

# THE NEW TIMES

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SIXPENCE WEEKLY

## Economic Warfare Declared The Coming "Horror Budget"

**Although the electors are not being told too many details before the Referendum is safely out of the way, enough has been revealed concerning the general proposals of the coming Budget, to make it clear that the Fadden-Menzies Government and its economic advisers are going to intensify their economic warfare against the Australian people. A number of people are already talking about the "Depression Budget," but we are of the opinion that it is more likely that the threat of a depression is being developed for the purpose of regimenting the economy to fit in with the central plan being devised by the planners at Canberra.**

The central control, through which the planners hope to obtain their objective, is the financial system. Centralised control of financial policy is already starting to make itself felt in numerous ways. Uniform Taxation is being used by the Federal Government to slowly strangle the States. Although in theory the States should be able to dominate the Loan Council, it is again the Federal Government which in actual fact does the dominating. Victorian Premier McDonald is finding this particularly true at the moment, when his various developmental projects are threatened because of cuts in funds by the Loan Council. It is interesting to recall that it was Mr. Menzies who, when a State Member, warned about the implications of the Financial Agreement, and said that the Loan Council would become the real governing body of Australia.

But it was also Mr. Menzies, when Leader of the Federal Opposition, who said, during the debates on the 1945 Banking Legislation, that he would, when re-elected to the Government benches, repeal this Socialist legislation. Not only has Mr. Menzies not repealed it, but his Government has sanctioned its use in the programme of economic warfare. Credit supplies to "non-essential" industries are already being restricted. Centralised control of credit is a key control. As one businessman told us recently: "It is always possible to get manpower and supplies by various methods. But, once our credit supplies are cut off, we are helpless."

Taxation is, of course, another method of centralised control. High taxation, in conjunction with "selective" credit control, permits the economic planners to bring enormous pressure upon the individual. Not only is taxation to be increased, thus undermining still further the sovereignty of every individual, but, like credit control, it is also to be "selective." "Luxury goods" will have their prices inflated by increased sales tax; thus, it is anticipated, discouraging people

from purchasing these goods. It is argued that fewer sales of "luxury goods" will compel the manufacturers to engage in "essential production." The direct and indirect effects of high taxation are to intensify the momentum towards economic centralism. The smaller and medium sized business organisations are compelled to amalgamate or become part of existing organisations. Many businessmen are so shortsighted that they feel that bigger and fewer industries increase their power. What they overlook is the fact that a large number of decentralised economic units provide a most formidable barrier against the policies of the central planners. But, once industry has been centralised, the planners can more easily force a comparatively few economic units to submit to their plans. The politicians may not be aware of the inevitable final results of a policy of progressively increasing taxation. But the Socialist planners certainly do.

The present Federal Government has, with its taxation proposals, surrendered completely to Socialist strategy. Anyone who will not face this fact is being dishonest. Or he is so ignorant that he does not know what Socialism is. Not only is the Federal Government imposing Socialist policies. In the process of imposing these policies it is making its fulminations against the Communists sound most hypocritical. Mr. Menzies talks about Communists forcibly depriving individuals of this community of their assets. But his Government is also doing the same thing to a lesser degree. What right, moral or otherwise, has Mr. Menzies' Government to deprive the individual of part of his money by increased taxation because some economic planner says this will defeat inflation?

It will be claimed that the Government was "democratically elected." But does this give the Government the right to attack the individual? The majority of those who voted for the present Government under-

stood that it would reduce taxation, not increase them, that it stood for increasing the liberties of the individual, not restricting them. They certainly did not vote for a Socialist programme. The fact must be faced that they were tricked. And, now that the Government has declared economic war upon them, they must fight back if they are to survive as free individuals. They must immediately make it clear to every Member of the Liberal and Country Party that they are going to resist to the utmost the policy of totalitarianism being imposed,

### 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 Russian Bogey*

We really should begin to revise our views on the potential might of the Soviet Union. We do not doubt the Kremlin's ability in certain directions. At telling lies they have few equals. But we have the gravest doubts where their industrial claims are concerned.

When even that great-industrialised United States lamentably fails to fulfill a simple armament programme, why should we accept without question that the Soviet Union has anything approaching a flourishing economy?

It is true that the Soviet Planning Commission and the Central Statistical Board claim that the fourth Five Year Plan has been fulfilled. But upon what evidence? Upon bare statements that, for a whole range of industries, output has been increased by certain percentages in relation to 1940!

In view of the fact that in 1941 the Soviet Union was only saved from extinction because we poured into her faltering economy goods and materials which we could ill afford (and for which we have received neither thanks nor payment), we do not consider that a 57 percent increase in coal production, a 22 percent increase in oil production, a 45 percent increase in iron and steel production — all relating to the poverty-stricken year of 1940, is anything to boast about.

If the Soviet economy is in truth prospering, then there is every reason for the Kremlin to publish full facts and figures of their success. They could not have a more powerful weapon of propaganda. We suspect that, in common with Socialist economies everywhere, the Soviet Union is failing upon all counts, and that, as a military threat, she is probably less to be feared than she was in 1940.

