

Sensations in British Arms Inquiry

In a recent issue of the *New Times* attention was drawn to the manner in which most of the great metropolitan dailies of Australia are suppressing reports of evidence being given before the Arms Inquiry Commission in London. As Australia is expected to fight whenever London decides to fight, and as British armament firms are not without representation in this country, our citizens are surely entitled to be kept informed, in fairly considerable detail, of what is transpiring in the London inquiry. But, while columns can be devoted to the meanderings of a whale's corpse on our coast, our newspaper mentors must carefully preserve us from any unpleasant scent, which may rise to our nostrils from the shores wherever the arms vultures ply their carrion trade. While the exploits of an American gangster may be dilated upon, it is not fitting that we should be told of the bloody exploits of these wholesale international gangsters. Far more important to us, it seems, is the telling in gruesome detail of how the noble Mr. Lyons, unmoved by the ship's accident in which no one was hurt, coolly proceeded to have and announced his intention on retiring to bed, while Mrs. Lyons faithful as ever to her onerous post, handed the chocolates around.

CHAIRMAN OF COMMISSION AND I.C.I.

Evidence of a sensational type has been tendered to the Commission by a witness on behalf of the Communist party, so sensational that the London evening newspapers suppressed all news of that particular day's sitting.

Attempting to show the enormous and widespread vested interests built up by shareholdings in armament firms, this witness stated that the Bishop of St. Andrews had £2,100 in ordinary and preference shares of Imperial Chemical Industries; Sir John Gilmour (the Home Secretary) 3066 ordinary shares in Vickers; Mr. Neville Chamberlain (the Chancellor of the Exchequer) 833 preference and 5414 ordinary shares in Imperial Chemical Industries; Prince Arthur of Connaught 3000 preference

DEMOCRACY AT THE CROSS ROADS

By LESLIE H. HOLLINS,
M.A.I.A.B.

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, 5/6). 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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MORE EVIDENCE WITHHELD BY AUSTRALIAN

shares in Vickers; the Earl of Dysart 40,000 ordinary shares in Vickers; Mr. Barrow Cadbury (a leading Quaker) 30,875 preference shares in Imperial Chemical Industries.

At this stage the Chairman of the Commission, Sir John Eldon Bankes, interrupted to say that the recital was very wearisome, and that the witness had made his point.

The answer of the witness to Sir John Eldon Bankes was:

"I will conclude by saying that Sir John Eldon Bankes has 1,000 preference, 765 ordinary and 179 deferred shares in Imperial Chemical Industries."

Imperial Chemical Industries, as readers are probably aware, represents a huge combination of interests whose importance from a military point of view lies in their ability to supply practically illimitable quantities of all those hideous and obscene poisons, which go to make the refinements of modern gas warfare. A notable defence of the use of such products in war was made by Britain's Great War poison-gas expert, Dr. Levinstein, before the Institute of Chemistry in Bristol, England, last December.

The use of gas and chemicals in war he said was an economy of force, of material -and of lives. The idea that science had made war less likely was a fallacy; and to attack with gas was no more bestial, wicked or cruel than to blow combatants to bits by high explosives.

But, to return to the evidence, the witness above quoted continued that the restriction of the Commission's scope was equivalent to a shielding of the armament trusts.

He then gave figures showing the big increase in exports of nickel to Germany, and added:

"Having armed Hitler, we are now using that as a pretext to embark on an armaments race in this country."

THE INFLUENCE OF VICKERS ARMSTRONGS

Some of the connections of Vickers Armstrongs were then gone into.

It was recalled that a shareholder of this company, at the 1934 meeting, had said: "We have been greatly interested in your assurance that Messrs. Vickers have never had any part in the influencing of news-

The British Government decided today not to prevent British firms from exporting arms to Abyssinia. —"Herald", July 23.

When there is killing to be done there is generally some humanitarian at the head of an armament firm who, for a fair profit, is willing to supply them. —"Herald", July 23.

papers. But I should like to ask if you are aware that, several years after the war, Mr. Bryce, a nephew of Lord Bryce, was simultaneously British agent for Vickers in Belgrade and *The Times* correspondent. He failed to get enough orders to satisfy Vickers, and his appointment lapsed, as also did his *Times* appointment."

In the same year the chairman of Vickers, General Sir Herbert Lawrence, announced:

"Our relations with the three defence services continue to be satisfactory, and although, as an armaments firm, we are subject to opprobrium in certain quarters,

we claim that so long as our products are necessary for the defence of the Empire we are rendering a national service."

PRODUCTS FOR THE EMPIRE

Where some of the products of the British arms firms, "necessary for the defence of the Empire", have gone was illustrated at the inquiry in the following fashion:

British arms exports to Japan more than doubled between 1929 and 1932.

In 1929 British firms sent to China 393,000 loaded cartridges; in 1930, 847,000; in 1932, 7,735,000; in 1933, 33,202,500.

The *Army, Now and Air Force Gazette* of November 8 last described how "four six ton tanks, each equipped with one 47 mm. gun and one machine gun, and four light amphibian tanks, each equipped with one machine gun, have been supplied by British manufacturers to China."

Between January 1932, and June 1933, British arms manufacturers supplied Bolivia with 2,130,550 rounds of ammunition, 99 machine guns and 6 tanks. In the same period they sold to Paraguay 16,570,000 rounds.

While the Commission was sitting it was announced from Stockholm that the Ministry for War had purchased from a British firm two of the most modern bombing planes on the market.

These are but isolated instances of a position, which was summed up by one witness in these words:

"The United Kingdom is the main centre of the world's armament trade, being the origin of one-third of the world's armament exports, so

that the heaviest responsibility for the evils of the traffic rests with Britain."

And another witness pointed out: "It is particularly significant that the recent tension in Europe has coincided with a spectacular rise in British aircraft shares."

HIGH MILITARY OFFICERS IN ARMS FIRMS.

On the day before most of this evidence was given it was announced in the House of Commons that Lord Weir, late controller, of aeronautical supplies during the war, had been invited to assist and advise in the new air arms race. Lord Weir is a director of Imperial Chemical Industries; he also represents International Nickel, the firm supplying huge quantities of that material to Hitler.

The close connection between armaments directorates and governments may help to illuminate Sir Herbert Lawrence's "our relations with the three defence services continue to be satisfactory."

The following is part of the evidence put before the inquiry:

"We are drawing your attention to the close interlocking of the armaments trusts and the State as expressed more clearly in the character of the personnel of the armaments trust, particularly of Vickers, Armstrongs and Imperial Chemical Industries. In support of that contention, we draw your attention to the following directors and their past connections with the Government:—

"General the Hon. Sir Herbert Lawrence has been chairman of Vickers, Ltd., since 1926. He was formerly the Chief of Staff, Headquarters British Army in France, from January, 1918. After a distinguished military career in South Africa, in Egypt, in France and in the Dardanelles, he left the Army on retired pay in 1922.

"Sir Mark Webster Jenkinson was the Controller of the Department of Factory Audit and Costs at the Ministry of Munitions, and Chief Liquidator of Contracts at the Ministry of Munitions after the war.

"General Sir J. F. Noel Birch after a long military career, was (Continued on page 7.)

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

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Professor D. B. Copland,
University of Melbourne.

Dear Professor Copland,

When a man has been accustomed to writing in newspapers signed articles expressing certain views, and when at last he finds himself very, uncertain about those views, it is an ingenious device to try out the public reaction by bringing in a third party, such as a reporter, who is always liable to "make a mistake" in taking down what was said to him. You may remember that, before the last elections in Victoria, Mr. Kent Hughes was charged with having contributed a series of articles to the press indicating that he had leanings towards Fascism; whereupon Mr. Hughes denied that he was responsible for the headings.

We do not for one moment suggest that anything of this nature was in your mind when the "Sun" of last Saturday appeared with a full page spread, "Look At Life As An Economist, By Professor D. B. Copland, as told to Alan Moyle." But we do note and welcome your changing viewpoint, as expressed in such phrases (told to Mr. Moyle) as "before the world has recovered from the Great Peace," "war has always been to a considerable extent a question of economics" . . . "if only a world war' can be avoided for another ten years the application of economic principles to industry AND FINANCE will put the world definitely beyond any danger of economic collapse," . . . "the standard of living ought to be very much higher" . . . "I see no, reason why, with proper organisation, the supposed over-production of foodstuffs today should not lead to higher consumption by the poor people," . . . "I see no reason why we should not have better all-round housing," . . . "many believe that the cure for world distress is restriction. How utterly wrong" . . . "everybody should know something of economics; most people should know a lot about economics" . . . And, finally, "Do I expect a collapse of the present system? The principle of social legislation will operate in time to prevent a collapse if war can be avoided within the next ten years."

The man who does not yet "know a lot about economics" may find some little difficulty in reconciling recovery from the Great Peace, the economic causes of war, and the postponing of war for ten years to enable the economic position to be righted. It sounds something like a dog chasing its own tail. Why not rectify the economic causes of war straight away?

For some months now, Professor, you, the ringleader in that horrible Premier's Plan for starving us into prosperity, have been pleading that we should borrow ourselves out of poverty by "mild" inflation. Granted, your suggestion has been the use of Treasury bills. But you are well aware that Treasury bills, which, if held by the Commonwealth Bank, are merely a debt from the people to the people, have a nasty habit of finding their way across to the private banks. And we do not remember any protest from you against this robbery of the people.

Still, keep on thinking, Professor. And we like your stories to Alan Moyle better than your signed articles.

By the way, did you know Ogilvie when you lived in Tasmania?

THE NEW TIMES

WHAT RAILWAY MEN ARE THINKING

Just as the lead to economic thought in our time, and especially to the distributive problem, which is the crux of our difficulties, has been given by a Scottish engineer in the person of C. H. Douglas, so it is natural that men associated with engineering are everywhere to the fore in realising the source of our troubles. Nowhere is this more so than in railway enterprises.

In the Australian railways we find that mechanical development has not progressed as rapidly as in other industries. This is mainly due to lack of the finance required to bring the systems up to date, and has resulted in the physical absurdity (which railwaymen are the first to feel) of the railways adopting a dog in the manger policy towards other forms of transport. Unable themselves to go forward as they should, they are compelled to seek defensive legislation in order to restrict other forms of progress.

The lack of advance in our nationally owned railways is due to the difficulty of declaring a nation financially bankrupt, and the consequent everlasting dead weight of debt and interest which enchains these services. In the case of smaller private enterprises similarly situated our financial system "solves" the problem by allowing one concern to go bankrupt; whereupon another, rising from its ashes, carries on.

Railway systems overseas, even though not State owned, are in much the same position as our own. They are in too public a position for the money ring to allow them actually to close down. Instead, their shareholders are asked to forego dividends and their technical staffs to forego improvements. That the cause of this is now becoming generally recognised within the services is shown by two stimulating articles which have recently appeared in British railway journals, and which are reprinted below.

The first is from "The Railway Engineer" and is entitled:

MAN AND MACHINE

"In every industry man is progressively being displaced by the machine, in some industries more rapidly, in others less. There are certain modern factories in which the necessary man-hours are almost negligible in comparison with the output. The great new thermo-electric power station at Battersea, as yet only half completed, can produce 230,000 kilowatts with a total staff of less than twenty—one man handling Machinery thus can direct the energy of 10,000 horses. In an up-to-date artificial-silk factory

the proportion of wages to total costs is less than one per cent.

"In the century-old industry of railway transportation, with much of its plant and equipment designed in the early days of engineering development, and even its most modern equipment cramped thereby, the displacement of man-power by machinery is slower. But even so there has been a drop in the total staff of the four British main line railways from 681,778 in 1923 to 566,300 last year. That the falling off in traffic can be held accountable in only a very small degree is known to any responsible railway officer, who could cope with an increase far beyond the traffic of the peak year of 1929 without anything like a commensurate increase in staff.

ENGINES AND ROLLING STOCK

"The modern locomotive is much more efficient, both as to fuel consumption and maintenance, than ever before. It is capable of higher speed and greater haulage capacity, and can therefore contribute to the more effective use of rolling stock with greater traffic efficiency generally.

