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# THE NEWTIMES

Vol. 1. No. 15.

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

MELBOURNE, FRIDAY, SEPTEMBER 6, 1935.

Every Friday, 3d

## Is J. A. Lyons Out to Whitewash the Bankers?

### THE COMMISSIONERS FOR THE MONETARY INQUIRY

It was suggested in last Friday's "Argus" that members of the Federal Banking and Monetary Commission may be Sir Osborne Smith, Mr. W. Warren Kerr and Sir Lennor Raws.

It will be remembered that the promise of this inquiry was reluctantly forced from the Prime Minister just before the last Federal elections. In his policy speech, as in all his other utterances, Mr. Lyons has consistently gone out of his way to act as the defender of the present banking and monetary monopolists. "Leave the banks alone" has been his watchword. As a result of this attitude it looked in September as though Mr. Lyons was facing more than a possibility of losing his own

#### BANKS PREPARING.

The trading banks themselves are now preparing materials for such an inquiry, recognising perhaps, as the Federal Attorney-General (Mr. R. G. Menzies) said in a recent speech in London, that they have not yet done enough towards educating the community as a whole to an intelligent consideration of their problems. —Melbourne "Herald," August 30.

seat and of being compulsorily retired from Federal politics. Hence, with what grace he could muster, he indicated that he was prepared, if the people wished it, to appoint a Commission of Inquiry. The people have declared their will by returning to Parliament a majority pledged either to radical monetary alterations or at least to a full inquiry into the present system and into proposed alternatives.

The subsequent attempts of the Ministry to sidestep its promise are notorious and need not be set out here. Suffice it to say that, twelve months after its return to office, this promise, like nearly everything else that it undertook to do, remains unfulfilled.

At last, however, the Prime Minister has announced that the members of the Commission will be named before the end of the year, and the "Argus," usually well informed as to U.A.P. inventions, has put forward a kite-flying suggestion embracing the three names already mentioned. And what a trinity!

#### BANKERS TO JUDGE BANKING

Of the first two commissioners suggested, little more need be said than that they are bankers themselves. Whatever their personal qualifications as bank executives, whatever their knowledge of banking technique, they are from their position utterly unsuited to conduct an impartial inquiry.

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For it must be remembered that it is not the technique of banking, which is called into question, but the principles upon which modern banking is based. If it were a matter of suggesting improvement in technique, these gentlemen might be quite suitable. But as the system is at stake, the system, which these men serve, it should be clear to any child that for a full and fair inquiry bankers are the very last men in the whole world who should be selected to preside.

Particularly does this apply in the case of Sir Osborne Arkell Smith? His name has apparently been put forward to lead the letter of the Prime Minister's promise that Australians only will be appointed to the Commission. But never could the spirit of a promise be more flagrantly broken. For Osborne Smith, though a product of Sydney Grammar School is to all intents and purposes just as much a foreign banking official as Otto Niemeyer.

Worst of all, he is the creature of the Australian people's arch-oppressor, the Bank of England, the institution that has aptly been described as the greatest enemy of God and man, which the last century has seen. Smith has been a direct employee of the Bank of England, and in his present position as director of the new Federal Reserve Bank in India, added to his post of managing Governor of the Imperial Bank of India, he is neither more nor less than the chief agent to implement the Bank of England's policy in that country. All this must be well known to J. A. Lyons, and if Smith be appointed an outraged public should at once realise that the Prime Minister might just as well have appointed Niemeyer outright.

#### A MAN OF BIG BUSINESS

As for Sir Lennor Raws, his name may not convey so much to the general public. He may be looked upon as a typical Australian businessman of wide experience and

therefore be deemed to be in a position to form an independent conclusion. But let us just see what are the business interests and associations of Sir Lennor Raws.

The "Herald's" "Who's Who in Australia" has this note about him: "Son late Rev. John G. Raws, of Adelaide; born Aug. 7, 1878, Kimbolton, Hants, England; educated Harrowgate, Yorks; is Attorney in Australasia for Imperial Chemical Industries Ltd.; Vice-Chairman and Managing Director of Imperial Chemical Industries of Aus. and N.Z. Ltd.; Director of Nobel (A/asia) Ltd.; Chairman B runner, Mond (A/asia) Pty. Ltd.; Director Australian Fertilisers Ltd., Elder Smith & Co. Ltd., Howard Smith Ltd., Commonwealth Fertilisers and Chemicals Ltd., and other companies. Clubs, Adelaide (Adelaide), Melbourne and Australian (Melbourne), Australian (Sydney)."

The first point that emerges from the above is that Sir Lennor Raws was born in England. Technically, therefore, in the terms of Mr. Lyons's promise, he should be excluded. On that point, however, most reasonably minded persons will raise no objections, for Sir Lennor Raws has been long and intimately connected with Australian business. But what sort of business?

