

# Six Millions for Defence - And Sixpence for Old Age Pensioners

During the coming year, it is announced; the Federal Government proposes to spend six million - or £6,734,150, to be exact - on defence. It is announced also that the Government is committed to an increased expenditure of about £350,000 owing to the recent rise of sixpence a week in old age and invalid pensions. A simple calculation in arithmetic will show that if the defence vote were transferred to pensions it would enable them to be increased by almost £1 a week - which, of course, as Mr. Kent Hughes would at once point out to a Women's League somewhere, would be a ridiculous squandering of the money of the thrifty upon the shiftless. Still, dismissing such impossible dreams as a doubling of pensions, it may not be out of place to examine a little more closely this huge expenditure on defence.

## WHO IS THE ENEMY?

In the first place, defence implies a foe—at least, it does to any ordinary person. Admittedly to a University economist it may not. Professor T. Hytten, for example, economic adviser to the Bank of New South Wales (still another Tasmanian economist to make the northward trek) announced in London last week that conscription and the manufacture of arms are popular in Europe because they employ men and circulate money.

But University economists are a class apart. At all events in Australia the reason advanced, officially and in the daily press, for spending money on armaments has always been the necessity of preparedness. The last word issued on the subject from an official political source—although he was then still on the "outer"—is that entertaining volume, "The Price of Peace," published last year by Mr. W. M. Hughes under the auspices of the Defence of Australia League, and dedicated by him to the people of Australia. Mr. Hughes thus concluded his foreword: "Unless we are to stand like sheep baring our throats to the butcher we must, without delay, create such defence forces as to make an Attack upon Australia a venture hazardous that none will attempt it." As he unfolded his story our ancient warhorse made it pretty clear whom he had cast for the role of the would-be butcher. On page 70, for instance, he said (in black type): "Japan is no longer our ally!"

Even without the inspired, if somewhat faded oratory of W. M. Hughes it is generally accepted by those who talk defence that our most likely attacker is Japan. For a generation we have been bred to fear the Yellow Peril—apart from the ridiculous tales temporarily circulated about Germany's designs upon us at a time when it was necessary to spur us on somehow to spill over 60,000 men's lives and to incur over £800 millions of debt. But, leaving out the bogeyman story, what serious grounds have we for assuming that Japan has designs upon Australia?

First, as to known facts. If Japan had wanted Australia she had her chance during the war. With our young manhood depleted by the 300,000 who were in the blood and mud of

Japan in those days had merely to walk through the open door into an empty house, and who could have gainsaid her? To protest that Japan was then our ally is so much bosh, for when have acquisitive nations displayed consciences?

Coming to the present day, we have seen during the past couple of years how Japan, when seeking expansion, has gone where one would naturally expect her to go—to that great and rich area right at her front door, Manchukuo.

Now as to probabilities. Why should Japan seek to invade us? Australia, wonderful land as it is, is not of the type, which is likely to be invaded. It is not a place for a quick clean up. We have no known mines, which are enormously rich. No oilfields of note have yet been proved. There is no big, congested coolie population, accustomed to a low standard of living, whose labour may be exploited—even though our population is approaching that stage, it is relatively small and scattered. We have vast resources, but they are spread through the length and breadth of the continent. In North Queensland, granted, there is a marvellous coastal strip—but is there not richer and more highly developed tropical country a long way nearer to Japan? The main, almost the only developed industry of North Queensland is cane sugar. And our sugar growers found so little demand for their product last year that, in spite of their restricted output, the export price per ton was only one-third of the artificially fixed Australian price. The day of tropical sugar, it seems, is almost done, and it is being supplanted more and more every year by sugar extracted from beet. Even here in Victoria we see the threat to enter into lively competition with the Queenslanders.

What does the rest of Australia supply to make it worth invading? Not wheat, surely, concerning which the press, a few days since, reported: "The general trend of the market has been downward, and the improvement of the Canadian crops and the promise of another large yield in Europe has been anything but encouraging.... It may be accepted that Canada will, not market her present surplus

stocks of wheat foolishly by forcing sales. . . . The further depressing news that the French Government has licensed 80,000 tons of wheat for export . . ." (our emphasis). Who wants to fight for wheat country when the grain is a drug on the market, when nations, unable to dispose of their crops, are deliberately rendering them unfit for human consumption? Anyway, Australia is only eighth on the world's list of wheat growers—France produces as much and a half as we do, and Italy considerably more than our total crop. And on the yield per acre we come about 33rd on the world's list. Denmark harvests nearly four times as many bushels to the acre as we do; England about three times.

Perhaps, then, it is our wool? In this, it is true; we are the world's largest growers, producing about a quarter of the total clip, and half of the world's production of fine quality merino. But are we likely to be invaded on that account? Perhaps the best answer is to be found by comparing the present price per pound of wool with the price of manufactured woollen cloth. Who wants the trouble and risk of growing wool (not to mention the knowledge and experience required) when our graziers are prepared to sell it at a price, which makes their life little better than serfdom?

You may say that Japan is embarking on wool growing in Manchukuo. She is, to some extent. But that course is being forced upon her by our refusal to allow her to pay us for our wool in the only way she can—with the goods she produces. And in this connection it is worth pointing out that if the amount we are setting aside for defence were made available for buying wares from Japan it would just about make up the balance of what we don't, but should buy from her to balance her purchases from us. By doing this we could substitute useful, consumable goods for "Leander" type cruisers, "Hawker Demon" planes, and the "orderly rows of projectiles" which the "Herald" illustrated so beautifully on its front page the other night. We could also, incidentally, expand very greatly our markets in Japan and cement a firm friendship with a

of which our trade treatment in the past has been grossly unfair.

So much for the enemy. Now, as to the extent to which we can, if it comes to it, oppose arms with arms, what are the possibilities?

## FORCE AGAINST FORCE.

In this, again, to a person of ordinary intelligence, as distinct from, say, the specialist who makes his living out of the military profession or the specialist who makes his living out of supplying arms, it would seem that there is not much sense in putting up with heavy taxation for defence unless it has a reasonable chance of being effective. Effective defence does not necessarily mean such as would be certain to keep the enemy off, but emphatically it means something which would threaten him with severe losses and make him think twice before attacking. A knowledge of boxing or jiu-jitsu, for instance, might be an effective defence for a fourth grade boy against an unskilled bully in the sixth, but a bow and arrow would hardly rank as an effective defence against an armoured car with machine guns. In which case it would seem to be rather a childish performance to devote one's time to making bows and arrows when one might be digging the vegetable garden.

To gain some idea of the wisdom of our militarists one could hardly do better than to reintroduce William Morris Hughes's masterpiece Mr. Hughes states (page 79): "Japan has in the Pacific 9 super Dreadnoughts of exceptional mobility; 27 cruisers with a speed of 33 knots; 7 other cruisers; 96 modern destroyers; 57 submarines; 1900 fighting planes. And the other day the Japanese Minister for War said that Japan proposed to substantially increase her naval strength!" Since Mr. Hughes wrote that, Japan has proceeded to carry out her intentions.

And Japan's strength, as far as we are concerned, is much of a muchness with that of any of the other great Powers—we don't yet know whom—that a sabre rattling Ministry, well over military age, may tell us any of these days is conspiring against us.

In view of these armaments, what a time our few little tin pot

Hawker Demons and Leanders would have if we really were invaded! What a glorious adventure of bows and arrows we are embarking upon!

Let us now see how the bows and arrows are being financed.

## WHO PAYS THE PIPER?

Our proposed expenditure is to be met from two sources.

The first is the defence trust fund. This is an amount set aside from recent Federal surpluses.

The history of these surpluses is interesting. In the years immediately preceding the Premiers' Plan our Federal budgets accumulated a deficit of over £17 millions. Since the Plan brought in a combination of barbarously increased taxation (mainly on the poor) and equally barbarous wage and pension slashing, our expounders of honest, sane and sound finance have shown a surplus of almost £7 millions, or about £4 millions less than the deficit of 1930-31 alone. In any ordinary business this surplus would naturally go towards wiping off the previous deficits. But this is not the way with honest, sound financiers. What they have done is to rule a line under the deficits, conveniently ignore them—a thing that the unfortunate taxpayers who pay the interest cannot do—and start afresh. Or, rather, our honest financiers have not even had the grace to ignore the deficits. They have had the unblushing hardihood to seek to justify a course of action, which in private business would certainly lead to criminal proceedings. If a company carried on its business this way its directors would soon be guests of the State—but not honoured by it. However, sound finance makes its own rules, and so some millions of this faked surplus have been set aside for the bow and arrow fund.

The balance of the fund is to come out of current taxation—out of the sales tax, which adds a shilling in the pound on to the cost of everything bought by our underfed workers and half-starved pensioners, and out of all those other thumbscrew devices, which are producing soaring Federal revenues.

The Federal Ministry also conveniently overlooks the State deficits. Supposedly representing the whole of the people, it is in a class apart, having raised the dreary, flat plain of Canberra to an Olympus whence it frowns reproachfully upon those States of which it should be nothing more than the united voice.

Nearly £7 millions is planned by this Deus-ex-Canberra Ministry to be spent next year on defence. A great deal of this will be spent overseas—perhaps this is what Professor Hytten meant when he said that the manufacture of arms is popular in Europe because it employs men and circulates money. And what is the position of the people who will be taxed for the tin pot defence against the imaginary, enemy?

Here are a few excerpts from last Friday night's papers: "Still More Blankets Wanted—Only nine days remain for contributions to The Herald Blanket Appeal, which has brought warmth and comfort to homes where there was little or no bed covering. . . . The State Relief Committee is receiving many

The Hon. J. R. Harris, M.L.C.,  
Minister for Education for Victoria  
Dear Dr. Harris,

In answer to a deputation from Brunswick, which waited upon you on Wednesday, you are reported to have said that every area you visit has the same tale to tell of overcrowding and lack of facilities. In the Brunswick case Mr. Jewell, M.L.A., stated that conditions are such as would entail prosecution if the school were privately conducted. And Brunswick is merely an example of what may be found up and down and across the Commonwealth. Yet there is no shortage of bricks, mortar, timber or workers.

When you were also asked to obtain an area of three and a half acres for a badly needed playground, you indicated that a playground for children was a luxury, and that the best deputation could hope was either school extensions or playground, but certainly not both. It is necessary to remind

you that we have also no shortage of land in Australia—even for such absurd luxuries as children's playgrounds in congested suburbs?

Bricks, mortar, timber, all sorts of other materials, land aplenty, and any quantity of willing and eager workers—all these are at hand, and yet, on your own admission, you are "up in the air" when it comes to so vital a matter as the physical and mental well being of the children entrusted to your charge by the people of this State. Why?

You supplied the reason: "It is out of Parliament's hands." And a member of the deputation gave you the retort courteous: "You should see that Parliament gets it back."

That sentence, Dr. Harris, was as sensible and timely an utterance as has ever been made to a Minister of the people since Parliament permitted its powers to be purloined from under its nose by those who are our real rulers.

AND YOU KNOW WHO THEY ARE.

THE NEWTIMES

urgent calls for help from public assistance committees."

"Where'd ya get th' doll?" "Found it in the gutter." Too often 'found it in the gutter' is the explanation of the arrival of a 'new' toy or plaything in Melbourne's overcrowded back streets. A scraggy kitten, scraps from the rabbit cart, bits of broken china, are all among the treasure-trove of the streets to slum children. Such an environment is bad for any child—worse for the undernourished, sickly children of poor parents. Take one child out of this environment and you have done something for the future of the State, besides bringing a little happiness into the life of a little child. And you can do it for 2/6 a week.

That amount will keep the child in the beautiful environment of a free kindergarten, fed, clothed, and "happy as the day is long." "No Leisure in Boredom Of Bush Camp Nights.—Rain, not a soft, refreshing shower but a harsh, incessant downpour. It is night—the very darkness is damp, like everything else. Yet still the rain drums on the tent-flees with maddening monotony as the men of the Forestry Camp within try to while away their leisure in fitful conversation for which they have little heart. . . . You have comfort and position, books and the vital interest of the city's pulsing throng. These men have lost all this, and are fighting their way back to a fresh start in life. The few odd books that you would never miss, that old battery radio, and games that have lost their novelty—these mean little enough to you. But try to realise what the gift of such seeming trifles would mean. . . ."

