

# THE NEW TIMES

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SIXPENCE WEEKLY

## Communists in Key Positions Revealed

The following extracts from a speech by Mr. J. T. Lang in the Federal House of Representatives on 17th June provide one of the best exposures of the Communists and fellow travellers we have seen from that quarter.

No Communist should be allowed to hold any position whatsoever in the defence organisation.

**But what do we find in the Minister's own administration?**

Of all defence arms, none is more vulnerable to sabotage than is the Council for Scientific and Industrial Research. It has been hiring temporary employees as fast as they can be obtained.

The Prime Minister (Mr. Chifley) recently stated that it had 1,480 temporary employees. **Such employees are not bound by rigid Public Service conditions, and do not even take the oath of loyalty.**

### Top Communists Appointed

The Minister has accepted personal responsibility for many of those appointments.

He appointed Donald Mountjoy to the council itself. Mr. Mountjoy had no known qualifications for the position, but he had definite leanings towards the Communist Party.

It was the Minister who accepted personal responsibility for the appointment of Mr. Rudkin, a Western Australian Communist with a notorious war record.

**The Minister has personally sponsored the Public Service career of Dr. Lloyd Ross, author of the infamous "Hands-off-Russia" resolution at a time when Russia was an ally of Nazi Germany.**

**Dr. Ross's brother is known as one of the leaders of the Communist Party in Australia today.**

Dr Ross claims to have recanted, but that, too, is part of the Communist technique. It is strange, indeed, how the "fellow-travellers" — the crypto-Communists, and the Communist activists — find such a consistent sponsor and defender in the Minister for Defence.

### Foreign Liaison

If the Communists desired to penetrate into the very heart of government administration, they would obviously concentrate on Canberra itself.

**Here they have direct liaison with foreign embassies.**

Through Canberra pass all important code messages between governments. All plans for the guided weapons range,

wartime dispositions of troops, navies, and air power, chemical developments, and new methods of warfare are, sooner or later, handled in Canberra.

**The Communist general staff has a very acute appreciation of the advantages of Canberra centralisation so far as its work is concerned. With a few key men or women in the right places the Communist Party would be in a position to disclose every official secret.**

### Pertinent Questions

With all that in mind; I addressed a question to the Prime Minister (Mr. Chifley) on the 14th April.

**I asked whether he was aware that the president of the Canberra branch of the Communist Party, John Blom Pomeroy, residing at 33 Campbell Street, Ainslie, had been appointed official photographer for the Council for Scientific and Industrial Research.**

I also asked a question about Dr. Jack Atcherley, of 4 Ainslie street, Ainslie, a member of the Prices Branch, and secretary of the Canberra Communist Party.

The Prime Minister said that he did not know of them, but promised to have inquiries made and to inform me of the result of those inquiries. I have not yet been informed by the Prime Minister of the result.

The following day, both Atcherley and Pomeroy rushed in to the Press and denied that they were Communists.

I waited to see whether the investigation service had a full record of Communist Party members.

**I was not in the least surprised that Atcherley and Pomeroy should deny their membership.** That was in line with Communist Party directives.

Then, on the 6th May, the Minister for Defence, during a debate on security measures, disappeared from the House and came back with a letter from Atcherley, which he proceeded to read into the records of this House. He said—

I take this opportunity to clear the name of a resident of Canberra whom the honourable member for Reid traduced in this House. I have here a letter received by the Prime Minister, shortly after the honourable member for Reid made certain allegations, and I now quote the letter in order to put it on record.

### No Mention Of Check

No mention was made of any check by the Commonwealth Investigation Service; No investigation was made of the supposed full record of members of the Communist Party.

There was just what purported to be a letter from one of the men mentioned, without corroboration, and without any attempt being made to report on it.

The Minister was satisfied to accept the letter on its face value. He was quite excited about it all. The fact that Atcherley had seen fit to make a personal attack on myself appeared to provide the Minister with some great personal satisfaction.

(Continued on page 2)

### OUR POLICY

1. The preservation of Australia's sovereignty as a part of the British Empire, and the exposure of all internal and external groups which attack that sovereignty.
2. The preservation and extension of genuine local government.
3. The preservation and strengthening of all Constitutional safeguards for the purpose of protecting fundamental individual rights.
4. The encouragement of all activities designed to bring Governments under more effective control by the electors.
5. The preservation and extension of genuine free, competitive enterprise and private ownership, and opposition to all Monopoly, whether it be "private" or State.
6. The support of a financial policy which will (a) permit free enterprise to make available to all individuals an increasing standard of living and greater leisure for cultural pursuits; (b) result in no further increase in the community's indebtedness and the sound business practice of gradually reducing existing debt.
7. Recognising that the basis of any sound economy is agriculture, the encouragement of agricultural policies which will ensure the preservation and building up of soil fertility by organic farming and gardening; and the prevention of soil erosion and the protection of forests and watersheds.

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.

WHIT7IER.

(Continued from page 1)

He was ready to sponsor Atcherley without inhibition. He was prepared to take Atcherley's word. If Atcherley had been the key figure in a Communist network, and simply wrote a letter to the Minister, he would be quite satisfied. No more questions. No further investigations. How simple! How dangerous!

### Atcherley's Statement

Atcherley denied that he was a member of the Communist Party, but claimed to be a socialist. Then he made this rather important statement in that letter read into the records by the Minister—

In 1941 I was appointed as a shift chemist at the Commonwealth Explosives Factory at Maribyrnong, where I was responsible for the production of nitroglycerine and cordite. In 1943 I was transferred, at my own request, to my present position.

**Now, if Atcherley was a Communist, on his own admission he was in a key position in a munitions plant in 1941, at a time when the Communists were bitterly opposing the war.**

Then, after the Communists had somersaulted, he turned up in Canberra.

Under certain circumstances that move could well have had considerable significance. It might well have been part of the Communist Party's war plan.

In view of the Minister's failure to submit a proper report to this House, and in view of his action in championing an individual to the extent of having his own statement of his position incorporated in *Hansard*, I now propose to take a certain course of action.

### Important Documents

I propose to hand to the Prime Minister certain documents. The first is a copy of a letter written by John Pomeroy as secretary of the Canberra branch of the Australian Communist Party, to the *Canberra Times* on Thursday, the 7th February 1946.

A Canberra justice of the peace has certified that he has sighted the original of the letter, and that it is an exact copy. Pomeroy wrote the letter on behalf of the Canberra branch of the Communist Party, in reply to allegations that the Communists were infiltrating into the Ainslie Progress and Welfare Association. In the course of his letter, Pomeroy said—

There are Communists in all Welfare and Progress Associations in Canberra, but never has it been alleged that party politics have been introduced. The allegation that Communists are attempting to inculcate political doctrines into the minds of the boys' and girls' clubs is arrant nonsense. Ainslie residents must be aware that the needs of youth are not being catered for adequately.

### Pomeroy's Position

**Pomeroy signed as secretary of the Canberra branch. Pomeroy is an official photographer with the Council for Scientific and Industrial Research. Arrangements have been made for the Council for Scientific and Industrial Research to handle the key photographs in connection with rocket-range surveys work.**

It is one activity with which no Communist should be allowed to have anything to do. It is now almost two months since I directed my question regarding Pomeroy to the Prime Minister, and it

has been a two months' silence on the part of the Government.

The next documents I propose to hand to the Prime Minister deal with Dr. J. R. Atcherley, whose denial that he was a Communist was read by the Minister for Defence to this House.

First, I direct attention to the fact that one of the letters, dated the 4th October, 1945, in Atcherley's own handwriting, as zone secretary of the Communist Party, was written on official government minute paper.

