

WHO WILL DO THE
DIRTY WORK?

Page 3.

THE NEW TIMES

THE BLOODY TRAFFIC

By Canon Crotty

Page 5.

Vol. 1. No. 8.

Registered at the G.P.O., Melbourne, for
Transmission by Post as a Newspaper.

MELBOURNE, FRIDAY, JULY 19, 1935.

Every Friday, 3d

Insure Yourself for the Dole

It seems fairly likely that, after the shorter working week inquiry is over, and after a Commission or two on sale yards removals and other equally vital national matters have had their fling, the question of national insurance will come in for its turn. The Victorian Premier has already indicated that his mind is running along these lines, and the New South Wales Minister for Labour announced in London last week that he will begin an inquiry into the subject almost at once. The matter may even be taken up by the Federal House when our swallows return, and Parliament starts nesting again in the late spring or early summer. For Dr. Page, whose activities in the absence of the Prime-Minister seem to be confined mainly to incubating further Plans for centralisation of Power, has just hatched out another scheme to amalgamate all forms of insurance—except those operated at a profit by our great companies.

National insurance would certainly prove a more welcome topic to Messrs. Lyons, Menzies & Co. than anything so distasteful as a monetary inquiry. It has the advantage that it is being taken up by the best countries overseas, not to mention the added attraction that it will enable the people to be distracted still further with details of administration, to the neglect of vital matters of policy.

AN EXISTING TAX

If you give the subject a little thought, it at once becomes clear that national insurance is simply another form of taxation. In principle it differs in no way from the existing forms of taxation, which provide the old age pension and similar social services, or from the taxation, which provides our alleged insurance against physical attack from abroad.

Moreover, any new scheme of national insurance against unemployment is made the more absurd because the process has been in operation here for years and because it has proved itself a dismal failure. In various States of the Commonwealth a semi-

Communitic form of compulsory insurance is in operation in the shape of the wages tax - semi-Communitic because, though the premiums or contributions vary according to individual incomes, everyone has the same claim on the fund thereby created. That claim entitles all, if unemployed - and if willing to surrender their liberty to such gentlemen as Mr. Kent Hughes - to the receipt of a weekly dole or sustenance allowance.

Looking at this national insurance scheme from the practical point of view it can safely be said that, without exception, there is not one decent minded person in Australia who is satisfied with the amount of the dole. It is probably not less true to say that no one would feel disposed to have his unemployment tax payments increased. Those of the community who are likely - to draw the dole—such as the 70 per cent of our people getting under £3 a week—know that they cannot afford the amounts which are already taken from them by compulsion. And those who are unlikely to reap its "benefits"—such as the 10 per cent, getting over £5 a week—not unnaturally look with aversion upon still another tax added to the taxes which are already crippling their businesses.

ALREADY DISCREDITED.

As to the effectiveness of the scheme, it is hardly necessary to do more than point out that the whole receipts of the tax, plus a tremendous yearly increase in our national debt, have been insufficient to furnish even the barest necessities of food, clothing and shelter to the unemployed.

A few figures may make this still more clear. The last complete returns available deal with the year 1932-33, but, as the national position has not materially altered since then, they may be taken as true of today. In New South Wales the Unemployment Relief Tax in 1932-33 produced revenue almost exactly one half of the State's total revenue in 1928-29. Over all the States of the Commonwealth (and

although there was no special tax in this form in South Australia or Tasmania) the Unemployment Relief Tax in 1932-33 equaled one-third of the six States' entire revenues in 1928-29, and 5/7d in the £1 of their total (and increased) revenues in 1932-33. Actually in the latter year this tax produced, from four of the six States, £10 ½ millions.

On to this must now be added the increase in our public debt, which has risen from £1100 millions in June, 1930, to £1250 millions today—an average of £30 millions a year. There might also be added, though we need not consider it here, the increase during that period in the debts of semi-public bodies, which are not included in the figures of the national debt.

All this extra debt so incurred represents either budget shortages or loans for so-called public works. And in both cases the expenditure was incurred almost entirely in the attempt to make some sort of provision for the unemployed. So it follows that every 5/- raised from the insurance fund (£10 millions a year) has had to be supplemented by 15/- from the loan fund (£30 millions a year).

Ask yourself, therefore, these two questions:

1. Are you prepared to increase your wage tax payments to four times their present amount?

2. Are you satisfied under such a scheme to receive no more than what is now being done for the unemployed?

Stripped of the economists' fine phrases and the politicians' echoes, this is what national insurance means in the light of facts.

From which you may be tempted to ask yourself another question: Since these things are known to politicians and economists, what mysterious reason impels them to mislead the people with still further false hopes?

SOURCE AND EFFECT OF INSURANCE FUNDS

Let us suppose, however, that a national insurance scheme other

than our wage tax and dole arrangement were to be put into operation. Under such a scheme two of the aspects that must be considered are the source of the fund and how it would be used. The question of administrative costs need not concern us. Presumably, as in the case of other insurance companies, these costs would be high. But, though this might imply a loss of benefits to those actually insured, it would not materially affect the scheme from a community point of view, since the extra staff engaged would largely comprise those who would otherwise be unemployed. They would simply be drawing on the insurance fund for a job instead of drawing on it for unemployment pay.

The source of the fund would probably be combined payments from employers and employees, with maybe something additional from the Government (which means both combined). And, as all the payments made by industry are costs in industry, it follows that all such must be included in the prices of the goods produced. It follows equally that any withholding of money earned from industrial production—whether wages or profits—must result either in an equivalent amount of goods being unsold or in there being still more sales below the cost of production.

In the case of the wage tax, which is simply a redistribution of incomes (resulting in an all-round lowering of the standard of living) the payments into the insurance fund—as we have seen from the loan figures above—never remain in the fund. They are paid out as soon as received. There is no hold-up, therefore, in this case. But into the insurance, as the figures of all such companies show, enormous accumulations are built up. They have to be built up, at least to the extent of probable claims. What happens to these sums? They are largely lent out as interest-bearing loans to governments and semi-public bodies.

So that the result of establishing

still another insurance fund, if it were practicable, would be to make our national financial position worse than before. More money—which otherwise, in the case of most contributors, would be spent at once—would be withdrawn from the buying market. And the consequence of this added shortage would be still more unemployment, leading to still further loans, and a national debt increasing more rapidly than ever.

This, briefly, is the case for national insurance. Present taxation is providing only a quarter of the amount needed to make payments, which are admitted on all sides as a hopelessly insufficient provision for the unemployed. And any extension of the process would defeat its own end by piling up the national debt, by hampering industry more than ever, by lowering still further the incomes of wage earners, and by increasing industrial unemployment.

NATIONAL DEBT OR NATIONAL DIVIDEND?

How, then, is financial provision to be made for those whom industry does not now need, and for the still greater numbers with whom industry would dispense tomorrow were it able to finance the purchase of the latest labour-saving devices?

There are only two ways.

The shorter working week is not one of them. A shorter working week is both practicable and desirable. It is probable that some flight lessening of hours—an hour a day perhaps, or something of the sort—would not result in any lessening of production, since it seems to be generally admitted that the present workers, by extra keenness and better organisation, could turn out more per hour than they are now doing. But this is beside the point. The main issue, of the shorter week, if it were cut down to, say, thirty hours, is that more hands would be required to keep production at its present level. And more hands must mean either a general wage reduction or an increase in industrial costs, both of which defeat their own purpose, since neither results in increased purchasing power.

The only ways by which the unemployed can be provided for are,

DEMOCRACY AT THE CROSS ROADS

By LESLIE H. ROLLINS,
M.A.I.A.E.

Owing to the demand for, and pending the issue of a popular edition of this clear and instructive analysis of our present day problems, it has been decided to offer the public the balance of the first edition at the reduced price of 3/9 (original price, 5/16). This has been made possible as most of the edition has already been sold, and the book was not written for the purpose of profit making.

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Mr. Theodore Fink,
Chairman of Directors,
The Melbourne "Herald."

Dear Mr. Fink,

Did you read last Saturday night's "Herald"? On page 12 there was a prominent article which does your paper credit. This was a graphic pen picture of one of Melbourne's slums. And it was a true picture. There was nowhere a suggestion that the unhappy residents of the area visited by your representative are of the type that will not help themselves. On the contrary, they were shown as the heroes and heroines they really are.

Here are some of the words your paper printed: "The lane veers to the left. There is a gutter down the middle—with puddles and sodden bits of refuse. On one side there is a 35ft. brick wall—the side of a factory of some kind—and, opposite, huddled together in eternal shadow, is a row of houses . . . The house had a frontage of 11ft. 6in. I was told that ten people lived here . . . 'The three of them get their cup of milk at about midday. Sometimes when they come to dinner all I have for them is pancakes and bread and dripping and tea. The milk fills them up a bit first, and then I find that I have enough to satisfy them.' . . . into the neighbour's cottage. Plaster was in flakes' on the ceiling, and paper peeling off the walls. It was dark and dank inside. A husband, his wife, and their three little children lived there. He was a returned soldier, and he was now suffering "the effects." One child was in bed with influenza, another was also ill."

Are these cases 'exceptional'? "The children in the slums who are undernourished are legion. In stead of these conditions being improved, they are gradually growing worse."

And the people? "The neatness and tidiness of some of these derelict houses is amazing. Day in, day out, worn-out verandah boards are scrubbed until they are white. There are neatly trimmed, well cared for gardens—in six' jam tins on a kitchen windowsill. You are told about the plight of the neighbour—seldom of the person to whom you are talking."

The purpose of all this was to appeal for a fund to give a cup of milk a day to 16,000 children in Melbourne, many of whom, as we learn from your paper, had never tasted milk until the free distribution began. The objective of the fund is £1000, yet the public, in spite of all the efforts of the "Herald," have thus far subscribed only a few pounds. On the other hand, the public last week contributed £4570 to the "Herald" football "competition." What is the reason, Mr. Fink? What else but that the public is growing apathetic? And can you blame them altogether if they let pass almost unheeded your appeals for milk; likewise your appeals for old books, old wireless sets and old flames?

Knowing that there is not really, any shortage of new milk, new books, new wireless sets or new games, can you really blame them if they give their last sixpence a flutter in the hope of getting their hands on the only, thing of which there is a shortage—money?

But that is a shortage, unfortunately, which never prompts your paper to make an appeal. Yet, a successful appeal on this subject would remove the need of all the others.

THE NEW TIMES.

Dental Treatment is Not Provided For in the Basic Wage or the Dole

The result is that the majority of the population has decay and pyorrhoea. The "National Dividend" would make available to everyone his heritage of (a) health, (b) education, and (c) sustenance in their fullest sense. In the meantime, dental science has produced (A) the only University proven antiseptic toothpaste in the world:

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VIOPEN

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first, a more rapid increase in our national debt. This is the way we are now heading—in the last seven months we have floated loans of £15 millions and £12½ millions. And it is worth noting that this rate of increase is not bringing us even temporary prosperity, as is to be seen by such indications as Victoria's unemployment figures—where trade union registrations for the second quarter of this year showed the same percentage of unemployed as in the first quarter—or the returns of bank clearings in Melbourne, which from the first of January to Monday of last week showed an increase of only one-tenth of one per cent, over the turnover of the corresponding period last year. And, Mr. Lyons and other optimists notwithstanding, one-tenth of one per cent, per annum is hardly a rapid rate, of improvement — more especially in view of the added burden on business imposed by the

speeding up of our debt, which alone is responsible for this decimal recovery.