But why go on? Families without blankets; underfed children hunting the rubbish tips for "toys"; lonely, desperate men exiled from their wives and children in labour camps—what do such trifles mean to us? Let us defend first our high standard of living; let us have our Leanders and our Hawker Demons.

#### A QUESTION OF STANDARDS

'Herr Hitler's speech constitutes a new fact of great importance. So far as the problems of Western Europe are concerned what he said may be regarded as helpful, particularly in relation to air armaments. He made it clear that he did not take the Air Force of Russia as the standard for Germany, and this is of great importance because of the strength, which Russia has to maintain in the Far East. Italy has said the same. But the strongest Western Power is France.

So we now have this position. We are to build up to the air strength of Germany, and Germany is building up to the air strength of France.

"But France is our friend. Why in the name of common sense—if such a thing still exists—should not we ask France to agree not to an increase but to a reduction in Air Force? Let the four Western Powers get together and agree to an all-round limitation. It would save us all millions and each would be as strong relative to the others if all were at a 500 level of first-line machines as if they were the 1500 level. Let us concentrate upon this, at all events as a beginning, and put a stop to the expansion now while discussing wider measures."—Sir Herbert Samuel, English Liberal leader, May 24.

#### A LECTURE

on Gesell's Scientific Monetary System will be held at the Centenary Hall, corner of Exhibition and Little Collins Streets, on TUESDAY, JULY 16, at 8 p.m. The lecture will be followed by questions and open discussion. All Are Invited.

## ANYTHING BUT -

By BRUCE H. BROWN, in the *Castlemaine Mail*.

In Hungary suicide is almost the greatest single cause of death, and the suicides are mostly due to acute poverty in the ranks of the peasants. In the United States the New Deal is tottering, and it appears likely that unemployment will be increased again. Germany is facing a financial crisis, despite heavy taxation and direct levies on the people. In Belgium the depreciation of the belga has brought some relief, but in Holland trade is beginning to slip away. — (Argus, 24/6/35.)

Surely there must be some mistake in this, or is it that we have had the wrong impression? We were sure that it was Sir Otto Niemeyer, the financial genius, who recently favoured the world with a tour of most countries, but it must have been Mr. Lang, the vagabond of New South Wales. It is inconceivable that all this distress could have come about through any other agency.

But let us have another look at the Argus. It went on thus—"The apparently insuperable difficulty of the position is that standards of living in the various countries are not equal, and each country struggles fiercely to retain its own standard, fearful to permit the entry of goods from another country lest they have been produced more cheaply than at home, loth to reduce her own costs but prepared to subsidise exports, eager to sell but reluctant to buy, willing to borrow but chary to lend. The mockery of the position is that the boasted standards that are being guarded so jealously by most nations are pitifully low. Only one remedy has been suggested, and one only seems to be possible, and that is the ever unpopular movement of retreat. Some of the barriers must be taken down, and shy capital must be coaxed into the market place again. One step at a time would be enough, and the obvious beginning, when many in the world are starving, appears to be a reduction in tariffs on foods."

It is hard to believe that such absurdities could be written by an educated person in this year of grace 1935. Standards of living have had nothing to do with the matter at all. When financial credit was manipulated by the private monopoly, as it was manipulated in 1929, it had the same effect in the low standard countries as we experienced here in Australia. Even the poor niggers who wore only a loin cloth and lived on the plainest food could not dispose of their product.

#### THE MATTER OF COSTS

And what is this jargon about being "loth to reduce costs"? Costs of what? Everything is considered from the point of view of "cost", and cost is always reckoned in money figures. But as money actually costs nothing to produce, how in the name of common sense can anything really cost money! Money is an accounting ticket; it is not a commodity. How ridiculous the whole thing is. Take any example you like. Our proposals for improved services are not determined by the most up to date developments or by the maximum facilities it is possible to provide, but by the financial accommodation available. You see, every idea is approached from the angle of "What will it cost?" instead of from the angle of "What is the best we can do?" The absurdity becomes even more absurd when we realise that this "financial accommodation" is simply a matter of bookkeeping, i.e., a set of names and figures in books. We therefore have the almost unbelievable position that, because of a lack of aptitude in bookkeeping on the part of our national Treasury, we are suffering insane restrictions, deprivations, and wretched living conditions.

#### REMEDY BY RETREAT

To say that only one remedy has been suggested, and that that is a movement of retreat, is a lie. It is more than a lie. It is a symptom of idiocy. We have already been in retreat

far too long. The time has come for an advance, and all we need to get that advance going is a leader who, metaphorically, could use the whip on the moneychangers as it was used on them of old. If some of the opponents of money reform were obliged to taste the acute suffering, which their precious ideas have forced on thousands of innocent people, they would quickly get a different outlook on the situation. And it will not be long, as things are going, before they will begin to taste it. This poor, "shy" capital! Why did it ever leave the market? Would it not be more truthful to say that it was deliberately taken out of the market and destroyed? In any case, this shy capital is not nearly so important as the far more "retiring" purchasing power, which in recent years has been ultra shy. There will be no need to worry about the shyness of capital, or to contemplate any "coaxing", when the people are supplied with sufficient money to enable them to become effective consumers. But this of course is a heresy that should never be mentioned.

#### TARIFFS.

"In a world where many are starving the obvious beginning appears to be a reduction of tariffs on foodstuffs!" If this is true, then we have all been wrong about Australia and her primary production. It would now seem that our people are starving because the tariff is keeping the food out, while the people in Hungary are starving because the tariff is keeping the food in! The clear truth of the matter is that in both countries the people have not the money to buy the food. But hush! Reference to that aspect is taboo.

Into all this apparent confusion Mr. Lyons has now entered a plea to his Holiness the Pope. On June 27 he had an audience and spoke of arousing the world to consciousness of the need for the better distribution of production and for increased consumption. As far as it went that was excellent, but the only medium through which these desirable objectives can be achieved—viz., money—does not seem to have been even mentioned at the interview. It is sincerely to be hoped that the Pope, as seems likely, advised Mr. Lyons that all he had to do to establish his bona fides was to make money the servant of the nation, instead of allowing himself to be used by a few people to make money and those who now control it the nation's master.

Unless we are ready to face the facts we are only humbugging ourselves and everybody else when we speak as Mr. Lyons is reported to have spoken in Rome. There are only two means of increasing consumption—more money or more war; and if we do not take control of money, then the financiers will see that we get war. If we are to view this money or financial aspect of production and distribution as it is in actuality, we must get the facts of the position straight.

#### THE FACTS OF THE POSITION

The first fact is that money controls everything, and that the manufacture of money has been usurped from the people by a private monopoly.

The second fact is that even if the nation resumed the sole right to manufacture money, we would still have troubles similar to those we are now experiencing unless the system of circulating money were changed. The money now distributed as incomes in any period does not equal the prices generated for the production of that period.

The third fact is that the workers displaced from industry by machines, as well as the sick, the aged, the infirm, the children, and the mothers get no money under the wage system.

The fourth fact is that the people at large are prevented, by criminal suppression, from learning

the true facts of modern economy and finance, and this suppression is effected by the money monopoly through its power over the press, the radio, the cinema, the pulpit, and the parliament.

The fifth fact is that money, or financial credit is practically costless, and that while there is no limit to the quantity that can be put into circulation, the natural and logical limit is reached automatically when the amount of money or credit in circulation is sufficient to shift the goods in existence from the producer to the consumer. This limit would be governed by the rate at which the country converts its natural resources into consumable products. Whatever the rate of production, a corresponding quantity of money or financial credit is not only practicable but necessary. Despite this, the private interests who now control the money and credit system impudently order the Government and the country to restrict production (the latest is sugar), when the obvious thing is to increase the money.

#### THE WAGE OF THE MACHINE.

With the increasing mechanisation of industry it is inevitable that the number of persons unemployed will increase; that the avenues for "work", as we understand it today, will close up; and that we shall have to find a method of distributing money to people quite irrespective of their paid employment. If we do not do this, the day is not far distant when our businessmen will be without customer's altogether. Machines cannot consume their own production, and it is only by distributing the wages of the machine in the form of a dividend that the community will gain access to that production. If it is right for one section of society to receive money incomes in the form of dividends without "working" for them, it is also right that the whole community should share in the dividends now made possible by the harnessing of the power of the sun, which is a free gift from God to all of us.

#### THE MONOPOLISTS' CONSPIRACY

As to the existence, the power, and the danger of this private money monopoly, we have the testimony of the Pope, the Lord Chief Justice of England, the late President Woodrow Wilson, and scores of others. Many of our politicians are also well aware of the position in this respect, but they remain dumb and inert. Is it because party funds might suffer that they show so little readiness to attack the people's real enemy? If it were not for the false conception of ownership a much greater proportion of the comfortably placed people would realise that all our activities and interests are actually governed by the doings of this irresponsible private monopoly.

People who now live on dividends

without having to work for them believe that they actually own the property or shares from which the dividends come, whereas the source of all livelihood (the land) is not the sole possession of any man, corporation, or even the King himself. It is a trust from God or nature. Consider the position of a man who "owns" a farm. Were we compulsorily to take over his farm or the produce of it he would call it "theft." Perhaps he would be right. But how did he become the "owner" of the farm? Was it not thieved in the first instance from its natural owners and then "sold" for money, which is neither more nor less than claims on goods? Logically, therefore, if, after he has cropped his land and taken all he himself needs, the community takes the balance and gives him equivalent claims on the goods of other people, the arrangement is clearly fair and suitable. With these money tickets (whether they be in the form of "cash" or cheque) he can claim and obtain other goods. Under the existing system, however, he is not able to obtain sufficient of these money tickets to balance his costs, to say nothing of a little over for himself. Under the system we are advocating there would be true assessment, accurate accounting, mathematical monetisation, and effective distribution of the fruits of property in its widest sense and regarded communally, irrespective of whether the property itself be "owned" privately or publicly, or whether it be physical property or scientific knowledge. Without the community as a background property would be relatively valueless, and no one would be able to it in security.

Even though all civilisation and progress is due to the communal idea of living, the money monopoly has built up a general distrust of the word "communal." This same monopoly, deliberately keeping up the illusion of scarcity, favours communal extraction of money, known as taxation, but frowns darkly upon communal distribution of money, known as National Dividends. Somehow it persuades a great number of people to adopt a similar attitude, notwithstanding the glaring fact that although in the past five years our national debt has increased by £150,000,000 we are still short of money. This 150 millions and more could have been created without cost and issued by the Commonwealth Treasury as the property of the people of Australia, but instead of this it was created without cost by the banking system as their own property and issued to us through the Government as debt.

Production prices and consumers' money must be made to equal each other, and the problem will, remain unsolved until this is done. It is wholly a question of money, and yet this is the one subject that is not discussed. Anything but that.

#### TO OUR READERS -

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HELL ON EARTH IN THE "LAND OF OPPORTUNITY"

By "MEDICUS."

The world economic condition can be considered from two aspects. It can be reviewed in a general survey dealing mostly with abstractions, or it can be reviewed from the point of view of human welfare and human happiness.

The International Economic Conference, which sat in London in 1933, reached the conclusion that the value of the world's trade had fallen to the extent of nearly 70 per cent. (The latest figures show a still greater fall.) During the so-called economic crisis and depression we have witnessed a bitter and intensive international struggle for the remaining 30 per cent, culminating in the recent decisions of the leading nations to increase their armaments to what amounts to a war preparation.

Relating cause and effect, it becomes obvious that the potentiality of war arises primarily from economic insecurity and fear. Remove these causes and the likelihood of armed conflict is reduced to a vanishing minimum. Closely related to the fall in trade is the loss of purchasing power by the masses, resulting in widespread and calamitous social poverty.

Professor Clay has computed the loss of purchasing power of the unemployed of Europe and America to be £4,000 millions.

Here we have two statements, authoritatively vouched for, which show a state of insecurity for the two essential classes of society. Both producers and consumers are involved in a struggle for existence—a struggle from which may eventually arise, on the one hand, civil or international war; or, on the other hand, a less organised violent-social revolution. Today in most countries an obviously restrained political, military or dictatorial force resists the physical manifestations of an ever-growing discontent.

Such general statements of the condition of crisis could be extensively multiplied, but the ordinary and non-expert observer and thinker is not usually concerned on the impersonal plane of observation and thought, but is concerned, and deeply concerned, with the inseparable physical, mental, and spiritual factors involved in personal and social well-being. The eyes of the fool are on the ends of the earth, but we have not to go far to discover effects on human welfare.