The danger lies not in any efficiency, which Russia may hope to develop, but in our own inefficiency, and in the mad distortion of the whole Western economy in the face of an alleged threat, which has certainly not been proven.

—"The London Newsletter," August 1951.

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### *The Open Note*

"...The Economic Vote is a free choice of alternatives, and the voter's till an open Ballot Box; but it is so designed as to afford the minimum opportunity to abuse. Bribery is not feasible when the individual buys for himself, and deception ultimately impossible....."

"It would seem, then, that what we are looking for in the political field is not something to supersede the voting system, but something analogous to the economic money-vote as it operated in the sterling days of its bright promise at the beginning of this century."

—Norman Webb in "The Social Crediter" (England).

### *The High Cost of Centralism*

There still remains the disease, which impels people to think that Canberra should do everything.

So Canberra comes to believe in centralisation, in financial supremacy, and cannot see that its policy is paralysing all other agencies.

More than anything else, this policy is robbing the individual of opportunity to participate in Government, and is thus undermining the foundations of democracy.

This is a high price to pay, but it is the characteristic cost of a remote bureaucracy.

—Professor F. A. Bland, M.H.R., in Melbourne "Age," September 6.

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### *The Value of Price Subsidies*

If our politicians really desired to do something about the inflation menace, they should stop talking about the effects, and tackle the cause, which is our present defective Financial System.

This system can only function by continuous expansions of bank credit, and if this credit is restricted as suggested by the economic advisers to the Government, then we will have deflation, and this means depression.

Mr. Menzies could move in the right direction by using some of this expanded credit to subsidise food prices.

Stabilised food prices would stop the basic wage from rising further, and would be a great incentive to higher production.

The higher taxation proposed by the Government will have just the opposite effect to this.

—S. W. Butler, Secretary, Voters' Policy Association, Red Cliffs, in "The Sunraysia Daily," September 4.

### "Social Credit and Catholicism"

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

Because of the rapid progress of Social Credit ideas in the French-Canadian Province of Quebec, which Major Douglas has described as having "probably the most genuine Catholic culture under the British flag," this booklet is particularly important. Mr. Eric Butler has written an excellent introduction. There is also an Appendix outlining the structure and methods of the non-Party Union of Electors in Quebec.

The author of *Social Credit and Catholicism* finishes his booklet with the following: "... if you want neither Socialism nor Communism, bring Social Credit in array against them. It will be in your hands a powerful weapon with which to fight these enemies."

Price 1/2, post-free. Order from *New Times Ltd.*, Box 1226L., G.P.O., Melbourne, C.I.

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# Anti-Communist Journal Criticises Referendum Proposals

One of the most interesting features of the Referendum campaign is the growing number of anti-Communist journals criticising the Government's proposals. The following sample of such criticism is from Sydney "Century," August 24, Mr. J. T. Lang's weekly journal, which has consistently attacked Communism over a number of years:

Canberra is badly burdened with two major liabilities. The planners and the lawyers. The planners mess up all their own plans, while the lawyers make a mess of the law.

Many Liberals are now satisfied that their party has too many lawyers. The closer they get to the Referendum, the more satisfied they become that the legal experts have evolved a tangled pattern that few voters can possibly understand.

It is a safe bet to assert that the majority of members of Parliament will not understand the precise nature of the powers they are seeking.

There is plenty of material for the constitutional lawyers to work on for years, drawing fat fees from briefs.

The official Yes-No pamphlet being distributed by the Commonwealth Electoral Officer will not contain the text of the Communist Party Dissolution Act 1950. So the voters won't know what they are being asked to vote for in that Act.

But it will probably contain the text of the Constitution Alteration (Power to Deal with Communists and Communism) Act 1951:

The text of the Act goes much further than the original Act, which was to declare the Communist Party an illegal organisation, declare Communist officials in key defence industries, and to give the Government power to remove public servants who had been proclaimed Communists.

Voters at the Referendum are asked to swallow the whole, without being given the alternative of voting for one, two or more propositions.

They are not being asked to simply give the Government power to pass the original Act.

The new Act contains reference to the Communist Party Dissolution Act 1950.

## Flight From The City

By Ralph Borsodi

"Men and women who desire to escape from dependence upon the present industrial system and who have no desire to substitute for it dependence upon a state-controlled system are beginning to experiment with a way of life which is neither city life nor farm life, but which is an effort to combine the advantages and to escape the disadvantages of both."

Flight From The City is the story of an experiment, which will stimulate the reader. Price 2/11, post-free. Order from New Times Ltd., Box 1226L, G.P.O., Melbourne.

But that was the Act that was declared invalid by the High Court of Australia. That surely meant that it was declared to no longer exist legally. It was wiped off the Commonwealth Statute Book.

Now it is being revived by simply having its title contained in the new Bill.

An amazing legal omission is that the text of the Bill was not included as an Appendix to the new Act. That was how the Financial Agreement was covered in 1928. But in this instance, the Government has just revived something that was declared dead by the High Court, and covers it by just mentioning the title.