#### ASSOCIATED WITH BANKERS' BUSINESSES.

Let us take one example. Sir Lennor Raws is described in the last "Digest" Year Book (1934) as a director of Wallaroo-Mt. Lyell Fertilisers Ltd.—one of the "Herald's" "other companies"—the remaining directors being G. H. Prosser, H. G. Darling, J. K. Samuel, and P. C. Holmes Hunt. G. H. Prosser appears in the same volume as co-director with a director of the Bank of Adelaide, H. G. Darling is a director of the

National Bank and chairman of the Broken Hill Proprietary. P. C. Holmes Hunt is a co-director of Sir Arthur Robinson (director of the Bank of Adelaide and intimately associated with the Collins House industrial-banking interests), of D. York Syme (director of the National Bank), and of A. Williamson (director of the E.S. & A. Bank). Are these associations likely to help Sir Lennor Raws to independent judgment on the banking inquiry?

To trace up even the obvious links in the interests with which Sir Lennor Raws is actively associated would require a book in itself. We shall therefore content ourselves with citing just one other company—Commonwealth Fertilisers and Chemicals Ltd., enumerated in the "Herald" list above. The directors of the company include Colin Templeton, A. Stewart, P. C. Holmes Hunt, Sir Lennor Raws (with two others). The company represents an amalgamation of Mt. Lyell Chemical Works, Cuming Smith & Co., Wischer & Co., and Nobel (A/asia) Ltd. These holding companies have the whole of the 2,598,354 shares issued.

Now for the directors. Colin Templeton is director also of Australasian Paper and Pulp Co., Australian Fertilisers, Australian Paper Manufacturers, Lamson Paragon, Mt. Lyell Mining and Railway Co., and Perpetual Trustees. Alec. Stewart is also a director of Australian Glass, Dunlop Perdiu, Emu Bay Railway and Trustees, Executors. P. C. Holmes Hunt (already mentioned) includes amongst his additional directorships Colonial Gas, Johns & Waugood, Metropolitan Gas and Mt. Lyell Mining and Railway Co.

In other words, the sphere in which Sir Lennor Raws lives, moves, and has his commercial being is that area which is now commonly designated by the public in two words—Collins House.

*to be colonised by aliens. We are not Abyssinia. We are not India. We want our residents either to become true Australian citizens or to get out.*

*If you know anything about the conditions of Italians in Australia, you must know that the chief opposition raised against them has been in the sugar areas of North Queensland. And you will also know that the substance of the complaint was that they remained Italians that they associated mainly with other Italians that their purpose was to exploit Australia and then to return to Italy. Of recent years your fellow-countrymen have lived down most of that opposition. They have taken out their papers of Australian citizenship; they have married and settled down here, and they have reared fine families of young Australians—Australians who may have a warm regard for Italy, just as Australian-born children of other races may, have a soft spot for England, Ireland or Germany, but whose first loyalty is towards their own land.*

*This, Sir, is as it should be. And we would suggest to you that your recent unfortunate remarks are doing scant service to those Italians who show, by their continued residence here, where their preference lies. We would also respectfully suggest that you are leaving yourself open to the suspicion of fomenting discord in this country, and of failing in a just regard for the courtesy it extends towards your office.*

THE NEW TIMES

#### FRANK ANSTEY ON THE METAL GANG

Of the group of men thus represented Frank Anstey wrote in his book, "Money Power":—

"The Metal Gang constitute the junta dominating the economic life of the States of Victoria and South Australia and the northern portion of Tasmania.

"The economic body of the Metal Gang is Broken Hill Proprietary. It disposed of 'Block 10' for £912,000 in shares, and 'Block 14' for £432,000. For the mining block occupied by British Broken Hill it got £600,000 in shares and £400,000 in cash.

The personnel must be men with more than financial experience, or even financial success, as their sole recommendation . . . Veterans with a lifetime's favourable experience under the systems which so many schools of trained, disinterested thought are out to challenge can hardly be expected to view these systems impartially . . . The real purpose of the monetary inquiry will be frustrated if it is entrusted to men of a type who in theological circles would be classified as "rigid fundamentalists." —Melbourne "Age" editorial, September 2.

To that extent shareholders in the "Proprietary" were enriched, and to that extent the subsidiary blocks were loaded to earn dividends upon 2,000,000 shares that did not represent one penny of actually invested capital.