AUSTRALIA'S TERRIBLE FIGURES

Amongst the nations Australia has always been accounted well favoured, and probably the social condition of Australians is better than that of older and more dependent countries. Yet, even at our own doors, we find facts, which are alarming in their immediate significance and prospective portent when we seek below the surface of our reputed and comparative good fortune.

The Commonwealth Year Book of 1931 recorded that Public Hospitals in Australia during the year 1929 had treated 1,135,000 indoor and outdoor patients.

This record is for one year only, and a similar flood of poverty and disease flows through our charitable medical and surgical institutions every year, taxing their capacity and financial resources to the utmost.

By 1931 the indoor cases alone had increased in number to the extent of nearly 7000. Out of a Population of 6,400,000—the population of the year 1929—the proportion of diseased and poor is nothing short of alarming. The association of poverty and disease can be confirmed by observation and statistically.

The last census return for Victoria recorded 881,826 breadwinners. Their incomes were distributed as follows:—

Nil.....	10.6 %
Under £1 per week...	29.8 "
£1 to £2 " " ..	18.4 "
£2 to £3 " " ..	12.2 "
£3 to £4 " " ..	10.2 "
£4 to £5 " " ..	7.9 "
Over £5 " " ..	10.9 "
	100.0

These figures show 40 per cent earning nothing or under £1 per week. There were 70 per cent, of breadwinners earning less than the equivalent of the basic wage.

The figures for South Australia were similar: 39.1 per cent earned nothing or below £1 per week, and 69.3 per cent, secured a remuneration below the basic wage.

In South Australia, of 183,851 breadwinners 23.8 per cent, were unemployed. Of the unemployed 20.2 per cent had been out of work for more than 4 years; 21.6 per cent between 3 and 4 years; and 15.4 per cent between 2 and 3 years.

THESE CONDITIONS NOT NEW

The conditions indicated by the foregoing statistics are not altogether the result of the present crisis.

In Australia, the so-called paradise of the workingman, the 1915 census revealed 90.3 per cent of earners to be receiving incomes under £200 a year. Later, in "The National Dividend," Mr. Sutcliffe showed that, in the year 1920-1921, 58.7 per cent of Australian breadwinners received less than £200 a year.

The report of the Medical Officer of Health for the City of Melbourne for 1934 states: "This year the records of 1233 pre-school children aged between 2 and 6 years were analysed and their nutrition marked according to the Emerson standards. We found 26.4 per cent were 7 per cent or more below the average and were therefore regarded as malnourished. . . . In analysing the records 8.5 per cent of the children were classified as showing clinical evidence of having had rickets; 3.6 per cent were malnourished as well as rickety, and were therefore included in the 26.4 per cent, of malnourished, whilst 4.9 per cent., although rickety, were of average nutrition; but, as stated above, these cannot be regarded as normal and should surely be added to the malnourished group. . . . In the 1233 records of pre-school children analysed, 23.5 per cent were between 2 and 3 years of age and 12.9 per cent were between 5 and 6, the remainder being between 3 and 5. In the 2-3 group the percentage of malnutrition found was 19.4 and in the 5-6 group 36.3. . . . The amount of milk supplied through the centres during the year (1934) was 28,119 pints of wet milk and 45,193 lbs. of dried milk (representing roughly another 275,592 pints of wet milk). In addition, 72 1/2 gallons of cod liver oil have been distributed."

WHAT IS POSSIBLE

A conference of economists recently declared:—

"Such vast strides have been made by power production during the past 20 years that never again will there be a sufficient scarcity of goods to cause a prosperity-breeding boom."

The scientist has settled the doubt on the material side, and today, when the bounteous gifts of God are withheld and destroyed while millions suffer from deprivation, the iniquity of it challenges the Christian as perhaps no other challenge ever has. Such a repudiation of the gifts of God is an indignity offered to the Creator nothing short of blasphemy.

NO CHANCE FOR THE CHILDREN

The Federal Minister of Health has sounded a warning concerning maternal childbirth mortality and the falling birth rate.

The birth rate was 27.9 per thousand in 1914; 20.31 in 1929, and it has since fallen to 16.78 per thousand. The latest vital statistics of the Melbourne metropolitan area show a birth rate of 13.18 per thousand, which is the lowest ever recorded. A death rate of 10.75 is the highest since 1923. The infantile death rate, 48.19, is the highest since 1930.

The 1934 health statistics for the city of Kew record 254 births

and 257 deaths. In this city the number of deaths exceeded the number of births.

Recently a committee of medical men in England issued a report in which this was stated:

"A generation of anaemic mothers is giving birth—in every centre of observation in the country—to children whose blood-stream has been so impoverished before birth that they are born with a greater or less deficiency of blood building material.

"So serious is the lack that the store of vital elements which is normally contained in the child's liver is exhausted before the child can commence its own nourishment by taking a mixed diet from which the essential iron and chemical substances can be extracted.

"The mothers are compelled by their poverty to abstain from meat, green vegetables, oranges, lemons, tomatoes, in which life-giving elements are especially abundant, and allay their hunger by starchy foods, such as bread and fats, which starve of essential elements not only themselves but the unborn child."

A similar state of malnutrition exists here in our own city of Melbourne. The report of the Health Officer, previously quoted, says:—

"State Relief money has been used for such things as fruit, vegetables, butter and eggs, to be used by expectant and nursing mothers and artificially fed infants."

Is there any need to go further with statements of facts to stir us to thought and action? Medical men, with a few noteworthy exceptions, are woefully silent on this sociological aspect of their profession, and nowhere more so than in Australia. They are outstanding in technical ability, but the great field of social welfare has been practically untilled.

Measures suggested, such as hospital reform, health insurance, sterilisation of the unfit and birth control, are merely ineffective palliatives and do not reach to the root of social ills and social poverty.

In a world, or in a nation, with actual and potential productive abundance, social poverty must be abolished because its perpetuation threatens the foundations of civilisation, and because it is not consonant with our ethical professions.

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Today, in so far as economic reality is concerned, we do not face a crisis, for we have reached the era of actual and potential plenty. **We face a crisis of human morality and intelligence only.**

We profess our social morality and conduct to be based on Christian principles, and consequently it becomes imperative to examine critically the practical application of our ethical code. If we do so we shall soon discover that we have perverted those principles, for we have ceased to place human values and personalities in the forefront of our policies. Human values have become subservient to financial values. Mammon is still worshipped with human sacrifices.

There still persists the puritanical type of mind, which conceives

HERE, THERE AND EVERYWHERE

By WILLIAM BLACKSTONE

IS YOUR NAME—ASS?

Then you are a member of a great, hard-working and foolish family. Your history stretches back into the dim and distant ages, and your origin dates from about the same era as that of the Goats. The outstanding characteristic of your clan is its speechlessness. The Scriptures report one member of the family who spoke out on an occasion when he was, ridden and belaboured by a prophet. Nowadays when you are ridden and belaboured for profits you are inarticulate—or at best express yourself by means of brays. This has been noticed and recorded by a Scottish poet in his immortal lyric, "Ye Banks and Brays."

It is only fitting that according to the law of averages your representatives should have a lot to say. The working of this natural law may be seen by a reference to *The Argus* (6/7/35), in which you will find proposals for co-operation between the Defence Department and the State Government with a view to the protection of the civil population from gas attacks.

The motto of your family is "Silence is golden."

You live up to your motto in that your silence is golden—to someone else.

Next Week—DOPE.

ON JUSTICES OF THE PEACE

A reference to recent issues of the morning papers discloses that Justices of the Peace are indignant at the withdrawal from their jurisdiction of certain classes of civil cases formerly justiciable before them.

The indignation of the justices is natural, and the curtailing of their powers seems hard to understand.

Time and space do not permit of a detailed survey of the history of that popular and venerable office of Justice of the Peace. Holdsworth, in his *History of English Law*, is inclined to date the commencement of the office from the Statute of Winchester, in the reign of Edward I. Other authorities place it further back still in English history. Research discloses that even these authorities are too modern, as we find in St. Paul's Epistle to the Romans (xi. 33), the words "How unsearchable are his judgments and his ways past finding out." To what can this refer other than to some Justice of the Peace of that date? However, it is safe to assume that the office is as ancient, as well known and as useful as the national debt.

We are more concerned with the present position of our justices, and the case for enlargement rather than abridgment of the powers of the honorary justices seems unanswerable.

The dominating factor is, of course, the question of expense. It is true we appoint experienced and trained men to our higher courts and pay them well. But these courts are the forum of the rich. Why should the poor expect that they ought to receive the same consideration when their trivial arguments require settlement? Why should the community be faced with the problem of finding money for the solution of the problems of those who have but one thing to their credit—namely, their vote?

But the argument for the justices does not rest there. No one can

be so ignorant as not to perceive that the justices are men of experience and common sense—they have the monopoly of those commodities. When you bring your little case before a court you know that it comes before men who have had similar experiences. You are sued for commission on the sale of your house. Do you wish that fought out before a lawyer? Not so; you desire a tribunal composed of men expert in weighing sausages, training greyhounds and digging drains. If you were afraid that the lump on your neck was a malignant growth it is certain you would not seek the advice of a qualified medical man—you would approach that particular neighbour who broke his leg at the football match. The problem of your mortgage's demands you place, not before your solicitor, but before your dustman, who has just been evicted from his home.

From time to time justices have spoken manfully in support of their rights. In the Victorian case of *Harvey v. Ottaway* in 1915 we read of a presumptuous solicitor who attempted to quote to the honorary justices the law as laid down by the House of Lords. He was promptly put in his place, and duly informed by their Worshipships that the stuff was no good to two old married men like them. The Chief Justice of the day (apparently a reactionary) used the following words in referring to this incident: "In this case the justices would not hear the law expounded because they claimed that the experience of two old married men was a better guide in these matters than the law presented to them. But one must always remember that in judicial proceedings such as these the justices undertake to administer justice according to law, and they would do well to listen to the House of Lords. . . . And if it is said that the justices in question got inspiration drawn from the antiquity of their domestic relations they ought still to remember that the judges of the House of Lords are very likely no less old and no less married than the justices themselves, and that therefore acting on the inspiration in question is certain to lead to trouble, appeals and costs in the administration of justice. It is better to apply the law and not one's native impressions."

These words appear to have passed without causing a revolution, but it is to be hoped that the justices will not allow similar attacks and slurs to go unchallenged.

In upholding their right to retain their jurisdiction over the less important and negligible classes of the community our justices will be (even if unknowingly) following sound legal precedent. The famous Chancellor of England, Lord Hardwicke, was himself a great opponent of what was in those days called "legal reform" but which should, of course, be described as "innovation." It was of him that Lord Holland said "Touch but a cobweb of Westminster Hall and the old spider of law is out upon you with all lesser vermin at his heels."

Let us then hope that in the interests of the community the justices will, fortified by tradition and precedent, strongly oppose any attempt to restrict their powers and to usurp their present cherished rights.

"Judge Macindoe declared in General Sessions today that he not acknowledge that there was a legal principle of one law for the rich and another for the poor. - *The Star*, July 9.

Quite right, Judge, quite right. We have always had the same views, except that we admit that the poor must pay in advance. But you are not the first to intimate this to the public. Long ago *Anatole* France pointed out that the law with majestic impartiality forbids the rich as well as the poor to beg in the streets, to steal bread or to sleep under bridges.

virtue to be aggressive and not benevolent; which still cherishes the belief that poverty is meritorious. Poverty to possess merit must be self-imposed, like that of Christ and St. Francis of Assisi. The poverty of the Master was sanctified by giving; not by not having. It was positive in its quality, not negative. It enriched. Enforced poverty is degrading in its origin and in its results.

## THE NEW TIMES

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## Side-Stepping the Monetary Commission

"The latest announcement from Canberra," said the "Age" some days ago, "strengthens a suspicion that the Federal Government is seeking every excuse to evade fulfilment of its pledge to appoint a Royal Commission on the Banking and Monetary Systems."

