

THE NEW TIMES

Registered at the G.P.O., Melbourne for transmission BY POST as a Newspaper.

VOLUME 16, No. 28.

MELBOURNE, FRIDAY, JULY 14, 1950.

SIXPENCE WEEKLY.

Inflation Leads to the Slave State Alternative — Consumer Credit

By ERIC D. BUTLER

Not a day passes now but consumers are confronted with the depressing news that further price rises have taken place, or are about to take place. If it were not for the present international situation, which has permitted the Federal Government to keep the attention of electors directed towards the menace of Communism and off the vital question of how it is going "to put the shillings back into the pound," an outraged and bitter electorate would be strongly demanding that immediate effective action be taken to solve the inflation problem. But, serious as the international position undoubtedly is, Australian electors must not allow the threat of slavery from abroad to blind them to the fact that unless Government policies are drastically modified, slavery will be imposed from within.

Growing inflation is slowly but surely transforming our society in a manner, which comparatively few people fully understand. The major and evil result of rising prices is more intensive policies of political, economic and financial centralisation. Rising costs are so embarrassing local and State Governments that the advocates of centralism are able to advance the plausible argument that greater "efficiency" can only be obtained by amalgamations of present political units. The same argument is applied in the economic sphere, where rising costs tend to increase still further the size of Big Business at the expense of small and medium-sized businesses. It becomes progressively harder for the individual to start his own business. Rising prices rob the individual of his savings and insurance policies, prevent him from accumulating any financial reserves, and generally break any spirit of independence he may still possess. In the U.S.A. inflation has resulted in personal savings being reduced to the lowest level for ten years.

Inflation is the deadly enemy of stability, a fundamental essential for genuine progress, because it makes it impossible for the individual to plan ahead for his own future and the future of his children. Soaring prices chased by wages create the illusion of the perpetual necessity for struggle—including the class struggle advocated by the Communists.

The foregoing brief survey of the effects of inflation makes it clear that, unless prices can be reduced—without, of course, another depression—totalitarianism of one kind or another is inevitable in this country. Now, before putting forward in general terms an alternative policy which merits the attention of all those who agree that inflation is a major problem demanding an immediate solution, it is

essential to examine some of the more popular solutions being advocated.

Harder Work, Etc.

Although prior to the Federal Elections the Liberal and Country parties definitely created the impression by statements and newspaper advertisements that they believed legislative action was vital "to put the shillings back into the pound," they have now repudiated—partially, at least—this belief and advance the argument that harder work, greater efficiency, and increased production are the complete answer to rising prices.

It is very true that increased production in certain economic spheres is urgently necessary at present, but the argument that increased production by itself will reduce prices is contradicted by facts which the enquiring individual can check for himself. Commonwealth Statistics show that from 1900, to go back no further, until 1939, in spite of increased production, greater efficiency, and plenty of hard work, the price level progressively increased. The only major reduction in prices was during the depression years. American statistics reveal the same fact: a steadily increasing price level all this century—broken only by the depression. Statistics from other countries could also be quoted.

Prices and Credit Policy

Now, when it is borne in mind that the only major reduction of prices this century was during the depression, the direct result of a policy of credit restriction, and that the greatest price increases have been during war and post-war years, when there has been a policy of tremendous credit expansion, it becomes obvious that prices are directly related to credit policy. However, before examining this matter, it is necessary to mention briefly the argument which states that reduced taxes will prevent price

rises. Sales tax in particular is directly inflationary, as is pay roll tax. A drastic reduction in both direct and indirect taxes would be most beneficial to all sections of the community, and a first step towards economic stability. But, even if this first step were taken—and the Federal Treasurer, Mr. Fadden, has now made it clear that the centralising policies of his Government prevent the step—it would not by itself prevent prices rising. The price-rises in pre-war years, when taxation was comparatively low, prove this beyond argument. It is not the purpose of this article to attempt to examine in detail why the

(Continued on page 4)

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

Elementary Arithmetic

Mr. Menzies, no doubt echoing the Socialist economic "advisers," says that price-subsidies are impossible without rationing because they "would cost too much." Various newspaper writers have been harping on the same theme. Now, the greatest amount spent on price-subsidies during the war was £30 million a year. Not even Mr. Menzies will deny that the spending of this comparatively small amount of money had a most beneficial stabilising effect upon the entire economy during the war years. For example, because most of the subsidies were applied to those items, which are used to compute the basic wage, wages were held at a stable level, thus preventing increasing wage costs, which would have been multiplied right throughout industry.

It has been estimated that the abolition of subsidies on butter and tea would mean price rises which would then require a basic wage increase of 4/- a week. To finance this basic wage increase would require a credit expansion of £15,000,000 a year. This increased wage bill would be reflected in higher costs and higher prices. The subsidy on tea and butter is at present considerably less than £15,000,000 per year. Mr. Menzies might ask his "experts" to do a little simple arithmetic on this matter and ask them how they can prove that price-subsidies "cost too much" when their abolition means that a greater amount of money has to be found to finance the consequent increase in wage costs.