The only other way to provide satisfactorily for the unemployed is to carry on with — in fact, to increase — the issue of money, which is now coming out as national debt. In the latter case, however, this money, while still coming from the same source, would issue from a different point, and it would be given a different name. The source is the nation's real credit — its ability to deliver the goods—which today is pledged to a privately owned, interest-demanding banking system. Without changing the source, the point of issue should be the nation itself. In such a case the nation, naturally, would not need to charge itself interest for its own money. And in consequence the money so issued, instead of being called the national debt, might be given even so unorthodox a name as the national dividend.

THE DEVIL'S KINGDOMS

By "MEDICUS."

"Again, the devil taketh Him up into an exceeding high mountain, and sheweth Him all the kingdoms of the world, and the glory of them;

"And saith upon Him, All these things will I give Thee, if Thou wilt fall down and worship me."

A TIMELY WARNING

The "New York World" of December 1927, said:—

"Side by side with the League of Nations at Geneva, there exists today, unsuspected by the general public, a world league of money that already exerts far greater influence on financial policies of the Great Powers and on trade and business conditions everywhere than would have been thought conceivable a few years ago. The league of money works in the dark. It is as yet in an embryonic stage. It publishes no reports; it represents perhaps the greatest force operating in the international world today; and it is strong and secret enough to keep itself out of the newspapers."

BANKERS THE FORCE BEHIND LEAGUE OF NATIONS.

In April 1929, the "National Tribune" of the U.S.A. published this:

"The reparations experts assembled at Paris have announced a plan for the formation of an International Bank of Settlements. This was no sudden inspiration. It had been, in the making since the end of the world war . . . We are now facing a Super Bank more powerful than any political organisation in the world. It is well to stop and read the signs of the times. The proposed international bank of settlements is to be a sort of Federal Reserve Board of the financial world—a super bank. It will be controlled by no law. It is beyond laws. Its development will be secret, but tremendously powerful, and beyond the reach of Congress and parliaments. Bankers have become internationally minded. Their interests compel that. Their power and influence are beyond the imagination of the ordinary citizen who prides himself that the people control the government of the United States. The international bankers dream of a world empire. It is desirable to them that our government adheres to the world court (League of Nations), and that the governments of the world be submissive to its decrees while they remain aloof, beyond the control of any government. The financial super bank will not emerge fully formed from the present conference, for that might alarm the world. Gradually, insidiously, but nevertheless progressively it will grow until the dream of international banks has become a reality."

A DREAM COME TRUE.

In "The Times" of March 21, 1930, a speech by Mr. Montagu Norman was reported. A previous speaker had said, "They held the hegemony, as far as this country was concerned, in finance, and he thought he might say, considering the way in which they

they regarded foreign countries, that they also held the hegemony of the world." Mr. Norman replied, "He was glad to note what Mr. Hargraves said about the hegemony of one place and another. He believed it was largely true, so far as overseas was concerned, and if it was true, it was largely the result of work which the Bank had devoted, first of all to the stability of Europe, and secondly to the relationship between the central banks, which were originally advocated at Genoa."

BANK DECLARES WAR.

"The Age," Wednesday, July 10, 1935: "London, 8th July. — The Central Bank's future fight against currency speculators was the subject of a decision at a meeting of the Bank of International Settlements today. It was agreed that common measures of defence should be adopted at the first sign of attacks against the currency of any country connected with the International Bank."

"Describing the decision as amazing and extraordinary, the 'Daily Herald' says: — 'it virtually aims at achieving currency stabilisation without Government agreement. Mr. Montagu Norman, Governor of the Bank of England, is pledged to use the publicly owned £375,000,000 exchange equalisation fund for the support of almost any international currency showing weakness. It seems inconceivable that the Bank of England should have entered into an agreement without consultation with the Treasury, and even more remarkable that the House of Commons was not informed. The agreement may easily, in practice, mean an alliance between the pound and the gold bloc currencies to the exclusion of the dollar and virtual stabilisation round the present exchange levels.'"

THE LINK WITH AUSTRALIA

From "The Money Monopoly in Australia" (page 14): "Directors of banks trading in Australia are likewise directors of overseas banks. Apart from others with international control, they are prominent on the 'Big Five' banks in England — (Barclays, Lloyds, the Midland, the National Provincial and the Westminster). Both the Union Bank and the E.S. & A. are on the board of the Westminster; the N.S.W. is represented on Barclays; the National on Lloyds; the Australasia is on the National Provincial, and two of its directors are also directors of the Bank of England. And when you establish that link you are coming right into the heart of the web. When you reach the Bank of England you reach Wall St.; you reach Montagu Norman's friend, Dr. Schacht, who rules Hitler; and you reach the Bank for International Settlements, the coping stone of the edifice built to establish a financial dictatorship over the world."

A FUNNY STORY

By FARQUHAR CHISHOLM.

There is some truth in the saying that a man laughs if he wants other men to take him seriously. My story dates back more than five hundred years. It is a real chestnut! But it has a kernel, which is still good. The author of it is Geoffrey Chaucer, the father of the first and most popular short stories of our language.

A certain man, John, had a very pretty wife, named Alison, a good deal younger than himself. He was so jealous and careful of her that none of her admirers could exchange a word with her. Nicholas, a boarder in John's house, was one of these admirers, and he concocted a deep-laid scheme so that he could have some little time with the pretty young wife. He locked himself up in a room for some days. When John came personally to see what ailed him, Nicholas whispered confidentially to him that a revelation had been given to him about another flood that was to come upon the earth; only John and Alison and Nicholas himself were to be saved, and that only on one condition. John must get three huge wooden tubs, fill them with provisions, and, on the appointed night, each must be in his own tub ready to cut the rope when the sounds of the flood were heard. Poor, foolish John, believing that the end of all things was at hand, and desiring above all else to save his beloved Alison, did everything exactly as he was directed. On the night arranged he climbed up into his tub and sat there waiting for the rain and water from which he was to be saved.

Meanwhile, Nicholas and Alison were downstairs enjoying each other's company, and chuckling together over John's superstitious fears. It happened, however, that Alison had another admirer named Absalom. He came tapping at the window that very night. Alison opened the window and slapped him on the face. He went away in a towering rage and returned later with a great big stick. He tapped on the window again. This time Nicholas went to deal with him. But when Absalom saw his rival he smashed the window and the head of Nicholas with his stick. John woke up at the crash of the glass and the roaring of Nicholas, and, thinking that the flood was now come, he cut the rope!

We may leave the old story at that point, without waiting to point a moral or adorn the tale. We cannot help, however, thinking about the strange persistence of the idea that at some appointed time there will come the crack of doom. There have been people in every century ready to accept that idea and to act upon it.

Now, in striking contrast to that old story, contemporary science has given us recently some startling figures regarding the age of the human race.

There is first of all a backward look. Most of us think of four or five thousand years as the period of human history. But science thinks in hundreds of thousands. From discoveries of human skulls and bones it is now deduced that our ancestors were on the earth at least three hundred thousand years ago.

But over against that backward look there is a forward glance in which the scientist can count on millions of years before the sands of the desert grow cold. If these two views are accepted we can say that, human society is by no means old and worn out. It is still in its infancy, and certainly not yet out of its teens. While a few sheets tell us of its past history, volumes are yet to be written about its future.

A new confidence and a larger hope are growing in the light of these revelations. For most of us "the larger hope" had reference to the

other world, a world above and beyond the stars. In that hope we firmly believe. But there is surely coming into view in these days the vision of a fairer, better world here, not only elsewhere. In the providence of God, to whom a thousand years are but as yesterday when it is passed, there is a patience which we are only beginning to appreciate. Human beings have up to now been serving an apprenticeship. The science and art of building society has followed a method of trial and error. The work has been hampered through ignorance, and often abandoned through the Babel of tongues. They have been working in small separate groups, not merely independent of one another but often blindly jealous and even hostile. Up to now there has been displayed only the prentice hand—somewhat awkward, unsteady, slow.

We have said that the Supreme Builder has been patient. We believe it true also to say that He has been pleased. There has been progress. None but the pessimist would deny that there has been advancement and achievement. There is no comparison between our cave-dwelling ancestors and the artists and artisans of today. The apprenticeship is over. Man has emerged with an acquired technique. He has discovered materials and knows how to use them. No longer will men be content to work under the limits of a narrow nationalism. They are now seeking co-operation and co-ordination as they turn to the task of building a new world. It is no longer a matter of seeking a cave where a man may find cover, but rather the construction of a commonwealth of nations within which all mankind shall find both safety and satisfaction.

A new confidence has emerged based on the progress of the past. There is a new light in the eye and a new song on the lips. Progression varies. The pace of the past is not the limit of the future. 'We may walk; we may run; we may mount up with wings as eagles. Many wonderful things have been done. But surely there is possible a future in which that shall come to pass which the eye hath not seen, nor the ear heard, nor the heart conceived.'

There are some who would write over the portals of any new era, "Abandon hope all ye who enter here!" They are the fearful and unbelieving, whose lot is in the lake of fire. Fear is the one emotion above all others, which can throw the machinery of mind and body into reverse gear. Fear precedes retreat; retreat from the things, which ought

to be done and turning of trembling hands to the making of wooden tubs—or dreadnoughts.

But there are others who have before them the vision of the New Jerusalem coming down from God out of Heaven—coming down, not going up! A Holy City where the children are playing in the streets; playing in safety—not in danger of being crushed by cold and calculating commerce. A city of children and of trees whose very leaves are for the healing of the nations.

Such is the Larger Hope before the world today, and it is voiced in the prayer which we all pray, "Thy Kingdom come—on earth!"

Who's the Miller?

In a recent article in *The Manchester Guardian* on the economic and financial situation in the Irish Free State, the writer adapted an old saying to his purpose as follows: "Though the mills of economics grind slowly, yet they grind exceedingly small."

There are, we believe, certain statutes called Blasphemy Laws, and we could wish that they might be invoked to penalise such statements as this. We hope at least that some readers of this paper have protested to the editor, for statements of this nature are all too common, and it can hardly be questioned that they are intentionally misleading.

The substitution of the word economics for the word God in the quotation must, quite inevitably suggest to the ordinary reader that the laws of economics are God's laws, and as it is these so-called economic laws which are responsible for most of the misery in the world today, the suggestion can hardly be conducive to the spread of Christianity. If such suggestions as this are allowed to go unchallenged we may yet find the words "economic laws" being written with capital letters!

It cannot be said too often that there are no inexorable "economic laws," there are only man-made economic conventions which can be and will be changed when a sufficient number of people demand it. The "mills of economics" are the bankers' mills which are grinding the people of all countries to powder, and the power of these millers resides chiefly in the sedulously fostered belief in "inexorable economic laws." The suggestion that "laws" which bring destitution and death to thousands are God's laws is blasphemy, and the destruction of God's bounty of goods and services in order to maintain these laws inviolate sacrilege. —M. Jacklin, in *Social Credit*.

TO OUR READERS—

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HERE, THERE, AND EVERYWHERE

By WILLIAM BLACKSTONE

IS YOUR NAME—DOPE?

This is a very ancient and honourable name. Other variations of the name now commonly found are Dupe, Dud, Duffer and Drudge. The name Dumbell, although of apparently recent and foreign origin, would seem, according to the best authorities, to be merely a variation of your surname.

The first Dope that history mentions is the well-known Aful Dope, who was the first to arrange for an overdraft (circa 1453 A.D.). Since then the family has provided many of the best-known legislators of England and Australia, a large number of famous judges, some brilliant soldiers, and a host of chaps like you and me.