What members of the Public Service are permitted to use that particular kind of minute paper? Is it available to temporary employees or only to senior officials preparing minutes for their Minister?

The fact emerges that during the war the Communist Party in Canberra was able to conduct its correspondence on official government minute paper.

If the Communist Party had wanted official minute paper for any other, and more sinister, purpose, is there any reason to believe that it would not have been available to it?

### The Case Of Geddes

The particular incident dealt with in the three other papers that I shall also hand to the Prime Minister relates to the Moscow trial of a Canberra resident, who joined the Communist Party to find out what it was doing, and who then proceeded to unmask its activities.

This man, Geddes, allowed himself to be admitted to membership of the Communist Party, because he realised that that was the only way to discover who were members, and what they were doing.

Because of possible victimisation, I am most reluctant to use his name, but in view of the Minister's attitude, I believe that the security of this country demands a complete disclosure of all the facts.

The first letter I shall hand to the Prime Minister is dated the 7th December 1945. It was written from 4 Chaffey crescent, Ainslie, to Geddes, and reads—

I am instructed by the Zone Committee of the Australian Communist Party, Canberra, that your party membership has been suspended as from the above date, pending an inquiry into charges made against you of disruptive tactics in mass organization work. —(Signed) J. R. ATCHERLEY, Zone Secretary.

The next is a letter addressed to Geddes on official minute paper, inviting him to attend a meeting of the North Canberra branch of the Communist Party on the 9th October, 1945, to reply to the charges made against him by a member of the branch.

This is also signed "J. R. Atcherley, Zone Secretary."

### Minutes Of Meeting

The third document I shall hand to the Prime Minister is a copy of the minutes of a previous meeting of the North Canberra branch of the Communist Party, when Geddes was tried. The minutes are signed by A. C. J. Russell, secretary of the North Canberra branch. They read as follows:—

Minutes of A.C.P. Meeting, North Canberra Branch, held at the Ainslie Hall, 9th Sept., 1945.

Moved—That the enquiry concerning Comrade Geddes be carried out according to legal procedure and the finding be communicated in writing to Comrade Geddes. Carried.

Comrade Atcherley's report was read and voted on paragraph by paragraph. It affirmed that Comrade Geddes worked against party policy, by—

1. Agitating against the formation and support of the Progress Association for the Girls' Club. After discussion, the charge was declared proved by the vote of 6 to 2.

2. Agitating against establishment of a joint Board of Control for the two clubs, in direct defiance of branch resolution. Vote 5 to 2.

3. Betraying Comrade Atcherley's membership of the party whilst he was still an under-cover member, by informing Mr. Van Heck, Captain of the Boys' Club, that the President of the Boys' Club Board of Management was a Communist and aimed at turning the club into a political organisation.

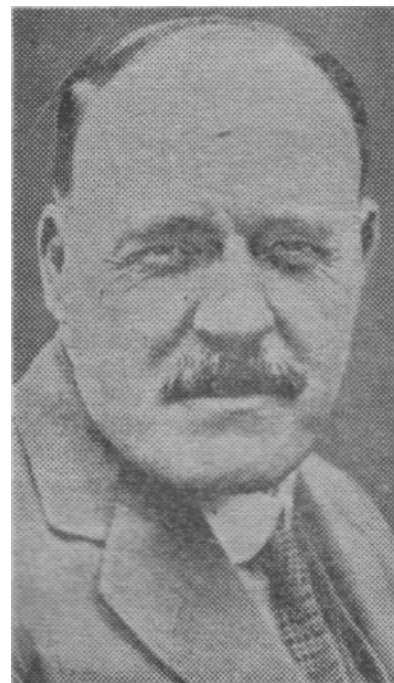
4. Disrupting party links with the Progress Association by holding Comrade Pomeroy up to contempt at a meeting of the Association. Charge withdrawn through lack of evidence.

5. Creating further discord between the party and the association by violent speech against a member (Comrade Atcherley) at a meeting of the Progress Association, when Comrade Atcherley tendered his resignation as President. Vote 5 to 2.

6. Informing Boys' Club members that Comrade Atcherley, their former President, had been kicked out by him (Geddes) from the Board of Management. Vote 5 to 1.

7. Refusing to attend meetings called for the purpose of affording him an opportunity of refuting the charges, or explaining his motive for such behaviour. Vote 5 to 1.

Moved—That Comrade Geddes be asked to admit that these charges have been proved against him and on admission of same, if he will undertake in writing, to carry out party instructions, be permitted to retain his membership in the party. Vote 6 to 1.



Mr. J. T. LANG

Moved—That Comrade Low be deputed to approach Comrade Geddes to obtain such an undertaking. Carried.

(Signed) A. C. J. RUSSELL, Hon. Sec., Nth. Canberra Branch, A.C.P.

### Typical Cell Technique

There, we have a Communist cell in actual operation! There is the typical Moscow trial technique—the Communist confession, self-accusation, and the renunciation.

But Geddes refused to co-operate. He preferred to take the independent line and uncover his accusers.

Note that Atcherley was an undercover member of the organisation.

How many more undercover members are there in Canberra?

It is not what might happen at the progress association, or the boys' club, or the girls' club, that is the matter of the gravest concern.

Membership of the Communist Party involves blind and unquestioning obedience to all orders. No Communist can be loyal to his country. Therefore no Communist should be employed in any capacity whatsoever in the defence services.

Was the Minister aware of the facts I have produced here when he brought Atcherley's letter into this House?

(Continued on page 4)

# THE SUGAR RACKET IN BRITAIN

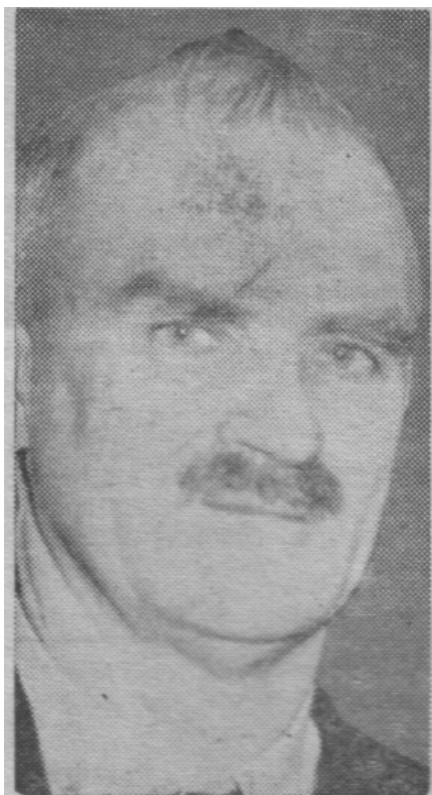
## Something Wrong Somewhere

Mr. Frederic Harris asked the Minister for Food (1) if the reduction of 25 percent in the allocation of sugar to certain sections of the food industry can now be restored, in view of the improved supply position of sugar; and (2) if, in view of the improved supply position of sugar, he will immediately restore the domestic sugar ration to 10oz. weekly, instead of the present 8oz., to which the ration was reduced last November.

Dr. Summerskill: I regret that the quantity of sugar we can afford to buy is insufficient to allow any increase in the domestic ration or allocation to manufacturers.

Mr. Harris: May I ask why it is reported that we have sold nearly £ 1 million worth of sugar, which was paid for with dollars and was sent to the Rand this year in return for sterling, and what is the present stock position of sugar in this country, and for what period those stocks will last at the present rate of consumption?

Dr. Summerskill: I cannot give the Hon. Gentleman figures of the stocks of



Mr. ARCHIE CAMERON

### Archie Cameron On U.N.O.

Mr. Archie Cameron, House of Representatives, 17th June: I have the most utter disregard for the United Nations organisation. Its constitution is not worth the paper upon which it is written.