* * * *

Government Mandate

From the Melbourne *Herald* at July 5:

In spite of its election promises to the contrary, the Federal Government refuses to extend the subsidy system and thus reduce the cost of living. The excuse given is that it would cost too much. Yet the few millions involved would be small compared with the £200 million it proposes spending on importing slum-type houses, on "free" milk and on the Snowy River scheme.

The Government had no mandate to implement these Socialistic schemes, but electors did give it a mandate to put the shillings back into the pound.

—H. GERRAND, Merton Street, Box Hill.

* * * *

Unnatural Development

The policy of accelerating the industrial development of Australia had been a stupid and serious mistake according to Mr. Colin Clark, Director of the Bureau of Industry.

He was addressing the annual conference of dairy factory managers and secretaries.

The development of secondary industry had taken labour from the dairying and pastoral industries, and from mining and forestry, said Mr. Clark.

This unnatural development had also taken labour from housing and had helped keep Australian people homeless.

It was the culmination of a policy which started many years ago, and which had done a great deal to impoverish Australians, he said.

—Brisbane *Telegraph*, June 24.

True

Members of the (Liberal) Government talk of Socialism, but I invite them to read their own programme, as outlined on Tuesday last by the Governor in his Speech at the opening of Parliament, in which they will see references to the projects relating to gas, soldier settlement, water supply, and also to proposals to grant assistance for various purposes. In all cases, the funds would be provided from the public exchequer. The Liberal and Country Party is being driven by the people to realize that its old philosophy is not acceptable. At election time it uses the term "socialization" to frighten the people, but when it gets into office it gives effect to its own socialistic policy. Those are the facts, which everybody knows.

—Labor Leader Cain in Victorian Parliament, June 22, 1950.

* * * *

Government Employment

"Federal Government employment has continued to increase despite the abandonment of Federal price control, petrol and other rationing, the liquidation of emergency war-time boards and authorities, and the departments of Information and Post-War Reconstruction.

Possibly, the biggest SINGLE factor in promoting inflation in Australia at the moment is the huge federal machine with its insatiable demand upon manpower and materials."

Canberra Newsletter (issued by Australian Associated Chamber of Manufactures) June 24, 1950.

* * * *

Gas Price Subsidy

It is very significant how the Victorian Government's policy of subsidising gas prices for three months has been bitterly attacked. As Mr. McDonald, Victorian Premier, has pointed out, an examination of the gas companies' financial affairs makes it clear that they must obtain an increased price for their gas if they are to remain solvent. Even employees of the gas companies have openly stated that it is impossible for them to obtain wage increases unless the gas companies obtain a higher price for gas.

It is probably true that Mr. McDonald has been activated solely by political considerations in refusing to support gas price increases at present. But, nevertheless, his introduction of the price-subsidy system will be warmly appreciated by Melbourne housewives who have seen a number of rises in gas prices over recent years.

Having started applying a policy of price-subsidisation, Mr. McDonald should extend it, for a start, to all "bread and butter" items. He would obtain considerable public support if he applied pressure to the Federal Government to make the necessary finance available. It would be interesting to note the reaction of Federal Country Party leader Fadden, who, before the Federal Elections, was an advocate of a restoration of price-subsidisation.

* * * *

More Inflation

The Federal Government's latest contribution towards "putting the shillings back into the pound," has been to abolish the

subsidy on super-phosphate. Primary producers' representatives point out that the ultimate result will be further increases in food prices. This will, of course, mean an increase in the basic wage, which in turn will multiply costs right throughout all industry. Is Mr. Menzies so engrossed with Communism in Asia that he cannot understand that it is creeping in in Australia?

The Pope Renounces 'Full Employment'

"Men have only exaggerated mass production and exploitation to the point of exhausting all resources above, below or on the surface of the earth. Men have only too cruelly sacrificed for these attempts the rural populations and economies. Equally blind is the almost superstitious trust in the mechanism of a world market to balance the economy, and the trust in an all-providing State (*un etat-providence*) . . .

"In the face of the pressing duty in the field of social economy of balancing production and consumption, wisely measured according to the needs and dignity of men, the problem of the ordering and establishment of this economy, in so far as production is concerned, is today of prime importance. We must not look for a solution either in the purely positivistic theory founded on neo-Kantian critique of the 'law of the market' or in the equally artificial formalism of 'full employment.' This is the problem we should like to see theorists and men of action, belonging to the Catholic social movement, concentrate their attention upon, making it the focal point of their study . . ."—H.H. Pope Pius XII, speaking to the International Congress of Social Studies.

Keep This Date Free

New Times country readers in particular will be pleased to know that this year's *Hew Times* Dinner will be held during Show Week. The date is Friday, September 29. We feel confident that having the Annual Dinner during Show Week will result in a very large attendance. Plans are in hand to make this year's Dinner an outstanding success in every way. No *New Times* supporter should miss it. Details will be announced later. At this stage we merely draw our supporters' attention to the date and ask them to reserve it.

"SOCIAL CREDIT AND CATHOLICISM"

By George-Henri Levesque, O.P., Professor of Economics, Laval and Montreal Universities, Dominican House of Studies, Ottawa.

Introduction by Eric D. Butler.

