

Bruce H. Brown asks -

HAVE YOU
CONSIDERED

WHY?

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THE NEWTIMES

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issue—

THE STORY
OF MONEY

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Don't Blame Your M.P. — Tell Him

Poverty amidst plenty—Democracy has failed—Give private enterprise a chance—Restoration of confidence—Sane finance—what a welter of phrases, what a jumble of notions these confusing years have produced. Behind them all, behind their truths and half-truths and falsities, there seems to be a general idea amongst the people that our parliamentary system is to blame.

A generation ago, "M.P." was a badge to be coveted. Nowadays it has so little dignity that the average member of Parliament is only one remove from a suburban mayor, and his duties are popularly conceived as something of a cross between a foundation-stone speaker, an Australian Women's National League orator, and a petty official who might influence a junior clerk's or porter's application.

Admittedly parliamentarians have thus far failed. But does the fault lie with the M.P.? Is it inherent in the system? Or is it possible that the voter himself is to blame?

To ascertain this one might ask oneself, what are the duties of Parliament and its members? Where are they failing? And whence arise the shortcomings?

Most people would probably say offhand that the party system is the crux of the difficulty, since, firstly, it aims at making laws in the interest only of particular sections, and, secondly, each party has become such a soulless machine that it crushes individual initiative even out of its own members.

This may to some extent be true, but it is not a sufficient explanation. The real reason would rather seem to be that the focusing of men's minds on the party system has distracted them from the true purpose of Parliament. For Parliament is, or should be, a meeting place of the people's deputies in which the members assemble to see that the people's policy is put into effect.

The crime against the community of the party system is not so much its putting forward the interest of sections. It is that it has deflected Parliament from its objective. It has turned it from an instrument of policy into a department of administration. It has made it a creature of details, a thing of methods.

POLICY SHOULD COME FROM THE PEOPLE

The correct order in a properly organised community is this:

Policy in its broad lines—and this is most important—originates with the people.

In a democracy the will of the majority will prevail in determining policy, hence our system of elections by adult suffrage. The office of the parliamentarian is then to implement more fully the expressed policy of the community. His job is not, or should not be one of detailed administration. That is a task for the technician, for the expert within or without the Civil Service. For instance, the people of a certain district decide that they need a new railway. It is then the duty of their particular M.P. to advocate it. Parliament as a whole weighs this and similar requests from other electorates, goes into ways and means, gets estimates from the experts, and frames its sessional programme in accordance with the order of possibility and importance.

We all know that things do not happen in this simple manner nowadays. And we all know that

the party system is causing a general hold-up. But the vital point is whether, in order to break down the barrier, it is necessary first to abolish the party system, as so many people believe. The purpose of this series of articles is to show that such a long and difficult procedure—the only likely alternative to which, as things are, seems to be some kind of dictatorship—is not necessary at all. For a careful analysis of present party platforms will show that, under a mass of confused thought,

the representatives of the vast majority of the people are all striving in the one direction.

All that is required is for the people themselves to be a little more honest in facing present facts and in declaring their will. That is to say, their task is not to blame the M.P., but to tell him frankly what it is they want.

The average supporter of the three main political parties, the adherent of Communism, the exponent of monetary reform—surely it is impossible to give each at the same time his principal objectives?

Surely it is impossible to reconcile the aims behind the engineer's labour-saving devices and the government's labour-creating programmes; the farmers' desire for cheap imports and the manufacturer's need for protection; the Communist's cry for security and the individualist's plea for freedom?

Surely, at a time when harassed Ministries can see no other way out of their difficulties than to give a concession to whatever party clamours loudest today, and to negative it by a concession to the opposite party tomorrow—surely there is no magic formula whereby all these perplexities may be re-solved without injustice to anyone? There is such a formula, but its application is held up by the loose acceptance of slogans and catch-

cries which do not convey what they are meant to convey.

WHAT DO THE UNEMPLOYED WANT?

A current example of this is the move for full time employment for all. Ask any unemployed man what he most desires. Will he not promptly answer, work? Yet he does not mean any such thing. In the first place he uses the word "work" in that narrow, prostituted sense of today, which signifies merely employment in a factory or some other wage-paying industry, as though that were the only form of useful activity in the community.

What he really wants is goods—food, clothing, and so on. To get these goods he must get wages, a money income. To get wages he must get work of that type for which wages are paid. But why not be clear about it? Why do not the unemployed demand goods or incomes rather than work?

You may call this hair-splitting. But ask yourself, what is the policy of governments today? Are they saying: "We must give the unemployed goods or incomes"? No such thing. They are saying: "We must find work for the unemployed." And so they are wasting precious time inviting plans for work from public and semi-public bodies, instead of getting busy at once on the main issue.

WHAT THE PEOPLE SHOULD SAY.

Looking at the question in its wider aspect, it comes to this. The people have not stated clearly to their deputies just what it is they want. They have allowed their minds to be sidetracked.

They have laid down an administrative method instead of declaring policy.

If they demand goods, the goods are there. Every form of production is choked up with goods.

In most cases they are actually present; at least they can be produced without difficulty immediately they are ordered. If the people lay down as their policy: "Give us work," then the politicians must look for it. But if they say: "Deliver us the goods," it becomes at once apparent that they are demanding no more than is easily possible. Working out the details then becomes a matter of administration, a road to the objective,

whereas today everyone is so concerned with the road that there is a real fear of never attaining the objective

THE INDIVIDUAL'S DESIRE

If you could get the general run of individuals in any community to say what they really want, you would probably find that they have two main desires. One is a comfortable standard of living for themselves and their dependents, with assurance of its continuing. The other is the greatest measure of freedom that can go with this. Their two objectives are economic security and personal liberty—as is evident by the expressed wish of most of us to achieve a sufficient competence to render us independent, to enable us to say: "I've made enough; I can retire if I want to." It does not follow that we do retire; it is the liberty rather than the retirement that is the goal—which is a fairly sufficient answer to those Pharisees who contend (always about others) that men would not work if they did not have to.

The most casual glance around this or any similar community will show that as a rule the people with the greatest measure of economic security are, if not the hardest workers, at least well up to the average. Is it not the boast of the boss that he works harder than any of his staff? Have not our great developmental enterprises, even our great philanthropic institutions been

graziers unable to dispose of their wool, or forced to sacrifice it at ruinous prices, have difficulty in paying the freights which you must charge on the railways, even to obtain such an income as still leaves your department in financial difficulties every year.

Yet, Mr. Clapp, you are conducting a well-organised and up-to-date administration. Any shortcomings in it are not due either to inefficiency, to lack of willing workers, or to lack of railway tickets. They are due solely to lack of money tickets. And it is much the same with the graziers. The only thing needed is money in the hands of the consumers. Given this, we should soon have blankets for everyone without the stigma of public broadcast appeals. And you would have better freights and more passengers.

Have you ever considered, Mr. Clapp, the possibility that our total money supply, no matter how distributed by taxation or by charity, is chronically insufficient to enable all the goods produced to be sold? And has it ever crossed your mind that such a deficiency could be made up as easily and as precisely as you overcome any shortage of railway tickets?

Why not make your slogan "Money tickets for all," instead of "Blankets for all"?

largely begun and developed by those who are in this class? The same applies to the intellectual and even to the spiritual side of life: Have not the clergy economic security? Look down the very calendar of the saints. Many you will find who gave up the personal possession of riches—but count the proportion who were not provided for.

AN ATTAINABLE OBJECTIVE.

If the objective of a democracy be taken as the greatest good of the greatest number, and the ensuring for everyone of life, liberty, and the pursuit of happiness,

It is beyond argument that this objective is easily attainable in our time and country.

Are not all the components present here and now? Then why waste time listening to solemn twaddle from bankers, University economists, and such like?

What is a banker but a man whose business it is to deal in and make a profit in money, and therefore to keep it scarce? What is a University economist but a man whose job it is to learn by heart the processes adopted in an age whose problem was scarcity, and to suggest one or other of them to us in an age whose problem is plenty?

Why, then, allow the bankers or the professors to frame and declare a national policy and impose it on us through our members of Parliament?

It is the job of the people to frame the policy. Then, if you wish, call in your money dealers and your professors of scarcity—though practical men of business and engineers would seem the more logical choice, just as one uses a trainer rather than a tipster or a bookmaker for preparing a race-horse. But, whomever you call in, tell them what you want done; if they cannot do it, dismiss them, and dismiss them quickly. For, in spite of years of humbug, we have no abstruse problem. On the one side we have unsaleable goods, with producers going bankrupt because they are unsaleable. On the other we have masses of destitute people needing the goods. That is all.

Then why beat about the bush looking for weirs or boulevard schemes? These things, however necessary or desirable in themselves, have no bearing on the main issue or the national problem.

A NATIONAL SLOGAN

What should be our community policy at the present moment can be expressed in five words:

Abolish Poverty and Retain Liberty.

These are the instructions, which every voter should give to his Member of Parliament. This is the immediate issue before every party. It will be the object of succeeding articles to show that all parties, in their own way, are groping towards this objective, at least for such sections of the people as they represent. But it will also be shown that this cannot properly be treated as a sectional issue, that sectionalism merely confuses it, and that now, for once in history, the whole nation must rise or fall together. And the endeavour will be made to establish that the only satisfactory solution is along monetary lines.

Next Week's Article:
What Does Labor Really Want?

THE NEW TIMES

An Instruction to Abolish Poverty

COBURG LEADS THE WAY

A public meeting convened by the Mayor, Cr. J. Richards, J.P., was held in the Town Hall, Coburg, on Monday night, to consider the advisability of instructing Parliament to take effective measures for abolishing poverty. There was a large attendance, and much interest was taken in the views expressed by the different speakers.

The mayor said he had convened the meeting at the request of a number of citizens. Mr. Maurice Blackburn, M.H.R., and Dr. John Dale, health officer of the City of Melbourne, were present and would give addresses, and he welcomed them to Coburg. He took it as a compliment that Dr. Dale had attended. He had heard Dr. Dale speak on numerous occasions, and he knew he would have something of an appealing character to tell them.

DR. DALE SAYS ATTITUDE TO POVERTY MUST CHANGE.

Dr. Dale said he felt honoured in receiving an invitation to address the meeting on the problem of poverty. Members of the medical profession saw much poverty in moving about, and no doubt they were becoming accustomed to seeing it on all sides. Some people seemed to regard poverty as inevitable and beyond cure. At any rate medical men knew more of the existence of poverty and the results than did those who might be classed as the well to do.

The idea that poverty had to be endured and could not be prevented was prevalent, but he was one of those who believed that such an attitude had to be changed.

However, it was beginning to dawn on some people's minds that poverty was preventable.

EFFECT OF POVERTY ON HEALTH

Undoubtedly poverty was definitely associated with a high rate of sickness. Those who made a study of health statistics were well aware of that. The death rates were highest in what were called the poorer quarters of the community. Of course, the inescapable disease of old age was just as common amongst the rich as amongst the poor. The average state of health of the community left much to be desired, but the modern science of hygiene was exercising a beneficial influence. The development of public health work and the examination of children in early ages were in the best interests of public health. It was essential that the specifications for the completion of nature's design should be fully understood. Modern science was making this knowledge available. Diet was one of the important subjects, and proper dieting counted for a great deal in health building.

