

Patriotism at Nine Percent.

Queensland for the winter, the tourist books tell us. And Messrs. J. H. Fairfax and A. W. Sneddon have taken the advice and are spending a month in the genial climate of the North—though not exactly as tourists, for these gentlemen have also a business mission.

Mr. J. H. Fairfax is a director of John Fairfax and Sons, that millionaire family enterprise which conducts the influential and century-old newspaper, the "Sydney Morning Herald." Mr. Fairfax is also a director of the Bank of New South Wales. In addition, he is a member of the Principal Board of the A.M.P. Society. It is in this latter capacity, accompanied by the society's general manager, Mr. Sneddon, that he is visiting Queensland on a tour of inspection of the branch offices in that State.

Queensland has always been noted for the outspokenness of its people and these two guests from the South quickly absorbed the atmosphere—so much so as to make one wish that other gentlemen in similar positions would go north in the winter time. A dozen such visits, and the people of Australia might begin to learn the inner truth of things from first hand sources. For Mr. Fairfax and Mr. Sneddon both gave their views to the Brisbane press.

Before discussing this event, it may be well to recall one or two matters of recent history.

WHY SECURITIES WERE CHEAP.

Most people who can read, and nearly all who used to be able to write cheques are now aware that the ruinous collapse of six years ago was precipitated by the action of the banks in calling up existing loans and in refusing new ones. As a result of that policy many holders of securities were forced to realise on them at prices out of all proportion to their true value. This applied even to government securities, the more so when governments in their turn were restricted for credit by the bankers.

In the banking policy which caused this terrific drop in the market price of securities it may be assumed that Mr. Fairfax concurred, for one does not remember that in his capacity as director of the Bank of New South Wales he has ever protested against it.

At the same time as this was going on, the Fairfax family paper, the "Sydney Morning Herald," was regularly spilling vitriol over a certain political leader in New South Wales as being one of the principal causes of the collapse in the bond market. With rheumy tears in its aged eyes it also raised its centenarian's quaver to protest against the injury done and threatened to the proverbial widows, orphans and retired clergymen who are on such occasions put forward as holding a large share of the "Sydney Morning Herald" played no mean (or if mean, no small)

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"I CAN TELL YOU WE MADE GOOD MONEY,"
SAYS THE A.M.P. CHIEF

How Bonds Were Bought in the Depression

part in extending the panic of those days.

In this attitude, again, it may be assumed that Mr. Fairfax concurred.

So much for Mr. Banker Fairfax and Mr. Newspaperman Fairfax. What of Mr. Assurance-Company Fairfax?

"WE MADE GOOD MONEY."

Let Mr. Sneddon, general manager of the A.M.P., speak for the policy of the institution, which Mr. Fairfax helps to direct. "The society," said Mr. Sneddon in the Brisbane press of July 18, "has had its periods of anxiety, but we always felt that, as an Australian society it was our duty to show our faith in Australia's future.

"We bought Commonwealth bonds all the time at home and abroad. We bought them at less than £50 in New York and we bought them at £70, and I can tell you we made good money, the return in some cases being as high as 9 per cent. So that our patriotism was well rewarded.

"We always took the view that it was our duty to stand by the Commonwealth, and that if Commonwealth securities proved valueless, then it would mean disaster for the country generally. But there was never any fear of that coming to pass."

For the purposes of this case Mr. Fairfax is merely a peg on which to hang the coat of the argument. As an individual he, in his triple capacity, may have little to do with initiating the policy either of the bank, of the newspaper, or of the assurance company. And in so far as he is actively associated with each and all of the three, he doubtless acts according to the best of his judgment and ability. Thus, as the director of a company entrusted with the savings of over a million policy holders, who will deny that it is his duty, as things are at present, to buy securities as cheaply as possible, to seek out of "patriotism" that profit without which his company could not in the last five years have paid out over £30 millions to its members or their beneficiaries? Certainly Mr. Assurance-Company Fairfax could hardly have acted otherwise.

But consider his other spheres of activity. Look at the matter in its wider implications. Ask yourself this:

IS IT, OR IS IT NOT DEFINITELY AGAINST THE INTERESTS OF THE COMMUNITY THAT ANY ONE INDIVIDUAL OR GROUP SHOULD AT THE SAME TIME BE ABLE TO DIRECT BANK POLICY; TO SWAY PUBLIC OPINION TO SUIT THE BANK'S PURPOSES, EVEN TO THE EXTENT TO PUTTING UP A SCAPEGOAT; AND THEREBY TO DERIVE

ENORMOUS POWER OVER THE PEOPLE BY THE VERY USE OF THE PEOPLE'S OWN SAVINGS AGAINST WIDOWS, ORPHANS AND RETIRED CLERGYMEN?

WHO ARE OUR RULERS?

Mr. Fairfax is a member of a very small group in Sydney who are closely allied with a similar body, known as the Collins House group, in Melbourne. The power exercised by these two groups is now such that we find a little band of men, closely connected by business interests and even by family ties, controlling most of our banks, our newspapers, our assurance, trustee and pastoral companies, and nearly every enterprise in the industrial world that savours of power or monopoly.

WE FIND THIS BAND AT ONE MOMENT, THROUGH THEIR CONTROL OVER THE PEOPLE'S MONEY, SHORTENING THE SUPPLY IN SUCH A WAY AS TO DEPRESS PRICES AND CAUSE UNTOLD RUIN AND MISERY. WE FIND THEM THE NEXT MOMENT, AS MR. SNEDDON HAS INDICATED, BUYING IN THE PEOPLE'S SECURITIES FOR HALF THEIR VALUE.

And we find them concealing their anti-social activities under the inspired propaganda of the press they own or direct. "Our patriotism was well rewarded." Do you remember how Samuel Johnson defined patriotism?

As individuals it may be that these men have not seen clearly the full effects of their policy. Take the insurance company case just quoted. Training for "big" business demands of the buyer that he must never see the seller's point of view. Lest any human feeling or any sense of justice may creep in we have market quotations and Stock Exchanges, whereby the parties to a deal rarely come together. But does this absolve the buyer whose previous activities in another capacity have squeezed sellers to a point where they must sell at any price? Does the fact that it is buying for a million policy-holders make the assurance company's "patriotism" any the less contemptible? If the assurance directors had no control over bank policy there might be something in their favour—but the assurance directorates and the bank directorates are now so interlocked that it is almost impossible to distinguish one group from another.

ASSURANCE COMPANIES AND NEEDEY POLICYHOLDERS.

Our governments (not having the brains to issue it for themselves) were at their wits' end for money a short time ago, in order literally to keep hundreds

of thousands of our citizens from death by starvation. The banks refused at that time to issue sufficient new money. Did the assurance companies, holders of enormous sums of the people's savings, make any helpful gesture? Did they offer to place any of their funds at the disposal of governments for new loans? How could they, being busy otherwise? "We bought Commonwealth bonds all the time at home and abroad. We bought them at less than £50. . . and I can tell you we made good money. . . Our patriotism was well rewarded."

But was this advantage taken of the widow, the orphan and the retired clergyman on the basis of the end justifying the means? Was it conducted in order to help over the stilt the assurance companies' own needy policyholders?

FOR OUR ANSWER TO THAT REFER TO THE COMPANIES' FIGURES, WHICH SHOW THAT IN THE LAST FIVE YEARS FOR WHICH THEIR RETURNS ARE AVAILABLE WELL OVER A MILLION POLICIES IN AUSTRALIA WERE TERMINATED BY FORFEITURE.

In the case of the A.M.P., Mr. Fairfax and Mr. Sneddon stated in Brisbane that their society now has reserves of no less than £100 millions, of which £30 millions are invested in government loans.

What a weapon to hold over governments. What a vast power of withholding. What a still more terrible power when linked, as year by year it is becoming more closely linked, with the power of the banker. And what a tragic farce that this power is entirely derived either from the savings of the people or (only too often) from the forfeiture of those savings.

WHY GOVERNMENTS COULD NOT BUY BONDS

When our bonds were being quoted in New York, in London and in Australia at a heavy discount, many people wondered why our governments did not endeavour to lessen the people's liabilities by buying up everything that was on offer. But how could they? The banks, insurance companies, and similar bank-controlled or influenced institutions saw to it that governments did not have even the money to pay their way.

Patriotism had to have its reward, and it did not suit those gentlemen whose manipulations had placed bonds—as well as all sorts of other scrip—upon the bargain counter that the people whom they were fleecing should get back as a community what they were losing as individuals.

But, you will say, surely the gain of a purely mutual assurance society is the gain of all its members? Surely the gain of the mil-

lion-policy institutions is the gain of every policyholder? Is it?

If the funds were split up and liquidated now, if the £100 millions of reserves were called out and divided amongst the policyholders, this would be so. But what is the practice of every assurance company, of every banking institution the world over? Is it not to build up ever greater and greater reserves? Do not the directors in their reports and press advertisements point to these with pride as evidence of the strength? Strength it is, but the strength of the bloated leech battenning upon the patient.

Only at one time is any mention made of the true ownership of these reserves. Let any criticism be made that a dividend is too high—especially a bank dividend—and you will promptly be reminded that, high as it may seem on paid-up capital, it is really very modest when shareholder "funds" (meaning capital plus reserves) are taken into consideration. But, should a shareholder have any delusions as to his chance of participating in a hand out of reserves, let him suggest it at an annual meeting.

The reserves, open and secret, of these great enterprises are intended to be perpetual. As such they are neither more nor less than a forced levy upon shareholders, capital compulsorily subscribed, partaking in no dividends, having no voting power, and to be used at the absolute discretion of the directors. In the case of the banks, of course, these reserves are exactly similar to interminable fixed deposits bearing no interest, and they have a first class deflationary effect.

WHERE IS THE REMEDY?

The obvious question now arises: How to stop so unsatisfactory a state of monopolistic and anti-social rule?

The first way would be to oust the directors. Many a now disillusioned shareholder has tried it, only to discover that directors who boast of the wide spreading of their shares have good reason to do so. For nation-wide share-

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

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

VIOGEN (Blue)

THE ONLY ANTISEPTIC TOOTH PASTE

42 of the world's leading tooth-pastes have been tested in Universities to an internationally accepted standard. They all failed except Viogen (Blue), the antiseptic.

(B) A tooth powder that will actually harden teeth:

VIOGEN

Recalcifying Tooth Powder

This is the tooth hardening formula of Professor Andersen, of the University of Oslo—its claims have been confirmed by Dental Professors and authorities of different nations. If you have orientated your economic thought to realities—put your mouth health in line with dental scientific facts.

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Sold everywhere, 1/-, 1/6 and 2/-.

holding ranks with compulsory voting and women's suffrage as a means of keeping in the saddle the powers that be.

GIVEN THE COMPANY'S BOOKS, THE IGNORANCE OR APATHY OF MOST SHAREHOLDERS AND, IF NEEDS BE, A SYMPATHETIC PRESS, AND WHAT MORE CAN THE MONOPOLISTS WANT? ADD TO THIS, IF THE OCCASION CALLS FOR IT, THE POWER OF THE BANK TO SUBSCRIBE ITS OWN FIGHTING FUND BY THE SIMPLE EXPEDIENT OF WRITING A CHEQUE UPON IT SELF!

There is no hope in that direction.

But there is a simpler way out. The power of the monopolist no longer lies in the direction of surplus value where Marx located it, or thought he did. He who controls the money supply effectively controls all values—a fact which is now patent to all those old-time capitalists who have land, factories, plant, transport, and so on. It is even becoming apparent to one-time Marxian Labor. The battle can therefore be won at a single blow by removing the monopolist from his stranglehold over the source of our money supply. This is simpler, as well as less wearing than a series of actions driving him from pill-box to pill-box.