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"Putting the Shillings Back into the Pound"

Mr. F. H. Osborne, M.H.R.,
Federal Members' Room,
SYDNEY.

Dear Mr. Osborne,

This Association is deeply concerned at the failure of the Government to fulfill its election promise, i.e., "To put the shillings back into the pound."

We believe that if this problem is not "faced up to" and solved, it will prove to be a rock upon which the Government will be wrecked, and the way will thus be prepared for the return of the Socialist-Communists.

Moreover, a double dissolution seems to be imminent. If this occurs, with no effective move made to arrest the spiral of inflation, with prices still rising, a great strain will be placed upon the loyalty of electors who are instinctively hostile to Socialist-Communism.

Communists have long claimed that what they call "the Capitalistic System" has within it the seed of its own frustration and undoing; and in an election fought on the issue of Communism, a great and powerful weapon will be placed in their hands, if those purporting to work that system, acknowledge themselves as powerless to overcome such frustration.

We are sure that the horns of the dilemma, which threaten you and your colleagues if you continue impotent to fulfill your election promise re inflation, must be painfully obvious to you.

We have no intention to weary you with a recital of abstract principles, but we trust you will agree with the following —

The root of the existing inflation is to be found in the financial technique applied during the war, i.e., enormous amounts of financial credit were brought into being to stimulate the production of war-materials which were given gratis to the enemy—in other words money increased in quantity without any corresponding increase in the quantities of consumer-goods available to the consumer. The inevitable consequence of this "unbalance" is rising prices of consumer goods.

During the war prices were largely stabilised by an issue of credits to subsidise producers, and thus relieve them of the necessity of recovering all their expenditure through prices.

Now here is the disturbing feature of the Government's policy: It is proposing to continue the greatest SOCIALISTIC ENTERPRISE DESIGNED BY THE SOCIALIST-CHIFLEY GOVERNMENT, i.e., THE SNOWY RIVER PROJECT.

And to finance this scheme it is proposing to pursue exactly the same financial technique as that operated during the awful emergency of WAR.

Just as this financial technique, justifiably applied during wartime, initiated our inflationary spiral, so will Snowy-River-finance accentuate and accelerate the spiral, and for the following reasons: —

- (1) Snowy-River-credits, like war-credits, will not stimulate the production of consumer goods.
- (2) On the contrary they will immediately lessen the production of consumer-goods, for they will attract men now engaged in the production of consumer goods (farmers, tradesmen, etc.) to the production of what will be of no immediate use to us—homes, etc.

(3) Nevertheless, money will be more plentiful. This plentitude of money in the absence of consumer goods will mean still higher prices.

HIGH PRICES IS SALVATION FOR THE COMMUNISTS—whether they are banned or otherwise.

To whatever virtue these grandiose SOCIALISTIC VENTURES may aspire, NOW IS NOT THE TIME FOR THEM.

If the anti-Socialist, anti-Communist Government has any desire to survive, and to fight Communism, it cannot afford to promote communism by accelerating the inflationary spiral.

This Association is deeply concerned for the preservation of our British way-of-life. We believe in first things first. We believe (and there is the widest support for that belief) that there is no problem, which competes in priority with that indicated in the phrase: "PUT THE SHILLINGS BACK INTO THE POUND."

We will do our utmost to keep in office those who make a realistic approach to-wards the solution of this problem.

Here is the simple solution if you dare to take it.

Abandon the grandiose SOCIALISTIC Snowy-River project, and apply such credits to stimulating the production of CONSUMER GOODS, by means of that technique which proved effective in war, i.e., THE PRICE SUBSIDY.

If we can be of any service to you, our Secretary will be pleased to call upon you.

Yours faithfully,

JOHN M. MACARA,

Hon. Secretary,

Western Suburbs (Sydney) Voters Policy Association.

Conspiracy

"Fresh efforts to establish a United States of Europe have been stimulated by the recent visit to Washington of Count E. C. Coudenhove-Kalergi. It is reported that the Count, the great exponent, of European Federalism, has made the following suggestion: Delay diplomatic recognition of the West German Government until the whole United States of Europe can be recognised."

—*Human Events*, March 1, 1950.

The man of the future will be the cross-breed. The pan-European will be of the Eurasian-Negroid race . . . of these the Jews will form the aristocracy of spiritual grace."—Count Coudenhove-Kalergi in *Practical Idealism*, 1925.

Malayan "Democracy"

Attempts to "democratise" Singapore by means of municipal elections have met with complete failure. Of approximately 150,000 eligible voters some 6,800 bothered to register—an interesting commentary upon the supposed "demand for self-government." The political methods of the newly elected Municipal Commissioners are leading to many resignations among the senior European municipal staff.

—*The London Newsletter*, May 18.

ERIC BUTLER'S BOOKS

The Enemy Within the Empire, 10d
Over 30,000 copies of this book have been sold in all parts of the English-speaking world. Carefully documented, it is essential for those who desire to understand the background of the present world situation. The policy of the International Financiers in using the Bank of "England" to cripple the British Empire while helping Hitler is dealt with in detail. The origin of what is now known as the "Financier-Socialist" plot is revealed. This book is generally regarded as one of the author's finest works.