Apart from its significance as a surname, the word "Dope" has acquired a new connotation in that it may be used to describe politicians' promises, foreign news as published in the daily press, balance-sheets issued by most public companies, reports by Royal Commissions, and the oft-repeated statement: "Conditions are rapidly improving." The extension of the word to the above-mentioned matters is said to be due to the avidity with which you and I have swallowed the stuff put before us, and also to the soporific effect produced by the consumption of large quantities of this bunk.

The motto of your clan is: "Ex nihilo nihil fit", of which a liberal interpretation would be: "We'll have the same muck put over us until the end of our days."

Next Week—IDIOT.

* * *

ON THE PRESS

This is not an essay, but an announcement. The management of *The New Times* has been seriously studying the methods adopted by its contemporaries with a view to extending the benefits accruing from a study of journalistic literature. It is felt that some steps should be taken to bring this paper into line with the brilliant journals that circulate amongst the members-of the community.

It seems somewhat late in the day for us to procure the services of a member of the Davis Cup team, who might write criticisms of his own and his colleagues' play. For the same reason we are unwilling to engage a League footballer to give us his own ideas of the play in the matches that still remain to be decided.

However, we are pleased to announce that we hope to add to the staff that well-known citizen, Mr. William Lag, who (having received the remissions due to good conduct) will be released from Pentridge within the coming month.

Mr. Lag will contribute his own comments on any burglary or housebreaking that may take place in the next few months. Mr. Lag's well-known reputation will be sufficient to assure our readers that his comments on the methods adopted and technique displayed by the gentlemen engaged in these activities will be well worth reading.

It is to be regretted that Mr. Lag is unable to read or write, but his own statements will be taken by our reporter, altered to suit ourselves, and published under his name.

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In cases where Mr. Lag is unable to comment our reporter will fill up the gaps by inserting the comments that he considers Mr. Lag should have made, or failing that he will state what he (our reporter) would have said had he been in Mr. Lag's place.

Moved not only by a hatred of publicity but also by a natural delicacy in desiring to avoid making statements that might antagonise his associates, Mr. Lag will make no comments on the carrying out of jobs with which he is personally connected.

* * *

We desire to inform our readers that we have no dictionaries or other spare volumes of bulk to distribute, but we now wish to make the following splendid offer:—

Any person producing a receipt for a five years' subscription to *The New Times* will be entitled to

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- One penny treatise on rationalism, or
- One small book on silk worms (limited number only), or
- One saveloy.

* * *

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- Assaults by alligators;
- Damage accruing through over-consumption of vodka.

**WHO WILL DO
THE DIRTY
WORK?**

After the objection that "they" should not get money without being made to work for it has been answered, the next argument put up against anyone who has the temerity to suggest a national dividend is generally: "But who will do the dirty work?"

In this connection an article on British coal in the London *Economist* of June 1 provides a good deal of enlightenment.

"In 1913," said the *Economist*, "only 8 per cent. of British coal production was cut by machines. The horsepower of electric motors in use below ground was only 371,417; and of the total number of safety lamps in use, 95 per cent. were still flame lamps.

"By 1934 nearly one-half of the coal produced in this country was cut by machines; the horse-power of electric motors installed below ground had reached one million; and only about 40 per cent. of the safety lamps still consisted of flame lamps."

The *Economist* then proceeded to give the working results of the British coal mining industry, some of the figures of which are as follow:

In 1931, the amount of coal available for disposal (after deducting the consumption at the mines and miners' coal) was 195,900,000 tons; in 1934 the tonnage increased to 198,300,000. In 1931 the number of miners employed showed a weekly average of 867,900; in 1934 this figure had dropped to 738,000. In the same period the output per man-shift increased from 21.6 cwt. to 22.9 cwt.

**A QUARTER OF A MILLION
LESS SINCE 1929**

Discussing the industry's figures, the *Economist* made this comment: "The increase in the efficiency of the British coal mining industry consequent upon the rapid change in the methods of production has raised a serious social problem. Despite the increase in output last year"—13,400,000 tons—"the ave-

rage number of miners employed in the industry declined from 772,600 in 1933 to 738,000 in 1934. Since 1929 nearly a quarter of a million miners have had to leave employment in the industry. Here is one reason for 'depressed areas.' " The picture painted by the *Economist* gives some idea of what has been done in the mechanisation of this industry. How far it falls short of what could be done may be gleaned from the following extract from the report of the British Coal Mines Reorganisation Commission, presented last year:

"The picture now presented by the greater part of the coal mining industry is one of haphazard development of each coalfield by a large number of uncoordinated units, brought into existence on no national plan, nearly all working below capacity, competing suicidally, whether in capital expenditure or in prices, or both, for a market that cannot absorb the product of all."

For a market that cannot financially absorb the product of all—therein lies the true explanation. If that market were given sufficient money to buy the product of the coal mines we should rapidly see—whether in England, in Australia or elsewhere—a far greater speeding up in mechanisation and efficiency, and a far more rapid release of men from one of the dirtiest, most risky and most unpleasant of all human occupations. In spite of the restrictions of finance the British coal mining industry has dispensed with 15 per cent. of its workers in three years, and slightly increased its output even so. What could it do if finance were not a barrier?

As for the small percentage of men who would under any circumstances have to be retained to tend the machinery, their wages would be so inconsiderable in proportion to the output that they could be doubled or trebled with hardly any noticeable effect. And if the wage be high enough there is no work for which men will not come forward.

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Of the
"New Times"**

At a moment when the world is gorged with unsaleable goods and human bodies are crying out for food; at a moment when most of the press is gorged with items of undigested news and human minds are crying out for information, the "New Times" is endeavouring to put before you, without regard to whom it may offend, the truth of what is happening.

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**THE ATTAINABLE IDEAL
Law—or Justice**

A REVIEW BY "LYCURGUS."

Justice And The Law, by Harold J. Laski (London, The Ethical Union. Pp. 3-22).

Jack Cade considered the best way to ensure the success of his efforts to cleanse the body politic was to hang the lawyers. Martin Luther succinctly defined his attitude to the profession in four words: "Good jurist, bad Christian." The late Arnold Bennett denounced lawyers as "the most vicious opponents of social progress today." The man in the street views the legal profession with distrust and distaste and, after one experience in litigation, vows that he will never go to law again unless dragged there by at least three policemen.

There must be some good reason for this chorus of condemnation. The finest thing, in man is his urge towards justice, and in the heart of every man, no matter how poor a creature he may be; there lies a veneration of the blind goddess. The cause of this dislike of the devil's brigade probably is to be found in the feeling that the law is far divorced from the ideals which it professes to serve; that in our courts there is to be found much law, but little justice.

Lawyers are seldom law reformers; it is unhappily, only too true that the surest way of abandoning professional advancement is to seek to mould the legal system closer to the needs of the majority of the people. There is no reward in his own times for a man like Sir Samuel Romilly; the task of a man like Jeremy Bentham is made heartbreaking by reactionary and obtuse opposition. Too much reading of law dulls the sense of justice, and membership of his profession seems to bring with it blindness to the inadequacies of the system. A glance through history makes it painfully evident that lawyers are blindly in love with the mysteries of their craft, and indifferent to the harshnesses of its operations.

Of recent years it has come to be realised that the social sciences are interdependent, and that law is only one manifestation of the human mind in man's struggle for the means of existence. That realisation has not yet penetrated the consciousness of the vast majority of British lawyers; they are still treating the law as if it were some dread Absolute, speaking only in oracle fashion to shed a fuliginous light upon human problems. It is because of this protective obtuseness, and the inarticulateness of public discontent, that the small work under review possesses a very great importance. Mr. Laski is Professor of Political Science in the University of London, and he has brought to the consideration of the problem of the separation of law from justice an acute mind untrammelled by a slavish devotion to the technical rules of law.

"Justice and the Law" was the second Horace Seal Memorial Lecture, and was delivered by Professor Laski before the Ethical Union, London, in October 1930. In the first paragraph we find it stated: "There is absent from the temper of the law that spirit of deliberate equality without which no State can satisfy the aspirations of democracy." The lecturer develops his theme lucidly and convincingly; soon he tells us what is so obvious that it is rarely recognised and never acknowledged, "the substance of law, broadly speaking, will be determined by the wants and needs of those who dominate the economic system. In the balancing of interests which legal doctrine expresses the incidence of the result will be tilted to the advantage of the rich or the strong."

When one gives the matter reflection, it becomes plain that the interest of those who control the means of production determines the rules of social conduct, which we dignify under the name of law.

The legal maxims reverently propounded, the legal principles which are discovered at the cost of so much judicial labour and by the exercise of so much juridical ingenuity, are really those which are best adapted to satisfy the requirements of the dominant class. "Law, seeking order as its highest end, attains that order by satisfying the requirements of the stronger part of society."

Mr. Laski's fundamental proposition, then, is that legal institutions, like all other institutions, take their main character from the economic system; that where that system operates unequally the law operates unequally, too. Lightly he touches upon an aspect that is worthy of a much fuller examination—the manner in which the judges appointed to administer and interpret the law, however personally free from suspicion of corruption or deliberate bias, are dominated by the "inarticulate major premise" which is drawn from their special and limited experience. His examination of the way in which the Court of Appeal in England dealt with the Workers' Compensation Act, a piece of legislation of which the judges heartily disapproved, yields startling results. They sought to interpret the Act so as to restrict its operation, and in doing so flatly contradicted the expressed intention of the author of the Act. One of that court's decisions upon the Act, when it reached the House of Lords, was described by Lord Davey as "startling and untenable." Instances of the way in which judicial hostility to the legislation narrowed its scope are numerous, and the Unions which had to foot the bill for the appeals to the Lords may be forgiven for suspecting, that there was more than a little truth in the common belief that there is one law for the rich and another for the poor.

Professor Laski is in unconscious agreement with our valued contributor, William Blackstone, in this belief. For one thing, he finds that law, viewed merely as a commodity vended by the lawyers, is one purchasable by the rich but beyond the means of the poor. He concludes that the law is not so much respected as feared by the poor, that they consider that the law is devised not for their service but for their control, and that equality before the law is only formal.

As befits a thinker of his ability, Professor Laski does not leave the problem without indicating some means to solve it. Better legal education is one; he urges that all English lawyers should learn, as do their Continental brethren, that no man can be a useful lawyer who does not appreciate the importance of comparative jurisprudence. Smug satisfaction with our own system is fatal to progress. He stresses "that no man who has not an intimate acquaintance with economics can really understand the law. In other words, he pleads for the elevation of law to the dignity of a science rather than leave it a body of ill-understood and imperfectly applied dogmas. He states his high belief that effective reform is not possible while the present immense disparities between rich and poor continue, that the highroad to improvement lies through an increasing equality among citizens.

He concludes with a passage that demands full quotation: "I ask only for the recognition that so long as men are gravely dissatisfied with the result of social conditions the lawyer's work cannot have been adequately performed. To find within his sphere the causes of this disharmony, to seek as best he can to remedy them at the source—this is to labour in the spirit of justice. It is a noble ambition, easier to record than realise. But on its achievement there depends the quality of our civilisation."

THE NEW TIMES

Published every Friday by New Times Pty. Ltd., Elizabeth House, Elizabeth and Little Collins Sts., Melbourne, C.I.
Postal Address: Box 1226, G.P.O. Melbourne.

Telephone: M 5384.

Vol. 1. No. 8.

FRIDAY, JULY 19, 1935.

