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SIXPENCE WEEKLY

Mr. Casey's Five-Year Plan

The Plan to Sovietise Australia is to be Stepped Up!

Mr. R. G. Casey, Federal Minister for Development, recently announced his first Five Year Plan, during which he expects to spend £1,000 million. Australians are told that their country is now about to be developed in a really big way, and that they must get organised. The flood of propaganda about "large-scale resource planning" and "Five Year Plans" sounds very familiar to all students of totalitarianism. This is the type of propaganda, which the Russians and Germans had imposed upon them as a preliminary to the "guns before butter" programme. They were also told that they had to get organised, and that the best people to do the organising were those in control of the central Government. There was no suggestion that the German and Russian people might be permitted to do their own planning in their own way, and for the results they as individuals desired.

No doubt Mr. Casey and his colleagues will become most indignant when it is stated that they are imposing a totalitarian policy with their proposed large-scale public works. But a brief examination of what is proposed should convince any reasonable person of the inevitable results of the policy to be pursued.

In case some impatient reader should at this stage claim that we are reactionaries opposed to all development, allow us to hasten to point out that the sole sane purpose of capital development is the production, either in the immediate future or the distant future, of goods and services desired by the individual. Obviously, therefore, considerable capital development is required in this country, but the rate and nature of this development should be directly controlled by the people of Australia, not by Mr. R. G. Casey and a group of power-drunk central planners.

Two Questions

As a starting point for our examination, let us ask the following question: Whose financial credit does Mr. Casey propose to use for his first Five Year Plan? The £1,000 million to be spent belongs to the people of Australia. Next question: How and when did Mr. Casey obtain the permission of the Australian people to use their financial credit in the manner proposed? This matter was not even an issue at the last Federal Elections. But, like most modern Governments, all totalitarian in tendency, the Menzies Government acts on the assumption that an anti-Socialist vote last December gave them a mandate to use the people's credit as they like, providing they don't directly violate the Federal Constitution. When in Opposition, Members of the Federal Liberal and Country Parties

drew attention to the fact that the Snowy River Scheme, established under the Commonwealth's Defence powers, was designed to break down still further State sovereignties and in effect to violate the Federal Constitution. Mr. Casey's proposals will extend this Constitutional violation, and we suggest that all rank and file members of the Liberal and Country parties be asked how they justify this continuation of totalitarianism initiated by the Labor-Socialists.

Stealing the People's Credit

If Mr. Casey and the planners are to spend millions of pounds of the people's credit as they think fit, it should be obvious that the individual is thereby deprived of the right to say how he would like his credit spent. Not only will the individual elector have no control of the spending of this credit; the Members of Parliament will be in the same position. Parliament's function will merely be to "legalise" the stealing of the people's credit in order that the planners, most of them conscious or unconscious Socialists and Communists, can run riot with their large scale planning. No one can be made personally responsible for the results of this planning, and we predict a wholesale extension of the graft and corruption always associated with Government Housing Commissions and other Socialist Schemes.

Inflationary Credit Expansion

No matter what camouflage is used, the present Government is continuing a policy of inflationary credit expansion which many monetary reformers, miscalling themselves Social Crediters, should find most satisfactory. These misguided people have for years shouted that the threat of depressions can only be averted by the use of the "nation's credit for public works." It appears to us that the policy of credit

restriction, used with such devastating effect during the depression years, has served its purpose, and that now, policy of credit expansion for "full employment," i.e., centralised Government control of employment, and continuous inflation is considered the most rapid road to complete Sovietisation.

Significant Comment

Anyone who doubts the accuracy of the above statement should note the following significant comment in E. H. Cox's Canberra Commentary in the Melbourne Herald of February 10, 1950:

(Continued on page 8)

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.

WHITTIER.

TO THE POINT

"The T.V.A. Idea"

One of the most misleading arguments used by propagandists for the Socialist T.V.A. (Tennessee Valley Authority) idea, is that the T.V.A. resulted in greater prosperity for the people of Tennessee. It is true, of course that the people of any locality may benefit economically for a period if Governments spend huge sums of money in that locality. But in his revealing book, *The T.V.A. Idea*, the American writer Dean Russell exposes the suggestion that the Tennessee Valley enjoys greater prosperity than Alabama, Mississippi or Texas, three regions which "show greater economic improvement, both total and percentage wise, than Tennessee."

It is hoped that this observation will be brought to the attention of Mr. R. G. Casey, ardent advocate of the T.V.A. type of Socialist planning.

* * * *

"Just Happened"

"Public Capital Expenditure has always been important in the Australian economy and can be controlled by Commonwealth and State Governments. When employment tends to decline, resources can be fully employed by the decision to embark on developmental works and to improve the collective capital equipment of the country."

No, dear reader, this is not an extract from a speech by Liberal-Socialist Casey, but is an extract from the Labor-Socialists' White Paper on Unemployment (Par. 21). Large-scale resource planning stems from the carefully fostered idea that it is the function of Governments to provide all individuals with "full employment."

While it is probably true that the politicians have little understanding of the ultimate results of the "full employment" policy they support, it cannot be accepted as reasonable that the persistent and subtle propaganda in favour of this road to slavery for all, has merely "just happened"; that there are no individuals or groups of individuals consciously fostering the idea in order that they may gain enormous power over their fellows.

Those kindly, but rather stupid people who dismiss as rubbish any suggestion of conscious plotting to obtain power, have apparently never studied the history of the human race.

Production Increase and Prices

In an article in the Melbourne *Herald's* Financial Supplement of March 6, 1950, Mr. A. W. Fadden, Federal Treasurer, joined in the chorus, which insists that increased production is the most effective method of reducing prices. While it is unfortunately true that increased production of homes and consumer goods (not Snowy River schemes), is urgently required at present, it is obviously absurd to claim that increased production will in itself reduce prices—unless, of course, depression or semi-depression conditions are posed and producers and retailers forced to operate at practically no profit or go bankrupt.