The Money Power Versus

Democracy 10d.

Well worth having if only for the comprehensive selection of statements by various authorities concerning the "Money Power." The main thesis of this book is to show how the "Money Power" has prevented the introduction of genuine political and economic democracy. The author shows how the electors must unite to bring their political institutions under control for the purpose of obtaining the results they desire.

The Truth About Social Credit, 1/1
An excellent introduction to the subject of Social Credit for the beginner. It shows how Social Credit is far more than a "funny money" scheme. The author makes it clear that bank nationalisation and "State control of the issue of credit" have got nothing to do with Social Credit. Social Credit financial proposals are outlined clearly and simply. The 1945 Banking Legislation is revealed as a major part of the policy of totalitarianism being imposed upon Australians. This valuable book must be in the armoury of every Social Credit warrior.

Democracy Flouted 7d.

The full text of a radio script prepared by the author while a member of the Armed Forces. Although the A.B.C. considered the script one of the finest submitted by a member of the Army, a Communist in a key position in Army Education had the talk banned after all arrangements had been made for its broadcast.

A Defence of Free Enterprise and The Profit Motive.... 7d.

A brilliant exposition of the control of the production system by the money "vote."

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THE NEW TIMES

Established 1935.

Published every Friday by New Times Limited, McEwan House,
343 Little Collins Street, Melbourne, C.I. Postal Address:
Box 1226L, G.P.O., Melbourne. Telephone: MU2834.

Subscription Rates: 25A Yearly; 13/- Half Yearly; 7/- Quarter.

VOL. 16.

FRIDAY, JULY 14, 1960.

No.28.

Broken Taxation Promises

Some weeks back it was hinted that in spite of pre-election promises concerning tax reductions, the first Budget brought down by the Menzies Government, in September, would reveal that high taxation rates would be maintained. The Federal Treasurer, Mr. Fadden, has now made it definite that there is no prospect of any worthwhile tax reductions. This cheerless news will be regarded cynically by all those electors who placed some faith in the promises of Liberal and Country Party leaders last year. Mr. Fadden was the man who while in the Opposition always led the attack against the Chifley Government on the taxation issue. He persistently and confidently said that taxation could and should be reduced drastically. He rightly claimed that high taxation rates were retarding production and that, so far from high taxes being an anti-inflation device, were in reality intensifying inflation.

Not only is Mr. Fadden turning away from the policy he advocated in the past; he is lowering his own, and the Government's, prestige by now trying to claim that he never made any definite pre-election promises concerning tax reductions. In reply to Mr. Fadden's claim, we quote one of his pre-election statements: "If the Socialists are defeated, rates of taxation, both direct and indirect, can and will be steadily reduced." Surely there can be no quibbling about the meaning of this statement.

Even if temporarily unable to reduce direct taxation—a proposition we emphatically repudiate—what about inflationary indirect taxes like Sales Tax and Pay Roll Tax? Surely an attack upon these inflationary taxes is at least one first step towards redeeming another pre-election promise, "to put the shillings back into the pound"? But, like Mr. Fadden, Mr. Menzies is also trying to dodge the acceptance of responsibility for pre-election promises.

If unable to reduce taxation now, and if determined to persist with their present centralist policies, we repeat what we stated recently: That not only will taxation be maintained at its present high level; it will actually be increased. We notice with some interest that this depressing probability is now being openly admitted by some who thought that last Federal Elections meant the defeat of Socialism. One of the fundamental propositions of Socialism is high taxation. Mr. Menzies once boasted that he was a "practical Socialist," a boast that he is now proving by his actions.

The Menzies-Fadden Government has not challenged one major Socialist control since it obtained office. It must therefore be compelled to make the challenge. The time is most opportune for electors to apply a little pressure on individual Government members, drawing their attention to the fact that high taxation and inflation may well prove the major issues at the next Federal Election. The Labor-Socialists understand this matter clearly.

INFLATION LEADS TO THE SLAVE STATE

(Continued from page 1)

present financial system is inflationary, but some indication of the core of the problem can be obtained by reference to the fact that wars are always intensely inflationary. There is enormous credit expansion in order that total production can be considerably expanded. But the proportion of capital production, in the form of war production, to consumer production is so great that money supplies in the pockets of consumers are increased while the supply of consumer goods for sale has not increased at anywhere near the same rate. In fact, capital production may be so great that consumer production is actually reduced and then rationing becomes necessary. The result of this is, of course, inflation, although at this stage the solution of the inflation may be indicated by pointing out how during World War II inflation was minimised to a very considerable extent by the introduction of a new financial technique—price-subsidies.