That, in itself, could provide a rich harvest for the constitutional lawyers.

If the people are to be asked to vote on the question, then it should have been elementary that the text of the proposed law should have been included in the pamphlet.

That has always been a fundamental requirement of the Referendum. In this instance the elector will be voting in the dark, or on the say-so of the respective parties.

They will not have the actual text of the much-disputed law in front of them, so that they can form their own judgment.

But even the lawyers were not satisfied. They had to have several other reservations and amendments.

They also want the power to make any alterations to the original Act that any future Government might consider desirable.

That would give the Government a charter to do anything it wanted to do. It could mean that people could be brought under the provisions of the amending Act who were not Communists at all.

Many voters who would vote for the original Act without amendment will not be satisfied to give future Governments a blank cheque to legislate in any way they might think fit, so long as a future Bill is simply called an Act to amend the 1950 Act.

Then there are other voters — many of them strong supporters of the present Government at the last elections — who are very disturbed at the powers sought in Clause 2 of the new Bill.

That takes away from the High Court the right to decide whether a proposed law is within the powers of the Commonwealth Constitution.

It introduced a new Clause, 51A. The Commonwealth derives most of its powers under Clause 51 of the Constitution. That clause provides that, "The Parliament shall, subject to the Constitution, have power to make laws for the peace, order and good government of the Commonwealth, with respect to (then follow all the various heads under which Parliament can act).

Instead of simply adding a new power, "Communism and Communists," the lawyers have created a new Clause, 51A, which starts off: "The Parliament shall have power to make laws for the peace, order and good government of the Commonwealth with respect to Communism and Communists as the Parliament considers to be necessary or expedient, etc. . . ."

Why have the lawyers dropped the phrase, "Subject to this Constitution"? It means that the new powers now being sought are not subject to the Constitution.

Any future Government could act quite outside the Constitution so long as it was of the opinion that its proposed action was "necessary or expedient."

That rules the High Court right out of the picture. It means that Parliament can act in any way it thinks fit.

It is apparent that the rank and file of the Liberal Party is not conscious of the full implications of the changes made by the lawyers.

But it is essential that every voter should study the proposals most carefully.

## MR. LEVY AND PERSIAN OIL

Walter J. Levy. Born Hamburg, 1911. Educated at "six German universities." Left Germany for England when Nazis came to power. Continued education at London School of Economics. "He was not interned. But his status posed problems. And when he suggested he might do more good in America, no difficulties were placed in his way." Became "boss" of petroleum section of America's wartime intelligence agency, OSS, "in a matter of weeks." While still a German, he returned to London as member of the Joint Chiefs of Staff Enemy Oil Committee, "and sat in on some of the most secret discussions." Now, as "world's top oil expert," he "shuttles back and forth" between London and Teheran with Averill Harriman. The account is Frederick Cook's in the London "Evening Standard." Mrs. Levy is a Sondheimer "of the Frankfurt merchanting dynasty."

—"The Social Creditor" (England), August 18.

## SOMEWHERE SOUTH OF SUEZ

By DOUGLAS REED—14/5

We have a limited number of this book, the latest work of this important writer, in which he gives more evidence of the Communist-Zionist conspiracy.

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

(VIC)

Now Meets on  
**THE THIRD THURSDAY**  
of Every Month.

All interested are invited.

"New Times," September 14, 1951—Page 3

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No. 38.

## What Is Essential Production?

*The politicians and their certified economists claim that one of the basic causes of inflation is too much non-essential production. But, as yet, they have been very vague about what is essential production and what is non-essential. In order to make any realistic examination of this matter, it is first essential to answer the question: "What is the purpose of production?" Some, including advocates of free enterprise who should know much better, will say that "full employment" is the major objective of the production system. In other words, any production system, which cannot provide employment for all, is a failure. But we draw attention to what should be an obvious fact, that the purpose of the production system is not to provide "full employment," but to provide goods and services, as, where and when required by individuals. As these goods and services should be provided as efficiently as possible, this means that every endeavour should be made, not to increase employment, but to reduce it. Every manufacturer striving for greater efficiency must try and reduce his labour costs. This is common sense. But it is not common sense for the same businessman, trying to defeat "full employment" in his own organisation, to support Governments contending that "full employment" is the most important objective, which any community can pursue.*

*Under a genuinely free, competitive economic system, consumers would, providing they had adequate purchasing power to buy what was produced, automatically control the production system by only voting financially for that production which they regarded as essential. There is, in spite of high taxation and various restrictions on free enterprise, a large degree of economic democracy in this country. When the certified economists claim that there is an enormous amount of "luxury" production taking place at the expense of "essential" production, they are, in effect, claiming that the individual is so stupid that he is spending his money foolishly. They infer that people are wasting their money on beer, cosmetics and washing machines, instead of buying homes. Or are homes also now regarded as non-essentials?*