The same was true of the League of Nations. Reliance on the United Nations is a delusion and a snare. The structure will fall as soon as the test is applied.

Any country which is foolish enough to rest upon the assurances of the United Nations will be left naked and alone when the time comes.

The only thing for us to do is to enter into closer relations with the United Kingdom and with Western Europe.

this country, but I think he has wrongly interpreted the report. He must realise—I have said it in the House before—that we bring sugar from South Africa for the purpose of refining it for South Africa. We are paid for that business and we find it highly profitable. —British Hansard, April 26, 1948.

### Who Benefits?

"We?" Who are "we"? What exactly is the profit?

Who benefits from it?

These are the questions we wish answered.

South Africa has sugar, and we are told that goods for export are piling up in our warehouses. The only "profit" that we can imagine to be of benefit to us is to work for more sugar, not work at refining sugar to be sent back to South Africa in order that someone, unspecified, should make a profit.

Why should we export our "work" unless we know what we are getting in return?

In the House of Commons, on February 11th, Mr. J. S. C. Reid said that we import from the Empire less than half the sugar we did before the war, although Empire production has not fallen seriously; that about 120,000 tons of sugar from Mauritius went to non-dollar countries; that 272,000 tons of sugar are exported from this country; that last year the Food Ministry spent six million pounds worth of dollars on fruit, fruit juices, and vegetables from the U.S.A.; that in August, September, and October alone it spent enough dollars on these imports to have averted the cut in the sweet ration; and that the Ministry has abundant stocks of sugar in the country.

Mr. Dodds-Parker added that he saw 40,000 sacks of sugar in Uganda waiting to find a market.

### No World Shortage

There is no world shortage of sugar.

Since a large proportion of the world's sugar is produced within the British Empire, why cannot our people have all they need?

How long do we accept the answer "Because of the dollar"?

Perhaps it may be as well, at this point, to repeat the first essential steps to national recovery:—

1. Reduce the number of Civil Servants, during the next six months, or year at the outside, to 50 percent below what they were on December 1st, 1947. The resulting figure will still be higher than the 1939 figure. The saving thus made to be used entirely for reducing taxation.
2. Nothing whatever to be exported except to countries willing to provide us



### Mr. W. G. Wedd

Our regular readers will be interested to know that Mr. W. G. Wedd, fighting Independent of the Tasmanian Legislative Council, has resigned to contest a seat in the Lower House at the coming Tasmanian State Elections.

Mr. Wedd supported the move in the Tasmanian Legislative Council to send the Cosgrove Government to the country, but he urged that there be a double dissolution. Because there has not been a double dissolution, Mr. Wedd has decided to face the electors to seek endorsement for his policy.

There are 22 Independents contesting the Tasmanian Election, and they hope to obtain the balance of power in the new Parliament.

in exchange with the goods which we cannot grow or produce ourselves, i.e., all sales to be for pegged credits only. Bulk buying to be ended.

3. Not another cent to be borrowed from U.S.A., unless the agreement is unconditional.
4. Reciprocal Empire Trade to be developed to the utmost.

### Letter from South Africa

"Whilst English people over here rejoice to see English goods in the shops again, they resent bitterly the appearance over here of things severely rationed at home when they are not really needed here.

(Continued on page 5)

# THE VICTORIAN ELECTRICITY MONOPOLY

By J. R. JOHNSTONE  
(The First of a Special Series of Three Articles on the Victorian State Electricity Commission.)

In seeking to justify the spread of Socialism in Victoria, it is customary for supporters of so-called State ownership to point to the State Electricity Commission of Victoria as an example of efficient and profitable State enterprise.

So general is this acceptance of the S.E.C. as a successful State monopoly that Liberal members of the State Parliament sing its praises just as enthusiastically as their political opponents, whenever any matter concerning its activities is discussed in either House. **Liberals pledged to support private enterprise and to resist the centralisation of political and economic power, do homage to the colossus beside Labour Socialists, and compete with them for the privilege of meeting its every need and helping its spread throughout the length and breadth of Victoria.**

The counterparts of the Liberals of the time actually brought the S.E.C. into being!

In deciding to give it a monopoly throughout the State, they were influenced by the Jew, Sir John Monash.

The original proposal with regard to the S.E.C. appears to have been that it was to have a monopoly for the production and distribution of electricity in the metropolis, but when Monash appeared before Parliament to address members on the scheme, he took the attitude that the S.E.C. could not function satisfactorily **unless it was given a complete monopoly over the whole State.**

There are signs now that a section of our present-day Liberals even favour a monopoly for the S.E.C. for the exploitation of all coal deposits in Victoria, including black coal.

## Plenty Of Funds

As a consequence of the part played by the "non-Socialists" in the establishment

of this monopoly the S.E.C. is never starved for funds, no matter what the political colour of the government in office when additional funds are required.

**If costs exceed estimates, Parliament obligingly makes good the difference, with the usual laudatory remarks concerning the value of the S.E.C., and with an almost complete absence of criticism of blame.**

It will no doubt surprise many supporters of the Liberal Party to learn that it was politicians of Liberal inclinations who gave to the Governor in Council power to make any regulations covering the production and distribution of electricity in Victoria, for the purpose of securing the ultimate **co-ordination or unification** of all electricity supply undertakings in Victoria.

## 1947 Report

The report of the S.E.C. covering the financial year to June, 1947, shows that to date 71 undertakings have been acquired by it, and there is little doubt that others will follow when the necessary generating plant and materials are available.

Ninety-eight percent of the electricity generated in Victoria at present comes from the plant of the S.E.C.

The S.E.C. Act also gives the Commission complete power to lay down the conditions under which its competitors in the production and distribution of electricity shall operate.

## "Common Ownership"

**Now it is a complete fallacy that the S.E.C. belongs to the people of Victoria.**

Although the people have some claim to its services, which they would also have under private enterprise, they have little or no claim upon its assets. Those assets belong to the holders of the bonds representing the £23 million loan liability, who have a claim upon the revenues of the Commission or upon those of the State, for the annual interest bill.

The interest bill at present exceeds £ 1 million, and £12,600,000 has been set aside for depreciation and sinking fund, but since both items are combined in the S.E.C. annual report, the position with regard to sinking fund is obscure.

## Borrowing Powers

The Commission's borrowing powers are being extended by a further £50 million by the S.E.C. Bill 1948.

This bill provides for an interest rate of 4 percent at a time when the interest return on Commonwealth bonds is not more than 3 1/8 percent, but presumably the difference is meant to provide a bait to the money interests in order to assure that the much-delayed Kiewa and Morwell projects do not suffer through lack of finance.

One does not need to be a financial genius to see what effect these borrowings will have upon the revenues of the organisation.

(Continued on page 5)

Another ENWITE Speciality

[Regd.]

## SOLVIT

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*of*

## PAINT, LACQUER, VARNISH

*Etc., from Any Surface*

NO DIFFICULT NEUTRALISATION  
WILL NOT HARM FABRIC OR WOOD

ASK YOUR HARDWARE STORE  
FOR IT

## Communists in Key Positions Revealed

(Continued from page 2)

If not, whose fault was it that he did not know? The facts were known to many responsible people in Canberra.

How was it possible then for them to escape the vigilance of the people who should have known?

Was the investigation service asked to make any investigation whatsoever? If so, did it fail?

The House is entitled to know.

If it could not uncover the leaders of the Canberra Communist Party after they had been named, their addresses given, and their official positions disclosed, what confidence can we have in the investigation service?

## Wilful Blindness

Who is going to accept the responsibility for Atcherley's letter being read in this House three weeks after I made my allegations in this House?

