to try to find out. There is a weekly paper, published in Melbourne, called the "New Times"; you can get this paper for 4d. each week at newsagents. In it you will find some of the most brilliant and powerful articles written by the greatest thinkers in the British Empire. 4d. a week is not very much, but it may be just the thing needed to help you to help yourself and your country. I hope you will buy the "New Times," and hand it round to your friends.

### A DEADLIER MUNICH THREATENS EUROPE

(Continued from page 6.)

est resource of the United Nations, should not be bartered away.

Someone may say, what is this tiny problem of a few million people when compared to the global proportions of this war? Can there be any comparison between the blaze of war covering the whole earth and a question of three small nations?

Yes, I should say there is! Because this war is being fought for the rights of the small people to live, because it is being fought for a "new order" in the world, where men can exist free from fear, want and aggression. If during the very prosecution of the war the right of small nations to live is sacrificed for the sake of the big nations, how can other small nations, struggling day and night in their resistance to the Nazi conquerors, have the faith that some day they will not be sacrificed in turn?

Yes, there is no doubt that by handing over the free Baltic States to Russia the democracies would greatly undermine their moral prestige. In this light the Atlantic Charter would certainly be advertised by the "Axis" Powers as a meaningless scrap of paper.

### Notes on the News—Continued

**SECRET LEADERS.** A recent press article on Britain's secret service pointed out that the leader was unknown to the public (like the real "leaders" of Britain). Illustrating how the service works, an example is given of an important invention being offered to Britain for £1 million. The authorities wanted it, but had to approach a bank for a loan of the required money. The answer they got was: "Let a foreign power pay the high sum demanded, then our intelligence agents will get the invention. It's much cheaper." Who owns the secret service?

**LEADER COMPLEX:** Press headlines say "there is no Churchill-must-go campaign" (such as was sponsored by them to oust Chamberlain). However, the public unrest is causing the wreckers some trouble in unseating their built-up Churchill. There was an attempt to boost up Cripps which seems to have misfired. Present indications are that the combined press of U.S. and Britain are uniting on a super boost campaign to elevate Roosevelt as the supreme deity of both countries. The chief difficulty, however, is that the people are looking for results—not personalities.

**MENZIES' MISTAKE** An illustration of "woolly thinking" is found in Mr. Menzies' address at the Adelaide University, as reported in the Melbourne "Sun" of July 7: "Taxation and internal loan issues were means to reduce the demand for civil goods," and "he found it difficult to believe that many wage-earners would refuse to pay a substantial wages-tax for carrying on the war." After telling them that taxation was to prevent Purchasing of civil goods—and therefore, by inference, was not for war Purposes—he then says it IS for war

purposes! Fancy such rubbish being put over at a University. The plain truth is that if the people did not pay one penny into the war effort it need not affect the issue. The people supply the physical effort—they make the guns, 'planes, ships, etc.—and it is the Commonwealth Bank's job to supply the money. If Menzies' first statement is true, what is the reason for taxation and loans in peace time?

**LABELS AND METHODS:** An excellent article in the Melbourne "Herald" of June 27, by Professor Walter Murdoch stresses the uselessness of "labels," and insists that the emphasis should be on "specific results." He also points out the futility of attempting to agree on "methods." His strongest plea is for charging the appropriate expert with the alternatives of getting the required result or "the sack." This unbeatable technique, which is the guiding principle of electoral campaigners, is being more widely appreciated, and the fact that it has been given publicity by this widely-read author should encourage campaigners to even greater effort.

**POTATO PRICES.** Minimum, potato prices, from £8 to £10 a ton, is the bait held out by the Australian Potato Committee to growers entering into contracts with them. The nigger in the woodpile, however, is found in the proviso, "for all authorised production"; which, of course, will be strictly limited. When the first Potato Board was formed, £6 per ton was offered, which tricked many growers into the scheme; but two-thirds of their crop was rejected, which reduced the price to £2, hence the proviso, "authorised production."

—O.B.H.