*The really non-essential production taking place today is that being imposed upon the community by the totalitarian policy of "full employment." This policy is enforced by a centralised financial system. The basic fact concerning the modern power production system is that it distributes over any given period insufficient purchasing power to enable individuals to buy what has been produced. As the production system becomes more and more efficient — i.e., requires less manpower and becomes more automatic — the disparity between prices and purchasing power distributed must obviously become greater. Now, if the real objective of the production system, goods and services, were kept clearly in mind, it would be natural that the individual's purchasing power should be supplemented by some type of dividend to overcome the deficiency. But the policy of "full employment" ensures that the benefits, which could pass directly to the individual as the result of greater efficiency in industry, are denied. There is an attempt to overcome the deficiency in purchasing power by various types of capital production, which, while not immediately resulting in consumer goods, does increase the money supply. Some capital production is most necessary, but it should be only for the purpose of permitting more efficient production of consumer goods within a reasonable period — not for providing "full employment."*

## MENZIES AS SOCIALIST

Sir, —Your recent critical comment upon the Socialist measures being imposed upon every pre-election promise is heartening to the Australian people by a Government which appears to be determined to betray those who are concerned about the threat of the complete Monopoly State.

As many people appear to be astonished at Mr. Menzies' advocacy of Socialist legislation, allegedly as a defence against Communism, it is appropriate to recall that before political necessity compelled Mr. Menzies to campaign against Socialism, he had publicly proclaimed himself a "practical Socialist." The Melbourne "Age" of March 3, 1941, reported Mr. Menzies as having said in Great Britain: "I always tell my Opposition friends that the only difference between us is that I am theoretically non-Socialist, yet an amazingly practical Socialist, while they are theoretical Socialists. People will take things from us they wouldn't take from the Labor Party . . ." The last sentence in the above reveals that Mr. Menzies has got the true Socialist's contempt for the elector.

Yours, etc.,

ERIC D. BUTLER,  
Campaign Director,  
Vic. League of Rights  
—Century, August 3, 1951

## Australia-China Society

The recently formed Australia-China Society is another "front" behind which the Communists will operate. We will be interested to see what the Federal Government does about this society if it carries the Referendum. We are particularly interested in the fact that Mr. C. P. Fitzgerald of the National University is a prominent figure in the new society.

## "NEW TIMES" ANNUAL DINNER

We draw our readers' attention to the fact that the "New Times" Annual Dinner for this year will be held on Friday, September 21, at the Victoria Palace, Little Collins Street, Melbourne. As the Dinner is being held during Show Week, we anticipate that our country friends who are down for the Show will avail themselves of the opportunity of meeting one another and their Melbourne colleagues. Last year's Dinner was an outstanding success, with "New Times" supporters from nearly all States present. We anticipate that this year's Dinner will be even better.

In order that catering and other important arrangements can be made well in advance, all those desirous of attending the Dinner are urged to communicate with Mr. R. H. Weller, c/o Box 1226L., immediately. Please help us to make this important event a success by booking a seat early. If any supporters desire to sit together as a party at the Dinner, appropriate arrangements can be made.

# A Letter to N.S.W. Premier

The following is the copy of a letter recently forwarded to the N.S.W. Premier, Mr. McGirr, by Mr. John Macara, of Sydney:

Dear Sir,

This Association desires to offer its congratulations on your stand at the recent Loan Council Conference; and particularly on your stand in relation to the price of butter.

We are in full agreement with you that rising prices must be curbed, as the first step in resistance to inflation.

If the Canberra policy is pursued, and the consumer forced to meet the full impact of the rise in price, this will inevitably cause a still further rise in the basic wage.

The Canberra Government is very loud in its outcry against inflation — but its words are cheap. There is undoubtedly a rising tide of popular anger against the Canberra Government for the great discrepancy between its pre-election glowing promises and its halting performances.

Will you permit me to suggest to you and your colleagues a course of action by which you may save the people of this State from the disasters planned for it by Canberra?

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## Persia and Naval Fuel

Before the war, there was a controversy as to the wisdom of the Royal Navy's being wholly dependent for its motive power upon foreign oil, to the exclusion of British coal. Many people, without investigating the subject for themselves; accepted the views of naval officers of their acquaintance who, in some cases, expressed a strong preference for oil. Civilians and others did not realise this preference was based solely upon the supposed and apparent technical superiority of oil. The naval officers consulted had not been under any obligation to inquire into the security of the sources of oil-supply or the strategic and political consequences of dependence upon oil derived from the European-Asiatic land-mass, as distinguished from His Majesty's possession overseas — there being no oil in the British Isles. They could not have considered the enormous tax upon naval resources imposed the need to convoy oil tankers, whether carrying oil or in ballast, or the question of the currency to be used in paying for the oil. Moreover, there is no reason to suppose that they realised the existence of modern devices for the automatic bunkering and stoking of coal, which had not been put into use on a large scale, because coal was used only by the most far-sighted ship owners, who had refused the public subsidy for converting their ships from coal-burning to oil-burning.

Certain officers, however, expressed themselves in no uncertain terms upon this subject. They advocated alternative firing — that is to say, ships constructed to burn either coal or oil, there being such ships in all navies, both the British and U.S.A. navies.