The latest announcement from London, cabled since the "Age" expressed its suspicion, indicates that the Government may be endeavouring to sidestep its promise by giving us the shadow without the substance. This announcement is the revival of the rumour that Lord Macmillan is to be appointed chairman of the Commission. Lord Macmillan is doubtless a most estimable gentleman. His title alone proves it. But, in view of previous reports made by him, following similar inquiries, it would seem to be a waste of time, energy and expense to bring him out here to conduct still another inquiry. It were far simpler to purchase copies of his previous reports—and promptly bury them in the archives at Canberra. One can imagine the hullabaloo there would be if men of such well-known views as, say, Major Douglas or Mr. Lang were appointed—then why make fish of one and flesh of another? It has been taken for granted (at all events, by those who do not know the Government) that the members of the Commission will be practical men with minds sufficiently open to seek and to weigh all the available and relevant information on a subject of paramount importance to the whole community. Nothing less will satisfy the people of this country, the majority of whose representatives returned at the last election were definitely pledged to at least a full inquiry into our monetary system.

The thanks of the people of Australia are due to the "Age" for the persistence with which—almost alone amongst the metropolitan dailies in the Commonwealth—it has kept pegging away, first, to obtain the promise of an inquiry, and then to have that promise kept. The Australian people will be still more grateful if the "Age" also stresses the question of personnel and if it uses its undoubted influence towards having the terms of reference made as wide as possible. In view of the often expressed sentiments of the Prime Minister, the Attorney General and other members of the Cabinet there is little doubt that when (if ever) they do appoint the Commission they will try to cripple it in advance through one or both of these avenues.

It is essential also, if the Commission is to have any prospect assisting the

Australian people, that its meetings should be public. The subject of money has far too long been wrapped up in mystery. Certainly no witnesses other than bankers are likely to desire that their evidence be heard in private. And, even as to the bankers, are they not constantly telling us that they have no secrets to hide? Is not their business the mere lending of clients' deposits?

## The "Star" on Surpluses

"Why 'surplus'?" asked the "Star" editorially last week. Ordinary observers, it went on, must find it difficult to believe that there could be too much wheat in the world and still be a dearth of flour for the bakers' ovens.

All very true, but what does the "Star" propose to do about it? With its eyes on the ends of the earth, it stated its case: "France, Italy and Germany are the chief offenders. They have bolstered up wheat prices to a ridiculous level so as to stimulate internal production. They are only now realising that by trying to become self-sufficient they have left their people with insufficient means to buy produce."

On the question of facts, it may be news to the "Star," but the latest edition of the Commonwealth Year Book (1934) gives the following figures of wheat production: France, 333 million bushels; Italy, 276 millions; Germany, 183 millions; Australia, 213 millions. The figures are for 1932, since when the "bolstering" and "stimulating" process abroad has been intensified. But more interesting is the yield in bushels per acre. In the same year France got 24 bushels; Italy, 22; Germany, 32; and Australia, 13! These figures hardly suggest the bolstering up of an uneconomic industry—as far as our European competitors are concerned, at any rate.

But the gem of the "Star's" argument is in the last sentence quoted, which states that self-sufficiency economically means an insufficiency financially. Presumably the "Star" sees eye to eye with its mother, the "Argus." And the "Argus," as an attacker of the Douglas school, would certainly contend that the production of goods automatically causes the release of enough money to buy them. If this be true, then, no matter whether an industry be economic or uneconomic, surely the people of a country would be able to buy all the goods they turn out?

As it is not true, then the "Star" is right, and people have to export goods for money, and not for other goods in exchange, in order to be able to buy the part of their own goods, which they retain.

But the "Star" had better have a conference with mother before expressing such views again.

## Mr. J. M. Niall Thinks Again

On his return from England in February last, Mr. J. M. Niall, chairman of Goldsbrough, Mort, and Co., expressed to the press his opinion that the one way by

which we could improve our national position would be to spend less and to borrow less. That process, as Mr. Niall may afterwards have reflected, would, if the principles of sound finance are to be upheld, make it necessary to have still higher taxation on a still lower trade turnover—which should hardly appeal to a gentleman in big business.

Mr. Niall has just been for another trip—more for pleasure than for business this time, it is understood. However that may be, Mr. Niall has been making discoveries in his absence. Speaking in Brisbane some days ago he said that people wanted wool all over the world, but they had not always the money to pay for it. And Speaking of Australia he added: "We shall want cash to carry on, and the country itself will want cash."

Such remarks indicate a very different outlook from the state of mind, which sees salvation in spending less. And if Mr. Niall recognises a shortage of cash here and abroad, and if he will only retain his dislike for borrowing, who knows? Another trip or two, a little more time for reflection, and he may yet be arguing the case for a National Dividend.

## Why Our Railways Show a Loss

Figures released on Wednesday show that the gross revenue of all Government railways in Australia for 1933-34 was £37,295,597. Working expenses amounted to £26,916,168, leaving a gross profit of £10,379,429. Interest charges, however, absorbed £13,607,332, leaving a net deficit of £3,227,903.

Had railway construction been financed with national money, free of interest—as it should have been—instead of by bankers' loans, these figures show that a reduction of 7/3 in the £1 on all freights and fares could have been made in the period in question.

## AUSTRALIA SETS BRITISH FASHIONS—IN HUMBAG

So long have we been used to copying overseas fashions that the speech of the British Prime Minister, Mr. Baldwin, on Tuesday, comes as a welcome change. For there can be little doubt that Mr. Baldwin has been taking a leaf out of Mr. Lyons's copy-book, and that he modelled his apologia in the House of Commons on some of the historic utterances of our own Prime Minister.

The policy of the Government, he said, had been to create an atmosphere of confidence. He challenged the Opposition to show any country in the world which had made more progress during the last three or four years. It was the unsettled state of the world, which gave rise to a fear of some check coming from an unknown or unexpected quarter. That made it all the more necessary to do nothing which would in the least damage the national credit, internal or external.

Addressing the Council of the League of Nations Union, Sir George Paish said that the Prime Minister of Italy (Signer Mussolini) was making an effort to divert the attention of his people from their economic distress by taking military action against Abyssinia.  
—The "Star," July 6.

## THE PROTOCOLS AND- I.-THE JEWS.

By JOHN SMITH

The announcement a few weeks ago that the Protocols of the Learned Elders of Zion had again been declared a forgery—this time by a Swiss court—caused little surprise. Every year or two they are declared a forgery or a plagiarism, and particularly by every Jewish writer on the subject.

The history of the Protocols is briefly this: They were published in 1905 by a Russian, Sergius Nilus, who asserted that they were documents from the inner council of Jewry which had come into his possession.

Attracting little attention at the time, their republication "about the beginning of the Bolshevik revolution in Russia, when part of what they had forecasted was being carried out, caused a first-class sensation, and they have since been translated into and much discussed in many languages.

The Protocols are an alleged Jewish programme for the conquering of the world through the control of money. Their contents have been declared by many Jewish writers to be a wicked fabrication and part of an anti-Jewish campaign. In particular it has been shown that some of their passages are practically identical with matter appearing in an attack on Napoleon III., published in 1865, and in a book of 1868 which described, like the Protocols, a Jewish plan for world control.

In so far as these criticisms are concerned, they were answered rather well by the late Lord Sydenham in a letter, which was published in the London *Spectator* in 1921. In the course of that letter, and dealing with the plagiarisms from earlier works, his Lordship said: "As the Protocols were obviously a compilation, this was to be expected, and further resemblances may be discovered. The importance of the most sinister compilation that has ever appeared resides in the subject matter. The Protocols explain in almost laborious detail the objects of Bolshevism and the methods of carrying it into effect. Those methods were in operation in 1901.

When Nilus said that he received the documents, but Bolshevism was then Marxian Communism, and the time had not come for applying it by military force. Nothing that was written in 1865 can have any bearing upon the deadly accuracy of the forecasts in the Protocols, most of which have since been fulfilled to the letter.

I note with thankfulness that you say that the discovery of the French pamphlet does not clear up the whole mystery. What is the most striking characteristic of the Protocols? The answer is: Knowledge of a rare kind, embracing the widest fields. The solution of the 'mystery', if it is one, is to be found by ascertaining where this uncanny knowledge, on which prophecies now literally fulfilled are based, can be shown to reside."

It will be seen in what follows, when extracts from the Protocols will be quoted at some length, that Lord Sydenham's phrase, "uncanny knowledge, on which prophecies now literally fulfilled are based", is no exaggeration. But before going on to deal with the plan outlined in the Protocols it may be well to say a word about the Jews.

### AUSTRALIA AND THE JEWS

That we have a Jewish question in Australia, as there is a Jewish question in many countries abroad, is daily becoming more apparent. The purpose of this is not to indulge in the popular sport of Jew baiting. But there is nothing to be gained by shirking facts.

The Jewish population of Australia is very small. A. N. Field, of New Zealand, in his book on the Protocols, *The World's Conundrum* (1934), states that "there are about 15 million Jews in the world, the total population of which is about 1900 millions. In 1928 there were over 9 million Jews

in Europe, over 4½ millions in North and South America (about 4 millions, of these being in the United States), a little over half a million in Africa, 600,000 in Asia, and 24,000 in Australia and New Zealand, the number in New Zealand being 2,591 at the 1926 census."

If we take the Australian figures it requires no proof to demonstrate that the influence and power of the Jew, and particularly his power over what savour of monopolies, is ridiculously out of proportion to his numbers. Not so many years ago in this country when one thought of a Jew one associated him with pawn broking, old clothes shops, drapery hawking. A little higher up the ladder he was a cent per cent money lender on a small scale. And in the amusement business he appeared in our music halls largely as the purveyor of a type of humour from which one studiously kept away one's children and womenfolk.

But comparatively few years have seen an extraordinary change. He may still be found in those amusement circles, so called, to which one does not care to bring one's family, and he has grown even broader than ever; but he has also climbed higher, into the entrepreneur class. But it is in industry that the great transformation has taken place. If you are interested to know something of the influence the Jew has in Australia today, (apart from his cornering such businesses as gambling) look into the control of liquor, tobacco, furniture, motor sales, clothing factories, radio, precious stones, the moving picture industry; look up the directories and see the names on the boards which are openly Jewish, not to mention those that have been Christianised. If you want to see how the Jew stands in the big retail trade take a stroll along Bourke St. Melbourne, and the streets nearby. Enquire who has the pick of city properties.

Similarly, from the residential point of view, we saw the early progress of the Jews, a thin trickle along St. Kilda Rd. That trickle has since become a progress like that of the locusts some months ago. It has overwhelmed St. Kilda; it has reached Elwood; the banks of the canal have not stopped it, and Brighton, it seems, will be the next to go. Residents of our southern seaside suburbs, in fact, predict that it will not be long before one can generalise humanly, as well as geographically, about the prominently curved features of our foreshores.

This success of the Jews is certainly and definitely breeding antagonism, not the less strong because it is hardly yet open. It is commonly rumoured, for instance, that there is a growing opposition to their membership of certain clubs. But why the antagonism?

It would seem to have two main causes. Neither of these is any grouch against the success of the Jew merely as success. The success is disliked, but rather because the average Australian has the opinion that his Israelite neighbour has often succeeded out of all proportion to his useful activities; that his success comes rather from crushing competition than from rising superior to it, and that the methods employed would hardly pass muster even according to our low standards of today. The Jew in business, rightly or wrongly, is credited: with adopting the methods of the Jew theatrical entrepreneur who specialises in "strip" acts. Secondly, while Australians are not race conscious, they rarely forget the Jew's Asiatic origin or his anti-Christian bias.

This is an endeavour to state plainly just how the Australian regards the Jew in his midst. The significant point about it, however, is this, that there is hardly yet any wide feeling in this country against the Jews as bankers.

Our Australian bankers, though they undoubtedly dance to the tune played by the international financiers, who are very largely Jewish, are not yet, to any noticeable extent Jewish in their personnel.

#### IMPORTANCE OF THE PROTOCOLS

Getting back to the Protocols, therefore, the outlines of what they suggest and of what, as will be seen, has so largely come to pass since they were written (no matter by whom) and in the manner they indicated, can be examined with less prejudice because they do not bring in a local personal bias. When all is said and done, the policy of international finance, as we see it in operation all around us, is definitely un-Christian, if not anti-Christian. And that policy can be directed by those who call themselves Christians just as well (or as ill) as by those who make no profession of Christianity. Perhaps it were better that it should not be by the latter, otherwise we run the risk of confusing personnel or administration with policy and all into the error which has retarded the Labor party for so many years.

It matters not whether the plan to subjugate humanity to finance, to sacrifice the producer to the non-producer be invented by the Jew, Rothschild, or by the Christian, J. P. Morgan. The main thing is to understand the plan, if it be a plan, or the process, if it be mere accident. And, as what will be seen from what follows, if the protocols do not set out a plan they display a foresight of some observer so extraordinarily gifted that he might be termed prophetic.