Individual Control of Credit Policy

The threat of another world war or another depression have made it almost certain that all Governments are going to pursue a financial policy of ever increasing credit expansion. This credit expansion policy, either for war, or for public works and other capital expansion projects, which will ensure "full employment," must intensify inflation. No doubt it is intended to do this in order that the pattern of totalitarianism can be more rapidly extended. In order to defeat the threat of totalitarianism, it is necessary for electors to take steps to wrest control of credit policy from Governments and their "advisers," and to decentralise control by placing it in the hands of individuals. Instead of credit being expanded to overcome depressions, or the threat of depressions, by capital expansion in the form of public works, it should be expanded for the purpose of increasing purchasing power by reducing prices through a price-subsidy mechanism. This policy of price-subsidies, suitably implemented to ensure that consumer control of production was maintained and extended, would not only result in genuine economic stability; it would enable the individual to control his Government effectively by being able to refuse or permit him access to some of his financial credit. If all credit-power were vested in the individual by means of a scientific price-subsidy system, the rate of capital expansion compared with consumer production would be governed by the individual.

This would be genuine economic democracy, a democracy that would enable Australians to defeat the threat of totalitarianism at home while at the same time being able to play an effective role in helping to defeat it abroad.

D.S.C.M. WOMEN'S GROUP

(VIC.)

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"Integration"

The American spotlight is upon London just at the present time. Opinion holds that the London talks are the climax of a period of intensive and meticulously staged diplomacy. They expect a "take it or leave it" attitude about the meetings, the groundwork for which was thoroughly prepared in a series of diplomatic conferences (similar to those which were held in London and Paris), throughout selected capitals of the world. At these conferences military strategy was high on the agenda—but so, too, was Mr. Truman's "Point IV" Plan, that PEP-like proposal for expending vast quantities of American taxpayers' money for the development of the under-developed. We would like to know a good deal more about these conferences. In Istanbul, by far the most important capital in Anglo-American strategy at the present time, the discussion definitely centred on this "Point IV" Plan, and its application to the Middle East, and to the Arabs in particular. Though no statement was issued following the conference it is believed that military problems affecting Greece, Persia and Turkey were examined.

Then there was the conference at Bangkok where the "Point IV" Plan was again thoroughly chewed over, together with questions of Communist infiltration in south-east Asia, the Indo-Chinese situation and the Japanese peace treaty. Here again no official statement was issued. African problems were examined at Lourenco Marques, in Portuguese East Africa. Diplomats met in Cairo under top secret conditions; whilst at Rio and Havana, the "Point IV" Plan was again considered, with problems affecting the Mexican, Central American and Caribbean countries. In the majority of cases opportunity was afforded the American diplomats to meet their opposite numbers around the conference table, and to some of the discussions French and British experts were called in from Paris and London to take part. The U.S. State Department did make a general announcement covering this series of conferences; it stated in broad terms that the policy of calling regional conferences was part of a plan for bringing U.S. envoys in different parts of the world together, to discuss problems affecting their particular spheres of interest. That, in our view, is quite an understatement.

"French" Plans

Whatever the proper interpretation, this global survey did provide Mr. Dean Acheson with a powerful brief for his London visit. Knowing all this we were not particularly astonished when France launched upon the world two plans for "integration"; for that magic word was to be the keynote of the U.S. Secretary of State's purpose, and integration was to be up in the top left-hand corner of the London agenda. The scheme, which aroused the greatest interest, was Mr. Schuman's proposal for linking German and French steel and coal production. But there was a less publicised proposal from the French Premier for the creating of a "Haut Conseil Atlantique pour la Paix." Here, suggested M. Bidault, is surely the logical development and co-ordination of all previous ventures—the Brussels Pact, the Council of Europe, etc., which would lead indeed to the foundation of what he termed "the Atlantic community." What he envisaged was an executive body which

would direct the affairs of the Atlantic countries as a single unit of defence and economic balance; a body which would get right to work, cut out the talking, and report within a stated time upon the formation of a Supreme Atlantic Council. American observers say that neither London nor Washington have responded favourably to this proposal for an "Atlantic High Council," though from American sources have come the suggestion that a North Atlantic coordinating committee of ambassadors might be formed, and served by a small secretariat. In view of the current trend of world politics none of these proposals can be ignored, though they may be deplored.

It is not to be thought that because opinion for the moment is against any specific proposal of this nature that it will not come into effect. We are asked to believe that no one was more surprised than Mr. Acheson when France proposed her "solution" to the long-standing feud over the Ruhr. We are, we regret, hardly this naive. France, least of all nations, would never have been permitted to advance such a proposition if it had not first been examined minutely in Washington, if not in London. Our view is reinforced by the fact that steel and coal are vital in war as in peace; and that France has already carried out important preliminary steps, which provide all the necessary machinery for "integration," both in the military and the economic senses. This machinery would be integral in the working of the Franco-German Plan for steel and coal; it would be integral in the working of the "Atlantic High Council."

Centralisation

In one sphere a National Committee of Productivity has been founded; all the features of centralised legislation are contained in its terms of reference. The Committee is required to specify measures for legislation, for the co-ordination of Government Departments, for advising upon the drafting of Bills and Regulations designed to increase productivity. In the military sphere there has been a thorough reorganisation of the French High Command. Supreme national defence now consists of a permanent General Secretariat of National Defence; a Chiefs of Staff Committee, and a Combined General Staff of Armed Forces. The function of the Secretariat is to co-ordinate all activities relating to national defence; it consists of military and civilian personnel, under a permanent Secretary-General who must be an officer. An inter-Ministerial level, the Secretariat will be responsible for national mobilisation, defence measures, and for economic and financial problems arising from war conditions. The Chiefs of Staff Committee will function as the supreme military authority over the armed forces, and will consist of the three Chiefs of Staff together with a fourth military member appointed by the Government. The Combined General Staff will deal mainly with "integration" and administration. It may be significant to mention that this reorganisation corresponds very closely to that undertaken by Belgium, and reported in your newsletter on the 13th of April.