But even this fight can be needlessly complicated if the monopolist be allowed to confuse the issue by ingenious arguing about the technique of money—as witness how skilfully the bankers choose their ground when permitting themselves to be drawn into newspaper controversies designed by them to lead the public off the scent.

THERE ARE TWO POINTS THE PUBLIC CANNOT FAIL TO GRASP. ONE IS THE PLENITUDE OF GOODS ABOUT US. THE OTHER IS THAT THE PEOPLE CANNOT GET ACCESS TO THEM. THE MOTTO IS: ABOLISH POVERTY AMIDST PLENTY. THE COURSE OF ACTION IS TO VOTE ONLY FOR THE M.P. WHO WILL UNDERTAKE TO DO THIS.

The rest can safely be left, by both the public and the M.P., to the technical men. For it must be remembered that if you make the goods available by increasing the nation's, debt to the money monopolists you are not abolishing poverty. But if you take the nation out of pawn to the financier you likewise remove from assurance companies' funds their power to dictate to the people, and thus you remove those influences, which are changing co-operative thrift institutions into bankers' weapons.

A RUMOUR DENIED.

Such readers of the "New Times" as are also readers of "Truth" may have observed in last week's issue of the latter paper a report that the editor of the Melbourne "Argus" has re-signed his position. In consequence of rumours flying about the city since then we desire to state that it is quite untrue that the editor of the "New Times" has been approached by the proprietors of the "Argus" with the request to take over their paper and conduct it along Social Credit lines.

WHAT A MEDLEY!

By BRUCE H. BROWN.

(By arrangement with the "Castlemaine Mail")

We regret that we should have to record the fall of another idol. This time it is Sir Herbert Gepp, who has publicly identified himself with the other "experts" who had already created such a medley, and who, by the nonsense they utter, are keeping the bulk of the people destitute.

One lot advocates pruning knives and axes on Government expenditure. Another, represented by the Melbourne "Argus," wants to tear down the tariff. The Chamber of Commerce seeks to have us tied to a deadweight of gold. Professor Copland talks nebulously about the "stimulation of investment," as if the disposal of the product of investment is a matter of no concern at all. Professor Giblin thinks that our living standards must be lowered so that we may compete with the coolies, as if our problems would be overcome if we all went about naked and lived on a few handfuls of rice. Professor Hytten (recently transferred to the Bank of New South Wales) eulogises the conscription of people into labour gangs, and suggests something of the kind for Australia, as if there is any shortage of labour or any such thing as machinery. Truly a magnificent collection!

AN "ECONOMIC GENERAL STAFF."

Now Sir Herbert Gepp, whose self-respect should have kept him out of such economic company, has come into the circle to advocate the appointment of an "Economic General Staff."

History, if it gives them any mention at all, will have to tell succeeding generations that these were the men through whom the mesmerism about money was maintained over the people, thus causing them to suffer torture when they could have been comfortable and happy. The sort of men who, in other days, opposed the steam engine, the telephone, the knitting machine, and so on. What a pity it is that Sir Herbert has placed himself in that category and thus forced us to doubt whether he is really the great intellect we have been ready to believe him to be. By his own actions he has now to be added to the list of those who are trying to bolster up the fraudulent financial system, which is murdering the nation.

What a surprising number of these "experts" seem never to have heard of the thing called money! They know that they cannot themselves obtain goods without money, and they ought surely to know that thousands of our fellow citizens are without the necessities of life only because they have no money. We hesitate to think the "experts" are dishonest, but how can they plead ignorance?

All the argument in the world will not alter a fact, much less dispose of it, and there is one cardinal fact, which all the "experts" ignore. That fact is that money controls all our national activities, and that this essential agent in our community life is controlled by a private monopoly. Many men argue long and earnestly, only to find in the end that they were wrong, and that common sense should have revealed it to them earlier. These "experts," still endeavouring to argue against facts, are thus doing violence to their commonsense.

A MATTER OF

UNIVERSAL IGNORANCE

Why is it that there is so much ignorance on this subject of money, which so vitally affects the progress of every person from the cradle to the grave? How much does the Director of Education know about it? How much do the heads of Government departments know

about it? Will someone please question them and publish the results? Are the headmasters of our great public and secondary schools any better informed? Even some of these still speak of the "depression" as if it were a natural phenomenon like an earthquake, instead of the inevitable result of the money manipulations of international financiers. In the face of these things there is urgent need for the better education of the community at large in the matter of finance, and we propose to say more about that aspect on another occasion.

Go through the speeches, lectures, and writings of all the "experts" referred to and see if you can find an instance in which the cause of the trouble has been exposed. You will find that they have dodged a discussion of the cause as we would try to dodge the plague. Can you imagine a doctor applying remedial measures before he had examined the symptoms and diagnosed the illness? Well, that is exactly what these supposed "experts" did and are still doing.

LOOK FOR THE GERM.

If a member of our family were very sick, and in every sick part of the body the same germ were detected, we would be justified in naming that germ as the cause of the illness. If we extend this to every sick person in the world and find the identical germ present in every sick part of every sick body we naturally conclude that this

Under the heading, "Our Part in World Affairs," the "Herald" of July 29 reports our Attorney General, Mr. R. G. Menzies, in a statesmanlike utterance in London: "As a result of our discussions extending over four months, with British Ministers and officials, the air has been cleared for facilitating future deliberations on a basis of clear, mutual understanding."

germ is the cause of the trouble and proceed at once to deal with the germ. Why cannot we apply the same commonsense procedure in the case of the economic body?

If our economy urges would do some diagnosing, instead of rushing in to prune or axe the symptoms, they would find that in every economic difficulty in every part of the world there is the same germ, and that it is described in the words "We have no money," or, "Our debts are too heavy." Clearly, therefore, the diagnosis of the disease is that something is seriously wrong concerning money, and further investigation reveals that the fundamental and basic things that are wrong are:

1. That the right to manufacture money has been filched from the people; and,
2. That the moneys in industry, production, and consumption do not properly equate.

Remedy these two errors and the effects will be cured automatically.

Now, with these simple but incontrovertible facts in our minds, let us consider what Sir Herbert Gepp had to say, as reported in the "Argus," and as evidence of our desire to deal with the statements without prejudice, we are making no reference in this article to his former business connections or his present associations.

"THE BEST BRAINS."

Sir Herbert: "The Economic General Staff should be representative of the best brains of the community."

Comment: Who would determine the "best brains"? Best for whom? Would such a body be like the Commonwealth Bank

Board—i.e., an instrument for tightening the control of the private financial institutions over our national activities?

Sir Herbert: "Today we depend too much upon the work of over-strained statesmen and political leaders."

Comment: That is not true, for we have no statesmen and our political leaders are as original as a talking machine. They are continually surrounded by "experts," and in the case of the Premiers' Plan they were merely the mouth-pieces of the banks and the bankers' economists. Read what Senator McLachlan says:—

"On financial and banking questions the Commonwealth Government had the assistance of the Commonwealth Bank, and if it was not fit to advise, who was? The Commonwealth Bank could consult representatives of other trading banks in Australia, and this was done. If more co-operation was desirable, it could be sought from representatives of English banks."

THE CHAIN LETTER

SWINDLE

This is complete confirmation of what we have been saying and opens up what may be termed the Chain Letter Swindle as follows:—

1. The bank-created chair of economics at the University;
2. The economists produced by this school;
3. Economists from the same source employed by the banks;
4. The Commonwealth Bank;
5. The trading banks;
6. The English banks;
7. The International Bank at Basle;
8. The underground Sanhedrin of the worldwide, money-forging monopoly.

Sir Herbert: "We have our Tariff Board, our Arbitration Courts, and we have approached nearer to the ideal I am suggesting in the appointment of a Royal Commission on State disabilities."

Comment: All three arise entirely out of financial inadequacies. Under a sensible financial system the tariff would no longer be a major issue, Arbitration courts would no longer be prevented from dispensing justice, and the Disabilities Commission could be disbanded without fear of raising the secession issue.

Sir Herbert: "I view the present position with concern, and I know that an indefinite continuance of our present unemployment is impossible."

Comment: If his concern is genuine, why is he not telling the Government how to rearrange its finance so that public works can be undertaken without increasing the public debt, and how industry can immediately adopt shorter working hours without reducing wages and without any financial embarrassment?

Both are simple, and their adoption would bring joy to millions of hearts and thousands of homes. Unemployment is not the problem. Disempowerment is the trouble. Unemployment is evidence of our scientific progress. Scientists are putting men out of employment and the banking system is keeping them out of money.

Sir Herbert: "The rise in the average age of the population will in a comparatively short number of years make the pension system impossible."

Comment: This emphasises the absurdity of the existing financial system, for it will not be long before machinery will have displaced most of us who are still employed in industry. Such a statement suggests that Sir Herbert can see taxation as the only source from which pension money can be obtained. Is it not time he gave some thought to the distribution of the wages of the machine as dividends to the people?

DUTIES AND RIGHTS

Sir Herbert: "The people of Australia who have the opportunity of contributing to the in-

crease of the birth rate must that the continuance of their rights and privileges conditional upon carrying their national duties."

Comment: What are these national duties? Has the nation no duties to the individual? According to the last census, 11 percent of Victoria's breadwinners were earning nothing, 30 per cent, were earning less than £1 per week and about 70 per cent, were earning less than the basic wage. In view of this disgraceful state of affairs, what a cheek it is for anyone, and especially for one whose own income is reckoned in thousands, to talk about the "duties of the great bulk of the people in the matter of the birth rate! Are we to be regarded as a lot of cattle and give no thought to the conditions into which our children are to be born?"

Sir Herbert: "If the home market was the best market, maintenance of the home was vital."

Comment: The home market is vital, and the only thing necessary to ensure its maintenance is to see that our people are supplied with money to buy what they need.

THE "LAW" OF SUPPLY AND DEMAND

Sir Herbert: "One way out of the present economic morass was to cheapen the price to the consumer and let the industries adjust themselves to the "law" of supply and demand."

Comment: The term "morass" is right if applied to our financial arrangements, which alone are the cause of the economic dislocation. No matter how much prices were cheapened, goods would still be inaccessible to consumers unless they had money. And as for the "law" of supply and demand, there is no such thing. Supply is equal to all requirements, and demand, if backed by money would quickly utilise the supply as people could then obtain the things they long for. The supposed "law" exists only in the ability of monopolistic private interests to control market supplies to suit their financial policy.

Sir Herbert: "Obviously no immediate solution of the problem of Australia is apparent."

Comment: The solution may not be apparent to Sir Herbert Gepp, but it is none the less obvious to those who have given the matter disinterested study. There is nothing wrong with Australia's productive system. The problem is in the distributive system, and as distribution is controlled by money we must make the money fit in with requirements. Furthermore, as all the money used in Australia is made in Australia, we can adjust our own money arrangements as we think necessary for the efficient working of our internal economy.

Sir Herbert: "We have to face the facts."

Comment: Then why does he face away from the facts? He knows that there would be plenty of trade if people had the money to patronise the shops, and he also knows that if we are to escape the accusing finger of underfed, under clothed, and under sheltered women and children there must be a change in the money system. We produce to consume. Consumption is a function of money. Money costs nothing to make. Sir Herbert should study axiomatic facts and break away from the medley of rubbish.

Speaking on Monday at the graveside of a boy of 12 who met his death by falling down a disused gold-mining shaft at Bendigo, Dr. E. Griffith urged that immediate steps be taken to protect other children by removing the danger. Banks and gold, he said should be a secondary consideration where human life was concerned.

A CLERGYMAN LOOKS INTO ECONOMICS

The Dean of Canterbury on Poverty and Plenty

(Why Poverty in the Midst of Plenty? By Very Rev. Hewlett Johnson, DD., B.Sc., Dean of Canterbury, England. Manchester: The Co-operative Press Ltd.; Melbourne: The Douglas Credit Movement, The Block. Price 8d.; posted 9d.)

