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THE

NEWTIMES

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The Hawker as a Tax Gatherer

SPECIALTY SELLING A FORM OF UNEMPLOYMENT RELIEF

It is customary to date the beginnings of our unemployment crisis from 1929. Actually the crisis was well developed years earlier, and so was the unemployment tax, though few of us were aware of it.

If you cast your thoughts back to the years immediately following the war, you will remember that we used not then to discuss unemployment as we do now. We cloaked the problem from ourselves by dressing it up in the uniform of a returned soldier, and we focused our attention on finding the soldier a job—with the emphasis on the soldier rather than the job. From that grew up the idea of preference to returned soldiers, and the smoke of this battlefield obscured for quite a while that our problem was not one of soldiers versus civilians at all, but of Australian citizens elbowing and jostling one another in the line-up for a lesser number of paid positions in industry than there were applicants.

We adopted a number of palliatives. One was the series of tragic farces such as that at present reaching its last act in the Mallee in Victoria and elsewhere, where numbers of unfortunate men who put their war gratuities and any other savings they had into unsuitable land (selected for them by a grateful people) are now, after many years of virtual slavery, being evicted by the same grateful people with a compensation averaging about £25 apiece. But by far the greater proportion of our unemployed were passed on to the public, and taxed on to the public, in the form of hawkers—or, to give them their better sounding title, specialty salesmen. Before the war the hawker, in small numbers, was known in country districts. We had a few gypsies, a few Assyrians, a few Afghans, a few Jews. The late Sidney Myer, you will remember, began his Australian career in this fashion, under his original name of Semco Baeveski. Almost invariably these people were of foreign birth; they spoke broken English; they were something of a curiosity that brought the children to the door. Their numbers were so few that they excited little hostility and scarcely even any comment from the shopkeepers.

Then, all of a sudden, we were in the thick of the specialty-selling boom. It came from the United States. That was natural, for the United States, its machine production uninterrupted by the war, and with very little loss in the percentage of its manpower through those years, was the first to be faced with a really serious unemployment problem.

THE GREAT DOOR-TO-DOOR CAMPAIGNS

Specialty selling, or door-to-door canvassing, received its first big

HOME BUILDING.

If you contemplate building, our BOOK OF HOMES should be in your hands, twenty-six illustrations, printed on art paper, tell you everything you should know in an easily understood way. The most liberal loan policy in Victoria. This Book is free if you call. By writing, send 6d in stamps to cover the cost of distribution.

COLONIAL BUILDING CO. PTY.
LTD., 465 Collins Street Melbourne.
'Phone: Cent. 9388.

You find the site—we do the rest.

impetus in this country through the operations of the land subdivider. It was just getting into its stride at the close of the war, and two or three years later it had grown to enormous proportions. One firm in Australia alone was employing in various States a staff of door-to-door canvassers that ran into four figures. It was shrewdly organised on semi-military lines, largely staffed by returned soldiers who had been unable to get a satisfactory job elsewhere, and its field operations were directed by quite a number of colonels, majors, and captains. Imitators rapidly sprang up, and the tally of men engaged in this "industry" at its heyday ran into several thousands.

For years before this, of course, there had been door-to-door salesmen in various lines. These lines, however, were mostly such as no one would ever dream of buying of their own free will—industrial assurance, for example, which would probably die right out in a year or two if it were not for the persuasions of canvassers.

But after the land men we had the flood. Beginning with share hawkers and forestry bond salesmen, we then saw the great vacuum cleaner campaign, the picture enlargement drive, the struggle to equip us all with home libraries (the latter idea since pirated by the daily papers, which are now combining the businesses of the insurance company, the bookseller, the sweepstake promoter, and the advertising catalogue—with news as a side line).

By this time unemployed women were coming into the picture, and teams of door-to-door sales girls were to be found as far afield as Cairns with their neat sample

cases of sheer silk stockings and near silk scanties.

The business had its humorous side, especially in the country. You saw strange partnerships, formed to cut travelling costs. Thus it was nothing unusual, a hundred miles back of nowhere, to see some sort of a conveyance drawn up at a farmhouse. Within, mother and the girls half wonderingly fingered the latest in lustrous city step-ins, while down in the back paddock dad became slowly but surely (if temporarily) convinced that it was better for him to subscribe to an acre of sequoia sempervirens in New Zealand than to plant a windbreak on his own property.

And this period marked the eclipse of the old-time commercial traveller, the wholesaler's representative who called on the shops. There was a day when he was an honoured guest in the country pub. But nowadays he arrived to find a house filled with specialty people who stole his news and his thunder. For they were a cheerful, lively crowd, these itinerant sellers—they had to be, or they would never have survived. The lineal descendants of the old showmen, they lived the same hectic, hand-to-mouth existence, making a few pounds today, broke tomorrow; keen seekers after business, and utterly contemptuous of a mere "order-taker." Besides, what chance of making an impression had an old-style commercial traveller when no one knew at what moment a military land salesman would blow in by plane to arrange for the making of everybody's fortune in the latest and best suburban subdivision?

As the years went by the hawkers' range grew ever wider. The

wireless salesman was everywhere, the man with the refrigerator, the demonstrator of the electric washer, the supplier of a canteen of cutlery or a Doulton dinner set. You could hardly go into a town or village in Australia without bumping into representatives of the tribe. It was a rare week when the most out-of-the-way settler was not visited.

And in the suburbs of our cities! Go for a stroll any day and count the gates on which you will see the aftermath: "No hawkers or canvassers." There is hardly an article you can name which you are not liable to have offered you at your door. Investments, building sites, motor cars, every imaginable electric device, furniture, clothing, toilet and table requisites, everything for your garden, portable lending libraries, and now even specialty food salesmen—unless you steel your heart you will find that you buy your butter from one caller, your eggs from another, your honey from another; there are even door-to-door men specialising in flour.

The housewife's life is pestered out of her in answering the doorbell.

What is the meaning of it all?

WHO GAINS?

Let us first look at the people concerned.

Does the housewife gain anything? Ask her, and you will not long be left in doubt. As a general rule what she buys in a small way is dear, and her purchase is the result either of sympathy or of inability to say "no." A bargain at the door is as rare as the twenty-ninth of February. Bigger purchases entered into in this manner—leaving out the "investments," which are mostly duds—are often burdensome, be-

cause the liability is entered into before the means are available. And, as will be seen directly, the price, even if no dearer than that ruling in the shop, is dearer than the shop price would be if there were no door-to-door salesmen.

What is the position of the travelling salesman? He, poor fellow, is generally one jump ahead of the dole. Almost invariably he is battling on commission, hating himself, his job, and the story he tells; just struggling on, an unnoticed, miserable hero, trying to save himself—or, more likely, his wife and kiddies—from the humiliations of the dole. He is on the knocker only because he is unemployed. Offer him a regular job at the basic wage and you won't see him for dust as he rushes back to dump his samples.

What of the firm behind him? It is rarely prosperous. Ten or fifteen years ago a few who got in on the ground floor in this class of business made money out of it. Very few in it today are doing more than eking out an existence.

Do manufacturers benefit? They do not. The maker of a particular line, which is peddled in this fashion, may increase his turnover. If he does, it will be at the expense of others in his class, and his gain will not be by fair competition or comparison but simply as a result of magsmanship. As an instance, we had the cutlery campaign of a few years ago, which succeeded in unloading thousands of sets through Australia. Any shopkeeper could tell you that a superior type of article was available at a lower price in the stores.

Of the effect on the ordinary legitimate retailer, the man with rent, rates and other overhead charges to pay, it is needless to comment.

INFLATED PRICES.

Thus far, the results are negative. Now look at the question of price.

Take land subdivision for a start. In the days when suburban land was sold by auction the owner had to pay for survey and,

The Right Hon. J. A. Lyons,
Prime Minister of Australia

Dear Mr. Lyons,

After reading a paragraph in the evening press on Tuesday and seeing what you had to say about the monetary enquiry we felt reasonably sure that you are a humbug. Later in the evening, when we listened in to your 'broadcast oration welcoming yourself home we were absolutely convinced of it.

You told us how you had broadcasted from London, New York and Toronto; how in your six months' globe trotting you had seen the battlemented castles of all Europe; how you had made "contacts invaluable to one entrusted with the government of Australia", out of which you "feel sure benefits will accrue to Australia"—and all that. Your theme song was: "Here again we were successful." Your final appeal was a masterpiece of buffoonery: I appeal to you jealously to guard the living conditions which you have built up during the last century." Take our tip, Mr. Prime Minister, and leave broadcasting to Mrs. Lyons. She can at least tell us amusing stories of how she bought you your old school tie.

Jealously to guard our living conditions! Is it possible, Mr. Lyons, that you think we should guard jealously conditions under which two-fifths of our breadwinners have an income, for themselves and their dependents, of under £1 a week; under which only a quarter have more than £3; and under which only ten per cent, have over £5? Yet these are the last census figures.

In your broadcast you gave us not a single constructive idea or suggestion. You indicated nothing of your plans for our future progress, beyond vague references to sundry negotiations to be carried out by Mr. Menzies and

Sir Henry Gullett. Saturday's press informed us that the latter has just had "a long and frank conversation" with Czecho-Slovakia, the upshot of which was that "Sir H. Gullett regards the talks generally as satisfactory, though the heavy balance of trade in favour of Australia, without much prospect of increasing purchases from Czecho-Slovakia, naturally renders the task of agreement difficult."

We take this to mean that our fanners are about to lose another customer for their exports because Australians cannot afford to buy imports up to the value of the goods they send abroad. This should surely, convey to you, Mr. Lyons, that somehow or other we are suffering from a chronic shortage of money. (The only other alternative, to which we do not subscribe, is that your taxes upon the ten per cent, who have over £5 a week are not high enough).

If there is a shortage of money in the community, or even a reasonable suspicion of it, then a proper, comprehensive and independent monetary inquiry should be your most pressing obligation. It is your most pressing obligation if you are an honest man. Yet the press paragraph to which we referred at the beginning of this letter reports you as saying on Tuesday: "At present no consideration had been given to the persons to be engaged, but this would be decided before the end of the year."

We greatly fear, Mr. Lyons, that if you succeed in killing or crippling this inquiry you will be able, for once, to say with perfect sincerity: "Here again we were successful."

THE NEWTIMES

P.S. Have you finished writing that memorandum to the Pope on how to increase consumption among the destitute?

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

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

VIOGEN (Blue) THE ONLY ANTISEPTIC TOOTH PASTE

42 of the world's leading toothpastes 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 Andresen, 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 modern dental scientific facts. Viogen advertisement is plain, undistorted, scientific truth. The proof is on the wrapper. Sold everywhere, 1/-, 1/6 and 2/-.

in some States, for roads. There were the usual advertising expenses and the commission to the auctioneer on sales—usually not more than five per cent. Then the subdivider came on the scene. First he paid the owner a very high price for the land, because he asked for long terms (rarely less than five years) and the owner, not too sure of his money, put on a price to recompense himself for his risk. To gain some idea of the subdivider's expenses, just consider how the biggest operator in Australia worked for years. This was his method:

He put up no money himself at the beginning, but got a syndicate to buy the land, pay the deposit, and, where roads had to be made, provide the money for them also. He then acted as the sole selling agent, with power to fix prices and terms, guaranteeing the syndicate against any further outlay. The consideration to the syndicate was interest at the rate of seven per cent, for the first three years, ten per cent, for the fourth year, and fifty per cent, at the end of the fifth year, at which date their original capital was also due to be returned. His selling expenses were terrific, and when he got into the full swing of his business he found that these averaged £40 per lot. On top of this he priced his land to the public at a figure, which allowed him a net profit of about £40 a lot also. Over and above all, he collected interest from purchasers at the rate of six per cent, per annum on their outstanding balances. You can work out for yourself how the public got on—you may be one of that public.