The Minister for Defence has wilfully blinded himself to the menace inside his own department.

He has covered up for Communists.

He has either been hoodwinked, or he is travelling the same road. In either case he has no right to remain in charge of the defence co-ordination of the Commonwealth.

I do not expect this Minister, or this Government, to do anything about the Communists. They are too eager to suppress attacks on the Communist Party.

Not until this country finds itself in a position of extreme danger will the damage perpetrated by the Government in covering up these Communists be fully realised.

**If that day arrives—and I hope that it will not—this country will know where to look for the guilty men. They will be found on the Treasury bench of this Parliament.**



# The Victorian Electricity Monopoly

(Continued from page 4)

## No Surplus

The net surplus of £89,405 shown for the year 1946-47 will not be sufficient to bear the additional interest burden of £2 million arising from these new borrowings, nor will the additional revenues from the increase in plant be able to carry this burden, plus the added reserves for depreciation and sinking fund, without a heavier charge upon the consumer of electricity or the taxpayer.

The report of the Royal Commission which inquired into electricity supply in 1947 shows that the recent surplus of the S.E.C. is not a real surplus at all.

The report states that: "Capital expenditure and concomitant recurring annual charges have been saved in recent years owing to the inability to obtain plant; the disappearance of the reserve plant resulting in there being no "dead plant"; recent profit on operating the Geelong, Ballarat, and Bendigo tramways will be converted to the loss normally experienced; less than the amount usually expended on maintenance work has been expended in recent years."

## Error In Forecast

The report also pointed out that the S.E.C. had been in error in forecasting its postwar requirements for plant, and in basing those forecasts upon the pre-war increase in demand of 8 percent, when the actual increase of demand from 1939-42 had been upwards of 10 percent.

This had been a distinct departure from the policy advocated and followed by Sir John Monash, who recognised that

in gauging future requirements the S.E.C. was at the mercy of the consumer, and that it was "the paramount duty of every supply authority to ensure that its plant capacity is at all times available in advance of public requirements."

## Profit On Paper Only

The maintenance and operation of that reserve plant is, of course, an additional charge upon profits, so that it is not at all difficult to see that the profit of the S.E.C., as disclosed by its last annual report, exists on paper only.

In addition to this it must be remembered that the S.E.C. does not have to bear many of the costs private enterprise is usually called upon to carry. Being a government organisation, it pays no municipal rates and is freed from most of the taxes levied upon the private producer.

## Pays No Royalties

Furthermore, being a State monopoly whose existence all political parties seek to justify, it has been freed from the necessity of paying royalties on coal mined by being invested with power to compulsorily acquire any land it needs for its development at a cost to itself no greater than the value of that land as farm land, or for any other purpose for which it was used prior to the acquisition.

It is on this basis that land has been acquired by the S.E.C. in the past, and it is the means by which a start will be made on the projected briquette works at Morwell.

## The Idea Of Human Personality

It is not a mere accident that the idea of HUMAN PERSONALITY — on which freedom is founded — has been elaborated, in the West, among men living under a diversity of institutions and sources of authority — which were not centralised under the "social will" of the State, but under the supremacy of Divine Law.

When this is realised fully—and the realisation is growing, I believe—men will cease to speak of the Christian Church as a "reactionary obstructor," a source of disunity, a paralysing of effective social planning.

They will see that, exactly as the power of the modern State grows, so the institution which speaks for God must speak more loudly, and with more authority, in the ears of men—lest their freedom of soul and mind, as well as body, be crushed under the juggernaut of the Social Will.

This is the meaning of the religious-social conflicts of Europe, which are still incomprehensible to those who have not learned the incompatibility of the liberties of the common man with secularism and the collective State.

It is time for us to open our eyes, before we find ourselves more deeply entangled in the net of social and mental servitude.

John C. Calhoun, writing in *Freedom News-Weekly*, July 28.

## GLOATING

"... Churchill's War Memoirs will be the July Book-of-the-Month. . . . I myself feel that this is like obtaining something like Gibbon's DECLINE AND FALL OF THE ROMAN EMPIRE . . ."

—Book of the Month Club, New York, USA. Harry Scherman, President.

## The Sugar Racket in Britain

(Continued from page 3)

"We produce sugar, have never been short, and can obtain as much in the way of sweets for children as we wish. So when a large shop in Durban advertised Tate's Lyle cube sugar, housewives soon cleared a whole shop window full, most of which found its way back to England in food parcels for relatives.

"A certain well-known tobacco sells here for 6s. 4d. a 1/4-lb. tin, about half the price of one ounce at home, whilst we produce our own tobacco in abundance and import some from U.S.A. too. A perfectly mad world, isn't it? . . ."

"You cannot bring about steady change in the right direction without carrying with you the best and most intelligent elements in the country, and although they take a good deal of convincing, once they are convinced no amount of graft will deter them from appropriate action."

—Condensed from *Housewives Today* (Eng.), June 1948.

## COMMUNISTS IN GREECE

The Greek Communists burn whole villages and massacre old and young. They have been doing so for nearly four years and are doing so still: the victims (not including those who are killed in battle) number tens of thousands, and may, by now, number a hundred thousand, or even more.

Young women are kidnapped to serve the pleasure of the Communists in the mountains, village lads are pressed into their service and made to fight against their own country; children are abducted so that they may be brought up as Communists far from their own people.

**The Communists torture, mutilate, flay, and blind, disembowel, and crucify.**

**These are the facts.**

But they are such a commonplace of Greek life today that they are little talked about. Amongst the peasants, who are the chief victims, there is a reluctance that is partly pride, partly fatalism, and partly a kind of delicacy, to mention such matters.

It is sometimes hard to obtain the evidence. But it is obtainable, and it is abundant and conclusive. . . .

—F. A. Vioght in *The Tablet*, July 10, 1948.

## Bureaucrats Go "Screwy"

The Ministry of Civil Aviation has invited screwmakers to tender for the supply of eight dozen screws—total value, 10d.

**It sent each screw-making firm a seven-page dossier of 2,000 words.**

The schedule directed that 25 percent of the consignment (2d. worth) be sent to the Ministry's address in Scotland, and 75 percent (7d. worth) to the Ministry's address in Somerset.

It warned tenderers that the contract would be terminated if the contractor went bankrupt!

—*The New Era*, July 30.

## Furniture News ... !

Beautiful 4-piece and 5-piece Bedroom Suites, featuring large three-door lady's robe, fitted if desired; gent's robe, fitted with 3 drawers or shelves; a choice of several attractive dressing tables; vanity stool optional; and a double or two single beds, complete with fittings.

Suites, polished any colour, are available for immediate delivery direct from our factory, at prices ranging from £49/10/ to £62.

Inspection invited at any time.