Back to Barracks

A further sign of the times is furnished by the building figures released on Tuesday of this week in respect of the Greater Melbourne area for the year ended June 30 last. There has been a considerable increase in capital expenditure as against the previous year, which the daily press notes with satisfaction. Needless to say, the inevitable comparison is made with 1930-31; and—equally needless to say—not so noticeable a comparison is made with the figures of a year or two earlier.

If the returns are looked at with a little thought, two features stand out prominently. The first is that nearly all the activity is confined to what are termed better class areas. The private dwellings and flats erected in the city proper and seven of these municipalities account for five-sevenths of the total expenditure. In the twenty-one other municipalities there was not as much money spent as there was in the private dwellings and flats erected in the city proper and seven of these municipalities account for five-sevenths of the total expenditure. In the twenty-one other municipalities there was not as much money spent as there was in Camberwell and Caulfield alone— from which it is clearly evidenced that the returns are very far indeed from providing evidence of a return of general prosperity.

The second feature that obtrudes itself is the still further encroachment of the flat menace. In the suburb of Brighton £79,000 went into flats; in Caulfield, £87,000. These areas, until recently, were looked on as abodes of private home dwellers. In the Prahran municipality flats accounted for £114,000. In St. Kilda the permits for private dwellings numbered 11 only, while those for flats were 115, representing 451 "home" units. The amounts outlaid in this case were: Private dwellings, £10,000; flat buildings, £255,000.

There is no difficulty in finding an explanation. The flat is a far better security for the bank, insurance company, or other financial institution, which provides the money for building operations. Flat dwellers are easier to supervise, easier to restrict in their activities and liberties, and generally (and in consequence) easier to get rid of.

No one can possibly argue that the flat is a place in which to rear children. For an adult family going to business it has its conveniences—though even here it destroys all those finer feelings that were once associated with the word "home." No longer is there a pride in the little garden plots; no longer the interest in live things growing; no longer—and this is significant—the atmosphere of hardy independence on which was founded the fine old saying that every Englishman's home is his castle.

Whether or not it is a part of conscious policy, the herding of us into flats definitely marks a further concentration of the power of finance and a regimentation of the people's liberties. It is neither more nor less than putting us back into barracks

Bank Figures and Prosperity

Another batch of prosperity figures published this week was contained in the quarterly bank summaries. These show that deposits in the ten principal banks trading in Victoria decreased in the June quarter by £4.6 millions—which is deduced by the "Argus" as "evidence that there is less idle money and that funds are being employed more freely by private enterprise."

It would in this connection be interesting to hear the views of the "Argus" as to what happens to money when it is being employed by private, or any other sort of enterprise. The ignorant would naturally assume that at the end of each day all money—whether cheques, notes or coin—is banked, with the exception of what is normally required for tills and pocket money. The sums held back for the latter purposes do not display any recent growth, as is shown by the Commonwealth Bank return of July 11, in which it is indicated that bank holdings of legal tender are slightly increasing, and those of the public similarly decreasing. The "Argus" must therefore know of some other receptacle. Or is it that it regards this as another of the mysteries of finance?

"Coincidentally with the reduction of deposits," proceeds this newspaper; "there is an increase in advances which again reflects greater business activity. Twelve months ago deposits exceeded overdrafts by £4.4 millions, but at the end of the June quarter this year the position was reversed, advances exceeding deposits by £4.1 millions."

In spite of our local bankers, most of the public now realise that the result of every bank overdraft is either (1) to increase total bank deposits by a similar amount—which happens when the person who receives a cheque from a bank borrower pays it into his own credit account; or (2) to show no difference at all in bankers' total figures—which takes place when both the above parties are bank borrowers, so that the increase in one overdraft is balanced by a decrease in the other. It may therefore puzzle some (even of those who do not fall for the story of "business activity") to know how it can happen that loans increase while at the same time deposits decrease.

There are several quite simple explanations. One is that figures quoted by banks are generally sectional only. They may refer to one State alone; at best, they usually show no more than the Australian assets and liabilities of our banks. Thus an increase in advances in Australia may be balanced by an increase in deposits in London, which would happen when banks are financing heavy imports. For instance, if a bank gives John Brown an overdraft of £10,000 to buy English goods, the book-entry money, not being spent here, will not appear as an Australian deposit in anyone's account, but as a deposit in England to the credit of the English firm which sells 'the goods to John Brown. And similarly a reduction of Australian deposits may not result in a reduction of Australian overdrafts.

If this be the explanation of the process, which the "Argus" has noted, then it would seem that Australian bank deposits are decreasing and Australian indebtedness to the banks is increasing in order that more goods may come in from abroad. And the natural corollary of more goods for sale, with less money to buy them, is, first, more bank control over the industrialist, and, second, more national debt to the banker to clear the goods off the market: "which again reflects greater business activity"—on the part of the banker.

There is another explanation, which would account for the disparity. This is that the banks, after granting more overdrafts, may be rapidly mopping up the money so issued by selling to the public some of their enormous holdings of our national securities. If you have £1000 in the bank, and if you use it to buy Consols (which is a nice abbreviation for consolidated debt), and if those Consols are sold by the bank, then your bank account is ruled off. Your deposit has disappeared. But the debt of the community has not been written off by £1000. It has simply been transferred from the bank to you.

Thus, by a simple process of dealing with the national debt, a banker can materially alter the people's monetary resources. If he wants to give them the appearance of temporary prosperity, he can buy securities and add to bank deposits; if he wants to give them the reality of adversity, he has merely to sell securities. He can also make very nice profits for himself. If you remember the events of the past few years, you will recollect that the banks first threatened to close down on government finance. As a result of the fear that governments would default on interest payments, prices of national securities tumbled. The bankers were thus able to buy them in very cheaply—paying for them with cheques on themselves. The letting out of a little extra money brought back a breath of "confidence"; not sufficient to restore prosperity to private industry, but enough to send government securities soaring. Naturally, this would be a good time for bankers to sell.

It is not suggested "bankers play this see-saw game with the public. But it is undeniable that they can do so if they desire. They are certainly holding plenty of our national debt if they wish to sell; and as they can buy by a draft on themselves, is there not every incentive to urge them on to this "greater business activity"?"

"I LOVE THE BANKS"

Mr. Lyons likes banks, balanced budgets, markets and Australian wines. He dislikes repudiation and fantastic recovery schemes. —"The Herald," July 13.

'Twas meat I went a-selling,
But met, some gents compelling.
And now it's you I'm telling—
I love the banks.

I met some titled swankers,
Then some with New Deal cankers;
Put me among the bankers—
I love the banks.

I detest repudiating;
I'm bent on liquidating
By Australian wines partaking—
I love the banks.

They taught me shun fantastic
Schemes of credit more elastic;
"In your budgets, Joe, be drastic—
And trust the Banks." — R.I.

THE PROTOCOLS AND—

II. —The Forming of Public Opinion

By JOHN SMITH

(Continued from last issue.)

How what was forecasted (or planned) in the Protocols as to the method of forming public opinion has come to pass is best exemplified by quoting directly from this extraordinary compilation (remembering always its date): —

"In the hands of the States of today there is a great force that creates the movement of thought in the people, and that is the press. . . . It is in the press that the triumph of freedom of speech finds its incarnation. But . . . it has fallen into our hands. Through the press we have gained the power to influence while remaining ourselves in the shade; thanks to the press we have got the gold in our hands, notwithstanding that we have had to gather it out of oceans of blood and tears." (Protocol No. 1.)

"The principal object of our directorate consists in this: to debilitate the public mind by criticism; to lead it away from serious reflections calculated to arouse resistance; to distract the forces of the mind towards a sham fight of empty eloquence.

"In order to put public opinion into our hands we must bring it into a state of bewilderment by giving expression from all sides to so many contrary opinions and for such length of time as will suffice to make the

Banks have the means to create purchasing power out of nothing, or again to annihilate that which they have created. Bankers sometimes attempt to deny this, or at any rate to assert that their creation of purchasing power only balances hoarding, because they lend only the idle deposits, which people leave in their hands. But nowadays nobody at all, except perhaps a few peculiarly benighted bankers, believes this. It is generally admitted that banks do and can create purchasing power out of nothing when they expand their advances, and destroy it again when they decide to "contract credit."—From G. D. H. Cole's "Principles of Economic Planning."

goyim" (Gentiles) "lose their heads in the labyrinth and come to see that the best thing is to have no opinion of any kind in matters political. . . . To multiply to such an extent national failings, habits, passions, conditions of civil life, that it will be impossible for anyone to know where he is in the resulting chaos, so that the people in consequence will fail to understand one another. This measure will also serve us in another way—namely, to sow discord in all parties, to dislocate all collective forces which are still unwilling to submit to us, and to discourage any kind of personal initiative which might in any degree hinder our affairs." (Protocol No. 5.)

"What is the part played by the press today? It serves to excite and inflame those passions, which are needed for our purpose, or else it serves selfish ends of parties. It is often vapid, unjust, mendacious, and the majority of the public have not the slightest idea what ends the press really serves. We shall saddle and bridle it with a tight curb; we shall do the same also with all productions of the printing press

"Not a single announcement will reach the public without our control. Even now this is already being attained by us inasmuch as all news items are received by a few agencies, in whose offices they are focussed from all parts of" the world. These agencies will then be already entirely ours and will give publicity

only to what we dictate to them. . . . Already now we have contrived to possess ourselves of the minds of the goy communities to such an extent that they all come near looking upon the events of the world through the coloured glasses of those spectacles we are setting astride their noses. . . .

"Literature and journalism are two of the most important educative forces, and therefore our government will become proprietor of the majority of the journals. This will neutralise the injurious influence of the privately owned press, and will put us in possession of a tremendous influence upon the public mind. . . .

"All our newspapers, will be of all possible complexions—aristocratic, republican, revolutionary, even anarchical—for so long, of course, as the constitution exists. Like the Indian idol Vishnu, they will have a hundred hands, and every one of them will have a finger on any one of the public opinions as required. When a pulse quickens these hands will lead opinion in the direction of our aims, for an excited patient loses all power of judgment and easily yields to suggestion. Fools who will think they are repeating the opinion of a newspaper of their own camp will be repeating our opinion or any opinion that seems desirable for us. In the vain belief that they are following the organ of their party they will in fact follow the flag, which we hang out for them. . . . By discussing and controverting, but always superficially, without touching the essence of the matter, our organs will carry on a sham fight fusillade

"Methods of organisation like these, imperceptible to the public eye, but absolutely sure, are, the best calculated to succeed in bringing the attention and the confidence of the public to the side of our government. Thanks to such methods we shall be in a position as from time to time may be required to excite or to tranquillise the mind on political questions, to persuade or to confuse, printing now truth, now lies, facts or their contradictions, according as they may be well or ill received, always very cautiously feeling our ground before stepping upon it. . . . We shall have a sure triumph over our opponents, since they will not have at their disposition organs of the press in which they can give full and final expression to their views owing to the aforesaid methods of dealing with the press. We shall not even need to refute them except very superficially." (Protocol No. 12.)

This section may be closed with a final quotation (from Protocol No. 13): —

"In order that the masses themselves may not guess what we are about we further distract them with amusements, games, pastimes, passions, people's palaces. . . . Soon we shall begin through the press to propose competitions in art, in sport of all kinds: these interests will finally distract their minds from questions in which we should find ourselves compelled to oppose them. Growing more and more disaccustomed to reflect and form any opinions of their own people will begin to talk in the same tune as we, because we alone shall be offering them new directions for thought."

(To be continued.)

Members and Friends Invited to

A Picnic

at MOUNT EVELYN,
SUNDAY, JULY 28.