Unfortunately, a large section of the people did not get proper food, clothing or housing. Decent accommodation and clean beds were not at the disposal of everybody, and many people had to do without these essentials.

By comparison, children living in poorer quarters were lighter and smaller than children living in the more prosperous centres. If material comforts were generally available many would be saved from grave anxiety. It was regrettable that in a country like Australia, where there was an abundance of the essentials of good living, there should be poverty. They should strive in every way to abolish such conditions, which they could not afford to have in their midst.

A PROBLEM ABOVE PARTY POLITICS

Mr. F. Paice, Coburg, said the idea of convening the meeting was to get the people together to resolve upon a definite course of action. He was gratified that

there was such a large attendance, and they were much gratified that Dr. Dale and Mr. Blackburn, M.H.R., were on the platform. Problems were exercising their minds and they were anxious to discuss them apart altogether from party politics. At election times they were apt to be swayed by party strife and emotion, but he asked them to look at the problems confronting them today in the light of what was best for the people generally. The question of poverty was exercising everybody's attention, and Dr. Dale had diagnosed the complaint for them. He appealed to them to discuss seriously the matter and endeavour to arrive at the best solution.

The views of the people on poverty and other grave problems had not been put before their legislators, and he hoped that the meeting at Coburg would be followed by meetings in other places.

It did not matter what political views they held; they wanted to get down to a common basis. They could differ in many things, but he thought they were all agreed in the desirability of abolishing poverty. There was an abundance of the essentials of life, and why should there be a restriction to the detriment of the masses?

It was in the distribution of the goods that the solving of the problem rested. They were not experts in determining how the distribution could be made, but Parliament could call in a body of experts to guide it. Their job was to let their Parliamentary members know their wishes. The Premier's Plan had failed to solve the difficulty, and something else was badly needed. Some said poverty could not be solved, but he was sick and tired of hearing such remarks. Others said that poverty could not be cured in Australia until it was dealt with adequately in other countries, but that was absurd. If it was possible for prosperous people to be found in Japan, surely it was possible to make the Australian people prosperous. Should goods be sent out of the country when many people were hungry? There could be no measure of prosperity under such a system.

The meeting had no desire to cast any reflections on members of Parliament. Too often electors were inclined to blame their Parliamentary members when they gave them no assistance whatever.

If members ignored their wishes then it was proper for them to be criticised. If Parliament said it was powerless to do anything, then the people should see to it that they intervened themselves.

A NATIONAL DIVIDEND FOR ALL

A national dividend should be given to every man, woman and child in Australia as a right.

He wanted them to agree that night that poverty could be cured, and that action should be taken as speedily as possible. There had been too much delay; the time had arrived to take proper means to end the trouble.

MR. BLACKBURN'S VIEWS

Mr. Blackburn, M.H.R., said it was very desirable that they should know something about the problem of poverty, which was one of the main diseases of society today. In order to understand the disease they should know something about its causes. All down the ages the world had been divided into two classes—the one controlling the means of living, and the other those who worked. The development of the system known as the indus-

trial or capitalist system was the cause of the evils of the world, and it was only by abolishing the system that poverty could be abolished. That was his opinion after a close study of the whole question. It was in Britain that the system had developed early and fully, and the use of machinery came to be employed in production. Machines were too costly to be owned individually, and they were the property of the comparative few. This brought about the greatest division that existed today between those who owned the means of production and those who sold their labour in using the means of production to get a livelihood. The capitalist class held sway by its control of the fruits of other people's labours: the workers sold their labour and got wages in return. Machinery produced full and plenty.

The masses could consume the products of a country without trouble, but it happened that the people in England and other countries did not have the means to buy the products. Consequently it became necessary for England to dispose of the alleged surplus.

Other nations were not disposed to be hewers of wood and drawers of water, and the system gradually spread. So every community in the world got into the state of selling things to other communities. Machinery began to displace labour, and the craftsmen, who figured so prominently in various trades, began to disappear. Work became more and more uninteresting: people did not work in the mines and engage in other health breaking occupations because they liked it. They had to do these things in order to live. The worker knew that the supply of people for work was always in excess of the demand.

Every nation was producing more and more with fewer and fewer workers.

The means of production were privately owned, and the world could only be made better by the common ownership of the means of life.

THE MONETARY SYSTEM

Some regarded the monetary system as the cause of the world's trouble, but he did not share that view.

If it could be shown to him that the monetary system caused the trouble he would be quite prepared to scrap his convictions tomorrow.

He could not believe, however, that the cure would come by giving the people social or national dividends. At present he believed that the only real remedy was the common ownership of the means of life. The monetary system was a symptom of the disease, but it was not the cause of it. A change in the control of production would give the community greater purchasing power. He was quite satisfied that the Douglas credit scheme for Scotland was quite impracticable. He did not say that with any desire to offend, as he believed Major Douglas had done a great deal for the world, in attracting people's attention to his monetary system.

The great trouble was that people had not the means to purchase the product of their labour. He did not believe that they could get that purchasing power by a national dividend or by the scheme that Major Douglas propounded for Scotland.

How were they going to supply the people with the means of purchasing goods unless they clearly realised the necessity of working? Machines could not work without human beings to

tend them. This seemed to be realised by Major Douglas, who said men would have to be compelled to work by law. He was not an expert, but he did profess to have studied economic subjects. He always advocated what he believed to be right.

Everybody should work, and none should remain idle while others worked.

SOCIETY FACING CALAMITY.

Mr. J. B. Mackay, Springvale, said that they could not always depend on politicians, who were not what they ought to be. Mr. Blackburn could carry back to Parliament any instructions they gave him, and no doubt he would do all in his power to further their wishes. The position of society today was unique. There was poverty on all sides. It was not for them to say how it should be abolished, but Parliament should certainly call upon experts to bring into operation a system that would enable people to participate in the fruits of their own production. It was said that the doctors were getting used to poverty, and he was afraid the unemployed were fast becoming used to their condition. He thought the unemployed should demonstrate far more than they did. If he had to live as the unemployed were forced to live he was sure he would have a great deal to say. The proportion of children who were insufficiently nourished was alarming. In the technical schools last term something like 900 boys were turned away. There were tradesmen in plenty, but apparently there was an insufficiency of what was called money. The hospital problem was exercising much public attention, and it was a disgrace that no beds were available. Society today was facing an absolute calamity, and a stage was reached that had never been reached before. The world had changed in many ways; new ideas had supplanted old ways and methods, but the masses were not living in conditions that made for comfort and happiness. It was for Parliamentary advisers to say what methods should be employed to abolish poverty. It was incumbent that the people should share in the fruits of their production. They needed to present a united front.

UNEMPLOYED TO VOICE VIEWS

Mr. Cleveland thought that the representatives of the unemployed should be given an opportunity to express their views. With the experience they had in fighting poverty they were in a position to put something

concrete before the meeting. He asked that the unemployed committee be allowed to state its case. Surely they should be given the same privilege as was accorded to other citizens.

Mr. Paice said that the mayor gave a number of citizens permission to use his name as the convenor of the meeting, but actually the citizens arranged the programme. He accepted the chief responsibility. He had told the unemployed committee a fortnight ago about the meeting, but no request had been made for a speaker until that night. They were quite prepared to hear the views of the unemployed, but they did not want the programme to be broken down.

Mr. Cleveland said that the fault of society was that the few controlled the means of production. Balance sheets of different trading concerns showed that profits were obtained at the expense of the working classes. They would not root out poverty until they changed the existing system. Why should the few control the very life of the community? Something drastic was needed to prevent the continued exploitation of the working classes. Mr. Cleveland spoke of a housing scheme that could be adopted in Coburg without placing any burden on the people. Such a scheme would give great relief to the unemployed. He moved: "That the citizens of Coburg, realising the necessity for further housing accommodation, support the proposed housing scheme, and call upon the Coburg City Council to receive a deputation at the earliest date to examine the scheme and take steps for its adoption, if it were found practicable."

COUNCIL HAS NO MONEY FOR HOUSING

The mayor said the council had not money for such purposes, and he thought it was the duty of the Government to house the people.

However, the deputation could be arranged to wait on the council.

Mr. Cleveland's motion was declared carried, and a deputation of four, representing the citizens and the unemployed committee, will wait on the Coburg Council in due course.

After further discussion the following resolution was adopted:—

"That this meeting of the electors of Coburg is satisfied that poverty can be abolished. In view of the fact that five years' trial of orthodox ideas has failed even to mitigate poverty, we request Parliament to take action by instructing that more advanced body of reputable thinkers to prepare a plan that would be effective in abolishing poverty and be quick to give results."

A vote of thanks to the various speakers was carried by acclamation.

(For editorial comment on Mr. Blackburn's speech see page 4.)

TO OUR READERS—

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Have You Considered Why?

By BRUCE H. BROWN.

A great deal of nonsense is talked about the "unemployment problem." So far as Australia is concerned there is at present no such problem. There is no scarcity of work here. Ask yourself: Are we short of material? You answer, No. Are we short of labour? Again you answer, No. Are we short of work? Yet again you must answer, No. Then what is the trouble?

Seeing that we have plenty of material and plenty of labour, why are we not building additional hospitals? Why are we depriving ourselves of new bridges across the Yarra to relieve the traffic congestion on Prince's Bridge? How much longer must we wait for subways to the Flinders-street station? Why cannot we have a new station at Spencer-street? Why should we tolerate such objectionable approaches to this fair city? Why are we not getting on with the provision of new school buildings throughout the country? Why are we not extending the great benefits of our water, sewerage, electric light and telephone systems to all parts of the State? Why do our suburban footpaths remain so long in a state of disrepair? Why do we not provide better roads radiating from the main highways? What is holding up the abolition of the slum areas? Why are the people of Kensington and other parts of the State subjected to a horrible nightmare every time there is a decent rainfall? Why is it that nothing is being done to safeguard the shores of the Bay from erosion? Why is it that the uniform railway gauge proposal is not being proceeded with? Why do we allow sweating conditions to exist in the public hospitals, where our self-sacrificing nurses work like slaves for unconscionable hours and receive a mere pittance for it? What is the only obstacle to the introduction of shorter working hours in industry generally? Why is it that we cannot pay the unemployed on a better basis befitting the moral standards of a Christian community? Why have the churches had to curtail their missionary enterprises? Why is it that so many of our best citizens have had such difficulty in meeting their obligations in recent years? Why is it that the sick, the lame, and the blind are obliged in this wonderful age to depend so largely on charity? What is the cause of the alarming increase in maternal mortality? Why are the mentally sick herded with idiots at Kew and turned out into the yards like sheep? Why are so many Australian children undernourished? Why?

It is all because of Finance—i.e., the bungling of it. Where the Government is concerned the Premier and members of Parliament tell us they know quite well that all these things should have attention, but they have not the money. The employers tell us they would willingly reduce hours immediately if it were not for the cost involved; and the rest of us find it difficult to face up to our commitments—firstly, because we have been robbed of our purchasing power, and, secondly, because we have been inexcusably ignorant about Finance and its control.

WHAT IS "COST"?

Everything is determined on the basis of "cost," and this term is mistakenly used to indicate money. When we come to think of it, nothing costs "money." The cost of a job is what we use in doing it.