More or less the same thing happened in most of the other hawked lines. One of the greatest sellers in electrical devices, for which the public paid nearly £20, cost the vendors, landed in their depots, about £7. The cutlery sets showed about the same percentage; so did most of the other articles selected for a hawking campaign.

That such enormous charges should have been added on to consumers' prices is manifestly absurd. But worse was to follow, for even the person who was too shrewd to fall for the tale at the door soon found himself victimised in another direction. The genuine storekeeper, as the result of specialty operations, found his business slipping away from him, and he in turn was forced to increase his charges. In order to bring customers back to his shop he had to have recourse to intensive advertising. Fortunes were spent on display, on expensive mailing catalogues, and above all on newspaper advertisements. Look up your evening papers, which are the most suitable mediums for this class of advertising, and estimate how much the public is daily paying, for all such advertisements are charged into the prices of goods. Compare the space used today with that taken years ago (and that charged years ago), and note how our most successful papers are growing ever bulkier and bulkier; news is now a minor interest, for they are little better than advertising broadsheets.

AN UNEMPLOYMENT LEVY

Summarising the operations as a whole, we find that the consuming public has been unfairly mulcted of untold millions of pounds through extortionate prices. The gain has not gone to the shopkeepers; they, on the contrary, have suffered tremendous losses, and particularly the smaller men who had not the capital to advertise in a big way. Manufacturers as a class have not gained, and in the individual cases where there has been increased turnover they have rather received a lower price from one big buyer than the prices they would formerly have obtained from numbers of smaller buyers. The specialty operators who have run into big money are few and far between. Even the newspapers have not been uniformly successful. In a city like Melbourne, with only one evening paper (except for a short while) big profits have been made.

A LITANY OF LIES FROM THE PRESS

Newspapers Confounded by Alberta Elections

During the past few days the daily press—or at least a large part of it—has excelled even its former mighty exploits in misrepresentation. The occasion was the polling in Alberta, one of the nine provinces, which comprise the Dominion of Canada.

Alberta has done something almost unprecedented in political history. At their first time of trying it has returned to office a new party. It has returned them to six-sevenths of its parliamentary seats, thus practically annihilating former party representation. The new party is preaching a doctrine, which implies a revolution in the accepted canons of finance. And the verdict has been given by an electorate, which is mainly agricultural, and therefore ultra-Conservative, by nature.

What are the general outlines of the situation? Led by William Aberhart, this new party has lately been preaching the right of every inhabitant, in an age of bountiful production, to draw a social dividend. That right is based on what is called the increment (increase) of association. This is particularly illustrated by all those wonderful machines, largely automatic, which are now making the production of real wealth so easy, and which, in consequence, are dispensing with a great deal of labour. These inventions are mostly worked, in one way or another, by the sun; and they have been brought to their present stage by the successive improvements of countless men, going back into the unrecorded past. Where, therefore, the machine displaces the man, it is not just that that man and his family should thereby be deprived of the right to claim a sufficiency for the needs of their very existence.

Thus far the Alberta Social Credit party, as it terms itself, is in accord with the views expressed nearly twenty years ago by Major Douglas, who first put forward what are known as the Social Credit proposals. But at this stage the Aberhart party, in so far as it went into details, sheered off from Douglas.

But in Sydney there were several papers competing for the advertisements; there was a battle for a time, and when the air cleared and a single survivor emerged its ordinary shareholders had the pleasure of seeing £1,750,000—half their capital-written off as a dead loss.

But surely somebody must have made enormous gains? What happened to these tens of millions of pounds filched from the pockets of the public?

Here is the kernel of the whole business. The tens of millions of pounds were neither more nor less than an unemployment levy; the inflated prices were inflated by nothing but a hidden sales tax to support the unemployed. For the specialty salesmen, properly speaking, were all unemployed. They were men (and women) whose services were no longer needed in industry. The goods were produced, and actually delivered ready for the market, quite independently of them. It was only when the finished article was ready for sale that they, in the words of our American friends, climbed aboard the bandwagon. They had to live. The machine produced goods without them. They were not paid the dividend of the machine. And so they paid themselves by making their living a direct charge on consumers, at the cost of untold needless work and untold needless annoyance.

This is the true explanation of specialty selling at the door. That a few exploiters have profited by it has nothing to do with the question as a whole. This is easily proved; ask yourself, as an example, how

For Douglas proposes to carry out his plans by an *addition* to the money supply, which he rightly contends is normally insufficient to enable all goods to be sold without loss. Aberhart, on the other hand, gives the impression that he will get the necessary money by taxation. This difference is obviously of first class importance. It also follows that Douglas's proposals require a victory in the Federal rather than in the State sphere, since they postulate control over money.

As everybody knows, the Alberta government (that was) recently called in Major Douglas as economic adviser. It can now be taken as reasonably assured that the purpose of this move was to have Douglas attack and discredit Aberhart, and so save the government's skin by bewildering the Social Credit vote. Douglas, however, was too shrewd (and too sincere) to be used as a tool in this way. He met Aberhart, was most friendly towards him, and congratulated him on the wonderful work he had done in propagating Social Credit ideas. Asked his opinion about Aberhart's proposed technique, he indicated his belief that Aberhart was probably not wedded to any particular technique. He refused to condemn a party for administrative proposals which he regarded as only tentative—Douglas has never claimed, indeed, he has strongly disclaimed perfection for his own proposed technique—and he suggested that when Aberhart had his *principles* approved by the people it would then be time to call in the technical experts for details of *administration*.

There can be little doubt that this attitude of Douglas helped Aberhart greatly in securing such a remarkable victory. And that Douglas's judgment about Aberhart was correct seems to be borne out by the cabled announcement on Saturday: "Mr. Aberhart has announced that experts will help the Ministry in establishing a Social Credit system. He will invite Major Douglas to assist in the initial administration work."

many land sub-dividers could have foisted their wares on to the people had they not had always at their disposal a vast army of destitute men whom desperation drove into canvassing on a commission basis? And the same applies to all the other specialty lines. For who deliberately chooses door-to-door canvassing for a livelihood? And who that is without money or means freely elects to work purely on commission?

In our usual shallow way we blame the specialty canvassers for their glib stories. Rather should we pity them as unwilling victims of our stupidity. We commiserate with ourselves on our losses. We have deserved every penny of them. For the cure is in our own hands.

Specialty prices, sales taxes, national debt—all are the inevitable result of the one thing. And that thing is that with machine production—with labour-saving devices that really save labour—there is no provision made for the saved labourers. That provision could be made simply and easily, in a way that would be advantageous to every shopkeeper, manufacturer, producer—to every man that has goods to sell. It could be made in a way that would cause neither inflation nor deflation, that would relieve taxation, and that would effectively abolish artificial poverty.

The way is to regulate money supplies, not in accordance with such come-by-chances as Fijian gold mines, but in accordance with the amount of goods turned out by industry. And the first step to that end is for the nation to resume control over the issue and the destruction of money.

This is the position at the moment. Now for the press comments.

LIE NUMBER ONE.

For a start, our daily papers have almost without exception referred to the Aberhart party as *Douglas Social Credit*. This is lie number one, for, as has just been shown, Aberhart, in so far as he has expressed himself, has indicated a method of endeavouring to put in Social Credit which is the direct opposite of Douglas's proposals. This lie was inserted by the *Argus* on Saturday, when it said (our italics throughout): "As a result of polling in the Alberta provincial election today, the Social Credit party, which advocates the introduction of the *Douglas social credit system*..." A little later, with the clumsiness, which often betrays a prevaricator, it let the cat out of the bag by admitting that Major Douglas "said some months ago that Mr. Aberhart was doing good work in making the people 'social credit conscious,' but he did not favour Mr. Aberhart's plans."

The *Sun* on Saturday morning and the *Herald* on Saturday evening repeated the same lie, though they were clever enough to suppress its refutation.

LIE NUMBER TWO.

Lie number two was in Saturday's *Sun*: "The Alberta elections appear to have given the *Douglas Social Credit* system its first chance to *prove itself under working conditions*." This lie was shown up as such by the evening edition of the same proprietary (the *Herald*) when it said: "Currency matters in Canada are under the control of the Federal Government. The Alberta Government, therefore, *cannot carry a Social Credit or currency plan into effect*, although it can attempt some redistribution of income by means of taxation."

The *Herald*, you see, knows perfectly well that Douglas's programme, which entails the issuing of new money to distribute new wealth, implies control over currency. The *Sun*, issued from the same office, pretends not to know it. How these liars confound one another.

Speaking of working conditions (and liars) reminds us of the *Argus*. On July 24 last, that organ of truth (impugn it whoso list) stated editorially that Major Douglas's "credit plan has been discredited more times than there are currencies with which to tamper." On Monday of this week the same paper said in its financial editorial: "Alberta has placed a Social Credit party in power, and its experiments will be watched with interest as the first attempt to apply the theories of Major Douglas."

LIE NUMBER THREE.

On Saturday the *Sun* said: "In April this year the Alberta Legislature decided to engage Major Douglas as reconstruction adviser, . . . and since May last he has been virtual dictator of the State's economic affairs."

This is a very clumsy lie. Major Douglas could not possibly have more power under a legislature than the fullest powers of that legislature itself. And we are only too familiar in this country with how little power State legislatures have over economic affairs. Think of Mr. Dunstan's recent experiences when he sought to finance Victoria's public works programme. Think of the answer given by the Cabinets of every Australian State to almost every deputation that has waited on them for years. The only dictators over the States' economic affairs, here or in Canada are the bankers.

LIE NUMBER FOUR.

Monday's *Argus*, under the heading, "Social Credit Victory," had as a sub-heading, "Wealth Leaving Alberta." This again is the sort of lie that is as childish as the bogeyman story. What wealth has left Alberta? Have people shifted their houses or factories or farms? Are they removing Alberta's coal or oil or timber or railways? Are they driving their stock over the border, or packing their possessions into furniture vans and scooting before the dread flood of credit? Of course they are not. What is happening is probably of a similar nature to what was done here in

Australia when bank policy was to discredit Lang, just as Canadian bank policy is now to discredit Aberhart. Some bank deposits, some book entries are being transferred from Alberta to other States—probably the deposits of insurance companies or other bank-directed concerns.

LIE NUMBER FIVE.

The *Argus* again on Tuesday, in one of those dodderingly funny editorials it devotes to a subject when it is afraid to advance argument against argument, tried to convey the impression that the Aberhart victory is due to stampeding the city votes. "Alberta," it said, "has an area of 255,285 square miles, which is nearly three times as great as Victoria. The population, however, is about 600,000, or three-fifths of that of the city of Melbourne. People so scattered would not in the ordinary course lend themselves easily to political manipulation. A large proportion of the population is, however, in the two cities of Edmonton and Calgary, and with these two cities captured by the supporters of the new credit system it would not be difficult to obtain control of the Legislature."

This is as barefaced a piece of lying as one would wish for. In the first place the *Argus* three days earlier, on Saturday, had published this: "The Social Credit candidates have swept the rural ridings." In the second place (and our authority for this is the new atlas now being distributed by the *Argus* itself), the population of Alberta is not "about 600,000," but 731,605. Out of this Edmonton (on the same authority) accounts for 79,197 people and Calgary for 83,761. The *Argus* probably hasn't yet any figures to show how these two cities voted, but their combined strength is only 22 per cent, of the total population—yet we are assured that "with these two cities captured by the supporters of the new credit system it would not be difficult to obtain control of the Legislature." A further point, which makes the lie still more glaring, is that, on the *Argus*'s own figures on Saturday, in the last Alberta Parliament the *United Farmers* held 39 out of a total of 63 seats.

WHY THE LIES?