"I hear with some impatience, says Dr. Hewlett Johnson, "the demand for a forty hour week and a two penny advance in wages. Why paltry boons in a world which warrants so much?"

"Modern power plants ignore human labour. They work in terrible solitude. Steel arms overhang the wharf where coal barges advance. Huge scoops descend, dose down on a ton of coal, lift it bodily to an elevated track along which it passes, weighed automatically in transit, and then descends to moving grates which feed it to the boilers.

"Clinkers fall on to belts travelling in water-troughs, and then pass to the waiting trucks. Coal at one end, clinkers at the other; and, the space between, heat extracted steam raised, turbines driven, and power sent pulsing across a countryside.

"One man controls the crane, the scoop, the weighing; two men regulate the flow, the pressure and the temperature; two more attend the turbine generators; the president of the Amalgamated Engineering Union spoke last week of a new power station operated by twelve men.

"The world's energy output grows enormous. One station alone develops 300,000 horsepower. In its twenty-four hours' run it provides such energy as that which would be exerted by the entire adult population on England's employment list or very nearly so.

"Russia possesses a bigger plant. "The United States projects one six times as big."

In such a simple language does the Dean of Canterbury outline his case for the National Dividend? He does not take upon himself to play the part of the technician to discuss in intricate detail the insufficiency or the flow of purchasing power. He marshals his facts so that they can be understood by anyone capable of simple addition and simple multiplication. One electric power station, as he says above, develops 300,000 horsepower. Multiplying that by ten we have 3,000,000 horsepower. The station can work three shifts a day, which gives us 9,000,000 horsepower. And on this use of what he terms "the bottled sunshine of a million years ago," a use which needs nowadays the labour of a distantly lessening number of men, he builds up, step by step, his conclusion that a dividend for everyone in the community is just, necessary and inevitable.

"HYPNOTISED BY TALK OF SCARCITY."

"Even to man the present machinery with those now unemployed," he points out, "would pay a heavy dividend. And machinery can grow—how heavily, we saw in the world war, when factories sprang up overnight, and when boys and

girls, and old men and women maintained us all and repaired the wastage of war, while twenty million men were not only withdrawn from beneficent production, but actually engaged on mass destruction."

"Wealth," he says again, "is there. Poverty is superfluous. Physically we are rich; financially poor. We are hypnotised by talk of scarcity. If, in the war, the remainder of the population fed, clothed and housed us all, while the manhood of the nation, withdrawn from production, were engaged in mass destruction, there is no physical reason why anyone, in days of peace, should want—especially as productive power has increased immeasurably since 1918."

Not only are there the facts of production and the possibilities of an indefinite increase. There is the question of community justice.

"Ten men working together with inventive brain and labouring hands produce more than ten men working individually by themselves. That is manifestly true and nonetheless true when the ten become millions and when they include the generations, which are gone, as well as those, which remain.

"To whom, then, does this increase belong? Surely to the millions past and present and to their dependents today.

"Suppose, to make the principle of justice clearer, that we return to our ten men and imagine an increase so vast as the result of association that only two of the ten at length are needed, when the machine is perfected, to operate it and to direct the flow of goods.

"To whom, then, would the goods belong? To the two who just came at the end of the process and were lucky enough to be the last undisplaced? Surely not. Surely it will belong to the whole community, which gave it being. And if wages, and good wages, are paid to those who are lucky enough to be needed as workers at all, whether as organisers, inventors or operators, the increment which comes by association belongs to the whole community, and to no single individual man and to no group of men."

THE FINANCIAL SIDE

Dr. Johnson turns to the money question.

"Finance fools us when it bids us economise. . . . Money needs creating side by side with goods, as was the case in earliest days. When I grow a ton of potatoes, I don't grow a wad of notes beside it, but without the notes the potatoes travel only to the dumps. Or, again, when railway companies provide trains and seats, they do not automatically grow equivalent numbers of tickets; quite deliberately they issue tickets to claim the seats, and then cancel the tickets at the barriers when the journey ends. They issue tickets to serve the interests of traffic—they do not restrict the traffic to serve the interests of the tickets."

Finally comes the warning: "A financial economy like ours fans the flames of sabotage. When science, despite ourselves, overstocks our larder, we know what to do. We destroy with one hand what we make with the other. Half a million sheep were incinerated last month in Chile, and milk poured down English drains.

"We hold the machine at bay. Thwart it. Cripple it. But do so at our peril. The machine has friends elsewhere. Russia cultivates it. Starting at scratch, she gathers speed. Already her standard of living rises and hours fall. Japan, with the use of social credit, sets a pace no nation can maintain without it.

"Dangerous experiments, these, in face of our own ineptitudes.

"Dangerous for peace, for they excite, the wish that a conflict be-

tween two formidable experimenters may soon break out, freeing us for the while from dangerous competitors, and providing a market for munitions and commodities.

"Dangerous, too, for liberty. For men refuse to starve in patience when they know that plenty abounds, nor live on a grudging pittance when deprived of work by a process which enriches the community."

* * *

At the price at which this little book is available, it should be in the homes at least of all those who say they find economics difficult to grasp.

And it is well worthwhile posting to all our University highbrows.

"Unnecessary and Wasteful Expenditure"

Attempt to Ditch Tasmanian Monetary Inquiry

By one of those mysterious rules which govern parliamentary procedure a Select Committee cannot continue its inquiries while Parliament is prorogued, and it has to be reconstituted at the beginning of each session.

Accordingly, on Thursday of last week, Mr. G. S. Carruthers moved in the Tasmanian House of Assembly for the reappointment of the Select Committee which was set up on his motion last session to inquire into matters of banking and finance.

Mr. Carruthers' motion was the signal for a violent outburst by the Deputy Leader of the Opposition (Mr. Baker). "The investigations of this committee," he said, "are a shocking waste of time and public money, and it is about time this House put a stop to it." It was time, he continued that the public inquired as to what useful purpose was to come out of it, and whether it was pre-

The tyre builder's task in 1926 on a 29-400 type demanded 16 tyres a day. He was paid for every tyre over 16 he produced, and his output was 28 tyres a day, 140 for the week, and he was paid £7. To-day the task on a similar type of tyre was 94 and the worker produced 470 tyres a week for the award rate of £3/14/-.

— Secretary of the Federated Rubber Workers' Union at Shorter Working Week Inquiry, July 24.

pared to pay for this unnecessary and wasteful expenditure of public money. "It is just as if we inquired into the state of the moon," he added, "or the naval defences of the Empire. The Commonwealth Government has publicly announced that it intends to establish a Royal Commission to inquire into this subject."

Mr. McGrath: "And dodged appointing it."

Mr. Baker: "I am not sure that it is right to say they dodged appointing it." He understood that the Prime Minister intended to make inquiries overseas.

The Acting Premier, in reply, said it was probably the first time Parliament, having appointed a committee, had attempted to cast a slur on the body it had created. The members of the committee were not paid, and the expense was a bagatelle, members receiving only a guinea a day for out-of-pocket expenses. The committee had not been able to function since Parliament was prorogued in March last, and it was being urged that the work it had done should be wasted because of a stupid rule, which prevented it carrying on. He had no faith in any undertaking by the Prime Minister, and it was time Tasmania played its part in getting the facts before the public.

Mr. Carruthers said there appeared to be a misconception about the matter, and Mr. Baker had insinuated that the committee was not competent. He took it for granted that the intelligence of members was at least the average of that in any other Parliament. The inquiry by a Federal

HERE, THERE, AND EVERYWHERE

By WILLIAM BLACKSTONE

IS YOUR NAME—ELECTOR?

Your clan has extended to such a degree that the old family limitation has long since gone by the board and you have become a class. Some ethnologists are inclined to cavil at the word "class", and contend that the proper word is "species." Mr. Half-Witte, however, in his latest book on anthropology points out that the word "class" is a more accurate description, in that it denotes a body of persons of inferior brain power totally under the dominance of an alleged teacher who attempts to express such views as he may have in more or less unintelligible verbiage. Mr. Half-Witte goes on to say.... [The words quoted by our contributor have been deleted in view of the provisions of the Police Offences Act, 1928. —Ed. N.T.] You are responsible for our present economic, industrial and Parliamentary systems, and you will undoubtedly continue to support these systems under the belief that you are the final repository of all the powers possessed by a sovereign State. Your credulity is such as to merit admiration, and it would be regrettable if even your own destitution should disturb your complacency. Your motto is the same as that of the Prince of Wales: "Ich Dien", of which a liberal interpretation would be, "I'll clean your boots, Mister."

* * *

ON WRITING POETRY

We have already dealt with various aspects of that most difficult problem, the writing of poetry. The epic poem we were compelled to discard, but fortunately other forms of poetry may still be found to fit the subjects that arise from day to day. For example, we read in the *Argus* (27/7/35) that the Commonwealth Attorney-General, Mr. Menzies, has visited Scotland, and that the Menzies clan, with the customary hospitality of the Scotch, took him to view the Menzies' mausoleum. Undoubtedly our Bob was at home immediately, and imagined himself back at Canberra. The theme is inspiring, so we com-

mence in the customary style of the ballad:

The clan sat in Dunfermline toon,
Drinkin' the blude red wine;
When Rabbie Menzies cam' abune
As in days o' Auld Lang Syne.

And they said: "There wasna' such
a chiel
Since the days o' Donal Dhu
As the A.G. o' the Commonweal'
Who's wi' us here the noo.

"We'll tak' him gently to the kirk
Where the Menzies cauld are laid,
An' daein' muckle the same work
As his friens (whae still get paid)."

They hae taken our Rabbie tae the
kirk
And showed him the tombstones
bare,
And tauld o' the greatness o' the
work
O' each one who lay there.

And Rabbie sighed for the days
long gone,
As he thought o'er history,
When every Menzies mon was a
mon
Wi' a definite policy.

And he thought -----

But no, this is not the place to intrude into the thoughts of our Attorney General as he muses over the tombs of his ancestors. Let us forget this subject and turn to more inspiring themes.

We may still keep to the ballad, and, with memories of Newbolt and J. C. Squire, break out afresh:

THE GOOD SHIP COMMONWEALTH

The wind is in her trees and she's
running with the breeze;
We know she wouldn't play us any
pranks;
And despite the hectic blizzard she
is safely past the Lizard,
But she still may run aground upon
the Banks.

The dismal thoughts conjured up by the last line are sufficient to prevent any further excursions into the realm of ballad poetry.

body was suggested by the Prime Minister before his re-election nearly twelve months ago. "We got Professor Hytten and bank managers," added Mr. Carruthers, "and when they were examined they consulted their lawyers to see whether they could escape coming." The Federal Parliament might or might not hold an inquiry, and there was no indication of what lines the inquiry would pursue. It would be of no use if the inquiry were carried out by recognised bankers, financiers and economists who were

already biased. Although the State had surrendered rights to the Commonwealth, it could still question what was being done. He wanted to get a short and clear report which would establish a few fundamental points, and which could be used as a lever for the Federal or any other inquiry. The motion for the reappointment of the committee was adopted by the House, about half the Opposition supporting the Government. The report of the committee is to be presented on or before September 30.

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Pettifogging Taxes and False Accounts

Scientists make progress, but in our national affairs we grow more and more a nation of half-wits. We find a State budget presented this week in which provision is made for various childish ways of raising revenue;—a duty stamp on wages receipts, for instance, over and above the existing wages tax. There is to be a tax on share transfers, but by some extraordinary process of topsy turvydom, it appears that dealings in gold mining the most useless of all forms of industry, are to be exempted.