## DARCEY EXPOSES ENEMY WITHIN!

(Continued from page 1.)

wealth, but financial theory said: "You are poor," and for twenty bitter heart-breaking years we laboured to make the actual facts fit financial theory. Prices of primary producers throughout the world were forced down by our financial policy of deflation, we ruined the farmers of the world and the farmers of our own country. We destroyed shipbuilding yards, pulled down factories, scrapped machinery, forced our skilled mechanics and artisans to migrate to America and the Dominions; we made the soil of England go out of cultivation and become more derelict than it had been for hundreds of years. And at the end of twenty such years of bitter and hard work, we had made the actual facts fit the financial theory, and we were poor indeed and unable to keep up adequate armaments, and our prestige sank almost as low as it had ever been."

I remember that in 1922 the Bank of England introduced a deflationary policy, but in Australia the late Sir Denison Miller, then Governor of the Commonwealth Bank, purchased £20,000,000 worth of securities in a few months, and thus Australia avoided the experience undergone by the people of Great Britain. Mr. James Griffiths, M.P., speaking in the House of Commons, said:—

"I came into this House very largely because of the way industry was being neglected. We are paying the price for the last twenty years in allowing our industrial equipment to rust and to rot. For twenty years we lived in a period when coal mines, workshops and shipbuilding yards were being closed down. By whom? By financiers of this country who are in this House to-day."

### Financed the Nazis

Here is an account of how Nazi Germany was financed:—

"In the spring of 1934, a select group of international financiers gathered around Mr. Montagu Norman, Governor of the Bank of England, in the Bank of England, Threadneedle-street. Among those present were Sir Alan Anderson, partner in Anderson, Green and Company; Lord (then Sir Josiah) Stamp, chairman of the L.M.S. Railway System; Edward Shaw, chairman of the P. & O. Steamship Lines; Sir Robert Kindersley, a partner in Lazard Bros, Charles Hambro, partner in Hambro Bros.; and C. Tiarks, head of J. Schroeder Company (international banking houses).

"But now a new power was established on Europe's political horizon—namely, Nazi Germany. Hitler had disappointed his critics. His regime

was no temporary nightmare, but a system with a good future, and Mr. Norman advised his directors to include Hitler in their plans. There was no opposition, and it was decided that Hitler should get covert help from London's financial section until Norman would have succeeded in putting sufficient pressure on the Government to make it abandon its pro-French policy for a more promising pro-German policy.

"Immediately the directors went into action. Their first move was to sponsor Hitler's secret rearmament, just about to begin. Using their controlling interests in both Vickers and Imperial Chemical Industries, they instructed these two huge armament concerns to help the German programme by all the means at their disposal. . . .

"In the same year your English armament firms placed huge advertisements in the 'Militaerischer Wochenblatt,' offering for sale tanks and guns, prohibited by the Versailles Treaty. A statement made by General Sir Herbert Lawrence, chairman of Vickers, furnished the necessary evidence that the British Government knew about and approved these advertisements. When, at his company's annual meeting, he was asked to give assurance that Vickers arms and munitions were not being used for secret rearming in Germany, he replied, 'I cannot give you an assurance in definite terms, but I can tell you that nothing is done without the complete sanction and approval of our government.'"

### National Credit or National Debt?

I often wonder whether honourable senators who have been members of this chamber for over twenty years feel any responsibility with regard to the unpreparedness of Australia for this war. Why do they adhere to the orthodox financial system when the national credit should have been utilised through the Commonwealth Bank? They are largely responsible for the conditions prevailing in Australia to-day. It is fortunate for this country that the Broken Hill Proprietary Company Limited had been developed as it had when the war broke out, otherwise we should have been in a particularly unenviable position to-day. The war could be financed without borrowing money as the Government is seeking to raise it to-day. The cost of floating loans is tremendous. The cost of floating the loan raised in February was £41,800. As the Royal Commission on Monetary and Banking Systems has said that the Commonwealth Bank could lend