One could go on showing up lie after lie, which the dailies have put forward in these last few days. But the process becomes wearisome and distasteful. Sufficient, however, has surely been illustrated to make it clear that the press does not hesitate to use the most unscrupulous perversions to suit its masters, even when, as in this case, they can be shown to be transparent, even when the clumsy liars bowl themselves out with their own contradictions.

What is the purpose that suits the masters? It is to put into the minds of the people at large that Social Credit, although bitterly opposed by Socialists everywhere, is a "socialistic organisation" (as the *Star* and others papers put it), that it is inflationary, that it means confiscation of the people's savings, or at least the rendering of them valueless, and all the rest of that bunkum. Never, even in its palmy days, was Labor attacked with the venom and the falsehoods nowadays heaped by the financial monopolists upon those who advocate Social Credit. Yet Social Credit, as propounded by Douglas, would take no material possessions from anyone. It is a process of addition rather than subtraction, of adding to an inadequate money supply until it is sufficient to enable the goods on the market to be sold instead of to rot. It is a process that would be good for primary producers, for manufacturers, for retailers and for consumers.

Why, then, is it opposed so bitterly? Because it would take from the private banking monopoly the power to rule the people without responsibility to the people, the power to grant (at *interest*) or to withhold finance, the power that has spread destitution all over a bounteous world, and that, sooner than surrender one whit of its monopoly, is again relentlessly driving the world into another war.

LEADERS LEADING US—WHERE?

By BRUCE H BROWN

By arrangement with the "Castlemaine Mail."

Within the past week or two, Sir John Latham has again been in the limelight. First at the University to hear Professor Russo speak of Japan; then at the Institute of Valuers to point to Melbourne's dullness; then at the annual meeting of the Equity Trustees to give a warning about "values"; and, finally, at the Spencer Street Railway Station to call for three cheers for Mr. Lyons. All this may have had nothing whatever to do with High Court developments, but it is noteworthy that he should come out from comparative retirement at this particular time.

Sir John's inclusion in the "Honours" list, or his supposed retirement from active politics, does not exempt him from responsibility for his past actions or from criticism of his current utterances; and as we believe him to be an obstacle to the people's progress, we feel impelled to call attention to what he said and to compare his statements with the actualities of the position.

THE CASE OF JAPAN

At the University Professor Russo told his hearers that the health of Japan had become concentrated in the hands of three men named Mitsui, Mitsubishi, and another, but he omitted to explain how this concentration had been brought about. So did Sir John, who, instead of pointing out that the men referred to are leading bankers and private manufacturers of money in Japan, spread himself in praise of Japanese co-operation and co-ordination and in deploring the lack of these virtues in Australia? He went so far as actually to cite this alleged lack of co-operation and co-ordination as the cause of the world's troubles. He was as silent as a stone about the fact that the real coordinating factor of all our modern activities and interests is money; and that it is in the unsatisfactory control of this all-important coordinating mechanism that the trouble lies.

Could this be the same John Greig Latham who was legal lieutenant to Mr. S. M. Bruce in 1924, and who in that capacity helped to emasculate the Commonwealth Bank, removing it from the control of its owners and practically handing it over to a private monopoly? Increasing numbers of electors are looking upon that as a major betrayal of Australia and its citizens, a betrayal espoused by the Bank of England (a private corporation) through Sir Ernest Harvey, acting directly on behalf of the hidden director of the British Empire (Mr. Montagu Norman). Sir John will never escape the shame of his association with that betrayal, or of his advocacy of the continuance of the existing financial arrangements, which are murdering the great bulk of his compatriots.

BOOKS ON MONETARY REFORM

Why Poverty in the Midst of Plenty? By the Dean of Canterbury8d.
ABC of Social Credit. By C. Barclay Smith7d.
Dividends for All. By C. Barclay Smith7d.
Tell Me the Story Simply. By Will T. Duggan7d.
Modern Problems and Mental Attitudes. By Rev. J. T. Lawton1/1
Fetters of Finance. By Rev. J. T. Lawton7d.
Economic Democracy. By C. H. Douglas5/10
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On the contrary, the shame will increase in direct ratio to the advancing enlightenment of the people on the subject.

CATERING FOR VISITORS BEFORE CITIZENS.

At the annual meeting and smoke night of the Commonwealth Institute of Valuers, he volunteered the opinion that Melbourne is a dull place for visitors. If he is correctly reported, he said nothing as to what sort of a place it is for the disempowered and the poor. Perhaps it is only to be expected that the comfort and gaiety of overfed visitors would be much more important to an aspirant for a seat on the High Court Bench than the poverty and hopeless outlook of the native-born. Sir John coolly advocated the building of a new art gallery in St. Kilda-road near the Shrine, but forgot to explain how such a thing is possible when we cannot even make adequate food, clothes, and shelter available to needy people. If there is no money for food, how could we find it for another art gallery? Everything that is physically necessary to build the place is, of course, at hand, and so, of course, is the food for the hungry people; but how could we think of using these without the special consent of the private money-controllers? Did Sir John have their permission to advocate the art gallery? Such a gallery is quite a good idea, but the suggestion comes in bad taste from one who helped to deprive the people of the control of their national credit, and who took a leading part in reducing the quantity of money in circulation by cutting wages, salaries and pensions.

He also expressed concern about the unification of the railways, and warned us that if we do not do something about it "Melbourne will be left in a corner with a new line built across the continent." Is he not aware that Mr. Casey, his colleague in a former Ministry, officially declared only a few months ago "funds would not be made available for the work"? We were not told whose decision it was, but Sir John must surely know that if the Federal Government, with full power over the creation and use of these costless "funds," cannot provide the wherewithal for a national undertaking, then it is quite impossible for Victoria, which is still known as the sweatshop of the Commonwealth, to do so. Victoria is even too poor to provide milk for its undernourished children, though the dairymen have so much unsold that they actually waste it.

Sir John, through the part he played in surrendering the people's sovereignty to private financiers, is largely responsible for this state of affairs. All the materials required for the unification are waiting to be used, there is abundant labour idle, and even the conservative Sir John admits the necessity for the work; but here again, because his financial friends, some of whom are fellow habitués of the Melbourne Club, who hold the nation's policy in the hollow of their hands, have not consented, the welfare of the nation takes second place.

TAXATION RELIEF.

Moreover, is Sir John not aware of the recent conference which was called by the Taxpayers' Association, and at which the "business" representatives, blindly believing they were doing right but actually demonstrating what poor business men they really are, declared, for more economy and substantial reductions in taxation? Sir John knows, or should know, that the Government will never be in the position to meet the needs of the people as they arise, or to give worthwhile taxation relief, so

long as the control of our national credit remains in the hands of a private monopoly. He also knows, or should know, that money is determined by its acceptability to the bank, and not by its acceptability to the Government, quite the reverse of what should obtain in a democratic country with a sovereign parliament. In other words, money is anything that will be accepted by the banks as payment.

SIR JOHN AND THE EQUITY TRUSTEES.

Following all this, he pointed out to the shareholders of the Equity Trustees Company (of which he is a director) that unless the "feeling of insecurity about securities was diminished, the value of all real estate would inevitably be adversely affected." Why is there a feeling of insecurity? The people elected the Government recommended by Sir John himself to ensure security! What does he mean by the "value" of real estate? Does a home lose its value as such to parents? Does land lose its value for the building of houses or for the production of food? The only insecurity to real wealth is invasion and destruction by foreign shells. Is Sir John expecting an invasion?

All solid assets are quite secure and will continue to be for many years yet, but their "financial" security is not so secure unless we take a more effective part in the control of this aspect. Is it not true that the question of insecurity arises only from the failure of the money system accurately to reflect our real wealth, and from the deliberate manipulation of the supposed "financial values" by the controllers of credit? It seems to us that it is a piece of effrontery for this gentleman to talk of a feeling of insecurity when he, as the mouthpiece in parliament and elsewhere of the private controllers of finance whose Credit-restricting policy has done untold hurt to the great majority of the people, has himself been responsible for inducing that feeling of uncertainty.

CHEERS FOR THE PRIME MINISTER.

And then, as if to cap the series, he was present at the Spencer Street Station to call for cheers on the arrival of the Prime Minister. His presence there may have been prompted by a sincere desire to honour Mr. Lyons. We do not know; but there would be far less reason to doubt "his sincerity if he would face up to the facts and admit them. Unfortunately, he has publicly shown that he is either ignorant as to the working and control of the financial system, is lacking in courage to declare the fraud of the system to the public, or is apprehensive that his personal comfort may be prejudiced if he unfolds the facts. If he lacks the knowledge, then he has been false to his trust, because in such a case he helped to hand over our national banking institution without understanding the significance of the manoeuvre; if he lacks the courage to denounce the murderous financial arrangements which are responsible for all our national troubles, then his public comments are hypocritical and worthless; and if he is placing his personal comfort and his position in "society" before the welfare of the people as a whole, then he forfeits all claim to the community's respect.

And is it fitting that a High Court should be presided over by a man with the political predilections of Sir John Latham, a man who professes to see money, though absolutely worthless in itself, only as a commodity like bread and potatoes, and as the controller of all other commodities, and who also regards its creation and ownership as the sole monopoly of certain private interests?

Our criticism of Sir John is in no way personal and has no reference whatever to his interests or activities as a private citizen; but our investigation of the money

system leads us to feel that the way in which Australia has been surrendered to private financial interests, and the way in which those private interests have been permitted to dictate the public policy of this country, is so serious as almost to warrant the impeachment of those hitherto charged with the responsibility of governing this Commonwealth. I, for one, as an Australian and the father of a family, feel very strongly on the matter, particularly when I realise that these very men have had the position, the power, and the opportunity to lead us out of the bondage, and even today could lead us out if they would.

MRS. LYONS, TOO

Mrs. Lyons gave an address from 3LO on August 15, and from the point of view of its eloquence we are happy to join in the general praise. At the same time, however, such talks are futile unless Mrs. Lyons, as the Prime Minister's wife, is ready and willing to tell the women of Australia the truth—the plain, unvarnished truth. Emotionalism may be more or less inseparable from an inspection of the battlefields and war cemeteries of France, and it is no disgrace that "even the men of the party were moved to tears," but it is more than disappointing to hear from the lips of such a speaker that "women do not know what they can do." Women know, or should know, that war is murder, and that it arises out of the stress of the people brought about entirely by the operation of the insane financial system under which practically all nations are at present enslaved.

When Mrs. Lyons's husband and his colleagues in the Federal Parliament take steps to ensure that money shall be the servant of the nation instead of its master, there will be no possibility of any further war so far as we are concerned. Other countries would quickly follow suit, and in any case we already have the testimony of those who have been visiting other lands that all peoples were friendly disposed and have no desire for war; in fact, all are living in dread of it. Prayers for peace are useless unless we also attack the thing, which disturbs the peace, and that thing is the private control of national finance. When finance has been put in its proper place, not only will wars be ended, but for the first time in our history women will be free and independent.

We must accept the word of Mrs. Lyons when she says that this is the "best country in the world"; but she would not be so foolish as to suggest that this knowledge would make starvation any more agreeable to those who starve here. The fact that our conditions may be no worse than exist elsewhere is no excuse for a supposedly Christian community tolerating poverty in a land of plenty. Remove poverty and provide economic security for all citizens and you remove the possibility of war, and the only way to do this is for the

League of Democrats

CAMPAIGN NOTES.

The first speakers' class promised well for our supply of recruiters. There was some pardonable nervousness, but also a lot of first-class material. We want twice the number at the next meeting, which will be on Tuesday, September 10, and we shall have some meetings booked by that time.

Is Alberta any good? And what has done it? The answer is—a popular demand. Join up and help us to force the issue in Australia.

Since the Alberta elections there is more heard of Social Credit in a morning than previously in a year. We must capitalise this interest, and see that people continue to talk of reform.