"Fewer locomotives, therefore, can do better work now than more did formerly; and fewer would be needed today, even if they were not in themselves better engines, because of the great development in machine tools and workshop practice whereby a locomotive can be completely overhauled in about as many days as it took weeks a few years ago. Last month, in our illustrated review of the recent Machine Tool Exhibition, we were able to give our readers an idea of the remarkable improvement in railway workshop efficiency.

"What this means in reduction of man-power and speeding up of manufacture may be typified by the reduction in time, within the last ten years, from sixty to six minutes for the complete turning of a pair of waggon wheels, and, by means of automatic welding and grinding, it is probable that the average life of a pair of wheels will soon be at least doubled.

"It is the same tale in the other engineering departments of railway working. Permanent way maintenance costs are steadily falling, thanks to better material, its more scientific use, and the application of machinery.

MODERN BRIDGE WORK
"Instead of the renewal of weak bridges, with all the consumption of new steelwork, transport and labour involved, they are being strengthened by welding. New structures,

whether stationary or mobile, are being fabricated more rapidly and with less weight for an equal strength by means of welding and the use of special steel and other metals. Corrosion and the use of preservatives are, by the latter means, being reduced.

"Safety of railway operation is being enhanced and, after the necessary initial expenditure, maintained with reduced cost by improved signaling.

"Even the purely administrative departments are being progressively invaded by machinery. First the typewriter, now the accounting machine, and so on.

"All these developments initially require new labour, but they displace more in the long run, as is certified by the ultimate reduction in man-power, cited above for the railways, and by the figures of national unemployment. Indeed, it is strange that anyone should doubt that labour-saving devices must, eventually, save labour.

TRYING TO ENTICE CONSUMERS.

"On what is generally called the commercial side of railways—namely, that now chiefly concerned in inducing the public to travel and to consign their goods by rail, more labour is spent than formerly; but this is necessary not because people are naturally averse to travelling, or because they want less goods, but because they cannot afford to satisfy these wants. Were they to be put in funds ample to enable them to fulfill their requirements, they would need no inducing and the so-called commercial activities of the railway staffs could be almost wholly curtailed.

THE CAUSE OF THE TROUBLE.

"Indeed, it is the solution of the physical efficiency problem which is intensifying that of the sellers of goods and services, for, as efficiency increases, the need for human labour diminishes, and, since at present labour is the only title to money, purchasing power correspondingly decreases.

"The result is apparent in the paradox of poverty amidst plenty, and only the realisation of this paradox by the people as a whole will lead to its dissipation.

"As soon as the majority in a democratic country sees the absurdity of living in want when abundance is at hand, and returns its elected representatives to Parliament expressly to demand that the Government shall find a way of distributing this abundance, poverty will disappear and with it most of the sordid problems that beset mankind today. Only then will the scientist and the engineer be unshackled to progress as they can; only then will they be recognised as the benefactors they truly are."

MORE TRAINS THAN TICKETS

The second article, bearing the above title, is from the London "Railway Gazette," which is understood to have the largest circulation of any technical journal in the world. It says:—

"So popular have the cheap evening trips to Brighton become that the other day Victoria Station ran out of the appropriate tickets.

"Despite that serious state of affairs, the Southern Railway authorities neither turned the applicants back nor sent the trains away empty. They merely issued emergency tickets and carried as many perspiring would-be bathers as they had coaches to accommodate.

"What an outcry there would have been otherwise! Suppose the trains had left for the seaside with half their seats unoccupied, and the ticketless, had been herded off the station premises; would everyone have been satisfied with the explanation that there were not enough tickets? They would not; yet if people were logical they should have accepted the excuse and resignedly pursued their several ways,

BEAUTY AND THE BANKS

By D. IZZIE

The practice of trying to make the face and form more attractive is one of the earliest and most-widely distributed of human characteristics. Cleopatra had her rouge pot, the savage of today his clay pan and ochre deposit, but again civilisation presents its wonder. From humble beginnings such as these has arisen an industry which is universal and, in the U.S.A. at least, one of the largest known. The primitive daubings have given rise to an art that makes it hard for the modern man to distinguish the flapper from her mother. The products of this industry, from being furtive luxuries, are now universal necessities, and the secret employment of the art has changed to the open and expected display. Trade unions list beauty aids as essentials when discussing cost of living and such things. They point out that a girl must look her best when applying for a job and when trying to keep it. Some would rather use their last few pence for beauty than for food and, under a system that will not allow both, who can calculate the worth of poise and self respect? In spite of this, when the National Council of Women suggested that the industry should be made a science and a University course of Beauty Culture and Cosmetics started, the proposal was rejected with scorn.

PROFESSOR COPLAND'S ATTITUDE

Our old friend Professor D. B. Copland, in his capacity as Chairman of the Professorial Board, adopted, so the press tells us, the economist's attitude and said the course was unnecessary, as people knew too much about it already. Why should that be the economist's attitude? Viewing such a large industry he should be interested in it as supplying an avenue for investment and employment. Or is it the opinion of economists that people can know too much about anything?

In their own profession that seems to be only too true. The economist tells the people that only experts can understand the problems of economics. This is sufficient to deter most people from seeking knowledge, but the minority note that the experts seldom agree and continually change their views, suggesting that they themselves know little of their subject. Notwithstanding this, Professor Copland tells us that he knows of no graduate of Commerce and only one in Economics who is out of work. They have achieved what no one else has achieved—established a profession which is not overcrowded.

Perhaps that statement is too sweeping; we should include the banking profession. Adopting the same tactics with the help of the economists they have reserved to themselves the one industry, which produces no wealth but controls all wealth. Obviously there are advantages in keeping people in the dark, and possibly the reason given by Professor Copland was given by force of habit.

AN AID TO DEFENCE

A little reflection would have convinced the professor that here was

for that is precisely what is going on almost without comment all over the industrial world today, only on a different plane. "Instead of a shortage of tickets entitling the holders to a specific service such as a railway journey, there is a universal scarcity of monetary tickets for the purchase of commodities generally, with the result that the goods nobody can buy have to be destroyed and the means of producing them sabotaged.

"We are glad the Southern Railway ran out of tickets to Brighton, and found a more reasonable remedy than smashing its carriages, for it has enabled us once again to point a vital moral."

something which could be turned into a valuable ally. The industry already helps to maintain the status quo. The Commonwealth munitions factory has machinery, which is unique in Australia. It turns out hundreds of thousands of lipstick cases and can quite simply be switched round to turn out cart-ridge cases. Were it not for the lipsticks Australia could not afford such expensive machinery. Consequently we would have to defend our country with one or two ships, half a dozen nine-inch guns and empty rifles. What an answer to the Melbourne doctor who asked employers to consider, when they were hiring someone, whether the wages would be spent on food or lipsticks. We had better employ the girls and make sure of our defences.

SIGNS OF PROSPERITY

Such aids are insignificant when compared with the uses, which the art of beauty culture could be put to in the service of the banking monopoly. A graduate should be in every bank. In addition to keeping the staff spick, span, and a glory to behold, he or she would have other invaluable uses. Whenever a businessman was asked to repay his overdraft at a most inconvenient time he could be sent away with such a broad smile permanently implanted on his face that it would entirely counteract his lagging step and bowed head. Then in times such as these the motto, "Service with a Smile", would have some semblance of truth.

There would be no need for the banker to stop at his clients. Beauty-culture could replace the dole, probably at less cost, and wipe out all traces of the depression. All signs of malnutrition and misery could be removed from each person. Each unemployed and hopeless man could be suitably massaged and coloured into the semblance of a contented human being. Each hungry child could be made the picture of health, so rendering the supply of free milk unnecessary. Each woe-begone woman of the slums could be given a coat of self-respect and sent out to face the world looking like a film star. When everybody was looking rosy and happy it could be used as evidence of prosperity and so enable the public to be persuaded that there was no depression.

Perhaps a vision such as this brought forth the Professor's hostility. When we had reached that happy state there would then be no need for economists. The Bachelors of Commerce and Economics would be supplanted by Bachelors of Cosmetics, and who could say which would make the worse mess?

THE GOLDEN KEY

One outcome of the Continental promenade conversations of our Ministers has not been adequately stressed. That is the immense importance every nation attaches to the opinion of Britain. To affect opinion in this country is the highest ambition of them all. Weak as we apparently are on sea, in the air, and in guns, all the same England holds the balance of moral power in Europe as admittedly as in the days of Palmerston or Castlereagh. We do not want to throw this away either at Stresa or anywhere else.

London dominates the finance of the world, and there is the golden key to much that may seem a little mysterious. —The "Liverpool Daily Post."

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WHAT AILS THE LEAGUE OF NATIONS?

A BROADCAST DELIVERED FROM STATION 7ZL, HOBART, ON JULY 14, by J. C. FOLEY, B.Sc.

For some time past there has been a growing feeling that modern warfare arises from economic pressure more than from any other factor or combination of factors. The idea has been strenuously denied in some authoritative quarters, but in recent days there has been a considerable swing of well-informed opinion in this direction.

Before developing this theme it would be useful to try and form some estimate of the standing of the League of Nations today, in relation to the very grave international problems with which the nations of the world are faced. In the leading article of the Hobart "Mercury" on Tuesday it was stated that should the situation in Abyssinia end in hostilities the effect will be far-reaching on the League. "War between two member States of the League will mean that the Covenant of the League will become a dead letter. The Covenant is the keystone of the entire fabric and action which destroys it will practically destroy the League."

It would appear that the League is in danger, to say the least, of receiving a most serious setback, and we ought to ask ourselves what circumstance or compilation of circumstances has brought about this position. In this connection it is interesting to recall a criticism of Mr. H. G. Wells in his book, "The Way the World is Going," published about ten years ago. He stated in effect that the League was having too good a time to be doing anything really effective in the cause of peace. His words are worth repeating as the expression of an interesting general principle: "The first phase when any creative movement passes from the realm of mere talk towards realisation is resistance and persecution. The first sign that an attack is approaching its objective is that shot and shell take effect. Amateurism vanishes, men fall, and the strain and effort mount steeply to a climax. One may doubt whether any of these League of Nations Unions and 'No More War' societies can be regarded as even a preliminary assembly for the main attack."

Possibly we have been too optimistic in estimating the value of the results obtained in the various conferences and discussions, which have taken place in the last 15 years or so. The Locarno Treaty and the Kellogg Pact marked great advances towards world peace, but what was their real value viewed in the light of recent events? I do not wish to suggest that they have proved worthless by any means, but to be honest we have to recognise that the whole scheme of pacts and agreements has been built on shifting sand. There is, and has been for some years, a movement going on underneath this structure which is causing it to crack alarmingly. What Mr. Wells saw, I think, was this, that it is one thing to say that we must have no more war, and quite another thing to control the

circumstances which drive us into war against our inclination and will. It is not enough to sign pacts and make declarations in the vague hope that somehow these will banish the spectre of war. There is no doubt that the League at the present time is faced with a formidable array of circumstances which have been the outcome of failing to realise the true nature of the ground on which it was building. We have to discover, if possible, the nature of the forces, which are so violently upsetting the international equilibrium.

ECONOMIC PROBLEMS AND WAR.

I have stated that there is a growing recognition of what to some of us is obvious—that international tension and war are the outcome mainly of economic insecurity. Those who read the newspapers carefully will have noticed several cables recently confirming this contention.

Professor Hytten (economic adviser to the Bank of New South Wales) was reported to have stated that war talk in Europe was based on the internal and economic problems of nations and not on external fear. Conspicuous and the manufacture of armaments were popular, he said, because they absorbed men and circulated money. The alternative was public works for which there was a diminishing need. Thus international tension developed from national domestic worries. The governments talked of security and dignity as excuses.

Professor Hytten's views are supported by other economists who have commented on such matters recently. In Monday's "Mercury" we read that Sir George Paish, Governor of the London School of Economics, had made a statement at a meeting of the League of Nations Union in which he said that Signor Mussolini was making an effort to divert the attention of Italians from the economic distress in Italy by military action in Abyssinia. Curiously enough, almost the same remark was made in a broadcast from 3AR by Professor Gordon Wood a week or two ago. This goes to support the contention that war in these days springs from the same roots as trade depression and that if we can remove the root causes of one we at the same time break the back of the other.