Anyone who doubts the truth of the above statement should read an article on home building in the same Financial Supplement

in which Mr. Fadden's article appears. In this article it is pointed out that between 1927 and 1939, the price of weatherboard houses of twelve squares increased from £701 to £766. The price of brick houses of the same size increased from £823 in 1927 to £945 in 1939. This big increase in the price of brick houses took place in spite of the fact that the period mentioned included the worst depression years.

Increased production before the war resulted in a steady increase in prices. Increased production today will result in even greater increases. The present financial rules make this a certainty, and until Mr. Fadden and his colleagues challenge these rules, and those who gain most from their maintenance, they haven't the proverbial dog's chance of "putting the shillings back into the pound."

* * * *

Canada, too

Local exponents of increased production to defeat inflation often quote Canada as a free enterprise country, which, like the U.S.A., is pointing the way to genuine progress. Unfortunately, news items coming to hand from Canada provide further evidence to contradict the advocates of "sound finance." The following is from the *Sydney Bulletin*:

"According to the *Scotsman* correspondent in Ottawa 'the first post-war pressure of very full employment, amounting in some industries to a labor shortage has come to an end in Canada.' Unemployment, instead of full employment, is coming in for attention, and Canada's two big labor organisations have joined with a public appeal to the Government to endeavour to do something about it. Registered unemployed at the end of last year totalled 261,000 out of a total available labor of 5,200,000, a percentage of 5.2 compared with America's approximate 6 percent. Those figures, the correspondent recalls, would have seemed about as low as you could hope for before the war."

"Advised" by Louis Raminsky and other London School of Economics graduates, the Liberal-Socialists in Canada will, no doubt, try and solve the problem by big Socialist public work schemes. The Canadian people's financial credit will be used for the schemes. The people will have to submit to centralised control of employment—direction of labour will eventually follow—in order to get access to their own credit. And even when they do get portion of it, they will find its value progressively reduced by the inflation, which this type of financing always produces.

* * * *

Mr. Menzies Shuffles

In answer to a question at Canberra on February 23, Mr. Menzies revealed that during the long years in the Opposition he did not lose the politician's art of shuffling when confronted with an awkward question. Mr. Menzies told Mr. Lawson (Lab., Qld.), that he did not say that the Government's policy was to abolish the Means Test on Social Services. His policy speech had contained no such promises. The Government had mentioned "modification of the test where possible." Having implied that some steps would be taken to abolish the Means Test, Mr. Menzies now attempts to avoid the issue. No doubt the economic

"experts" will convince him that it is not possible. But if enough electors put pressure on Mr. Menzies and his colleagues they might find it politically expedient to make the abolition of the degrading Means Test possible after all.

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New States

The following are extracts from a newsheet, *The Spotlight* (Feb. 21, 1950), issued by Mr. Ulrich Ellis on behalf of the New England New State Movement:

"If there is any apathy for the Movement's cause, it was not apparent at the Lismore Convention where delegates gave personal guarantees for the raising of over £1,200 to finance the current organisation.

"A petition signed by twelve thousand persons will be presented to the N.S.W. Parliament before it is dissolved and the Movement will endeavour to arrange an early deputation to the Premier asking for a referendum to determine the attitude of New England people on the question of conducting their own local affairs . . .

"Convention debates on the intensification of centralising tendencies were marked by straight talking in which the possibilities of drastic action were canvassed. A proposal that local authorities and people should adopt a campaign of 'civil disobedience' as a means of positive counter-attack was not approved, but strongly worded resolutions were carried. These condemned the new electoral arrangement under which Sydney and adjacent districts will have 55 members in the Legislative Assembly leaving New England (including the eight Newcastle-Maitland seats with only 22.

The Convention also protested against the proposal to establish a centralised electricity commission with headquarters in Sydney to control the generation and distribution of electric power in all parts of the State."

While it is most encouraging to note the growing agitation for more States in Australia, it must always be borne in mind that it is no use electors demanding new States unless they first take steps to ensure that the existing States have genuine sovereignty. This point should be stressed by the New Staters everywhere.

A "Relic"

"The General Election today is a survival from a very different past. It is one of the few effective relics of the theory of checks and balances. The development of the doctrine of Parliamentary sovereignty and the concentration in the Cabinet of a mass of power far greater than Henry VIII or Cromwell could have dreamed of, have made the English Constitution, as Blackstone or even Bagehot knew it, a historical curiosity. The successive extensions of the parliamentary franchise have enabled the House of Commons to attain a position, which utterly dwarfs that of the Crown or the House of Lords. But they have done more than that. They have established the doctrine that, because almost every adult possesses the right to vote, the exercise of that right constitutes the sum of his or her political action; that, the votes having been cast, there are no remaining rights, in morality, in political theory, in law, which can protect the subject against the mass of power which he has helped to launch."—W. L. Burn in *The Nineteenth Century and After*, England.

The Editor, *New Times*.

An Open Letter to the Leaders of the Trades Union Movement

Gentlemen,

Notwithstanding Arbitration processes, changes of Government, and strikes, the struggle to live does not get any easier for the great bulk of the community usually described as "the workers." This comes about because the Arbitration Court is powerless to interfere with the economic set-up, the Government adheres to a fraudulent system of finance, and strikes are never directed against the real cause of the workers' troubles.

The simple facts of the situation are that the cost of living rises in such a way as to deprive the worker of any benefit from increases in wages, and the standard of living must necessarily be determined by incomes and prices. Incomes and prices are matters of money, and this is the medium, which determines the distribution of wealth. Wealth consists of food, clothing, shelter, and the like, all of which are produced by workers combined with the use of machinery operated by the power of the sun.