Further Particulars at Douglas Credit Headquarters, The Block, Elizabeth Street Melbourne.

THE BLOODY TRAFFIC The Menace to the Peace of the World Caused by the Private Manufacture And Sale of Munitions and Weapons of War

By CANON CROTTY, D.D.

Being the text of a discourse delivered at St. Paul's Cathedral, Melbourne, on Sunday, May 14, 1935.

The conscience of the community has become increasingly uneasy about war. Mothers are becoming more and more reluctant to bear sons to be sacrificed to this modern Moloch, and young men are more and more reluctant to be sent to the slaughter by their elders. The horrors of modern warfare make the possibility of another war too awful to contemplate, owing to the development of aerial warfare, and the prostitution of science with its combination of diabolical cunning and fiendish cruelty in the devising and making of instruments of torture and destruction.

Churchmen are becoming increasingly uneasy with regard to war. The Lambeth Conference of Bishops in 1930 affirmed that "war as method of settling international disputes is incompatible with the teaching of Jesus Christ." They also affirmed "when nations have solemnly bound themselves by treaty, covenant, or pact, for the pacific settlement of international disputes, the conference holds that the Christian Church in every nation should refuse to countenance any war in regard to which the Government of its own country has not declared its willingness to submit the matter in dispute to arbitration or conciliation."

A most valuable book by Walter Van Kirk was published last year entitled *Religion Renounces War*, which contained the resolutions of religious conferences of nearly all denominations in opposition to war. The best type of laymen and laywomen in Great Britain, as well as in America, have laboured for years in the cause of peace.

THE SINISTER INFLUENCE

But all through these years there has been a sinister influence at work. The huge profits made by private individuals and powerful companies and combines from the manufacture and sale of munitions and weapons of war have brought about vested interests in the perpetuation of war whereby vast fortunes are made out of the slaughter of men, women and children.

The earliest warning of this menace was probably that given by Bernard Shaw in his play, "Major Barbara" (published in 1905).

The Disciples of Christ in America, in their conference in 1933, described this shameless trade as "The Bloody Traffic," and this is also the title of a book by Fenner Brockway published in London in 1934, exposing the shamelessness of this iniquitous business.

One of the leading religious journals in America, *The Living Church* (Nov. 11 1933) also describes this trade as "The Bloody Traffic."

AMERICAN AND ENGLISH ENQUIRIES

An enquiry by the Senate of the United States of America began last September, and a careful summary of this enquiry up to March 1 last is given in the well-known American religious journal, *The Christian Century*, of May 15, 1935.

President Roosevelt, in commending this enquiry, describes the private manufacture and sale of munitions and weapons of war as "a serious source of international discord and strife."

An English enquiry began last May, the first witness being the well-known parliamentarian, Lord Robert Cecil, who described the industry as one that was "as

repulsive as the slave trade, and as deserving of extinction as slavery or the opium traffic."

Three years ago the Archbishop of Canterbury led a deputation of religious leaders to the English Prime Minister and the Foreign Secretary. These religious leaders said then: "We believe that one of the obstacles to disarmament is "the vested interests of private armament firms.

"The Churches must protest against any group of private individuals being allowed a vested interest in the weapons of death and destruction; and we would urge that this traffic be either entirely prohibited, or at least strictly controlled by Government licence."

ACTIVITIES OF ARMAMENT FIRMS

The enquiry conducted by the U.S. Senate, according to the summary of proceedings published in *The Christian Century*, revealed some of the sinister activities of these agents of death.

Evidence was given of agents of armament firms stirring up strife in South America. One of these individuals complains in his correspondence to his firm of the activity of one of the U.S. Consuls in what he is pleased to define as "fomenting peace" (while he, of course, is fomenting war). Evidence is also to hand of the help of U.S. Government officials in pushing the sale of war material.

Bribery and corruption are common in this business on both sides of the Atlantic. Cases of bribery by British firms are given by Fenner Brockway in his *Bloody Traffic* (pages 136 to 140).

Agents of this trade are also found at international conferences doing their best to thwart efforts for peace, for of course the more wars there are, and the longer they last, the better the business for the Bloody Traffic.

THE SHEARER CASE

One of the worst cases published of this kind is that of a shameless creature called Shearer, who actually had the audacity to sue an American corporation for the balance of payment for services rendered.

ALL IN THE SAME BOAT

The Hungarian budget for 1935-36 estimates a deficit of 75.9 million pengos, as against 66.1 millions for 1934-35.

Spain's budget deficit was 410 million pesetas in 1932, 483 millions in 1933, and 598 millions in 1934. Unemployment was 618,000 at the end of 1933, 667,000 at the end of 1934, and 723,000 at the end of last May.

There is, however, some good news from Italy, where the Finance Minister announced a few weeks ago that the increase in the public debt from June 1922, to June, 1934, was not 50,000 million lire, as announced in some quarters. In reality it was a mere 31,000,000,000!

as their agent at the Naval Conference at Geneva in 1929. Although Shearer had received about £15,000, yet he wanted his full pound of flesh (*The Bloody Traffic*, pages 160-163). This creature was severely dealt with in a speech by President Hoover, who condemned his secret manipulations at Geneva.

The U.S. Senate also put Shearer in the witness box, and made him tell his sordid story to the Senate, and so to the public.

The Senate Committee of Enquiry has had testimony revealing that the attempt to keep Germany

and Austria disarmed was thwarted, first, because of the influence of the British munitions makers with the British Government, and also with the German explosives manufacturers; and further, because American and British aeroplane manufacturers furnished Germany with between a third and a half of her air force of 2400 planes.

One could say much more about this Bloody Traffic, but perhaps enough has been said to show that it is too dangerous to be left, in private hands, and should be nationalised, as a step towards being internationalised.

MORE THAN ARMS LEGISLATION NEEDED.

But the problem is deeper than that. We are all more or less selfish, and selfishness is the root of all sin and of much suffering.

Not all the legislation and leagues in the world will bring about true peace unless they are animated by the right spirit. If we want peace we must be peaceable. We must love peace and ensure it. We must be prepared to make sacrifices for it. We must be prepared to spend men and money in preparing for peace as we have been in preparing for war.

Governments willingly spend millions of money and sacrifice human lives" unostentatiously in prosecuting war, but seldom are willing to spend freely in works of peace.

We must make our religion more real, more practical. We must reflect something of the love of God in our daily life. We must give glory to God in the highest before we can expect peace on earth. We must cultivate good will among ourselves, and among our neighbours, near and far. We must try and understand one another and each other's point of view.

This is wisdom, and, as the Scripture says, "Wisdom is better than weapons of war."

DEFACING THE COINAGE

By T. MINNS.

Employment of leisure time is a problem, which many men have never solved. An Oakleigh sustenance worker, who used to be a jeweler, has shown that a solution is not really so difficult.

He set apart a shilling. It is dated 1901, but whether the task began in that year I do not know.

But he split a shilling, and, cutting out all the plain silver, left Queen Victoria's head and the coat of arms as a pair of filigree medallions.

There is a penalty for defacing the coinage, but surely in this case we find extenuating circumstances. No doubt the depression would have been much more depressing to the unemployed jeweller if he

RELIANCE UPON NATURAL DISASTERS!

The International Wheat Advisory Committee held its seventh session in London at the end of May to review the world situation under the international wheat agreement.

In its report, after admitting that "the operative clauses of the agreement had in practice ceased to be fully applied", the committee warned the 21 governments concerned (including Australia) that RELIANCE UPON NATURAL DISASTERS AS CHECKS ON PRODUCTION is a shadowy support for the agreement; that average yields on the present world's acreage would produce a burdensome world surplus; and that suggested modifications of the agreement should be considered.

had not attempted this unusual work of art. — *The Herald*, July 15.

"Employment of leisure time is a problem which many men have

never solved"—and it is a problem becoming more acute as machines daily replace more labour. Eventually the great bulk of production will come via the machine, the robot which is more than human, since it never tires and can work the round of the clock for seven days a week.

As the worker is thrown on the scrap heap, so also must go his earnings. What then of the product of the machine? The wheels of industry are daily slowing down, while the goods produced are clogging and stopping the machines.

What "leisure time" has the poor devil of humanity, trudging daily from factory to factory, from office to office, looking in vain for the job that will give him sufficient money to feed and clothe himself and his dependents? What "leisure time" is there for him when he returns home at the end of a weary day with the same "no luck" story, trying desperately to think out an excuse for the butcher, the baker and the landlord?

Shall we scrap the machine? But why should we, merely that the worker may "earn the cash to buy the food to get the strength to go to work to earn the cash. ..." etc.? Let us rather read again the last paragraph of *The Herald*: "There is a penalty for defacing the coinage" — in other words, for destroying the purchasing power of the people. Is it also considered a crime if our money masters destroy it?

"Men are still paid to think" — SIR LENNON RAWS



"Men are still paid to think," says Sir Lennon Raws, a leading industrialist, in emphasizing the need for character building in educating young men and women for business careers. (BY COURTESY OF "THE STAR", MELBOURNE, 23/1/35)

In this matter for thinking the plain truth is that the ability to think constructively depends on mental fitness and on the development of certain attributes and qualities in the individual.

taught us system of mind training with benefits so direct, so unending, and so permanent as to leave no loophole for doubt as to its practical value.

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so, experience is an essential factor in educational training of this kind, and the Pelman Institute possesses the accumulated experience gained in dealing with 650,000 men and women of all classes, occupations, and positions in life.

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DODGING THE VITAL ISSUE

By BRUCE H. BROWN.

[Editor's Note. — The article that appears below from the pen of our valued contributor, Mr. Bruce H. Brown, contains a criticism of the attitude of certain churchmen which we hope will be taken to heart by churchmen and churchgoers of all denominations. The text for Mr. Brown's criticism was a "consensus of feeling" among certain of the clergy of one Church present on one occasion, and we are confident our readers will feel that criticism to be just. The same criticism might with equal justice be directed against the attitude of certain of the clergy (and certain, of the prominent churchgoers) of all denominations. At the same time there are many noteworthy exceptions, both in the Church of England and in the other Churches, to those who would adopt a "detached" attitude in the face of our problems. No one, for instance, is today waging a stronger fight for a Christian money system than the Anglican Dean of Canterbury, the Very Rev. Hewlett Johnson. And a bold and courageous protest against one of the evil works of Mammon, the hideous trade in weapons of death, was voiced last Sunday in St. Paul's Cathedral, Melbourne, before the Governor of Victoria and many of our leading citizens by Canon Crotty, whose address is reprinted elsewhere in this issue. From all the Christian denominations cases might be cited of men who are in the very front rank of the fight for social justice, of men who, instead of contenting themselves with easy platitudes about "the Christian leading the ideal life," are trying once again to whip the money changers out of the Temple. The pity of it is that hitherto such men seem rather to be the exceptions than the rule.]

"Retreat" seems to be the latest craze. The "Argus" would break down the Customs tariff as the first step in economic recovery; the International Chamber of Commerce would go back to the Gold Standard as the essential step in the movement towards economic recovery; and now the Church of England favours retreat to adoration and worship, "leaving the solving of economic problems to experts."

In the case of the "Argus", we have shown that the question is financial, not economic. Once the money aspect of our community life is placed on a proper national footing, the adjustment of the economic aspect is automatic. In the case of the International Chamber of Commerce (which is another name for International Finance), we have to thank Mr. Barlee, of Broadmeadows, for his timely reminder of Winston Churchill's confession of the serious results which followed reversion to the Gold Standard in 1925. For reasons we have previously given, it would be sheer madness to contemplate such a thing again.