To carry the matter a step further you may possibly remember a statement made by the Chairman of the Cunard Steamship Company in his address to the annual meeting of the company last April. "There is universal war today," he said. "The weapons are not navies, armies or aeroplanes, but tariffs, quotas and shifting currencies." This is an illuminating statement and in it we see the recognition of the fact that military warfare is but the extreme form of a continual strife that is going on all the time. Professor Barse in "Germany Prepares for War," makes a similar statement when he points out that war is resorted to when the methods of diplomacy fail to impress the will of one nation on another. This idea has been epitomised by one writer in a striking phrase: "War is only intensified peace."

ADMISSIONS THAT THE PROBLEM IS MONETARY

There are two or three points, which stand out from the quotations I have just given.

The Chairman of the Cunard Company stated that the weapons of war today are tariffs and quotas and shifting currencies. That is one very significant statement.

Professor Hytten's remark concerning the popularity of conscription and armament manufac-

ture and the importance of public works in giving economic relief is another.

A great deal of comment was aroused by a statement of the Director of the International Labour Organisation (Mr. Harold Butler) the other day. Mr. Butler said that beneficial results seem to accrue only where public works are financed by loans rather than by taxation. This statement also has very great significance in connection with the subject we are discussing.

You will notice that the idea underlying all three statements is the necessity for circulating money, not in the normal way of business, but by means of some special effort to increase the total incomes of the people.

It is one of the curious features of discussions of questions relating to the depression and to war that economic experts in the past have strenuously disclaimed that our problems were money problems, yet, at the same time, almost every move which has been made in the direction of combating the depression has had a monetary significance. The Premiers' Plan to balance budgets; tariffs and quotas; devaluation of the currency; reduction of costs of industry—all these have been attempted monetary solutions. So we see the idea that the root cause of most of our troubles is a monetary one is implied by our economic advisers even where it is not admitted.

Having reduced the field of inquiry down to a consideration of the money system, it remains now to demonstrate that this is, in itself, a factor of sufficient importance to warrant careful investigation and adjustment. It seems clear that economic pressure is a prime cause of war. What is it that gives rise to economic insecurity on a nationwide scale, which causes nations to seek salvation in dangerous expedients of armament manufacture and military adventures? Considerable light is thrown on this question by knowledge of how money is put into circulation and how it is used by those who receive it. We can only briefly survey the ground in the time at our disposal, and leave you to inquire further if you are so disposed.

In the first place it is a fact of common experience that, in order to live in this world, we must have an income of some kind, even if it is only the dole. The first concern of all nations is to see that their peoples have sufficient incomes to make them reasonably contented. If they fail to do this all kinds of trouble arise—from trade union disputes and unemployment demonstrations to the overthrow of governments and revolutions. There is good ground for the idea that governments seek to divert the attention of their peoples from distress at home by embarking on military adventures abroad.

THE SHORTAGE OF INCOMES

Now, there are a few fundamental facts to be observed in connection with incomes and the circulation of money. Put briefly, all incomes are derived from industry, and all money, which circulates, is issued for the purpose of production. As money is used in the industrial system it creates costs as well as incomes, and the system can work freely only if incomes and costs—represented by prices of goods on the market—can be balanced.

There has been a great deal of controversy as to whether incomes and prices balance. The facts definitely show that they do not. The phenomenal increase in debt, both public and private, is sufficient evidence in itself. The reasons for this increase in debt are easily seen. For example, if incomes and profits are saved and not used to purchase goods on the market, the costs, which these savings should have met, are carried forward as a debt. The money does not come out in incomes again until it has created a new set of costs.

The velocity of money has no effect since, in the normal circulation of money through production, incomes, markets, and cost liquidation, the faster money flows the faster are costs created. Debts are also created by interest being collected before the money to pay it is put into circulation. Again, when plant and factories depreciate or are rendered obsolete before they have paid for themselves, so much cost is carried forward as debt.

The effect of this increase in indebtedness is two-fold. Producers try to cut costs by reducing employment and they try to recover costs by restricting production and obtaining as high a price as possible for their commodities. The tendency is thus to curtail incomes and increase prices and thus to enlarge the gap between aggregate prices and aggregate incomes. We say that there is then a shortage of purchasing power. The fact of this shortage is gradually being admitted, although it has been hotly disputed until recently.

In the past the industrial system has been kept going by means of certain compensatory palliatives, the most effective of which are becoming inoperative because of the increase of world debt and the advances of science. These palliatives include the spending of loan moneys on public works, armaments, and defence forces. These relieve economic difficulties because they distribute incomes without making any demand upon them by placing goods on the market. Building new factories and manufacturing the class of commodities known as capital goods have the same beneficial effects. Industrial nations also strive for what they call a favourable balance of trade, which means that they try to sell more to their neighbours than they buy from them. They compete with their neighbour in his own home markets and he tries to protect his employment and incomes by raising tariff barriers.

The advance of scientific technique and the application of mechanical power to industry have intensified our troubles by themselves increasing the gap between purchasing power and prices and at the same time destroying the palliatives. All countries are desperately casting round for some method of relief along the old lines, being restrained from reform by fear, greed and prejudice.

And this, we believe, is the true explanation of Japan's adventures in Manchukuo and Italy's ambition in Abyssinia. Let us look at Abyssinia in some detail.

ITALY AND ABYSSINIA.

This country has no roads or railways to speak of, no public buildings, sanitation services, electric light or power or any of the advantages of modern civilisation. Should Italy take control of this country it could arrange to lend money to Abyssinia for developmental purposes. This would mean that Italian factories would be kept busy for years to come manufacturing building materials, locomotives, motor cars and distributing to Italians incomes and profits in the process. This would be a welcome addition to the money circulating in Italy and the gap between purchasing power and prices in that country would tend to be made good. Italy would be prosperous. In view of her present economic position would this not be worth fighting for? Should Covenants and Pacts stand in the way of the satisfaction of the dire needs of her people? This is what the League is faced with.

I am not defending Italy and Japan. All I am trying to do is to show how a defect in the money system puts to rout all fine weather resolutions, however idealistic, and supplies the materials for setting Europe and the whole world in flames.

The way out involves only a slight adjustment of the money system to compensate for the defects I have outlined.

UNDERWRITTEN LOANS

By "MEDICUS."

The failure of the public to subscribe fully to recently floated loans has been a momentous event in Australian financial history.

The frantic exhortations of the bond-mongers told their own tale, and the obvious and significant silence with which the public's failures were received has provided negative evidence that portents have been appreciated in quarters where such portents could be best estimated and valued.

At the end of March, in Australian trading banks, there were deposits to the value of £292,000,000. In Savings Banks were sums amounting to nearly £200,000,000. Of the trading banks' deposits more than half were "fixed", but £105,000,000 were "current" and available for investment. The public therefore did not lack money to take up loans, and consequently the psychology of the situation is one for observers of national affairs to ponder over with profound thought.

To the man in the street such failures come and go, and he remains unruffled and unconscious of their significance. Yet it was the collective men in the street who decided the matter, and it was from them this epoch-marking verdict came. The hidden forces of social evolution work in a mysterious way, and those who cannot perceive the omens are blind to the signs of the times.

Let us briefly consider some details. The £12,500,000 of the last loan could be rightly regarded as representing uncanceled credit. Part of it was to redeem Treasury Bills and its fate was obvious. The rest was ostensibly for Public Works, but that part would soon flow back through industry, by way of consumption, and cancel credit loans standing in banking ledgers against industry.

Accumulated deposits become hampering liabilities to financial institutions and the success of the loan meant, for the banks, a reduction of those liabilities and a cancellation of debt recorded in their books; for the people should have withdrawn £12,000,000 from their deposits to make the loan the wanted success. Then the disconcerting financial block would have been removed and the stream of re-created credit could flow again. If the loan had been completely successful, and not underwritten in part, the banks would have been relieved of uncanceled credit and deposit liabilities to the full extent intended, and the public would have shouldered the whole of the debt deftly transferred to its shoulders.

The source of failure must be sought in that strange, indefinite, yet potent something called Public Sentiment. The primary cause must have been fundamental and intuitive, for it was collective, ubiquitous, and unconcerted. Herein lies the moment of the circumstance. It marks a national re-orientation of amazing significance; all the more significant because the motivation must have been reactive against forces consciously or unconsciously interpreted as anti-social. Here we see the dawning of a new social consciousness and conscience and the stirring of a force soon to become potent.

It was Abraham Lincoln who said: "Public sentiment is everything. With public sentiment nothing can fail; without it nothing can succeed. Consequently he who moulds public sentiment goes deeper than he who enacts statutes or pronounces decisions. He makes statutes and decisions possible or impossible to be executed."

The apparent reaction of the people against the people's own appointed leaders is not so much a reaction against personalities as against a hidden force which holds the community in perpetual bondage and ever seeks more firmly to establish the Servile State.

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The Tasmanian Premier Declares for Social Credit

Reversing the old order of the Lord Mayor's carriage and the dustcart comes the momentous utterance of the Tasmanian Premier, Mr. Ogilvie, delivered in London on Monday. The Commonwealth delegation came, saw the bankers, and was conquered. Mr. Lyons first amused, then bored them by his facility in pouring out their ventriloquial speeches. He was feted, laughed at and dismissed. The horizon seemed clear for further raids by the money monopolists upon our prosperity, our liberties and, if necessary, our lives.

Then out of an English summer sky came the lightning, to strike terror where there had been complaisance, to tell the bankers that they had mistaken the nonsense of the parrot for the voice of Australia.

Mr. Ogilvie made no bones about his declaration. "I shall not rest", he said, "until I have done something towards taking from the predatory banks in Australia the control of credit which they now possess to the detriment of the community, and until I see the control vested in the community itself through the medium of a national credit board."

Then, lest there might be room for the idea that he was merely repeating the old Labor formula for nationalisation of banking administration, Mr. Ogilvie added: "I realise how completely useless it is for us in Australia wasting time on Arbitration Courts and wage agreements, etc., because what matters is monetary reform. I can speak on behalf of one-half of the population of Australia. For many years Labor has desired to nationalise the banks. I am one who realises the futility of nationalisation, and the last Labor convention induced the party to abolish the banking plank and to replace it by one demanding community control of credit."

We now await the reaction, here and overseas. The Melbourne *Argus*, as was to be expected, rushed in with a cheap editorial sneer on Wednesday. But on the subject of Social Credit, at all events, very few people will take notice of the *Argus*. When a paper makes such a statement as that Major Douglas's "credit plan has been discredited more times than there are currencies with which to tamper", it can hardly be expected to influence intelligent thought. Worse still for its own dignity, the *Argus* had a gibe at Mr. Ogilvie as being "only a student of the Douglas. Credit plan." Has the *Argus* forgotten the unfortunate editorial in which it attacked Major Douglas last year, and in which it was exposed by another Melbourne newspaper as having eked out its own editorial knowledge by helping itself, without acknowledgment, to

the contents of a recently published book, entitled "What Everybody Wants To Know About Money"? Still worse, the editor of that book, Mr. Cole, has since declared himself in favour of the National Dividend, and the author of the chapter which was so useful to the *Argus*, Mr. Gaitskell, is now busy in England attacking the banking monopoly which the *Argus* is so anxious to bolster up!

Lady Astor and Freedom

It is hard to imagine a more topsy turvey argument coming from a sane person than that advanced by Lady Astor when she told the House of Commons last week that she is a convert to birth control.

The subject before the House was maternal mortality, and the Minister for Health made a speech strongly reminiscent of our own Prime Minister, in which he said that the unsolved problem of reducing mortality of this kind was complex, and would require patience, but special inquiries were proceeding which he hoped would aid understanding and action.

After this typically statesmanlike and soporific utterance, Lady Astor woke the House up by proclaiming herself an addition to the birth controllers. A proportion of the deaths, she said, were alleged to be due to illegal operations. A woman married to a workingman who received a low wage naturally did not want a large family, and lack of contraceptive knowledge caused numbers of such women to die in avoiding children.

Another member of the House strongly upbraided Lady Astor for her speech. It was not the poor, he declared, but the wealthy who feared to have children. To which Lady Astor replied simply: "I have had six."