"The economic lords of Broken Hill are also masters of Mount Lyell, Mount Morgan, Mungana, Hercules tin, and the metal outputs of Cobarr, Chillagoe, Cloncurry, Moonta and Wallaroo. They control Amalgamated Zinc, Electrolytic Zinc, and, excepting the English Sulphide Corporation, they control all smelting and refinery works connected with the metallic productions of the country; they are Emu Bay (Continued on page 2)

#### 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 pyorrhea. The National Division would make available to everyone his heritage of (a) health, (b) education, and (c) sustenance in their fullest sense. In the meantime, dental science has produced (A) the only University proven antiseptic toothpaste in the world:

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Rails, Silvertown Rails, Port Pirie Smelters, Port Pirie Wharf Company, Elder Shenton, Elder's Metal, and all adjuncts and accessories of the metal industry.

#### "METAL GANG" BANKS

"The banks controlled by the Metal Gang are the Commercial, the National, the Victoria, and linked with these is the Bank of Adelaide and its metalliferous interests. The National, during the war, swallowed the Colonial and its branches; while the Commercial absorbed the branches of the National of Tasmania and lengthened its hold over the northern portions of that State, the Metal Banks have 340 branches in Victoria, 160 in South Australia, 30 in Tasmania, and by these instrumentalities control banking deposits to the extent of £60,000,000.

"As with the Sydney Sugar Banks, so the Melbourne Metal Banks control insurances, gas and beer. They are the Melbourne as Monopoly, United Breweries, Foster's Brewery, Swan Brewery; Perth, Lion Brewery of Adelaide, and through the Bank of Adelaide they link up the South Australian Brewery Co. They are Swallow & Ariell's, Wunderlich's, Dunlop's Rubber, Australian Knitting, and the Evening Herald." They are Johns & Way good, John Robinson & Co., the Kauri Timber Section of the Timber Trust, the Northcote section of the Brick Combine. In nine cases out of ten when an industrial concern is transformed into a big joint stock company, the Metal Gang become controllers and share price fluctuators on the Stock Exchange. They interlock with Arch. Currie, the toward Smith, Huddart Parker, and Melbourne Shipping companies and their associated collieries — the Caledonian, Hetton, Seaham and East Greta." (Sir Lennon, by the way, is a director also of Caledonian — another of the "Herald's" "other companies.")

"They are the Portland Cement, Portland Downs Pastoral, and Malvern Hills Pastoral and the wool-broking firm trading under the names of the non-existent Goldsbrough, Mort."

"The Metal Gang share with the Sugar, Tobacco and Gaslight Monopolists of Sydney in the control of £42,000,000 assets and the £6,000,000 annual income of the A.M.P. They are the Colonial Mutual Life and the Colonial Mutual Fire, and controllers of the Australian end of the Atlas, the British Dominions and London and Lancashire Insurances. They are the Union Trustees, Equity Trustees, National Trustees, Trustees Executors, Melbourne Trust and Freehold Assets. They control nine-tenths of the Life, Fire, Loan and Trustee agencies headquartered in the three States of Victoria, South Australia and Tasmania."

#### EXTENSIONS SINCE 1921

There have been changes in the 14 years since Anstey wrote the above. But the changes have mainly been a continuation and extension of the swallowing process, and in particular the separate State groups he referred to have become more closely knit and allied with one another. At the same time they have become linked up more closely than ever with the overseas controlling interests. Nowhere do we see this more openly than in the metal and armament interests, which nowadays, of

#### A MEETING AND LECTURE

will be held in the CENTENARY HALL, Cr. Exhibition and Little Collins Streets, on TUESDAY, SEPTEMBER 10, at 8 p.m. Subject: Gesell Cash Monetary System. Questions and Open Discussion. All Welcome.

course, include chemicals—witness how Sir Lennon Raws is involved with the great international combine of Imperial Chemical Industries and its pups, and with Commonwealth Fertilisers and Chemicals, the Australian combine, at this end.

Regarding Imperial Chemical Industries, it may, in passing, interest the Australian public to learn that just a few of its shareholders include the following English bankers: Sir H. McGowan and Lord Ashfield (Midland Bank), Lord Reading (National Provincial), Lord Colwyn (Martins), Lord Melchett (Barclays) and Lord Weir (Lloyds).

Amongst such directorates as have been outlined, tied up by all his business interests to monopolies which are interwoven with the financial monopoly, how can Sir Lennon Raws be expected to view calmly and dispassionately any evidence that would suggest changing a system which must suit him very well?

Perhaps Sir Lennon could dissociate himself from the pressure, which doubtless would be brought to bear on him from all sides. Perhaps, here is a little story from last Friday. At the close of the annual meeting on that day of the Broken Hill Proprietary Company a shareholder suggested that the directors' fees should be increased from £4000 a year (less 20 per cent.) to £8000 a year (less nothing). He moved to that effect, and the resolution was duly passed. Who was the shareholder? Sir Lennon Raws. Who seconded the motion? Sir Robert Knox, of Knox, Schlapp & Co., of Collins House, agents for the Vickers armament people. Who is the chairman of the B.H.P.? Mr. H. G. Darling, also a director of the National Bank and co-director of Sir Lennon on Wallaroo-Mt. Lyell.