If we wish to build a house we find out what land, what material, and what labour is required, and then we convert that into money figures, which merely represent values for the purpose of transferring the things from one person to another. Unless these transfers take place the money has no utility whatever. The house could not be built with it. Therefore, seeing that money has no value in itself, why should it control everything else? The reason is that at present we

regard it as a commodity like butter, bread, cheese, potatoes, flour, bricks, wool, fruit, etc., and that

in order to maintain its value for market purposes those who "produce" it keep the supply as limited as possible.

From this simple description, it is not difficult to see how money becomes the commodity, which controls all other commodities instead of serving them.

THE SOURCE.

The next step is to see what this all-powerful money really is and who produces it. Have a look at what little of it may now be in your possession. If you empty your pocket or your handbag on to the table your money will have the form of a Commonwealth note, a coin, or a cheque. As coin is limited to silver and copper, and represents only the merest fraction of the money in everyday use, there is no occasion to say more than to call it the "small change."

That leaves us with Commonwealth notes and cheques, both made in Australia. None of us cares a tuppenny dump what form the money takes provided we can go to the business houses and get goods to the value stated on it. At present it takes the form of paper, the Commonwealth notes being of a little better quality than the cheques. Both have printing on them, and the only real difference is that one set is issued by the authority of the Federal Government and the other by the authority of the private banks... For every pound that passes through the banks in the form of notes, which is known as "cash," many pounds pass through in the form of cheques, which are known as "credit money."

THE BACKING.

"But," you might say, "These notes and these cheques must have a solid backing." You would be right. They have. The backing is so good, in fact, that the amount represented by notes and cheques could be increased tenfold, the only "cost" being some additional staff at the banks, and the use of more paper and ink. As all our gold with the exception of roughly, half a million pounds, has been shipped away, the "solid backing" cannot be gold. It is something much more valuable than gold, and

is to be found in the value of Australia's assets, which is given by the Commonwealth statistician as £5,000,000,000.

Immediately we talk of increasing the quantity of money your mind flies to that dreaded thing called "inflation," and you think of the printing press. Apart from the fact that both are bogeys, just consider this. In 1929 there was a national income of £650,000,000 and we had only £42,000,000 in Commonwealth notes; but today, with a national income of only £500,000,000, we have £48,000,000 in Commonwealth notes.

Clearly, therefore, if £42 in cash was sufficient for an income of £650, £48 should carry an income of nearly £750; which means that 50 per cent more money could be placed into circulation without increasing the note issue at all.

The reason this is not being done is that such a course would not suit the interests of the money producers.

THE MONOPOLISTS.

Who are these money producers? The great bulk of our financial transactions are conducted by credit, and all "credit money" is brought into existence by the banks. This is done by writing names and figures in books. Think it out for yourself. The total amount standing to the credit of the people doing business with the banks is roughly £550,000,000. If it were decided that all depositors were to have their money returned in cash, we would have the position that

after using the whole of the cash in the Commonwealth, there would still be more than £490,000,000 unpaid.

What would happen? The banks would either repudiate and close their doors or would rush to the Commonwealth for the printing press to be set going. In this event, of course, the use of the printing press would be an excellent thing, but if used by the Government for the service of the whole of the people it would be dreadful.

And what would this unpaid amount consist of? It would consist of books in the custody of several banks containing the names of the depositors and figures indicating the amount supposed to be standing to their credit. That is all that credit money consists of, *and it is brought into existence by the banks as their own property on the backing of the assets of Australia.*

While that practice is permitted we shall continue to have poverty and needless distress, because the volume of credit money controls our community activities and this volume is controlled by a private monopoly, whose interests are served by keeping the volume limited.

All credit money must be written up as the property of Australia and must be available for any purpose required by the nation through its elected Parliament. It is only because all money comes into existence as debt to a private monopoly that our progress is being so retarded and the community imposed upon.

There can be no escape from this predicament until the creation of money and the control of its volume is taken out of the hands of this private monopoly and vested in a statutory authority.

More money must be placed in circulation, and it must be brought into existence by the Commonwealth as its own property. If the financial monopoly then attempts to manipulate the market so that prices will be increased to rob the people of the benefits of this freer circulation, then of course the Government would be obliged to give attention to the price system. The only justification for increasing prices is when the goods available are not sufficient for the demand, but while the bounty of God continues and our processes improve, the respectable section of the business community, will be more interested in disposing of their goods than in seeking to create an artificial scarcity.

Money, made in other countries is not used here. Remember that all money used in Australia is made in Australia, and that it is ridiculous for our Government to say we have nothing of what we alone can make.

M.P. ON "ECONOMIC MADHOUSE"

"The world today seems to be an economic madhouse, for in all allegedly civilised countries the masses go hungry because they work too hard raising food!"

"The primary producers are slipping into bankruptcy by the thousand. The proof of my statement that we are living in an economic lunatic asylum is furnished by the almost universal belief that we can patch up this crazy system."

"We believe that by judicious pulling and hauling—by injudicious borrowing and spending—we can ensure the stability of a pyramid at present standing on its apex; and that, by a cunning mixture of doles and occasional military circuses, we will inspire in the minds of hungry men a love for what we call their country, when every bit of that coun-

try is mortgaged to overseas financiers.

"This so-called system, run in defiance of economic laws, is a colossal pawn-broking system, under which the producers have to pay more than half their annual production in interest. We borrow back at interest what we have paid to meet interest."—Mr. Lamb (C.P., Lowan), in the Victorian Legislative Assembly, May 23.

Should Children Eat?

[By Dr. Paul de Kruif, in the "Ladies' Home Journal," May, 1935.]

You say that's a foolish question?

Then, in our land there must be an epidemic of folly. Or, if not, why is it that in millions of American homes this query is desperately debatable?

You protest that this question, if not foolish, is, to say the least, surprising? So it would seem, in our land where the best brains cudgel themselves to burn and bury the glut of food that they say threatens our ruination.

You argue that our Government has announced nobody shall starve, that hunger's not debatable? In face of known facts, who can rest content with this high assurance?

Come with me, to peer, as I've done, over the edge of an abyss from which our Chief Men turn away their eyes. Down there, within hand grasp of an abundance that mocks them, you'll see a myriad of mothers who ask this question: "Shall our children eat?"

I must confess I'm sick to death of trying to find ways to reduce this ghoulis bookkeeping to the nonsense that every American citizen should realise it is. This afternoon my wastebasket full of befuddled attempts to tell you its horror. The dearth of dollars permitted by our Chief Men and fatal to so many children in the midst of our abundance—this fiddles a horrid tune that keeps ringing in my ears. It's reminiscent of a children's dance of death that, in the past year, I've watched being performed in many a mean street of our rich American cities, and in many a desolate home—I've worn myself to a frazzle trying to make you feel the hellish inhumanity of what I saw on a bleak day, last December, in poverty's abyss, in the lower depths of a wealthy Midwestern city noted for its culture and even its benevolence.

There I saw hunger—no, not debatable—but close to universal.

But wait. Are the searchers, the hunger fighters themselves, dismayed that their life-giving science is flouted by the Government and the money system? Not they. These men-without-greed—ah, there's the pat name for all of them—are fully as sensitive as I am to the obscenity of want amid abundance they themselves have discovered. Better than I do, these searchers understand that a billion dollars in a million people's bankbooks isn't worth the wail of one baby's dying from pneumonia brought on by its hidden hunger—not when abundance must be destroyed to create those dollars. Good citizens, you representatives of the millions now existing on food even below the level of our official "restricted diet for emergency use," do you realise what we'd have to do to feed real strength and buoyant life into our children?

They'd have to drink twice as much milk and eat two times more tomatoes and citrus, and their green vegetables would have to be increased three times, and to be increased three times, and eight times more other assorted vegetables and fruits would have to be at their disposal, to say nothing of five times as much lean meat, fish, poultry, to say nothing of three times as many eggs.

It would really be a terrible bother.

The dairy industry would have to be greatly expanded, with a lot more cows, more pasture land on which to graze them; and think of the increase in land we'd have to plant to truck gardens, and citrus, to say nothing of more pasture land for beef cattle. And do you realise the way our hatcheries, our chicken farms would have to be increased? And think of the enormously greater number of farmers we'd need for this new agriculture.

But what's the use of going on with this sad conversation? The big words of the experts hired by our Chief Men would overwhelm this spokesman of our hungry millions. We'd hardly expect him to have the wit to ask: "What's the purpose of raising food, if it's not to really feed our people?"

His simplicity would be too great to let him inquire: "If you can borrow the money to pay our tillers of the soil not to raise food, and to destroy it, if you as our rulers have the power to do that, why haven't you the power to make it possible for us who are willing to work to create the abundance that is needed so that our children may really eat?"

"A BUSINESS, NOT A PHILANTHROPIC INSTITUTION"

Vickers Report Better Times

After reminding them that "the profits during the past 15 years have been meagre," General Sir Herbert Lawrence, chairman of Vickers, Ltd., was able to present his shareholders with much better news at the annual meeting of the company in London last month.

The net profit of the principal subsidiary, Vickers-Armstrong's, increased in 1934 by £169,000 to £375,000, while that of Vickers-Armstrong's subsidiary, English Steel Corporation, rose from £13,000 to £258,000.

The disclosed net trading profit of the parent company for 1934 was £970,000, and the year's report (as the *Economist*, London, put it) "proves not only that the increased dividend of 6 per cent, previously announced, was fully earned, but that it masks a very much larger increase in the profits of the subsidiaries."

"INSIGNIFICANT" SUPPLIES TO TURKEY.

During the meeting a shareholder stating that, like the chairman, who had fought on Gallipoli, he was also an ex-soldier, reminded the General that the Turks had used against him and his men "guns and shells manufactured by the company over which he now presides." He asked for "a definite assurance that armaments made in Britain are not sold to possible future enemies of Britain. We do not want a repetition of the tragedy of Gallipoli."

General Lawrence, in reply denied that the company had a factory in Turkey, but

admitted that they had supplied "an insignificant number" of tanks and aeroplanes to that country.

The Earl of Dudley, in proposing a vote of thanks to the chairman, said:

"A number of people do not realise this is a business, and not a Government department or a philanthropic institution"

(General Sir Herbert Lawrence chairman of Vickers, has other close Australian affiliations, being also a director of Dalgety's, on the board of which company two of his co-directors are the Hon. E. W. Parker and S. R. Livingstone Learmonth, who are also directors of the Union Bank. Another Livingstone-Learmonth is on the board of the Bank of Australasia.

EVEN THE "HERALD" WAKES UP!

Title of "Herald" editorial of May 28: —
"Hush! Don't Tell The People About The People's Money."

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THE POLICY OF "THE NEW TIMES"

The policy of this paper is rather novel, since its only aim is to tell the people the truth. Its wider objective is to help in bringing about a state of affairs when the people—meaning everyone—will have both a secure living and personal liberty.

If one dismisses from one's mind current cant — whether phrased upon the lines of "sane" finance or the equally absurd "dictatorship of the proletariat"—it is at once apparent that this ideal can easily be realised. For the national issues before the world today are almost everywhere the disposal of what are termed surplus goods. Almost every country is trying to get some other country to take its goods, its real wealth, without itself being called upon to take any tangible goods in return. In other words—dealing in realities and discarding financial terms—the nations of the world have all flurried philanthropic. It is necessary, therefore, only to find a formula whereby this physical philanthropy, instead of being exercised for the benefit of strangers, may first be applied to every nation's own citizens.