One can hardly conceive a more devastating reply—devastating not only to the interjector but to the defender's own case. For if the fear of destitution be the main ground for avoiding a family, why not abolish the destitution instead of abolishing the children?

In every community there are many persons of many denominations, Christian and otherwise, who have conscientious objections to contraceptives. And it is quite certain that economic reasons which could easily be removed are driving great numbers of these to practices which they abhor. This is a tyranny over individual liberty quite as effective in its way as the edict against Christian teaching of the Jews who today are in the saddle in Russia.

And the unhappy side of it is that at one end of the scale we have quite sincere people like Lady Astor who would "improve" things by adapting all human practices to fit an unnatural, disgraceful and needless condition of debasement. Another illustration of the same state of mind is the Act passed by the British Parliament, a few weeks ago which so resigns itself to our horrible conditions as to proclaim sleeping without shelter no longer a punishable offence for the destitute.

At the other end we have all those "religious" people, not excluding a great many of the individual clergy of all denominations, who from the shelter of their economic security fiercely denounce sin

on Sundays, yet who will not use their education or ability to fight the economic causes and to remove the occasions of sin.

This is not a failure of religion. But it is definitely, a failure of those who call themselves religious. And it is a failure which is having terrible consequences, and which may shortly have yet more terrible ones. The love of liberty is a spiritual quality; debased, it becomes licence. And the licence we see daily growing around us is largely traceable to our loss of liberty, to the animalising process, which is the work of the financial monopolist. Free men would not for one moment contemplate the horrors of murder, lust, and bestiality unthinkable which must accompany the next great war—a war which will be waged to dispose of surpluses, and in which the destitute will be the conscripts. Yet we stand idly by like dumb beasts watching its approach, no longer a cloud on the horizon, but a terrible storm almost over our heads. We are less intelligent than the beasts; they would run for shelter.

"RECOVERY IN AUSTRALIA"

Both Britain and Australia chose sound and cautious finance when threatened with collapse and both have triumphantly emerged from their troubles. —"Daily Mail", London, July 22.

Fifty jobs at North Melbourne 3,000 men apply, some of whom had waited all night. Pressure so great that men dispersed by fire hose. —Melbourne Press, July 22.

Gifts of Clothing Wanted. —To alleviate distress during the winter, the State Relief Committee will accept gifts of discarded garments. —"Star", July 23.

Must Free Milk End Shortly? —Milk is an essential item of diet too expensive for many thousands of parents in Melbourne's industrial centres. An investigation last year disclosed that large numbers of children could not remember ever having tasted fresh milk. —"Herald", July 23.

Plight of Country Relief Workers. —Relief workers engaged in forestry work at Bright have sought the support of Richmond Council in urging the Ministry to provide better clothing for men in the country during the winter. A letter received last night stated that unless this was done the men could not carry on in the wet weather. —"Star", July 23.

Why the Frantic Rush for Gold?

The announcement some days ago of the registration of a million pound company in connection with the gold hunt in the land of rich uncles was accepted by press and public without any of that elation which would have followed a similar industrial notation. Except by those immediately interested, and by those hoping to be, it was probably dismissed from mind almost at once. For huge mining floats are now becoming as common as industrial ones are rare.

Not content with running the rule again over our old fields and with prospecting even our deserts by foot and by air, the chase has grown so keen that adventurers once more are braving the hostility of the savage—and even a Theodore tears himself from his intellectual and cultural pursuits to impose on himself a lengthy exile amongst the unlettered Fijians. Why?

In the case of Mr. Theodore, who is reported to be a wealthy man, speculation has for months been rife. Even an enterprising press interviewer has been re-

buffed as to the purpose of this impenetrable man. A possible explanation may be that Mr. Theodore still feels the smart of that old wound when he was refused his fiduciary note issue. He may have visions of returning (like our farmers) rehabilitated, of throwing great sacks of gold before cowering bankers, and of saying to them: "Now bring out your notes!"

Be this as it may, with ordinary and less inscrutable individuals the issue is as plain as a chain letter. They aim to get rich quick—and they have about an equal chance in both pursuits. In fact the chain letter, to anyone who got in before the newspapers blew the gaff, was a better investment. For how many gold mines pay dividends? On the reopening of the Melbourne Stock Exchange after last Christmas the chairman, Mr. Forster Woods, saw fit to utter a warning about the many gold mines listed on change which were, to use his own words, "still in the hoping stage." And it must be remembered that only those companies which conform with strict Stock Exchange requirements are listed.

Yet the chase goes on, growing keener and keener. The little shows may have difficulty in getting capital, but have you noticed how high is the proportion of the really big mining (as against industrial) floats-ill, which the publication of the prospectus is "for information only the issue having been oversubscribed"?

Where is the finance coming from? And who is satisfied to work low-grade ores at next to no profit? On that one can only speculate. At the same time one may get a pointer from the question: To whom is gold of greatest value?

To no one is gold a useful commodity except to such people as dentists and jewellers, and to them only in small quantities. To the ordinary person gold represents money, or, rather, a commodity, which, unlike more useful ones, he can always be certain of selling for money. But except to the simpleton or the one-in-the-know (and the latter often finds he is the former) it is now common knowledge that the risks of gold speculation far outweigh the rewards. This type of capital outlay becomes very much a law of diminishing returns.

There is a type of business, however, to which gold is of paramount importance. That is the type, which is now hard at work on the task of bringing us all back to the gold standard—the banker. This gentleman loses nothing when we go off gold. He "permits" Governments to declare a suspension of gold payments whenever, for any reason, we put to the test his false promises to pay us all in gold, and so catch him out. But he dare not allow us to remain off it too long.

Take the position in Australia at the present time. There is a large and rapidly growing body of intelligent opinion here which realises that money is nowadays a mere system of book entries, and that its supply could easily be adjusted to suit the needs of the people. That body of informed opinion is rapidly influencing other people who have intelligence, but who have never previously thought much on the theoretical side of money. And it is even spreading out amongst those who are sometimes patronisingly called the invincibly ignorant and who certainly, from the political aspect, may generally be regarded as invincibly convinced.

If one recalls the twistings and evasions of Mr. Ernest O'Sullivan, then chairman of the banks, in his controversy with various correspondents of the Melbourne *Age* some months ago one will realise how awkward can be insistence on this book-keeping aspect of credit creation to a banker off the gold standard; likewise how it causes his retention of power over the community to hang by a thread. But suppose we had then been on gold. At the first suggestion that banks make money simply by writing figures in books, what would Mr. O'Sullivan have said? The obvious retort would have been: "Come along to the bank with your cheque or your paper notes and we will pay you in gold." Would the controversy then ever have claimed the public attention it did? Would it ever have gone on to the stage when the ingenious Mr. O'Sullivan was glad to side step an awkward situation by referring his difficulties to that discourteous Mr. McKenna who does not answer his correspondence? Hardly likely. The odds are that the average reader of Mr. O'Sullivan's rejoinder would have shrugged his shoulders at "another monetary crank" and gone on his simple way rejoicing.

If the bankers do not soon get us back to their gold standard they may keep us in physical slavery a little longer, but they will never again hold us in the bondage of ignorance. And so gold production must be stimulated at all costs even if, according to financial orthodoxy, those costs are uneconomic. Speaking realistically, the hunt for more gold than is required for wedding rings, tooth fillings and the like—and it is being supplanted even in these uses—is always uneconomic. But the bankers are out to dress their windows.

To New Readers 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.

At the same time the policy of this paper is not mere destructive criticism; that, in view of what is happening on all sides, requires no effort at all—the facts alone provide it. The policy of the "New Times" is one of hope in the midst of despair. It is one that would lay the foundations of a happier civilisation without disturbing anything that is good in what we have. It spells prosperity alike for the producer and the consumer without upsetting private enterprise and with a minimum of government interference or control. If the "New Times" meets with your approval you can best help its campaign by making it known to your friends and by yourself placing an order with your newsagent for regular weekly delivery or by sending your direct subscription to New Times Pty. Ltd., Box 1226, G.P.O., Melbourne. The subscription rate is: One year, 15/-; six months, 7/6; three months, 3/9 (post free). If your newsagent does not stock the "New Times," will you please notify us.

PROTOCOLS AND —

III. -The Enslavement of the People

By JOHN SMITH

Note.- The first article of this series appeared in our issue of July 12. The Protocols of the Learned Elders of Zion, which date back at least some thirty years, and of which a copy has been in the British Museum since 1906, set out an alleged Jewish plan to subjugate the world through the monopoly of money. As was explained in the first article, it has been proved that at least some parts of the Protocols date back to the 19th century. Moreover, their authenticity has been generally denied by Jewish writers. But the important thing about them is the uncanny way they forecast the manner in which the world is actually being enslaved in the interests of the international money monopolists, who, whether nominally Christian or openly anti-Christian, are certainly the enemies of Christianity, of virtue and of freedom. It is to analyse these aspects that this series of articles has been written.

Having seen what the Protocols had to say about the forming of public opinion and the part of the press, we may now turn to what logically follows, the process of enslaving the people.

As in the last article, the Protocols will again be quoted without comment. But readers will note in what follows the forecasting of today's crisis; the "less noticeable and more satisfactory sentences of death" such as are passed on those who have to depend on the dole for their very existence; the financially controlled "dictators"; the "pitiful crumbs" thrown to voters, and numerous other conditions with which we are in this year 1935 only too well acquainted."

To return to our text: —

"Political freedom is an idea but not a fact. This idea one must know how to apply whenever it appears necessary with this bait of an idea to attract the masses of the people to one's party for the purpose of crushing another who is in authority..."

"In our day the power which has replaced that of the rulers who were liberal is the power of gold... The despotism of capital, which is entirely in our hands, reaches out to the State a straw that, willy-nilly it must take hold of: if not — it goes to the bottom..."

"Our power in the present tottering condition of all forms of power will be more invincible than any other, because it will remain invisible until the moment when it has gained such strength that no cunning can any longer undermine it..."

"Our State, marching along the path of peaceful conquest, has the right to replace the horrors of war by less noticeable and more satisfactory sentences of death, necessary to maintain the terror which tends to produce blind submission..."

"Our triumph has been rendered easier by the fact that in our relations with the men whom we wanted we have always worked upon the most sensitive chords of the human mind, upon the cash account... The abstraction of freedom has enabled us to persuade the mob in all countries that their government is nothing but the steward of the people who are the owners of the country, and that the steward may be replaced like a worn-out glove. It is this possibility of replacing the representatives of the people which has placed them at our disposal, and, as it were, given us the power of appointment." (Protocol No. 1.)

"Above the existing laws without substantially altering them, and by merely twisting them into contradictions of interpretations, we have erected something grandiose in the way of results. These results found expression first in the fact that the interpretations masked the laws; afterwards they entirely hid them from the eyes of the governments owing to the impossibility of making anything out of the tangled web of legislation. This is the origin of the theory of courts of arbitration." (Protocol No. 9.)

We shall raise the rate of wages which, however will not bring any advantage to the workers, for at the same time we shall produce a rise in process of the first necessities of life." (Protocol No. 6.)

"Babblers inexhaustible have turned into oratorical contests the

sittings of Parliament and administrative boards..."

"All people are chained down to heavy toil by poverty more firmly than ever they were chained by slavery and serfdom; from these, one way and another, they might free themselves; these could be settled with, but from want they will never get away. We have included in the constitution such rights as to the masses appear fictitious and not actual rights. All these so-called 'people's rights' can exist only in idea, an idea which can never be realised in practical life. What is it to the proletariat labourer, bowed double over his heavy toil, crushed by his lot in life, if talkers get the right to babble, if journalists get the right to scribble any nonsense side by side with good stuff, once the proletariat has no other profit out of the constitution save only those pitiful crumbs which we fling them from our table in return for their voting in favour of what we dictate, in favour of the men we place in power?..."

"Republican rights for the poor man are no more than a bitter piece of irony, for the necessity he is under of toiling almost all day gives him no present use of them, but on the other hand robs him of all guarantee of regular and certain earnings by making him dependent on strikes by his comrades or lock-outs by his masters."