It is not for one moment suggested that there was anything in this incident to which the least exception could be taken. The directors had a magnificent report to present — of which the most magnificent feature was perhaps the projected swallowing of Australian Iron & Steel Ltd., chief business competitor of the B.H.P. The decision of the shareholders present, according to the daily press, was unanimous. But the point is that Sir Lennon and Sir Robert were the two picked to make the suggestion—unless we are in error in assuming that the whole incident was otherwise than impromptu and spontaneous. Whether or no, it is surely a significant instance of how these Christians love one another.

We might recall another little incident in Sir Lennon's career. At a meeting at the Central Hall, Melbourne, some three years ago, at which Sir Lennon presided, Mr. R. B. Lemmon (whose ardent views in favour of "same" finance have often been published) boasted, if we remember rightly, that he and Sir Lennon had been partly instrumental in securing the appointment of Professor Copland to his post at Melbourne University. If this be so, then Sir Lennon may also claim the credit of being one of the progenitors of the Premiers' Plan.

We have no personal animus against Sir Lennon Raws. He has shown himself a highly successful businessman. He has a charming and witty personality. But put him on the Banking Commission. Put Sir Lennon in a position where he will be told, from countless witnesses of repute, that the interests with which he is associated, while producing plenty on the material side, have caused untold destitution, suffering and crime through their financial operation. Put him where he will be shown that the arrogance, callousness and power-lust of the associates whom he meets in his businesses and in his clubs is the only thing — absolutely the only thing — which is keeping little children from knowing the taste of milk and their parents from knowing peace of mind.

## THE CASE FOR FINANCIAL REFORM

### II. — "Where Is the Money to Come From?"

[The first article of this series appeared in our last issue. —Ed., "N.T."]

A statement made by the Premier of Victoria last Friday might well stand for the attitude of any Premier anywhere. "We can only do what finances will permit," said Mr. Dunstan "It is simple to say what should and ought to be done, but it is all a question of money."

There you are—all a question of money. And when we say that a thing is a question of money, this is generally the same as saying that we have not enough money to do the thing.

If by any chance you have that type of mind, which takes rather a pleasure in abusing and belittling its fellows, you can in two words establish that most of humanity are half-witted. Those two words are, "monetary cranks." For is it not a fact that until very, very recently most people dismissed in those two words such persons as suggested that the root of our present troubles was of a monetary nature? If you happen to be of a particularly malicious type you might get quite a lot of satisfaction in reflecting how many of the high and mighty could be included in the category of halfwits. You might even wonder (with no disrespect intended to him) whether Mr. Dunstan's picture was not entitled to a place in your gallery. For in so far as he has hitherto expressed him self publicly, Mr. Dunstan's main

#### INDUSTRIAL ASSURANCE

The cost of collecting *£* a week makes it impossible to provide benefits comparable with those derivable from ordinary insurance, and it thus happens that more money may be paid in than is returned on the maturity of the policy. Canvassers are not likely to urge this point when seeking new business, and disappointment follows when the true position is understood... Although this is the case, insurance companies, which countenance canvassers and other employes obtaining business by deliberate suppression of facts, are deserving of severe censure. —The Argus, September 2.

grievance on the money question is that he cannot borrow enough of it, thereby increasing for all time the taxation of everybody in the State.

If a person, and still more if a government experiences a shortage of money, plain horse sense would seem to indicate that it is desirable to do a little thinking on the subject of money—in other words, to verge in the direction of those named by blackguards and accepted by fools as monetary cranks.

Take the word, "money." Write it down a dozen times or so on separate lines of paper, putting a question mark after it each time. Then set yourself an examination paper by prefixing all those simple words of the How, When, Why and Wherefore type — and see how you get on. Most people, even today, would be plucked in the exam.

Ask Sir Lennon to adjudicate at the trial of his life-long friends. Is it fair to him—or to us?

Do you remember Daniel O'Connell's comment on another Royal Commission—"A jury of butchers trying a sheep for its life"? Let us have the bankers, let us have Sir Lennon, by all means; but appearing before the Commission, not on it.

\* \* \*

The next suggestion we are expecting from the "Argus" is that Sir J. G. Latham, as Chief Justice of Australia, should preside over the Commission.