For the cause that is dear to the hearts of all of us, all willing workers are called upon to enroll now in the Electoral Campaign. See your local secretary, and find what he has got for you to do. If he has nothing, write to the Campaign Director—he will keep you busy!

Werrimul has joined up and workers are being enrolled. Success to their efforts.

Don't forget to come to the social on Saturday night.

Fairfield is the latest to join the Electoral Campaign. Go hard on the recruiting, and we can start the canvass in a week or two.

national parliament to resume control of the nation's finance, without which Parliament is merely a puppet show. If Mrs. Lyons does not understand this, she should immediately undertake a study of the subject, and she will quickly find that she can be more than instrumental, not only in "putting peace into the ballot box," but in putting comfort and happiness into the homes of the people, and security into the hearts of the younger generation. Finance controls everything, and yet her husband permits the control of that vital thing to remain in the hands of a private monopoly without protest. Indeed, he seems intent on getting it conveniently whitewashed. Her duty should be clear to her, and she should have no doubt about the advice she should give to other women—that is, of course, assuming she is genuinely anxious for peace and to see happy homes throughout Australia.

DOUGLAS CREDIT MEMBERS AND THEIR FRIENDS are Invited to a SOCIAL EVENING

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Church Leaders and War

Tuesday evening's "Herald" reported interviews with what it termed "leaders of the various denominations in Melbourne" on the subject of war. After reading the recorded views of these gentlemen one wonders just a little sadly how the Master they profess to serve would like to have their little recitations bound up in book form for the Heavenly library.

For the most part they were vague, inconsequential platitudes carefully detached from all semblance of realities, the abstractions of librarians rather than the answers of spiritual leaders to the gravest question that could possibly be put to them.

Taking the interviews in sequence as reported we find, according to the "Herald," the Anglican view expressed by Bishop Booth, Vicar General of the Melbourne Diocese. His Lordship began with the sententious generalities that most Christians have long been accustomed to in Sunday sermons. "War," he said, "is the consequence of moral and spiritual bankruptcy. Desperation as well as selfishness contributes to its resurgence." And so on, until one felt that Bishop Booth should have been a Professor of Economics. Coming down to cases, he proceeded to declare, "peace is possible in the present Italo-Abyssinian dispute, for the sword neither builds nor cultivates." That phrase, "the sword," has a fine old-world aroma, a sort of Biblical sonorosity. One would feel that the Bishop was being more practical and less literary if he spoke of bombers and phosgene, of the spilling of men's guts and other modern pleasantries of war. Besides, in the present case, one ventures to disagree with his Lordship's dictum. Give Mussolini a victory in Abyssinia and it is a safe bet that building and cultivation (financed by Italian bankers' credits) will follow with great rapidity. What was the Bishop's final word? "Until we can live in co-operation, we may be forced by self-defence, by duty and by our obligations," etc., etc. Which, in effect, seems to sound pretty much the same as: "Count me in for co-operation on the recruiting platform if the word comes from Downing Street."

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The Catholic attitude was defined by Father Hackett, Rector of Xavier College. Why Father Hackett should be chosen is somewhat of a mystery. One would have expected the Catholic view to have come from the Cathedral, or at least from a prominent member of the diocesan clergy. Possibly, however, the "Herald," remembering the last war, may have felt a little timid about approaching Archbishop Mannix for his views on the rights of small nations against civilising invaders. In that case it was perhaps natural that, for the sake of the old school tie, the "Herald" should approach the head of a great public school, which has recently spent many thousands of pounds on a war memorial chapel. And what did Father Hackett have to say? "The Catholic Church does not condemn war as such. Its attitude depends upon whether a war is just or unjust. Peace at any price can be too dear. In the Italo-Abyssinian dispute there is a very delicate situation. It is not for anyone here to say dogmatically who is right or wrong." Now, isn't that a masterpiece of Yes-No-Maybe? One wonders does Father Hackett remember the old rhyme:

"Mother, dear, may I go out to swim?"

"Yes, my darling daughter;

Hang your clothes on a hickory limb

And don't go near the water."

The Presbyterian opinion was similarly expressed by Dr. Mackenzie, ex-Moderator. "The Presbyterian Church is pledged to peace. . . . In certain circumstances war is justifiable." Dr. Mackenzie did, however, hold out a ray of hope, pointing out that "the recent trend of opinion" in his Church is towards reconsideration of the "certain circumstances" canon.

Speaking for the Congregational Union, the Rev. J. D. Northey did "not think an extreme pacifist view is held by Congregationalists, but we would judge each case on its merits."

The President-General of the Methodists and Pastor Steiniger of the Lutheran Church both declared that their Churches were opposed to war, but that individuals would have the right to decide their own lines of conduct in a crisis.

Now, if you went to any of these men and asked them their views on breaking and entering, can you envisage them saying: "It is a very delicate situation. The Church is opposed to breaking and entering in general, but in specific cases individuals will have to decide for themselves and the Church will respect their decisions"? And if ever there were a gross case of breaking and entering, does not Mussolini's declared intention qualify for this description? A delicate situation, indeed!

Representatives of the Christian denominations are constantly deploring their waning influence and the falling off in the numbers of their active adherents. Is this because our people are growing more vicious and indifferent to God and religion? Emphatically it is not. Read the crime statistics of the last few years. Compare them with the conditions provocative of crime and evil—conditions that no less a spiritual authority than the present Pope has described as being hard to equal since the Flood.

It would be more true to say that our people, judged by their conduct, are becoming saints and heroes. Why, then, are they listless in the outward forms of religion?

Here is where most of our religious leaders might profitably do some serious thinking. Ask them to come down from the clouds and get to grips with the realities besetting us on all sides, and what will they do? Probably tell you to avoid sin and be patient. As one noted churchman said not long ago, to spiritualise your problems is often the coward's way of dodging them. God helps those that help themselves. Christ took a whip to the usurers.

The whole question resolves itself into whether our Church leaders look upon themselves as counsellors of men or as partakers of afternoon tea with women; into whether they are out to give a practical lead in positive Christianity or merely to act as moral stretcher-bearers. All over the world serious minded men are today working for social justice, for the abolition of that unnecessary and ungodly destitution which is the main cause of war. If a few more of the clergy would roll up their sleeves and take out their whips, the fight—which is as much spiritual as material—would soon be won. For there is no material force to be overcome; only an idea. Will the clergy lend their assistance, or are they too busy dipping into their tomes, splitting straws to try and reconcile theology with conduct?

Australia and Italy

In spite of the views, which the "Herald" attributed to Father Hackett, most ordinary laymen would incline to be a little dogmatic about the Italo-Abyssinian dispute. Figures issued from official Italian sources and published on this page last week showed that Italy's production of real wealth is breaking all records. Any economic difficulties of her people are therefore purely financial ones, difficulties capable of solution by book entries. Hence it is absurd to take up the attitude that Italy is morally entitled to seize Abyssinian territory and to butcher its inhabitants on the ground of self-preservation. For that matter we don't remember that any of the reverend gentlemen referred to above have spoken very loudly (in the "Herald" or elsewhere) as to the rights of self-preservation of the thousands of destitute people at their own comfortable back doors.

At the same time the Italo-Abyssinian situation is admittedly very delicate—not of itself, but in its implications, especially where Britain is concerned. Britain is in a most awkward position. Italy is only threatening to follow the evil example set by Britain, not alone in the past, but even at this very moment. No further back than Wednesday of this week we had the cabled report of further slaughter of Indians by British troops. Hence Britain's moral standing is out of the question.

DEMOCRACY AT THE CROSS ROADS

By LESLIE H. HOLLINS, 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.

From a materialistic point of view, if Italy gets a free hand in murdering Africans it looks as if the British financiers will soon be saying goodbye to a lot of their tribute from the dark-skinned races. If the financiers decide to declare war, it means a world war to which God alone can foresee the end.

What of Australia's part? A few days ago the press announced that the Commonwealth Government had cabled Mr. Bruce instructing him to give an assurance of our complete co-operation with and support of Britain in any contingency. If words mean anything, this means that the Lyons Ministry has told Britain: "If you go to war, we go to war with you."

Let us take stock of our position. In the first place we have no quarrel with the Italian people. Tens of thousands of Italians have become citizens of Australia. And we have no better citizens in the entire Commonwealth, as anyone who has lived in such places as North Queensland must admit. The children of these Italians are being brought up in our schools, and they are loyal to Australia, as fine a lot of youngsters in every way as our country could wish to receive. We don't want that position interfered with.

At the same time most of us are agreed that Mussolini is playing the part of a butcher. Quite a number of Italians in Australia share that view. So, probably, do great numbers of Italians in Italy, though we don't hear much about it. Let us by all means register our disapproval as emphatically as may be possible. But, if a general war is declared, must we, too, go to war on that account?

Here we have to consider two aspects—the effect on Abyssinia and the effect on ourselves.

If other nations intervene with arms in the Italo-Abyssinian conflict, nothing is more certain than that the victors will grab Abyssinia. Hence any sending to ghastly death of more tens of thousands of our young men will not save Abyssinia from exploitation by financiers.

As to the effect on ourselves, is Britain's quarrel our quarrel? Answer this question by another: What have the financial magnates of Britain—for it is they, and not the unfortunate mass of the British people, who have interests at stake—what have the financiers of Britain given us out of the rake-off they have drawn for generations from their coloured vassals? What did they give us from the last war? They gave us a promise of no more wars, and for that false promise we spent 60,000 lives, suffering and sorrow untold, and £800,000,000 to date, with the bill still mounting.

These are the things we have to consider. And we may be called upon for a decision at any moment.

Whatever decision individuals may come to, on one point we should all be determined—that we do not permit our parliamentary servants to run us into war without first submitting to a people's referendum. If the people give their

verdict, and if it be in favour of war, most of us (see above) will probably be told to decide the moral issue for ourselves. War, apparently, is all right with the Commandments, as long as it is a war to end war.

But there will still be one point to settle—the question of war services and war profits. If the nation does declare for war, let us have a true state of emergency for all. Let us have universal conscription. Put every man into uniform—not only the boys and the unemployed, but the bank directors and business monopolists with them. And let us, for the duration, conscript every business. Let the nation run every enterprise and every bank. Patriotism demands that one citizen should not profit by the sacrifice of another citizen's life.

If the people, in whose hands the decision lies, indicate their decision plainly in this matter, we need have little fear that Australia will be actively embroiled. For lives may readily be sacrificed, but profits never.

300 More Companies to be Dissolved

The Victorian Government Gazette published on Wednesday of last week contains another of those melancholy processions to which our financial system accustoms us. Three hundred and twenty-two companies, according to the Deputy Registrar-General's notice, are marked down for dissolution. Three hundred and twenty-two ghosts go by just when we hear that prosperity is back again.

All sorts and types of enterprise; are on the list—butter factories and saw mills, building and construction companies, engineers and manufacturers, rubber works and concrete works, amusement house; and hotels, various branches of the motor industry, traders of ever) description. Some of these doubtless, were badly managed. Some were of a transient nature. Some deserved to fail. But what of the great bulk of them? What of the labour and care spent in inventing, in organising, in marketing? What of the high hopes of the thousands of people who invested their savings and their efforts? All are gone.

Some of these companies were long established. One dates from 1905, another from 1906. But most of them were of recent establishment. Only 39 out of the 322 lived for more than 10 years. All but 100 date from 1929 or since. No fewer than 61 were registered in 1933.

To the student of finance the tale is sorrowful, but inevitable. For if there is not enough money to enable all goods produced to be sold then it follows mathematically that the success of some businesses must entail the ruin of others. The pity of it is that the ruin is so unnecessary.

The foreign indebtedness to the United States from nineteen nations now totals 13,438,703,671 dollars. Up to the present, Finland is the only nation, which has not defaulted. Great Britain and France owe, in notes past due and still unpaid, approximately 375,000,000 dollars and 163,000,000 dollars respectively. —"Literal" Digest, June 15.