"The people under our guidance have annihilated the aristocracy, who were their one and only defence and foster-mothers for the sake of their own advantage which is inseparably bound up with the well-being of the people. Nowadays, with the destruction of the aristocracy, the people have fallen into the grip of merciless money-lending scoundrels who have laid a pitiless and cruel yoke upon the necks of the workers."

"We appear on the scene as alleged saviours of the worker from this oppression when we propose to him to enter the ranks of our fighting forces—Socialists, Anarchists, Communists—to whom we always give support in accordance with an alleged brotherly rule (of the solidarity of all humanity) of our social masonry. The aristocracy, which enjoyed by law the labour of the workers, was interested in seeing that the workers were well fed, healthy and strong. We are interested in just the opposite—in the diminution, the killing out of the goyim" (Gentiles). "Our power is in the chronic shortness of food and physical weakness of the worker, because by all that this implies he is made the slave of our will, and he will not find in his own authorities either strength or energy to set against our will. Hunger creates the right of capital to rule the worker more surely than it was given to the aristocracy by the legal authority of kings."

"By want and the envy and hatred which it engenders we shall move the mobs and with their hands we shall wipe out all those who hinder us on our way..."

"This hatred will be still further magnified by the effects of an economic crisis, which will stop dealing on the exchanges and bring industry to a standstill. We shall create by all the secret subterranean methods open to us and with the aid of gold, which is all in our hands, a universal economic crisis whereby we shall throw upon the streets whole

mobs of workers simultaneously in all the countries of Europe.

"At the present day we are, as an international force, invincible, because if attacked by some we are supported by other States..."

"From the premier-dictators of the present day the goyim peoples suffer patiently and bear such abuses as for the least of them they would have beheaded twenty kings. What is the explanation of this phenomenon, this curious inconsequence of the masses of the people in their attitude towards what would appear to be events of the same order? It is explained by the fact that these dictators whisper to the peoples through their agents that through these abuses they are inflicting injury on the States with the highest purpose—to secure the welfare of the peoples, the international brotherhood of them all, their solidarity and equality of rights. Naturally they do not tell the peoples that this unification must be accomplished only under our sovereign rule." (Protocol No. 3.)

"We shall create an intensified centralisation of government in order to grip in our hands all the forces of the community." (Protocol No. 5.)

"We shall surround our government with a whole world of economists." (Protocol No. 8.)

"In order that the true meaning of things may not strike the goyim before the proper time we shall mask it under an alleged ardent desire to serve the working classes and the great principles of political economy about which our economic theories are carrying on an energetic propaganda." (Protocol No. 6.)

SOLDIERS AND POVERTY

Year after year, as is inevitable, the Annual Conference of the Victorian sub-branches of the Returned Soldiers' League concerns itself very largely with what may be called poverty resolutions. The League represents between 16,000 and 17,000 returned men in Victoria, many of whom, through war disabilities, start behind scratch in the increasingly bitter struggle for a livelihood, more of whom (a grateful nation's promises to the contrary notwithstanding) have never been able to overtake the handicap of their late start in industrial and commercial life; and none of whom are any better off than the rest of us.

This year's conference was no exception to the rule, the business on the agenda paper including requests for full pensions for T.B. ex-soldiers; old age pensions at 55 for returned men; pensions for the incapacitated; better provision for the mentally deficient; bigger advances and lower interest on war service homes; more sympathetic treatment for those whose payments are unavoidably in arrears; decent burial for destitute ex-soldiers; assistance to those compelled to tramp the country in search of work, by making the sustenance qualification one month's residence instead of three; better medical attention for those whose disabilities have been aggravated by war service; reinstatement of men in Government services who were dispensed with during the economic crisis; and a considerable number of others of the same tenor.

In other words, the world of the returned soldier is only a reflection, in a smaller way, of the conditions of the community at large. The poverty, perhaps, is a little more acute; the sense of smarting injustice a little more bitter; the feeling of hopelessness a little more intensified among those who in their middle years are feeling the effects of earlier periods of torture and horror.

But the League's agenda had one resolution, submitted by the Co-burg sub-branch, and carried by an overwhelming majority, which, if carried by other leagues and

"THE ELECTORAL CAMPAIGN"

I. —Preliminary

By G. B. MALTBY.

There has been an ever-increasing tendency during the last few years to regard politics as being something with which the man in the street desires as little contact as possible. Almost everyone with whom one speaks has a feeling of distrust towards politicians, as being a class who have taken care to feather their own nests at the expense of the taxpayer. It has become a commonplace of conversation to remark that it does not matter to the common man which party wins elections, for the result is no different to him. This fatalistic attitude is encouraged by a habit of thought general in political discussion in the daily press, where the picture drawn is one of inadequately informed and somewhat untrustworthy men struggling vainly against natural forces that depress living conditions and create chaos in national and international affairs. It is debatable whether this state of mind is deliberately fostered, but it is quite beyond argument that its effect is precisely that most desired by the real rulers of the world, the international financial "ring", that little band of men who make and unmake governments, who finance dictators and stage revolutions, and whose guiding policy is the complete subservience of progress, prosperity and humanity to that code of financial conventions miscalled economic law.

So long as citizens allow themselves to be persuaded into a preference for political inaction or if while embracing the idea of political activity, they permit their actions to be sidetracked into channels where they expend their energy in the froth and bubble of controversy, just so long shall we look in vain for the general endowment of those benefits to which the inventive genius of the human race has entitled it, but which are withheld from the greater number because of lack of means to acquire them.

NEW ECONOMIC THOUGHT

Sixteen years ago a new economic thought emerged from the brain of a thinker, one C. H. Douglas, engineer and economist, and from that time that thought has steadily made its way in the world, thrusting forward with the quiet yet irresistible force of truth in a world of misstatement, misunderstanding and artificiality.

Rejected, even sneered at, by orthodox economists, it has lived to prove correct in every detail the predictions of its author, and to expose in all their falsity the vain

associations, would soon make all these poverty resolutions mere nightmares of the past.

The League demanded that the Governments abolish poverty, in a resolution, which read:

"That this Conference believes poverty can be abolished, and urges the Commonwealth and State Governments to accept that belief also, and to consult experts with a view to the formation of a plan that will secure the abolition of poverty in the shortest possible time."

In the shortest possible time. If people would only realise what the League has realised, a shortage of food could be abolished from this country within twenty-four hours; a shortage of clothing within a matter almost of days; and a shortage of housing within a year or two. We could get busy at once on schools and hospitals, on roads and bridges, on sewerage and water schemes, and on whatever else is needed to uplift *everyone* in this community to a very high level of prosperity and culture.

For we have the goods, we have the men; why not have the money, too?

vapourings of its opponents, who, like the witch doctors they so closely resemble, have failed to conjure the welcome rain of prosperity from the burning skies of financial drought.

GROWTH OF THE NEW IDEAS

The ideas of Major Douglas have modified economic thought more in sixteen years than all the teachings of past centuries, and the time is now ripe for us to turn to our own advantage that patient, steady sowing of the gospel of Peace and Plenty. Great as has been this advance, yet most of us have looked forward eagerly to the day when thought might be translated into action, and when through ceaseless effort we should be privileged to see the dawn of that new era towards which our vision is set. Greatly as we have desired this in the past, yet always there loomed in the path, foreshadowing the sterility of effort, that spectre of mass inertia, a tremendous obstacle not only to overcome but to turn into a mass momentum that should sweep us along to the desired goal.

To effect this change there seemed to be but one slender lever, one already proved inadequate—education of the masses to open their eyes to the fact that they were being duped and robbed of their birthright, and to show them the way to economic salvation. There was one lever, but at the back of the mind of each of us was the fear that it was impossible, and most of us expected the breakdown of the present system under its own overload, and trusted that out of the resultant chaos there might be snatched that order desired by the little group who knew what they wanted. A forlorn hope—but there was nothing else.

Today all that is changed, and once again has Major Douglas shown himself to be prominent among those heroes who, in times of human crisis, again and again in history have given the stricken world an idea that has become a rallying point for civilisation.

PLANNING THE CAMPAIGN

A year ago, speaking at Buxton, in England, he outlined a plan which has become known in England as the Electoral Campaign, and which is having tremendous results on political thought there. In this plan he has put into our hands a potential instrument with which to overcome the political lassitude of the people, the ineptitude of politicians and the power of finance. Briefly the idea is this:

While it is difficult, or impossible to get people to study and to agree on methods, it is comparatively simple to gain their support for a plain statement of a desired result which can be crystallised into a simple slogan, such as "Abolish Poverty"; and this adherence once gained, the organised mass demand can be used to force politicians to act or lose their seats.

As for the power of finance, if it be recognised that this is based solely on the acquiescence of the people, and that it has no other foundation, then it is at once apparent that Parliamentary action abolishes this control as easily as one might alter the rules of football.

On this basis the great Electoral Campaign is being carried out in England, meeting with remarkable success, and along these same lines the League of Democrats has commenced here in Victoria, and asks for the support and active assistance of every well wisher of Social Reform.

In a further article next week I hope to discuss the true nature of Democracy, the political functions of electors and of Parliament, and to show, in greater detail, how each can be welded by this new plan into the desired instrument that will secure Economic Security for all.

THE PRUNING KNIFE, THE AXE, OR COMMONSENSE?

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

Stawell, a town in Victoria, has hitherto enjoyed a good reputation, especially in the sporting world, but there is now emerging from that place a small group of men seeking further starvation and general poverty under the guise of a "Reform Movement." The men who have been publicly named as the active parties in this idiocy are the Shire President (Cr. D. Williams), Mr. R. Knight, and Air. R. H. McCracken.

At a meeting of the "Reform Movement" at Stawell on July 10 these gentlemen, apparently without any realisation of the absurdity of their attitude, told the world that more goods would be sold if people had less money. Was there not a Premier's Plan? And was it not brought in to do the very thing they are advocating? Moreover, is it not true that even the "expert" sponsor of that plan (Professor Copland) has since admitted its failure? Is there no one at Stawell to tell the Shire President and his fellow enthusiasts that while there may be an excuse for ignorance there is no excuse for parading the ignorance?

HIDING THE ENEMY.

Nothing could suit our enemies better than to have prominent public men in the agricultural centres talking as these three men are reported to be talking, because so long as the eyes of the distressed people are focussed on the Government they will not be looking for the real culprits who always skulk in the shadows. The intelligent section of the community is rapidly realising that the whole question is one of *money supply*, and that Government "expenditure" comes into the picture only because of the fraudulent system under which our national activities are being financed. This fraudulent system provides that money can come into existence only as *debt* to a private monopoly, whereas it should obviously come into existence as the property of the people as a whole.

To anyone who has studied the position as every responsible citizen *should* study it reports of the nature referred to merely prompt an inquiry as to whether there is a dearth of doctors in the district or whether the men concerned are still suffering from financial mesmerism. "Reformers" who would retreat to economy and parsimony in the circulation of money, at a time when the world is overflowing with things to be used and enjoyed, are simply admitting that they have never troubled themselves to study the facts or even to use their thinking capacity (if any). They are content to generalise, and like the parrot, to reel off clap-trap prepared for them by interested parties. Seemingly it has not occurred to them that while they are thus acting the parrot, they are not likely to raise any awkward questions about the barefaced robbery of their fellow-countrymen since 1929, or about the culpability of the money-manufacturing monopoly for that outrage. Their attitude will be commended by the advocates of "sound finance", the soundness of which is measured by the increasing number of bankruptcies and suicides. It is quite possible that the gentlemen of Stawell, provided they make sufficient noise about government extravagance and waste, may even find themselves mentioned in the "Honours" list, as others of like activities have done. If only we can get the people into a state of frenzy about the high cost of government they may forget their demand for an open judicial inquiry into the real cause of all their troubles, i.e., the money swindle,

"THE COST OF GOVERNMENT."