The climax of absurdity is reached in the Premier's description of the present financial position of the State as intolerable. This is true enough, in all conscience; but the Premier finds it intolerable only because he has not a wide enough field for taxation!

For the past week the daily press of Australia has been presenting column after column of figures, all designed to prove that we are on the high road to prosperity at last. "Australia only 3,100,000 On Wrong Side of the Ledger," said an evening paper few days ago. Only £3 millions! Only another £100,000 a year in interest to the money monopolists! This paper then went on to show that, since £8½ millions were paid into loan repayment funds during the past year, the deficits are really a surplus. What nonsense! Had the loan question been side-stepped entirely, there might have been grounds for shrugging one's shoulders over an incompetent statement, but to take the credit repaying old loans without bringing into account new ones is nothing short of a dishonest presentation.

Everyone knows—there is no secret about it even in official sources—that our recent borrowings have taken place for no other reason than to eke out revenues. However disguised as public works, their purpose has been to enable day-to-day commitments services such as sustenance to be met. Very little of the money outlaid has brought new national assets into being. These borrowings should therefore properly be debited to current expenses and should be taken into consideration in preparing budgets. Instead of being only £3 millions on the wrong side of the ledger for the year, our true debit is more like ten times that figure.

Why is this dishonest accounting allowed to continue year after year, irrespective of what party is in office? Simply because a budget is not a balance sheet at all. It is merely a statement of cash takings and of accounts paid. It does not even include sundry debtors—the daily press itself is constantly calling attention to the scandal

whereby income tax assessments are sent out or held over to suit the figure-faking needs of the moment.

We have never had a balance sheet. All we know is that we have a gigantic but intangible debt, owing to somebody, somewhere, on which we pay a very tangible interest bill. On what is that debt secured? What portion of our assets are mortgaged to the money lenders? How do we progress from year to year in our national capital account? None of these questions are ever answered; and yet they are questions of first class importance to the people. From the answer to them alone, and not from the till takings and petty cash disbursements can we really see where we stand. Then why are such figures not provided?

Since they could easily be made available, it is difficult to see why ordinary business procedure is not followed in the case of the nation. Only one probable answer suggests itself—which is that if our true position in terms of physical wealth were disclosed our money masters might find us declining any longer to be bound by the chains of their two penny taxes, and that, seeing the disparity between our real wealth and the money supply needed to distribute it, we might turn our attention to issuing money as a national dividend instead of withdrawing it as a national tax.

A Pint a Day

Following on the dietary investigations of its learned brothers in England, a special sub-committee of the British Medical Association in Adelaide has produced a food scheme for the South Australian Government—or, rather, a scheme for that Government to apply to the children of the destitute.

An outstanding feature of the scheme, as summarised in the daily press, is "the liberal quantity of milk provided for the children in the younger grades." The B.M.A. specialists, it appears, have laid it down that "up to the age of six years one pint of milk a day should be an integral part of a child's diet." After that, presumably, the child can be tapered off.

Two glasses of milk in twenty-four hours a liberal quantity for growing children! One would think we were living in the Sahara, instead of in a land where nearly every dairy farmer is throwing milk away daily in hundreds of gallons, or feeding it to pigs and calves to get rid of his unsaleable "surplus."

There is no real difficulty in the way of giving every child in Australia as much milk as the child cares to drink. There are plenty of cows, and plenty of farmers to milk them. There is no shortage of transport—as Mr. Clapp and the motor people can tell you. And men running milk rounds are being put off by a Board, which says there are too many of them.

That a condition of affairs under which, our children are starved of milk should prevail in Australia—and it does prevail, at least, in all our cities—is a crime for which every elector who tolerates it should be horsewhipped. It is a mean and brutal assault on the children; not only on their poor little bodies, but on their minds and intelligence which warp as

"THE ELECTORAL CAMPAIGN"

II.—Democracy

By G. B. MALTBY.

According to my dictionary, Democracy is "A form of Government in which the supreme power is directly or indirectly lodged in the hands of the people."

This is a perfectly acceptable general statement, but as the implications of it are capable of being stated in very widely differing terms, it is very necessary that we should be perfectly certain of what we mean.

Among the ideas of Democracy held in quite general acceptance are the following:—That a republican type of administration is inherently more Democratic than even the most Limited Monarchy; that it is something to do with Parliamentary elections, that a democracy is particularly subject to the ravages of political jobbery, and is chronically inefficient on account of the alleged political ignorance of those in whom is vested, in theory, the supreme power, causing them to fall easily under the sway of clever and unscrupulous men with axes to grind, and to resort to sudden and illogical action that upsets the carefully laid plans of statesmen (sic). Above all, it is held to embody the principle of the subordination of the individual to the interests of the majority, and this is interpreted to mean political tyranny of one sort or another, being used by one side to condone wholesale confiscation, and by the other to excuse any refusal to enlarge the boundaries of freedom.

The above is quite a fair picture of an average estimate of democracy, but it is one with which we must strongly disagree. Let us get back again to our definition—"Supreme power lodged in the hands of the people." Who are the people? The answer is, you and I, we and they; the man next door, and Ted Smith and his wife in the next street. All separate individuals, with different needs and desires, one an egoist, another a martyr, feeling differently and thinking differently, but all—the People. There is certainly no mystic spirit that informs this incoherent mass and converts it into an organism capable of giving utterance to that well-known political myth—the *Vox Populi*.

FREEDOM OF CHOICE

No, they are individuals, and for such there can be no supreme power other than that of making free choice. To any one person this is the supreme limit of individual power in an organised world, and unless it is a real, effective, active force, then any other supposedly democratic forms are mere empty formulae, sterile and worthless. In short, then, we may say that the substance of democracy is the power to permit freedom of choice to the individual, and, following on this, it is quite apparent that in this "material world, in which culture, comfort and even sheer existence itself depend on the supply of goods from a complex economic

the body warps. No person who has a vote can absolve himself or herself from a share in this crime, since it is one that Parliaments could right immediately. The Member of Parliament is the servant of the electors. If enough of them tell him they want a thing done he will do his utmost to see that it is done.

"Such electors as still have consciences might drop a line to their local representatives and let them know what they think about this.

THE PROTOCOLS

The fourth article of this series, through pressure of space, has been held over until next issue.

system, this freedom must include, as a first essential, the power to make economic choice; that, as Douglas has termed it, "Economic Democracy" must precede political liberty.

This insistence on the importance of the individual is completely at variance with the popular doctrine, though it is so evidently more correctly founded than is the latter erroneous conception. In this the New Democracy is in perfect agreement with the teachings of Christianity regarding the importance of the development of personality, and, in similar manner, it must define those limits where the insistence on my choice means a curtailment of yours. This indicates the true importance attaching to the phrase, "The will of the people must prevail," meaning, not that the majority must tyrannise over the minority, but that the freedom of choice of the people must not be impaired by any action, political or economic, of any section or interest.

We have now examined two points. First, "the people"; second, the "supreme power"; and there remains the phrase "in the hands of," in the examination of which we shall lay bare the real power that stands behind the Electoral Campaign.

POPULAR MISCONCEPTIONS.

Orthodox political doctrine teaches that, in order to place power in the hands of the people, it is necessary that every elector shall be fully informed on all political questions; that he or she shall be competent to pass an opinion on technical matters of legislation or economics, and that failure to reach this standard is failure of democracy, a failure which can only be avoided by resort to an alternative form of government, one such, based on a centralised control, being freely advocated today by many quite well meaning people.

It is also stated that until every elector understands the methods by which liberty is at present withheld it is quite hopeless to expect the dawn of the new day of freedom. These conceptions, if true, would defer democracy to a day that is never likely to dawn, for the whole idea is quite foreign to the ordinary, accepted methods by which one achieves results in normal life or in business; methods which are demonstrably the correct ones, and which must provide the underlying ideas of any political action that is likely to prove successful.

If we desire to build a house we employ architects and builders and, having told them what we want, we do not, if we are wise, attempt to tell them how to do it, though we reserve the right to criticise any result which differs from what we ordered.

In similar fashion, the shareholders of an industrial company invest their money with the declared intention of receiving dividends, and to further this aim they elect directors to manage the affairs of the company and to employ such technical assistance as may be necessary is clear that this method can, and must be applied to the affairs of the nation, in which the citizens, typified by the shareholders, are concerned only with the results" which they desire to see attained. These they must state clearly, and not permit any deviation from them except under conditions over which man has no control.

These desires, or demands, are the instructions to their elected representatives to get on with the task of implementing them, and it is quite a mistake for either shareholders or citizens to indic-

ate methods, though they are at liberty to reject both an unsuccessful method and the board or government that employed it.

THE FUNCTION OF PARLIAMENT

The function of Parliament, like the board, is to take the steps to translate desire into accomplishment. This they do by appointing experts to devise methods of action, and by authorising the necessary steps. Should the plan prove unsuccessful, it is their duty to stop it before it goes far enough to cause damage, and to appoint other advisers who have a different scheme. These methods are in constant use in our daily lives, and provide the only hope of achieving our political desires within any reasonable time, and without the necessity of violent revolution.

The demand of electors must be for true democracy, that is to say, it must ask and receive the fullest measure of economic security that is possible within the productive capacity of the country; and this, in this world of scientific achievement and power production, is nothing short of the total Abolition of Poverty.

This result is within the acceptance of all men, and with few exceptions all will join in the demand for this; it follows, therefore, that if we who are informed of this plan will band together to work for a short while to organise this, we shall in a few short months be in a position to say to politicians those words that are the prerogative of supreme power wherever it resides: "Get on or get out!"

BEGINNING EARLY

The Times (says *Social Credit* of June 14), has been worrying itself as to whether children nowadays are given too much pocket money. "Is a child's pocket-money," it asks, "always or sometimes an unwise indulgence, or a positively desirable thing inasmuch as it is the means of early training in the use of money?"

This reminds us of the unemployed man who was arguing with his approved society about the provision of a set of false teeth. He ended by saying that he was hardly getting enough food to need them, so they need not bother about it after all. *The Times*, however, seems inclined to think the children of today are acquiring shocking habits of thriftlessness, and quotes cases of where they have been spending a whole shilling a week on sweets, cinemas, books, hobbies, journeys with sports teams, and so on.

But Dr. Marie Stopes goes much further than this and denounces pocket money as "the root of the great evils of thriftlessness and irresponsibility as well as of the false notion that money is to be had without work." *The Times* says: "No payment without work is her rule," and ends up the article with an exhortation to parents to teach their children the value of money.

Shades of Hogarth! We are still living in an age, which points a warning finger at the Rake's Progress. "Learn the Value of Money" is one of those maddening moral phrases, which irritate boys and girls. They only know that they want the things that money will buy, and that to save it seems just as bad as throwing it away.

And their instinct is quite correct. Money is meant to be spent, and the economic system relies not only upon a sufficiency of money in people's pockets, but a sufficiently rapid spending of it. Apart from the chronic shortage of money in people's pockets, due to our faulty accounting system, moral exhortations to save because saving is a virtue only result in further stultification of the system through millions of savings being shepherded into cold storage.

DEMOCRACY AT THE CROSS ROADS

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

Reviewing this work, the *New Economics*, Melbourne, said: "It is a good book—one which can be recommended both to the inquirer and to the convinced advocate (of the Douglas Proposals)."

Order your copy from your bookseller, or direct from the author-publisher, 91 Walpole Street, Kew.

SCOTLAND DECLARES WAR ON MONTAGU NORMAN

Glasgow Council Defies the Bank of England

For a long time past there has been bitter dissatisfaction amongst English and Scottish municipalities at the manner in which their finances are controlled by the Bank of England. Matters are now coming to a head, and Glasgow Council is in the vanguard of revolt.