No nation has yet tried to give its people both security and liberty. The Russians, under Communism, have aimed at security but this has been accompanied by a universal dragooning—not to mention a couple of millions or so of executions. The Germans and Italians, under Fascism, are seeking security—again without liberty.

Where democracy is alleged to rule, conditions are very similar to what we see around us in our own country. The main difference is that the more democratic a country pretends to be, the more absurd the tragedies it perpetrates on its people. America is the classic instance, where Roosevelt has been paying producers literally hundreds of millions of dollars for not growing things or for destroying them, while at the same time millions of his people have been lacking in a sufficiency of the very same things. To make matters worse, in these so-called democracies every little palliative has been only a sugar coating to persuade the people to swallow another bitter pill of national debt.

Taking our own situation in its simplest physical terms, we find on the one hand that most of our producers are glutted with the specialised goods they have produced; on the other, the majority of consumers (including the producers of the specialised articles) have either no general goods at all, other than what the miserable dole allowance will provide, or at most insufficient to satisfy their reasonable requirements.

These are the physical facts. The explanation behind them is that the producers cannot get money for their goods because the consumers have not the money to pay for them. And the way out being sought by our politicians is to get other countries to buy as much as possible of the unsaleable goods, in order that our money supplies may thus be increased. Unfortunately for them, however, as the German mark or the Japanese yen will not, in this country, buy even a packet of cigarettes, the Germans, Japanese, and others can pay for our goods only with their goods—which, in the last analysis, merely means that we can, to some extent, choose whether we shall sacrifice the local farmer or the local manufacturer.

International trade will not of itself add one penny to our money supplies. Through bank action it may—if the international bankers are prepared to issue money to us against one-way trade, taking for their payment the I.O.U.'s of the foreigner. One-way trade has been carried on in this way in the past, but with the heaping up of unpayable debts—and such I.O.U.'s, or national debts are impossible to pay—repudiation on a wholesale scale has inevitably followed. Hence our present breakdown.

What the politicians have not yet had the courage to attempt, in this or any other country is an internal solution along monetary lines. If the people had enough money to buy all their own goods, then it naturally follows that they could readily exchange any real surplus of those goods for such foreign goods as they required or desired. And in such a case they would need no so-called favourable balance of trade; neither would imports from abroad mean, as at present, added destitution at home.

For years past it has been the fashionable cry, uttered because the people did not understand its meaning, that the only cure for the depression—a better term would be the oppression—lies in international action. Never was a greater lie foisted upon us by the financiers who rule us. Australia could get out of the oppression tomorrow by national action, and in no other way will she ever get out of it.

It will be the purpose of subsequent issues of this paper to point out this way. In so doing, very frank criticism of persons and of institutions may be necessary. Such criticism will be put forward for no uncharitable or destructive purpose. But it is not much good talking vaguely about a system. Responsibility for the system rests with those who operate it. And if they refuse to remedy patent injustice, then it is high time that the people should know whom to blame.

Mr. Blackburn on Work and Money

Elsewhere in this issue is reported a meeting held at Coburg on Monday night. It is quite possible that this meeting may yet prove a milestone in Australia's history, since it marks the beginning of a closer connection between people and parliamentary representatives, and savours of the restoration to the community of its right to direct its own

policy. The purpose of the meeting, convened by the Mayor of Coburg, was to instruct Parliament to abolish poverty.

About the sincerity of Mr. Maurice Blackburn, M.H.R., the particular parliamentarian who met his constituents on this occasion, no one has any doubt. But as to Mr. Blackburn's views on economics! And as to his processes of thought!

Just consider this sequence from Mr. Blackburn on machinery and work:

1. Machinery began to displace labour.

2. The worker knew that the supply of people for work was always in excess of the demand.

3. Machinery produced full and plenty.

4. Every nation was producing more and more with fewer and fewer workers.

5. Everybody should work, and none should remain idle while others worked.

There is an algebraic problem for you, and Mr. Blackburn's answer is: Abolish capitalism. Has not Mr. Blackburn yet realised, have none of his friends told him that the industrial capitalist, the man whom he has in his Socialistic gun, is becoming more and more involved every year; is often little better off financially, and weighed down with far greater anxieties than the employee? Is he not aware that the industrial capitalist has long since become a mere pawn in the hands of the financier?

But Mr. Blackburn will not have it that the trouble lies on finance. Yet compare this other sequence of his:

1. Some regarded the monetary system as the cause of the world's trouble, but he did not share that view.

2. He could not believe that the cure would come by giving the people social or national dividends.

3. The masses could consume the products of a country without trouble, but it happened that the people in England and other countries did not have the means to buy the products... so every community in the world got in to the state of selling things to other countries.

4. The great trouble was that people had not the means to purchase the product of their labour.

There was a time when we all took the subject of money for granted. In those days Mr. Blackburn would have been looked upon, for all his mildness of manner, as a revolutionary. But today those who really rule us—and who, in spite of Mr. Blackburn's imaginings, are not the industrialists—must look with considerable tolerance upon his quaint views. For Mr. Blackburn is really almost as conservative as they would wish. Like all Socialists and Communists, he worships at their shrine. He subscribes to orthodox finance, he denies that the right to live is separable from work in industry, even though he sees that more and more is produced with fewer and fewer workers. He has both the work complex and the debt complex.

Fortunately for the Labor party, there are others in it who are more progressive. Mr. Blackburn, if he has read Douglas (and not some bank puppet on Douglas) has apparently failed to grasp him—one would not suggest for a moment that he deliberately misrepresented him at Coburg. On the other hand Mr.

Why Are Our Teachers Discontented?

BY ONE OF THEM

The growing discontent within the teaching service of Victoria is becoming more and more pronounced as time goes on. The natural result of discontent is, of course, impaired efficiency.

Whether there is justification for such marked discontent may be judged best by a brief review of conditions obtaining within the service during the past twenty years.

From the year 1914 to 1925, a period of hitherto unknown inflation, when prices were advanced practically, 100 per cent and wages in general rose accordingly, the salaries of teachers remained static.

The direct result was that during those eleven years the service suffered an actual cut of 50 per cent in salaries, for if prices are advanced 100 per cent and wages remain the same, the wages will buy only half what they did before.

As an immediate result of this, the teaching profession became so uninviting to youths about to take up a career that, not only was there a serious shortage of teachers, but those who did enter the service were by no means the best material.

At that time, it may be interesting to mention, an unskilled labourer was receiving a more lucrative wage than the majority of teachers.

THE TEACHERS' BILL

In 1925, after desperate agitation, some measure of relief was granted through the Teachers' Bill. Salaries were increased, but even then they were lower than those in neighbouring States. A definite scheme of progressive promotion was also embodied in the bill, which passed both Houses and became law.

After such a long period of economic insecurity and hopelessness, the service accepted this measure of relief with jubilation. Despair gave way to hope with the certainty of realised ambitions; and, with minds freed from financial obsession, a new zest accompanied the teachers' labours.

The result was twofold: (1) a higher standard of work was revealed, and (2) a superior type of student now competed for entrance to the profession, whose newly enhanced prospects made strong appeal. All seemed set at last for a prosperous, contented, and efficient teaching service.

BACK TO DEFLATION

But this boon was born to but an ephemeral life, for a few years later the controllers of finance—now supreme in their power over Governments—dictated their invidious policy of deflation, which was supported by the press, now also mostly fallen under their direct control. Sacrifice or ignominious repudiation of debts were the only alternatives from which, we were informed, Australia had to choose. Australia chose the former and has been sacrificing ever since.

To the masses this sacrifice simply means cutting down the standard of living—less food, clothing, and other necessities

Holland, Victorian President of the A.L.P., said in Parliament a week ago that the only hope of recovery in Australia is largely through our financial and monetary system. On the question of Douglas, he said he did not disagree with the National Dividend idea; we used it in our pensions system: why should it not be extended to other activities?

But, then, would Mr. Blackburn really approve even of pensions without work — at all events, for able-bodied old fellows of seventy?

of life, which, strange to relate, were then and are today, even with the depleted employment, in superabundance.

And, stranger still, we find now that the means of repayment of our questionable indebtedness are becoming less possible each year, for every nation in the world is frenziedly implementing a policy of total self-support. Britain herself has begun to restrict our primary imports. The markets of the world are gradually closing their doors against our wheat, wool, meat, and metals, thus making it an impossibility ever to liquidate our colossal national debt.

To revert to the subject matter, our Government, after receiving its orders from the Bank of England, through its emissary, Sir Otto Niemeier,

began its campaign of economy on those enterprises closest and easiest, the public services.

SUSPENSION OF TEACHERS' BILL

The Teachers' Bill, now law, was suspended—suspension sounds softer than repudiation. Salaries were cut by almost 25 per cent in some cases, and promotions practically ceased. The service was plunged back to where it was during the eleven years of black

MORE TROUBLESOME GOODS

Concern is felt by the Commonwealth Government at the possibility of Victoria and Queensland deciding to produce rice for an already overstocked Australian market.

—The "Age," May 24.

despair from 1914 to 1925. Again the teachers, then uninformed and credulous as to the true state of affairs, gallantly and silently submitted, being informed that such action was imperative, but somewhat reassured when they were told that the measure was temporary.

ENLIGHTENMENT.

Three years have passed, affording them ample time for contemplation. Always they were told that prosperity lurked round the corner. In desperation and disappointment of continuous corner peeping, a goodly number of them have now raised themselves above the multi-cornered economic structure to gain a panoramic view of its workings.

The true state of affairs soon revealed itself to this thinking body of men and women, who, with many others that have taken the trouble to investigate, have found that our present economic system is based on falsity; and in simple language the falsity is this:

Production and distribution of wealth (goods, services, etc.) is totally subservient to the supply of money created and released by the banking institutions, instead of there being issued a supply of money always sufficient for the purchase of existing production.

Also they have seen their elected Governments (so sacred to a Briton), with their sovereign mandates from the people, rendered impotent to carry out those mandates because the power of finance has been silently but surely filched from people and Parliament.

This enlightenment has given an ever-growing number of teachers' courage to express themselves in public and in that section of the press, which remains outside the pale of financial control. They protest against the falsity of our present position and against the wicked misrepresentation of facts. They demand a full restoration of the rights taken from them, and claim the regaining of their economic security in order that, with full freedom of mind, they may continue to mould the characters of the future men and women of Australia.

OPEN SLAVERY IN VICTORIA

Loan Council Farce Prolongs Barbarous Conditions

The Loan Council, it is understood, has spoken. It is understood, because the acting Federal Treasurer, Mr. R. G. Casey, has decreed that the Council must be more secretive than ever, on the plea that too much information is getting out. If the Loan Council were an assembly of conspirators preparing a swindle, such a desire for secrecy would be natural and understandable. But the Loan Council purports to be an assembly of the people's Governments—that is, of the servants whom the people have deputed to carry out their policy. Mr. Casey is merely one of those servants. By what right, then, dare the servant lock the door upon his masters?

The Loan Council purports to be an assembly of the people's servants, met to carry out the people's instructions, and in particular to arrange the financing of national programmes in such a way as to ensure fairness for each State of the Commonwealth. But is the Loan Council really such an assembly? Far from it.

CONSTITUTION OF THE COUNCIL

From its inception it was an instrument designed by its nature, if not by its planners, to frustrate the interests of the mass of the people and to play into those of their financial masters.