Among the officers who drew public attention to the danger of total dependence upon oil there were: —

Admiral of the Fleet Sir Reginald Tyrwhitt, G.C.B., D.S.O.; Admiral Sir Howard Kelly, G.B.E., K.C.B., C.M.G., M.V.O.;

We understand that the Rural Bank is a State instrumentality, possessing powers to issue credit. The necessary credits to be paid as a subsidy to butter-producers in N.S.W. in order to avoid any price rise, in butter, in N.S.W., would not exceed £5,000,000.

Will you consider issuing the necessary instructions to your Rural Bank to pay producers of butter in N.S.W. the subsidy blankly refused by Canberra?

If this course were pursued, a pattern of action would be set by N.S.W., which would compel a revision of Canberra's inflationary policy. Moreover, in so doing, you would bestow a great benefit both to producers and to consumers of butter.

With every good wish.

Yours sincerely,

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## MACARTHUR VERSUS EISENHOWER

"... Omar Bradley and Dwight Eisenhower belong to the same 'crowd.' It is little understood outside the services that there is a strong tie, a strong relationship over many years, which plays a big role in the attitudes of individual officers, not the least when they appear before Committees on the Hill.

"Those who know the Army well realise that it has been long split into two factions: one stemming originally from Pershing, the succession being carried on by Marshall (Pershing's favourite); the other composed of MacArthur, his friends and admirers. Varying ideas on defence strategy, varying political attitudes and the usual struggles for promotions mark the composition of both these factions.

"There occur, at times, changes in this line-up, shifts of individuals from one group to another. Thus, in the Thirties, Major Eisenhower was 'fired' by MacArthur in the Philippines, came home, and was snapped up by the Marshall clique. When Marshall boosted the comparatively unknown Eisenhower to high place, this was interpreted in army circles as a flat defiance to MacArthur and his men."

—"Not Merely Gossip" (Washington).

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Admiral Sir Frederick Tudor, K.C.B., K.C.M.G.; Admiral Sir Herbert Richmond, K.C.B.; Admiral Sir Douglas Nicholson, K.C.M.G., K.C.V.O.; Admiral Sir Reginald Hall, K.C.M.G., C.B.; Lieut.-Colonel Sir Arnold Wilson, K.C.I.E., C.S.I., C.M.G., D.S.O. (formerly British Resident in the Persian Gulf and Chief Political Officer, Iraq, and later the Resident Director in Persia of the Anglo Persian Oil Company); Admiral Sir Barry Domvile, K.C.B., C.B., C.M.G.; Rear Admiral Sir Edward Inglefield, K.B.E.; Engineer Rear Admiral H. S. Garwood, C.B., O.B.E. (Engineer-in-Chief, Royal Navy); Admiral Wilmot Nicholson, C.B.; Vice Admiral Humphrey Hugh Smith, D.S.O. There were many others of less note.

—"The Social Crediter" (England).

## Marx - Leninism - the Peking Brand

Our press is making much of the "tensions" which have lately appeared between the leading Communist groups in Moscow and Peking. The tension itself seems to be real, but its probable effects should not be exaggerated. It is highly unlikely that it will produce a radical breach between the Red partners, or result in the emergence of a "Titoist" authority in China with whom the West can make the "deal" of which Attlee and Co. persistently dream, as well as our own Leftists and journalistic "wishful thinkers."

Speeches delivered at the thirtieth anniversary of the founding of the Chinese Communist Party throw a light on the idea the Chinese red leaders have of their status and the part they have to play in the making of world revolution. To begin with, Marx-Leninist orthodoxy is rigidly insisted upon — there is no vestige of "democratic agrarianism" or anything of that sort. The official ideology is "a universal truth which is applicable anywhere," and the whole armour of faith to the Party; it is a "scientific" weapon which enables Communists to expose "swindlers and traitors who put on a revolutionary mask."

According to the concept of Mao Tse-tung, however the relation between Moscow and Peking is one of equal partnership in the direction of the Revolution — Mao himself being regarded as the living Buddha of the Marxist East, as Stalin is of the West, the fountain of inspired wisdom in the interpretation of the sacred Marxian texts. The "twin" idea is not presented as an innovation, but is supported by lengthy quotations from Lenin and the mighty Stalin himself, about the difference between revolution in an "imperialist" country where there is no foreign oppression, and that in a "colonial" or "semi-colonial" land, where there is a nationalist revolutionary struggle. From this the conclusion is drawn that the Chinese experience is more relevant than that of Russia for backward and dependent peoples. The "classic type" of revolution for these is that of China, not the October Revolution of 1917. It is "a further development and enrichment of Marxism-Leninism," declares Lu Ting-yi "and a contribution of universal significance to the World Communist Movement."

—"The Advocate," August 16.

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## CORRESPONDENTS, PLEASE NOTE

The recent increase in postage charges has immediately increased considerably the growing burden of costs, which "The New Times" has been struggling with for a long time. We therefore ask all correspondents to help lighten the burden by providing a stamped and addressed envelope when they write requesting any information or advice.