The share of this wealth available to the worker determines his standard of living, and the size of this share is governed by the money he receives and the prices he is charged. It is therefore obvious that while the worker produces the wealth, he depends for its distribution on something, which he is not allowed to produce. If a worker attempted to produce money he would be put in gaol.

So we reach the position that the present financial set-up forces us all to struggle for the stuff we are not allowed to make, and all the industrial turmoil springs from the unfairness of that struggle.

All the talk and all the fight in the world will not dispose of the fact that until there is a sensible alteration in the method of producing money, prices will always rise faster than wages. This comes about because under present conditions all money comes into existence as an interest-bearing debt. If the volume of money is increased by £100,000,000 the community is charged £100,000,000 *plus interest*. Obviously the community is never supplied with money equal to the charges made against it, and that is why the Australian money now in existence is only sufficient to pay one-sixth of the present debts. It also explains why every worthwhile community effort is converted from a dividend-producing asset to a soul-destroying and never-ending financial liability.

Control of prices did not, and cannot make any difference to the truth of the foregoing. When we had control in operation the prices still rose, and this despite the fact that the Commonwealth paid out millions upon millions in the form of price subsidies. When these subsidies were withdrawn the prices immediately leapt up correspondingly. That was inevitable.

In this all-important matter of the production of money (for which everyone is fighting), it is not generally known that the Commonwealth Bank is vested with power to produce any Australian money required to meet whatever Australian obligation may be imposed upon it, and to make

any such Australian money available to the Government without any charge whatever. What the worker wants is a high income and a low cost of living, and this could be arranged immediately by proper co-operation between the Commonwealth Bank and the Commonwealth Treasury. Cost of living could be reduced for a start by the discontinuance of Sales Tax and the extension of price subsidies. The money for this could be produced by the Commonwealth Bank for that specific purpose, and could be done forthwith by the simple process of granting an interest-free overdraft to the Commonwealth Treasury. There would be

no need for any expansion whatever in the Note Issue. With prices falling through the extension of subsidies, inflation would become a physical impossibility.

If the foregoing is true, then obviously the Trades Unions have been misdirecting their praiseworthy efforts. Neither the Arbitration Court nor the employers can rectify the fraudulence of the money-price set-up, but the Commonwealth Treasurer the Secretary of the Commonwealth Treasury, and the Governor of the Commonwealth Bank, by sensible co-operation, CAN do so. I therefore urge that the full force of the Trades Union Movement be brought to bear on these responsible officials, and that if these officials do not have the matter rectified within a period of three months, then the Government should be asked to have them replaced by better and more worthy men.

Yours faithfully, BRUCE H. BROWN.

Sound Finance in Canada

Vers Demain, journal of the powerful French-Canadian Social Credit Movement, recently passed the 10th anniversary since its foundation. The circulation of *Vers Demain* is now in excess of 50,000 per issue.

The following article from a recent issue of *Vers Demain*, dealing with what passes as "sound finance," is a model of clarity and should be read and digested by all those Australians who are concerned with understanding the "full employment" and "export or perish" policy:

Le Canada, journal of liberal (politics) of 27th July, writes: "The armament programme that the U.S.A. are studying at this time, with a view to aiding Western Europe to recover its arsenals in the eventuality of a conflict, will be, like the Marshall Plan, of precious aid to Canada.

"The American Government, which asks to have available more than \$1,000,000,000 for this purpose, will grant a large portion of these projected credits to the Canadian Armament Industry. It is our generous War Policy, unappreciated by Isolationists, which makes this industrial effort worth while . . ."

Vers Demain comments:

"Is it possible for one to be so stupid in so few lines? So then, Canada will find precious aid in these armament contracts, which will fall to its lot. These contracts are the outcome of the Atlantic Pact. The Atlantic Pact bases its authority for its existence from the fangs shown by Russia; therefore, the bellicose gesturing of Russia are of precious aid to Canada. If Russia and the U.S. live in friendliness, if peace reigns in the world, Canada will then be without armament contracts, she will be in destitution! . . ."

"Human hands and material required for the manufacture of munitions may not be used both together for the production of useful products; nevertheless, according to *Le Canada*, by manufacturing munitions of war, Canadians will then be enabled to put more things in their houses; it is therefore required to produce two to have one . . ."

"The outcome of the work will be armaments for Western Europe which, of itself, has barely anything to send to us in exchange. It is a gift of armaments, which America is making, which will be giving to the other side (of the Atlantic), with nothing to be brought over to our side here, and it is thereby the means of aiding the prosperity in America!

"Peace of itself will be the enemy of prosperity. Armament, between the periods

of war, is then a preventative of a complete loss of that prosperity given rise to by wars! How beautiful all this is!

"You have, for example, 1,000 workers and 1,000 tons of construction material; houses are not being built, but if you employ 9/10ths of these workers and the material to build machines of war, then simultaneously with the creation of the war-material you will have built a couple of houses.

"Then in order that the reader may avoid taking any mistaken view of the matter and, as one should well understand that it is necessary to make cannons in order to have bread, *Le Canada*, lays special emphasis on the fact that we are to obtain this special favour, thanks to our generous War Policy!

"Be sure you understand; in order to have a trifle of prosperity, it was obligatory in the first place to work and to fight out the War during five years, then secondly, it will be necessary to again construct more engines of war for the next war. Such is the price of bread.

"As to the Isolationists, who are contemptuous of *Le Canada*, they are not, so to speak, of this world; they have the hardihood to vainly imagine that bread is still made with wheat. Whenever will they learn that bread is made with a little of wheat and quite a lot of shells?

"Surely life may be beautiful in a world so upside-down! After all that science has invented to aid mankind. Why, mankind could well be wrestling with difficulties of nourishment, of clothing, of housing, because the more he has the means the more he should produce for destruction, as the condition to be able to produce a little for life.

"It is madness! Indeed, most certainly it is. But that which is of still greater madness is for a journalist to find all this beautiful, and to sound it out on a paean of praise."