Upon the Council each of the six States has one vote, while the Commonwealth, in addition to two ordinary votes, has also a casting vote. The Commonwealth, therefore, if supported by any two of the States, can force through any decision that suits it. To get the support at any time of two out of the six States should not be difficult. Hence the Commonwealth may be said virtually to rule the Council's decisions.

As for the Commonwealth representation, during the thirty-five years' history of Federation that party which, under various aliases and officered by various political renegades, has supported so-called sane finance—that party, thanks to skilful drawing of electoral boundaries, has held office during all but about six years and eight months of the period. Sane finance stands for autocratic centralisation of power. Is it any wonder, then, that Western Australia, unable to get even a pretence of fair treatment from this dominant financial body, is openly talking revolt?

HOW VICTORIA IS PENALISED.

The feeling throughout Victoria today is also one of bitter resentment against the council. Even the local organs of sane finance are attacking it. But this is owing to

REVOLUTION IN U.S. IF ANOTHER WAR?

The U.S. Senate Munitions Committee has passed a resolution pointing out that the last war cost America \$3,200,000,000, and the depression another \$2,500,000,000; wherefore, any attempt to load another mountain of debt upon the country for any future war might "bring this nation to the verge of revolution."

another provision in the Council, which sets out that, failing unanimous agreement amongst its members, any allocation of funds will be proportioned on the basis of the individual States' average borrowings during the previous five years.

During the years just past, Victoria, home and fountainhead of the Premiers' Plan, has kept her people in penury rather than increase Government expenditure, whereas the big bad wolf of New South Wales followed the opposite policy.

Mr. Lang's successor, the financially virtuous Mr. Stevens, was not, however, above taking a leaf quietly out of his book. Meantime deflation has hit Victoria so hard that even sane finance is willing to relax a little. Even Professor Copland is persuading such as read his pithy notes in the Melbourne *Herald* that another little loan wouldn't do us any harm—or, to use the Professor's nicer words (*Herald*, May 25): "It is a normal condition of recovery that a certain expansion of credit takes place, just as in the opposite circumstances of a depression a certain contraction of credit takes place. . . . At present, the appropriate policy is one of moderate expansion, in order to complete the task of recovery."

But now, by a sort of poetic justice, Victoria finds herself frustrated. So long has she been on hunger strike that her vitals have shrunk, and the rotund Mr. Stevens, well nourished on his own and Mr. Lang's expenditures, can automatically consume nearly half the pie. So, it seems, all Mr. Dunstan's plans tumble about him, and our unemployed, if they have any belts left, must resolve to take in still another hole.

What is worse, they have no prospect of anything better. For New South Wales has but to continue obstructionist tactics, to continue claiming its full legal share, and New South Wales will continue to see the fattest calf killed for the prodigal.

WHY NOT ENOUGH FOR ALL?

But, in these days when calves are plentiful, the question naturally arises, why should there not be enough for us all to feast? This brings us to the kernel of the matter. The Loan Council may be, and is supreme politically.

But the Loan Council is merely the political instrument of our financial overlords. Itself a secret body and without direct responsibility, it serves to communicate the decisions of a still more secret and far less responsible body.

That body, you will say, is the Commonwealth Bank, the people's own bank. But is the Commonwealth Bank today really the people's bank? Or is it functioning as the bankers' bank?

Take the case of Treasury bill finance. A Treasury bill is simply a people's I.O.U. A government requiring finance hands this I.O.U. to the bank. The bank holds the I.O.U. as security, and in return makes available to the Government the sum required. Whether this be done by Commonwealth notes or by the more usual form of a book-keeping credit is of no importance—in either case the bank's expenditure is merely one of ink and paper.

The transaction is of its nature a bookkeeping entry of debt from the people to the people—if you will, from the people's administration to the people's accountants.

Provided that the money is legitimately required, there is no limit to the amount of such transactions that the people's bank could carry out—absolutely no limit except such as are imposed by paper and ink. The extent to which such transactions are advisable is, naturally, an entirely different matter.

ALL ARE AGREED ON PRINCIPLE.

But that question does not at present arise. All authorities, orthodox and unorthodox, all political parties—even Professor Copland, as we have seen—all agree that Governments must be provided

with more money than they can raise by taxation. Rarely nowadays do we hear serious mention of the Premiers' Plan. One does not remember that even Mr. Hogan has written to the press about it for weeks and weeks. It was announced a day or two ago that the tentative estimate of the States for 1935-36 all provide for bigger deficits than last year—except New South Wales, which nevertheless expects a shortage of £1,900,000. And this is independent altogether of the loan programmes.

Why cannot these deficits and loan programmes—which, be it remembered, mean the difference between physical starvation and whatever measure of comfort it may be decided to give to our suffering brothers and sisters and children—why cannot they be financed entirely by the Commonwealth Bank? Why cannot the book entries or the paper notes, which are needed to turn the wheels of industry and get on with useful tasks, be provided altogether by the people's accounting institution? Why should there be any interest charge for doing so, other than the cost of keeping records? Why should the nation's I.O.U.'s be banded about amongst outside financiers? Why should our admitted money shortages be provided largely by our paying a perpetual toll of interest to private bankers for their doing no more than our own bank can do?

From every State of the Commonwealth those whom the people have chosen to be their spokesmen have this week declared that we have not sufficient money. None of the States has asked for anything else. None pleads insufficient labour, insufficient skill, an insufficiency of any-

FASCISM SOLVES IT!

An interesting sidelight on the success of Fascist dictatorships in solving the problems they set themselves is provided by the latest figures to hand from the International Labor Office at Geneva, issued on April 1 last.

People who think clearly refuse to accept unemployment as a problem. Unemployment is one of the objectives of nearly every inventor and scientist, and is the direct aim alike of the

LABOR M.P. ON DOUGLAS

"There is a growing demand for monetary reform. We are looking with interest and a great deal of hope to the trial of the Douglas Credit system in Alberta, Canada."—Mr. J. J. Holland, M.L.A., in the Victorian Legislative Assembly, May 23.

farmer and manufacturer who install new plant and of the woman who buys a labour-saving device for her kitchen. The real problem is to provide financially for the otherwise destitute unemployed.

But the Fascist will not have this. All his economic planning—or subjecting industry in its entirety to the goose step—devolves around the idea of work. Work must be found, work for all, even if machinery be discarded or restricted in the process.

And how are the Fascists answering the examination paper

And so Mussolini, who a little while since threatened with a loss of Fascist rights any who clearly criticise his financial policy—Mussolini, rather than face his real problem, turns back to what he wrote in his article on Fascism in the "Encyclopedia Italiana." "War alone," he said there, "brings up to its highest tension all human energy and puts the stamp of nobility upon the peoples who have the courage to meet it."

And so Mussolini, forbidding his people to think of finance, turns their attention to such things as employment in Abyssinia.

18,000 CHILDREN KILLED

Half a Million Injured

The Pedestrians' Association of Britain last month published startling figures of the terrible toll of road accidents in England, as issued by the Registrar-General. During the years 1931-1934, it appears, no less than 18,400 children of fifteen and under were killed in road accidents, while it is estimated that at least 500,000 were injured during the same period.

The Report on Fatal Road Accidents for 1933 also discloses that most accidents occurred on roads carrying only very light traffic, and the least accidents on dense traffic roads. This is ascribed mainly to children having to walk to and from school along roads unprovided with footpaths.

What is there to stop footpaths being constructed alongside every road in England? Is there any shortage of men, materials or machinery to do the work? Or of the supplies (from Britain, the Argentine, Australia, or elsewhere) to feed the men on the construction jobs? Or is there only a shortage of the book entries called financial credit?

While this point is being settled, 4,600 little children die and 125,000 are maimed every year.

Rising to the Occasion— In Bombers

The British Secretary for Air, announcing last week that contracts had been let for new heavy bombing 'planes to double the Air Force strength in two years, appealed to British youths to enrol freely for service, and to the aircraft industry "to show the world that the British artisan, engineer and business man is as capable as in the past of rising to the occasion." Of the aircraft industry, at least, there is little doubt.

It will be remembered that Britain's refusal to abandon bombing 'planes was the rock on which last year's Disarmament Conference split.

Methodist Conference, by Overwhelming Vote, Condemns Existing System

By a majority of 74 against 3, the Methodist General Conference, sitting in Melbourne on Friday last, carried the following motion:

"We recognise that the present economic and monetary system is based in motives of gain and self-interest that are contrary to the spirit and example of Our Lord. We therefore affirm that a basis should be sought for industry that will enable the spirit to be good will, the purpose service, and the result a more equitable distribution of the wealth produced with a view to the complete realisation of the love of God in all human economic relationships."

LETTERS TO THE EDITOR

"The New Times" invites correspondence from readers on any matters of public interest. Disagreement with, or criticism of the policy of this paper will not be a bar to the publication of letters containing constructive suggestions, briefly expressed; but the Editor reserves the right to reject publication of any letters deemed unsuitable, or to condense when necessary. Rejected letters will not be returned unless accompanied by stamped and addressed envelope. The name and address of sender (not necessarily for publication) must be forwarded with all communications.

thing whatsoever that is material.

Each State Government is satisfied that, given more bookkeeping entries, it can make available to all its people a fair share of the plenty which is rotting all over Australia, and that it can add greatly to that plenty if required.

This is the decision of every State, whether its administrators be U.A.P., U.C.P. or Labor. It is a decision arrived at after due deliberation. It is the unanimous expression of the people's will.

Yet the people are to be told that they must remain in slavery and in destitution. And even the continuance of the miserable dole for another year must pile up its load of taxation to pay interest to those who hold us as chattels.

5 Babies Equal 1 Dog

"Yesterday I was present at the opening of the palatial new home for lost dogs at Kensington, complete with white-coated surgeons and everything for the health and comfort of canine waifs and strays. I was told it costs 8/6 to 12/6 to look after each lost dog. As I left I was greeted by a crowd of ill-clad, under-nourished and badly-off Kensington people. Looking at them I could not help asking what was wrong when, with all due respect to the dogs, we pay 12/6 to look after one of them and 2/6 to look after the baby of a sustenance worker for a week." - Mr. J. J. Holland, M.L.A., May 28.

Paddy Browne Misses The Bus

The Story of a Century of Opportunity

Readers of Mr. John T. Lang's remarkable book, "Why I Fight," will remember how his sardonic humour found full play when he came to give in some detail the story of Australia as a land of opportunity for the Bank of Australasia. Mr. Lang concluded his outline of the bank's history with the report read in London last year by director Arthur Whitworth (also of the Bank of England directorate), who indicated that a general review of the bank's rise and progress would be given this year to mark the centenary of the institution. That review was duly delivered to the proprietors of the bank in London the month before last, in what Mr. Whitworth characterised as a "very lucid and interesting way."

The chairman of the meeting was Mr. C. G. Hamilton, whose

LIBERAL LEADER ON BRITAIN'S "RECOVERY."

For every 100 unemployed a year ago there were 98 unemployed today. When Mr. Chamberlain had referred to steel and motors some of them who represented areas dependent on cotton and coal had different thoughts. At this rate it would take us till 1947 to get back to the position of 1929, and that was not a period of prosperity.

—Sir Herbert Samuel, Liberal Leader, in House of Commons on April 16.

tenure of office, added to that of his father, accounts for 75 years—three-quarters of the life of the bank. Mr. Hamilton summed up his report in these words: "This is our record, and I think the shareholders have good reason to be proud of it."