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## Chemicals and Food Supplies

**Speaking in the British House of Lords on July 4, Lord Douglas directed attention to the dangerous practice of using poisonous chemicals in the growing and processing of food for human consumption. The following report of Lord Douglas' brilliant address is from British "Hansard":**

Lord Douglas of Barloch rose to call attention to the dangers to national health arising from the increasing use of poisonous chemicals in the growing and preparation of foodstuffs, and to the need for strict control over all processes which may affect the natural quality of food; and to move for papers.

The noble Lord said: My Lords, only two or three generations ago, mankind existed upon naturally occurring foods, either eaten raw or prepared by such simple means as roasting or boiling and, in some cases, preserved, for further use by smoking or salting. All that is now changed. It is becoming increasingly difficult to find any natural article of food, which has not been treated with chemicals, had some part extracted, been exposed to high temperatures or preserved for long periods in cold storage, or otherwise processed or tampered with. I do not say that science can never find means of improving foodstuffs, but I do say that the addition of extraneous matters, and especially of synthetic chemicals, should be looked upon with the gravest suspicion, and should not be permitted except under the most strenuous conditions. This subject has hitherto received too little attention in this country, and the steps taken to protect the public have been hesitating, partial and inadequate.

The gravity of the situation has been revealed in the United States by the well-organised and continuing work of the Federal Food and Drug Administration, which has listed no fewer than 842 chemicals used or proposed to be used in food. Some are no longer used because they were definitely found to be poisonous. The majority is still in use, some very extensively; and in many cases it is not clearly established whether they are poisonous or not. The absolute determination of the toxicity of a chemical added to food requires long and very complex investigations. The chemical may not be toxic in itself, but may combine with substances naturally present in the body to form toxic compounds. It may be very slow acting but cumulative in its effects. It may be one of those which are stored in the body, and the ill effects of which become evident only after certain concentration has been passed. It may be a racial poison, which interferes

with reproduction or injures the next generation. Last year, a Select Committee of the House of Representatives of the Congress of the United States was set up, with very wide terms of reference, to investigate the use of chemicals in the growing, preparation and handling of food. It has held numerous meetings and taken a large volume of important evidence, but, so far as I know, has not yet reported. Since this Motion was placed on the Order Paper, Sir Edward Mellanby, who was for some time the distinguished Secretary of the Medical Research Council, has, in a lecture on the chemical manipulation of food, drawn attention to the far-reaching implications of this practice and the need for action. I understand that his paper has now been published.

Let me explain now, with some examples, the nature and the gravity of this matter. There are two principle ways in which chemicals are added to food. One is as an incident of effecting another purpose. This happens when insecticides, fungicides, and weed-killers are used in agriculture, and, in some cases, where fumigants or disinfectants are used during process of manufacture or where detergents are used for washing food or for washing crockery and food containers. The other is where chemicals are introduced with the express intention of altering the nature of the food or of preserving it beyond its normal life. Besides these, there are the cases in which the quality of the food is altered by exposure to very high temperatures, causing chemical reactions in its constituents.

I do not propose to deal with the use of artificial fertilisers in agriculture, beyond saying that it is now admitted, even by hardened advocates of them, that unbalanced use of such fertilisers may easily produce a luxuriant plant growth which is also unbalanced: there may be too little proteins, and the human being or the animal fed upon this green stuff suffers injury to health or lowered resistance to disease. It is also of interest to note that lack of proper fertilisation renders the plants themselves more liable to fungus diseases and to attacks by insects or other pests, leading to increased use of insecticides and fungicides. It has long been common to use sprays or washes on fruit trees in order to discourage the attacks of mites or insects. A number of these sprays are probably harmless, although, in this whole

matter, we should take nothing for granted. Some are definitely toxic; for example, lead arsenate, which, like other compounds of lead, is accumulated in the body with the possibility of its ultimately reaching a dangerous level.

I shall say no more about the older insecticides. It is the newer ones, and the enormous extent of their use, which give most cause for alarm. The most famous of these is D.D.T., which, since the war, has been applied to fruit trees all over the world without any adequate investigation of its effects upon health. It is highly toxic. Test animals — rats, for example — fed with 1 percent carbolic acid, lived and did fairly well; those fed with one part per million of D.D.T. perished — and one part per million is equivalent to one teaspoonful in ten tons of food. Not only is D.D.T. highly toxic, but it is fat-soluble. Consequently, it may accumulate in the body fats, through repeated small doses, until toxic concentration is reached. Or, if this concentration has been approached and, owing to illness or for other reasons, the body is consuming its store of fat, the concentration then becomes toxic, and the patient is attacked at the very time when his resistance is lowered. Not only is D.D.T. exceptionally toxic, but there is no known antidote. It is absorbed by plants and cannot be removed. Hence, all fruits and vegetables, which have been exposed to D.D.T., are carriers of it to the consumers. Animals fed on hay or other foods exposed to it are affected. Owing to its solubility in fat, milk is especially affected by it. The spraying of D.D.T. in cowsheds has been found sufficient to affect the milk, and in the United States dairy farmers have been officially advised not to do this. Butter sold on the New York market has been found with as much as thirteen parts per million of this dangerous drug. The fact that D.D.T. has such an affinity for milk constitutes a serious danger for infants, and for young children who are encouraged to drink large quantities of milk. Even breast-fed infants are not safe, for mother's milk has been found containing appreciable quantities of D.D.T. In passing, I may mention that D.D.T. has also been found in cigarettes up to as much as four parts per million — presumably due to the spraying of the tobacco leaf.