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THE CASE FOR FINANCIAL REFORM

I. —A Bird's Eye View

In considering any sort of economic problems the first idea to keep before our minds—maybe to get into our minds—is the purpose for which men engage in what we usually term industry. This purpose is to provide goods, which are required or desired—using the word "goods" in its widest sense, to include all the results of our economic activities.

Providing goods does not mean merely producing things. It means producing such things, and at such times and places as people want them, and in such a way that people are able to get them. There is no sense, for example, in equipping the Nullarbor Plain with electric trams, or in producing beef for vegetarians, or woollen underpants for natives of the Congo, or snakebite cure for the Irish, or backless evening frocks for nuns. These people neither need nor want such things. And similarly there is no useful purpose served in getting up at two o'clock in the morning to do your milking and then pouring a lot of your milk down the drains, or in growing wheat for the mice and rats, or "keeping the ground under your fruit trees mulched and free from weeds just to let the ripe fruit fall and rot, or in producing coffee to make briquettes, or in any of those absurdities of which we have seen and heard so much recent years.

The purpose of industry therefore is not to make work or to supply a job. This should be quite evident to anyone, yet we find that until very recently this delusion has been almost universally held by all sorts of people who had genuinely at heart the best interests of the community. It was the common view of the Labor party, for instance. And many religious-minded people went further, and insisted that without work we should all go to the devil.

It is clear, of course, that a certain amount of animal work is necessary for all of us if we are to keep our muscles fit and our bellies in the right shape. But it does not follow from this that we must work on farms or in factories or perched on office stools. The latter two forms, in point of fact, are not generally of very great help to physical fitness. A great many factory jobs tend to create tedium of both body and mind, and most clerical jobs, unless corrected outside the office, incline us rather to be cheery and round shouldered.

There is no abstract reason why we should not get all the physical work we require for our bodies (and our minds and souls) outside industry. The clergy—most of whom have, and rightly should have, economic freedom—put it this way; and if you scan the calendar of the saints you will find very few labourers or factory hands amongst them.

The purpose of industry, then, is twofold. The first, in order both of priority and of importance, is to have customers. The second is to bring goods into being for the customers. Let us look at these two aspects.

THE GOODS.

We shall begin, in deference to our topsy-turvy system, by looking at the goods side first. And there is nothing much to delay us here. Production may not be perfect, but it has shown and is rapidly showing extraordinary progress. There are very few necessities or conveniences which you can think of today that production cannot furnish you with. There are still more wonderful things designed and waiting. And production has the physical means at its disposal, if only the customers say Go, to abolish nearly all the dirty and dangerous and tedious work, or at least to shift it from men's backs on to machines so wonderful as in themselves to constitute another

natural argument for belief in a God directing man's intelligence.

This point requires no stressing. But it may be noted here that the efficiency of production is made possible only by large-scale co-operation. Modern machinery is so huge and so complicated that its benefits cannot be fully enjoyed except through large undertakings.

There is a school of thought in England known as the Distributists, mainly composed of people who have little practical experience in industry, and who are mostly pretty comfortably off. Men like G. K. Chesterton and Hilaire Belloc belong to it. Animated by those good intentions, which have paved all sorts of strange pathways, these men are out to attack monopolies, not by depriving them of their monopolistic power, but by abolishing them as enterprises. They want to put us all back on the land, to give us each independence through a little property. They like to lie back in their easy chairs and see through smoke rings the golden days of handicrafts—which means in effect to send us back to the days of dirty finger nails. There are reformers of a similar type to be found today in all countries. The most logical of them is Huey Long, of the United States. Huey is out to share the wealth, and he makes no bones as to his method, which is straight-out confiscation—and which is the only practical way by which Distributism (if you want dirty finger nails) is likely to be put into immediate effect. We shall see later that there is quite a simple way, along monetary lines, by which the freedom, which Distributists desire, as well as its material advantages, may be gained. But the Distributists rather pooh-poo monetary reform. They don't understand money. Belloc, who has long sensed and courageously opposed the power of bankers, nevertheless actually advocated in England a few weeks ago a return to the gold standard!

The idea of going back to "Hand - Sewn", "European-Labour-Only" and "Every-Man-a-Vegetable-King" is, beyond argument, a backward step in human progress. Put forward to balance the goods-without-customers side of the scales, its tendency would be to weigh down the customers-without-goods side.

Even the Communists recognise this, as we have seen in Russia. Your genuine Communist is among the most sincere, ardent and earnest of reformers. His drawback is that, enraged with illegitimate profit, he would abolish licence by throwing out liberty along with it, and he may be suspected of taking more private enjoyment in levelling down than in levelling up, in the class war than in universal peace. His pet aversion is the tall poppy. But at least he will not set us on the path of material retrogression. He welcomes the machine. He drives it flat out. He even shows us ways by which expensive machinery may be adapted to assist smaller owners. Harvesting is an example. Half the farms in Australia have valuable plant idle for eleven months or more every year. The Russian sends his plant travelling with the sun, moving from farm to farm as the crops ripen.

To sum up, production is all right, or what defects it has are so minor that they may well be left for adjustment until the consumption, or customer side has been regulated.

THE CUSTOMERS.

When we look at the customers, we find a state of indescribable confusion. Customers there are in all directions, millions and tens of millions of them throughout the world, who badly need goods.

In our own country we have hundreds of thousands of people who are short even of the veriest necessities. Children are practically strangers to milk in a land, which is literally flowing with milk. Probably there are not fifty per cent, of our people who are not compelled to order sparingly even the essentials of frugally sufficient food. Items like fruit and green vegetables require careful budgeting. And as for the trimmings, these are beyond the reach of most of us. Why? Because we cannot afford them, because we are not able to buy them.

The issue, then, narrows itself down to a question of buying the things which are already produced.

Buying is done with money. We are therefore, most of us, short of money.

IS THERE A MONEY SHORTAGE?

But it does not follow that a shortage on the part of some individuals, or even of many individuals, must mean a total shortage. There may be too little in some hands because there is too much in others; the poor may be poor because the rich are rich.

Is this the case with us? If it is, the remedy can easily be applied by increasing taxation upon the rich in order to give to the poor.

This remedy has been tried pretty thoroughly. During the last twenty years taxation has pyramided itself to proportions, which are appalling, until today there is hardly any avenue in this direction, which has not been thoroughly exploited. And such few corners as have not been thoroughly swept out would make little difference to the position as a whole.

Numbers of people who are opposed to any form of legislation which they regard as socialistic—and in particular to any attempt to interfere in the present control of money—have published figures showing that if every penny of their money incomes were to be taken from the richer classes the effect would be negligible. This is true, and it proves the very thing that they are anxious to avoid, which is that the present money incomes of the whole community are not sufficient to enable them to enjoy a very high standard, of living. We have also seen by experience that even with taxation on money incomes at its highest the effect has merely been to make the rich poorer without making the poor much better off.

Surely, then, if we have an almost illimitable capacity for producing goods, and if we have the general run of consumers short of the goods they actually need, and if redistribution of present money incomes is not bridging the gap, it is time we looked searchingly into the whole question of money incomes.

(To be continued.)

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HAILE SELASSIE STATES HIS CASE

Since it appears that Mussolini may any day now launch his murderous assault upon Abyssinia, it may not be out of place to put on record the statement of Abyssinia's case as delivered by the Emperor to his Parliament of Notables last month.

Haile Selassie said:—

"For nearly forty years Italy has not ceased to nourish an ambition to conquer our country. This wish has continually manifested itself in diverse forms during that period.

"It commenced to show itself forcibly in the summer of 1934. In August last year, without reason, the Italian Government armed intensively on our frontiers. Being informed of this fact, we instructed our Charge d'Affaires in Rome to demand explanations. It was then that all the accusations against us were invented. It was then that our aggressive intentions against the Italian colonies of Eritrea and Somaliland were given as a pretext for warlike preparations, despite our protestations to the contrary.

"Italy was already following a plan that had long been studied, and she continued her military preparations while describing them as purely defensive. To justify in the world's opinion her criminal intentions it was necessary to find a favourable occasion to serve as a pretext.

"In November the Gondar quarrel occurred between some Ethiopian subjects attached to an Italian commercial agency and some local Ethiopian administrators concerning a woman. This bloody quarrel of a private character was made an occasion for energetic diplomatic intervention on the part of the Italian Legation.

"It happens that the Ual Ual incident constitutes the fundamental base of our actual differences. Desirous of enlarging to our detriment the territory of colonial Somaliland and with complete disregard of the sovereignty of our country, Italy installed at Ual Ual (more than a hundred kilometres from the frontier, as defined by the treaty of 1908) a military post which was strongly armed.

"Following the delimitation of the British Somaliland frontier, the mixed Commission of the Ethiopian Government and the British Government had to traverse our province of Ogaden to determine the zones of pasturage on which by treaty the British Somaliland tribes have the right to graze. This international commission, which was operating on our territory under the protection of the Government with an armed escort, was subjected to a cowardly attack, as you know, on December 5, when our valiant soldiers fell under the bullets of machine-guns, tanks, and aeroplanes, super-abundantly proving criminal premeditation on the part of the Italian aggressors.

"When accused, Italy found it expedient to assume the part of accuser and try to make us responsible for the fault committed by her own people. Not content with the assassination of our troops, she claimed from our Government apologies and satisfaction and indemnities.

"Conscious of her rights, Ethiopia quickly invoked the treaty of 1928 by which Italy had promised to maintain perpetual peace and friendship with us, and had undertaken to submit any differences that arose to pacific solution by arbitration. We were met with a categorical refusal. Italy persisted in pressing her full claims without examination and without judgment.

"We were resolved to safeguard our honour, but we considered that a Government does not degrade itself by submitting to a ruling pronounced by an impartial and qualified international body. We therefore solemnly declared that Ethiopia would bow immediately and completely to any ruling against her if she were found to be at fault. The Italian refusal to arbitrate obliged us to assure a peaceful

solution by resort to the League Council.

"Letters were also sent to the King of Italy and the head of the Italian Government, giving explanations why we were obliged to apply to the League at the January session. The principle of arbitration was unwillingly admitted by Italy. At the League meeting of January 19 she persisted in demanding that we should recognise that we were at fault. This made a new appeal to the League necessary in March.

"Meanwhile Italian diplomacy began to exert intolerable pressure on our Government. Every day the wireless reported a fresh dispatch of troops, arms and munitions to our frontiers of Eritrea and Somaliland, thus creating continually a greater danger of war.

"On May 25, following a second appeal, the League Council set up an effective body for arbitration. A few days later Ethiopia chose her arbitrators."

(Here the Emperor recalled Britain's attempt to settle the difficulty by the offer of the port of Zeila, an offer that was "brutally repulsed by the head of the Italian Government.")

"Italy's military preparations continue. The speeches of Italian statesmen show her real intentions. They openly speak of the conquest of our country by force.

"Signor Mussolini lays claim to the mission of civilising our people. He excludes a pacific solution and wishes to settle in a bloody manner the old affair of Adowa.

"Ethiopia, whom he insults by describing her as a barbarous nation, is profoundly imbued with respect of her pledged word and of the sanctity of treaties. She does not want war, but she will defend herself if attacked. In the Adowa affair she was not the instigator. If there was a war it was because, as will perhaps happen tomorrow, the Italians had penetrated into her territory. By the grace of God and the courage of our warriors we repulsed the invaders."

JOHN ALLAN, M.L.A., AND OUR STANDARD OF LIVING.

Mr. Allan said that the standard of living in Victoria and in Australia generally was the highest in the world, but he doubted whether it could be maintained at such financial cost. Last year unemployment relief tax had produced in Victoria £1,694,000. This year it was estimated to produce £1,750,000, and, in addition, £2,000,000 of borrowed money was to be devoted to unemployment relief. Was it getting the State anywhere?