In the case of the Church of England, there can be little doubt that the opinions expressed at St. Peter's Church on July 3 were representative of Church thought, for the report in the "Age" informs us as follows:—

"The vicar (Rev. F. E. Maynard) was the celebrant. He was assisted by the Rev. J. Cheong. The sermon was delivered by Archdeacon Morgan-Payler. The guests included the vicar-general (Bishop Booth), Bishop Stephen and clergy from suburban and provincial dioceses. Bishop Stephen, summing up, said the great need in the world today was adoration and worship. The secret of future reform lay in the Christian leading the ideal life—that was to say in character rather than in economic schemes. A general discussion followed, and the consensus of feeling among the clergy was that the Church could serve the world better by doing its own work and leaving the solving of economic problems to experts."

Three declarations were thus made as follows:—

1. The great need in the world is adoration and worship.
2. The secret of future reform lay in character rather than in economic schemes.
3. The Church could serve the world better by doing its own work and leaving the solving of economic problems to experts.

ADORATION AND WORSHIP

As to 1, does each individual clergyman who reached the conclusion that the Church should confine itself to adoration and worship really wish it to be understood that he regards his work in this world done when he chants a few prayers and carries out a few other devotional exercises? Are they not aware that the earth is "the footstool of God"? And have they forgotten that Jesus, whose servants they claim to be, "went about doing good and healing all that were oppressed of the devil?"

The terms "adoration" and "Worship" are more or less synonymous, and in the realm of religion are evidence of faith. We worship and adore God without having seen Him, and in this we believe we do well. But how do we stand in regard to the Scriptural injunction that "Faith without works is dead?"

At the commencement of the second chapter of James there is a brief synopsis to this effect: "It is not agreeable to the Christian profession to regard the rich and to despise the poor, or to boast of Faith where no deeds are, which is but a dead faith—the faith of devils." That synopsis is followed by the clearest indication that if we give preference to any man because of his money or his clothes then we sin. Gold rings and goodly apparel do not alter the fact that all our bodies are of clay, and that in the eyes of God one is as valuable as another. "Ye have despised the poor." "Do not rich men oppress you?" "What doth it profit though a man say he hath Faith and have not works? Can Faith save him?" "If a brother or sister be naked and destitute of daily food, and one of you say unto them: Depart in peace, be ye warmed and filled, but give them not those things which are *needful to the body*, what doth it profit?" "Even so, Faith, if it hath not works, is dead." "Ye see then how that by works a man is justified, and not by Faith only." Jesus Himself was not content with adoration and worship, but "went about teaching and preaching and healing all manner of sickness and disease among the people." It was the same Jesus who said: "Let your light so shine before men that they may see your good works."

And what of the other actions of Jesus? Was He holding Himself aloof when He whipped the moneychangers, and when He denounced the Pharisees? The Pharisees, mark you, were the churchgoers, and outwardly they were the "good" people who made a great show of adoration and worship. But Jesus knew them for what they were—hypocrites, fools, whited sepulchres, serpents, vipers! Read for yourselves what He said about them in the 23rd chapter of St. Matthew. This is not an attack on churchgoers (of whom I am one), but it is a reminder to all of us that it is the heart that matters, not the appearances. No, adoration and worship are *not* enough.

CHARACTER AND ECONOMICS

As to 2, how can we separate character from the economic conditions, which govern environment? Is not the character of some of our best citizens being seriously undermined by the economic conditions in which they have been forced to live, and in which their vital spirit is warped by unnecessary stress and strain? And is it not true that the environment

in which so many children are being reared makes the development of good character almost an impossibility?

And if men of character reach the conviction that the economic conditions are out of harmony with the purposes of God, are they to suppress that conviction because the "experts," many of whom are paid to excuse those unchristian conditions, have failed to speak the truth on the subject? When we come down from the clouds of sentimental platitudes to the earth of actual fact, we find that we are not suffering because of any failure in our characters or because of any particular economic scheme; but rather that both of these are themselves suffering because of deliberate and satanic manipulation of the money system. The only thing people are short of is money, and money is the one thing that gives them access to the necessities of life.

Money is a licence to goods. Goods are a licence to life. Life is a process of living. Therefore, money is a licence to live; and the wrongs in our money conditions are reflected by the wrongs of our living conditions (character). And yet ministers of religion remain silent and inert while the control of this all-important thing is vested in the hands of a private monopoly which uses it in the exploitation of humanity. It is this deadweight of Church inertia that stands as a buffer between the money oppression above and any attempt at reformation by the oppressed below. Jesus did not remain inert for fear that He might lose some personal comfort from the social and financial "contacts," and was not frightened by repulses at the hands of the oppressors, but it is not so certain that His "ministers" today are equally regardless of social comfort for themselves.

We are told, in Luke 18, of the rich ruler who had kept all the Commandments, but who still felt that something was lacking. Jesus promptly told him to sell everything he had and *distribute* to the poor. Even adoration and worship *plus* character were thus shown to be quite insufficient, for this particular ruler was a man of good character and a devout worshipper. Similar conditions and similar mentalities are about us today, as while Churches indulge in adoration and worship, and are patronised by people supposedly of good character, thousands of God's children outside the church walls are literally starving, while the bounty of God is being thrown back in His face by leading officials of the selfsame Churches. That is not an exaggeration; and if Jesus were here in person He would find quite a lot of the religious leaders seeking to do away with Him just as the covetous and self-righteous Pharisees sought to do away with Him 1900 years ago.

Here we are in a world full of overflowing with the material gifts of God. Everyone of us is of the same value where He is concerned, and He has provided sufficient and to spare for *every person in the world* to be adequately fed, properly clothed, and comfortably housed; yet; our distributive system, which is controlled absolutely by money, not only prevents millions of God's children from having any access to His abundant gifts, but actually destroys those gifts—e.g., millions of gallons of milk poured down drains. Is this thwarting of God's purpose to be no concern of the Church? And is Scripture only joking when it refers to our earthly bodies as the "temples of God?" Jesus made it perfectly clear that the relief of the poor was His business, and we believe that any

Church which refuses to *work* for the abolition of poverty is betraying its Creator. "The body without the spirit is dead," and for the Church or any section of it to attempt to wash its hands of any responsibility" in the matter of living conditions, is simply to tell the world that it no longer stands for true Christianity.

"LEAVING THE PROBLEMS TO EXPERTS."

As to 3, we are naturally constrained to ask: What is the work of the Church? If, as we assume, part of the duty of the Church is to lead men to heaven, how can it ever perform that duty if it refuses to assail the monster (Mammon), which is driving men to hell? "What man is there of you whom if his son ask bread will give him a stone? Or, if he ask a fish will give him a serpent?" Yet, before our very eyes, when members of the human family cry: "Help us in our adversity," the Church answers: "Go and see the experts"—i.e., the authors of your adversity.

"No man can serve two masters. Ye cannot serve God and Mammon." Jesus did not say ought not, should not, or might not, but *cannot*, meaning that it is impossible to serve God and Mammon. St. Paul also denounced the god Money, and told us "the love of money is the root of all evil." How many sermons have you yourselves heard in denunciation of this, the greatest of all evils? Think it over. How many ministers of religion have, to your knowledge, publicly denounced the privately controlled system, which deliberately keeps the supply of costless money short and thus prevents the establishment of the Kingdom of God on earth? How many, we ask, how many?

We also read in Scripture: "Give not that which is holy unto the dogs." Is not the care of the lesser of our brethren a sacred or holy trust? If you agree that it is please read the quotation again. St. Paul further enjoins us to "charge them that are rich in this world that they be not high-minded, nor trust in uncertain riches, but in the living God who giveth us richly all things to enjoy; that they be rich in good works, ready to distribute, willing to communicate," but instead of this we have the spectacle of one of the leading Churches seeking to quit the fight. When they say to leave the economic problems to the experts, they simply mean that the world, "the footstool of God," should be left to the high priests of the god Mammon, because by their very neutrality they are serving Mammon's purpose, even to giving them control of the Church itself.

The experts referred to are those who come from the schools of economics established by the financial monopoly to defend their swindles, and who have been largely responsible for creating the "problems." This latest development suggests that we can no longer rely on clergymen or politicians, and that the farmers and other members of the community will have to learn how to clean up the mess for themselves by tackling the money swindle direct.

Outside the very church where this unchristian attitude was declared is a large crucifix, and it is sad to reflect that such a farce could have been enacted inside the church, particularly as its vicar (Rev. F. Maynard) wrote that excellent booklet, *The Economics of the Kingdom of God*.

Anyone who reads the record of the events leading up to the Crucifixion will know that it was not the preaching of Christ, concerning the next life that led to His betrayal. It was because He preached economics which would ensure a fuller godly life on this earth, the universal brotherhood of man, and the inalienable right of man to have access to the fruits of the earth; and also because of His vigorous and sustained attack on the money-mongers and law-makers of His day. Indeed, His betrayal was the result of a money bribe.

The pressing need is for truer Christians—not the make-believe variety. There is only one *thing* calling for attack, and that thing is Mammon—the father of all devils and the cause of all evil. It is absolutely responsible for all the poverty and distress in the world, and every Church, regardless of its creed or affiliations, is required, by the very example of the Master it professes, to demand that the governing authority (in this case the Commonwealth Government) resume control of the community's finance and abolish poverty, the existence of which in this land of plenty is wholly inexcusable.

THE COST OF RE-EMPLOYMENT

By "MEDICUS."

Mr. Reginald McKenna, Chairman of the Midland Bank and ex-Chancellor of the Exchequer, in an address to the American Bankers' Association, said:

"Year by year England produces more than she can either consume herself or exchange for the produce of other nations."

And he pointed out that, under these conditions, a country could only find a market abroad for its surplus by giving the purchaser a long term credit, and thus:

"The factories and workshops are kept in employment, but it is a condition of their prosperity that a part of their output should be disposed of in this way."

The implications of this statement are obvious. It simply means that England cannot FINANCIALLY consume her own products, or FINANCIALLY exchange her products for the produce of other nations without lending other nations credit to buy the surplus production and thereby keep England's workers employed.

What more does a new Economist want to confirm his contentions?

The crux of the real situation was outlined by a member of the House of Commons in a speech, which contained this significant statement:

"As I say, we are looking for markets, and let me put this point to the House. It is estimated that it would require an increase of export trade equal to £350,000,000 a year to absorb 1,000,000 of our unemployed. To absorb the 2,000,000 we would have to find an additional market equal to £700,000,000 a year. If America's unemployed are to be absorbed by means of the export market which she is seeking, how many millions of pounds worth of export trade must she get before she can absorb her 12,000,000? If Italy is to absorb her unemployed in the same way how much additional export trade will she require? So with the others. They would have to find export markets somewhere, somehow, equal to thousands of millions of pounds per annum. One has only to think of it five minutes to understand that the whole idea is grotesque. The markets do not exist, and there is no reasonable expectation of them as far as capitalistic development is concerned."

Professor Copland's solution is (or was) more investments and cheaper credit, and we have been told that Professor Hytten, economic adviser to the Bank of New South Wales, now pins his faith to conscription (of men, not money) To avoid utter collapse of the social order, with financial and economic disaster, change of thought and practice will need to come, and come quickly. Today, those who will not face the facts, and those who suppress the facts, are the most dangerous elements of society; and the futile striving, to prop up effete systems on fallacies is effecting what Bernard Shaw has described as "the Gadarene rush of Capitalism towards the abyss."

Those who are still obsessed with the "work" complex have urgent need to question the soundness of their mentality.