Each of the three heroes of Stawell attacked what they called "the cost of Government", but not one of them indicated what he actually meant by that. What would happen if government expenditure were to be stopped or even substantially reduced? Could trade be contin-

ued? The years immediately following 1929 proved that it could. Did the so-called "depression" come about through government spending or because governments were not *allowed* to spend? Did the farmers suffer because governments purchased supplies for schools, hospitals, gaols, asylums, railways, police, etc., or because the people to whom the farmer exported his goods had been deprived of income and could no longer pay decent prices? Do these reformers of the retreating type not know that the "cost of government", had nothing whatever to do with the distress of the community, but that it was brought about firstly by the collapse of world prices following the deliberate actions of the international financiers, and secondly by the refusal of the private money-manufacturers to grant further loans to the Government?

WHY NOT STUDY CAUSES?

Every primary producer knows how he was affected by the collapse of world prices, but very few of them have yet taken the trouble to find out *why* there was such a "sudden" fall in prices. The primary producer had to send more and more stuff away for less and less money, and even the conscientious Mr. Nock of the Federal Parliament has been a long while in waking up to the fact that "values" as published by the Statistician were no reflection at all of the position of the farmer in regard to actual production. In 1933 Mr. Nock was really alarmed about the reduction in the financial income of the primary producer, and because of that reduction felt that he could not support the payment of proper wages to government workers. He seemed quite ignorant as to the *cause* of the reduction, and showed no desire to discuss that aspect. Farmers had suffered because of the severe fluctuation in money values deliberately engineered by the private money manufacturers, and *not* because of anything the Government had done. Instead of denouncing this terrible swindle, however, the public men of the day were actually assisting the swindlers by using the enforced plight of the farmers to impose heavy cuts in the incomes of other sections of the people.

And as if the deliberate interference with the money values was not sufficiently disastrous, the same financial interests also decided that credit in the form of overdrafts was to be restricted and that further loans would not be made available to the Government. How many of you understand what that meant? Businessmen were sent frantic trying to clear their overdrafts and Governments were crippled for lack of finance. For several years prior to 1929 the Governments were spending up to £50,000,000 a year out of loan funds. Think of that. Nearly a million pounds a week! That suddenly ceased, and when thousands of people were put out of work through the cessation of these public activities and Governments circulated less and less money, there was a serious reaction throughout the industrial world, causing further falls in the national income and hitting the farmers still harder, for even their local market fell away as the overseas market had done.

LOANS AND ACTIVITY

It is quite true that all this loan money was being improperly added to the public debt and unnecessarily increased the annual burden of interest to be carried by taxpayers; but apart from the treachery of all Governments, past and present, in this respect, the loan system was nevertheless circulating money, without which the community could not live. Proof of this may be seen in the fact that since loan activities have been resumed there are increasing signs of trade revival. The only thing wrong with this arrangement is the practice of the Government to "borrow" the financial accommodation instead of providing

its own. In other words, it allows a private monopoly to create the accommodation by the simple process of bookkeeping and then charge it up to the nation as *debt*. This is the nigger in the woodpile, for notwithstanding an increase in these book debts of more than £100,000,000 since 1931, we *are still short of money*.

Regular circulation of new money is imperative, and the Federal Treasury alone should bring new money into existence. Not only so, but it should be brought into existence as the property of the community instead of as the property of a private monopoly. The three wise men of Stawell, however, are advocating a course, which could only result in a further reduction of the people's purchasing power, and do exactly what the money manufacturers wish to be done, i.e., continue and even accentuate the policy of deflation.

Councillor Williams, the Shire President, said, extravagance and waste of money were increasing. The Government continued to borrow money and to spend as fast as it borrowed. There was too much overlapping of highly paid public men. Boards were appointed to make reports and when these were submitted nothing was done.

We challenge Councillor Williams to indicate precisely the direction in which extravagance and waste of money *are* increasing. When he talks of extravagance, is he referring to the criminal destruction of food while people starve, or to some service performed by the Government for the people in general? And what does he mean by "waste of money"? Can we waste a thing that of itself is valueless? Money cannot be eaten we cannot wear it and houses are not built of it. What is more, it costs nothing to produce, and is absolutely useless unless it is being spent to secure the exchange of goods and services.

In any case, it is only a ticket or accounting medium. Unspent money *is* waste, and the truth is that we *cannot* waste money by spending it. In view of this, and the fact that practically the whole of our money transactions are simply a matter of bookkeeping, Councillor Williams is actually telling us that we must do without necessary things so that we can save a few bookkeepers' entries!

WHY REPORTS ARE PIGEON-HOLED.

We also challenge him to name the highly paid public men who overlap, and to show what benefit we would get and how much we would "save" if we dismissed the lot of them. In regard to the reports of Boards, which have not been acted upon, a few official inquiries will show that the reason for the lack of action is the lack of "funds", i.e., bookkeeping entries. It is really because of the lack of money that so many of the boards are necessary, and the money controllers always see to it that the inquiries by such boards are directed towards effects, and never to the *cause* of our troubles, i.e., money. In any case, Mr. Williams has said enough to show how little he knows about the nature, the origin, and the ownership of money, and how very great is his need for some intelligent study along those lines.

Mr. R. Knight advocated the adoption of "The Pruning Knife or The Axe" as a motto for the Movement, but like so many other brave people, he conveniently forgot to mention just where the knife or the axe *should* be used. Would he cut out the non-paying country mails, or close hospitals and schools, or sack the policemen, or pull up the railway lines, or cut out all defence measures, or close the light-houses around the coast, or refuse further repatriation benefits to dying soldiers, or cut out all water and electricity services, or refuse pensions to the aged and the infirm, or leave the unemployed to starve? Or would he merely repudiate our debts and automatically cut out *interest*—the heaviest burden of the lot? The Victorian Railways last year made a gross profit of more than £10,000,000, but that was

HERE, THERE, AND EVERYWHERE

By WILLIAM BLACKSTONE

IS YOUR NAME—IDIOT?

The origin of this name is somewhat hard to discover. Some genealogists contend that the first Idiot was the gentleman who conceived the idea of the Tower of Babel. There may be something in this theory when one comes to consider that the present economic system is not only of as much use and as ably designed as that structure, but is still being built and supported by a host of idiots like you and me. Dr. Moonschein, in his brilliant treatise (which still remains to be written), contends that the founder of the family was that famous Idiot who first brought an action in the Courts of Common Law, in the belief that he would improve his financial position. Professor Nit-Wit is inclined to regard the founder of the family as the statesman who announced his policy: "The Banks will do me." The last suggestion seems nearer the truth, since it is certain the banks have done the gentleman who made the statement, because they have done everyone else. However the fact is indisputable that the Idiots now comprise a vast majority amongst the unthinking members of the community; they give us our legislators, lawyers, economists and sustenance workers, and are mainly instrumental in keeping our country in its present condition.

The motto of the family is "Via trita, via tuta", of which a generous interpretation would be: "We're not able to learn any better", or perhaps, "You can't teach an old dog new tricks."

Next Week—ELECTOR.

ON WRITING POETRY

To the uninitiated it may appear strange that advice on the writing of poetry should be given by one who has never written any and has at best a distant acquaintance with the poems that are highly regarded by literary experts. However, it is notorious that not only do we place butchers and labourers and other worthy citizens of allied trades on the benches of our Courts of Petty Sessions, but we select men of any calling or qualification to direct our economic policy in Parliament. By a parity of reasoning it would seem that the man we choose to give advice on the exercise of the finer arts should be one utterly incompetent to express an opinion or to assist the novice. With these preliminaries we begin.

First we will take the epic poem. This type of poem should of course be inspired by some mighty feat of endurance (such as the Beechworth barrow - marathon) or by some wanderings of a noble soul. The last theme 'has' been slightly touched upon by Homer and by Virgil, and they seem to have done

turned into a supposed deficit because no less than 13½ millions had to be charged as interest on bookkeeping money.

HOW TO REDUCE TAXATION

Mr. R. H. McCracken said "it was the high cost of Government that was the whole trouble." Did the alleged high cost of government prevent our being comparatively "prosperous" prior to 1929? He knows it did not: and he also knows that we were "better off" then simply because there was freer circulation of money. Cost of government is certainly high now for the reason that under the existing insane arrangements those costs have to be met by fewer people out of smaller incomes. If we had a sane financial system by which all public works could be carried out with government-created finance, we could quickly get rid of the interest burden and actually do away with taxation. But to many good people that is either too simple to be understood or too good to be true. They never think of *trying it*.

It is not the high cost of government that matters; it is the high

very well with the material at their disposal. Neither of them was acquainted with the journeyings of Australia's Prime Minister, so there we have the wood on them. With this inspiring subject we commence:

It is the great ship

Commonwealth,

That sails a stormy sea,

And the skipper has taken his wife, his secretary, his stenographer, half his Cabinet and heaven only knows how many others through England, France, Italy, Canada America and numerous other places (at our expense)

To bear him company.

It will be obvious from the above that the proper political atmosphere has been obtained. The general idea of the poem (as students of Longfellow will observe) has been stolen. This promptly conjures up a vision of a politician drawing his salary. The third line is altogether unwieldy and very long-winded. This, of course, brings to the mind not only the general working of our Parliamentary system but also the brilliant addresses delivered from; time-to-time by our legislators. We now find ourselves in the difficult position of having to choose between veracity and the elegancies of rhythm and metre. This theme must perforce be abandoned.

Still (whatever may be the position as far as money is concerned) we are not yet bankrupt of subjects. What could be more inspiring than Mr. Hogan's championship of the Premier's Plan? Again pursuing the same course of purloining other poets' style and metre we start:

THE SICK PREMIERS' PLAN

Hold, hard, Ned! Prop me up
once more; don't think of
the arrears.

Old man, you've had your work
cut out to guide
Both Houses, and explain
exactly what were your ideas.
What time the legislators
loafed and lied.

This theme, of course, could be elaborated; but again we find our selves in the position of having to elect between veracity and poetry. Mr. Hogan's integrity is beyond question, but to describe his Premier's Plan as "sick" is to be guilty of gross flattery to that brilliant conception.

On the whole it would seem that in present circumstances, the idea of writing epic poems might well be abandoned. Still, various other forms of poetry remain to be exploited by Australian genius, and we hope that on these we may give advice which will be found as valuable as the foregoing.

cost charged *against* the Government by the money monopoly for "funds" that cost the monopoly *nothing*. When the monopoly "lends" the Government a million pounds the cost to the monopoly is about 6d., made up of penny for the ink and paper, penny for administration, and 4 for the book-keeping clerk's tin. This sixpence worth is charged up to the Government, however as solid debt of a million pounds, and the Government hands out bonds to that amount. The Treasury could have done the same thing for us at the same cost of 6d. . . Some of you may think that the banking system lends only its "deposits," but that is not so. It writes its own ticket. Where is our common sense that we allow our national affairs to be controlled in this manner?

DOUGLASITES AND FRIENDS

Invited to A PICNIC
at Mt. Evelyn, SUNDAY,
JULY 28.
Train leaves 9.30.
Return fare, 3/5.

LETTERS TO THE EDITOR

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

THE SALES TAX

I notice that a conference of the Federal and State Treasurers is to be held next month to discuss anomalies in taxation throughout Australia. In their agenda no mention is made, however, of the Sales Tax Act, which contains more anomalies than all the other taxation Acts combined.

The Sales Tax Act was passed in 1930 as a temporary measure by the Commonwealth Government at a time of grave financial emergency. Now that the position of the Commonwealth has improved considerably (apparently at the expense of the States' finances) is it not time that the Federal Government vacated this particular sphere of taxation, and cancelled the sales tax altogether?

The tax was originally 2½ per cent, but owing to the large number of exemptions granted to influential concerns the amount of tax levied was very disappointing; so the rate was raised to 6 per cent, subsequently reduced to 5 per cent.

Owing to the enormous number of exemptions and partial exemptions being continuously granted, the administration of the Act has grown so complicated that huge Sales Tax Departments are growing up in each State. These are in addition to the ordinary Taxation Departments, and must be a considerable expense to the taxpayer.

However, the chief complaint against the Act is that, unlike other taxes, it discriminates—favouring some trades and industries at the expense of others.

Can the Federal Treasurer tell us why the following are exempted from sales tax:—Newspapers, tobacco, cigarettes, cigars, sugar, gold, beer, wireless valves, moving picture films, gas, petrol? It is because the firms dealing in these commodities work on such a small margin of profit, or is it because they wield so much influence?