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The Melbourne Tram Strike

The Melbourne Tram strike is simply the old, old story of the worker seeking higher wages in a desperate attempt to make up a reduction in purchasing power caused by ever-increasing prices. It is true, of course that this strike, like many other strikes, has been Communist inspired. It is also true that the Communists always strive to extend one strike into a number of strikes. But merely abusing the Communists, and advising the Trade Unionists to throw them out of office and not to take their advice, only suits the purposes of the Communists excellently.

While admitting that economic centralism, largely the result of centralised financial policy, has directly resulted in highly centralised Trade Unions which can be easily manipulated by Communists and other power-lusters, it is essential to stress the fact that the majority of strikes are only made possible because the workers have a grievance. Their major grievance today, and one that is shared by the great majority of the community, is that their wages buy progressively less and less. Those who abuse the worker, and insist that the only solution to the inflation menace is greater production for the same wages, are a menace to the entire community. They go around talking about the Communists while supporting and advocating policies, which create the very conditions in which Communism breeds and flourishes.

It is our monotonous task to keep on stressing the fact that the present financial rules are inherently inflationary, and that there can be no genuine peace between the workers and employers while these rules are maintained. We believe that the Communists know this. Thus their opposition to any modification of the rules, which would remove the workers' grievances. The workers have been persistently told that inflation is the result of the profit-making activities of what they term the "capitalist" system. They have been told that if only the profits of industry were distributed to them, instead of to "wealthy shareholders" their wages would be increased without price increases. We have demonstrated the fallacy of this argument so often that we do not propose to deal with it here.

What the workers must realise is that every increase in wage costs under the present financial rules makes increased prices inevitable. Surely the experiences of the past few years alone, without going back to early this century when the basic wage was first formulated, should have proved to them that striking for higher wages is not genuine progress at all. What they want is permanent greater purchasing power. Why, therefore, do they not forget their Communist mis-leaders for a while, and consider the proposition that their purchasing power be increased either by a direct National Production Bonus which does not pass through industry, and thus increase costs, or by a reduction in prices by a policy of Price Subsidisation. If the workers put forward a proposition like this, they would immediately have the rest of the Community supporting them instead of opposing them. If increased financial credits can be provided to finance wage increases, and to finance Mr. Casey's £1,000 million Five Year Plan, why cannot financial credits be used to destroy inflation and, along with it, the conditions which make Communism inevitable if persisted with?

"British-Israel Finance Pact"

"The Treasury Economic Information unit announces that discussions on releases from Israel's blocked sterling balances with the Israel financial delegation ended on Friday.

"The agreement covers the period up to December 31, 1950. The amount of sterling to be released will be £3 million. In addition, there will be a release of £4 million to constitute a working balance and, for so long as Israel cannot obtain her normal supplies from the Haifa refinery, a release of up to a maximum of £435,000 a month to cover sterling payments for Israel's essential oil supplies, together with a release of £500,000 for the two months November and December, 1949."—*The Courier and Advertiser*, Dundee, February 13, 1950.

Of course, we quite realise that the object of nationalising the Bank of "England" was to place its assets and "power of creating the means of payment out of nothing" at the free disposal of the international crooks, but, as insignificant members of the community which will no doubt supply "Israel" with atomic bombs to drop on London, paid for by blocked sterling balances created by members of the Israel-British Tribe temporarily resident in the Treasury and the Bank, may we timidly enquire:—

How did a State, which did not exist officially, become possessed of millions of pounds sterling in blocked balances?

What is the total of these balances?

Have the negotiations which led to the creation of these sterling credits been placed before Parliament, and if so, when?

To whom do the Haifa refineries belong, and why should we pay the Jews because they cannot use them? We pause, but not in expectation of an answer.

—*The Social Creditor*, February 25.

For Future Reference

Recent press reports have stated that Mr. Morgan Phillips, Secretary of the British Labour-Socialist Party, has been approached by the A.L.P. to take a political appointment in Australia. It is suggested that the A.L.P. contemplates a drastic reorganisation and a vigorous educational drive as a prelude to the next Federal Elections.

Writing in the Melbourne *Argus* of March 3, 1950, Mr. Geoffrey Hutton comments on the proposal to bring Phillips to Australia and provides the following interesting information: "Born in Aberdare . . . went to London School of Economics on a Labour Party grant, and was trained for party administrative work, has a wide knowledge of Marxist and anti-Marxist Labour literature."

Full Employment'

By BRYAN W. MONAHAN

We continue this important statement from last week. Important because the new Federal Liberal Government is committed to a policy of full employment through large-scale "resource planning" under the inspiration of Mr. Casey and his advisers. Because we know most Liberals are unaware of the dangerous implications of this policy we suggest that readers spread this widely amongst Liberal supporters. Our copy is from *The Australian Social Crediter*. Jan. 24. 1948.

If we consider a non-industrialised community, which embarks on industrialisation, the work entailed in the construction of basic and secondary industries automatically, though not necessarily smoothly, provides employment. But there comes a time when all the factories, which really are useful and wanted, have been constructed; and their effect naturally is to displace men from employment. Under suitable conditions, every horse-power-hour of mechanical energy is capable of displacing at least ten man-hours; and in a fully industrialised community, the number of 'horses' harnessed to industry greatly exceeds the total human population, so that the mechanical 'population' is several hundred times the human population. A great deal of this mechanical 'employment' is of course absorbed in a complete alteration in the mode of existence of the community—in the provision of trains and other forms of mechanical transport; in the provision of artificial illumination on an enormous scale; and a great deal is absorbed in pure economic waste, as in advertising and the whole apparatus of 'salesmanship', and in sabotage in many subtle forms, such as the artificial obsolescence of 'models' of cars and other products. But that these things do not seriously affect the extraordinary production capacity of modern industry is revealed by the war effort of industrialised nations. The United States of America, in particular, revealed an almost incomprehensible capacity. During the war, the American standard of living rose by 40 percent; while the quantity of the most complex munitions produced staggers the imagination. In Great Britain the standard of living fell; but it was not a great fall in relation to all that the modern standard of living entails, and the output of munitions was proportionately greater than the American. In this, therefore, we have a measure of the reserve power of industry.