"For a bank with a small capital of £200,000 operating in new countries to have grown to a bank whose assets to-day are over £53,000,000 is no small achievement."

It is indeed an achievement, which speaks volumes for the new countries—and for the operations.

Mr. Hamilton was fortunate in that he had very few untoward incidents (from the bank's point of view) to report. There was a case, over sixty years ago, of "two ruffians who robbed and murdered" (the sequence in importance of the verbs is Mr. Hamilton's) "one of our officials when he was carrying gold and cash from one branch to another in a buggy." But all's well that ends well, and Mr. Hamilton was able to add: "I am glad to say they were convicted and hanged." To be sure, the bank had other vicissitudes, even more disconcerting. "In 1839," Mr. Hamilton relates, "the following generous rates of interest were allowed:—4 per cent on current account daily balances; 5 per cent on fixed deposits payable at 10 days' notice; 7 per cent, on fixed deposits payable at 3 months' notice." This was a trial, but prudent management overcame it, "and the interest charged on overdrafts and advances was, I must admit, adequate." Mr. Hamilton modestly forbore to mention just what was the adequate rate.

LEAN TIME DIVIDENDS

There were lean times. "The original proprietors had to wait two years for a dividend. Then there was a financial crisis in the forties, and in 1847 and 1848 there was again no dividend, and it was not until the gold discoveries in 1851 which turned the hungry forties into the roaring fifties, that Australia and the bank became very prosperous."

Again, "after 1866, when the dividend was 14 per cent, lean times came, and the dividend gradually dropped to 9 per cent in 1871. From 9 per cent it rose gradually to 15 per cent, and

then dropped gradually to 12½ per cent., but in 1893 the great bank crisis occurred. . . . When the crisis was over, this bank had more gold in its possession than before, but it was thought prudent to reduce the dividend to 5 per cent, but it soon steadily rose again.

DROUGHT NO LOSS

"The next outstanding event in our history was the great drought in Australia, which lasted several years, and did not break up till 1903.

"It was estimated that the number of sheep fell from 106,000,000 to 48,000,000, and the losses in cattle were very heavy."

"Some of our large advances on pastoral estates seemed certain to result in heavy losses, and provisions had to be made. Fortunately, after the drought broke there was a succession of splendid seasons. Pastoralists did very well, and most of our large Doubtful Advances were repaid in full. Notwithstanding the great drought, our dividends were maintained,

and the Bank for many years made steady progress. . . .

WAR EFFORTS OF STAFF AND SHAREHOLDERS

"The Great War was the next landmark in our history. I won't dwell on that beyond saying that our staff did their part nobly in the fighting, and the bank, by subscribing largely to the War Loans in Australia, New Zealand and London, helped to finance the war."

Except for lamenting "the heavy taxation consequent thereon," Mr. Hamilton deals lightly with this phase of Australia's suffering and his shareholders' rejoicing, contenting himself with the remark: "Our prosperity was not checked until 1931." The gaps in Mr. Hamilton's reticences, fortunately, can be filled in from the tables of the bank's disclosed net profits in those years.

From 1914 to 1931, inclusive, the bank disclosed profits of over £9 millions, or more than twice the amount of its paid-up capital of £4½ millions (which includes £1 million of bonus shares).

"Since 1932," Mr. Hamilton proceeded, "the position has improved, and we have been able to increase slightly our dividend." Mr. Hamilton was able to announce a dividend of 7½ per cent for the year. To this was added a centenary bonus of 2 per cent—which might be compared with the one free meal, which was the best centenary offering Victoria could make to her unemployed.

An eloquent story, this, of sane and sound finance. In the years when sheep fell from 106,000,000 to 48,000,000, "our dividends were maintained." In the years when men's lives and wealth were poured out in an orgy of destruction, when "our staff did their part nobly in the fighting," the bank, "by subscribing largely to the War Loans," saw its dividends—not to mention its concealed assets—soaring. Even in the depths of this depression, when Australia's primary producers are facing a worse prospect than ever before in their history, the bank, notwithstanding "prudent" writings-off and concealing of assets, feels justified in declaring a dividend of 7½ per cent, and a bonus of 2 per cent.

ENTER PADDY BROWNE.

But what about Paddy Browne? Writings-off and concealing of assets bring him into the picture.

"In 1838," Mr. Hamilton said, "we opened, at the request of the New South Wales Government (Victoria not then being a separate colony), an office in Mel-

bourne. It was only a brick two-roomed cottage, 24ft. by 16ft. In the backyard were kept two huge mastiffs, who were let loose at night. The Government supplied us with an armed military sentinel.

"Perhaps the best illustration I can give you of our hundred years' progress is this—think of that two-roomed cottage, our first office in Melbourne, and then look at the photograph which hangs on these walls of the magnificent building, our present chief office in Melbourne."

"The history of the land on part of which our present chief office in Melbourne stands is rather amusing. It was contracted to be bought in 1837 by one Paddy Browne for £40. He paid a deposit of £4, and then became so frightened of his bargain that he forfeited his deposit. In less than forty years that land was sold for £40,000.

"I am afraid poor Paddy Browne missed a golden opportunity."

Poor Paddy Browne! How little he guessed, one hundred years ago, that his lack of foresight would be the theme in the august parlours of the mighty Bank of Australasia a century later! In what a different way might his story have come down to posterity had he had the vision of that other Irishman, the redoubtable Sergeant Jeremiah Murphy, whose manly figure, dressed like our Prime Minister these days, in plush furs, so often adorns the advertisements of that other mighty financial institution, the Bank of New South Wales! Yet both were the in-

PREPARING LONDON FOR WAR.

A new Department of the Home Office, the Home Office Air Raids Precautions Department, has been opened at No. 5 Prince's Street Westminster. The new Department will act as a channel for the purpose of indicating to local authorities the measures necessary for organising local services for safeguarding the civil population against the effects of air attacks.

—"Manchester Guardian," April 19.

struments of fate. Jeremiah Murphy, by depositing £50 in the Bank of New South Wales, started it off on its wonderful career. Paddy Browne got cold feel and forfeited his £4. Still, one likes that note of human sympathy in Mr. Hamilton's speech. And one feels that Mr. Hamilton and his co-directors have tried to let the sod rest lightly on Paddy's grave. They do not wish to reproach him. They have tried to hide from him his mistake.

For from that day onwards they have put such a low bookkeeping value on their premises that, if Paddy Browne came back, he would find many of their magnificent sites appearing in the bank's books at little more than his own valuation.

Who said our bankers are not human? Even the great Bank of England, mother and queen of banks, who dubs her directors, not a board, but with the regal title of her "court" of directors, and on whose notes no other royalty appears—even the Bank of England, according to Lord Aldenham of the Bank of Australasia, shows her premises as being absolutely valueless.

There was a note in the Melbourne press a week ago of the purchase of a farm for unemployed boys. The price given was £4125, on terms, and it was stated that the property last changed hands some years ago at £12,000 cash. There is vigorous writing down for you, in con-

formity with the best traditions of the banks.

To be sure, there is a distinction—and a difference. For the banks, no matter how they write down their properties on their own books, do not have to part with them. But that raises another issue—which is the greatest of all the banks' hitherto concealed assets—their power to create and destroy money in such a way that the valuation, and the ownership of nearly everything else is rapidly passing into their hands. This is why they can prosper when everyone else suffers. And it is this aspect of banking, and this alone, that we should concentrate upon. Otherwise we might as well join poor Paddy Browne.

ENGINEERS MAKE ENGLAND RICH

While Finance Keeps Her Poor

One of the remarkable features of England in the past few years has been the enormous development in her production of electric power. From 1929 to 1934 the world's use of electricity increased by 10 per cent, whereas in Britain the expansion was no more than 50 per cent. In the past three years this has been particularly notable, the increase each year over the preceding year being respectively 7.3, 10.7 and 14 per cent, and reaching in 1934 the stupendous figure of 15,000 million units used.

Last year saw the end of the construction of the great electricity grid, which now provides its labour-saving current to almost 80 per cent of England's population. Despite this great expansion demand keeps up, and during the latter half of 1934 the construction was authorised of over 500,000 kilowatt capacity of additional plant.

At the annual meeting, held in London last month, of Associated Electrical Industries Ltd., a company with capital and debentures of almost £9 millions, the chairman, Sir Felix Pole, commented on this enormous expansion. After drawing attention to the company's executing orders during 1934 for such things as hundred ton transformers and 100,000 kilowatt turbo-alternator sets, he went on to say that the use of electricity was bound to go on increasing, not only in factories, but also in houses, and for the many requirements of agriculture and horticulture.

England is going electric. And why not? For electricity is man's application of God's gift. It is harnessing the sun to our chariot. It is leisure to be more than mere animals. It is freedom to develop the mind and the spirit. It is our inheritance, prepared for us by God long before ever mankind was created.

Or rather, it should be.

WEALTH OR DEBT?

One would say that this great, this indisputable recent increase in England's real wealth should have been shown as such in her national bookkeeping figures. The community accounts of Great Britain Ltd. should surely reflect this boon in some way.

They do, in a way—in Professor Copland's way, which says that a country grows richer only by increasing its debts.

Away back on August 1, 1914, England's national debt was £711 millions. On March 31, 1932, it was £7647 millions. On March 31, 1935, it was £8052 millions. So history is written by the bankers.

And, as for the English people, they are gaining their leisure all right, thanks to electricity. Whether they are enjoying it, whether they are able to devote it, with thankful hearts, to mental and spiritual tasks, or to other physical purposes than the mere production of food and clothing is another matter.

The question might well be put to any one of the 2,272,107 English breadwinners whom the official figures showed on March 31 last as being unemployed and destitute.

And when that question has been satisfactorily answered, a problem that might be worth a little consideration by business men (in England, in Australia or in any other country) who have not yet been liberated to enjoy the freedom of destitution is this whole question of national debt.

A NATIONAL BALANCE SHEET

The balance sheet of an individual or a company shows the result of a year's operations, but it also shows the general financial position. Why are not the nation's accounts presented similarly? We are given an annual Budget, or statement for the year, which nowadays almost uniformly shows a deficit. This, we are told, must be added to the national debt. But what about the national credit? Is there no such thing? Are all peoples everywhere insolvent? And if so, to whom? Are we all the pawns of bankers? Must we forever endure higher taxation, a lower standard of living, more widespread destitution? Does it seem reasonable that the more real wealth we produce the poorer we must get, and that our only salvation, as the bankers (1934-5 edition) have it, is in producing less?

Why not demand proper books, a national balance sheet? It is a favourite banker's saying that he merely monetises assets.

Is the banker afraid that if our national assets were shown we might be tempted to monetise them for ourselves, and so abolish the artificial poverty he has created?

MORE INVENTIONS OF SCIENCE

Native Rubber for U.S.A.;

Cheap Engine Fuel for France

Edison's dream of making the U.S. independent of foreign rubber supplies is within sight of realisation, according to Mr. J. V. Miller, of the Edison Laboratories at West Orange, New Jersey. Experiments in developing a source of native natural rubber in the U.S. have reached a point where, should foreign supplies be cut off, the nation's annual re-

STUDENTS STRIKE AGAINST WAR.