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No. 32

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## MR. CHIFLEY'S TAX REDUCTIONS

*Mr. Chifley's proposed tax reductions and increased social services are specially designed to try and increase electoral support for the Labour Party without deviating from the major totalitarian financial policy being imposed upon the Australian people.*

*The tax reductions in themselves are quite insufficient to stimulate the increased production, which Mr. Chifley has been recently claiming to be so urgently necessary. As it is stated that the reductions will not actually benefit taxpayers until early next year—although they will be post-dated six months—it is unlikely that there will be increased effort immediately in anticipation of tax refunds next year.*

*By the time taxpayers actually get the "benefit" of their reductions, it is more than probable that the policy of "controlled" inflation will leave the individual worse off than he was before the reductions. Mr. Chifley and his economic "advisers" know full well that they are bribing electors with small tax concessions while taking steps to take the benefits of these concessions. The proposed abandonment of the subsidy system is undoubtedly resigned to increase the price level still further, thus reducing the purchasing power of the unit of money.*

*The abolition of the subsidy system would automatically compel wage earners to obtain an increase in wages in order to meet the increased cost of living. Increased wages must in turn be passed on through the production system, thus inflating prices still further.*

*What is urgently required is a drastic reduction in all taxation, say 40 percent for a start, and the extension of a subsidy system which will help ensure that prices do not increase. Electors should give the State Governments every possible support in their desire to continue the subsidy system. If Mr. Chifley will not pursue a financial policy that will enable the States to do this, he and his economic "advisers" stand self-condemned as tricksters.*

*Having permitted rising prices to offset their meagre tax reductions, no doubt the Canberra totalitarians will then introduce more tax reductions just prior to the Federal Elections and attempt to persuade electors that they should endorse this policy. Once the Federal Elections are over, of course, a further dose of "controlled inflation" can be anticipated. While all Parties adhere to the present policy of "sound finance," it can be predicted now that electors shall suffer the inflation just the same.*

*Electors must demand real taxation reductions and a subsidy system, which will ensure that they get the benefit of the reductions. We suggest that Liberal and Country Party members be specially asked where they stand on this matter. As yet they have not given any indication that they can or will do any better than their "opponents."*

## The Loyalty Of Mr. Lilienthal

President Truman has proposed the reappointment of the New Dealer, David E. Lilienthal, as dictator over the Atom Bomb Commission, but Mr. Truman refuses to furnish the Senate with information already accumulated and in his hands concerning the loyalty of Lilienthal and his commissioners.

In fact, Mr. Truman vetoed a bill demanding a loyalty check by the F.B.I. of Lilienthal and the entire personnel of the Atom Bomb Commission.

—*The Letter* (Washington, U.S.), June 5.

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## Useless Bureaucracy

A South Yarra correspondent to the *Sun*, 30/7/48, points out that although her husband (a war prisoner) died six years ago, an official letter just arrived wanting to know why he had not recorded his vote at the recent referendum!

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## Behind the Marshall Plan

David Lasser, a Left-wing New Dealer and notorious Marxist, is now one of the chief brains trust manipulators of the Marshall Plan.

—*The Letter*, Washington, U.S.A.

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## Public Funds Go To Eureka Youth

The *Sun*, 30/7/48, reports that our Minister for Health has instructed the National Fitness Council that "no subsidies were to be paid in the current financial years to the Eureka Youth League or any other organisations associated with Communism."

Many people who are opposed to Communism will no doubt be surprised to know that they have been subscribing, via taxation, to these subversive organisations. There is far too much lavish and haphazard spending of the taxpayers' money by our State, Federal, and international bodies on schemes and projects in which we have no say.

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# THE PROBLEM OF INCOMES AND PRICES

*In view of the current economic situation in the United States and elsewhere, it is clear that the crux of our economic problem is still the inevitable shortage of purchasing power under the present financial rules, although it has been obscured by other factors. One of the most lucid expositions of our basic problem was given recently by Dr. Bryan W. Monahan. We have much pleasure in reprinting it from "The Australian Social Crediter"*

In 1947 Major C. H. Douglas, a Scottish engineer with a first-hand knowledge of modern factory production and accounting procedure, published a short article in an English periodical, contending that factory production did not distribute sufficient money to enable the purchase of the goods produced. This thesis was subsequently expanded in a series of books, and together with the analysis of the whole social system to which it gave rise, became widely known as the doctrine of Social Credit.

## Centre of Controversy

Controversy, however, has centred almost entirely on the proposition now commonly known as the A plus B theorem, that incomes distributed in the course of production were less than the cost, and hence price, of that production. Many officially recognised economists have denied the proposition publicly and explicitly, and it appears to be a fact that public economic policy is based on the contrary proposition—i.e., that industry automatically distributes sufficient money to enable the purchase of the whole of its output at a profitable price.

This latter proposition is explicitly maintained by Professors Mills and Walker in their book *Money*, which is prescribed as a source of study by the Commonwealth Institute of Accountants, and consequently it is a matter of some consequence whether Mills and Walker are correct in their contention.

## Fixed Quantity of Money Theory

In the section of their book where they deal specifically with this matter, they do not state exactly what it is that Major Douglas contends. They say "Some people believe that there is an ever-present flaw in the monetary system as generally constituted, so that industry cannot distribute enough money to consumers for them to be able to buy the produce of industry at prices which will cover costs . . . This belief is advanced as a theoretical justification of the so-called 'Douglas credit proposals'."

At the time when Douglas first put forward his analysis of the situation, it was commonly believed that there was only a fixed quantity of money in the world (or a quantity, which increased only slowly through the mining of gold, &c.), and that this money circulated through industry.

A manufacturer got hold of some of this money, in the first place perhaps by saving some of his income, and then he paid it out as wages to his employees for producing goods. If we look on the manufacturer's profit as wages to himself, we could say that all costs were represented by wages, and consequently wages were equal to costs.

Professor Copland, following J. M. Keynes, puts this proposition thus: "Let

$x$  be equal to the costs of production of all producers. Then  $x$  will also be equal to the incomes of the public."

## Plant Charges

In fact, however, this proposition is simply and obviously not true. Every factory, even the simplest, adds to the cost of wages a charge for the use of plant—a charge to cover depreciation of the plant. This charge may vary from a very small amount, as when a workman using his own tools has to include in his cost of living a sum to cover the replacement of the tools when they wear out, to the high charges of a heavily equipped factory where the plant charges may amount to several times the labour costs.

The essential point to bear in mind is that every factory, whatever it is making, is including these plant-charges, or overheads, in the cost of its production. But they are not *income* for anybody; they are not distributed. They are figures added to the direct wage cost.

## Series Production

Now if we consider series-production—i.e., production through a series of factories (as from the growing of wool through spinning, weaving, and tailoring to the finished suit of clothes, to take Mills' and Walker's example)—there is no sort of manipulation that will get rid of these overhead charges. They are carried forward through each stage of production, and the total plant-charge appears in the ultimate price of the consumers goods when they reach the market.

Perhaps the simplest way to grasp this matter is to regard all the factories of a country as one single factory; the total cost of its product is made up of the wages paid to the workers, plus a charge for the use of its plant. The incomes of the public consist of the wages; but the cost of the product consists of the wages plus the plant-charges. And as the total amount of plant increases, so the absolute size of the charge for its use increases.

Now if we assume that the wage-rate, and number of workers, remained constant, clearly the ratio of plant-charge to wage costs would become even greater, so that the wages distributed would buy an ever-decreasing proportion of the output.

This process could be off-set in two ways—by increasing wages, and so lessening the ratio of plant charges to wages; and by improvement of efficiency—i.e., by distributing the fixed plant charges over a greater volume of production. But both these possibilities are limited; and if it were true that the amount of money was limited by the amount of gold or other metals mined, it is clear that the system would soon choke up and come to a stop.

## Bank Credit

Now what Douglas actually said was that the process of production could only be carried on if there was available a source of income which was not included in the cost of the production for sale.

There is such a source—bank-credit.

When a bank makes a loan, it actually increases the amount of money in existence; and when that loan is repaid, that extra money goes out of existence. But over a period of time more loans are made than are repaid, so that there is a net increase in the amount of money in existence over that period.

Now advances of credit by banks are predominantly made to finance new production, and it is the financing of that new production which provides the money to buy the existing produce of industry.

The plant-charges on account of existing plant are met by the distribution of income in connection with the construction of further plant, the operation-costs of which are not yet an item in price.

Now so long as there is occasion to expand industrial plant, so long will the deficiency in income be masked; but as saturation point in the number of factories is approached, so will the pressure of plant-charges be felt. This is the point where it is said that private enterprise has "failed," and that the Government must take over; and the contemporary expedient is the construction of public works to "give employment," which really means "distribute income."