(To Be Continued)

#### CAT AND MOUSE

Under this headline "The Star" talks about the Board of Education's attitude towards ill-fed schoolchildren, which it says "displays a degree of meanness which is almost incredible".

Smithwick began feeding its under-nourished children without waiting for them to show positive symptoms of malnutrition. Then the Board stepped in. Believe it or not the Board ruled that the children before being fed must first show clear symptoms of sub-normal malnutrition!

The M.O.H. for Smithwick says this means that children must actually have begun to starve before they are fed. And having been fed, they must be watched and only fed again when they show further signs of starvation.

Meanwhile the Milk Board is worrying itself to death over the farmers who are producing too much milk, and recommending them to feed their pigs with it so as to reduce their surplus!

We must not blame the Board of Education too severely; finance keeps telling us that we can't afford even the things, which are nearly choking us by their profusion. So even if we had 30,000,000 cows instead of 3,000,000 we should only be wondering how to remove from the market all the milk they produced and divert it into more "profitable" channels. —"Social Credit."

"Financiers support a State as the rope supports a hanged man." - Montesquieu.

#### THE DOUGLAS CREDIT PARTY OF AUSTRALIA (VICTORIAN SECTION).

Nominations are called from those willing and eligible to contest the by-election for the Fawcner seat in the House of Representatives. Applications to be forwarded to the Hon. Sec. at 617 Lower Malvern-road, East Malvern, S.E.5., Victoria

H. FRAMPTON, Hon. Sec.

## THE FEDERAL BANKING COMMISSION

By D. IZZIE.

Rumours have been revived in the city that Lord Macmillan will be the chairman of the Australian monetary inquiry. Australian officials declined to comment - on the subject. Lord Macmillan is a recognised authority on banking. In 1933 he acted as Chairman of the Royal Commission on Canadian Banking and presented a report, which was of great value to financial institutions. —The Age, July 5.

In these times, when every industry and individual is howling for some sort of assistance, how refreshing it is to find one which does not require it. Lord Macmillan also presented a report to the British Parliament in 1931 (which was also of great benefit to the financial institutions), and yet the Australian banks have been averse to having an inquiry and a report made here. Perhaps these reports were so helpful that nothing further can be done—or perhaps the inquiry, which must precede the report, is the snag. With their splendid record of the past few years our banks are an object lesson to every industry. These have lapped up all the financial assistance they could get and cry for more, whereas the banks have relied solely on reports and have not been financially assisted since August 1914.

Since the publication of the above news we dreamt we interviewed Mr. Lyons over the wireless telephone. Desisting from deck quits for a moment, he reviewed the situation and explained what is to be done. He first paid a tribute to the work of the banks in saving Australia during the depression. Unselfishly, he said, they struggled against adverse conditions, and, without assistance (except that given by the Commonwealth Bank), succeeded in placing Australia's credit on the crest and its people in the trough. He emphasised the fact that the banks were not asking for this inquiry but that he felt it was his duty, as representative of the people, to indicate to them the gratitude and affection of the sane members of the community and the esteem with which all sections regarded them.

This determination had been strengthened during his trip by personal observation of the benefits accruing to the British banks by the report of Lord Macmillan. He thought it only fitting that Australia should honour and help its saviours and with this end in view he had prevailed upon the Australian banks to accept this inquiry. He then explained that the inquiry was to be neither a fishing excursion nor a white-washing expedition. The former was unnecessary as the banks themselves had, at some time or other, fished up practically everything worth having, whilst with regard to the latter whitewash was absolutely ineffective; something more opaque and costly would have to be found for the use of banks alone.

#### MEMBERS OF THE COMMISSION

So that the Commission might deal with this matter quite impartially and be sure to come to the right conclusions, he had spent much time in considering its personnel. A vigorous search of England and the Continent had failed to reveal a suitable chairman, but America was still ahead of him. If that country also failed him then probably Lord Macmillan would do. The remainder of the Commission would all be good Australians and representative of all classes. This was important, as it had to be impressed upon the banks that all classes were united in their desire to help and honour their beneficent rulers, even at the expense of personal loss. The Commission would probably consist of the following:

Chairman—still a matter of speculation;

Professor D. B. Copland, representing commercial interests;

Sir James Elder (chairman of the National Bank and a director of Goldsbrough, Mort), representing primary producers;

Dr. O'Day, representing secondary industries;

Mr. J. Lyons, representing the working class;

Mr. Kent Hughes, representing the unemployed;

Mr. W. M. Hughes, representing the Trades Hall Council;

Sir Keith Murdoch, representing public opinion.

Probably several bank managers would be included, as they are in touch with banking thought and would know what the banks would like done to establish themselves more firmly on the country.

#### MATTERS FOR INVESTIGATION

Mr. Lyons then gave a lengthy explanation of the matters with which the Commission would deal, a summary of which follows: -

To determine the best and quickest way back to the gold standard as a means to stabilising currency at a level satisfactory to the banks. To facilitate this an estimation of the gold resources of Australia will be made, followed by a declaration that all gold at present underground belongs to the banks. This should be a practical way of helping the banks, as it will effectively prevent the sudden migration of gold. Anyone asking for gold in exchange for a note will be given a map and a pick and sent out to get it.

To study and determine the velocity of circulation of money. This at present is an unknown quantity and subject to much speculation. Definite knowledge would be of incalculable benefit and need not be made public and so destroy the value of the phrase. The assistance of a Professor of Physics might be required to make the observations and abstruse calculations needed. It would be necessary to find one who was able to fit facts to theories, and so some difficulty might be experienced. Either Mr. Docker or Professor Copland would be appointed to instruct businessmen in the advisability and advantages of spending their takings at the shop next door as soon as received. Obviously this would increase the velocity of circulation and would provide a handy means of controlling it by altering the distances between shops. It would thus increase the prestige of the banks and decrease the amount of currency required. It is probable that Mr. Docker will get the position as he is already an economist whilst Professor Copland is only a Professor of Commerce.

The circuit theory of money will also be examined. If it be found that money must complete a circuit or cycle then the services of Mr. H. Opperman will be obtained as trainer. His job will be to increase the speed of each coin and so enable each copper to do the work of a shilling. There is likely to be a sharp division of opinion on this subject, as it is known that several members hold the view that money requires some human aid in its circulation, whilst others consider that money is so mysterious that it can do anything.

A good deal of time will be spent on the subject of education and propaganda. The need for public education on this subject was recently stressed by Mr. R. G. Menzies at a bankers' dinner in London. The bone of contention will probably be whether it would be best to carry

out this work in the open under the direction of a Cabinet Minister or to continue with such independent organisations at the Sane Democracy League. Whichever course is adopted, a survey of public intelligence will be necessary. Should it be found to be too high, then Government subsidies of football competitions, racehorses, and tabloid press will be instituted until the level is reduced to such that the public will swallow all the dope without question. Mr. Menzies has suggested that the job would be made easier if all little boys called Douglas were forcibly rechristened.

#### MINOR DETAILS.

Many minor subjects will be dealt with, the most interesting being a proposal that a statue be erected to the memory of the late Mr. K. Marx for his services in preventing so many social reformers from becoming unorthodox in money matters. Another interesting proposal deals with governments and law making. Some experts consider that banks should have the right to initiate and repeal legislation. This would be of great advantage to them, and would also relieve our politicians of a lot of work and worry. Some sort of co-operation is necessary, and viewing the success of the recent Cabinet meeting in Perth it is almost certain that in future Cabinet meetings will be held in the banking chambers of Melbourne and Sydney.

In concluding the interview, Mr. Lyons referred to the great work being done by the "New Times" and thanked the editor for the letter he received last week. The Australian public can now rest assured that our Prime Minister has not neglected his duty in this most important matter. True, he has not yet found a chairman, but if I were not so modest that trouble would be non-existent.

#### STRAIGHT BACKS FOR THE NEGROES

-And Empty Insides?

#### NO MORE HAND PICKING OF COTTON.

Some weeks ago the cables reported an American invention to dispense with the backbreaking labour of picking cotton by hand. Until the new machine appeared, this part of the industry was carried on in the same primitive way as before the first labour-saving machine was invented.

The following account appeared in "Time" (New York):

In 1793 Eli Whitney invented a machine in which a toothed cylinder forced raw cotton through a mesh screen, thus separating the lint from the seeds. Two years before, the United States cotton crop was equivalent to 4,000 modern bales. Eight years after, it was 96,000 bales. (The Agricultural Administration has reduced it from 15,000,000 to 12,000,000 bales.)

Meanwhile, great strides were made in mechanical wheat harvesting. Threshers, reapers, combines, tractors, replaced the man with the scythe and profoundly changed the economy of the grain-growing West. But today the cotton crop is harvested exactly as it was when Eli Whitney invented his cotton-gin—by Negroes moving between the rows of plants, plucking the fluffy balls by hand and stuffing them into huge bags, which the pickers drag behind, them. An average picker bags about 100 lb. of seed-cotton a day, for which he may in good times receive as much as a dollar . . .

For eighty years men have tried to build a serviceable machine, and many a machine has been exhaustively tested. The problem of taking in all, or nearly all the ripe balls without injuring green plants or gathering so much rubbish that

ginning is impossible, seemed insuperable. International Harvester Co. is estimated to have spent three million dollars in cotton-picking research. . . .

Last week the South was abuzz with conjecture. The machine has been nursed through long years of experiment by its inventor, John D. Rust, and his brother, Mack. The machine straddles the row of plants. Into a tunnel-like opening a line of small, smooth, revolving rods project sideways. Carried on an endless belt the rods first pass through a moistening device, then comb through the cotton-plants. Because the rods are wet the cotton sticks to them and winds itself round them. The adhering cotton is then mechanically stripped from the rods and passed into a hopper by suction. Planters wondered why the machine had not been invented before. It travelled down the rows, leaving the open balls stripped and the green balls unharmed. It picked up no rubbish.

*In seven and a half hours it gathered as much cotton as a diligent hand-picker gathers in an eleven-week season.*

#### THE RICHEST COUNTRY IN THE WORLD

During the year 1934, (says "Social Credit", of May 31), the U.S.A. imported gold to the value of £230,000,000 and purchased silver and paper currencies amounting to £196,000,000. Their "favourable" trade balance, after deducting invisible imports, was £67,500,000 and the debts owing to them by other nations amount to £3,475,000,000.

These astronomical figures mean that the U.S.A. have more gold than they know what to do with, more goods than they know what to do with, and in case of emergency have the rest of the world in pawn.

In these circumstances the following passage extracted from the information issued by the American Consulate-General in London to applicants for visas reads like a joke: —

"It is estimated that more than ninety per cent, of the cases in which visas cannot be given by the Consulate-General are refused because of the inability of visa applicants to present clear and convincing evidence that they will have adequate means of support for an indefinite period after their arrival in the United States. If there seems to the Consulate-General any probability whatever that an applicant might lack such means of support, the United States immigrant laws specifically and positively require that a visa shall be refused. This is due to the present economic conditions, under which many millions of able-bodied persons who desire to work are unemployed.

"In view of these conditions, it must be held that a person who plans to support him or herself after arrival in the United States by finding employment will almost certainly be unable to do so, and is extremely likely to become destitute and a public charge. Visas are invariably refused in cases of this kind."

Actually, of course, it is in deadly earnest.

#### AN APPEAL TO DOUGLAS SYMPATHISERS

A gentleman with complete knowledge of Douglas teachings and philosophy, an enthusiastic public worker, would greatly appreciate a position, preferably where trust and responsibility are features. Wide business experience, including ten years postmaster. Good references. Very small remuneration would be accepted. Please reply, "Integrity," c/o "The New Times."

## THE WORLD OUTSIDE

## Random Jottings from Abroad

## GERMANY

## HITLER "PROVES" HE IS A DEMOCRAT.

From Hitler's speech of May 21: "I frequently hear regrets emanating from Anglo-Saxon countries that Germany has dropped precisely those principles of democracy that are most valued in those countries. This opinion is based on a serious error. Germany, too, has a 'democratic' constitution. The present German Government of the National Socialist State has been elected by the people, and feels itself as responsible to the people as the Governments of those other countries. It does not matter how large is the number of votes in an individual country that a representative has to win. There are countries where 20,000 votes are necessary; in others again, only 10,000 or 5,000 are sufficient; and in yet others 60,000 or more. "The German people elected with 38,000,000 votes a single representative. This is perhaps the most important difference between us and the other countries.