On April 12, students in 150 American colleges and universities declared themselves to be opposed to war. They did so by participating in a brief "strike" during which, for an hour, they absented themselves from their classes. The number of students who took part in this demonstration is estimated at about 150,000. A similar strike a year ago brought out about 25,000 students.

quirement of 100,000,000 lb. could, he said, be produced at home.

The U.S. Department of Agriculture is now interesting itself in the work carried on by Mr. Miller since the death of Edison, and its bureau of plant industry has acquired the data and joined in the work.

A new fuel, to take the place of petrol in aeroplane engines, is being perfected in France. Tests carried out at the aerodrome at Orly have proved successful. The new fuel, a mixture of alcohol, benzol and oil derived from coal, can be entirely produced from French products. The new fuel has also the advantage of being considerably cheaper than petrol.

JUDGE DETHRIDGE ON PALATE TICKLERS

And the Question of a Shorter Working Week

Chief Judge Dethridge is reported to have said in the Arbitration Court last week that, by advocating a 36-hour working week, literary palate-ticklers in America are attempting to dope their readers into a false sense of security. The Judge added that he had read much American literature on the subject, and he was satisfied that the authors of the articles had not probed the realities of production.

Surely these utterances of his Honour, a gentleman so well read that he is rarely to be seen about town without a book or a high-class magazine under his arm, must have been read in many quarters with profound amazement? They bring to mind the recent plaintive query of one of our most distinguished University economists, who asked what has happened since eighteen something to make us think we shall not get out of this depression in the same way as we got out of similar slumps in the past.

What has happened? What are the facts of production? Let his Honour cast his mind back to the eighties, when he was a student at Richmond and at Brunswick College, or to the early nineties, when

To quote a few random cases in individual production:

1 man, with 1 bottle-making machine, replaces 54 men.

1 girl, with 6 rib-cutting machines, replaces 25 girls.

1 man, with 1 window-glass machine, replaces 20 men.

1 man, with 1 cigarette-wrapping machine, replaces 100 men.

(The President of the U.S.A. Chamber of Commerce, 1926.)

4000 men, equipped with modern machinery, could produce the whole of the U.S.A. wheat crop. (Professor Soddy.)

"Two weeks ago we read of England's new electric shovel, employed to lay bare a bed of ore some 175 feet below the surface. Such shovels can shift 30,000 cubic yards of earth in twenty-four hours. A gang of 15,000 coolies would take ten hours to do it.

"Fine work as well as coarse is claimed for power processes. A modern electric lamp machine casts off its shower of bulbs at the rate of 422 a minute, multiplying man's labour in this instance by 10,000 times. And the extraordinary plant which works the miracle was made by 37 men working a mere six weeks."

(The Very Rev. Hewlett Johnson, D.D., B.Sc., Dean of Canterbury, 1935.)

But need one go on? One could fill pages, one could fill books with instances by the thousand and by the hundred thousand, coming, not from mere literary palate-ticklers, but from men who are actively associated with science and industry. One might even remind Judge Dethridge of evidence such as that given in his own court in February of last year, when the secretary of the Sheet Metal Workers' Union, after detailing instances and cases, summarised his statement by estimating that, in his industry, machinery had multiplied possible production nine times over.

Why is it, then, that a gentleman of the reading and experience of Judge Dethridge takes up such an attitude? Why, seeing around him the combination of record production, much idle machinery, and record unemployment, is he compelled—for he is compelled by circumstances beyond his control—to boggle over the case for shorter hours?

DOG-LATIN AND PAREGORIC.

If one were asked to select from the departments of our everyday life those which it is most firmly instilled into us that we must not dare to understand, would not one immediately think of finance and medicine?

Regarding the latter, it is to be noted that the engineering side of the profession is not kept a scaled book. And on its engineering or surgical side medicine has made a tremendous general advance. But consider the treatment of the common cold! Who has made the greatest advance in handling this over the last century—the physician or the Chinese laundryman? And yet the doctor goes calmly along, charging us his guineas and half-guineas for a prescription whose outstanding points are its illegibility and its dog-Latin abbreviations, and whose ingredients may be something along the lines of paregoric and water. And he gets away with it by a modernising of the witch doctor's mysterious mumblings.

So it is with finance also. Instead of being but a bookkeeping reflection of our engineering achievements, it has become a house of mystery plays performed in an archaic jargon. And it casts its spell over the engineers. Like the ancient witch doctor, it points the bone at the strong man, constraining one who is fit and well to wither away and die.

It is here that Judge Dethridge strikes his real difficulty.

That we could greatly lessen the hours of work and yet produce all that we could consume is, in physical terms, beyond dispute. But financially it is not so.

And the Arbitration Court, no matter what judge presides in it cannot escape the implications of the financial system.

Judge Dethridge suggested, following his remarks already quoted, that it might be desirable to reduce hours from 48 a week, but at present it was impossible to obtain international co-operation in this matter, and so the Court had to act cautiously.

Why international co-operation? Here we are in a country which can and does produce in profusion all the necessities and most of the amenities of life. Why must our national standard of living depend upon our producing goods for export at a competitive price? Could we not live a happy and full life even if we had neither imports nor exports? And, in any case, on the subject of exports and price levels, are not all the same financiers crying out for higher rather than for lower prices?

But the export question is a side issue. The crux of the matter lies in prices in general. What is the dreary treadmill, which an Arbitration Court Judge has regularly to endure? Is it not something like this—a rise in prices, because manufacturers cannot recover their costs; after a time lag, a corresponding (or not quite a corresponding) rise in wages; another rise in prices; another rise in wages. Finally comes the peak, when the unseen financial power cries halt. Then the mainspring goes burr-r-r. Down come wages with a rush, either by suspension of awards or by legislation. Prices follow, again after a time lag. And shortly afterwards the upward spiral starts again.

But prices are always higher than wages—that is, industrial costs always exceed the purchasing power available.

THE PARLIAMENTARY ENQUIRY

The Victorian Parliament has just appointed a select committee to consider the question of a shorter working week. The mover of the proposal, Mr. Holland (Victorian A.L.P. President), who was supported by the late Chief Secretary, Mr. Macfarlan wants a reduction of working hours without a reduction of wages. But how is this to come about? Less hours mean less work, and less work means less goods produced. Hence, if wages remain stationary, prices of goods must go up. If prices stay as they were, wages must come down. The only alternative, within the present financial system, is to reduce the employer's profit. But, sundry profiteers notwithstanding, the average employer for years past has been finding it increasingly difficult to earn a bare subsistence. And so we reach an impasse.

At least we reach an impasse if we are prepared to be doped into a false sense of security by paregoric and a dog-Latin prescription. Should we, on the other hand, ask to have it in plain English; should we demand from our representatives a statement showing on the one side all the charges that go into prices, and on the other an indication of when and how equivalent sums are disbursed to consumers in order that prices may be realised—then we might find a way out that is satisfactory to everyone.

To everyone, that is, except the professional money lender, who (as a distinguished English writer recently put it) happens also to be the money-creator.

DOUGLAS CREDIT WOMEN'S MOVEMENT OF VICTORIA.

Address by

REV. J. T. LAWTON, M.A.

"THE PRESENT IMPASSE"

In The Douglas Credit Movement Rooms, "The Block," Melbourne,

on FRIDAY, JUNE 7, 1933, at 3 p.m.

ARMAMENT INQUIRY IN BRITAIN

Memorandum from Church Leaders

The following memorandum, signed by sixteen of the leaders of Christian Churches in Great Britain and Ireland, was forwarded last month to the Royal Commission which has been appointed to inquire into the arms industry in England:

"We, the undersigned representatives of Christian churches in Great Britain and Ireland, desire to express our conviction that the present system of the manufacture of and trade in arms is open to grave objection and is provocative of war.

"It is repugnant to Christian morality that the profits of an industry should depend on the degree of suspicion and hostility which exists between nations, and a condition of things which makes this possible is not only objectionable on general principles, but adds to the difficulties of any attempts to make a peaceful settlement of the world.

"We have been gravely disturbed by the allegations made that the armaments industry has used the power of its financial strength to impede the negotiation of treaties for the limitation and reduction of armaments, that it has used means of propaganda to keep alive such international alarms as will increase its profits, and that in some instances armament firms have indulged in practices which are indistinguishable from bribery and corruption to augment the sale of their goods.

"In these circumstances, although we are not in a position to deny or affirm these allegations or to offer any evidence of a technical kind, we submit the following representation:

"1. We believe that the manufacture of and trade in arms should be controlled by international authority in such a way as would include the fullest publicity of all orders and the licensing of all sales.

"2. We believe that steps must be taken to eliminate private profits from the carrying on of this industry either by appro-

SLUMS DOUBLE DEATH RATES.

"Purely because of the physical and moral deterioration in our slum pockets, the infantile death rate there is at least double that of other areas."—Statement at deputation to Chief Secretary on May 28.

appropriate measures of restriction or control or, if such measures proved to be inadequate, by the transfer of the industry to some public authority.

"3. We believe that the industry must be subject to such close inspection by national and international authorities as may prevent for the future all abuses in the manufacture of and trade in arms.

"In conclusion, since it is the duty of Christian people to do all in their power to increase the spirit of mutual confidence and friendship among the nations, and to lesson the risk of war, we assure the Commission that any efforts it may make to prevent the abuses to which we have alluded will have our whole-hearted support as a step to the general reduction of armaments throughout the world."

The memorandum was signed by the Archbishops of Canterbury, York, Dublin and Wales; the Primate of the Episcopal Church in Scotland; the Moderator of the General Assembly of the Church of Scotland; the Moderator of the Federal Council of the Evangelical Free Churches; the president of the National Free Church Council; the president of the Baptist Union of Great Britain and Ireland; the chairman of the Congregational Union of

England and Wales; the chairman of the Methodist Conference; the Moderators of the Presbyterian Churches of England, Ireland and Wales; the president of the General Assembly of Unitarian and Free Christian Churches, and a representative of the Society of Friends.

ATTEMPT TO HUSH SCANDALS.

American Views.

Much interest is shown here (writes its New York correspondent in the "Manchester Guardian Weekly" of April 19) in reports from London that the British Government has expressed the hope that the United States Senate's investigation of war-time financing will not revive old scandals and disturb the present situation in Europe.

It is recalled that the United States' Department has kept in close touch with the investigation, which is conducted by the Senate Munitions Committee, and has several times intervened to prevent the publication of information on the ground that such publication is inimical to the national interest. It is assumed that if the Committee intended to make public revelations really disturbing to international relations, the State Department would again act.

The point should be strongly emphasised that Americans have never regarded the munitions inquiry as a mere fishing expedition, and have not shared the annoyance exhibited in some countries over certain revelations, even when the testimony has been extremely damaging to the reputations of well-known American political and industrial figures.

Americans are now animated by a strong desire to avoid participation in any future war, if it be at all possible to do so.

The feeling is general also that this country should not have entered the Great War and was to a large extent tricked into doing so.

There is thus keen interest in the history of that conflict as an object lesson by which the United States can be guided in future.

Several books have been published here attempting to prove the thesis that the United States was as the victim of false propaganda by the Allies before and during its participation in the war and that

United States' financial interests heavily involved with the Allies co-operated in obtaining American participation.

This is a subject into which the Senate Committee is now delving.

One Twentieth of Melbourne's People Live Like This!