Under the title, "Challenge the Money Barons!", the story has just been told in an editorial in the influential (and independent) London newspaper, *Reynolds's Illustrated News*, which says:

"Glasgow's Labour Council has challenged the right of the Bank of England to rook its ratepayers on behalf of the City of London. It is a challenge which every good citizen and every advocate of sound finance will desire to see sustained until the power of Money Barons is broken.

"There are forty municipalities awaiting sanction by the Bank of England to issue loans amounting to £45,000,000. Security for these loans rests upon the rate paying capacity, the enterprise and moral worth of great communities; it is security far exceeding any that can be offered by private enterprise today.

"But the Bank of England is the stronghold of private enterprise. Without any legal right whatever, it makes these municipal loans the Cinderella of the market, launching them to suit the convenience of the moneychangers, dictating, on behalf of the private investors it represents, the interest and profit they must bear.

"Recently the City of Manchester sought to borrow £4,000,000. The Bank insisted that the citizens should credit investors with £100 for every £99 they advanced, and pay three per cent, interest on the money. That interest will be paid on the money that was not as well as on the money that was provided. Manchester's loan was over-subscribed—to the tune of £96,000,000! "Glasgow, seeking a paltry £2,500,000, was offered similar terms. Wisely, Glasgow rejected the terms, refused to become party to the Bank of England's policy.

"That policy is to make money-dear. The Bank aims at raising usury's toll on municipal loans in order to make them more attractive; attracting investment from State to municipal loans, it would drive up the interest on State borrowing. The Bank would line the pockets of financiers at the expense of ratepayer and taxpayer, even though industrial enterprise and development be stifled.

"That is an anti-social policy, an effort to impose the dictation of Finance upon Industry.

"In the result, Glasgow has raised its loan on the strength of its own good name, and on terms which will save its citizens £110,000 in interest and underwriting.

"The reply of the financial Penguins is to forbid Stock Exchange dealings in the loan, to render the stock unsaleable on the money market, and to prevent it from being transferable.

"That, too, is an unwarrantable and, we believe, illegal interference with the rights of free citizens. But municipal stock need not be transferable if it can be made withdrawable. The obvious answer of the municipalities to the City of London is to form Municipal Banks, and to create a Corporation of Municipal Banks, whose associated strength would make them independent of the usury-mongers. And the obvious action of the State is to nationalise the Bank of England and direct its policy for nation's good."

In connection with the action of the Council it has been announced that all its members, irrespective of their party affiliations, were unanimous.

INTEREST OR PRINCIPLE?

In the case in point, it will be noticed that the rebellion of the Glasgow Council has been only as to terms and conditions. They have not yet got down to principles. They do not, apparently, dispute the right of Mr. Montagu Norman and his henchmen to create and destroy money, but only their right to do so in a patently usurious manner. Indeed, it is quite probable that many of Glasgow's worthy councillors may still believe that the Bank is merely lending them someone else's deposit!

But the great thing is that the representatives of the people of this city have definitely struck a blow against the money monopoly. They have become aware that it is their enemy; and it has usually been a characteristic of the Scots, once apprised of an enemy, to investigate him pretty thoroughly. In which case, the Glasgow councillors may shortly make a remarkable discovery. They are already wroth enough to find that, being offered £99, they are expected to pay interest on £100. And if they leave the ninety-nine for the one which was lost, how will they react when they find that the whole flock is begotten by the banker with no more effort than penmanship?

FORESTALLING REBELLION

An aspect of this first engagement, which should not be overlooked is that, the bankers, foreseeing similar rebellions, have long since taken protective measures. Glasgow may get its £2½ millions, which is relatively an insignificant sum in a country whose national debt is nearly £8,000 millions. But there is no real measure of escape in that direction.

A loan from a banker means the creation of new money. A loan

To New Readers of the "New Times"

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from anyone else is the assignment of money already created by a bank and not yet cancelled through the repayment of bank loans. But the banks have seen to it that there will not be any really considerable amounts of this latter nature loose in the community to play the part of a Frankenstein against them. They have inveigled the greater part back into their own keeping as fixed deposits. Most of the other accumulations are in the hands of assurance companies, trustee companies, pastoral companies and the like. And on the boards of practically all those companies—as has recently been shown in the *New Times*—the bankers, if not yet supreme, are at least becoming daily more and more powerful—so

powerful as to make it unthinkable that such institutions would act against bank interests or bankers' advice.

Outside these avenues there are only the moneys lying loose in current account deposits. And of those sums, big as they may be in the aggregate, very little indeed is available for investment, since they represent almost entirely house-keeping or business accounts needed for immediate use.

There is no escape from the money monopolist by twisting his tail. He must either be deprived of his power, root and branch, or else be submitted to on his own terms.

Still—*here's luck to Glasgow!*

LET'S HAVE A PLANNED ECONOMY

By D. IZZIE.

What a fine sound "planned economy" has, and what a fine subject for the after-dinner speeches of bankers, politicians and economists. It's so good a term that no one dares expose his ignorance by asking what it means.

I was not always an advocate of planned economy, but that was due to my lack of understanding. In the days when I thought it meant organised saving I tried it out, but whenever the bank account showed promise of setting-up a new record, it coincided with the income tax assessment or some other necessary expenditure. Virtue never rose triumphant. I was undecided whether lack of will power or income was the cause of my failure, and gradually lost interest.

With the advent of the Premiers' Plan I thought I was going to have a demonstration of how it should be done. No lack of determination here; the whole country supported it, adopting the facial expression of Mussolini and the figure of an hourglass. True, there seemed to be some lack of income, but that was advanced as the reason for the adoption of the Plan. Confident now that my failure was the result of the idea being carried out on too small a scale, I awaited results. Saving was the catch cry and it was imposed on everyone, but more especially on the poor, like old-age pensioners. The country's failure was even more ignoble than my own, for at least I did manage to keep out of debt. The nation saved like the deuce but increased its debts even more rapidly. That convinced me that my idea of planned economy was wrong.

WHAT THE BANKERS MEAN

Now I have a fair knowledge of what the bankers mean by planned economy. They've noticed that the world is full of food and other necessities, but that the manufacturers of all these things cannot sell them. This waste of good material shocks them, and so they cry for planned economy. Produce the exact amount that the consumer can buy, then all our produce will be used as soon as made and everything will go along steadily. Good-bye, Depression. Prosperity is regained.

Nobody ever says much about how this most satisfactory state is to be realised, so I feel it a duty at least to give an outline of the scheme. First of all, the whole nation is divided into two groups, the first a small one called the "Planners," and the other comprising everyone else, called the "Planees" (if I may use such a word)—otherwise those who give orders and those who take them. When the time comes do your best to get into the first group, as they have all the fun.

Having made the initial division the Planners start work. They estimate or find out how much

money the consumers have to spend. (Consumer includes everybody, but of course the Planners will be the largest consumers.) Then they decide how much goods the producers must turn out to get it from them. That finishes the job as far as the consumers are concerned, so the Planners are then free to do a bit of planning for the producer. They tell him to reduce his costs and he'll be able to sell more. The producer recognises the wisdom of this and starts to rationalise his factory, or whatever it is he has. That means he installs more machines and does without a few workmen, which is really no hardship for him, as one machine can do the work of several men. This goes on for some time, until eventually the producer asks the Planners why he is not selling more of his product as they told him he would. The Planners think a bit, and finally discover that the consumers haven't as much money as they had before. "National income has fallen," they tell the producer, "and unemployment is more intense. You have two alternatives. Either reduce your costs further, so that the consumers can buy your product, or else export more."

THE LIMIT.

Prosperity gets more and more intense as the producer progressively reduces his costs and exports his ever-growing surplus. The limit is reached only when all the work is done by automatic machinery, when everybody is unemployed and when all the goods are exported. Prosperity is then triumphant.

Theoretically it is possible to reach this state, but in practice it is unlikely to be achieved. The main reasons for the plan not being a hundred per cent, effective are that other countries might not like to import such volumes of goods, and, secondly, that the men displaced by the machines would tire of eating grass.

When this happens the Trades Unions will apply to the Planners for a shorter working week—let all share in the work that is left to be done, but do not reduce our wages. This is easy for the Planners. Soon all are working a few hours a day at the basic wage and the Planners start trouble with the producer for raising his prices when he has been told to reduce them. The producer, of course, mentions that the Planners have increased his costs by making him pay more wages. And so the same old fight continues.

The Planners issue a report: "There are many tendencies in modern trade. Some are complementary; some are antagonistic. Somewhere there is a point of optimum equilibrium. When we have found it we will arrange for its fixation, and until then we urge the necessity for co-operation between all sections."

This tells you enough for you to form your own conclusions about this planned economy

"THE ECONOMIST" ON PARADOXES

That organ of "sound" finance, "The Economist," recently restated the paradox of poverty in plenty as "the paradox of unemployment in the midst of plenty." This shows a strange ignorance of the meaning of the word "paradox." According to the dictionary, a paradox is a statement, which is at variance with common sense. People work to make goods that are wanted. If the goods are not wanted—i.e., if there is plenty already, then there is no need for their work.

Now, that is pure common sense and therefore not a paradox. But poverty amidst plenty is nonsense and should not be tolerated by sensible people.

What is "The Economist" thinking about? Does it not know that this is a power age in which fewer and fewer people are required to work because machines are doing it instead? The paradox is that people get money to buy the product only as a reward for working, and therefore don't get enough.

A RICHER WORLD

"The Economist" says: "In spite of the destruction of the war the world is much richer than in 1910 . . ." Apparently the lie that the world was poorer for the war and therefore that belts must be tightened and everyone work harder, is dead at last. Like Richard II it has been "an unconscionable time a-dying," for it was denounced by Major Douglas sixteen years ago when he pointed out that in real wealth, and the means of producing it, Great Britain was much richer as a result of the war.

The sentence partly quoted above concludes, "...and these advances in material well-being have spread to all those members of the community who are fortunate enough to be in work." Quite, and by means of a National Dividend, each advance in material well-being will spread to every member of the community, whether working or not. Thus each will enjoy a share of the commonwealth produced by the communal inheritance of knowledge and skill. — "Social Credit."

which is the hope of salvation for orthodox economists and Socialists alike.

ORGANISED SPENDING.

A more reasonable and therefore not generally considered interpretation of the term might easily be called Organised Spending. Let the producers produce as much as possible, and let us so arrange our money scheme that the consumers are able to buy all of it they want. If the consumer has the money to buy, then each time he makes a purchase he will give his order to the producer for more of that article.

It is possible for every industrialised nation to produce more than enough for its own people. Let us so plan our economy that everyone is able to buy what he requires and then plan our production when everyone is getting all that he needs. It seems simple, but of course our Planners are looking for a complicated way out, where they will still order but have no responsibility.

PASS IT ON—ONCE!

GIVING your copy to a friend is a help to us—if you do it once. It is of much more assistance if you get him to BUY it himself in future.

America's Radio Priest Demands Freedom From Bankers

FR. COUGHLIN'S HISTORIC SPEECH IN NEW YORK

The Programme of a National Union for Justice

Fr. Charles E. Coughlin, whose weekly broadcasts have made him one of the outstanding figures in America, and whose recently launched National Union for Social Justice now numbers its members by the million, is once again the object of a determined attack. This courageous champion of the victims of finance has already fought and won many battles. He has repeatedly found radio stations closed against him. He is even at the moment appealing to the Chicago courts against the action of a park trust in banning a meeting of his National Union, which has 200,000 members in that city. Calumnies have been spread as to alleged financial graft on his part and on that of his associates. Every type of lie has been disseminated about him personally. In desperation his very house has been bombed. Now, according to the latest American mails, his activities—which have for some time past been criticised by certain other members of his fellow-clergy—have been denounced as being contrary to the ecclesiastical laws of his Church.