A Labor Member. — Would you have a revolution, then?

Mr. Allan. — It appears that we shall have an unemployment tax until ----

A Member of the Opposition. — The crack of doom.

Mr. Allan. — Yes. The crack of doom.

— Victorian Parliamentary report, August 21.

"POLITICAL INFLUENCE."

"What possible reason can be advanced for appointments to the High Court of men who have reached the age at which others retire, and who are as close to the age at which it is proposed to make retirement compulsory? The ladder for youthful abilities should not be blocked in this way, and there should not be even the suggestion of political influence."

Thus the "Herald" (August 23) raises its voice against the possibility of appointment to a judgeship of a man in his sixties. The "Herald," however, warmly applauds the selection of Sir John Latham, who is a mere youngster of 58, and about whose appointment there could not possibly be a suggestion of political influence.

HOW U.S.A. TREATS ITS UNEMPLOYED

Ever since President Roosevelt launched his thunderbolts against the individuals whom he blamed for the depression in the United States — and then proceeded to run the country into debt to them at a rate previously unheard of — there has been a growing inclination on the part of Labor men in Australia to hail him as the workers' friend.

Like every other political party of the past, Labor has mostly been quite happy to lead a hand-to-mouth existence. Give it finance for the moment and it will blithely disregard future implications. Like Mr. Dunstan, Victoria's Premier, it protests, not at the National Debt, but only at not getting a big enough slice of it.

It is not surprising therefore, that Labor should gloss over the rate at which Roosevelt has been forging chains for the American people in the name of freedom, so long as he appears for the moment to be doing something to relieve immediate destitution. But what has Roosevelt done in this respect? What is the status, under the Constitution framed for life, liberty and the pursuit of happiness, of those who are in similar straits to our own unemployed?

The following description of U.S. relief organisation (from an American correspondent of the "Manchester Guardian Weekly," July 26) may throw a little light on the subject:

"Most people in the United States agree that the 'New Deal' has made no appreciable difference to unemployment. No figures are available, but the number of unemployed is estimated at ten to twelve millions, and there are some who say that this is a conservative calculation. How do these millions and their families fare under the various relief schemes brought in by the present Administration? Although there is no Government unemployment insurance, the bulk of relief in the United States is today administered by Government agencies, and the funds for it are contributed by Federal, State and municipal sources.

RELIEF PROCEDURE.

"The relief procedure is broadly as follows in New York; a similar system obtains throughout the United States, though there are variations in detail and variations in rates paid:

"If a worker loses his job he is first expected to use up all his savings; he must not apply to the relief authorities until his means are completely exhausted. When all his money is spent he fills in an application form, on which he must give exact information on, among other things, the size of his family, the extent of his property and his debts, the years of residence in his present abode, any previous addresses and previous employment, and the amount of his rent.

"A fleet of investigators is employed by the relief authorities to check these applications, and the officials do actually, so I am told, check each case by personal visit to verify residence and, so far as is in their power, resources. The absence of official records, such as we have in this country, makes the investigation an expensive business, and the cost of the relief organisation in the United States is freely admitted to be extremely high. For verification of property, the emergency home relief bureau has at its disposal a detective service, which secures information from savings banks, savings accounts of ordinary banks, and other possible repositories of property. The relief administration also has an industrial service to trace a worker's previous employment and to discover whether he is not engaged in part-time work.

This detective service does not take as long over investigations as one might expect. At least, I am

told on good authority that the time-lag between an application and the receipt of actual relief is usually about a fortnight. But if a worker and his family are entirely destitute an emergency food order is given, while a rent order is provided if the applicant is threatened with eviction. These emergency reliefs are given in vouchers, not cash. Once the investigation is completed relief is given in money.

"At present there is no time limit to the receipt of relief. In New York it is handed to the applicant in cash every two weeks, and is even delivered to the house by bonded messenger. But while relief is paid indefinitely, investigators call at each applicant's home about once a month to discover any changes, which may have arisen. This system is known as home relief.

WORK FOR DOLE

"Fears of the demoralising effect on the recipient of money without any return have led to the institution, fairly recently, of a system known as work relief. Here the central idea is that those among the unemployed who are able to do the work a city or a county can provide, should be given a chance to do so. There are two branches to it, manual labour, and work relief for the white-collar, or, as we should call them, black-coated unemployed. The whole system is as yet undeveloped in practice, but the basic factor about it is that the workers must be employed in non-profit-making organisations. Road construction, park improvements, municipal housing schemes are some of the outlets for men able to tackle manual work. For the white-collar unemployed there is clerical work in charity organisations, clubs, settlements, or recreational and educational work. Research projects in universities fall into this category; so does work in Government offices.

UNDERMINING WAGE SCALES.

"The work relief system is not functioning too well at the moment. For one thing it is costly, since it means spending large sums of public money on temporary projects to absorb labour. Employed workers dislike it since they contend, with some justification, that the system is undermining regular labour conditions and wages. In practice the system operates somewhat as follows: If a non-profit-making body, say a social club, desires to have its premises redecorated, it would normally engage a painter and pay him the recognised scale. It now applies to the relief bureau and obtains a worker free. Its only expenditure is for materials used. The relief bureau pays the worker, but it does not pay him the usual scale; it merely gives him the work relief allowance.

"Much the same thing happens in white-collar relief. A Government official in the Customs and Excise office told me that a number of unemployed clerks had been drafted into his office. These white-collar relief men are working side by side with regular officials. They are doing similar work, yet they are only getting 24 dollars a week for five days' work, or about 1200 dollars a year, compared with salaries of 1800 to 3200 dollars, a year paid to Government officials. The result is keen dissatisfaction on both sides.

"The relief organisation itself offers ample scope for the employment of white-collar workers of both sexes, and a large number of investigators are indeed recruited from the ranks of the unemployed. But here, too, there is a good deal of friction, not only because of wage differentials but on account of lack of aptitude for the work. The white-collar unemployed who work in the

relief bureau may be educated, but they are quite untrained, an official said to me in a tone which left no doubt as to his opinion of the way they carried out their tasks.

"One advantage white-collar work relief has over the manual kind is that it is continuous. In manual work the operatives are paid about 48 dollars a month, and they only work a certain number of days a month, so as not to depress wages unduly.

"As yet the majority of unemployed are on home relief. The proportion on work relief is slight, and the experience so far gleaned is not encouraging."

TRICK STATISTICS OF COMPARATIVE RECOVERY

Misleading the Public

Whatever our differences of opinion (writes Christopher Hollis in the "Catholic Herald," London, on July 13) there can at any rate be no sensible argument between us that it is of the first importance that a proper solution should be found for our tangled financial affairs. And, that being so, it is high time a protest should be made against the trick statistics which are served out to the public and which make it so unnecessarily difficult for it to form right judgments upon different policies.

Thus we are continually being shown statistics of the comparative recovery and of the increases of productivity in the different countries of the world. In this country those statistics are usually given as percentages of the productivity of 1929. The lesson that is to be deduced from them is, of course, that Great Britain's recovery has been far more nearly complete than that of the United States or of any other country. I have never seen attached to any such statistics an explanation that the slump struck Great Britain

long before it struck other countries, that in 1929 productivity in this country was very low and in the United States was very high.

If such an explanation is not given and if the reader does not know or does not remember it for himself, naturally he draws the conclusion that the policy of the National government has been a monument of wisdom, and those of other countries' governments very greatly the reverse. But it is obvious that by choosing your year conveniently you can make a statistic like that prove anything. I have no particular objection to the National government winning the next election, if it is able to do so. In fact I am, on the whole, in favour of its winning, if only because its financial policy has been in far more violent conflict with the theories of traditional finance than that which the last Labor government pursued, or that which the next Labor government is at all likely to pursue. But I do protest that it is a matter of extremely secondary importance which team of politicians will occupy the positions of office. It is a matter of the highest importance that a right financial policy should be pursued.

STABLE PRICES.

The National government has in many ways not been a bad government. It had the courage to abandon the absurd attempt to keep the country on gold. It has substituted for the policy of stable exchanges the policy of stable prices. It has had the wisdom to accept the demands of the Dominions at the Ottawa Conference and to understand that any attempt to prevent a reasonable recovery of the price of primary products must necessarily mean the disruption of the empire. In order to keep prices stable, it has steadily issued new money by increasing the floating debt, and, doing so, it has put itself into debt at the price of putting most other people out of it. Thus it has made itself into the predominant borrower and created a situation in which it is able to dictate the terms of borrowing to the banks. It has, therefore, been able to drive down the rate of interest. It came into power with a promise that it would reduce expenditure, but fortunately it has had the wisdom not even to attempt to do anything so ridiculous. It has, instead, increased it, to the great benefit of the country.

For some reason or other its members, who have in reality behaved with a very fair degree of statesmanship, think it necessary to go about the country boasting that they have behaved like congenial idiots. They think that if they do not do that nobody will vote for them. Whether this is so or not, I do not know. I have no particular objection to their saying that they have balanced the budget, so long as in fact they have not done so. But if they insist on talking such language, then I do think that the time has come when their speeches should be quite frankly recognised

as music-hall turns, and people are really interested in what is happening should be able to find out the facts from elsewhere.

KEEPING IT DARK.

I am in particular moved to these reflections by the success with which the newspapers have succeeded in keeping dark the most important recent news about the Glasgow municipal loan. The facts are clear enough. It is well known to everyone that the general plan is that a municipal loan cannot be floated except with the consent and on the terms of the Bank of England, and that a number of very superior middle men pocket a considerable amount of money on the flotation. Now some people have been so irreverent as to suggest that the vices of these middlemen are not really services at all, and that indeed, their activities could be very well dispensed with.

When the activities of similar people were investigated in the United States, it was found, to put it mildly, that there was a good deal to investigate. On the other hand, the friends of the superior middlemen have always been forward to tell us that it is but ignorant folly to imagine that these services can be dispensed with, that the floating of loans is a highly technical art, and it would be disastrous to the country to attempt to do these things in amateur fashion.

In such a controversy nothing could, it is clear, be of more importance than that we should know what exactly, if any, are the disadvantages that the citizens of Glasgow are now suffering as a result of saving many thousands of pounds through not using the usual machinery for raising their loans. Instead of that all the respectable newspapers have pursued a policy of saying as little as they possibly could about this most important piece of news.

* * *

Mr. Hollis makes some good points, but he misses several.

He rightly indicates that the increase of the floating debt in Britain (as in Australia) means increase of the money supply — which is necessary — but he omits to stress that this should come by the nation issuing the money instead of borrowing it from private bankers, at interest.

Neither has the British Government done much towards putting private individuals out of debt. There, as here, Government debts have merely been piled up on top of private debts. And if the Government did become the predominant borrower the result, far from putting it into the position of dictating to the banks, would simply consolidate and simplify the bankers' rule, on the principle that it is easier to watch and discipline one prisoner than a multitude. For money is absolutely essential, and if the Government is to be the sole or the main "borrower," then, so long as the Banks are the "lenders," the arrangement would suit them admirably.

As far as the Glasgow loan is concerned, that was commented on in these columns recently. The loan was an outstanding success. But loans made from savings — which themselves are only the reflection and result of other bank loans — are obviously confined in their scope. If loans from bank are called up — and bank loans are almost invariably repayable on demand — then savings must correspondingly disappear, as has been shown in England, in Australia, and elsewhere. So that the game is ultimately only a cat and mouse act, with the banker as pussy. Moreover, as has also been shown in this paper, the tendency of puss is to substitute her kitten for the mouse by putting bank directors on the boards of insurance, trustee and pastoral companies and all similar organisations which hold big accumulations of savings available for investment. The bankers won't miss much as long as they are left the power to create and destroy money.