"But it means that I feel myself as responsible to the German people as any Parliament. I act, thanks to their confidence and according to their orders..."

## ITALY

## MUSSOLINI'S PLANNED POVERTY

Italy (says *The Manchester Guardian Weekly* of June 7) is making an imposing military effort; soon she will have under arms, if the Fascist Militia are included, nearly a million men in Italy and on the frontier of Abyssinia. What is the character of the economy on which this great superstructure is to be supported? Signor Mussolini is as absolute a ruler as any in Europe, and if it were possible to produce national well-being by an effort of the resistless will, then Italy ought to be one of the happiest of countries. But as a matter of fact, she is one of the unhappiest. When Fascists are asked what they have achieved, they answer with abstractions like national prestige, national unity, and so on. But Italy's prestige has fallen, not risen, since Mussolini took office; nor is her present artificial unity an obvious improvement on the natural disunity that once made her so attractive. She has certainly not achieved material well-being. The poverty of her peasants is such that it cannot even be imagined in Western Europe. Even her middle class is being reduced to great straits. Her industrial workers are amongst the worst paid in the world. Discontent is rankling everywhere, and is only kept from breaking out by the Terror and by that dull passivity engendered by so many dictatorships. In foreign affairs Mussolini has beaten all records as a blunderer. He failed in Albania. He blundered when he instigated the suppression of the Austrian Socialists last year, thus destroying Austria's principal defence against the Nazis. His "revisionism" was a blunder. His early hostility to France was a blunder, as was his flirtation with Hitlerite Germany. And his Abyssinian enterprise looks like being the worst blunder of all. How long will the over patient Italian people have to put up with him and his system?

## THE NEW "PURGE."

For no apparent reason (says the Italian correspondent of the same paper) the secret police in Italy have started a new campaign of arrests and imprisonments. At Turin alone some forty intellectuals have been arrested. These men were mostly grouped round a review called *La Cultura*, which, though independent and liberal in outlook, was entirely confined to

the discussion of art, science, and philosophy. The editors, Giulio Einaudi and Luigi Salvatorelli, both well-known scholars and writers, were arrested, and with them a large number of other artists, professors, and writers. The excuse seems to have been an article by Piero Treves attacking the present historical interpretations of Julius Caesar in the light of his successor—Mussolini; yet neither Treves nor any of the other arrested persons had any definite political activity. Several women were among the suspected group.

At the same time Milan has suffered from a similar "purge" in which many intellectuals have been arrested. Among them were two doctors who had previously served sentences as political prisoners.

But it is not only intellectuals who have lately felt the rigours of the Fascist rule. The notorious Special Tribunal at Rome has increased its "output", and since the much-advertised amnesty in September last year it has sentenced 345 political prisoners to an aggregate of 1185 years of imprisonment. During May the tribunal has been particularly busy with a group of anti-Fascists from the neighbourhood of Venice. They were accused of taking part in "subversive organisations" and of "anti-national propaganda," and have been sentenced to some 564 years of imprisonment between them.

## RUSSIA

## A NEW CRIME.

The Supreme Court of the Soviet Union has decided that the christening of children without the permission of their parents is a crime open to severe punishment. It has happened that the older relatives of children—grandparents, granduncles, and grandaunts—disliking the anti-religious ideas, with which the younger generation is sedulously inoculated, have secretly taken children to church for christening. The Supreme Court decides that the request of relatives other than parents does not relieve the priest of criminal responsibility. He is liable to a year's hard labour and the confiscation of part of his property if he officiates without parental consent.

## AMERICA

## THE "ST. VITUS" GOVERNMENT.

Discussing editorially the Supreme Court's decision that Roosevelt's National Industrial Recovery codes were invalid, the *New English Weekly* of June 6 says: In spite of the fact that the New Deal must not be scrapped in the absence of something to take its place, it is a proven failure. Although rates of wages have gone up by 33 1/3 per cent the cost of living, with the aid of the American springboard, has leaped still higher. The jumpiness of wholesale prices has provoked the joker of the American pack, Senator Huey Long, to describe the Roosevelt administration as the "St. Vitus Government." Over twenty million people on relief are suffering abject poverty for want of the things that part of the New Deal was designed to destroy. If Congress, therefore, were to win the unanimous concurrence of all the States in such drastic amendments to the Constitution as would legalise both the codes and the New Deal in their entirety, President Roosevelt would not be a hair's breadth nearer to fulfilling his solemn vow to raise the level of consumption to the level of production, or alternatively, to realise that satiety of natural demand which is the essence and completion of Economic Democracy.

With an entire nation of human beings for his laboratory, President Roosevelt has demonstrated by experiment that the control and planning of production, inflation for public works, inflation for armaments, and inflation for the restriction of supplies of consumption goods, are no cure for the problems created by abundance. He has demonstrated that all the experts of the school in which Mr. Keynes appears to have spent his last term, and of the more orthodox schools who swore in absolute unison that prosperity must immediately and inevitably follow recovery in the capital goods industries, had hitched the hopes of all who trusted them, not to mention their own reputations, to a mirage reflecting only their fantasies.

Events have disillusioned the American people, unfortunately, before they appear to have enlightened the President. The case is not, however, hopeless. The President cannot now avoid seeing that the loyalty of the American people paves his way with something more than good intentions. That the only possible way to raise consumption is directly; that is, by raising purchasing-power relatively to prices, is now so self-evident that Roosevelt need fear no denial if he adopts it as his slogan for direct action.

Increasing purchasing power out of the National Credit involves neither inflation nor National Debt and it equally involves no building of battleships simply to find work for idle hands. This, then, and this alone is the issue before Roosevelt, and his personal immortality or Cimmerian obscurity with Hoover is as much at issue as the happiness of America. If the Supreme Court's declaration that the N.I.R.A. is illegal leads to the use of America's National Credit to ensure the consumption of the nation's total output, the Supreme Court will not have defended American liberty in vain.

And in this connection Heaven happily prevented the makers of the American Constitution from all the consequences of operating in an age of scarcity when horsepower meant only horsepower. The makers of the Constitution exercised an amazing and miraculous foresight: for the American Constitution, in spite of the American practice, actually does empower Congress to control the creation, issue and recall of money.

## FRANCE

## A DEFICIT OF 26,000 MILLION FRANCS

If (says the same journal) the world is a bundle of ropes and the nations a collection of intending self-executioners all determined to die lingering deaths, France is surely the most skillful of the self-torturers. All that America has suffered, and more, from relying on the romantic extreme of economic theory, France has suffered from relying on the classical opposite. The United States has exhausted the theory that prosperity can be purchased by inflation. France has exhausted the theory that it can be procured by deflation.

Since 1932 eight French Governments have been flung ignominiously out of office, and the newest is no safer than the last. While Governments come and go, however, the facts that compel practice to defy precept seemingly go on forever. Although the Gold Standard requires the French banking system to pay gold on demand, the Government falls whenever gold is demanded. Although the honest to goodness real Old Gold Standard necessitates that

## IVANHOE HALL,

Sunday, July 21, at 3 p.m.

Rev. J. T. LAWTON, M.A.

Subject: "An Appeal to Sanity."

Chairman: Mr. P. M. Ireland

A.M.I.E. Musical Items.

the National Budget should be balanced, no French Budget has been balanced since 1930, and the aggregate deficit amounts to the colossal figure of 26,000 million francs—a figure at which anybody except a Frenchman would be tired of counting.

## BANKERS ATTACK ON FRANC.

The last six days of French history are a miniature of the last six years. While M. Germain-Martin, the fearful and tearful servant of the Bank of France, pleaded that "devaluation could bring no solution", M. Reynaud, with England, Belgium and, would you believe it, America; as the apples of his eyes, thundered that "controlled devaluation" had proved itself a remedy. M. Germain-Martin, having been refused by the French popular leaders the blank cheque to do what the Bank of France liked, made room for the septuagenarian M. Caillaux, whose policy will as surely be identical with M. Martin's as his personality will be stronger. The balancing of the French Budget, however, entailing the deflation of French incomes, reductions in the pay of State officials, cuts in pensions and restricted social services, would be almost certain, as every French politician knows, to arouse a popular clamour as likely to be consummated in Communism as Fascism. France has, therefore, little choice but to raise further loans or to devalue the franc. Yet the London *Times* twice emphasised last week that evidence pointed to the bankers, and not to speculators, as the engineers of the attack on the franc, with the purpose of compelling the politicians to balance the Budget. If it were not for the politicians Finance would dig its own grave and fall in.

## DEVALUATION AND CONSUMPTION

French foreign trade has been rapidly perishing over a considerable period, and if France continues to cling by the nails to the Gold Standard her imports and exports will soon come as near to extinction as Germany's.

A cost of production incurred in terms of gold puts France at a handicap in the world market with every competing nation. Undoubtedly devaluation would enable France to regain some of the export trade the capture of which enabled our spring nightingale, Mr. Neville Chamberlain, to broadcast his report of progress to the City of London. Nevertheless, world trade in the aggregate is still declining and is only a third of its volume in 1929. Devaluation, therefore, can offer no solution for the destruction of bread and wine in France that so aptly symbolises the total world situation. France is just as much in need of increased purchasing power for consumption as England or America, and M. Reynaud, by raising domestic prices and the volume of exports by inflation, would no more prove himself the saviour of France than M. Caillaux, reducing total purchasing power by deflation.

The latter will make it a little more difficult for the French to live; the former would have made it a little more difficult for the English to live. M. Caillaux, in other words, will increase the risk of a breach of the peace at home; whereas M. Reynaud would have increased the risk of a breach of the peace abroad.

## ARGENTINA

## NEW CENTRAL BANK

The Government (says the London *Economist* of May 25) has now appointed the chairman, the vice-president and their representative on the directorate of the Central Bank. No politicians have been nominated. The preliminary work of organising the bank is being begun, and it is understood that an expert from the Bank of England has been engaged to assist in this.

## British

## Medical Journal and Suicide

A recent discussion on the economic aspects of suicide in *British Medical Journal*, the organ of the B.M.A., was responsible for the following two contributions from medical men:

The first correspondent, Dr. John Leishman, wrote: "Under the heading 'A Practical Note on Suicide' Dr. Frederick Dillon stated that 'speaking generally, we may say that suicide is a way of escape from a situation that has become intolerable', and also that 'worry from external circumstances', unless the latter are of an extraordinary or exceptionally disturbing character, cannot be said to be sufficient in itself to arouse a suicidal attitude of mind."

"In the *Listener*, in an article which was broadcast by Major C.H. Douglas, the originator of the Douglas Social Credit Scheme, in the 'Causes of War' series, entitled 'Is Our Monetary System To Blame?' there appears a graphic representation of the suicides and bankruptcies in Great Britain since 1910. This startling graph shows a remarkable parallelism between suicides and bankruptcies. During the war both diminished in frequency, to be followed by a rapid rise after the war. The graph indicates that worry from external circumstances of an extraordinary and exceptionally disturbing character was operative before the war, diminished during the war, when money was more plentiful and greater economic security existed for the individual in spite of the enemy at our gates, and has been and is operative more than ever since the war, during a period of greater financial stringency decreed by sound finance.

"It is clear that with increasing irritations of an economic nature and an increasing number of people will go bankrupt and will commit suicide. This is an argument against the irritations rather than against human nature. At a public meeting convened by the Committee against Malnutrition Sir F. Gowland Hopkins remarked on the now generally accepted fact that through the success of scientific methods the repetition of the miracle of loaves and fishes had become possible. This possibility is true literally and metaphorically, and yet bankruptcies and suicides have been, and are increasing. Life itself, including medicine, is being frustrated.

"The close association between bankruptcies and suicides suggests a financial basis for them both, for much of the present frustration of life. Major Douglas's graph is a very practical note on suicide, introduces a realistic touch to a psychological study, and points the accusing finger unflinchingly at the false god of High Finance. This is an aspect of the subject of great moral and practical importance which calls for consideration."

The second doctor added: "I congratulate Dr. John Leishman on his excellent letter on the economic aspects of suicide. Not only is the financial system directly or indirectly responsible for greater number of suicides, but also it renders needlessly difficult almost every problem with which the medical profession is faced at present. It is idle to say that the field of finance and economics is beyond man. The scientific distribution of purchasing power is as important from the medical point of view as is the water supply. And since Major C. H. Douglas is the only thinker in this field who seems to have constructive ideas, I recommend the study of his works to all medical men and women."