When a community, then, has reached a reasonable limit of industrialisation, the need for the toolmakers diminishes rapidly. It is under these conditions that 'prosperity' becomes dependent on the discovery of new industries, such as the refrigeration industry, for example. When the market for cars is more or less saturated—when the demand is merely for the replacement of deteriorated cars — 'unemployment' threatens. But if a demand for refrigerators can be created on a sufficiently large scale, further 'employment' will be provided. This, however, does not always happen, particularly at the right time. So modern theory suggests that when 'unemployment' begins to rise seriously, the Government should step in and start damming rivers and blasting mountains, primarily to check 'unemployment.'

Now a new industry may quite shortly deliver the goods. While the industry is being

tooled-up, it is economically a drain on the community; but this may be only for a year or two, after which the community receives the benefit, if any, of its product. Public works, on the other hand, may consume many years in their construction, and during all this time their effect is exactly that of a fighting Army. The men engaged on them have to be kept by the rest of the community, because they produce nothing themselves which contributes to the standard of living, and there is nobody else to keep them; in addition, they require the provision of large quantities of 'munitions'—concrete and steel and power and transport and even, very often, temporary accommodation which later is scrapped. It is true, of course, that the public works may ultimately produce a benefit; but to some extent, depending on the interval consumed in construction, the benefit is a benefit to posterity. During the construction, year by year, some of the community dies; and that part of the community has to support a, to it, useless army of workers without ever receiving any benefit.

When public works are financed by taxation—they practically never are—their relationship to the community is clear enough. If the Government decides to build some enormous dam, and increases taxation to do it, the taxpayer feels the effect. But under the modern theory, public works are mostly financed out of 'loan-money'; and loan money is for the greater part bank-

credit—new money, *extra* money. The effect of this extra money is to dilute the existing purchasing power, and this dilution is reflected in a rise in prices—gradual, maybe, but effective. Such a rise in prices is equivalent to taxation, but much less apparent to the taxpayer. A rise of a penny on the day's bread, another penny on the day's milk, and another on the day's groceries—three-pence per day, one and nine per week—four pounds ten shillings per year for poor and rich alike is the result. Such rises are continuous but are noticed much less than a lump sum in taxation.

(To be concluded.)

Education

“... What Christendom has understood by 'education' is the same thing as Cicero indicated in the phrase *homo ingenuus liberaliterque educatus*, a man born free and educated liberally, that is to say in a manner fitting to his status as a freeman. You can issue a certificate of freedom to any man; but it is of no use to him unless the possession of it facilitates the assertion of his rights as a freeman, and if he has no rights he is not free. If he has rights, he doesn't need a certificate. Education disappears in a state of servitude; you do not 'lead' slaves: you drive them. The first requisite of education is freedom, and the natural ingredients of education are (i) to live as a freeman, not as a slave or dependant, (ii) to live in good though varied company, and (iii) to participate, as a responsible functionary, in one of the recognised techniques, from the use of which arises the wealth of the members of that company. The last is subtly subordinate to the first, and is merely to prevent the fall of the individual from his status as a freeman, into a condition of dependency upon others. Rights, not certification, are the natural basis of an educated society. Certification leads only to the supremacy of the buyer of talent . . .

—Dr. Tudor Jones in *The National Review*, England, November 1945.

Action Group Financial Appeal

£100 NOW SUBSCRIBED

Mr. John Browne, Honorary Secretary of the Social Credit Action Group, reports that £100 has now been subscribed to his Group's 1950 appeal for £1,000. He stresses the fact, however, that the £100 has been subscribed by a comparatively few supporters, and requests that all those who have not yet subscribed and intend to do so, forward their donations immediately.

If only every supporter of this journal contributed a few shillings, the objective of £1,000 would be easily passed. This amount can be contributed without any one individual making a financial contribution beyond his means. It is simply a matter of all pulling together. All readers are urged to give this matter their serious consideration immediately.

Apart from the well meaning who keep putting off the sending of their proposed contribution, there are unfortunately many who have become pessimistic after fighting strenuously for many years. While admitting, that the fight has been long and hard, it must be stressed that those few who have over the years kept the *New Times* in existence, and who have given so freely

of their time and money, still carry on because they realise that the ideas for which this journal stands are the only answer to a crumbling civilisation. The have faith that out of the present chaos a new civilisation will emerge. But the handful of "front-line warriors" cannot continue without the financial sinews of war.

They therefore appeal to their fellow *New Times* readers throughout Australia to keep faith with them. Ambitious plans for an expansion programme to take advantage of the new political situation must be held in abeyance until it is definitely known what financial support will be available. Mr. Eric Butler, accompanied by Mr. John Browne, is anxious to do some preliminary country campaigning within the next few weeks, if possible.

All donations to Action Group Appeal should be forwarded to the Hon. Secretary Mr. John Browne, c/o Box 1226L., G.P.O. Melbourne.

"New Times," March 17, 1950 — Page 5



An Excellent Property

DEVELOPMENT ON SOUND ORGANIC PRINCIPLES.

When the subject of organic farming without the use of any artificial fertilisers is introduced to many farmers, they invariably ask, "But does it pay?" When representatives of this journal recently examined Mrs. B. Fogarty's 740-acre organic farm at Oaklands Junction, Victoria, this question was discussed. Mrs. Fogarty had no hesitation in saying that she has been able to farm profitably with organic methods — although she has not yet increased the fertility of her whole property to the maximum. No artificial fertilisers of any description have been used over the past six years.