the necessary money to the nation free of interest, there is no reason why a high rate of interest should be paid for it. Do honourable senators imagine that our financial difficulties can be overcome by orthodox methods? Australia started the war with a national debt of over £1,200,000,000. The debt arising from the last war was £385,000,000 in respect of which we have already paid over £400,000,000 in interest. Great benefit would have been derived from the use of the national credit. Shall we allow the banks, as in the past to create credit to the amount of hundreds of millions of pounds and charge the nation 3½ per cent interest upon it, or shall we instruct the Commonwealth Bank to provide those credits. This country has great productive power, yet we are dealing with the economic situation as if we lived in an age of scarcity of commodities. I was glad to hear Senator Sampson say last night that wars could not be won with money; but until the present dreadful tragedy overtook the world the people did not realise it. Money does not count at all. Yet when loans are being floated we are told that if the people will not subscribe to them voluntarily, the money will be taken from them compulsorily. There would be no necessity for the heavy taxes which are being imposed if the Government would decide to use the credit of the nation. All the debate yesterday on uniform income taxation related to measures estimated to yield only an additional £12,000,000 which, at the present rate, would meet our war expenditure for only twelve days. When Mr. Menzies was Prime Minister, I told him that if his Government wanted credit to finance the war, all it had to do was to tell the manager of the Commonwealth Bank to issue the necessary credit.

### Govt. Versus the Banks

Paragraph 530 of the report of the Royal Commission on Banking and Monetary Systems stated that ultimately, Parliament is responsible for finance and everything necessary for the good government of the country. The Government of the day is the executive of the Parliament with power to act up to its constitutional limit. The report to which I referred also said that certain powers had been granted to the Commonwealth Bank by statute, and that those powers are to be used in the interests of the nation. If at anytime there is a difference of opinion between the Government and the Commonwealth Bank Board as to the policy to be followed a free and frank discussion shall take place. Should their views still be irreconcilable, the Government shall tell the board that it takes full responsibility for what

is to be done then direct the board how to act. I cannot understand why that system is not being used to-day.

The operations of the trading banks have not been placed under effective control, and so long as the Government is prepared to sell interest bearing inscribed stock and Treasury bill, it will not control them. The control still rests with the banks.

The Labor Party's defence policy provides that war expenditure shall be financed out of taxation. In the year in which that resolution was passed the total expenditure on defence was £7,000,000. At present, defence expenditure is £7,000,000 a week, and therefore, it is clear that effect cannot be given to that resolution.

I hope that the new loan will be floated through the Commonwealth Bank, interest free, so that the people will be saved from having to bear heavy taxation in perpetuity

### SOUTH AUSTRALIAN NOTES

From the United Democrats' H.Q., 17 Waymouth Street, Adelaide.

Interstate Readers: Frequently we have requests from readers in other States, who desire some of our leaflets or booklets. This is very encouraging. Further, we are very grateful to those readers particularly in Victoria who responded so well to our recent request for Walter Murdoch's Leaflet, "Give the People Money."

Annual Meeting: This will commence at 3 p.m. on July 25. Only financial members will be permitted to vote. Therefore, see to it that you are financial before. Do not look upon the fee of one guinea as something which MUST be paid, but look upon it, as our president, Mr. Dodd, said "as an insurance premium against the coming SLUMP." The business of the meeting will cover election of officers, and discussion of the policy in relation to the following year's activities.

Do not forget the social in the evening to commence at 7.30. You are cordially invited to this and to bring your friends, as we are endeavouring to make it our Reunion Social. There will be brief talks and musical items. The arrangements are in the hands of Mr. M. E. Dodd.

"Victory Road" Booklet: We have now received the balance of an order for 1000 of these, so make the most of your opportunity and send in for some as soon as possible.

"Victory Road" Fund: This fund is intended to be used for the distribution of these booklets to prospective members and to any who are likely to be useful supporters. Donations, to this fund will be gratefully received.

M. R. W. LEE, Hon. Secretary.

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