## WHISTLING TO KEEP OUR COURAGE UP?

We badly need a restatement of policy, if only to convince ourselves that we are acting on the whole soundly.  
—Professor D. B. Copland, July 10.

## 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.

## SOCIAL CREDIT AND COMMUNISM.

May I be permitted to criticise the article published in the "New Times" (July 5), under the heading, "How not to do it." As an ardent Douglasite, it seems to me that the movement is being abused when its alleged advocates use it as a banner under which to belittle what they term Communism. There is no ground on which to base an argument. Russia's immediate problem is production. What she intends doing about the monetary question doesn't as yet seem clear. But what does seem fairly clear to me, at least, is that no normally intelligent person would condemn Russia because her remedy for under-production doesn't also serve as a remedy for our banking and monetary problem.

As regards private enterprise, one stops to consider for a moment, it should be fairly obvious that nothing on God's earth is done without private enterprise, whether under State control or not. State ownership and control might increase our productive efficiency to the extent of giving us ten times as much as we could consume, instead of only nine times as much, but I doubt it. In any case, individual freedom would be far too big a price to pay.

In conclusion, I would repeat that Douglas Credit has no argument with Communism, the former being the analysis and proposals of Major Douglas on money matters, and the latter purely a question of social ethics.

W. PAYNE.

355 P.O. Place, Melbourne.

## WHY NOT DISTRIBUTE THE SURPLUS?

The Commonwealth Government has a surplus again this year, the amount being £710,274. Our warehouses also contain a surplus of consumable goods, and while there is a surplus of money in the Governments hands, and a surplus of goods in hands of the merchants and producers, thousands of our fellows are on the verge of starvation.

Last year it appears that the Post and Telegraph Department was responsible for a surplus of nearly £2,000,000, a large amount of which was probably mopped up in paying some of the interest on loans from the private money monopolists, because the net surplus falls over a million pounds short of that department's surplus. Government surpluses usually achieved by too high taxation or overcharges for services, and in this case we have been grossly overcharged for the services rendered by the Post and Telegraph Department. (Our postal rate is 2d, New Zealand's, 1d.)

Surplus means, "something over and above what is required." So our Commonwealth Government has nearly three-quarters of million pounds over and above what is required, and this counts for surplus goods to the same value being in the hands of our producers and merchants. Would it not be a graceful act on the part of the Government to distribute these goods to the needy through the surplus funds they hold? We all know that the weather has been extremely cold this winter, and it is not likely to become warmer for some time. It would be a great blessing to the needy as well to the holders of the surplus goods if this could be done. Have we any politicians strong enough to insist that the surplus money be used to this end?

Would it not be a boon to the destitute to be able to line their stomachs with the surplus food now going to waste, and cover their backs with the surplus clothing doing likewise? Would it not be much better to do this than hand the surplus over to the private money monopolists who have already grown fat on our prolific foodstuffs, and are snug and warm in their clothes of wool fleeced from Australian sheep?

"ANTI-POVERTY."

## MORTGAGEES AND THE LAW

When the Premiers' Plan was put into operation, very little was said about the tardiness with which banks, financial institutions, and mortgagees fell into line with reductions of interest, when the wage-earner had to take the immediate percentage cut in his already meagre income. But it may come as a surprise to some to know to what extent the lending portion of the community laid itself out to shield itself from the obligation to share the sacrifice which others were advised to bear gladly. The attempts at intimidation to which many such lent themselves are almost past belief; but it must be remembered that mortgages have to be registered and the terms of them are open to inspection by anyone who is sufficiently interested to pay a search fee. Take, as an illustration, the following clause, which now appears in a mortgage registered in 1932:

"Provided always and the Mortgagor doth hereby agree admit and acknowledge that the said principal sum has been lent to and accepted by her upon the express condition and agreement that the provisions of the Unemployed Occupiers and Farmers Relief Act 1931 and of the Financial Emergency Act 1931 and of any and every Act or Acts now or hereafter in force having the object of relieving from or enabling the reduction or postponement of any sum which may become due hereunder, whether interest instalment and/or principal or otherwise, and any amendment or alteration of the said Acts or either of them or of any such Act or Acts shall have no application to this Mortgage or to any payment of money to become due hereunder anything contained or implied in the said Acts or in any such Act or Acts to the contrary notwithstanding, and any breach by the Mortgagor of this proviso or any request or any attempt by her to obtain or take advantage of any relief afforded by the said Acts or any such Act or Acts shall be deemed to determine this agreement and shall render or cause the said principal sum or so much thereof as shall then remain unpaid together with all interest thereon to be and become forthwith due payable and recoverable notwithstanding any provision express or otherwise contained in the said Acts or either of them or in any such Act or Acts."

The clause is comprehensive enough in all conscience, and it would be interesting to know how far others have gone to make abortive any Acts past, present and future, the object of which may be to provide safety for borrowers.

Surely it is time for Governments who father any beneficent legislation to take steps to prevent conspiracies to set such a naught. This could be done by refusing to register any document, which so openly flouts the provisions which Parliament in its wisdom thinks fit to include.

"SEARCH FEE."

## LAUGH AND GROW FAT.

The leader writer in the Melbourne "Truth" of June 22 unburdens his soul and proceeds to offer this gem towards that amazing collection of nonsense known to the initiated as "orthodox economic thought."

Deploping the amazing decrease in the consumption of bread, he writes: "All sorts of

reasons are being canvassed. One of the latest to find its way into print is the suggestion that flour is not now of the same quality as it was many years ago. Most of the commentators have overlooked the fact that the decrease in bread consumption is very largely psychological. The popular antipathy to what is known as 'putting on weight' has made it fashionable these days for medical practitioners to tender advice on diets. In ninety-nine cases out of one hundred the first thing we are warned against is bread."

After trying unsuccessfully to digest this morsel of orthodox economic wisdom, I am forced to the conclusion that the hundredth warning, when issued, will almost surely be against tripe. From experience, I have discovered that attempts to digest the particular brand served up in this leading article has a strong tendency to make one laugh and grow fat.

P. V. J

## THE PRESS AND WAGE RESTORATIONS.

I have been struck by the attitude of our daily papers towards the question of wages and salaries of Government employees. They all saw the importance of reducing those earnings, but now, when prosperity is supposed to be returning, there is not a word in favour of helping Government servants towards restoration of the "cuts." As far as I can ascertain, the daily papers reduced the wages and salaries of their employees and carried out other economies, but they did not reduce the prices of their papers. Neither did they reduce their advertising rates. In fact, I cannot find any contribution they made to end the depression beyond giving advice in their leader columns and publishing — frequently at great length — the opinions of people who sought to reduce Australia's standard of living.

"BASIC WAGE."

## GOLD AND THE BUSINESS MAN

If an ordinary citizen has an ounce of gold to sell he can obtain about £8 for it in banknotes (or a cheque) that will buy goods up to that value. The banking system, on the other hand, uses that £8 worth of gold to back £40 worth of bank-notes, and the £40 in bank-notes provides a backing for £400 in bank created credit which conducts 99 per cent, of business in this country.

The gold is not held by our banks but is exported, and "sterling certificates" are taken in exchange. So Australia's banks actually carry on without gold. They have demonstrated to their own satisfaction that gold is unnecessary. The average man imagines that somewhere there is a store of gold, which gives value to his money. Even some astute businessmen suffer from this delusion.

This brings us to the important realisation that the money of Australia amounts to no more than paper and ink, recording claims by individuals or companies on other individuals or companies. The bankers attend to the recording of these claims, and they mind them in their strong rooms. But in addition to performing this book-keeping service the bankers have usurped the right of issuing these claims, and place upon them an arbitrary limit, which is arrived at by referring to the sterling certificates they hold. The needs of industry and commerce are not taken into account in determining this limit.

Now, since the banker maintains that gold is the governing factor in the quantity of credit in the country, and as £1 in gold enables about £60 of paper money to exist, surely the man who originally held the gold is entitled to more than a one-sixtieth part of money (or credit) which he has enabled the banker to issue. The fact that the banker charges interest on the credit he issues is not a vital obstacle to reform. Interest may represent bookkeeping charges, or income to someone. The tremendous power the banker

## WE'RE ALL SO HAPPY!

## The Jolliest Time Since the First Gas Attack at Ypres

By G. W. L. DAY, in "Social Credit."

To judge from our Mr. Neville Chamberlain's buoyant Sales Talk to the British Bankers' Association, we might be halfway back to the Golden Age already.

"Today we meet in an atmosphere of such happiness and contentment as has not been seen since the War," he said.

Which part of the War did he mean? The First Gas Attack at Ypres?

By one of those curious coincidences of modern journalism, the "Daily Herald" published in the same issue as this speech a bright and snappy news-story called

## Week's Gas Drill for 750 Girls

This described how 750 young women from all parts of the country are to spend part of their holidays in an extensive series of anti-gas manoeuvres.

One city bank is giving its employees an extra week's holiday so that they shall not miss the fun; which clearly shows the human side of Finance.

Listen to this: "Each girl will be supplied with anti-gas clothing, including Army-type gas-masks, rubber gloves, gum-boots, rolls of straw and sacking and jacket and trousers of impregnated cloth impervious to mustard gas."

Can you imagine anything jollier? And "the real mustard gas will be used to show the girls how it burns up vegetation and even penetrates the earth."

There's holiday fun for you! Moreover, "the rescuing of victims of mustard gas attacks will be gone through from beginning to end, when victims will be undressed, bathed, and revived."

"On Tuesday a film will be taken of a massed drill."

Which you must admit is a great improvement on the ordinary bathing snaps.

The "Daily Herald" (can it be coincidence?) in the same issue published more details of the happiness and contentment, which Mr. Chamberlain refers to, as reported by the Committee against Malnutrition. This time the jolly title is:

## Doctors Blame Poverty

First, Dr. Leslie Harris, of the Medical Research Council, said it was impossible to deny that there is extensive malnutrition.

"Statistics are available now," he wrote, "that considerable sections of the community have less money to spend on their food than the bare minimum necessary for health."

Then he went on to say "the general standard of physique and good health is notoriously lower among the poorly fed industrial population, and is largely due to under-feeding."

Professor J. R. Marrack, of the London Hospital, explained how science had discovered the enormous importance of diet in maintaining health.

"No further experimental proof is needed to convince the scientific workers," he said, "of the importance of full and correct diet. Yet no action is being taken adequate to the need."

wields in calling up overdrafts, declining to grant overdrafts to some while giving them to others, and selecting his own time for issuing or recalling overdrafts places him in a stronger position than the mightiest commercial magnate.

When it is realised that booms and depressions are the direct result of bankers' action, is it not amazing that the business world continues to allow the banker to rule? This state of affairs cannot go on much longer.

"RAYON D'OR."

Science, you might say, has brought us to the trough, but can't make us drink. Finance is standing there with a horsewhip. Old Mother Nature smiles encouragingly and stands aside, but Finance steps in and bars the way.

Miss Eleanor Rathbone, M.P., said: "We have an opportunity of making two quite different needs fit into and help each other: the need of the ill-fed and the need of the agricultural industries."

Yes, babies and mothers anxious to eat, and farmers anxious to supply food. But Finance standing between them with a horsewhip.

And our Mr. Chamberlain saying to the bankers: "It is a fortunate coincidence that the Jubilee should have come at a time when the revival of prosperity had gone so far that people can dare to be happy."

"The girls," says the "Daily Herald," "will be taught how to detect the smell of mustard gas, which is invisible, and how to apply oxygen to victims of a tear gas raid."

Tears and gas! Yes, tears for the starving children and gas for Chancellors of the Exchequer. But for Finance, it's really a splendid world, and but for some trifling uneasiness lest the "safest and soundest system, and the admiration of, etc.," be overthrown, there is nothing whatever for the Money Power to worry about.

We who have our own ideas about what constitutes happiness and contentment must decide whether our Mr. Chamberlain's brand is the sort we want, and if it isn't we must say so.

For how many years now have we patiently waited for something to turn up and pull us out of the mud? All along we have buoyed ourselves up with a vague hope that something must change and that things will come all right somehow.

But will they? Surely the only change, which is taking place, is the rapid strengthening of the power of Finance? How many more years shall we take to realise that nothing ever does happen, except through conscious efforts, and that the only people who are making conscious efforts are the Money Monopolists?