## Gap Never Closed

It should be clear that this process is like a dog chasing its tail; there is a great deal of activity, but the gap is never closed. The works, whether private or public, represent *future* costs; they enable the distribution of existing production, but aggravate the problem of future costs. Public works represent public debt, which, is reflected in increasing taxation, which is exactly equivalent to the plant-charges discussed previously.

It should perhaps, be pointed out that it is not primarily the interest on the debt, which matters, but the fact that the debt has to be repaid. Plant-charges and public debt represent a cost to the public which can only be met by the creation of new money (bank-credit); and the creation of this new money is governed by what Mills and Walker term "monetary policy."

## "Monetary Policy"

The use of this term "monetary policy" really constitutes an admission of the validity of Douglas's contention.

"Monetary policy" says that before the distribution of existing bread and clothes can be undertaken, new factories or public works, or production for export (which distribute incomes, but remove the goods from the local market) shall be put in hand.

Now new factories do not affect the existing amount of bread or clothes,

(Continued on page 8)

# The Problem of Incomes and Prices

(Continued from page 7)

though they may increase the future supply; but they do distribute incomes, which either make good an existing deficiency in income in relation to costs, or are purely inflationary. Douglas's proposal is that this money should be applied in such a way as not to be reflected in future costs. His view is that neither factories nor public works should be built "to keep up employment" to make up income; once sufficient factories have been built, an accounting adjustment should be made so that plant-charges, and other overheads, can be met without piling up debt. Only in this way, he says, can the public secure control of the programme of production, and ensure that capital production is subordinated to the production of a satisfactory volume and diversity of consumers' goods.

The present system ensures that every generation works unduly hard for posterity; the benefits of improved process, which ought to be distributed in the form of increasing leisure, at present go into the excessive production of non-consumers' goods. That is why re-armament, for example, can end a depression, or create a boom; wages are paid for goods which do not come on the market. But while armaments may be indispensable for public security, of themselves they do nothing to raise the standard of living; they are not available for purchase by the public.

## Essence of Douglas' View

The essence of Douglas' view on this matter is that the monetary system should not be used as an instrument of policy at all, and particularly that it should not be used to enforce a policy of "full employment."

The true nature of a monetary system should be that of an accounting system, and as such it should reflect the physical facts; and these are dominated by the fact that every harnessed horsepower of energy is capable of replacing ten man-hours of "employment."

Now if we consider a country starting industrialisation from scratch, the present monetary system, by removing from consumers (workers) all the money they receive, whether this is paid for work on capital, intermediate, or consumer goods, ensures that the workers must continue working, and in particular, that they must continue working on *capital* production, in order to ensure the distribution of *consumer* goods. But the limit of industrialisation would be a system where all production was achieved by fully automatic and self-renewing machinery, with man-power completely displaced, and then there would be no mechanism for distributing purchasing-power in return for employment.

Now while this limiting condition is unlikely ever to be reached, we obviously lie somewhere between the two limits" of no industry and fully automatic industry, and are moving towards the latter; and if the *true* benefits of machine power

are to be distributed there must be a distribution of purchasing-power which does not depend on employment, and does not enter into, and inflate, costs. That is to say, once the basis of industrialisation is laid, the process of further industrialisation should be slowed down; otherwise we are merely sacrificing this generation to some succeeding generation which will reap the benefits when the rate of industrialisation *is* slowed down.

## Increase Purchasing Power

The most faithful reflection of this situation would be the steady increase in the purchasing power of the unit of money, which could be achieved just as automatically as the depreciation of money is achieved under the present policy. Such an appreciation of the value of money would pass on to the consumer directly and smoothly the increasing benefits of improvement of process, and would bring about a transition to that age of leisure which machine-power replacing labour should make possible. It is this, as opposed to "full employment," which Douglas' proposals are designed to secure.



C. H. DOUGLAS

Now the existing monetary system delivers a relative trickle of consumers' goods, and progressively diverts labour into an expanding programme of capital production, and production for export; and that is "full employment." If Professors Mills and Walker think that is economically necessary, they are wrong. If, however, they think it is morally desirable that is another question. What is certain is that the general public considers it is pragmatically undesirable—hence the strikes for shorter hours and higher wages, and the social friction generally. There is an ever-growing discrepancy between the actual and the possible standard of living; and the real depressant of the standard of living is excessive capital production. This is the result of the point of view defended by Mills and Walker; and if, as seems increasingly likely, it leads to a social upheaval, they must accept their share of the responsibility for it.

## The Works Of C. H. DOUGLAS

In a review of his latest full-length work, *The Brief for The Prosecution*, the *English Truth* states that C. H. Douglas is undoubtedly one of the greatest minds of this century. In his various works he has provided a penetrating analysis of finance, government, philosophy, constitutionalism, &c. Those responsible members of the community who are concerned with the present increasing plight of the world must study Douglas if they desire to know what must be done to save our civilisation.

The following list of Douglas's works are available:

*Social Credit*..... 6/6  
Written in 1924, this is one of Douglas's earlier works.

*Credit, Power, and Democracy*, 6/9  
An analysis of certain aspects of the credit system.

*The Brief for the Prosecution*, 11/  
Douglas's latest full-length work. A brilliant exposure of the international groups which worked to destroy the British Empire between the two world wars.

*The Big Idea*..... 3/2  
Exposes the forces working towards World Domination.

*The Programme for the Third World War*..... 2/2  
This book is particularly appropriate at the present time.

*The "Land For The Chosen People" Racket*, 2/2  
Deals with the politics of the land.

*The Tragedy of Human Effort*..... 1/1  
One of Douglas's most outstanding addresses on the principles of human association.

*The Policy, of a Philosophy*, 11d.  
An address dealing with the definition of Social Credit.

*Realistic Constitutionalism*.... 1/1  
A special address given to the Constitutional Research Association, London. This address must be read by every individual concerned with the protection and extension of constitutional safeguards of individual rights.

*The Realistic Position of the Church of England* .. .. 1/2  
A "must" for every Christian.

All prices listed above include the cost of postage. Order now from *New Times Ltd.*, Box 1226L, G.P.O., Melbourne.





## INIQUITOUS YALTA SLAVERY CLAUSE

Sir, — I am shocked to learn that the Australian people have through the Government endorsed the application of slavery to our defeated

My information comes from a speech made in the House of Representatives by Mr. O'Connor, M.H.R., member for West Sydney, on April 14 and which may be found in Hansard No. 6, page 860.

Mr. O'Connor, who spoke in dignified disgust, concluded with these words:

"If we have any feeling for humanity, if we are sincere in our demands that peace must prevail among the nations of the world, if we are sincere in our desire that the dignity of man should be upheld, we must rescind this iniquitous provision in the Yalta agreement. While it re-

mains, we are back in the age of the Pharaohs."

I shall be pleased to hear from any persons who are willing to join forces with me, to bring pressure to bear on the Federal Government to repudiate this infamous measure

It seems terrible that in 1948 we should have to think about forming anti-slavery committees.

Yours, &c.,  
V. JAMES,  
Perth, W.A.

## CHRIST AND THE CHURCHES

Sir. — In "The Hibbert Journal" of April 1948, Rev S. G. F. Brandon, M.A., D.D., contributes an informative and thought-provoking article concerning early developments in religious theory after the death of Jesus.

A group of Christian (but rabbinical) Jews in Jerusalem had bitterly opposed the more Gentile groups led by Paul (Saul). According to Brandon, "about the year 58 the future of the Pauline achievement seemed irrevocably doomed to extinction," but with the fall of their Capital as a Jewish political centre, the Jerusalem group lost much of its influence, and the Pauline ideas, based quite outside the "Historical Jesus," were revived.