Can the Federal Treasurer explain anomalies such as these:—

Wrapping paper is taxable when sold by any person or firm except newspaper officers, which are allowed to sell wrapping paper free of tax. (Par. 786)

Photographic blocks are taxable except when used by newspapers, when they are free of tax. (Par. 474)

If a trustee becomes vested in any goods or business and in the course of winding up an estate sells some he must register as a wholesaler and pay tax; if a bank winds up a client's estate in settlement of an overdraft it may do so without registering as a wholesaler, and is exempted from paying tax. (Par. 1207)

If we must have a sales tax, let us have one, which is applicable equitably without fear of favour; or let us have instead a tax based on turnover or on profit.

"O.H.M.S."

THE PROTOCOLS

Re your article in the issue of the 12th July relative to the Protocols and the Jews, these have been repeatedly proved to be forgeries, and even a few months ago were proved in the courts of Switzerland to be so. I, speaking as one with much knowledge of a great race from whom we Christians have taken our religion, can say definitely that every democracy should scorn with contempt the reiteration of these falsehoods.

The only thing in your article that I am opposed to is the giving of the gift of prophecy to the men who invented and issued these lies. It is easy for anyone who has literary merit to write a statement detailing facts of history, which, if they are to be considered as being promulgated prior to the happening of events, can be made to appear as perfect prophecies, but I cannot see to my conviction any single prophecy made in these Protocols

that have been proved to be issued before the dates of such prophesy. In conclusion, I may say I was brought up with a debt of gratitude to the Jewish people on account of great kindness shown to my mother when alone and friendless in California in the very early days, and that debt of gratitude will remain with me throughout my life.

With all greetings and good luck for the success of your paper,
Yours fraternally,

W. MALONEY,
513 Elizabeth St., C.1.

[Editor's Note.—A copy of Dr. Maloney's letter has been shown to our contributor, Mr. John Smith, who wrote the article above referred to. His reply appears below.]

With reference to the criticism by Dr. Maloney, M.H.R., of my article on the Protocols (*New Times*, 12th inst.), I should like to point out that in the first three paragraphs of that article I mentioned the findings of the Swiss Court, and also that the Protocols have repeatedly been repudiated on behalf of the Jews. I also endeavoured to make clear that my purpose is not to pin the Protocols on to the Jews, but rather to show how they illustrate the methods adopted by those who undoubtedly seek to rule the world through the monopoly of money. May I be permitted to repeat a few sentences of the article under discussion:—"The policy of international finance, as we see it in operation all around us, is definitely un-Christian if not anti-Christian. And that policy can be directed by those who call themselves Christians just as well (or as ill) as by those who make no profession of Christianity. . . It matters not whether the plan to subjugate humanity to finance, to sacrifice the producer to the non-producer, be invented by the Jew, Rothschild, or by the Christian J. P. Morgan. The main thing is to understand the plan, if it be a plan, or the process, if it be mere accident."

Whether or not the writer of the Protocols—Christian or Jew—forecast events I must leave to the judgment of your readers. I would remind Dr. Maloney however, that the main substance of the charge against the unknown writer, as far as I understand, is that he was a plagiarist, and that the documents he copied go back at least to the eighteen-sixties! If Dr. Maloney wants one instance of a pretty accurate forecast I would refer him to that dealing with our present financial crisis caused economic crisis, the Protocol reference to which appears in this issue.

I am animated by no hostility to the Jewish race. But I confess to more than a tinge of hostility towards those financiers, whatever be their race, who are directly responsible before God, as they should be made before men, for the conditions whereby mothers and children are today friendless and destitute both in California and in Australia.

JOHN SMITH.

MR. SLATER ON MONEY

During the course of the debate on the Debts Bill Mr. Slater, M.L.A., is reported by the *Age* to have said: "Today we had an exact standard of measure for use in respect of every commodity except the most vital one of all, money, our method of measuring which was antiquated and illogical."

One might be forgiven were one to cry out in an agony of despair: "What hope has the community of securing genuine monetary reform, when a former Attorney-General and Labor leader of no mean ability gives utterance to the fallacy that money is a measurable commodity?" Is it not by now obvious to the most unsophisticated that money is the measure and not the measurable, that it is not a commodity but the *medium* used

in the exchange of commodities?

Oh, no, Mr. Slater! There is nothing antiquated in the present money system; the financial overlords have seen to that. Sane men will certainly agree with the view that it is illogical. I would add, from the point of view of honest men, that it is outrageous robbery, accompanied with an arrogance and brutality that makes men suffer well nigh starvation, that makes widows mourn and the sweat drop from the brow of the sexton as he digs the graves of slaughtered babes and little children. Holy innocents! Herod was kind in comparison with the Herods of today.

I believe Mr. Slater to be animated with a sincere desire to remedy the present appalling state of affairs—dimly outlined in the happenings at North Melbourne this week—which, if allowed to continue will inevitably lead and sooner than may be dreamed of, to an upheaval which will so shake society that one fears to contemplate the end. A little clear thinking on his part and the part of those associated with him, and on the part, too, of well-intentioned men of other parties, may yet save the people from the awful consequences, which must follow such a catastrophe.

"HAIL, OGILVIE."

SENSATIONS IN BRITISH ARMS INQUIRY

(Continued from page 1.)

Artillery Adviser to the Commander-in-Chief in France from 1916 to 1919. He was the Director of Remounts, 1920-21, Director-General of the Territorial Army, 1921-23, Master-General of the Ordnance and member of the Army Council, 1923-27.

"Sir J. A. Cooper was the Principal-in-Charge of Raw Materials Finance at the War Office from 1917 to 1919, and then became the Director of Raw Materials Finance at the Ministry of Munitions from 1919 to 1921."

"Sir A. G. Hadcock was an Associate Member of the Ordnance Committee and, like Commander C. W. Craven, Colonel J. B. Neilson, and other directors, had previous military experience."

"The attention of the Commission must also be drawn to Major General Guy Payan Dawney. He is chairman of Armstrong Whitworth Securities Co., Ltd., closely connected with Vickers. We take the opportunity of pointing out that this gentleman's brother happens to be in one of the most important positions in the British Broadcasting Commission."

"We submit that it may well be that these gentlemen have now ceased their direct connection with the State; but we must appreciate the point that these directors are only of service to Vickers precisely because of their Government connection, their Government experience, and because their participation in the Boards of these armaments trusts ensures that they get contracts for the firms with which they are identified."

WHY THE SILENCE?

During the American inquiry a large quantity of evidence was produced to show that the armaments ring is international and powerful with governments. To quote but one instance, it was asserted that Imperial Chemical Industries were anxious to get from Duponts, of America, the secret of the U.S. army ammunition. The U.S. Ordnance Department having refused permission to Duponts, the latter advised the I.C.I. to obtain it from the United States' Government through the British Embassy at Washington. Permission was then granted.

Our press finds ample room to record in great detail all sorts of individual crimes and all sorts of personal scandals. Yet when evidence is produced before State Commissions concerning what are alleged to be international scandals and crimes that are liable to affect the lives of all of us, there is almost complete silence. Can it be wondered if we ask ourselves why?

THE LIVES OF "JUBILEE," "MOINA" AND "MOK"

—And Some of Their Poor Relations

From time to time the contrast has been remarked between the material provision our governments make for convicted criminals and the consideration they extend towards those whose only crime is that they cannot secure wage-paying jobs in industries, which no longer need them.

The contrast might be carried further by extending it to animals, and a terrible, though temperately worded pamphlet on this subject has recently been issued by the National Unemployed Workers' Movement in London. Entitled, *Jubilee Chimp, Her Birth, Food and Drink. By One of Her Poor Relations—Man*, this sets out the scale of life provided for a chimpanzee born in the London Zoo on February 15 last.

For months before the happy arrival the mother's extra treatment, along with a variety of other expensive chemical preparations, included two quarts of milk, drawn daily from a special tubercular free herd, and irradiated with ultra-violet rays.

Since the birth of Jubilee, the baby, two keepers have been in attendance at the nursery, which is equipped with a telephone.

The normal weekly diet of the mother before Jubilee came on the scene cost 25/-. The allowance for her infant has raised it to £1/16/3, and she now enjoys peaches, grapes, pineapples, figs, apricots, oranges, apples, dates, lettuces, tomatoes, nuts, eggs, special milk, Lactogol, Radiostoleum and Glucose D!

"MOINA" AND "MOK."

In the same zoo there are two young gorillas, Moina and Mok. Though in captivity, their young lives have, as far as possible, been made tolerable for them. They live in a house that cost £4,000, the temperature of which is kept constant and moist to suit them. Their air is filtered; there are panel heaters in the roof of their sleeping-boxes, while an ultra-violet light installation assures them of the full benefit of artificial sunlight.

Subject to variations if they become tired of any of the items their weekly rations are as follows—Grapes, 28 lbs.; bananas, 7 doz. apples, 28 lbs.; oranges, 34 doz. prunes, 4 lbs.; rhubarb, 7 bundles tomatoes, 3½ lbs.; lettuces, 1 doz. greens, ½ bushel; onions, 5 lbs. carrots, 3 lbs.; Quaker oats, 1 lb. tea, ¼ lb.; sugar, 5 lbs; bread, 7 loaves; butter, ¾ lb.; eggs, 21; milk (condensed) 6 tins; milk (T.B. free, irradiated), 14 quarts. To these are added a bottle and a half a week of cod liver oil mixed with cream and eggs, specially prepared and sent down from Scotland. The diet is rounded off with Idozan (an iron blood builder). Bemax, Glucose D, and some syrup of figs to aid digestion—not to mention boiled chicken once a week, and sundry delicacies in season. The weekly food for these two young gorillas would cost, at English retail prices, at least £4/10/-.

A DIET FOR HUMANS

Alongside this the Unemployed Workers' Movement publishes the schedule drawn up by the British Medical Association Committee on Nutrition in 1933. The diet therein suggested as an adult man's ration per week is this:—

Beef, 1 lb.; minced meat, ½ lb.; bacon, ¼ lb.; corned beef, ½ lb.; ox liver, ¼ lb.; eggs, 2 ozs.; cheese, ½ lb.; milk, 1¾ pints; fish (cod), ½ lb.; butter, ¼ lb.; suet, 1 oz.; lard, ¼ lb.; flour, 4½ lbs, or bread, 7¼ lbs.; sugar, 1 lb.; jam, ¾ lb.; potatoes, 5 lbs.; peas (dried), ¼ lb.; tea, ¼ lb.; oatmeal, ½ lb.; rice, ¼ lb.; syrup (treacle), ½ lb.; cabbage, 1 lb.; butter beans, ¼ lb.; barley, ½ lb.; fresh fruit and green vegetables, seven penn'orth—total weekly cost, 5/10½d.

For an adult woman the scale provides 4/11d.; for children it ranges from 2/8d. — 2/8d. for a child, £2/5/0 for a young gorilla!

In practice it was found that the items enumerated could not be bought at the prices allowed by the B.M.A.—which probably worked on one of those imaginative price lists such as determine the "cost of living" and the basic wage in Australia.

"IN THE CASE OF UNEMPLOYMENT-----"

Discussing their suggested diet, the Committee on Nutrition reported:

"The diet should be much more palatable and less monotonous after prolonged use . . . This is an adequate diet on which health and working capacity could be maintained over prolonged periods. This is a typical diet as commonly used by the working classes in receipt of adequate wages. In the case of unemployment or when the income is from whatever reason reduced to such a level as renders an expenditure of 5/- per week per man difficult, saving is effected by reducing the quantities purchased of the first fourteen items on the sheet."

Saving is effected by reducing the quantities! In England, for years past, there have been some two million unemployed workers and their dependents who have had to make this saving.

In Australia our brute animals are also given every consideration, as witness the societies and courts for their protection. And in Australia, the land which produces in riotous profusion nearly every imaginable necessity and comfort, it is quite clear to everyone who will take the trouble to think—if they have not been forced to experience it—that those countless men, women and children who are on the dole have also had to effect a saving by reducing the quantities of the barest necessities. All around us, as even our "prosperity" dailies are now compelled to admit, there is growing up a generation of underfed children.