ANOTHER VICTORY FOR MR. LYONS

Following the brilliant success of his meat negotiations with Britain, Mr. Lyons has scored another notable triumph in the U.S.A. In his own words: "I think Sir Henry Gullett and Mr. Menzies will find the ground prepared for sympathetic dealing with specific problems of trade."

LETTERS TO THE EDITOR

"The New Times" invites correspondence from readers on any 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 sender (not necessarily for publication) must be forwarded.

WHY THE ALBERT PARK BLOT?

"The Sun" should be congratulated on its editorial, "Albert Park Blot," in Monday's issue. It is, indeed, disgraceful that adequate provision does not exist whereby athletes may disrobe in private and place their clothing where it is sheltered from the elements as well as from dishonest persons in search of loot. But why blame the committee of management? We know what they will say: "We have not sufficient funds," or "Where is the money coming from?"

Why doesn't the powerful press point out to the public where the difficulty in regard to the securing of money for the construction of desirable utilities lies? The press knows that the money that is so difficult to obtain is only mythical; that there is nothing substantial about it; that most of it is the product of Pen and ink and the printing press and that governments of the world have foolishly allowed the banking system to dominate the whole financial position.

Funds for everything we need could be made available immediately by the governments of the day, if they would insist on their sovereign rights being vested in themselves instead of in those who have usurped them and who will soon own us all, body and soul, if we don't arouse from our somnolence.

Albert Park could be made into what "The Sun" says it could be—"One of the finest recreation reserves in the Commonwealth." Well we want it to be, so why not? What a wonderful asset could be created, and what a service "The Sun" would render if it would help.

"PROGRESS."

DUTY STAMP ON RECEIPTS

The average citizen imagines that when any firm or individual receives payment of money of £2 or over a receipt bearing a 2d duty stamp must be issued to the person paying the money.

This was the original intention of the Government at the time the Act was passed (with a few exceptions in the case of Government departments, charitable institutions, etc.). But many large firms and institutions have (with the connivance of the Governments of the day) evaded payment of this stamp duty to the extent of about £30,000 per year. One method is to print on the document showing the amount of money received the words "This is not a receipt."

The Argyle Government promised to amend the Act and make stamped receipts compulsory on all payments, whether for payment on account or for cash purchases—even in the case of large and influential firms. The matter was brought up in Parliament, but apparently "something happened."

The new Premier (Mr. Dunstan) is reported to have approved of a proposal to make it compulsory for receipts bearing a duty stamp to be given on all transactions of £2 or over. It will be interesting to see the list of exemptions necessary before the Bill goes through.

At present, if I get £5 from an insurance company I must pay a 2d duty stamp—if I pay £5 to an insurance company no stamp duty is payable by the company on the receipt. If a bank pays me money out of my current account I must pay a 2d duty stamp on the cheque or receipt I give the bank—if I pay money into my current account

in a bank no stamp duty is payable by the bank on the lodgment receipt.

"CUI BONO?"

THE LEAGUE OF DEMOCRATS

Your readers are doubtless familiar with the idea of the Electoral Campaign, as outlined by Major Douglas at Buxton last year, and will be pleased to learn that this League has the authority of the Victorian Douglas Credit Movement to organise a similar campaign in our own State.

I would like to direct the attention of all in sympathy with our aims to our appeal for funds and workers, and feel sure that in asking for the wholehearted support of Douglas adherents we are not asking for more than we are likely to receive, and that with this generous assistance we shall in a few months force the question of the Abolition of Poverty into the forefront of political thought in Australia.

To each his own methods, and we do not, therefore, wish to criticise the action of those State associations that have formed a Party, but we do most earnestly desire that the maximum benefit should be attained in the shortest possible time, and propose, therefore, in those States in which official support is impossible because of previous commitments, that private persons should organise a parallel movement to our own. We shall be most happy to assist to the fullest extent anyone who undertakes this responsibility, and feel sure that the Douglas Parties will welcome any action which will create a mass political demand to which their candidates alone can make a complete response.

The time left to us for action is likely to be short. Let us, therefore, attack on all fronts, using every effort to defeat the Money Power before it completes our enslavement.

—G. B. MALTBY,

Campaign Director, The League of Democrats (Non-Party), Room 8, Block Arcade, Melbourne, C.I.

WHERE THE THERMOMETER CONTROLS WEATHER

Modern industry is carried on by large and comprehensive equipment, and it is not uncommon to see in operation one single machine worth many thousands of pounds. Such equipment is marshalled in one organisation, and companies with capital of a hundred thousand pounds upward are quite abundant. The day of the small manufacturer has gone. The small man cannot afford to buy the tools and appliances, which could compete with the huge installations that exist. He must work for the big company, selling his services for what he can get.

Because of the fabulous cost of a modern production plant, the financial institutions have been able to exercise a control over industry, placing on the boards of large companies men who see things through the eyes of the financier. A troublesome competitor may be driven out by price cutting competition or may be bought up, lock, stock and barrel at a figure, which enables him to retire from the contest, and he may be given a seat on the board of the big company.

Most large enterprises are conducted by financial men. The technical people are almost invariably underpaid, and the linking up of financial interests has made it appear that the important men of our industries are financiers—or accounting people. It has been reliably estimated that if one hundred leading technical men in Australia were to leave the country together there

would be chaos and confusion. We should always keep well, before us a realisation of the fact that financial people can exist only because industry carries on. They are not an essential part of industry. "ENGINEER."

BUSINESS MEN AND THE GOLD STANDARD

The letter of "Rayon d'Or" in your last issue, while drawing attention to the control exercised by the banking system, does not sufficiently stress the fact that everything which can be bought or sold, regardless of its cost, is governed in its price by the banker. Manufacturers and traders may be extraordinarily clever and thorough in their methods, but the introduction of a deflationary policy by the banking system will wreck all of them except those whom the bankers may permit to survive. This is instanced by the number of firms that have either disappeared or have been reduced in size and importance during this financial depression.

As soon as the banking system started the wholesale calling up of overdrafts everyone with stock was forced to realise in a market that was daily shrinking. As the trader sold his stocks and could not finance replacement, the manufacturer was forced to shorten staff, and so the process went on. The writing down of assets was due entirely to the restriction of money. As the value of a business is based on its money earning capacity, we clearly see that any alteration in the quantity of money in Australia is reflected in the value of the assets of companies and individuals. Therefore, because the banking system issues and recalls all money it governs the value of all our assets. From considerations such as these we arrive at the explanation as to why so many competent people have been ruined during the past five years.

"PAPER MONEY"

THE CREATION OF CREDIT

Even the most orthodox financial journals in the centres of orthodox finance are beginning to realise that it is no longer expedient to stifle all discussion on the right of the people to control their own money system.

Thus the London *Economist*, the outstanding organ of sane finance in England, which in a recent issue endeavoured to sidestep the creation of money by private bankers, still thought it expedient to publish (May 25) the following reply by Mr. H. T. N. Gaitskell—who, incidentally, is lecturer in economics at University College, London:

The interesting and ingenious article in your Banking Supplement on "Creation of Credit" seems to me to contain some very flimsy arguments and not a little verbal quibbling. After describing the process by which bank deposits arise you argue that this is not "creation" in one of the senses given in the Oxford dictionary. "In this sense," you write, "the banks clearly do not 'create' the deposits; they do not form them out of nothing or create them without toil. The process by which they came into existence is one of exchange."

How much "toil" is involved in the exchange of a banker's promise to pay for a gilt-edged security yielding interest. I will not stop to argue. It does not follow that because an exchange has taken place, money has not been created. The banker exchanges his promise to pay for somebody else's promise to pay. But the banker's promise to pay owing to the general confidence placed in it, is money. As a result of an exchange of promises to pay, therefore, money comes into existence, which did not exist before. This the plain man would call "creation."

When the fiduciary issue of the Bank of England is increased, precisely the same process of exchange and creation takes place. The Bank exchanges its

There's a Good Time Coming

By D. IZZIE

An interesting plan to provide for the poor of the future has been revealed with the disclosure that four years ago Governor Curley took out an 11,000 dollar a year insurance policy for the relief of the needy poor of Boston.

The policy, now locked in a vault, does not become effective, however, until 125 years after the death of Mr. Curley's last surviving child. In the meantime, it will increase in value, and it is expected to reach a total value of 45,548,000 dollars, which would be sufficient to provide 2105 families with 20 dollars a week.

Mr. Curley declared that if two more citizens of Boston would take out similar policies there would be no poor in Boston 125 years from now. —*The Age*, July 8.

We've been told for the last five or six years that prosperity is just round the corner. At last we've got some really definite news—she's on her way. Don't get excited, though, because she won't arrive until some time after the year 2060. Still, it's a relief to know that the depression is not going to last for ever. Strange to say, it is not a professional economist who has made this confident prediction, so there is a possibility that it will be correct. The Mayor of Boston has solved the problem. Mr. Curley, like our own mayors, is probably a hardware merchant or grocer, so it's one up to the practical man of business.

As is common with businessmen, action has followed thought almost instantly. He has insured his own life, and the amount is to be at compound interest for 125 years after the death of all his children. The earliest that prosperity can return is 2060. (I use this date for illustration only, not as a half-expressed hope for the sudden decease of Mr. Curley and his family.) It is rather disappointing that we won't be here to greet her, and that

the originator of the idea will be very dead when she arrives.

THE OBSTACLES.

On the face of it the scheme looks good, if only a few more men would take it up. True, there are several contingencies, which must be left to chance. For instance, who can gauge the number of unemployed there will be in Boston in 2060? If the Americans keep on using machinery the number who will take the places of the present unemployed will be many times larger, so the amount to be distributed may not be very much per individual. In addition to their own local unemployed, think of the great trek to Boston that will start about 2059. Then, again, insurance is not always all that it might be—witness the plight of many of our own people who were optimistic enough to take out a policy and who became poor enough to give it up and swell the profits of the insurance companies.

Think of unemployment insurance, if we may digress for a moment. Mr. Dunningham, N.S.W. Minister for Labour, is going to inquire into it when he returns to Australia. He has studied the British plan, which worked fairly well when there were no unemployed, but which, when hit by the depression, managed to achieve a deficit of £115,000,000 in a few years.

A FIXED DEPOSIT?

Assuming that Mr. Curley manages to keep his policy going and that his trustees collect, what will they do with it? I don't think any bank would accept it as a fixed deposit for 125 years, even though it would help to prove that banks only lend their clients deposits. Banks don't like credits like that. Debts can accumulate and breed like rabbits, but credits never. Debts are merely figures in books, while deposits, as everyone knows, are good, hard, solid cash.

The fund might be used as the source of fresh national debt—i.e., it could be invested in government bonds, but there are two good reasons against that. The first and most important is that it is the prerogative of banks to supply a country with its national debt, and the second is that in 2060, when the payout would start, the rest of America would be taxed to pay the interest which would keep the happy people of Boston in idleness and problematical luxury.

There remain only private industries. Sad to relate, few of these survive for 125 years.

As we think this out, our elation when we first got the news starts to wane. For one thing we find that we've got to get along with our professional economists for the next 125 years. What a pity Mr. Curley's great-grandfather did not get the idea 125 years ago. If he had, prosperity would have a home in Boston now (and so would we, if we could get there). It couldn't have happened in Australia, because the Blacks knew nothing of insurance. That's one drawback of being a young country. The best we can do is leave word for our great-grandchildren to be in Boston in 2060. One can imagine the excitement there when the fateful day dawns; there will be more fun than the Bostonians have had since the Tea Party.