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The Problems Facing Reformers

I think it was Mr. Orage who said each the individual Social Creditor was a grain of salt; but that when Social Creditors met in a group they were turned into a pillar of salt. Certainly, the advantage of a pillar of salt to a speaker is that it cannot go up in smoke, though it may dissolve in tears of boredom.

HUSHING UP HISTORY.

An article in the *New Age* of November 8, 1934, entitled "Gold, History, and Liberty," set me studying the history of the agitation leading to the Second Reform, Act of 1832. It was amazing to learn in the article that "the true facts of that tremendous historical occurrence known as the Passing of Second Reform Act (1832) have been deliberately suppressed by successive Governments, and the Standing Orders have been given to the permanent officials in government departments to take utmost the precautions by means of Government the Secret Service that none of the real facts connected with the passing of the Second Reform Act shall ever be published in any history or book of historical reference, whether the same is intended for schoolboys, university students, or professional historians."

It was in this article that I learnt for the first time of the existence of a permanent Government official receiving a salary of \$1200 a year and pension, known as Historical Adviser, and whose miserable degrading duty consists in advising the Government of the day how to evade and suppress historical truth in the interest of the professional politicians.

I think I might usefully put before you some of the lessons I have been learning from a study of the agitations and disturbances of that period, commonly known as the Reform Agitation.

The main sources from which I have drawn are the writings of William Cobbett—that giant of Sussex—and the "Life of Francis Place," by Graham Wallas (Place was born and bred in that sink of iniquity called by Cobbett "the Wen"), "The Life of Earl Grey," by Trevelyan; a "History of Birmingham," published in the 'fifties; and the financial pamphlets of Ward Norman, Thornton, and Riccardo. All the agitation revealed in these books culminated in the passing of the Reform Act 1832, and the Bank Act 1844—a poor food for flock in the care of what Milton would call the hireling shepherds, the politicians.

The chief lessons, which emerge from a study of that period, are first, that the driving power behind everything was a sense of profound dissatisfaction amongst the general population. This was not organized by any central organization, but showed itself definitely for the first time in the formation in 1792 of the Friends of the People Association by Earl Grey and other Whig M's.P. and the Corresponding Society—a working-class organization—before the excesses of the French Revolution in September of that year had aroused the powers of reaction. In the years that followed, justice and mercy died. Pitt savagely pursued the reformers. They were shut in prison for months and years without trial. Fox himself was removed from the Privy Council, and the Duke of Norfolk from his Lord Lieutenantcy for toasting "Our Sovereign the People." The only place where Reform could be mentioned was in the House of Commons itself, and that was not taken advantage of because of the Reform Whigs absenting themselves from parliament as a protest. It was a poor protest. The few Reformers car-

ried on quietly. It was more dangerous to be a Reformer than a felon in those days.

Their driving force was never a mere bread and butter question. The rights of man had been born anew in the French Revolution. Apart from the gradually increasing discontent of the lower and middle classes was the keen appreciation, so often repeated, of the existing poverty in the midst of plenty. Let me read this from Cobbett:

"The road very wide and smooth; rows of fine trees on the sides of it; beautiful white-thorn hedges and rows of ash and elm dividing the fields; the fields so neatly kept; the soil so rich; the herds and flocks of fine cattle and sheep on every side; the beautiful homesteads and numerous stacks of wheat! Every object seemed to say: here are resources; here is wealth! Here are all the means of national power and of individual plenty and happiness! And yet, at the end of those ten beautiful miles, we entered that City of Coventry, which, out of twenty thousand inhabitants, contained at that very moment upwards of eight thousand miserable paupers.

"As we passed onwards through Staffordshire and Cheshire all the same signs of wealth and of the sources of power on the surface of the earth struck us by day; and, by night, those more sublime signs which issued, from the furnaces on the hills. The causeways for foot-passengers, paved, in some instances, for tens of miles together; the beautiful rows of trees shading these causeways; the canals winding about through the valleys, conveying coal, lime, stone, merchandise of all sorts; the immense and lofty woods on the hills; every object seemed to pronounce an eulogium on the industry, skill, and perseverance of the people. And why, then, were those people in a state of such misery and degradation?"

"As the working people went on getting poorer and poorer, they became more and more immoral.... As the working people became poor, the laws relating to them were made more and more severe; and the Poor-Law, that famous law of Elizabeth, which was the greatest glory of England for ages, had by degrees been so much mutilated and nullified, that at least it was so far from being a protection for the working people that it had, by its perversions, been made the means of reducing them to a state of wretchedness not to be described. The sole food of the greater part of them had been for many years bread or potatoes, and not half enough of these. They had eaten sheep or cattle that had died from illness; children had been seen stealing food out of hog-troughs; men were found dead in May of that year (1830) lying under a hedge, and when opened by the surgeons nothing but sour sorrel was found in their stomachs.

"Such was the state of England. Here you saw a people, inhabiting the most productive land in the world, a people to whom God had given a large portion of all His choicest blessings, safety from foreign foes, climate, soil, mines, woods, downs, flocks and herds, and, above all, industry perfectly unparalleled...."

Yes, the sustaining drive throughout was a moral indignation of a people deprived of their rights—a people who were being screwed down by deflation.

THE REFORM AGITATION

The second lesson is, that there was no organised leadership. The Reform Movement was hydra-headed, which was a great advantage in those days of repression and persecution—days, which the Social Credit Movement may yet have to face. Cobbett, who might be regarded as the spiritual leader of the Reform Movement, never

formed any party, and, in fact, until the end the agitation was carried on by a large number of competing and often acrimoniously opposed societies; but these various organisations produced an effect on the politicians by fear. The Reform Act was only passed by intimidation. What seems to us now as an obvious and easy process was actually a battle only won by the energies and emotions of the entire population.

The Reform Agitation was diffuse, and the organisations were local and spontaneous. Local leaders everywhere sought to influence within their own sphere. Thus arose cries in every key, and threats of opposition to government so diverse that the Government of the day could find no way of coping with the threatened disorders. The same distressful cry organised under a central organisation in the Chartist Agitation, 1838, however, presented what Caligula wished—that mankind would present a single head to be chopped off in one blow. The Chartist Convention failed; the

worked continuously for over thirty years for Reform, and by Atwood, the baker of Birmingham, who formed the first National Political Union in 1830. The Union of the majority of the working class and the middle class (I use the words in no invidious sense) was essential for the passing of the Reform Act to prevent the struggle developing into one between the "Haves" and the "Have-nots." Here I agree with Mr. Hargrave, who preaches that the middle class must throw in their lot with the workers, in view of the history of these times, and since it is quite clear that the workers will make no approach to the middle class. They regard it with intense suspicion. The overtures must come from the middle class. The employer must throw in his lot with the workers. The middle classes must be made to realise that the present struggle is a struggle between the "Haves" and the "Have-nots" and they are amongst the "Have-nots."

You all know how the Second Reform Act was passed. The country was on the verge of Revolution. "Everyone was convulsed with rage," says Cobbett. There was a no-rent protest. No taxes were to be paid. Men were armed, and finally, with the help of the bankers, the Act was passed. You have all heard of the posting of England with the placard, "To stop the Duke, Go for Gold."

"Convulsed with rage." Have we seen the population convulsed with rage at the new Unemployment Act? Have we seen the population convulsed with rage at the new Sedition Bill? Were they convulsed with rage at the cuts in 1931? That is the emotional pitch, which we must hope to raise in the public before we can see this tremendous financial revolution—a British Public convulsed with rage at the misuse of their credit. Again arising out of this comes the question of Cobbett, the teacher and adviser of Britain. How did he get the ear of the people? Who is going to be our Cobbett—the many Cobbetts we need? Besides energy, a fierce love of right and a great love of the people, Cobbett was born with no advantages. It was his known righteousness, and a love for the common people, which he displayed year after year by helping them in every way, that dissolved the suspicion of the working classes and made them acclaim him as their prophet. The people will not accept any leader who cannot make them believe he is for them—witness the leaders of the last hundred years!

CURRENCY THEORIES.

The Reformers knew that the Reform Act was nothing, but it was a break in the accursed system. Possibly one cause of the defeat

of the people in the Reform Act may be traced to the difficulty of defining their final objective. There were Corn Law Repealers. There was Cobbett, who put everything down to the Funding System. Read his attack on the Bank of England, in which he describes its foundation as "the precursor of a scourge greater than ever before afflicted any part of God's creation."

There was Atwood, of Birmingham, whose currency reforms were set aside by the Chartists. There was infinitely keener interest in currency reform than there is today. Professor Gregory, in his recent attack on Douglas at the Institute of Bankers, remarked on the similarity of the currency reform of the eighteen thirties and the monetary reforms of today, and I agree with him on that point. I think the nearest approach to relationship with Douglas was Hodgskin, who put forward a theory of distribution and analysed the mystery of costs—alas, missing what Douglas's genius discovered—the unearned increment of association." Let me quote a popular song or poem which appeared in the "Poor Man's Guardian," signed "One of the Know Nothings":

"Wages should form the price of goods.
Yes, wages should be all;
Then we who work to make the goods
Should justly have them all.
But if the price be made of rent,
Tithes, taxes, profits, all;
Then we who work to make the goods
Shall have—just none at all."

Today the workers don't concern themselves with costs. They cry for work. Differing in economic remedies, the Reformers united on the demand for Parliamentary Reform as indispensable to effective change.

POLITICAL ACTION.

Almost immediately after the passage of the Reform Bill the people realised that they had not got what they wanted. Francis Place tried to get candidates at the next election to sign a pledge. The two Radical members—Burdett and Hobbouse, men for whom and with whom he had worked for years—refused to sign. "None but fools demanded pledges, none but knaves gave them." He found that he could do more good without Parliamentary men than he could do with them. The working classes did not get the vote until the 'sixties.

Convulsions of wrath are an exhausting process, so that the leaders and thinkers found that their followers were exhausted when the Reform Act was passed at last. What to them was to be only a stepping-stone to greater and greater reforms had, in fact, become a final objective, while the public lapsed into their wanted indifference.

This demonstrates the danger of raising a national clamour for an intermediate objective. We must beware lest we lead the people to a

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NEWSAGENTS.

proposed National strike did not take place, and, having failed, Britain, like Israel, returned everyone to his own house, defeated, despairing, and unrelieved until the next boom produced by the Californian Gold Rush.

COBBETT ON GOLD

Cobbett was largely responsible for the arousing and canalising of the feeling of rage against the privileged class. His boast was that he was the Teacher of the Nation. For some years before his imprisonment he had contemplated making the paper-money system familiar to the understanding of the people. He was imprisoned for criticising the flogging of English Militia by German soldiers, and it was then he wrote his "Paper Against Gold." "The Government gave me leisure, and I, in return, gave a true history of the Funding System." He regarded it as his best work, but he was merely looked on as "a very clever man with rather a twist in the head." He started his "Political Register" in 1812, the fruit of which did not ripen for twenty years. He realised he was alone, and that he had to wait for the sufferings of the people to increase before they were ready to listen to him. In 1816, after the Napoleonic Wars, agricultural distress was greatly increased and he decided to "lay on." He advised the people to cease rioting, and he reduced the price of the "Political Register" from 1/- to 1d. In two months, 200,000 of this cheap first number were sold; and the "Paper Against Gold" was selling at the rate of twenty to thirty thousand a week. As a result, Castlereagh passed a Bill to shut up any one merely suspected of treasonable practices. Cobbett was warned in time, and wisely fled to America for two or three years. On his return he was more readily listened to, and by 1830, when distress had united the middle classes and the majority of the working classes, he was the man of the hour.

GOLD AND THE SECOND REFORM ACT.