Like Victoria's Premier we all know that there are plenty of goods for sale and plenty of customers anxious to buy. If the customers had the money to buy they would pass their money across to the sellers. The sellers would neither show nor entertain the least interest in how the buyers came by the money (so long as they had the right to it), but would they make use of it either to replenish their saleable stocks or to buy the things, which they needed on their own account. The only thing a seller wants to see in a buyer's hands is money. Both buyers and sellers, therefore (as well as Premiers), would like to see more money about.

Then why, in God's name, can't we have it?

#### SIMPLE FACTS OF MONEY

Let us recite the simple facts of money.

It is an invention; hence it is not subject to any immutable laws, and it is presumably capable of being improved upon.

Its original purpose was to make easy the transfer of goods (again using this word in its widest sense) from one person to another. Emphatically its purpose was not to act in any way as a check upon either the production or the flow of goods; still less was it designed as an instrument of power.

Money, in short, was invented as a convenience, and it is acting as a hindrance. Why?

Let us treat it as disrespectfully as any other contraption that is not working properly: Let us have a look at its innards; let us see what excuses the maker has to offer for non-performance.

The first thing we discover is that there are two sorts of money, one consisting of tangible tokens, the other of figures written in bankers' ledgers. Let us deal with each separately.

#### THE PEOPLE'S MONEY

There are three species of token money, or what we call legal tender, in Australia at present. At the bottom of the scale come pennies and ha'pennies. If we owe a man a couple of shillings and we offer him pennies and ha'pennies, he must in law accept them. Then we have our various silver coins, which our creditor is also bound to accept if we owe him a couple of pounds. Above this we have our banknotes of various denominations, all issued by the Commonwealth Bank, and which are legal tender up to any amount.

The issue of this sort of money—notes, silver and bronze—is now recognised as belonging to the community. It was not always so, even in our own memories. You may recollect the talk about "Fisher's flimsies", as some of our daily papers so patriotically used to refer to the people's money when the Commonwealth Parliament passed the Australian Notes Act in 1910 under the second Fisher Government. Our great dailies took up a similar attitude, as you may remember, towards the Commonwealth Bank, which was established in the following year, and which now controls the issue of our banknotes. It was at this time, for instance, that the "Argus" wrote the following gem:

"The whole scheme is conceived in idiocy. It constitutes a malicious use of public funds to compete with private activities—activities that enjoy the fullest confidence of the public. There is not the slightest justification for it, and its failure from its inception is so much a matter of certainty that the whole proposition will be abandoned after a few months of inglorious experiment."

From which you will perceive that the "Argus" was just as loyal to its country, just as much in touch with public sentiment, and just as accurate a tipster in those days as it is today.

At the same time as Australian notes were issued the Australian Treasury began to issue its own silver and bronze coins, though it is only since 1916 that they have actually been minted here. The amount of such coins in existence at the present time is about £8 millions.

The amount of Commonwealth notes in existence varies a little, but for the last three years the normal average has been about £47 millions.

The grand total of our legal tender money is therefore about £55 millions, and of this the banks usually hold about £25 million in their tills and strongrooms, while the tills, pockets and secret hiding places of the public account for the other £30 millions.

This is all the money in existence in Australia which the law recognises as money and which is manufactured by the people themselves.

Why do not the people make more money to suit their own convenience, to help Premiers, sellers and buyers? There's the rub.

#### GOATS IN AUSTRALIA

If you look up the general index to the Commonwealth Official Year Book, current issue, you will find following one another the two entries, "Goats in Australia" and "Gold." And the two are quite properly associated. For the Australian people, the goats in Australia, have all these years consented to have their money supplies regulated, not by their own necessities of production, and consumption, not by their wool and wheat and meat and fruits and dairy produce and manufactured goods, not by the people who needed money in order to obtain these things without penalising the producers of them, but by their chance holdings of chance-found gold. If Mr. Theodore finds gold in Fiji we may be allowed to drink the milk of our own cows; if he fails we must fall back on coconuts—that is the type of reasoning we have adopted.

The supply of gold used to give a backing to our money certainly varied; it varied in accordance with the instructions of private bankers. From a reserve equal to 25 per cent. of our note issue it became, at times like the present, a mere fiction—for the only backing to our currency for some time past has been the holding (in England) of half a million pounds worth of gold, together with some fifteen millions of English securities based upon English currency, which itself has an uncertain relation to gold tucked away in the vaults of the privately owned Bank of England.

This, of course, is all very absurd, but the goats of Australia have put up with it for many years, in spite of all the preaching of monetary cranks.

#### BANKERS' MONEY

We come now to the second sort of money, and we are made aware of its existence by the following official figures:

The last quarterly summary of Australian statistics, issued by the Commonwealth Statistician (No. 139, March, 1935; price, one shilling) showed deposits in cheque-paying banks in Australia at that time to be £342 millions, and deposits in savings banks to be £213 millions. Against this the banks' returns showed that they were holding in the people's money (legal tender) only £20 millions in notes and about £2 millions in silver and bronze coins. Where did all these other hundreds of millions of pounds recorded as bank deposits come from? The banks themselves manufactured them, as will be seen in the next article.