The "New York Times" of June 23 features as a front page story this latest attack, which is launched in the American "Ecclesiastical Review" for July by Rev. E. Dargin, reputed Canon Law authority of the New York Archdiocese. The charge is, of course, that his activities are political, and, therefore, as such, forbidden to the clergy, although the writer (as would be expected) is prepared to concede that "the real, motives and sincerity" of Fr. Coughlin cannot be questioned.

The "New York Times" states that from inquiries at Vatican City it is considered unlikely that any action will be taken from Rome to stop Fr. Coughlin, who was recently supported by his Bishop, Michael J. Gallagher, of Detroit, in these words, broadcast to the nation: "Freely I give him my imprimatur on his written word and freely I give him my approval on the spoken word. Until a lawful superior rules otherwise, I stand steadfastly behind this priest. Father Coughlin, encouraging him to do the will of God as he sees it and I see it." The attack from within has not by any means been allowed to pass unchallenged. Thus the "Michigan Catholic" of June 20, in a front page editorial headed, "Is Father Coughlin Breaking Canon Laws?" characterises his critics as "little literary gliders trying to hitch hike on the giant airplane of Father Coughlin's popularity." Dismissing the attacker as a "hitherto unknown cleric," the editorial goes on to say: "Father Coughlin has repeatedly announced he is organising no political party. He is advocating a movement championing certain principles of social justice, which men of both major parties can uphold. Father Coughlin has announced that his role is that of a teacher; that the National Union's efforts for legislative figures will be left to lay leaders, and that he will not be a candidate for any political office. All fair-minded citizens with a sense of social justice agree that he has done more than any other individual to popularise the social teachings of the Church."

The editorial concludes by citing "one of the most learned and deep thinking Bishops of the United States" as saying that Fr. Coughlin is "saving the prestige of the Church before the working men of the country, who would otherwise drift into Communism."

THE MADISON GARDENS ADDRESS

What of the activities which have brought to this priest the support of so many millions of U.S. citizens of every denomination, and the bitter hatred of monopolists and reactionaries? We set out below (with the omis-

sion of a few paragraphs of passing and local interest) the full text of the speech delivered by Fr. Coughlin in Madison Square Gardens, New York, some weeks ago, when many thousands had to be turned away from this huge place of assembly. Fr. Coughlin said:—

"As the National Union makes its first appearance in the State of New York, it assures this audience that its purpose for existence is to help in establishing social justice in America.

"It is our belief that this can be accomplished more satisfactorily by clinging to the constitution of the United States than by surrendering our form of government into the hands of a dictator, be he Fascist or Communist.

"In these days, which are characterised throughout the world by so much social discontent, there must be a well-founded reason for this discontent.

"Eighteen years ago we marshalled our battalions for the purpose of keeping the world safe for democracy. Nevertheless, the world witnessed the passing of this form of government in Italy, in Austria, in Germany, and elsewhere. It also witnessed the passing of Russian imperialism, and in its place the establishment of radical Communism. . . . It is my belief, however, that the world did not suffer from too much democracy, but rather from too little of it. It is my further belief that while the United States of America masqueraded under the name of democracy, it was really operated as a plutocracy.

Government Of, By, and For Wealthy

"Thus, if the National Union proposes to assist in rectifying the many social ills from which we are suffering, it does so with the specific hope of re-establishing the real democracy which was entertained in the minds of our forefathers, thereby bringing to an end the rule of those whose concept of government is 'of the wealthy, by the wealthy, and for the wealthy.'

"Let me explain this profession of faith in our form of government, which is 'of the people, by the people and for the people.' 'Centuries before Christ there stood at the market place at Athens the assembled citizens of the State, not only to elect representatives, but actually to participate in the passage of laws. There was government by the people.

"It is a far cry from this 'first realistic appearance of democracy to our present day. While we have retained the name, in one sense, we have lost the spirit of this form of government.

"The City-State of Athens, with its population of less than sixty thousand citizens, was transformed into a federation of States with a population of more than one hundred and thirty million citizens. The ancient market place assemblage became an impractical and impossible device, due to our growth of population and expansion of territory. If democracy was to exist, it could exist only by citizens delegating their legislative powers to duly elected representatives.

No Choice of Candidates.

"I daresay, until 'one year ago, there was less real representation in the American democratic form

of government than there was in the empire of the Kaiser or in the territories ruled by Mussolini and Stalin.

"Citizens were forced to elect to office representative's in whose selection they had played but little or no part. In turn these representatives became subjected to the influence of vested lobbies of wealth and of intellect. The steps of the Capitol and its committee rooms were eternally crowded by ambassadors of wealth of capitalistic industry and of high finance.

"Your Congressmen were necessarily subjected to a barrage of propaganda which lent itself to the establishment of a plutocratic form of government.

NO THIRD PARTY PLANNED

"My friends the National Union entertains no thought of establishing a third or fourth political party. In itself it is no political party any more than is a news journal. With news journals it is interested in Congressional candidates and in sound legislation.

"Because it is independent of banker-controlled advertisers, its interest is for the common good of all the people and not for the class good of the wealthy.

"Therefore, in our effort to restore democracy to the American people, the National Union asks no citizen to desert the political party in which he is interested. We do appeal to you to interest yourselves in the elections in order to select within your own party a suitable Congressional candidate, pledged to the principles of social justice.

"We further appeal to you to remember that you are Americans first; Democrats or Republicans or Progressives or partisans second. On this basis, therefore, we urge you to cast your vote for that person of good character who publicly has pledged himself to support those principles which are above all parties and which are proclaimed for the benefit of all Americans.

"If the histories of political parties in this nation teach you any lesson, you dare not be ignorant that we have had inflicted upon us representatives of both the Democratic and Republican creed who, despite their allegiance to either party, oftentimes were subservient to a common power of plutocratic domination. The National Union advocates that you vote for that candidate who has courage to profess publicly and openly his support for the specific principles of social justice. His very pronouncements or his failure to publicise pronouncements is the secret of your organisation.

"The National Union supplies the principles. The candidate and you yourselves apply them. This is the first and necessary step in the restoration of democracy as originally conceived.

Keep in Touch With Members.

"One hundred years ago Samuel Morse perfected the telegraph. This invention plays an important part in the restoration of democracy to the American people. Real democracy is not only satisfied to elect suitable representatives to Congress, it is likewise interested in the passage of specific legislation. The Na-

tional Union, employing not only the radio, but also utilising the telegraph, or, when time permits, the nationally owned post-office, proposes to revive the meaning of democracy as conceived by the fathers of this country and practised by the Athenians centuries before Christ. By means of the radio, information relative to desired or proposed legislation is brought into your home. By means of the telegraph or the post-office, the National Union urges you to contact your representatives to inform them of your thought on any specific legislation. This is government by the people and for the people.

"Hitherto the persuasive lobbies of the United States Steel Corporation, the motor industry, the United States Chamber of Commerce, the American Association of Bankers kept their professional advocates at Washington. These men impressed their views both upon the President and your congressmen.

"Behold those whose feet cluttered the steps of the White House and of the Capitol, representatives of wealth, representatives of class legislation! The people of a democratic country were seldom represented.

"Thus the National Union openly professes that it is an articulate, organised lobby of the people, to bring united pressure upon congressional representatives to obtain passage of those laws which are for the people solely. Congressmen so drunk with the wine of authority as to oppose the expressed will of their constituents can no longer be tolerated in office.

BANKERS SOUGHT TO CONTROL LEGISLATION

"At this juncture permit me to read a letter published in the year of 1877 by Mr. James Buel, secretary of the Associated Bankers of New York, Boston, and Philadelphia. This letter bears out what I have been saying relative to class rule and class lobbying. It reads:

"It is advisable to do all in your power to sustain such prominent daily and weekly newspapers, especially the agricultural and religious press, as will oppose the greenback issue of paper money, and that you also withhold patronage from all applicants who are not willing to oppose the government issue of money. 'Let the government issue the coin and the banks issue the paper money of the country, for then we can better protect each other. To repeal the act creating bank notes or to restore to circulation the government issue of money will be to provide the people with money and will, therefore, seriously affect our individual profits as bankers and leaders.

"See your congressman at once and engage him to support our interest, that we may control legislation.'

"Once more I repeat the concluding words of that letter, 'that we may control legislation.'

"From that day until this moment it has been the desire of this group to control legislation. From that day until this it has been the desire of this group to control the press either directly or indirectly through banker-

controlled industry and advertising. From that day until this that same organisation, and others similar to it, have raised the red flag of bigotry and have paraded their kept men on public platforms to assail any individual or any group daring to oppose them.

"If they have perfected organisations to control legislation, why should not the people?

Play Factory Against Farm.

"Let me stress for you, then, the next point in the organisation and operation of the National Union. This point is titled 'solidarity.' It is explained as follows: It has been the habit practised by congressional candidates to have one doctrine for the farmer and another for the labourer. The Republican or -Democrat in the farm district, preaching production at a profit for the farmer, had nothing to say about a living annual wage for the laborer. The party candidate in the manufacturing districts, while angling for votes from the laborer, had nothing to say about the farmer.

"As a result the factory was played against the farm. The city was pitted against the country.

"Bill after bill was introduced in Congress only to be pigeon-holed or voted down because there was a lack of common platform for both the farmer and the labourer and the citizens as a whole in the United-States.

"Now, I approach you with the positive side of our doctrine of solidarity.

"You labourers in the city have voted for years to obtain a just and a living annual wage. What has been the history of your activities? Of the 35,000,000 or more industrial labourers in the United States no more than 6,000,000 are organised for action. Your hopes were anchored in the National Recovery Act, which failed to beget recovery. Yesterday your hopes were blasted when you read the new deal wage scale of 19 dollars—94 dollars a month, which will become the standard for labour. You were not organised. You were a disorganised, individual minority.

All Fighting Unaided

"The farmers of every State in the Union, especially since 1920, have followed their ploughs down furrows at a loss for every foot of soil that was upturned. And what have they received from the new deal, except bribes for not producing? When your just bills were presented to Congress, did the congressmen from the city support them? Did labour stand behind you?

"The small merchant has been fighting his battle for survival, the small industrialist has been seeking to avoid being swallowed by the monopolies which are protected by lop-sided politics—but alone—always alone!

"Now the purpose of the National Union for Social Justice is to solidify agriculture and labour, small business and small industry and every other worthy minority unit in American life.

"When social justice legislation is advantageous for the farmer we propose to throw the entire strength of the National Union, labourer, soldier, industrialist, merchant, back of the farmers' project.

"When the labourer, single-handedly, is working for a just and living annual wage, our purpose, independent of party politics, is to throw the amalgamated forces back of labour's fight for social justice.

"It is one for all and all for one. It is a policy, which believes that in unity there is strength. It is an organization, which subscribes to the theory that there is no prosperity for anyone class

unless there is prosperity for all classes.

Urged to Join Unions.

"While we advocate solidification of the broken segments of African life; while we advocate a philosophy of get-togetherness the part of the labourer, the farmer, the soldier, the merchant let it be clear that the National Union in nowise desires to disrupt the unity of the labourer in his organisation, or of the farmer in his unique organisation. On the contrary, the National Union advocates that every man who earns bread by the sweat of his brow—every labourer, if he is true to the principles of Americanism will join some labour union, which is free, on the one hand, from the dictatorial powers of the capitalists, and, on the other, from the subversive elements of the Communists.

"Unionise" yourselves" is our slogan to the labourer and to the farmer.

"The National Union is merely an organisation where the just social demands of labour and agriculture and every other worthy minority can meet for concentrated action, for unified assault against those prostituted politicians who, until now, have been playing one against the other for the benefit of the plutocrats.

"Our desire is to solidify minorities where, in a solid Phalanx, we will fight together, we will win together for God and for country. My friends, does this meet with your approval?"