This welding of the two classes, which was essential for the success of the movement, was helped by Francis Place—a man who had



halfway house. The demand, which is raised by the populace, must contain no compromise. The politicians are only too ready to supply those; and every effort must be made to prevent any restriction or turning away from a full objective.

In the *New English Weekly* of September 6, 1934, Mr. Orage wrote of the American situation: "The issue of the war is the right of the American people to the consumption of its own production and the recognition and use of the Proper Financial Policy for instrumenting that right; and every other issue is a red whale." I think that is the issue of our economic war, and the tragedy is that the people do not yet regard it as a right — the consumption of their own production. The great majority of the people do not believe that they have the right to consume all they produce, even although they suffer want and see plenty destroyed. They would rather earn a fair wage than be given an unknown National Dividend. They still believe in and want work as the right to consumption. That is why political parties still rival one another in their bids of work for the unemployed. If we can arouse the people to feel that they have the right to consume all they produce, it will be easy to get the recognition and application of Social Credit.

All that the people know of the present system is that they have to work for money, and that any other money is distributed through taxation or confiscation—e.g., sweepstakes. The public is well trained. Our opponents are not idle. When Ramsay MacDonald waved his German mark we laughed, but millions voted.

In the Reform Agitation economic pressure gave rise to moral indignation, which was the driving force. How are we going to arouse the people's moral indignation at the fact that they are being deprived of their rights, since the community cannot consume what it produces? How are we to bring them to the stage when they are convulsed with rage at the thought of the swindle of the present system? We must not let the question become a bread and butter question since a change for the better, however small, would detach a large number from us. Let me tell you of Atwood, of Birmingham, and the fate of his Currency Reform in the Chartist Agitation in 1839. He and his friends went to great pains to make the people believe that the distress would not only continue, but must go on increasing until Mr. Atwood's scheme of Currency was put into practice. These Birmingham men had organised the Chartist Convention, but by the time the Convention met his scheme was rejected. I think it is a mistake for us to tell the general public that evil upon evil will occur until Social Credit is introduced. It does not attract them. My experience in trying to arouse that feeling of the community's right to consume all it can produce is that success is gained by explaining the present financial system. People know of the existence of

Poverty in the midst of Plenty. Have you ever noticed the boredom, which comes into the faces of the audience when the same old details of plenty are trotted out? Every Friday I watch a public audience, I know. They accept poverty in the midst of plenty as an unalterable condition. "The rich man in his castle and the poor man at his gate" is still ingrained in many. What does interest them is a few well-chosen examples of, say, a comparison between the direct labour costs, and the price to the public. That makes them think. So convinced am I of the necessity of telling the public of the existing system that when I speak or do propaganda work I first teach my audience the answer to two questions: "What is money?" and "How does money reach your hands?" At Ottawa last April, when Douglas was giving evidence before the Committee on Banking and Commerce, he told a Mr. Willis who wished to know where his subsistence would come from, that he should study the existing system. We must tell the people the whole story of Social Credit. Now you must bear with me at this point, though you disagree. I have been told that there is no need to convert more people to Social Credit. All that is needed is to get the people to demand a National Dividend. Were I not convinced of the benevolent intentions and of the integrity of these individuals who believe that a demand for a National Dividend is enough, I would accuse them of deliberately hampering our work. A National Dividend Demand is a bread and cheese policy. The mob would be satisfied with a pittance. The cry does not arouse a passionate desire for the right of the community to consume all it can produce. How easily an uninformed demand for a National Dividend might be turned into the already popular demand to nationalise the banks as the first step to the introduction of Social Credit!

No, I believe that we must tell the people the whole story. The basis of Social Credit is the unearned increment of association.

Again let me quote Douglas at Ottawa: "We have reached the stage where a decreasing number of people, smaller in number than those who are available, can produce all the wealth that is required by everybody. The surplus wealth, which is produced in that way, is the property of the community by virtue of this. It has arisen out of the unearned increment of association. The real practical problem of the present day is not to distribute the earned increment of association, but to monetise the unearned increment of association. That is the basis of the Social Credit idea."

We must tell the people our solution: (1) The National Credit Offices; (2) The Just Price; (3) The National Dividend—eventually replacing the wage.

REPRESSION.

Time is short, you may say, but we have to convince the people of their right to consume before they

will be ready to move. How gigantic is our task unless a miracle occurs, I know. It took forty years for the Reform Agitation to grow from 1792. Pitt's Treason and Sedition Bills in 1795 were popular measures. Place writes that "the people, nay, the masses of the shopkeepers and working people approved the Bills without understanding them." Birmingham, which had its "Church and State riots," when Priestly and other reformers were hunted and their houses burnt, forty years later, was to be the centre of the National Political Unions. Birmingham was to raise the standard of revolt, not London. Let us not despise the provinces.

I am convinced we must have an educated public. I mean a Social Credit education. Let me explain what I mean by the people. They are the people like us, who are ready to work, and are, therefore, able to carry the inert apathetic members of the public along with them. We must have this educated Social Credit Public so that when a financial crisis is precipitated, the people will know who are the right people to follow. We want the people to be able to cry, "Douglas is right, Douglas is right. He is a true prophet," as they acclaimed Cobbett a hundred years ago.

WARD NORMAN ON CREDIT CONTROL.

Let me emphasise the necessity of continuous propaganda for Social Credit by quoting from Ward Norman, grandfather of Montagu Norman, one of the foremost currency reformers. He believed that the issue and recall of credit was a Sovereign right, and wished the Government would exercise it. He says: "In conclusion we may observe that however desirous the directors of the Bank of England might be to introduce the proposed system, they cannot be expected to do so in the existing state of public opinion, which has almost everything to learn on the subject of currency." A state of affairs as true today as in 1837.

I want you to consider the significance of this lament. The central difficulty we meet with today is the abysmal ignorance of the public of the nature of money, and a complete lack of any realisation of what money is. Whatever it is from a banking point of view, it is viewed externally merely as a licence to consume, which can only be obtained from the money monopoly on loan. This was not realised by Ward Norman, who, like all the currency reformers of that time, regarded, money as a commodity. It will only be when we get a wide appreciation of money as a licence to consume that we will be able to quieten the cry: "Where is the money to come from?"

There is another statement, made by Earl Grey—Reformer Premier. Speaking in 1810 in the House of Lords, he said: "Whenever this great question of Reform shall be taken up by the people of this country *seriously* and affectionately, there will be a fair prospect of accomplishing it."

At present I think there are comparatively few Social Creditors. No cheap Social Credit paper has a circulation anything like Cobbett's "Twopenny Trash" or his "Register." Large meetings in towns are misleading. They are organised by enthusiasts and the good they do is to hearten the Social Creditors. What is much more significant is the number of people scattered through the country who have never heard of Social Credit. A few months ago I motored through England. Not one of the casual contacts I made had heard of Social Credit.

Obviously the financial powers do not fear us as yet. You remember Montagu Norman's contemptuous remark: "The dogs bark." Nothing will happen until the dogs bite, and we must see to it that there are enough dogs.

The Reform Agitators had three potent weapons. Non payment of rent; non-payment of taxes; and arms. The machine-gun has beaten us in regard to the use of arms. We are agreed that there is only one end of that gun, the handle end, and it cannot be ours. Non-co-operation has been

LETTERS TO THE EDITOR

LAND SHARKS.

I was grateful to your paper for the article in last week's issue on the land subdivision question, with all its evils. As one who fell a victim to the dishonesty of a large city firm, I hope you will continue to expose the iniquitous business.

Not only should Parliament enact legislation to safeguard the people against the land sharks, but it should promptly appoint a Royal Commission to probe the whole unsavoury business as it has been conducted over the past fifteen years.

Working people in reduced circumstances have been robbed by the thousand, and are still being-pestered to make payments on blocks of land that are practically worthless. Meanwhile some of these subdivisional gangsters drive around in luxurious motorcars and live on a lavish scale.

As the racket is still being conducted, and, as you warn us, may break out afresh on a large scale, our Government must drag to the surface all the knowledge possible about the injustices and corrupt practices associated with land subdivision.

The greatest victims of the land sharks were those who, in obedience to the best motives, sought to put a little by for their children. Had they simply put the money in the savings bank they would today have claims to something good and necessary. As things are, they have either lost everything they invested, or own an asset worth a mere fraction of what they paid.

"THRIFT."

THE AVERAGE BUSINESS MAN

The average businessman has no real objection to Social Credit, but condemns it because he believes it to be something that would disturb the world of commerce and interfere with his prospects of earning a satisfactory income. . . This opinion is due to the general condemnation of Social Credit by orthodox economists, bankers and the daily press.

If you engage the average business man in a talk about the effects of the existing financial system on business he will agree with the complete analysis of the Social Credit school, so long as you do not mention Social Credit. He admits that the banker is in the supreme position, that the only obstacle in the road of more business being done is finance, and that the Mint and the Commonwealth Bank provide the

proved successful in India, Ireland, and Egypt.

Let me recapitulate my lessons:

(1) The same discontents of one hundred years ago are still present in a less acute form. Our Government knows the value of bread and circuses.

(2) Nothing will be done until the people are convulsed with rage

(3) The middle class must be detached from the train of our rulers and throw in their lot with the workers. Forget Bourke's "Swinish multitude."

(4) The Movement should aim at diversity rather than centralisation. Many demands rather than one.

(5) We can judge our effectiveness by the amount of official opposition.

(6) So long as we work on intellectual lines we are merely barkers. We must be prepared to bite.

(7) There must be no compromise on intermediate objectives—only a single struggle for the final objective can unite and inspire the people.

foundation upon which the banking system builds its structure of credit. When you point out that less than one per cent of commerce is conducted with legal tender money and over 99 per cent with credit money created by the private banker, the average businessman usually replies that this has come about in a natural way and must be right, otherwise the press and other public influences would condemn it.

The average businessman invariably has an admiration for a more successful businessman than himself, and reasons that if the other fellow can become rich under our present monetary conditions, so can he. His mind is generally too full of stocks and shares, or land subdivision, or shipping freights, or the sale's department, to permit the entrance of such involved considerations as those concerned with the operations of the financial system. So he allows the daily press to supply his opinions, and the talkies, with all their insidious subtlety and anti-social propaganda, to furnish his recreation. At golf during the weekends he looks up, in a social way, to his wealthier club mates, in his esteem for their greater money making capacity. Their opinions suit him. They coincide with the daily press.

So it is very hard to keep the average businessman going along a trail of thought that will lead to a permanent solution of his problems. — Yours,

"COMMERCE."

Abyssinia and Its Currency

A MONOPOLY FOR ITALIAN BANKERS

References in Wednesday evening's papers to the Abyssinian currency as "thalers" draws attend to the interesting fact that Italian bank holds the monopoly of supplying Abyssinia with currency.

Actually, the Abyssinian talari are the well-known Maria Theres thalers, which for a century and half were minted in the Austrian mint. They are huge coins, big as the old English crowns, and bear on one side the portrait of the Austrian Empress, Maria Theresa (who ruled from 1740-1780) and the date 1780, while on the reverse side they have the Austrian double-headed eagle.

These Maria Theresa thalers circulate both in Abyssinia and in many other parts of North-Eastern Africa and Arabia. The normal value of a thaler is about two English shillings.

Although other nations tried to oust the "talari" from North-Eastern Africa by introducing rupee and other silver coins, the Abyssinians stuck to their traditional Maria Theresa coins.

Three years ago a group, in which a well-known British metal firm was represented, obtained the monopoly of buying all the thaler from the Vienna mint. Shortly afterwards this group sold its right to a large Italian bank, which now has the sale of thalers in North-Eastern Africa under its control. It is obvious that this might have considerable political importance.

An interesting point is that exports of Maria Theresa thaler have appeared in the statistics during the past two years. The explanation may be that Italy sent the necessary silver to Austria minted the thalers at the Vienna mint, and that the silver then left the country.

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