This fashion for "integrating" matters both military and economic is important. It

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Husbanding the Soil

Advantages of *Ley* Farming

Notes of an address to the Chamber of Agriculture at Warrnambool, Victoria, by Col. H. F. White, well-known Organic Farmer. We are indebted to the *Victorian Compost News* for our copy.

"After some 40 years of husbandry, the observation of quite extensive experiments, and very wide reading, I am quite satisfied that decomposing organic matter is fundamental to soil use, and is the basis of health and well-being of plant, animal, and man," Colonel H. F. White, of Bald Blair, Guyra, N.S.W., said in an address to the Chamber of Agriculture at Warrnambool, last month.

"As Professor Albrecht, of the Missouri Agricultural Experiment Station, had said in a paper read before the recent Science Congress in Adelaide: The soil was the point at which the assembly lines of life took off."

Colonel White said the medical profession was realising more and more that the health and well being of man depended on nutrition, and that the way a food was grown made all the difference to its nutritional value. More and more medicos were becoming interested in the land from that point of view.

Organic Farming

Colonel White said organic farming was any method of farming or gardening which tended to add organic matter to the soil and bring about its decomposition. Organic matter was anything that had life and would decompose—both plant and animal matter.

Decomposition or decay was a biological process whereby organic matter was drawn into the soil, and there broken down into its original constituents by a host of animalcules, microbes, fungi, etc. These processes were extremely complex and far from being fully understood by the scientists as yet. All new findings tended to further complicate the concept of living matter.

Birth of *Ley* Farming

Over the centuries there had grown up in Britain a system of husbandry, which effectively looked after the organic matter of the soil. It was called "*Ley* Farming." The British Ministry of Agriculture news service of October 1940, commented—"In the eighteenth century, when British farming reached a higher peak of productivity and self-sufficiency than it has ever known since artificial fertilisers were unknown."

"That brings us to the point of conflict," said Colonel White, "and to the point of failing agriculture, with lowered production, increased incidence of weeds, pests and disease, followed by erosion.

Fertilisers Take Stage

"Just over 100 years ago Liebig, a German chemist, found that nitrogen, phosphorus, and potassium remained in the ash of plants after they were burnt, and that the application of these elements in chemical form to the soil brought about an increased growth. This caused a revolution. Here was a much easier way of growing plants than with the old organic farming practices. And so the chemist occupied the stage and the artificial fertiliser was born.

Organic Matter Neglected

"With findings of the chemist and artificial fertilisers, the care of the organic matter of the soil was neglected. The soil was exploited for production of more bulk and valued according to cash returns. The scientist was just as culpable as the husbandman. Experiments and trials were incomplete, and very often begged the question. It was a question of crops sustained by fertilisers as against no fertilisers all the time. No other system was compared; no investigation was made into the effect on the environment, the soil.

"However, no scientist today will maintain that plants can be continually grown without attention to the organic matter of the soil. But many maintain that it is not possible to get enough organic matter, and so recourse must be had to chemical fertilisers."

There is no evidence anywhere that plants can continue to be grown by means of artificial fertilisers only, while maintaining full powers of reproduction and a high resistance to disease, together with stability of the soil. There, is abundant evidence of the disaster to the soil, plant, and animal where the organic matter has been neglected. Too many of our findings are short-term and have neglected health and fertility.

"In between these two extremes we have scientists like Sir George Stapleton, and lately on the practical side Louis Bromfield, of Malabar Farm. They use fertilisers to build up soil and not for exploitation.

Benefits from *Super*

"My experience has demonstrated the initial excellence of pasture improvements developed by frequent applications of superphosphate, but results gradually diminished in spite of increased application, until finally they failed altogether. The application of British *Ley* farming methods immediately brought the land back to full production, with noticeable benefit to animal health, and no further benefit from fertilisers, even after eight years.

"I do agree that fertilisers can be used with great benefit in supplying an initial deficiency of any element in the soil, but limitations and repercussions must be realised. Nutrient in-balance is the greatest contribution to disease. Nature has provided all the adjustments if we would only study them and apply them.

"It is dangerous to interfere unduly with nutrient balance in the soil by means of raw chemicals, but we are on a very safe basis in organic farming.

Apply Organic Farming

"In practical application of organic farming, the first thing to consider is the most suitable form of organic matter," said Colonel White.

"Improved pasture with a mixture of grasses and legumes (principally clovers) in the proportion of about three to one has been the basis of the British system of *Ley* farming.

"'Alternate Husbandry,' a publication put out by the Imperial Agricultural Bureau of Great Britain, reviewing work from all over the world, stresses the importance of grass roots in soil building, their contribution to humus, and the tilth or texture of the soil.