The National Union for Social Justice is merely the hub of a wheel. Its spokes are the American Federation of Labor, the brotherhoods, the Farmers' Union, the Farmers' Holiday, the Grange, the organisation of merchants of professional men, of youth movements, of housewives, all of whom are bound together by the steel tyre of the sixteen points of social justice.

"The National Union is the hub and the rim without which spokes are useless and the fight for social justice is doomed to failure. The National Union brings this new philosophy of democracy to the attention of every senator, of every representative.

"Together we stand, divided we fall. Solidarity is our watchword. It is the political foundation upon which the entire success of the National Union stands or falls. A true lover of social justice, from this time forward, will not support the labourer and disparage either the soldier or the farmer.

80,000 Fewer Factories.

"Unless this doctrine of stand-togetherness is reduced to practice on the part of labour, agriculture, the small industrialist and small merchant there is little hope of rectifying the economic distress evident in America.

"Perhaps I can show you the necessity for concentrated, united action if, with figures taken from the 'Official Federal Reports' and the 'Report on the National Income and Its Purchasing Power', I describe for you the activities of the plutocrats in a so-called democratic nation.

"1. In 1919 we had in the United States of America 274,402 manufacturing establishments. By 1927 — eight years later — despite our increase in population and exports, these manufacturing establishments decreased by 30 per cent. leaving only 191,866 manufacturing plants in operation.

"These figures prove there was a tendency towards monopolisation; that business, as conducted in this nation, was programmed and geared only for the few.

"It was fast becoming a grim reality that, in the United States,

there was no place for the small businessman.

"Only that plant which was associated with a large banking house could secure loans to purchase labour-saving machinery. The little industrialist, who refused to sell his birthright and share his profits, not with the labourer, but with the banker, gradually was being eased out of industry.

Fewer Workers in 1927

"2. In 1919 these manufacturing plants employed 9,039,171 wage earners. Eight years later this wage-earning group was reduced to 8,349,755. Here, again, we find, despite our increased population and exports, fewer labourers were required — a decrease of 689,416.

"3. According to official figures, the factories in the past ten years, ending with 1933, produced 42 per cent more merchandise with 500,000 fewer factory workers than in the ten previous years.

"In the prosperous year of 1929, industries upon which 40 per cent of our wage earners depended for a living, employed 900,000 fewer wage earners than in 1919, although 1929 production was 50 per cent, greater.

"Our railroads, for example, increased their business 7 per cent, with 250,000 fewer employees. Our coal mines surrendered 23 per cent more coal with approximately 100,000 fewer miners. A tremendous increase in the production of textiles, motorcars, practically every mass production article was noticeable, while there was a marked decrease in the number of labourers employed.

"Year by year, despite a decrease in the number of manufacturing institutions, there was a gradual increase in the number of articles produced, accompanied by a falling off in the number of men employed.

"And what of the future?"

"The scientist is not going to vanish. The engineer of to-morrow does not plan to put his brains in cold storage. The fact is, there will be fewer factories and fewer labourers required five years hence than there are today. And there will be greater production five years hence than there is today.

UNEMPLOYMENT MUST INCREASE

"In face of these incontrovertible facts, what American citizen is willing to give approval to any make-shift policy which is content to expend a meagre 50 dollars a month for administration work relief? As the years progress, industrial unemployment will increase in proportion to the increase in industrial inventions. Whether we know it or not, we are permanently faced with a permanent public works programme. We dare not offer those who labour thereat an unjust wage that will breed in their hearts the spirit of Communism.

"There is an American standard of living. There are fields golden with grain and white with cotton, sufficient to supply all the food and raiment required by every person. There are factories and industries capable of producing all the necessities and conveniences of life, which we have been educated to expect. There is no necessity of suffering want in the midst of plenty because of a vicious system which for the last 50 years or more has operated to concentrate wealth in the hands of a few — a system which siphons the profits into the purses of the monopolistic manufacturers and the bankers.

"Man has won his victory over the menacing mysteries of the unkind elements. The old tools have given place to the new. The wheel, the nail, the spade and the broad axe belong to the past! Steam, electricity, the power lathe, a myriad number of automatic devices have outmoded them all.

The battle for production has been won! Henceforward less and less factory labour is required.

Solve It In American Way.

"Our problem of distributing the wealth of this nation can be solved in a democratic, American manner without recourse to the imported heresies of Moscow or the dictatorial mandates of Berlin.

"Instead of harnessing the labourer and the farmer, our business is to harness the profit-making of the monopolistic industrialist and banker.

"4. Now let us change our point of vantage and view these facts from a different angle.

"In 1914 the value of the products manufactured in our industrial establishments was approximately 24 billion. In 1921 this value increased to 44 billion. In 1923 it skyrocketed to 60 billion, while in 1929 it reached the stupendous figure of 69 billion.

"Not only was power concentrated in the hands of fewer industrialists; not only did our population increase by more than 25 million persons; not only did the wealth produced by these industrialists increase by almost 300 per cent! The astounding and frightful figure associated with all this is that there was a steady, devastating decrease in employment and in wages also. The more business carried on the fewer wages were paid. "As far as the wage decrease, which accompanied the wealth increase, is concerned, let us put these official figures on the books of our memories.

Workman Didn't Share.

"In 1923, when modern capitalism was in bloom the total volume of wages paid to workingmen in the manufacturing industries was 11,007 million dollars. In 1929, when the annual value of our manufactured products had increased 9,000 million dollars over the 1923 total, the volume of wages in the manufacturing industries was still approximately 11,000 million dollars.

"Need I ask you who it was that shared in this profit of nine billion dollars more wealth? It was not the workingman. It was the financially controlled industrialist who appears before you today with his programme of low federal wages as he shirks the inevitable programme of sharing the profits.

"To emphasise this point, let me explain to you that while the total wages paid to the working men during these years of increased production scarcely varied, in 1922 the total dividends paid to the owners of industry by all corporations in the United States was 930,648,000 dollars. In 1929 these dividends increased to 3,478 million dollars—an increase of 356 per cent, for the owners of industry — but hardly a dollar's increase for the labourers employed in industry.

"This is what I so often referred to as the concentration of wealth in the hands of a few. This is the system of modern capitalism, which, from Governmental analysis, proves beyond dispute or question that there is no just sharing of profits in this nation.

"Finally, these are the figures known by everybody in Washington from President to page-boy as they enter the halls of Congress to rectify the ills of a so-called depression.

"These official facts which I have outlined for you demonstrate mathematically that there is no proper distribution for a just, annual, living wage. They indicate to you that the time for unified action has arrived.

DISTRIBUTION THE CHIEF PROBLEM

"The social problem of paramount importance, then, is concerned with the distribution of

our national wealth. For many thousands of years men struggled to produce the bare necessities to sustain life. From the primeval swamp and its succeeding stone and iron ages it is a far cry to our present day with its mechanical perfection.

"In approximately one hundred and fifty years the citizens of this nation tamed the wilderness. Highways of steel and cement linked compactly our far-flung States. Cities have sprung up where wigwams stood. Through the genius of our scientists and engineers, together with the able and willing hand of our industrial labourers, farmers have produced a national wealth hitherto undreamed of.

"I repeat the problem which confronts us is how to distribute this wealth. The Communist and the thoughtless radical, forgetful that civilisation cannot prosper unless the natural right to private property is protected, is willing to solve this problem by confiscating all the wealth of the nation, by nationalising it under the control of a political dictator.

"The plutocratic capitalist over-emphasising the legality of private ownership runs to the opposite extreme as he advances equally wild theories opposed to any public ownership. He is satisfied with politics as he finds them today—perverted and controlled. He is satisfied with the economic system through which he operates—selfish and unsocial. "While opposed to Communism, with its hatred both of religion and of private property, the National Union is likewise opposed to modern capitalism, with its disregard for Christian charity, which bids us to behold our fellow-man as our brother, and its determination to possess even the essential necessities of a nation in the hands of private individuals.

"Social justice teaches that some things by their nature are too important to be owned in private. Among those things are specified money or credit.

COINAGE THE RIGHT OF CONGRESS

"Following the thought expressed by the greatest churchman of our age, Pius XI, and in harmony with the written word of our American Constitution, social justice teaches that the people or Congress has the right to coin and regulate the value of money.

"This is Christianity, not Communism; for never once did Karl Marx attack the international bankers and their satellites who were more responsible than any other class for generating the misery which we have experienced.

"This is sound Americanism conceived by the framers of our Constitution, although it has been denied by those who have perverted our democracy.

"In the scheme of civilisation no sane person can regard money as wealth. In our scheme of civilisation money is nothing more than the lifeblood, which distributes wealth. Only by the unremitting toil of man thrown against the natural resources of mine, field, forest and stream is wealth created. Money is only the distributing agent.

"For more than ten centuries before the birth of Christ what nation did not consider the right to issue money and regulate its value the vital prerogative of the people?"

"Permit me to discuss, then, this subject of restoring to our Congress its right to coin and regulate money. Unless this can be accomplished, the first step toward a proper distribution of wealth cannot be attained.

"For a period extending back to the days of Napoleon, the money system of the world has been under control of private bankers.

People's Rights Questioned

"Approximately for a century and a quarter the people's sovereign rights have been seriously questioned. These private central bankers — and in this country I refer to the twelve Federal Reserve Banks which are privately owned — created our money and destroyed our money. They substituted for the coin and currency of the nation their privately created credit money, which represents 95 per cent, of all the money in use.

"The following facts I shall place before your attention relative to the legalised counterfeiters of our money.

"In the year 1921, for example, we were informed that there were 58,000 million dollars on deposit in our banks. You and I both know that this 58,000 million dollars was not currency money or United States money. You and I both know there was as much United States money or currency money in circulation in the last decade as there is today—approximately 5,250 million dollars.

"The credit money in the last decade was represented by some 22,000 million dollars of demand deposits alone—namely, deposits which the people of this country had the right to demand from banks. This 22,000 million dollars was created almost wholly by men who gave promissory notes to banking institutions and received in exchange the right to withdraw practically equal amounts.

"This credit money, which does 95 per cent, of the business of this nation, actually shrank to approximately 15,000 million dollars — shrinkage of 7,000 million dollars—during the so-called depression. It was credit money created by the bankers! . It was credit money destroyed by the bankers.

"Now the banks did not own this credit money. They owned only the capital and surplus of their own banks, which capital according to the Federal Deposit Insurance Corporation, amounted to only 3,300 million dollars. It is evident, therefore, that the banks did not loan their own money to the extent of 22,000 million dollars, because they did not own 22,000 million dollars.

Not That Much Deposited.

"The assumption is, in the minds of the uninformed, that they loaned the depositors money. This assumption is only partially true. Some citizens deposited currency in the bank, but when we look at the official figures published by the Federal Deposits Insurance Corporation we learn that the total amount in currency in all the banks valued at approximately 670 million dollars.

"There is a vast difference between 15,000 million dollars and approximately three quarters of one billion dollars.

"This deposited money of approximately three-quarters of one billion dollars was not loaned by the banks to any extent because it was necessary for the banks to retain this meagre currency for their daily bank transactions.

"The question is: Where did the banks get it?"

"The law governing bank loans or the creation of credit money by the banks is this: A bank permitted to loan 10 times the amount of cash deposits. This means that if John Smith deposits one hundred dollars in currency the bank has the right

"No Church can honestly justify war, because wars are caused by economic and not moral differences."

—Rev. W. Bottomley, at Unitarian Church, July 28.



To create a chequebook credit of 1,000 dollars and loan 1,000 dollars to Peter Jones.

"Has the bank the 1,000 dollars to loan? It has not. Roughly speaking, it created 900 dollars of the 1,000 dollars by accepting a promissory note from Peter Jones permitting Peter Jones to issue cheques up to the amount of 1,000 dollars, but praying to God that John Smith would not call for his 100 dollars, which ceased to belong to John Smith the moment he deposited it. The truth is that when Smith deposited his 100 dollars it became the property of the bank, and he became just one of its creditors.