When the property was first taken over 10 years ago, it was in a shocking condition. Onion weed flourished everywhere. Today excellent pastures feed sheep and cattle. Although Mrs. Fogarty says that she is following no hard and fast plan with her farming, she is endeavouring to follow the general principles advocated by well-known organic farmers like Colonel White of Bald Blair in N.S.W.; the establishment of a mixed ley of grasses and clovers which, after grazing and cutting for hay for several years, is then turned into the soil in order that sheet composting may take place. This sheet composting increases the fertility of the soil and, if so desired, enables the production of high yielding root and straw crops for several years before being sown down to another ley. By this method of ley farming it is possible to continue farming the one piece of land successfully while at the same time actually increasing its fertility.

Phalaris Tuberosa

Like Colonel White, Mrs. Fogarty is making extensive use of Phalaris Tuberosa in her soil renovation programme. With the Phalaris she has planted American Sweet Clover, Lucerne, and Wimmera Rye Grass. Although some farmers have complained of poor "strikes" with Phalaris, Mrs. Fogarty says she has been most successful. One paddock, known as the bull paddock, which had recently had a Phalaris pasture ploughed down, was a pleasure to see. Its blackness indicated plenty of organic material and humus. It was hard to realise that this fertile paddock only a few years ago was growing practically nothing but onion weed. Following the early autumn rains, the new Phalaris was already showing up very strongly and this paddock should be a picture by the springtime.

Variety

Mrs. Fogarty believes in providing as much variety as possible in the pastures for the grazing animal. In the corner of one paddock, where rocks have made it impossible to cultivate extensively, apart from the throwing out of a little seed,

nothing has been done. The result is a corner of roughage, which all animals appreciate. No matter how excellent a pasture may be all animals will, if they have the opportunity, occasionally move off to have a bite or two at various weeds and shrubs. These weeds and shrubs obviously provide something, which the animal requires.

Lack of Labour

Like all farmers these days, Mrs. Fogarty has found the lack of labour a major problem. This problem has been one of the main reasons why little has been done about composting in heaps. However, a little compost was once made and applied to a strip in a paddock of wheat. The result was very satisfactory, and demonstrated beyond argument the great value of compost. There is no doubt that unless some commercial enterprise with the necessary equipment can either supply farmers with large quantities of compost, or visit farms and make compost "on the spot" from materials on the farm, the present shortage of farm labour makes it impossible for large-scale farmers to make compost in heaps and then apply to their soil.

American Sweet Clover

Mrs. Fogarty's experience with American Sweet Clover will be of interest to all organic farmers. Mr. Friend Sykes, famous British organic farming expert, is almost lyrical in his praise of Sweet Clover. He has used it extensively in his soil-building programme. Apart from feeding the soil with nitrogen in much greater quantities than most other legumes, Sweet Clover is a very deep rooter, which is an effective sub-soiler. Its roots go deep down into the earth and tap mineral supplies which the plant then makes available to the grazing animal. Mrs. Fogarty first tried Sweet Clover by undersowing an oat crop in the autumn. But the Sweet Clover was a complete failure; there was practically no "strike" at all. However, a spring sowing was 100 percent, successful, and she was able to show a very fine stand of this plant. Perhaps the only draw back with Sweet Clover is that, in spite of some statements to the contrary, it does taint milk.

Trees

During last year Mrs. Fogarty carried for the whole year 30 head of cattle and 800 breeding ewes on 370 acres. Rainfall is approximately 24 inches per year. Mrs. Fogarty stressed the fact that she confidently anticipates that the carrying capacity of her property will increase as soil fertility is improved. The importance of trees as an adjunct to sound farming has not been overlooked. Various stands of young trees, planted since Mrs. Fogarty took over the property, meet the observer's eye in numerous directions. One of the most pleasing aspects of the property is the driveway up to the fine old homestead. On both sides of the driveway a mixture of Australian trees and shrubs has been established. Apart from their aesthetic value, trees on a farm not only provide shade for stock, but also make windbreaks, which help considerably in preventing soil from being dried out. This factor should be considered more by Australian farmers, who often farm on comparatively low rainfall areas where every possible step should be taken to conserve moisture.

A Wide Knowledge

After a most interesting survey of Mrs. Fogarty's whole property, during which note was taken of the excellent condition of all fences and gates, *New Times* representatives were entertained at afternoon tea. Mrs. Fogarty was not only a charming hostess, but a most intelligent one. She took a leading part in a keen discussion on various aspects of organic farming, and, for a woman who only ten years ago knew little or nothing about farming, showed that she has in a few short years acquired more real knowledge about farming than do many who have been farming for a lifetime. Mrs. Fogarty keeps abreast of all organic farming and gardening developments and is a genuine pioneer in the cause of preserving and increasing the nation's greatest asset, a fertile soil that will produce adequate supplies of healthy food for the feeding of healthy people.

Another "Dustbowl" Feared

CHICAGO, Tuesday. —Great clouds of dust obscured the skies over seven States today as fierce winds tore at the parched plains.

Conservation experts were particularly concerned over conditions in Western Texas, Eastern Colorado, South-Western Kansas, and the Panhandle section of Oklahoma. They feared that the conditions held the threat of another "dust bowl."

Fierce winds in Nebraska spread grass fires, causing hundreds of thousands of dollars worth of damage to pastures and crops.

—*The Herald, Melbourne, March 8.*

Milk and Manure Top Dressing

NEW ZEALAND FARMER'S IMPORTANT DISCOVERY

(From Compost Club Magazine)

To have abandoned altogether the use of artificial fertilisers and have transformed in four years 28 percent, of sterility in his dairy herd into 98 percent, of his cows in calf, is the achievement of Mr. S. M. May, Tokoroa, R.D., Putaruru. Mr. May is a member of the N.Z. Humic Compost Club and of the Bio-Dynamic Association of Farmers and Gardeners. Mr. May attributes his results mainly to his use of a novel topdressing, consisting of cow yard washings and skim milk fermented together.