"Concerning green manure crops and legumes, the American Year Book, 'Soils and Men,' tends to show that they feed the next crop rather than add to the organic matter of the soil. The grass sod is considered the best contributor. Much the same was found at the Glen Innes Experiment Farm, where red clover was used in a maize-oat rotational trial over a period of 25 years; the red clover fed the following cereal crop, but added little to the soil.

"In ploughing down my pastures, best results have come from an old-sod, which had been frequently manured—worst results where a red clover dominant pasture was ploughed down.

"As regards the laying down and the constituents of an improved pasture, that varies with each climate and each soil—the best advice there will come from the Department of Agriculture. The only thing that I will again stress is the deep-rooting plants and herbs.

Best Bald Blair Result

"The most spectacular example of soil building on Bald Blair was in a badly run-down cultivation; a poorish basalt with a good deal of ironstone in it. Here five crops of weeds, fat hen, boggabri and Johnson grass were ploughed or disced in in two years. Then in the autumn of the second year the land was sown to phalaris and red clover. The resultant growth was the outstanding one in the district. It has remained the best producing paddock in the run, and is a picture today.

"One thing I have found is the fallacy of clover dominance in a pasture. For best results in balanced nutrients, a grass-

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HUSBANDING THE SOIL

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dominated pasture is much preferable. Red clover is too seasonal and dominating if let run to excess. I have abandoned red clover in favour of white clover, only using red clover to balance cereals such as oats and rye.

Establishing Pasture

"Two methods of establishing improved pasture which I have now adopted are: First, a crop of potatoes; they are a clean cultivated crop and so weed trouble is reduced; the texture of the soil for subsequent grass seeds is excellent; the potatoes come off in January, February, March; as soon as the potato tops are dry the land is harrowed, the seed mixture sown, harrowed and packed. I have never had a failure this way. A compact seedbed is essential for small seed, especially phalaris.

"The second practice is to sow an autumn grazing crop of rape, with which is sown the grass seed mixture. The rape does not seem to compete with the grasses and depresses them like cereals; it is a deep-rooting crop and brings a plentiful supply of minerals to the surface to be returned to the soil in the form of dung and wine to nourish the following pasture; it protects the grass and gives a rich return in cash to pay for establishment Rape was a major crop in the Chinese farming practices.

Egg Prices

Over recent weeks representatives of the poultry industry have expressed the opinion that, unless some kind of subsidy system is introduced, consumers will have to pay even higher prices for eggs next winter than they are paying now. It has been stressed that the increasing cost of egg production is forcing a number of producers out of the industry.

The high price of the humble egg should demonstrate to all reasonable people the necessity of a subsidy system which will allow people to make the fullest use of a most valuable food—particularly essential for growing children—while at the same time permitting the egg producer to make a reasonable profit.

An examination of the poultry industry demonstrates the falsity of the argument, which suggests that the only answer necessary to high prices is harder work and greater production.

It is suggested that the main producers of poultry feed, the wheat growers, have not been working hard enough, or have not increased production sufficiently? Or is it that the poultry men have not worked hard enough? The truth of the matter is, of course, that both the poultry men and the wheat growers are the victims of a financial policy that is inherently inflationary. This policy must be drastically modified by the introduction of a scientific price-subsidy mechanism, which will reduce all prices to the consumer. Subsidies should only be paid on production desired by consumers.

However, in the case of eggs it will be immediately pointed out that if eggs were subsidised at the retail counter, this would certainly benefit consumers and commercial egg producers, but it would penalise thousands of people who produce their own eggs. This difficulty can easily be overcome by subsidising all poultry feed, thus reducing costs of production to both

Real Problem

"Now we come to the real problem, where we have all failed so badly. I spent some years and much cash proving to myself, although I did not realise it then, the fallacy of repeated pastures. The initial crops were splendid. I preached the gospel of improved pastures maintained by applications of super. But gradually results dwindled and then ceased. I was nonplussed till I was put in touch with the plough-down system of Sir George Stapleton.

"The story of the plough down, of Ley farming, is splendidly told in Stapleton's works, 'Ley Farming' and 'The Way of the Land.' He tells how an old pasture becomes sod-bound, and is neither decaying properly nor is it growing properly.

"The next question is when to plough down? Stapleton gives us the answer to this question: 'The essence of Ley farming is to grow crops and grass, and to be at as much pains to use the sod to the best advantage as a manure and the foundation of fertility as to use the grass to the best advantage as a feed. The Ley sod must always be ploughed down before any sward deterioration has begun to set in, and always the ley must take its place in the rotation soon enough to prevent, or immediately to rectify any beginning of soil exhaustion.'"

— *The Camperdown Chronicle*, May 23, 1950.

domestic and commercial egg producers. As the subsidy would only be paid on poultry feed actually bought there would be no question of subsidising inefficient or unwanted production.

And where will the money come from to pay the subsidy? The answer is, If the Government can find money for policies which increase prices, it has no excuse for not finding money to reduce the price of the peoples' basic foods. What is more, the money can be found without increasing debt or taxation. If the Government, or any of its members, are really interested in how this can be done, a detailed explanation can be provided upon request.