(To be continued.)

# WAR: NOW ECONOMIC; SOON MILITARY

By BRUCE H. BROWN

By arrangement with the "Castlemaine Mail."

Some months ago we said there would probably be armed conflict within two years unless we changed the money system in the meantime. The money system has not been changed and so the portents of the only alternative daily become more ominous. How could it be otherwise when those who support the present system automatically support war?

Our newspapers are full of war talk and the "anxiety" of the British Cabinet, but not one of them has demanded the exposure of the real cause of the threatening atmosphere. Not even the "statesmen" themselves make any public reference to the cause. We hear instead of the Abyssinian Minister at Paris warning the world that if Italy makes war every coloured race will use the word "Ethiopia" as a Holy war cry against white injustice. What a terrible commentary on our vaunted civilisation! At the same time we are told that the leader of the Labor Party in England has "asked the Pope to convoke a congress of every phase of Christian thought at Jerusalem to call a Truce of God from the Mount of Calvary." Even here in Victoria the Council of Churches appointed Sunday, September 1, as a "day of prayer for peace." Dr. Donald Baker endorsed this proposal as follows:—

"Realising the intense gravity of the situation and the consequent urgent need for prayer, I earnestly hope that my Anglican brethren may see their way to fall into line with the above suggestion."

It is hard to believe that this Dr. Baker is the man who so recently declared "Hands Off" the financial system, and that he has now advocated an appeal to God to stop the natural consequences of the operation of the self-same system! Sentiment cannot overcome facts, and it is utterly hypocritical for the leaders of the several Churches to call for a day of prayer for peace while they fail to denounce the money system, which makes war inevitable. They fly to God for help even though they refuse to do what He tells them!

## WHO BACKED MUSSOLINI?

Once before in these articles we have mentioned the book by Mr. Ludwell Denny entitled "America Conquers Britain." It was published in 1930 and is worthy of study. We give you another extract having an important bearing on present day events:

American bankers have underwritten with State Department approval such dictators as Machado in Cuba, Leguia in Peru, Pilsudski in Poland, Horthy in Hungary, Borno in Haiti, and Mussolini in Italy."

In the same book it is also stated that, although America had refused similar terms to Britain, Mussolini was given cancellation of a large part of Italy's debt to America, and, in addition, Wall Street made loans available to the extent of 450 million dollars on the security of Italy's best industries. Mussolini was therefore, placed in his present position by International Finance, personified in Warburg of America, Montagu Norman of England, Dr. Schacht of Germany, Caillaux of France, and Stefani of Italy.

## WORK AND WAR

Mussolini and the financiers believe that people outside their own immediate circle should receive income only through work. The rulers of the British Empire think the same. The work available in Italy is not sufficient to employ all the people, and there has been a serious increase of unemployment. The same applies elsewhere. It is true that there has been no falling off in production, but as the people are receiving less money because there is less manual work to be done, there is a corresponding falling off in the consumption of goods, and Mussolini, to avoid trouble in Italy, must "find" markets somewhere else.

The same applies, of course, in other countries also. In these circumstances Mussolini has two good reasons for making war. The first is that war is known to be the most prolific of all consumers, having the added advantage that, besides doing away with food glut; it also does away with the surplus labour. It destroys material and kills the workers. The truth of this will not be questioned by anyone who lived through the last war, and Italy is already reaping the benefit of her war activities, as the following recent report from Rome shows:

"Certain factories, especially in the engineering and textile trades, which were languishing for want of orders, are now in full swing after converting their plants to supply military needs. The increased activity, coupled with the disappearance from civil life of hundreds of thousands of youths, is reflected in a fall in the unemployment figures of more than 300,000 in a few months."

The iron and steel industries are also benefiting in England and Australia. You see we must find work, even if it is the work of slaughtering other people.

The second reason for Italy's attitude is that colonial expansion was actually promised to Mussolini by the financiers, i.e., the lords of creation.

## "SANE FINANCE."

Money Power is second only to Military Power, but when Money Power controls Military Power the joint power is clearly immense. That is what we see to this Money Power deliberately keeps the purchasing power in the hands of the citizens of all countries permanently less than the price value of the goods produced. Between the productive end and the consuming end there is the barrier called "price," is the financial figure placed on the goods to enable the producer to recover his financial. If these financial costs are to be recovered by the producer, then obviously the purchasing power available to consumers must equal the price figures, as otherwise the goods cannot be sold. And when goods cannot be sold, as is the case today in all countries, we have strife between workers and employers, discontent throughout all sections, and disruption between nations. Each nation is forced to try to sell to other nations the goods, which can

not be purchased by its own citizens, thus competing with ever-increasing hostility for the ever-declining markets, and leading inevitably to war.