Mr. May farms 266 acres of pumice lands. Of this 200 acres are in grass and crops, and the balance in scrub. In 1935 and 1936 Mr. May top dressed his land with 3-cwt. of superphosphate to the acre. He then changed to basic slag, which he applied in 1937 and 1938 at 3-cwt. per acre. But for some years he had been becoming increasingly doubtful about the truth of the theory of chemical agriculture.

"In the spring of 1939," said Mr. May, "I started fermenting my cow yard and shed washings with skim milk pumped into a 3,000-gallon concrete cistern. I was warned by neighbours and others that if I used this for topdressing it might coarsen the grass and largely eliminate the clover from my pasture.

"It did neither. On the contrary, on one paddock, which had a heavy growth of twitch and has been top dressed with nothing but the milk and washings for three years there is now an increasing growth of clover, timothy and ryegrass. The twitch is dying out and the other grasses are replacing it. When I got down and parted the growth I found an inch of black humus on top of the soil, and earth worms in thousands."

Mr. May said that when he used to run only the manure washings into the cistern its contents used to smell so badly that one could hardly bear to go near it. But when the milk was added, and a frothy fermentation took place, the smell stopped and the liquid became quite sweet and pleasant to apply.

Mr. May's topdressing equipment for applying the liquid manure is quite simple. It consists of a 400-gallon tank mounted on a motor-truck and connected with a trough pierced with holes and attached to the back of the truck. The tap of the tank is simply turned on and the truck driven rapidly over the paddocks.

Mr. May says this is not, of course, an ideal method, but it serves until he can secure a better appliance. It takes about three days to fill the cistern, which holds sufficient to cover approximately one acre. Eighty acres are top dressed thus each year. In the flush of the season the liquid is about half shed washings and half skim milk, but later in the season there is a larger proportion of washings. Mr. May has used whey instead of skim milk with good results, but observes that the skim milk is better.

Speaking of the results of this manure, Mr. May said that before he used it his cows were rough-coated and obviously not in good health. He used to lose up to one-third of them in a year. They had abortion and mammitis, and many were sterile.

In 1941 nine two-year heifers were in calf out of twenty-four. This year the whole herd of 125 cows and heifers went to the same bulls as before and only one heifer

and one old cow were empty. Of twenty-one two-year heifers, every one was in calf. The herd's production averaged 271-lbs. of butterfat per cow. They are Friesians.

Measuring the health of his herd also against the ill-health that is now so common in New Zealand dairy herds, Mr. May mentioned that according to official figures published in the Press, mortality figures in one district showed that during the spring an average of 3,000 cows died per month, and in other places they were not much better. How much health could we expect to get from the butter and milk produced from such herds?

Mr. May said that three days after he first used the milk-and-manure topdressing he noticed a change in the colour of the grass from a yellowish green to a healthy blue-green. When he first went on the farm there was hardly an earthworm to be seen,

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even after rain. Now there were thousands. There was now also a most prolific growth of mushrooms, whereas on neighbouring farms, where orthodox topdressing was done with superphosphate, mushrooms were extremely scarce.

As regards affairs at home, a lot of

The New Ruling Class

By JOHN C. CALHOUN, *The Newsweekly*, Melbourne, March 1.

The propaganda of both sides in the British election seems to have been characterised by emotional appeals and tempting promises, with little relation to the actualities of the country's position, nationally and internationally. Above all, neither side has been anxious to draw too much attention to the truth that the "Welfare State" with its amenities, Full Employment, and the rest of it (which both are pledged to maintain), rests upon the continued bounty of the United States, whose Marshall Aid is due to end in 1952.

What—one wonders—is going to be done then, so that two and two will continue, miraculously, to make five in terms of "social well-being"?

The Labour Party, in its manifesto "Let Us Win Through Together," contrived to ignore this vital question—and did not even utter the name of "Capitalistic" America, so repugnant to its Left Wing section. Russia was named in order to assure readers that the Government was "ready to co-operate fully" with her at any moment—but the "cold war" was not mentioned.

The Tories did not quite rise to this sublime height of democratic unrealism—they *did* show an awareness that some "ancient states and nations" had fallen under the Soviet yoke, and refused to regard them as "lost for ever"—which was handsome, to be sure, if not very reassuring to the victims of the Red torturers. And they talked about "promoting the unity of the Commonwealth," which seems about as remote, just now, as the unity of Christendom; and said a word, too, about a "unity" of Western Europe.

thinking Englishmen, who have been hearing emotional flim-flam about "the old ruling class making its last stand," must have found their minds turning away from this imaginary Blimp bugbear of "Low's" friends to the *new* ruling class and its doings. For there is certainly no disguising the fact that there is *not* a "classless" society in postwar Britain, and that Socialism has brought that vision no nearer.

What it *has* done is to substitute for a varied society, in which each class merged gradually into the next one, a society in which the distinction between *rulers* and *ruled* is increasingly clear, and arbitrary power of the former is constantly growing.

For example, the authority of Ministers today extends not only directly by way of orders issued through their particular departments, but also in an indirect way by means of public bodies—whose doings are held to be "none of Parliament's business."

Thus, when put on his defence recently about the "groundnuts" fiasco in East Africa, Mr. John Strachey (the Minister responsible) argued that public corporations ought not to be worried by public inquiries into their activities. He could see—he said—"no way of making more certain that public enterprise will be hidebound and unwilling to face and take risks, than to appoint an inquiry the minute it encounters difficulties."

One recalls the complaint of Mayor
(Continued on page 8)

MR. CASEY'S FIVE-YEAR PLAN

(Continued from page 1)

"Time often produces spectacular vindications.