Amongst the appalling instances cited by a large deputation of Melbourne citizens who met the Acting Premier on Tuesday of this week were the following:

Six tin shanties built in a small yard are each let at 5/- a week to old age pensioners.

A row of houses in Fitzroy is built on land having a depth of only 13 feet. The houses have neither water, bathrooms nor lavatories. These are obtainable only by crossing the "street"—a narrow alleyway that drains a stable.

Houses built of packing cases in Carlton bring 8/6 a week each.

A two-roomed house in Fitzroy (each room 11ft. by 12ft.) is the residence of a family of ten.

A double row of houses in North Melbourne is built on either side of an alleyway 8ft. wide.

THE STORY OF MONEY

and Its Management

FOREWORD.

Rarely nowadays does one pick up a newspaper without reading somewhere in it that some useful project is being held up for financial reasons. The phrase has become almost the stock-in-trade of every Cabinet Minister in dealing with every deputa-

tion. Whether a hospital be required, or additions to a school, or a bridge over a river, or any other material improvement, the answer is more or less the same. Even though we may have at hand all the materials for the work; even though all the required brains and muscles may be able and willing—not to say eager—to undertake it; even though the work would distribute wages which would cause the using up of many of those primary products that we cannot at present dispose of—in short, though we have every apparent inducement to undertake something which would add to the real wealth and the progress of the community, seemingly it cannot be done.

What are these financial reasons, which thus control most of our activities, public and private?

It will be the endeavour in what follows to set out, in as simple a way as possible, what everyone who is governed by these reasons has the right to know—but what, surprisingly enough, so few seem to know—and to give the broad outlines of the workings of our money system.

THE BEGINNINGS OF MONEY

The beginnings of money go back beyond our earliest records, and we know that its use must have commenced at a very early stage in human history. If every man were a law unto himself, if he spent part of his time chasing his quarry for its meat and fur, part in tending his primitive crops, part in fashioning his crude weapons and tools, part in building some sort of a shelter for himself, he would have no need of money. But as soon as he found himself in a community, as soon as his actions were to some extent directed by order, convenience and skill, the need for some kind of exchange must have asserted itself. Originally, of course, this exchange would have been straight-out barter. But as meat and produce went bad after awhile, as there was a limit to the amount of furs which a man could wear, it naturally happened that certain more lasting articles came to be so sought after in exchange that very soon barter was more or less centralised around them, and that thus the earliest forms of money were invented. These forms varied greatly in different places, but some of the commonest examples were weapons, tools and cattle. In this it will be noticed that our forbears not only sought things of as great a lasting worth as possible, but that, even at that early age, they realised the value of owning the means of production. In our word "pecuniary" we still have a relic of an olden cow currency, the Latin word *pecunia* (money) having originally meant property in cattle, and being itself derived from the word *pecus* (cattle).

As time wore on, it naturally happened, in the earlier civilisations as in our own, that when men's necessities were satisfied, they began to desire luxuries. Having the beds and tables, as it were, they began to look for the pictures on the walls. And so it gradually came about that the first money, consisting of things of use, was displaced by a second, made rather from things of beauty. In the second case, as in the first, people looked to acquiring something, which had as lasting a value as possible. Here again there were all sorts of variations. Various sorts of shells, for instance, were used in some places, but gradually the precious metals, and particularly gold and silver, ousted most of the other forms.

THE COINAGE.

Originally the value of these metals as money lay entirely in their metallic content, just as in our own days we have known miners to do their shopping with a bag of gold dust, and just as gold and silver are used in international trade today for their bullion value only, and not as coins.

For convenience, these metals were often carried about in the form of ingots or bars or rods, from which pieces were cut off and weighed out as required. In the Russian rouble, again, we see traces of this currency, the word "rouble" signifying a piece cut off. As the pieces were cut off, a tendency grew to mark them with their weight, and then to stamp upon them the seal of the person who issued them, as a guarantee that the weight was correct. And, when we reached that stage, we had practically arrived at the coin money of today.

Coin money as the principal form of currency within a nation persisted until comparatively recent times. The note is the product of our modern banking system, which began somewhat after this fashion:

THE BANKNOTE AND THE CHEQUE.

The gold and silversmiths, being used to having in their keeping larger quantities of valuables than other tradesmen, naturally had also the strongest safes. Hence it followed that people who were afraid of robbers or who were about to travel often sought to leave with them for safety their smaller valuables, such as their gold or jewels. In return they received the goldsmith's detailed receipt. Sometimes, through business transactions, gambling losses or other forms of dealing, the ownership of the whole or part of these articles changed hands whilst they still lay at the goldsmith's. If there were a complete transfer, the receipt might be passed from hand to hand several times over without the property even being inspected, the more especially if it were money. If you wished to transfer a part of your store, you gave your creditor a note of hand to the keeper of your property with the necessary instructions.

In the days when there was no police force, and when the carrying of valuables in comparative safety meant the employment of a special escort, merchants and other travellers, when they knew with whom they were dealing, were quick to see the advantage of leaving their store of money in a safe place, and of doing their business transactions by means of written instructions authorising their agents to make the necessary payments for them. The acceptance of these written instructions constituted our cheque system, a cheque being simply a brief letter instructing your financial agent to make a payment on your behalf. With the introduction of the cheque, the goldsmith became what we call the banker.

In a similar way it proved convenient for the goldsmith or banker, when required by the depositor, to issue his receipt for money lodged with him in a slightly different form. Instead of certifying that his client had left with him a sum to be withdrawn on the client's demand, which meant the return of the receipt for alteration every time any part of the sum was required, it proved more convenient at times to issue this, to a merchant for instance, as an open undertaking to pay the money to whoever might present the receipt. Thus, where the standing of the issuer was known, the receipt was as good as gold. A still greater convenience was provided by breaking up one receipt for a large sum into several for smaller sums. These bankers' receipts, or banknotes as they came to be called, had several conveniences. For one thing they were less obtrusive, more easily carried, and more easily hidden than their gold equivalent. For another, as the banker's standing was more widely known than that of his client, they were accepted in immediate payment where an unknown individual's cheque might be questioned.

Thus we have coins, cheques and banknotes.

TOKEN MONEY.

It is important to note that up to this stage the face value of the coin was exactly that of its metal content. The banknote was backed in full by the metal. The cheque was issued against the metal lodged with the banker. That is to say, these forms of money were still either a store of value or an immediate claim to it. Money was still, therefore, a centralised commodity to be exchanged for other commodities.

But long before the cheque and the banknote appeared, the right of stamping, or, as it is called, minting, coins had been restricted to the sovereign. And though in history there had been sovereigns who had cheated, and who had debased their coinage—just as, before the edges of coins were milled, it was a common practice of thieves to clip pieces off them—this was so rare on the whole that the stamp upon the coin became of more importance in men's eyes than any thought of the actual value of the coin itself. And similarly the bank's promise to pay usually went without question. That is to say, the olden idea of money as a commodity gradually disappeared, until today we have coins of which the metal content is only a fraction of their face value, while our Australian notes are no longer redeemable in gold at all. In other words, our money now, like the money of most other peoples, is purely and simply token money, based upon the credit of the nation, or our belief that, in the last resource, the community can, and will, through forced service or taxation, make good our claim to goods or services up to the value indicated on its money, should such not otherwise be procurable.

In considering this aspect, it is very evident that token money issued by the nation is much to be preferred to token money issued by private bankers, since the former is backed by the assets and services of the nation, while the latter has for security of value only such assets as the banker may personally own or control.

While money was thus going through many different forms, one particular change was destined to have consequences upon the history of mankind perhaps greater than any other material event in history. This was the change over from useful money, as we may call it, to ornamental money.

THE SCARCITY OF MONEY AND HOW IT HAS BEEN OVERCOME

We have seen that the origin and purpose of money was to enable men to exchange conveniently among themselves the goods, which they produced, or the services, which they might be disposed to render or require of one another. It follows from this that one of its most important essentials, if money was really to be a medium of exchange rather than an instrument of power, was that its supply should be in some way regulated to correspond with the supply of goods and services on offer at any time. If you had too much money, comparatively speaking, it would lose its value, and the man with the goods and services would be on top. If you had too little money, the man who held it would be an uncrowned king. Obviously, if you restricted to one individual or to a small group the power to create money according to their own will, the condition of money scarcity—which we nowadays call deflation—would be worse than the first, which is called inflation. Inflation hits the man with a fixed money income, such as the bondholder or creditor. But deflation strikes at all those whose capital consists of their goods or services, and at all debtors. And as most of us come into the latter class, it will easily be seen which evil is the greater. Moreover, should the money supply at any time be more than adequate, there is a tendency, since most people can produce something tangible, for the position to right itself through a greater output of goods. But if there be a money shortage, only those who literally make money have any say in righting the position.

IMPORTANCE OF THE CHANGE OVER

The importance of the change from useful money to ornamental money lies in this: When money consisted of tools or weapons or cattle or such things, anyone could make up any shortage that occurred—as shortages were bound to occur at times if the real wealth of the community progressed. If you wanted, say, a new suit of skins and you had no money to buy them, you could set to work and turn out a tomahawk, or a spear, or a boomerang, as the case might be. Or if there were a shortage of cattle money, you could abstain from eating your money for the time being and let it increase by breeding. In fact, cattle money, apart from awkwardness in transferring it, would seem in its time to have solved fairly satisfactorily the increase of currency, which would be made necessary, by the natural increase of wealth.

But immediately you changed over to ornamental money, such as gold, you placed the whole material prosperity of your nation at the mercy of chance. The happiness and comfort of everyone depended not upon their production of real wealth, but upon whether the chance discoveries of this rather useless metal should suffice to provide a sufficiency of the medium for exchanging that wealth. It is difficult to conceive that any nation should ever have permitted such a terrible blunder or crime to be committed against it. But probably the people then did not understand what was happening any more than the majority of them understand what is taking place today.

Owing to the absurd way in which history has come down to us, as a recital of battles rather than of the economic conditions of the people, the workings of the monetary systems of the past are very obscure. There are, however, students today who assert that they can trace most wars and the fall of most civilisations very largely to monetary troubles, just as nearly all our present material difficulties, which must inevitably wreck this civilisation also unless they are speedily solved, are essentially founded upon financial reasons.

THE INDUSTRIAL REVOLUTION AND MONEY.

But, though earlier monetary history is obscure, we have to remember this. Prior to this age of mechanical inventions, money never, as far as we know, had the vital importance that it has today. In the days of hand ploughs and of handicrafts—that is, of small farms and of small villages—a great deal of direct barter continued, as it does to some extent today in similar places. The farmer could trade his produce at the store, or exchange a fat pig or so much wheat with the village blacksmith, and so on. And in the small towns the apprentices, and often the workmen, lodged with the master, so that many services again were paid for in kind rather than in cash. Neither did men travel much. In fact, very little actual money was required.

With the wonderful inventions of the machine age, this state of life was rapidly transformed. Power production meant factories and massed production. Great cities grew up, whose citizens were not personally known to one another. The farmers who supplied the produce never even saw the consumers. It necessarily followed that all payments for goods, and nearly all payments for services, had to be made in money. And, in addition, real wealth increased by leaps and bounds. How did the money supply ever stand up to this terrific strain? How did it ever enable the extraordinary developments of the last century to take place?

The answer lies in the provision of bank credit—the most important and the most extensive of all forms of money that have hitherto existed.

(To be continued.)