This is exactly the position of Italy today, and it is brought about entirely by its system of finance operated under the direction of a private, worldwide monopoly. For some unexplained reason this is called "Sane and Sound Finance!"

If only we would shake ourselves to do some thinking in our own community interests, we would soon realise that there is one Power even greater than Military and Money combined, and that is the will of a virile people. This Will is at present lying dormant — doped and divided; but as soon as we bring it to active life and express it constitutionally through our national parliament, we shall see the end of our economic troubles for all time.

## THE DOMINATING INFLUENCE

We cannot get away from the fact that every citizen belongs to one of two groups. Either he is with those who have money and power, or he is one of the passive mob without money, resources, or economic power. Until a few years ago, it was the general belief that the dominant minority was the "capitalist class", but developments since the war have revealed the greater power of the money monopolists as the true oligarchy, for it is money that initiates and determines all material affairs.

Why is it that we hear so little of this money oligarchy? Because its policy is "Never Explain and Never Discuss", and because it controls all news-communicating agencies to that end. Even in Australia,

## "A CLUMSY AND DANGEROUS WAY."

When it is considered that money is merely a facility for the interchange of goods and services, too much weight is attached sometimes to its function in business. Varying the supply of credit or money to correct an unbalanced condition of the interchange of goods or services is a clumsy and dangerous way of bringing about a result that would be better achieved by allowing the natural forces of price and supply to govern the position.

—Argus, August 27.

In other words, if there is an unbalanced condition between the belts of our unemployed and the food rotting around them, the obvious course is not a clumsy and dangerous tinkering with money. The natural thing is to tell the unemployed to take in their belts, else why equip the belts with holes?

Messrs. Bruce, Page and Latham, working in conjunction with emissaries of the Bank of England (a private corporation), handed over our publicly owned institution to be a part of the international swindle of finance, and the monopolistic press informed us this was an excellent idea. This same High Finance has governed all the actions of the League of Nations, and explains its dismal failure. Mr. Bruce, the next chairman of the Council will be their pliant tool, as he has always been in the past, and despite the fulsome flattery of Sir John Latham about the great honour extended to Australia, it is a pity that a man who has been a beneficiary of the money monopoly should be allowed to occupy such a position.

In its reach for world domination, this International Financial Oligarchy secured a stranglehold on Austria, and for some years now has kept that little country in starving serfdom. When the Austrian people last year attempted to throw off the yoke, the financiers bargained with Mussolini to prevent the success of the revolution. The powerful section of the "money monopoly in Paris promised Italy certain con-

cessions in Africa, and a free hand later to tackle Abyssinia, if she would stand by ready to occupy Austria on their behalf should the people succeed in the revolt against financial oppression. Italy, you may remember, was actually mobilised at the Austrian frontier and stood ready as per arrangement. Not unnaturally, therefore, she now wishes to pursue the other part of the bargain and obtain domination of the rich land of Abyssinia. That the bargaining took place without the consent of Abyssinia is beside the point, as hitherto High Finance has been allowed to do whatever it liked. Italy's need for "expansion" would be easy to satisfy if Abyssinia showed any desire for "contraction", but the evidence is all the other way, and we find the viewpoint of the two countries quite irreconcilable.

## EXPANSION IN THE PAST

This "need for expansion" is nothing new. There was an opium war, which resulted in China losing the island of Hong Kong, paying more than £5,000,000 to Britain and compulsorily opening five Chinese ports to British commerce.

There was a war with the Boers, which resulted in the surrender to Britain of very rich country in South Africa.

There was a system in 1914 in which Germany sought expansion, but which afforded expansion for her opponents.

Italy, with thousands of idle men and factories slowing down at an alarming rate, was facing serious domestic unrest; and as it was a case of "No work, no pay", it meant industrial insolvency or "expansion." The latter was the obvious choice, and Abyssinia, a weaker country of very valuable natural resources, the obvious opportunity. Besides, it would afford good security for the "credit" Mussolini would need after he got there. Meanwhile the war preparations draw new credit money into circulation for armaments and provided employment in Italy. Under the present system increasing supplies of new credits are imperative, and the financiers know that unless they provide the credits and humour Mussolini they run a grave risk of driving him to investigate and use the "National Credit" which is now being talked of in all enlightened countries.