"Within a few years of A.D.70," says Brandon, "... was produced a writing which synthesised the Christologies of Paul and the Jerusalem Church, and provided an apologia for Christianity as a universal religion, the Gospel according to Mark."

### Jesus as Messiah

Both the original factions were Jewish in conception. One tried to maintain the obviously difficult proposition that Jesus was their own Messiah, while Paul used a vigorous intellect in foisting a Suffering-Messiah theory upon credulous listeners.

If proper use is made of the simple (i.e. profound) and sensible (i.e. operative) ideas implicit in the words and life of Jesus himself, one can find a philosophy of life which is harmonious and which, if put into practice now, would, spur Christians to effective action.

Such action is urgently needed if a deep disaster in the political, economic, and cultural affairs of civilisation (Eastern and Western) is to be averted.

### Will the Churches Awake?

It happens that in the same issue of the Hibbert Journal appear the following words by B. H. Liddel-Hart, the well-known military strategist and publicist:

"The growth of Christologies weakened the reality of Jesus," and:

"They (The Churches of Christ Limited) may have to die that religion may be reborn."

Are the religious leaders too much steeped in tradition and institutionalism to awaken themselves to the danger, and to want to know the way of escape?

Yours sincerely (Sgd.) C. H. ALLEN,  
Millswood, S.A.

### State Banking In Tasmania?

We are interested to note that the leader of the Tasmanian Liberal Party, Mr. Campbell, has announced that if his Party wins the Tasmanian elections, and that if bank nationalisation is held to be valid by the High Court, he will take steps to institute a local banking system in opposition to the Canberra-dominated monopoly.

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## HAVE YOU STUDIED THE COMMUNIST MENACE!

The following is a complete list of special publications recommended to those who want to study authentic, factual material on the Communist menace:

The Complete *Canadian Royal Commission Report*. 12/-

The few copies of the Canadian Report on hand will only be made available to genuine political students.

*The Real Communist Menace*, by Eric D. Butler. 1/8d.

This is an excellent commentary on the Canadian Report and Soviet policy as laid down by Lenin and Stalin. It also contains the most important part of the Canadian Report.

*Red Glows The Dawn*, by Michael Lamb ..... 8/d.

A detailed exposure of the history of the Australian Communist Party. The author shows by documentary evidence how the policy of the Australian Communists is dictated by Moscow.

*Communism in Australia*, by J. T. Lang, M.H.R. .... 2/2d.

This hard-hitting book gives detailed information concerning the Communist domination of Australian Unions. Communist leader Thornton took unsuccessful legal action against Lang when this book was first published.

*20 Questions About Soviet Russia*, by H. W. Henderson ..... 7/d.

*More Questions About Russia*, by H. W. Henderson . 10/d.

*What Are Russia's Ultimate Aims?* by H. W. Henderson ..... 7/d.

*The Red Spider Web*, by Bernard Newman ..... 18/6

A famous mystery writer deals with the thrilling story of the Canadian Spy Trials. He shows that truth is stranger than fiction.

*Report On The Russians*, by W. L. White ..... 17/-

This famous book is the one, which caused considerable consternation amongst the Comrades all over the world. White visited Russia during the war years. A brilliant first-hand account.

*Communism — Why Not?* by "Advance Australia." ... 2/8d.

A well-documented book dealing with the Jewish influence in Communism. Strenuous attempts were made to have this book banned during the war years.

*Communism in Action*. . . . 3/2d.

This detailed factual report was prepared at the instigation of a Member of the American House of Congress.

*The Answer to Socialism*, by C. Barclay-Smith . . . . 2/8d.

This excellent book is a "must" for every student of Communism. All the essential facts and figures are available for those who engage in controversy on the Communist Question.

*Inside Red Russia*, by J. J. Maloney, M.L.C. .... 4/8d.

In this book, the former Australian Minister in Moscow "pulls no punches" about what he saw in Russia. He saw Russia as an Australian Labour man officially visiting a Socialist State, and returned to Australia horrified at what he had seen.

All prices listed above include the cost of postage. Order now from *New Times Ltd.*, Box 1226L, G.P.O., Melbourne.



# THE ABUSE OF THE LAND

*Most farmers and gardeners are painfully aware that there has been a rapid increase in the incidence of disease in plants and animals in recent times. The result has been a growing revolt against the methods of agriculture, which are destroying the very basis of life. The advocates of organic farming and gardening have produced a mass of indisputable evidence proving that bigger and more healthy crops can be grown without poisoning the soil with chemical fertilisers.*

Not only does the proper treatment of the soil result in healthy plants and animals; it also affects the health of human beings.

Sir Robert Macarrison, the famous British nutrition expert, and other great authorities have now proved conclusively that the closest possible relationship exists between the condition of the soil, the health of plants and animals, and the well being of man.

## Growing Disease

The growing incidence of disease amongst the peoples of Western Civilisation will continue to take its deadly toll until such time as food is produced from healthy soil.

The material published in the Rural Review of *The New Times* is designed to arouse interest in organic farming and gardening methods; to show farmers and gardeners that they can take immediate action to produce healthy crops, stock, and vegetables without the use of chemical fertilisers.

It is hoped that it will be of interest to both the large-scale farmer and the backyard vegetable grower.

## Soil Is Basis Of Life

The soil is the basis of life.

It concerns everyone, irrespective of whether he is a city dweller or a country dweller.

In spite of all the so-called progress of modern science, no one has yet been able to copy nature's food factory—the green cells of the leaves of plants, which, when acted upon by the energy of sunlight, can manufacture not only for the plant, but also for animals and man, all the vitamins, proteins, fats, carbohydrates, &c., on which we live.

Both the food factory—the green cells of leaves—and the solar energy which drives it—sunlight—are a gift to man.

Man has apparently done his best to destroy this gift.

## Results Of Centralisation

With the increasing centralisation of more and more people into bigger and bigger cities, together with economic policies which help force farmers to rob the soil of its fertility, **man is in danger of overlooking the fact that he is destroying the very basis of life—the soil and the green carpet which it provides.**

In answering the question, "How has the white man preserved and made the most of the earth's green carpet?" the late Sir Albert Howard, the famous authority on soil culture and its relation to the nutrition of animals and human beings, wrote:

"We can answer these questions best by describing what has happened to two regions, selected at random, which, within the last 100 years or so have been colonised by emigrants from Europe.

## Misuse Of The Land

"Let us first consider the United States of America, where vast areas of virgin land have been made into farms, and where a careful appraisal has recently been conducted on the present condition of the agricultural land. The results speak for themselves. No less than 253 million acres or 61 percent of the total area under crops has suffered from soil erosion to such an extent that it had either been completely destroyed or had lost most of its value.

"Only 161 million acres, or 39 per cent of the cultivated area, could be safely farmed by present methods. In less than a century the United States has, therefore, lost nearly three-fifths of its agricultural land.

"The root of this soil erosion trouble in the United States is misuse of the land. **The causes of this misuse include lack of individual knowledge of soil fertility on the part of the pioneers and their descendants; defects in farming systems, in finance . . .** All the troubles can be traced to the transfer of the soil's capital—soil fertility—to the pockets of the farmers. The country was so vast, its original agricultural resources were so immense, that the profit-seekers could

operate undisturbed until soil fertility—the country's capital—began to vanish at an alarming rate.

## New Zealand Erosion

"In New Zealand the results of land settlement by our own people are perhaps even more disquieting than those just described. In this Dominion agriculture took the form of the creation of pastures for sheep and cattle by first removing the forest and then by stimulating the grass carpet by the excessive use of chemical fertilisers, superphosphate in particular, which soon led to the speedy exhaustion of the land. Soil erosion is rapidly increasing, vegetables have lost their taste, the health of the live stock is deteriorating.