Other extremely toxic substances are now being used as insecticides, such as H.E.T.P., T.E.P.C., and parathion. They were invented by the Germans as war gases, but not actually used as such. They are so dangerous that those who use them must be covered from head to foot with protective clothing. Already a number of fatal accidents have occurred to farm workers spraying with insecticides. This has engaged the attention of the Ministry of Agricul-

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ture, and a working party under the Chairmanship of Professor Zukerman has recently reported this aspect of their use. Unfortunately, little is known of the effect of these chemicals on the foodstuffs to which they are applied or upon the health of the men and women who consume the foodstuffs. There are on record, however, at least two cases in which people have developed illness which appeared to be due to flour containing one part per million of parathion. The illness ceased upon another flour being used in which none of this poison was found.

I may also remind your Lordships that when fruit trees are sprayed about 95 per cent of the spray falls on the ground; and if this ground should be used for growing other crops, those crops will receive a far higher concentration of the poison than the fruit trees. I do not know what the figures are for this country — perhaps the noble Lord who is to speak for the Government can say — but in the United States in the year 1947, no less than 150,000,000 lbs. of insecticides were produced. This is practically one pound per head of the population; and, if only a very small fraction of that finds its way into the human body, the cumulative results may be catastrophic.

Before I leave the agricultural side of this matter, I should like to mention the use of antibiotics and hormones. As a result of treating an inflammation of the udder of one cow with penicillin, it was found that the milk was affected to such an extent that it destroyed the organisms essential for cheese making. The effect was so powerful that it persisted even when the milk was mixed with that of 200 other cows. I noticed recently a similar case reported from France, where the production of Camembert cheese had been frustrated for the same reason. An indirect result of consuming milk thus infected with penicillin or other antibiotics is that the consumer might perhaps become resistant to this remedy in such fashion that, if it were prescribed for some illness, he would receive no benefit. Another example of these techniques is the use of a hormone powder called tuberite for the purpose of suppressing the sprouts of potatoes. I do not know whether it is for this or other reasons that in recent years it has become almost impossible to purchase potatoes of good quality in London. Other hormones are used as weed-killers, but it does not follow that, because they have a selective action on weeds, they do not affect other plants and the persons who consume them. It is well known that hormones are extremely potent in very small quantities, and may have most dangerous effects.

These agricultural procedures are not confined to one country. Imported food is as liable to be affected as homegrown food. I have heard of oranges being sprayed with D.D.T., the fruit, when picked, being dyed and then waxed. I should not like to eat marmalade made from fruit so treated. Recently, I noticed that a proposal is under consideration for preventing the spread of swollen shoot disease among the cocoa trees of the Gold Coast. The principle of it is that the sap of the tree should be induced to imbibe a poison that will kill the mealy

bug by which the disease is transmitted from tree to tree. The idea is ingenious, but what effect will the poison have upon the cocoa bean, upon the cocoa derived from it, and upon the health of the consumers of cocoa and chocolate in this country and elsewhere? The effects of poisons used in agriculture received some attention at the Second International Conference on Crop Protection held in London in 1949. The Conference was presided over by the noble Viscount, Lord Bledisloe, who dealt with this matter at some length in his presidential address. He has authorised me to say that, but for an important and long-standing engagement, he would have been here today to take part in this discussion and that, without committing himself to any detail of the argument which I am addressing to your Lordships, he considers that this matter deserves the serious attention of the Government.

Let me now deal with the use of chemicals in the processing of foodstuffs. Flour is the outstanding example of a food subjected to chemical manipulation. Various chemicals are used to bleach the flour, because it is said that the public insist upon having an absolutely white bread. It is somewhat strange that they do not insist upon having many other articles of food bleached also. At any rate, it is clear that the public generally is quite unaware of the means by which this result is brought about, and of the toxicity of the chemicals used. Some chemicals are used for "maturing" flour in the space of a few hours, whereas nature takes weeks to effect this, and also for giving to inferior flour the characteristics of better flour. Others are used for the purpose of inducing flour to rise more, in order to produce a loaf, which contains more air and water, two substances that may be rather dearly bought in this way.

The most widely used of these so-called "improvers" of flour is nitrogen trichloride, commercially known as agene. After this chemical had been in use for about a quarter of a century, its toxic effects were discovered by Sir Edward Mellanby. The remarkable thing is that this discovery, like many other notable scientific discoveries, was made almost by accident. Professor Mellanby noticed that dogs, which were being kept for another experiment, were developing nervous disorders, which became progressively more grave and ended in epileptic seizures and death. In a research, which is a classic of its kind, he traced the cause of the illness to food made from flour, which had been treated with agene. His results were published in December 1946. They were taken notice of immediately by the Food and Drug Administration of the United States, which caused independent investigations to be undertaken.