Liberal-Socialism

One of the most blatant pieces of Socialist legislation introduced by the so-called anti-Socialist Hollway Government, was the North-West and Mallee Lands Act, under which Mallee (Victoria) farmers can be forced off their farms in order that a number of farms can be consolidated into a smaller number of larger farms.

It is pleasing to report that Mallee farmers are vigorously resisting this totalitarian legislation, which the McDonald Government should drastically modify immediately.

At a recent protest meeting at Ouyen, convened by the district councils of the Victorian Wheat and Wool Growers' Association, a resolution was carried urging amendment of the Act to prevent eviction of successful and satisfied farmers. One speaker said that the Act destroyed one of the four freedoms of the Atlantic Charter.

Governments of all descriptions will continue to attack individual rights and liberties just so long as electors take no action to bring their Parliamentary representatives under effective control.

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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.

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INTEGRATION

(Continued from page 5)

will be observed that there are rarely practical proposals in these plans for greater freedom; always inherent in the plans are proposals dependent upon parallel organisations in adjoining countries; or where economic matters are involved, practices amounting to cartel arrangements. This was apparent from the spirit underlying the Consultative Council of Western Union, which met in Belgium. Amongst the proposals put forward there were all the symptoms of coordinated, or "integrated" Socialism, such as an agreement that workmen in Western Union countries should receive a standard rate of pay upon taking up employment in some country other than his own; also that he should be subject to the same State Medical treatment. We are all State Cattle in Great Britain today under that system which Lord Beveridge frankly admitted was designed to ensure a high state of fitness for full employment. If the planners get their way, this same system will be extended right throughout the whole of Europe.

Creeping Revolution

Constitutional democracy is a sitting duck to a left-wing infiltrator. He above all men is secure in his faith; nothing is wrong that speeds the dialectic process of history. To gain his ends he has licence to distort, lie, intimidate and eavesdrop; as it was put so romantically by a pink poet of the 'thirties: —

To hunger, work illegally
And be anonymous.

No planner need starve nowadays, but human weakness and folly are still there for him to exploit. Against his depredations, what can the libertarians do? His very name robs him of the use of force; his principles deny him the weapons of his enemies, and if he sheds his principles, then he is nothing. How often have we heard: "We believe in free speech, so you totalitarians had better shut up?"

This particular problem is implicit in the recent American book by Mr. John T. Flynn, "The Road Ahead" (Devin-Adair: New York). It sets out to be a case history of what the author calls "America's creeping revolution"; the gradual ascension of the State in American life that dates from the New Deal and has recently found new expression in the Socialised Medicine proposals, and more explicitly in the Spence and Brannan Plans.

Mr. Flynn asks himself how it is that within the American constitutional framework the influence of Socialist planning can spread so far, while the ultimate issue of Socialism versus Individualism goes conveniently ignored. He finds his answer in the working methods of Socialism throughout the world, with particular reference to the Fabian movement in this country.

He analyses the work of the British planners of thirty years ago; their infiltration and final control of the Trade Unions; their appeals to sectional interests; their capture and destruction of the Liberal Party. Each of these methods, says Mr. Flynn, has its counterpart today in the

Dangerous Proposal

But within the Belgian proposals is a wider clause, which, in our view, holds even greater dangers. It aims at achieving a common level of efficiency (or inefficiency) for the air forces of France, Belgium, Netherlands and Great Britain. A test squadron has already been formed to examine standardised flying training. This certainly holds dangerous possibilities; very dangerous indeed. There have been during the past five years far too many pacts, agreements and alignments. Though many of them have come to nothing, all contain those same disturbing features which can be summed up in Mr. Acheson's demand, that in the face of the world situation the nations must be prepared to surrender some of their national sovereignty.

We would hold any British politicians subscribing to such an idea as guilty of treason.

—*The London Newsletter*, May 15.

United States. The C.I.O., is won; the Democrats are rapidly becoming the advocates of "Economic Planning"; sentimental race equality associations, constitutional rights organisations, even the churches, are being infiltrated from the left; and crypto-Socialist progress is made easier by the "cold war" economic attitude that America has chosen to adopt.

What can be done in these circumstances? Mr. Flynn tacitly forswears the "Ban the Red" attitude, as every libertarian must. Instead he makes his appeal to the individual American. He has shown how Socialism befogs and deludes its adherents at every turn; he quotes Britain and Russia as examples of the ultimate Socialist State. What he asks in effect is: "Are you going to be taken in as well? Now that I have shown you Socialism, do you really want it?"

And if the Americans do not want Socialism, says Mr. Flynn, they must do something about it themselves. They must restore their personal faith in the principles of freedom that made America what she is; they must snap out of their Socialist-inspired guilt complex about profit and "Starving Europe," and begin practising charity at home; they must, in fact, stop apologising for being capitalists and get on with the creation of capital.

Mr. Flynn has set the American individual a hard task—it is much easier to shoot your enemy than to examine your own conscience. But he has at least managed to evolve a solution to the Socialist problem without compromising his own ideals.

—*The London Newsletter*, May 11.

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