**"But something even more alarming is taking place. The population have for some time been disturbed by the growing signs of malnutrition and the increase in the number of patients in hospitals and asylums . . .**

"The incidence of illness among young children is alarming; every year before the school age is reached some 80 per cent are found to be physically defective in some way; of every 100 children who enter New Zealand schools, 15 show signs of nose and throat trouble, and at least two-thirds have dental caries. The results, which could be repeated from many other parts of the British Empire—Australia, Africa, Ceylon, and the West Indies in particular—are not impressive. They prove beyond doubt that there is something wrong somewhere in the way the earth's green carpet is being looked after."

## Australian Ruin

In Australia the subject of soil erosion has become increasingly prominent in recent years.

In *The Rape of the Earth*, probably the most comprehensive survey of soil erosion in all parts of the world yet published, the authors, Jacks and Whyte, state that soil erosion in Australia is worse than in America.

And Australia has only been "civilised" for about one-third of the time that the white man has been in America!

As in most other countries, disease amongst animals, crops, and orchards has been steadily increasing in Australia.

**All this disease can be traced back to the manner in which our greatest and most priceless heritage, Mother Earth, has been abused.**

No matter how wonderful our industrial civilisation may appear to us, no

(Continued on page 11)

matter how that half of our population living in our big cities may ignore the subject, the fact has got to be faced that the basis of life is being rapidly destroyed.

**Unless this basis is adequately preserved, our civilisation will collapse.**

### Attack Upon Independence

It is true that Governments have made enquiries into soil erosion, but these enquiries have merely led to highly skilled propaganda suggesting that soil erosion and other problems related to the soil can only be solved by bureaucratic Government departments regimenting the individual landowner.

**There is a deliberate attack upon the independence of the farmer.**

No mention is made of the fact that most soil exploitation and the diseases resulting from this exploitation can be traced directly and indirectly to present financial rules and the use of chemical fertilisers manufactured by the powerful chemical monopolies.

### All Man's Work

The famous English agricultural authority, Lord Northbourne, writes in his book, *Look to the Land*:

**"Erosion is nearly all man's work. Some of it can be attributed to mere foolishness. But most of it is due to greed combined with the existence of the possibility of getting rich quick by exhausting the soil and underselling competitors. But the actual tillers of the soil who have got rich are few. What then has been the inducement to so many to despoil the land on which they depend for a living and to despoil it within the last century or so to a hitherto unheard of extent? What has been the stimulus to the rapid extension of exhaustive farming all over the world?"**

**"The stimulus has been a great development of the said possibilities of getting rich quickly, a development partly dependent on the evolution of new and powerful machines, and partly on a roughly simultaneous world-wide extension of a peculiar financial system, which has led to a vast accumulation of financial debt. Such debt, both internal and external, has grown to a point at which repayment is generally out of the question, and the payment of interest alone has become severely oppressive . . . So purely financial considerations have acquired dominance over all others."**

### A Healthy Soil

The deadly idea of the soil merely being so much raw material to be exploited along factory lines must be challenged.

**Healthy soil teems with life.**

It is only by organic farming and gardening methods that this life can be maintained and increased. If man treats the soil as a living organism which must be properly nourished, the same as all forms of life must be nourished, he will reap wonderful dividends in greater and healthier production. Howard aptly writes:

**"We must always remember that mankind is a part of nature, and can never escape from his environment. We cannot rule nature, but we can do much by working with her."**

Can sufficient people learn this great truth before the basis of our civilisation is completely destroyed?

### Wisdom From Living Things

"The spiritual value of contact with reality, of feeling oneself part of nature, like all the most valuable things, is not statistically measurable, but is no less real for that. Close contact with living things brings a kind of wisdom not always appreciated by those to whom such things are unfamiliar, to whom in fact it often appears as a kind of slowness. This wisdom comes through a gradual absorption, usually unaccompanied by conscious realisation of power to put into words, of the principles which govern the behaviour of living things, of which man is but one."

—Lord Northbourne, in *Look To The Land*.

### An Example Of English Bureaucracy

An Englishwoman who kept two cows for her household's use found that while her children were off at school she had more milk than she needed. Knowing it was illegal to sell the surplus, she gave it away to deserving people in the village. Soon an official arrived to say that even giving it away was illegal, unless the recipients were in her employ.

"You surely don't want me to pour it down the drain," said the woman.

"Of course not," replied the official. "My Ministry is against waste of any sort. You must only draw off as much as you require!"

—London Evening Standard.

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By Lady Bahour. This is a most exhaustive survey of the relationship of human and animal health to soil fertility. This excellent book is suitable for either the layman or the agricultural specialist.

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# SOCIAL CREDIT AND POLITICAL ECONOMY

From "The Social Crediter" (Eng.), July 24.

*At the risk of some repetition, it may be desirable to state the essential basis, and difference, which distinguishes the attack of Social Credit, primarily upon finance, but inferentially upon politics.*

We hold no exclusive patent on either monetary reform or political economy, using the term in the sense in which it is understood, e.g., in Cambridge. But, so far as we can observe we appear to be alone in insisting that monetary reform is *not* Political Economy. Perhaps we may elaborate a little.

We say that a money system is a special form of accounting which should indicate a balance between prices of goods in the market (including intangibles) and available purchasing power. But further, we say that wages and salaries are payment for an intangible which is a component of all tangibles, and that these two propositions taken together impose a balance which is factual not political.

## Political Economy

Political Economy only begins where finance *ought* to leave off.

For instance we should characterise the monetary policy of the Socialists in general, and the present British Administration as similar in fact and essence to a fraudulent balance sheet, not because we dislike their policy, as we do, but because we have a complete contempt for their accountancy.

If the matter rested on this plane alone, it might possibly, though not unequivocally, be claimed that the Churches are free to take sides, or to ignore the subject as purely technical. (Is a fraudulent balance sheet purely technical?) But it does not.

The essence of a genuine wage contract is that *it implies* (because wages go into cost) *a definite share of the goods produced or their COST equivalent.* It

*does not contemplate the violation of that contract through robbery by a third party through differential taxation, or the introduction of undisclosed factors by a political economy contemplating devaluation of the units of payment. . . .*

## Essence of Civilisation

The essence of civilisation is *free contract under duress.* To suppose that you can have a contractual system which does not provide duress after contract is to adopt the social system of the "unauthorised strikers."

But when that "*type espece de l'homme*" Mr. John Strachey, mouths his "fair shares for all", irrespective of ability to pay, he is sabotaging all the wage and salary contracts on which our present society is supposed to rest.

Whether Mr. Strachey and his colleagues know this, and are consciously working for unrestricted anarchy; or whether he and they neither know nor care so long as their eminently bi-lateral acceptable situation is maintained, we cannot say. But of two things one.

Either the contractual is inherent in the nature of things and should be clearly recognised and upheld, or unilateral totalitarianism is better, and should be proclaimed.

To suppose that "the British genius for compromise" can be applied to the half-slave, half-free situation without understanding what is involved is once again to resign ourselves to the more truly British genius for learning the hardest possible way.

## National Dividend

The essence of the National Dividend proposals of Social Credit technique is to provide for *free negotiation without duress, not contract without penalty.* We are altogether too much given to accept power politics as the basis of all activity, economic and political. Why have the "Scraps of paper" if they bind no one?

## WISE WORDS

"Man may alter the face of nature, but he cannot alter her laws." —Proverb.

"Obey nature and nature will ever obey thee." —G. D. Claudian.

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