The results, which confirmed Mellanby's findings, were published on November 22, 1947, in the Journal of the American Medical Association, together with a letter from the Chairman of the Food and Nutrition Board of the National Research Council to the Commissioner of Food and Drugs, advising him that the treatment of flour with agene should be discontinued.

Lord Hawke: Before the noble Lord leaves that particular subject, may I ask him

whether the results of the researches in America showed that this particular substance were deleterious to the human stomach?

Lord Douglas of Barloch: I will come to that point in a moment. The use of agene has been discontinued in the United States. It took several years longer for a decision in principle to be reached in this country, and, only a few weeks ago, the Parliamentary Secretary to the Ministry of Food stated that about 90 per cent of the flour consumed in this country was agenised. By way of excuse, I suppose, for this delay, it has frequently been stated that there is no evidence of injury to human beings arising from the use of agenised flour. There is abundant evidence that it is toxic to dogs and other mammals. Some people may be able to believe that nature, by some queer chance, has given human beings a special immunity from a poison, which, until some thirty years ago, their bodies had never encountered. That notion flatly contradicts the whole principle of evolution and the adaption of man to his environment.

Lord Hawke: May I interrupt the noble Lord once more; I think he is taking his argument rather far. It is important that the British people should not believe that 90 per cent of their bread is poisoned. Salt is quite toxic to the domestic fowl, yet the noble Lord and I can swallow salt. If I swallow sharp bones they would simply kill me, but they do not kill the dog. Surely the noble Lord cannot claim that a dog's interior and that of a human is the same in every respect?

Lord Douglas of Barloch: The noble Lord will perhaps remember that the whole basis of medical research is conducted by means of experiments upon animals, and the results of those experiments are not to be disregarded. It is true that, in this

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particular case, nobody has identified anybody as having died because of eating agenised food, but the cumulative effects over many years may reveal themselves in quite unexpected forms, and I, for one, at any rate, take care to procure bread made from flour which has not been chemically treated. It has now been discovered that the toxic factor in agenised food is a compound formed between the agene and the protein in the wheat. This illustrates the important fact that, even if a chemical used in the treatment of food is in itself relatively harmless, it may combine with some of the numerous substances of which food is composed to form a new and extremely toxic product.

I have dealt with this question of agene in some detail because, as the noble Lord says, almost everyone has been exposed to it, because it exemplifies the subtle nature of the perils arising from chemicals in food-stuffs, and because authoritative warnings about its possible danger seem to have been completely disregarded. In 1927, the Departmental Committee on the Treatment of Flour with Chemical Substances reported on the use of chlorine as a bleaching agent. They pointed out that it reacted with various constituents of the flour to form additional products, and that no harm to the body was likely to result from the chlorine itself, but that the compounds formed might "act injuriously." They also pointed out that it might "irremediably impair the nutritive qualities of the flour" by affecting the vitamins, which are present in small quantities and are very susceptible to mere traces of chemical reagents. The Committee went on to say that these observations applied also to the use of nitrogen trichloride, or agene, which is very highly reactive and on which they had evidence that its action on the protein of flour was probably similar. That was twenty-four years ago.

My Lords, flour deserves our attention because in the form of bread, cakes, biscuits, pastry and otherwise, it is the most

important element of our diet, especially of those who are less well off, and also because it is the deliberate intention of the flour millers, with the assent of the Ministry of Food, to substitute other so-called "improvers" in place of agene. Let us hope that, after another twenty-five years have elapsed, it will not be revealed that the substitute, too, has toxic effects. Flour and its products have been particularly unfortunate in the number of chemicals used upon them. In addition to the bleaching agents and improvers, there is a large class of substances euphemistically known by trade names as emulsifiers, softeners, and fat-extenders, which are used in baking bread and cakes or in the preparation of patent flours and cake mixtures. I could not attempt to enumerate or to describe all these substances without keeping your Lordships here for many hours. Let me take but one example. Certain chemicals called polyoxyethylene stearates are used and sold under the name of bread softeners, upon the plea that they produce a larger loaf and that they displace part of the lard used for shortening. They are known commercially under various trade names, such as S-541, "Sta-soft," and so on. One manufacturer alone in the United States during a period of a little over three years sold more than 7,000,000 lbs. of one of these products. But another manufacturer, after experimenting upon rats, hamsters, and rabbits, discovered that this substance was highly toxic. It affected the kidneys and caused testicular and gastric troubles. I will only add that the use of bread softeners has been banned in the mental hospitals of New York State. But the health of those outside mental hospitals is also important. The very nomenclature of these things is deceptive. "Fat extenders" are substitutes for fat and reduce the nutritive value. "Anti-staling agents" are food preservatives, enabling bread and cakes to be kept longer by the manufacturer or vendor before reaching the consumer, but nevertheless, it has not been proved that the food does not deteriorate by keeping.

*(To be continued)*

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