It seems a little peculiar that our highly-placed public men should not realise that all the benefits which it is hoped the Bostonians will get in the twenty-first century could quite easily be given to every individual in every country right now. The goods they need are already here, and, were the credit of each nation used in a sensible way, poverty, degradation (and insurance) would become things of the past.

Department of the Bank of England. It is suggested that the argument for reserving these gains for the community are as strong in the former case as in the latter.

THE STORY OF MONEY and Its Management

(Continued from last issue.)

WHAT THE PEOPLE MUST UNDERSTAND.

Coming now to the discussion of remedies, it is evident that the first step necessary is to awaken a majority of our voters to the knowledge of what is happening around them. They must be made to understand that money is merely an invention of man, like the wheelbarrow or the motorcar, and that therefore a monetary system is not of itself foolproof or incapable of improvement. They must realise that the money we use today is no longer a centralised commodity, but merely a system of token coins and pieces of paper (principally the latter) which serve as tickets to denote claims on real wealth; and that all these tickets are constantly being issued by, and destroyed by the central accounting house, which is the banking system. This privately-owned accounting depot often pretends to be merely a clearing house, but in reality it has constituted itself the sole arbiter as to how money tickets for goods shall be issued, and who shall receive them, without paying any regard to the number of tickets which the community may require and without any responsibility to anyone.

It has been seen that money shortages occur in a number of ways, and that amongst these the most notable are:

1. When factories, plant, and all those other forms of wealth known as capital goods are brought into existence, the money aid to the community in the course of their erection is generally withdrawn at once (through a share issue) or withdrawn more rapidly than real depreciation, takes place (through repayment of bank loans). Consequently the money equivalent of the charge for depreciation, which is included in all consumable goods turned out from the factories, etc., is not in the possession of the community and cannot be paid.

2. While the banking system usually finances production up to the stage at which goods are handed over to the retailer, as a rule no provision is made for financing the latter's expenses, and particularly his own wage or profit. Hence it is found that profits tend more and more to accumulate in the form of stocks on hand, sundry debtors, and the like, and they cannot be realised fully in cash.

3. The same thing happens with all forms of increased wealth, which are not entirely brought into being through finance supplied by bankers. This partly accounts for the piling up of primary produce and stock in the hands of producers all over a hungry world.

4. When moneys paid out through industry are not used to buy goods, but instead are invested in the production of more goods, the result is that two supplies of goods come on the market for one supply of money.

These various shortages, as has already been seen, have in the past been made up in a number of unnatural ways, which will be discarded in discussing remedies.

In addition to the money shortage, there is also the question of its distribution, and particularly the problem of how to distribute incomes to those unable to find industrial employment. But let us deal first with the chronic shortage. How can this be made up?

RESTORING COMMUNITY CONTROL.

As a first step, if the problem is to be dealt with in an orderly way, and particularly if money is once more to become a means of distributing goods instead of the power controlling the production and value of goods, it is clear that the issue and destruction of money must be taken out of the hands of the monopolists. This does not mean that the banks must all be nationalised, but it does mean that the issue and withdrawal of money must be nationalised. And just as clearly it means that parties and politicians must not have any finger in the pie. The control over money must be restored to those whose labour and services make necessary the variations in its quantity. In other words, since the supply of money should vary in accordance with the supply of those things, which alone give money its real value, its amount should be governed by the statistics of the wealth which we produce and which we consume. If this be done, then the community, and each member of it according to his efforts, will exercise control, and the money supply will at all times be sufficient to clear the market of the goods produced by the community without loss to anyone.

Many people today realise that this is correct in principle, but at the same time their minds are greatly exercised as to the technical means by which it may be achieved. It may not be out of place, therefore, to outline a few suggested ways. In doing so, it is not claimed that these are the best ways. Quite possibly those technicians amongst us whose calculations are so exact that they can send a plane flying blind across the ocean, through storms and cross winds, and yet enable it to pick out accurately a spot thousands of miles away, may be able to improve greatly on the suggestions which follow.

INVESTMENT OF SAVINGS IN FURTHER PRODUCTION

Taking first the question of the shortage of money caused by the investment of savings in new production, a remedy at once

suggests itself. This is that all new production should be financed by new money, and that savings (which represent consumers' money) should be used only for the purpose of consuming goods. Any savings temporarily held up could be used conveniently in this way through various co-operative buying associations, such as the Starr Bowkett Societies, which enable the accumulated moneys put by for buying houses to be in use all the time, without holding up the production of houses until their members are able to buy individually.

It might also be pointed out in this connection that if the fear of a financial shortage were removed—today there is no fear of any physical shortage—the incentive to save money, and particularly to invest savings in production as a means to add to income, would largely disappear.

THE ISSUE OF RETAILERS' PROFITS

The shortage that arises through the non-creation of retailers' profits (and producers' profits through natural increase) could be overcome very simply by an extension of the present system of bank-loan finance. Today's system is somewhat like this: A bank finances A to the extent of £50, representing his costs. To get his profit and pay the bank interest, A must sell his goods for £60, and he marks them accordingly. B comes along to buy them and obtains from a second bank a loan of £60, enabling A to repay his bank and realise his profit.

At this stage £60 has been distributed in the community—made up of A's costs (labour, material, etc.), the banker's interest (or service charge) and A's own wage or profit. That all these moneys may not be available at the time the goods ultimately come on the market need not concern us here. The point is that money to the extent of £60 is out in the community; goods priced at £60 are in existence; and there is a debt to the bank of £60. On the sale of the goods, therefore, the goods themselves are consumed and the money is returned to the bank and destroyed through the repayment of B's overdraft. At the finish we have the position of no goods in existence and no money in existence—a true financial accounting of the physical facts.

But what happens to B? He can receive no reward for his services, neither can the banker receive payment for the loan to B—and it must be remembered that, even though the loan be merely a matter of book entry, the banker is entitled to some recompense for his services as bookkeeper. The only way out is for B to keep back some of the goods for himself and the banker, and to sell the balance for the full £60. But in this way B and the banker will receive their wage in goods, which is hardly convenient. If, for instance, B stands for baker, he will find it very awkward hawking his loaves around to buy a bedroom suite. Conversely, if he is in the furniture trade, it will be a little embarrassing if he has to offer a gentleman's loughboy to pay his tram fares.

In industry, of course, there are many more stages than just A and B. But ultimately we must reach a retailer who will be in the same position as B above.

Let us assume that B is the retailer. His buying price is £60, and, in order to draw a money wage for himself and to pay for his other costs (including the banker's services), he has to sell his goods for, say, £80. Now suppose that the banker did what a banker does not in practice usually do; suppose that the banker, instead of making B a loan of £60, advanced him £80. What would the position then be?

Let us say that, of B's gross profit of £20, he requires £10 for rent, wages, bank charges, etc., leaving him a net profit or wage of £10. He can now sell £70 worth of his goods, leaving him with goods priced at £10, with £10 in cash, and with a debt of £10 to his banker. If all other retailers are in a similar position, B can now use his £10 cash to buy just what goods he desires, and the other retailers will be in a similar position. So that B will part with his £10 in return for such things as he really wants; he will likewise be enabled to sell the balance of his goods for £10 in money, and he will use this last £10 to pay off the balance of his debt to the bank.

In this latter case it will now happen that all the money is destroyed through the repayment of bank loans; all the goods will have been cleared from the market; and B, instead of having his profit in his own specialised goods only, will have whatever goods he wants. Incidentally the banker, instead of holding a lien over B's unsaleable goods and chattels (and virtually owning B's business) will have been paid in cash.

It goes without saying that in operations of this nature, if retailers are to be loaned their profits in advance, it will be necessary, in equity to institute some method of fixing profits. This, however, provides no considerable difficulty, and a way that has been suggested is to determine a fair profit on some basis such as a percentage on turnover, the percentage naturally differing according to the class of goods handled. Establishing ratios of this sort would be very easy by comparison with today's absurd method of fixing prices

without any regard whatever to the possibility of consumers being able to pay them.

HOW DEPRECIATION CAN BE RECOVERED.

Of our difficulties this leaves only the problem that arises from the withdrawal of money issued through capital construction and the consequent inability of consumers to pay depreciation charges.

When a factory is built today it is owned by those who subscribe the share capital. And when they have subscribed their money the addition to the real wealth of the community (represented by the factory) is not accompanied by any addition to the community's money supply. Consumers, however, in buying the goods from the factory, are asked to pay both for the goods and for that portion of the factory and plant, which is worn out in the production of the goods. Having already surrendered the money equivalent of the factory, they cannot do so.

But consider this other way of dealing with the problem. Jones wishes to build a factory. He obtains the necessary finance from the national credit authority—say, £10,000. Jones does not now sell shares direct to the public; instead, he remains in debt for his capital loan to the national account. But the latter sells national securities for £10,000. As a result the £10,000 is withdrawn from the public as before. It is not, however, cancelled; it is placed in a national fund. The position now is that the real wealth of the community has been increased by £10,000, and the money representing it is still in existence in a national account.

At the end of a year the factory has depreciated by, say, five per cent.—£500—, which sum is charged into the factory's output of goods. This sum can now be issued from the national account as a free gift to the community at large. What then happens?

As far as the factory is concerned, it has sold its goods and realised its profit. That profit, together with the profits of all other enterprises represented by securities in the hands of the public, will serve to pay a dividend to the holders of the securities. The factory has also in hand £500, representing its depreciation. As it is now worth only £9500, the original loan is reduced by the payment of £500 off its capital loan account with the national credit authority.

From the national accounting point of view the payment of the £500 dividend has reduced the available money in the fund to £9500. The factory, being now worth only £9500, must be written down accordingly. This is done by the cancellation of the £500 repaid on its loan account.

We now find that all the consumable goods have been sold and that the real value of the factory is still faithfully recorded in the national financial account.

It will be argued against this, perhaps, that national securities have now depreciated. To which the answer is that, in the case in point, so have the national assets; and the national bookkeeping is therefore truthful bookkeeping. Moreover, the process is no different to what takes place daily in industrial bookkeeping. Are not companies perpetually writing off capital, either wholly or in part: Are there not as many companies going into liquidation as there are new ones starting?

Another point to be considered in the above is this: The selling of national securities embracing all activities, while not interfering with private enterprise, initiative or profits, would spread the financial risk over the whole community. Likewise it would spread financial profits. If an unforeseen improvement in process caused an existing factory to become out of date, this would be offset by the benefits derived from the new factory' taking its place. Today we often find progress retarded in order to save the shareholders in one company. This would no longer be necessary when the shareholding was of the nature of a nation wide cooperative enterprise.

Viewed from the angle of the man who builds a factory, his position would be practically the same as now. In public companies today the shareholding is nation wide; a company's scrip is freely bought and sold on the Stock Exchanges. And, finally, moves in this direction are proceeding every day. On the one hand, industry, in an attempt at self-preservation, is constantly enlarging its scope through amalgamations and similar operations. On the other, investors, in the endeavour to minimise their risks, are also spreading their holdings—one evidence of this being the investment trusts which have sprung up everywhere of recent years, and of which the purpose is cooperative shareholding in a multiplicity of companies. It is only a step further to a co-operative shareholding in all the industries of the nation.

While again emphasising that the ways outlined above are not necessarily the only or the best means of achieving the purpose desired, they yet indicate something of the manner by which sufficient money may at all times be issued to enable the distribution of all the goods produced by the community. They also indicate one way by which the money may be issued without its mounting up and by which it may automatically be withdrawn through the consumption of goods and without any special taxation.

Before concluding, the question of a national dividend may be discussed in some detail.

(To be concluded)