Let us make our fight now before the odds lengthen against us. Join up and help the Electoral Campaign today!

## ANOTHER ARMAMENT-MAKER PHILANTHROPIST

Mr. Alfred I. Dupont, former head of Dupont de Nemours, the armamenters who were rendered world famous by Senator Nye, left the bulk of his fortune of twenty million pounds for the upkeep of crippled children of the aged poor. Presumably between those grades of society any cripple who survives at all ought to have a disability pension. Incidentally this bequest inevitably recalls that of Mr. Alfred Nobel who, after boasting that his invention of dynamite would make war unthinkable destructive and therefore unthinkable, dedicated the fortune he obtained from supplying war materials to the reward of literary men and others for work of "an idealistic character" in the interests of peace. Constantine went Christian on his deathbed.

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Sample of Dupont humour: The firm of Dupont alleged before the American Senate's Arms Enquiry that Nobel Explosives Ltd. had an agreement with a German concern to share the Turkish Government's demand for armaments. — *New English Weekly*.

# THE STORY OF MONEY and Its Management

(Continued from last issue.)

## THE FACTORS OF A MONEY MONOPOLY

In looking into the possibility of an effective monopoly over money one must examine first the source of money; secondly, its destination; and thirdly, its journey on the way.

The source of practically the whole of our money, as has already been seen, is the banking system. For the most part money originates as a banker's loan which, when drawn upon by the borrower (generally by cheque), becomes in turn a deposit in the bank account of the person who receives the cheque. In this way every bank loan creates a deposit, except where the person receiving the borrower's cheque has himself a bank loan; in which case the increase of money through one loan is counteracted by a corresponding decrease through the repayment of another loan. New money is also issued whenever a bank makes an investment or a purchase for which it pays by a cheque drawn upon itself. The old story told of the farmer, little versed in banking, who received notice from his bank that his account was overdrawn, and who immediately posted his cheque on the bank in settlement of the amount, used to be considered merely an amusing tale. But perhaps the farmer understood a good deal more of banking than he pretended; for he was merely following the banker's own practice—since the banker, every time he draws a cheque on himself, literally makes money.

The ultimate destination of money is the completion of a circuit, resulting in its return to its source. Just as the granting of a bank loan causes new money to be issued, so the repayment of the loan causes it to be destroyed; and just as a bank's purchases add to the money supply, so do a bank's sales subtract from it. In its beginning and its ending, therefore, the money supply is under the absolute control of the banker.

Nevertheless there are at all times vast sums of money in existence, which are not necessarily, for the moment, under the direct control of the banker, even though he caused their existence. These sums, representing the results of bank loans or bank purchases, may be and are held by numerous members of the community who are not indebted to the banks. If a bank calls up a loan from a borrower, the borrower can repay his obligation only by getting hold of some of this money; but if he cannot do so, then, though the bank may extend its property holdings by seizing his collateral security, it cannot be said to exercise a full and absolute monopoly over money.

In the case of the average private individual, as we have seen since 1929, the bank can generally bring him to heel very soon. For, if overdrafts are called up on a large scale, business is at once cramped. Purchases fall off, staffs are dismissed, private debtors are unable to pay private creditors, and most of those who have a bit of money put by soon find themselves forced to draw upon it.

But the comparatively small holdings of private individuals do not greatly matter to the money monopolists, whose insatiable lust is for power, since the small holders, as such, do not usually co-operate with one another, and therefore do not threaten the power of the money kings. But where they do happen to co-operate, the monopoly, if it is to exercise its full control, must take a hand.

By far the biggest and, from the bankers' point of view, the most dangerous of these accumulations of thrift savings are in the assurance companies. Such companies trading in Australia have at the present time over £80 millions invested in Government and municipal loans. It is quite conceivable, therefore, that these institutions might, for a while at least, support a recalcitrant Government, which refused to accept the bankers' "advice."

Then there are the trustee companies, who may be called the administrators of the thrift savings of deceased persons, and who, to an ever-growing extent, are tending to carry on where the assurance company leaves off. They also control great joint accumulations and are in a position to exercise a considerable influence.

Next come the highly capitalised pastoral companies and sugar companies, who act as unofficial bankers to enormous numbers of primary producers or primary industries, and who are often in a position to make advances to these when such are denied by the banks.

Finally, there are the huge trading companies, particularly those which savour of monopolies, which have financial resources on the one hand, and on the other such a physical control over supplies as may make them dangerous to those whose aim it is to control all supplies through their control of money.

These are the factors, which have to be taken into consideration by those who aspire to a financial dictatorship.

Now let us see how these stand in Australia.

## THE BANKS.

First, as to the banks themselves.

The banking business of Australia is a small ring, and a ring, which has rapidly grown much smaller. It comprises today nine great trading banks—there, are also a few smaller units of

negligible importance. There were in 1918 more than twice as many of these great money houses, but the intervening years have seen the absorption or suppression of the rest. These banks, as everyone knows, are ruled absolutely by little boards of directors, and even the shareholders in the institutions get no more information than the scanty and almost meaningless items which appear in directors' reports and balance-sheets.

In addition to these there is also the nation's bank, the Commonwealth Bank, but this today plays a very unimportant part in general banking and it is now very appropriately termed a bankers' bank. The nine associated trading banks, therefore, are the effectual controllers of how much money will be issued to the community and of when and how it will be withdrawn. They also have the sole say as to what individuals, companies or industries will receive the finance necessary to expand or to carry on, and what rate of interest will be charged for it; conversely, they decide who will not receive finance.

## THE ASSURANCE COMPANIES.

That the banks have been alive to the necessity of ensconcing themselves on assurance companies' boards is evidenced by the following list (not a complete one) of companies of this type in which various directors of our nine Australian trading banks were also directors in 1934: The A.M.P.; the Equitable Life; the London, Liverpool and Globe; the Commercial Union; the Guardian; the Alliance; the London and Lancashire; the British Foreign Marine; the Employers' Liability; the Royal; the United; the Mercantile Mutual; the Australian General; the Central; the Mutual Life and Citizens; the Colonial Mutual; the North British and Mercantile.

These are companies on which bank directors openly sat; and it is hardly necessary to add that in many instances, as regards both assurance and other companies, the influence of banks can easily be traced through interlocking directorates and interests even where the banker is not actually and visibly a director.

## THE TRUSTEE COMPANIES.

On the trustee companies Australian bank directors were in 1934 also on the directorate of the Union Trustees; Trustees, Executors and Agency; Permanent Trustees; Perpetual Trustees; National Trustees; Queensland Trustees.

## PASTORAL AND SUGAR COMPANIES

At the same time directors of the same nine banks appeared on the boards of Dalgety's; Australian Estates and Mortgage; Australian Mercantile; Land and Finance; New Zealand Loan and Mercantile; Pitt, Son and Badgery; Goldsbrough, Mort; Colonial Sugar Refining; Millaquin; Fairymead.

## INDUSTRIAL CONTROL

If we turn now to the great industrial enterprises, we find directors of the same banks openly taking their places on the following boards, amongst others; Burns, Philp; Adelaide Steamship Company; Melbourne Steamship Company; Huddart, Parker; the Illawarra and South Coast Company; Qantas; De Havilland; Ford Motors; General Motors-Holdens; the Midland Railway of Western Australia; the Emu Bay Railway of Tasmania; Metropolitan Gas; Colonial Gas; South Australian Gas; Anthony Hordern's; Tooth's; Toohey's; Mt. Lyell; Major Bros.; Mort's Dock; Australian Glass; Dunlop-Perdriau; Henry Jones; Broken Hill Proprietary; Sulphide Corporation; Yarra Falls; South Australian Brewing Company; Adelaide Cement; International Harvesters; Trufood; Modern Permanent Building and Investment; Gold Mines of Australia; Electrolytic Zinc; Melbourne City Properties Trust (a holder of 170,000 shares in Carlton and United Breweries).

## BANKS' ACTIVE INTEREST AND ASSOCIATION.

As an indication of the bankers' active interest in the conduct of these enterprises it might be mentioned that on the date already quoted quite a number of the biggest of them had a banker as chairman. Amongst such may be named the Mutual Life and Citizens; Trustees, Executors and Agency; Union Trustees; Perpetual Trustees; Colonial Sugar Refining; Dalgety's; Australian Estates and Mortgage; Pitt, Son and Badgery; Huddart, Parker; Henry Jones; and General Motors-Holdens.

The close association of the rightly called "Associated" banks is further shown by the cooperation of directors of different banks on the same boards. Examples are the association of the E.S. & A., the N.S.W. and the Bank of Adelaide on the A.M.P.; of the N.S.W. and the Commercial of Sydney on the Colonial Sugar Refining, the Permanent Trustees, and other companies; of the Australasia and the E.S. & A. on Sulphide Corporation; of the same two plus the National on Australian Mercantile, Land and Finance; and of the Commercial of Sydney and the E.S. & A. on the Commercial Union.

## WHERE DOES IT END?

Enough has probably been indicated to show that those

gentlemen who create and destroy our money at their own good pleasure are taking a very lively interest in what happens to the money between the time that they beget it and the time they send it to the

crematorium. But do not imagine that this states the case in full. For the Australian monopoly is but one department of the world monopoly.

Not only were directors of our nine banks to be found last year, on the boards of all sorts of important enterprises outside Australia, such as Marconi's; Western Telegraph; Eastern Extension; Dorman, Long, and many others; they were also very closely linked with the great English (and other) trading banks. On the "Big Five" in England (which are the equivalent of our Associated Banks), the Union and the E.S. & A. were represented on the Westminster Bank; the N.S.W. was on Barclays; the National on Lloyds; and the Australasia on the National Provincial. Two directors of the Australasia were also directors of the Bank of England. With that last name we come almost to the heart of the world monopoly. For this great private bank, whose policy is at once reflected in the English Big Five, the Australian Associated Banks, and the banking institutions of all the other Dominions and Colonies, is not only the virtual dictator of what we like to call the British Commonwealth of Nations; it is a partner in the great bankers' plot for absolute world control. The Bank of England plans alike with the great bankers of Wall Street, who rule America; with Germany's banker dictator, Dr. Schacht, and with the rest of that select group of international bankers whose oyster is the world and whose nominal headquarters are the Bank for International Settlements at Basle.

The recital of all these ramifications makes a terrible story, but at least it should serve to explain why a monetary system which is so obviously unjust and so crazy of itself has not long since been supplanted. Bluntly put, the money supply of the peoples of the world, which should be nothing more than a means to enable their real wealth in goods and services to be distributed as required, has been purloined from them by a gang of international swindlers. And it is only right and proper that the word which comes most frequently and most appropriately to the lips of such should be "confidence"—for they have worked upon the ignorant and the unwary the greatest confidence trick of all history.

(To Be Continued)

## MR. COLE ON THE NATIONAL DIVIDEND

Mr. G. D. H. Cole is one of the nine economists from Oxford who produced in 1933 the book, *What Everybody Wants to Know About Money*. In the course of that work, which was planned and edited, by Mr. Cole, the monetary ideas of Major Douglas (as often before and since) were "proved" erroneous. It is interesting, therefore, to note the progress made by Mr. Cole in the meantime. In the course of his latest work, *Principles of Economic Planning*, he says: "It would appear most desirable to distribute incomes mainly in the following ways:

"(1) By distributing to all members of the community a social dividend as their shares in the common social heritage—the only condition for the receipt of this social dividend being a proved readiness to play their part in the common tasks and duties of the whole community.

"(2) By distributing to all working members of the community smaller supplementary payments on scale sufficient to afford such money incentives as may continue to be needed in order to get the work of society efficiently done."

## SUBSIDIES AS A FORM OF ASSISTANCE TO BANKS

Mr. Neville Chamberlain's cluster of orchids to the banks for never having had to seek assistance from the Government throughout the whole of the trade depression ought to prompt somebody to ask from whence the bankers derive their fortune when everybody else is enduring white nights. Here is the answer. If it is true that the banks have needed no direct assistance from the Government the flowers ought to be handed over to the banker's debtors, who have proved that they would rather die than default. On the other hand, how far from every penny of the millions of pounds of subsidies poured into industry and agriculture has had to be used by the recipients for the repayment of bank-loans, and was therefore indirect Government assistance to the banks? Lord Runciman, ship owner, was quite explicit when he said of the shipping subsidy that he had a notion that the banks would be relieved at the suggestion. Subsidies, in fact, are simply Public Assistance for banks. —*New English Weekly*.

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