MONEY CREATED AND DESTROYED

That is the way the banking of the most enlightened nation of the world is carried on. The power to coin or issue money or to regulate its values as given to congress under the Constitution is annulled and voided. In the light of the fact that only five per cent, of the business of the country is carried on with United States money or currency money, and that 95 per cent, is carried on with cheque book, credit money or bankers money on a slender 10 percent reserve, there is an appalling transgression of constitutional law.

"No wonder money is created and destroyed and that the movement of wealth is impeded when 22,000 million dollars of time deposits in 1929 becomes 15,000 million dollars of time deposits in 1935. The destruction of this 7,000 million dollars is reflected in terms of prosperity by a volume of business which amounted to 85,000 million dollars in 1929 and to approximately 40,000 million dollars in 1935.

"It is pertinent to ask: 'Against what security does the banker loan this credit money?' He loans it against the property of the borrowers — their farms, homes, railroad stocks.

"He will not accept a return in credit money, but demands that payment be made in United States' currency money which does not exist. If that is not forthcoming the home or farm or factory is seized.

"More than that: although the banker keeps a ten per cent, cash reserve, he is not satisfied with that questionable prerogative.

"In 1913 the Federal Reserve act permitted the local banker to rediscount his loans to the Federal Reserve banks. In turn the Federal Reserve banks were permitted to issue credit to the local bank, also on a ten per cent, reserve.

"Not so long ago the New York 'Herald Tribune' mailed to its advertisers a treatise by Edward Collins. This ultra-conservative paper, with which Ogden Mills; an ultra-conservative Republican, is associated, says that, legally,

a dollar in currency money deposited permits the banks to create 28.50 dollars, including the Federal Reserve banks.

Anyone Can Print Cheques.

"Here, then, is the real printing press money of the nation. Any-job-printer can stamp out the cheques and notes. Waterman and Schaeffer can produce the fountain pens to fill in the amounts, and the ledger entries. Here, then, is how the real money of the United States comes into being.

BANKERS' DEMANDS

"Just recently our Congress made an appropriation to the President of the United States of five billion dollars. This money did not exist. It was created by the bankers. When you taxpayers and your children are called upon to return this money, they will demand this five billion dollars in United States Treasury notes, also billions of

dollars interest. The bankers are demanding a bonus of 81 cents for every dollar expended.

"The banker is demanding his full hire for his created money and that the labourer shall receive less than the prevailing wage. The banker is demanding that he retain his customary standard of living, and forces upon the American public a cruel exploitation by which those engaged in emergency work will be paid slave wages.

"How in the name of God and democracy can the under-privileged be lifted up and the over-privileged weeded out by such a betrayal of promise?

"The real contest in which we are engaged is identified with the question: Has or has not Congress the right to coin and regulate money?

FIVE HUNDRED DOLLARS CAPITAL — CHEQUE FOR TWO HUNDRED MILLIONS!

"In a speech this noon before the American Chamber of Commerce in London, Sir Herbert Robson, who headed the British mission charged with obtaining food supplies from America for Great Britain, said:

"After going to America I was able to incorporate

AND STILL THEY TALK OF "SOLVING" UNEMPLOYMENT!

Egg breaker invented. Breaks 3,600 eggs an hour and separates yolks from whites. Only 640 eggs an hour can be dealt with by hand. —London "Daily Mirror," April 30, 1935.

Ex-clerk invents a machine, which "thinks" like lightning. Not only will it multiply, divide, add, or subtract ordinary figures to places of decimals, but it will do the same with £ s. d. The principle can be applied to weights and measures. There is no machine in the world, which will do what this one does. —London "Daily Express," April 29, 1935.

Robot booking clerks at Liverpool Street Station pour out tickets like machine-guns at rate of 240 tickets a minute. In a twinkling tickets can be supplied to any, of 3,040 stations. —London "Daily Mirror," May 2, 1935.

Robot airliner crosses U.S.A. at 240 miles-an hour. Two thousand six hundred miles by radio beam, and the machine practically untouched by human hand. —London "Daily Express," May 2.

A machine has been erected in the Physics Laboratory at Manchester University to solve differential equations. It will enable rapid answers to be given to problems, which normally take hours

the very important company known as the Wheat Export Company, with a capital of only 500 dollars.'

"Describing how an American loan then was obtained to be spent within nine months on American grain, he said:

"One of the facts which are the unwritten history of those times was my visit to J. P. Morgan's office, where I signed a cheque for two hundred millions.'

"J. P. Morgan, fiscal agent of Great Britain, master mind behind the Federal Reserve Bank, together with the international bankers, succeeded in creating this fabulous amount of money, which loan, later, I presume, was cancelled with the rest of the debts and you people paid for it.

"If I come into the midst of this city, which, in the minds of most Americans has consecrated itself to the worship of Wall Street, I come not to criticise or berate individuals. I come to lift my voice on the doorsteps of a modern Temple of Mammon, only to condemn private money control. I ask you, in the name of Christianity, which abhors Communism, in the name of patriotism, which loves America, to carry on to victory, to restore America to the Americans."

and days to solve.—"The Manchester Guardian."

In his book, "Industrial Economics," an example is given by Professor Kimball of the saving obtained under the mass production system in the simple operation of drilling holes in the corners of square iron plates. To drill these holes in the same place in each plate by hand, taking every plate separately would require considerable skill and be very costly. If a sufficient number of plates are in question, however, they can be clamped together and drilled by a power-driven jig. It was found in the case cited that the labour cost per plate fell from 6.840d to 0.089d, showing a cost ratio of 77 to 1 in favour of the mass production method.

Figures collected by Sir Eric Geddes from manufacturers of tyres, glass bottles, biscuits and wafers, show that even with limited application of mass production methods labour costs have fallen from about 50 to 25 per cent, of the total factory or conversion costs in these industries. Sir Eric observes that at the same time the incidence of other costs has risen correspondingly from about 50 to 75 per cent. —The "Engineer," March 15, 1935.

To the Mothers and Fathers of Australia. Mothers and Fathers of Sons,

At any moment now it may be your lot to decide whether you will murder your sons. There is no use mincing words about it. We all hope that war will not come, and we all equally expect that it will.

Events overseas are moving with terrible rapidity. Blood is already being shed. Mussolini has declared his determination to abolish slavery in Abyssinia, and has given an earnest of his good faith by making a forced levy upon the women of the adjoining peoples.

Our own press is at its old work of glorifying Mars. Day after day it is publishing its lying pictures of burnished cannon and graceful bombers-lying, because it does not photograph alongside them the disemboweled corpses of the sons begotten and reared by you. Your sons!

There is no glory in spilling men's entrails over a blasted countryside. There is no glory in loosing the poisons of hell upon helpless men, women and children; in sending them blinded, burnt, vomiting their racked frames to pieces as they stagger about in helpless misery.

Nor is there justice. Even now you do not know what will be the rallying cry that will decoy you as "Remember Belgium" decoyed you twenty years ago'. You have since learnt officially that, even had Belgium never been involved, a "secret treaty" would have committed you, anyway. Fresh secret treaties are being arranged these days. Will you subscribe to them?

In 1914 you did not understand what you understand in 1935. You know today that there is no true cause for war. You know there is plenty for everyone of everything that mankind needs or can desire. You know that war is being brought about because, for their own profit and power, the secret rulers who control us through money will not permit a fair distribution to take place. Of the countries that will go to war, are any short of GOODS? Or are they, merely short of what are termed markets—that is, of people who have MONEY to buy the goods, which they themselves need, but of which, through lack of MONEY, they cannot avail themselves?

If, knowing these things, you permit Australia to be involved in war you are condemning your own sons to death. And you will go to the grave with the brand of Cain upon you.

LETTERS TO THE EDITOR

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

THE LOAN SWINDLE

It may interest your readers to know that on the 1st November last I formally disclaimed responsibility for any portion of the principal or interest in connection with any further government loans. A letter was sent to the Prime Minister in the following terms:—

"As an Australian citizen I feel that I and my descendants are being wrongly imposed upon by the system of finance under which the Commonwealth Government operates. I therefore wish, as far as my citizen rights permit, to object to the raising of further loans, and to disclaim responsibility for any portion of the interest or principal in connection with such further loans.

"I take this unusual course because I am convinced, after much research and careful study, that all Government activities can be, should be, and must be financed by the utilisation of our National Credit through the Commonwealth Bank without adding one penny to our National Debt or to the annual burden of interest arising from it. If the present members of the Commonwealth Bank Board do not know how to arrange this, or cannot see their way to do it, then they should be asked to resign.

"Will you please have this Objection placed officially on record."

To those who view the money swindle in the same light, I would suggest that they lodge a formal objection also, forwarding it through their local Federal member to ensure that it will receive more notice than a formal acknowledgment from a departmental clerk.

"BRUCE H. BROWN."

Melbourne.

THE GOVERNOR-GENERAL

The Hon. Mr. King O'Malley has been advocating re the above that Sir Isaac Isaacs should have his appointment extended, and, failing that, another Australian should be appointed, and that such appointment should be by referendum of the people.

For many years I have advocated the referendum, initiative and recall, and as one of its oldest advocates I am convinced that the time has arrived when all high salaried officers should be appointed by the voice of the people. I am convinced that had the R.I.R. been embodied in our Constitution the financial evils and other troubles would not have been allowed to force Australia into the present morass of

trouble. There is only one way to control the malign influences, which burden Australia today, and that is that the people should be able to control all legislation and all legislators and make this beloved Australia of ours a real democracy.

It would hasten a fair trial of the Douglas Credit system and other advanced ideas.

W. MALONEY.

Federal Members' Rooms, Melbourne.

THROWING OUT MILK WHILE CHILDREN AND

FARMERS STARVE

Our sincerely earnest and well-meaning daily newspapers, in whose integrity of service we place our utmost faith, have commenced a campaign for the amelioration of the suffering of the children of our unemployed and workless citizens. One paper, particularly, asks its readers to donate the sum of 2/6, which will enable one child who has never yet known what the taste of milk is to have some of this product for a week's supply. What a striking contrast is this to the unmentioned plight of the dairy farmers, notably those in the Epping and Mernda districts, who, owing to being crushed by the financial monopoly on one side and the dictatorship of the Milk Board on the other, are unable to find a market for their produce. In our own particular case we are compelled to throw out and waste between 200 and 300 quarts of milk per day, and, as this constitutes our only source of income, out of which the tax gatherers and rate collectors expect to get their pound of flesh, we ourselves live on air and scenery, cherishing the fond hope that, perhaps, some clay prosperity will remember to turn that mythical corner. Surely our urgent need for consumer credit is right now, if we are to prevent the parasitical financial monopoly from overwhelming us in their advance to achieve their goal, the regimentation of the individual.

D. J. W.

Epping.

(Owing to pressure on our space, a number of letters have been unavoidably held over. — Ed. N.T.)

REMEMBER BELGIUM!

A returned soldier, suffering from a disability due to war injuries, and his wife and seven children (the youngest four and a half) were evicted from a house in Trafford-street, East Brunswick, today.

Their combined weekly income of war pension and sustenance allowances amounts to 24/-. They had been paying 15/- a week rent.

—"Herald, July 26.

"A wrecked ship left many rats which threatened to overrun the island (Lord Howe) and destroy the palms. Now, ratting has become a major industry and the people get a bounty for each tail they turn in. Islanders catch as many as a thousand in three months. Sometimes tails are used for currency, but the Lord Howe story that one was put in the collection plate at a church is perhaps exaggerated."—The National Geographic Magazine, July 1935.

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