As the *Melbourne Herald* said some days ago: "The children who are undernourished are legion. Instead of these conditions being improved, they are gradually growing worse."

Just think of irradiated milk for apes, and this from last Friday's "Herald": "When free milk was first distributed under Government grant here, many of the children said that they could not remember ever having tasted milk before."

We call ourselves a Christian nation. We are the greatest liars in all history. For six years we have been blaspheming against the Almighty, content to be guided by the gibberings of so-called economists who are trying to establish the missing link theory by reducing us to a nation of apes.

Yet God has given us intelligence. And we shall reassert that intelligence and prove ourselves human, if not Christian, only when we rise up in a body and demand that the necessities of life be made available to all by the distribution of a National Dividend.

ITALY, ABYSSINIA AND-

Giving details of the weekend rioting at Lahore, the Under Secretary for India (Mr. Butler) told the House of Commons on July 22 that 23 rounds had been fired on the violent Moslem mobs, but no more than 10 had been killed. Moslem leaders are now doing their best to persuade their co-religionists to desist from defiance of the law.



THE STORY OF MONEY

and Its Management

(Continued from last issue.)

THE NATIONAL DIVIDEND.

The main argument advanced against the principle of a national dividend is that it is something for nothing, and therefore, in the eyes of its opponents, contrary to natural law and sound morals. Against its practical operation there is also the old cry of "Where is the money to come from?"

In what has immediately preceded this the general idea has been outlined of where the money may come from; of how it may be issued as a free gift to consumers and how at the same time it will automatically be withdrawn and cancelled upon the sale of consumable goods. The money fund for the dividend is established as a true financial accounting of the value of all capital enterprises. These enterprises will include not only factories and similar private productive organisations, but also such other undertakings as the national railway systems. In the prices of all the goods turned out from all of these (whether boots, jam or transport) there is now charged a money figure representing the capital depreciation. And this money figure, if issued as a national dividend, would both enable the goods to be sold without loss and would, as already seen, itself be automatically withdrawn and cancelled by the writing-down of capital assets, thus at all times keeping the nation's financial books in proper order.

DIFFERENCE BETWEEN WAGES AND PLANT CHARGES

It is now a truism that our present appalling condition is caused by our not being able to make a proper use of machinery. And it does not require much thought to see why this is so. A generation or two ago wages were the big charge in industry. Nowadays they are a factor, which is lessening daily, and machine and plant charges have taken their place. But there is a very great difference in the nature of these charges.

Banks in general finance production, and where production includes wages the banker creates the money to pay wages. Upon the wage earner's buying the goods the industrialist recovers this money and hands it back to the bank for cancellation—i.e., he repays his overdraft. But—and this is the important point—plant and machine charges represent money that has already been cancelled and therefore cannot be recovered twice over. For the big producers in every community are today limited companies, most of whose plant is part of their capital cost. And though they distributed the money equivalent of their plant when it was first made, they also took it back through their capital share issues sold to the public.

Where plant has not been paid for in this way—for instance, where it is subsequently added without the issue of additional share capital—it is usually purchased out of company reserves "used in the business," thus causing an equivalent shortage of purchasing power by diverting income into new production.

Hence it follows that not only have the unemployed no means of meeting plant charges, but nobody in the community has. And the more machinery displaces man the worse grows the gap between the total incomes of the community and the total prices charged for goods.

Leaving aside technicalities altogether, the practicability of a national dividend is self-evident. One has only to pick up a newspaper almost any day to notice three things. First, producers everywhere are complaining that they cannot sell their goods. Second, consumers everywhere who need those goods are either unable to buy at all, as in the case of the unemployed, or are mostly unable to buy as much as they need. Third, all sorts of useful enterprises, whether public (such as schools, hospitals, railways, sewerage and the like), or private (such as home building- or farm improving), are chronically held up for lack of one thing only—and that is money. To any person, however unfamiliar with technique, who is not deliberately blind it should be clear that the issue, as required, of more money by the National Treasury would enable producers to sell, consumers to buy, and all manner of useful and necessary works to be carried out.

THE DIVIDEND A MORAL RIGHT

But the national dividend has far more than expediency to recommend it. Its deeper justification rests on the moral rights of every citizen, whether man, woman or child.

Living in association brings with it certain restrictions and certain duties, but it also brings certain rights.

We recognise those restrictions when we obey laws and regulations that of themselves are not otherwise either right or wrong—keeping to the left in traffic, for instance. And if we are caught offending, we obediently, if not cheerfully, pay the penalty.

We acknowledge those duties on many occasions, and notably when we pay taxes—maybe for the support of the sick and the aged in our midst; maybe for the police or defence forces.

But unfortunately our rights are prone to be overlooked. No one's right to share in the national debt is ever queried,

but the same can hardly be said of the right to share in the national credit. But if debts are not to be offset by credits, then civilisation is a meaningless tragedy, a state of perpetual bankruptcy.

A man who is today unemployed and destitute may see a piece of land from the use of which he could make a decent livelihood. But let him attempt to occupy it and he will speedily find himself in trouble. That land, being in a civilised country, belongs to someone else, whose possession the State has guaranteed by a written document or title deed. Likely enough the lawful possessor has neither improved the land nor even bought it; he has probably inherited it.

The unemployed man offers his services. No one wants them. Whether in the factory or on the farm he finds that the machine is doing better, quicker and more accurate work than ever he could hope to perform. So much real wealth is being produced mechanically that his efforts are no longer required. He is a virtual outcast.

If, on the other hand, he is fortunate enough to find someone, who will pay him for his services, the community immediately swoops down upon him to exact the full performance of his duties. For the tax-gatherer never sleeps.

Obviously it is immoral that a man should be expected to have duties of citizenship if he has no rights of citizenship; that he should be expected to inherit a communal debt if he has no share in the communal credit.

THE INHERITANCE OF CIVILISATION

What is that communal credit? It may be summarised in the word "progress." Far back in history, when family units first formed themselves into communities, they began by the interchange of ideas to develop their inventive capacity. One noted a log floating down a stream; another swam out to it and found that it gave him support while he rested; a third discovered that a broken branch would serve as a paddle to propel and to steer it. There followed a community council, and the world shaped its first canoe, as mighty an invention as the greatest ship afloat today.

And so with all the other inventions. They were but steps, one succeeding another, each man's observation, leading to thought, intelligent thought to experiment, experiment to improvement, till we arrived where we are today. And today is but the stepping-stone to tomorrow.

We recognise that the man whose genius evolves a definite improvement is entitled to his reward. And we give that reward in the form of what we call patent rights for a limited period, at the end of which each new invention becomes the property of the community as a whole. Or rather, in our day it becomes so in theory but not in practice.

Any man who had once seen a canoe had but to select a sizeable log and a sharp flint and he could fashion his own vessel. But we can no longer paddle our own canoes today—even literally speaking; the logs are all claimed. If we consider the least mechanical forms of our present life, back on the farms, what farmer can now fashion his own tools? And as we progress through industry the mechanical devices become more and more complex, more and more expensive. At the same time they become more and more efficient, until we have arrived at the stage when less and less men are required to produce all that the community needs. What is to become of these men and their dependents? Are they, because of the community's progress, to be made outcasts from the community? Are they to be denied their inherited right to share in the benefits of the canoe and the steamship, the wheelbarrow and the turbine? Surely not.

Then how can their share be made available to them? There are two ways.

The first is to give it to them directly in the form of bread, meat, clothes, and so on. This has the double disadvantage of being cumbersome and of giving them drab security at the expense of liberty. One man's meat is another man's poison, and who has the right to dictate, when there is plenty of everything, just what his brother citizen may or may not eat or wear?

The alternative method of sharing our inheritance is by means of an income for everyone. An income means money, which is another of man's inventions, a most convenient and an excellent device for distributing goods.

If there were enough money in existence to buy all the goods in existence, then the money for those who have none and who are not needed in producing goods could be obtained by taxation. In our first faltering steps towards making some sort of provision for our destitute citizens we have tried that expedient and found it wanting, for the very simple reason that there is not enough money in existence to buy all the goods. The obvious suggestion then is to make more money.

The makers of money today are chiefly bankers and counterfeiters. The latter do not matter much, because their operations are inconsiderable. Moreover, whatever the personal motives of the gentlemen concerned, their activities are in the right direction, since they aim at

increasing our present shortage. Counterfeiters make money but do not destroy it. Bankers, however, both make money and destroy it at their own sweet will and without any responsibility to the community.

One authority, and one alone, should be responsible for the money supply. That authority is the community itself. And until the community realises this we shall never have peace, prosperity or true brotherhood.

(The End.)

A Government Lottery or a "Herald" Competition?

People are beginning to ask whether, if the Victorian Government is unwilling to start for the hospitals a lottery run on the lines of those in operation in other States, it might not be possible for Cabinet to come to some arrangement with the Melbourne daily papers. Last week no fewer than 255,250 football competition coupons, at six pence a go, reached the "Herald" office. As a result the lucky—or, rather, the skilful—winner of the first prize collected the handsome sum of £2871, while charities will benefit by £2553. Just consider these magnificent odds—over 112,000 to one; five times as great as can be offered by any of our inter-State lottery rivals, and twice those of the most successful gamble in the world, the Irish sweep.

But the beauty of it is that the "Herald" is helping the institutions by a test of skill, and not by a debasing lottery. One marvels at that last ounce of practice, which enabled the most recent winner, who placed the tenth team in eleventh position, to win by half a head from the runner-up who gave it only the twelfth highest score. Consider, too, the unsuspected skill, not to mention the interest in manly outdoor sport, which is being developed in many breasts wherein these qualities have long lain dormant. Did not one lady modestly admit, after winning the first prize that she has never seen any of the teams play?

How, you may ask, can the Government assist a skill test which is already such a magnificent success and which is growing in popularity every week?

In the first place, it might by proclamation or legislation remove any doubts from the "Herald's" young competitor, the "Star." This paper also started a competition with an entry fee. To be sure, there was not a great deal of money coming in. But that would not discourage the "Star." Is it not running neck and neck with its more seasoned rival in the book distribution business? No; the "Star" got genuine scruples, and announced that, "doubts having been raised concerning the legality of paid competitions, these will be discontinued."

Having reassured the "Star," the Government might next invite the co-operation in paid competitions of such other papers as may consider that the function of a newspaper is to attract readers by its news rather than by free insurance, cut-price books, or long shots at sixpence a time. Should they still stick to their old-fashioned ideas the question would arise whether they should be allowed to die out or whether perhaps their condition would entitle them to a small subsidy from the hospital fund.

Finally, there is the important matter of making some adjustment with newsagents and advertisers. The concentration of all advertising into one or two mammoth coupon newspapers is no good to the distributor, since it entails for him the handling of greatly increased bulk and weight without his being paid for the extra labour. Besides, the monopolistic tendency places him more and more at the mercy of the big newspaper.

As for the advertiser, he, of course, is called upon to pay the piper. He is shown the audited circulation figures and is expected cheerfully to watch his rates go up accordingly. It matters not if papers are home delivered merely for family insurance or if they are bought merely for coupons; they are all net sales. And advertising charges, the world over, go hand in hand with sales.

But it may be that the "Herald," ingenious as ever, has hit upon a compensating device of its own, which it tried out for the first time on last Monday evening. That latest cultural device, "Who's Zoo?", was billed to take place as usual at 7.15, when the announcer from the "Herald" station would enable all the adult and young listeners who were armed with a "Herald" and a pencil to link up swastikas, circles and numerals into a strange or fearsome monster. Eagerly the "Herald" was turned over from first to last page by the young and then the adults in search of the usual hieroglyphics. But in vain. A repetition brought no further success. Then the adults and the young resigned themselves to an apology at 7.15. This also was not forthcoming. Result—a further and more systematic search through the paper, which revealed that the feature was certainly advertised, and that the diagram was equally certainly absent. How, after these several readings, can any advertiser in Monday's "Herald" possibly complain that his advertisement was born to blush unseen? Extend the process. Leave out the coupon one night, the editorial another, and we may yet satisfy advertisers, breed a skilful community, and keep our hospitals from closing their doors.