"In 1930 the late Mr. E. C. Theodore sent thousands of Australians in all walks of public life scurrying for dictionaries to find the meaning of the word "fiduciary," and ultimately wrecked his own and several State Governments. He also re-directed the course of Federal politics for nearly a decade when he proposed what amounted to a deliberate policy of inflation to counteract the deflationary forces operating to accentuate the depression.

"Almost every reputable economist in Australia, the great majority of leading bankers and politicians on both sides of Australian politics rose in revolt against the Theodore plan. It was killed stone dead.

"The first apologist appeared a few years later. Within a decade the evolution of economic thought had implicitly accepted the doctrine of treating deflation with inflation as the only sound course open in the circumstances, which confronted Mr. Theodore.

"Unknown to most Australians the Lyons Government actually embarked upon a mild policy of inflation when a minor recession threatened about 1938. The policy was entirely successful.

"If forecasts of an approaching recession are realised, the Canberra Government and the Commonwealth Bank will apply the Theodore Plan of 1930 as a matter of mere central bank routine. It will do so with the benediction of many of those who most bitterly opposed the nearly forgotten Theodore proposal for a fiduciary issue of £20 million."

Individual Must Control Policy

The major issue concerning monetary policy is simply this: The money system should not be an instrument of policy, which can be used by financiers, planners, Socialists, Communists, or politicians, to control the individual. In a genuine economic democracy the monetary system should automatically be governed by the facts of production and consumption. The individual should always be in the position to say, by control of his own financial credit, just what production shall take place and in what priority.

Before Governments embark upon any type of planning, they should be compelled to obtain all the necessary financial credit direct from individuals. If Governments were subject to this type of control, it is probable that people would think carefully before paying to the Federal Government thousands of millions of pounds. But how are the people first to get access to these hundreds of millions of pounds? The answer to this one is simple: If thousands of millions of pounds of new financial credit can be created to permit central planners to use the people's real credit on big public works, then the same money can be passed direct to the individual via a general price subsidisation scheme, thus increasing his effective purchasing power, defeating inflation, and ensuring that all production is in accordance with the people's genuine desires.

If, of course, the people don't know what type of production is best, and the Caseys

The New Ruling Class

(Continued from page 7)

Walker of New York in the dear dead days before World War II: "The truth is, there has been altogether too much investigation."

One of the pleas for extending public enterprise as against Capitalism was that it meant "democratic" responsibility and publicity—but it seems that Mr. Strachey and his friends now want to conduct "public" activities as though their use of public money was purely a matter of their private discretion!

He wants a world of public corporations shielded from the people's gaze—but by no means from the political interference, which has been the chief cause of the disaster of the groundnut scheme itself.

If this is not the spirit of arbitrary dictatorship, what is it?

Another feature of the new political-bureaucratic despotism of our time, to which Ministers seem strangely oblivious, is the encouragement of that detestable figure the informer.

Only a few months back Sir Stafford Cripps, in a written answer to a question in Parliament, casually announced that "in suitable cases" rewards would be paid to those who gave information to the authorities leading to convictions under the Exchange Control Act; and these rewards—be it observed—are not liable to tax. Here is "incentive payment" with a vengeance!

Exchange Control may or may not seem to be justified on a basis of expediency, but it has no *moral* basis in the sight of the normal British citizen. The transactions forbidden by it were legal a decade ago, and are commonly held to be honest today—even if they are illegal.

This new branch of law harasses the common man—and woman—in a thousand pinpricking ways. You mayn't go abroad when you like, you mayn't take your normal jewellery with you—even the sending of stamp collections to schoolboys overseas is "verboten." The secrecy of the mails is already open to violation in order to enforce these *peacetime* regulations; and now there are to be subsidised "delators." So that an official premium is put on the anti-social activities of the Peeping Tom, the grudge-bearer, and the blackmailer!

The official answer is that it is no innovation to give rewards to informers; but this evades the real issue. The idea may not be new, but it assumes a fresh and menacing aspect in a time when the scope for informers is vast, and the financial temptation for their activities is much enlarged.

There doesn't seem much sense in magistrates denouncing the secret terrorists of the "poison pen" while the malignant evildoers of the same type are rewarded when their grudges are profitable to the Government.

The British Liberals introduced a "preservation of the Rights of the Subject" Bill into the Lords a couple of years back. It ought to be revived; and we could do with legislation of the same sort here, too.

and similar planners are to decide for them, let us throw away all pretence that we are extending democracy, but are in reality following the pattern of centralism followed by the Russians and Germans. Australians must face this issue or lose their few remaining freedoms.

To return to Strachey's complaints, the most paralysing effect is produced on public corporations, not by the fear of inquiry, but by the practice of Ministers transmitting their wishes—inspired by political needs and unrelated to expert advice—to men who have the impression that they must satisfy their political masters at all costs.

This has had evil consequences, not merely in the case of groundnuts, but in that of such nationalised industries as railways, where there is a tendency to concentrate on parts that are or can be made profitable, so that they can be "dressed up" to look successful for political propaganda purposes, instead of providing a general public service in which some parts pay for others.

Once the Government has assumed a monopoly it is fairly easy, of course, to make it profitable—whatever the community loses in the process.

Yes, it's time that we heard a good deal less guff about Blimp's fight to bring the Dukes and gentry back to power, and a lot more truth about the inefficiency and arbitrary tyranny of the Cromwells and Cecils who are administering the country in the name of King Demos, whose real name, poor fellow, is King Log—who can be sat on and chopped up at will!

U.S. Policy and the Empire

"The United States was determined to break down the British System of Commonwealth preferences. The pressure will continue and, if permitted to go further, it might easily shatter the Commonwealth into economic fragments."

The Hon. F. W. Doidge, New Zealand Minister of External Affairs, at the Commonwealth Ministers' Conference at Colombo.

The above confirms our criticism of American policy. This is a matter of the gravest urgency, particularly since the rise to power of Mr. R. G. Casey with his admiration for "American civilisation."

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