All these reprehensible things are occurring simply because we allow poverty to exist side by side with plenty. You know, as we know, that the experience of millions of people has been that the bitterness, insecurity, and anxiety of peace are little if any improvement on the risks of war, and that many a war widow and child have received education, security, and comfort that a living husband and father could not have provided. The creeping agony of what is called "depression" is slower, longer, and more terrible in the aggregate than the victimisation of war. Peace, as we have it, is a state of economic war.

## "WHY THE PEOPLE PUT UP WITH IT."

(By K. C. D.)

"I can't understand why the people put up with it."

Have you not often heard that phrase? Perhaps used it yourself when referring to an increase in taxation, or some further restriction to personal liberty?

When that question is uttered, it is also the answer to itself.

The people at the accumulation of individuals—to paraphrase: the individual is the People. That is an accepted definition, and at the same time is denied—this seems to be an age of paradox and anomaly.

To take this phrase and search for its inspiration, it will more than likely be found to be an ejaculation from one who is being personally affronted by some legislation, or Government action, directly affecting himself; but some miraculous way the disagreeable effect is being shifted to the poor, misguided "People." The egoism of this is not creditable. Lurking in it is the superiority taint—the above-the-rabble idea. The person is deliberately surrendering his individuality—subjugating his personal opinions, ambitions and desires to the whims of willy-nilly. He is voluntarily sacrificing his liberty by believing the principles of democracy.

It is necessary—urgently necessary—that this phrase become: "Why I put up with it." Then the co-operative instinct will function, and the phrase will become: "Why put up with it." Then the co-operative instinct will function, and the phrase will become: "Why are we putting up with it?" The complaint will beget in some wish to have the cause altered; then the People will be expressing a wish; and when the People—Democracy—express a wish, it becomes a command, and no power on earth can prevent it from being fulfilled.

Finance is definitely at the root of all questions of war and peace, and we are the spineless mob who permits that vital thing to be controlled by a private monopoly to our own serious detriment and to the detriment of all other people. When all is said and done, the manufacturers of armaments are merely the Money Power's favourite servant. It is the business of hell.

The only thing necessary to end war is for the people to resume the control of finance and create their own money, using it to increase consumption to the level of production and to foster industries, which provide things for use and enjoyment. As already stated, the only Power that could be greater than this Money Power is the Will of the White Peoples, and it is as certain as the sunrise that if they have not the sense to assert their will then their white civilisation is doomed. And rightly so, for we shall have shown that it is to the coloured races we must look for something tangible to be done for humanity, and the terrible injustice of the threatened war will give those coloured races a "Holy War" spirit and the war cry, "Ethiopia."

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Vol. 1. No. 15.  
FRIDAY, SEPTEMBER 6, 1935.

## Selassie Throws a Spotlight

Despite the protestations of all sorts of jingoistic journals, ranging from the London "Times" right down to the Melbourne "Argus," the weekend disclosures from the African arena must have meant a rude awakening for many members of the still unsuspecting public. The incautious announcement released on Saturday evening, that the people behind Mr. F. W. Rickett, of London, are "the strongest international financial groups ever assembled", brought stark realism into the foreground of a picture that was nicely ready for a coat of altruistic varnish.

The imperialistic, my-country-right-or-wrong press is anxious to convince people that the Foreign Office is not lying when it says it knew nothing of what was going on behind the scenes. Does it matter? Is not the salient fact that if Abyssinia is not exploited by the Italian financiers who rule Mussolini its exploitation will be the issue of an unholy mating between Wall Street and the old lady of Threadneedle Street? This is the main point to be borne in mind by those who may be asked shortly to put themselves forward as candidates for disembowelling in the sacred name of the League of Nations.

As the "Argus" put it on Tuesday, in one of those illuminating sentences that now and then slip into its editorials: "The world has so moved that there is no great disparity between a small king and a large syndicate, and possibly the balance in these days might be against the kingly office." The "Argus" might have gone further. It might have said that there is a very great disparity between even large kings (including sovereign peoples) and the type of syndicate referred to—a syndicate of bankers—with the odds always against the king and the sovereign people.

What of the Abyssinian Emperor who is now the subject of the wrangle? In the circumstances he appears to have made the best choice possible. Mussolini, in the uncouth way of Fascism, has offered him poison gas, annexation, and subsequent "civilisation"—the latter meaning a vassal's initiation into the mysteries of national debt. The more polished robbers have approached him with fair words and

the generous proposal that a small portion of the spoils wrung from him will be restored — for the present, it seems, in the form of arms (and this notwithstanding Wednesday's "withdrawal"). Neither proposition can be considered highly attractive, but in accepting the latter, and in seeing that his acceptance was well broadcast, Haile Selassie has brought off a first-class coup. For he has set the whole pack of jackals snarling and snapping at one another, with the distinct possibility that as a result the major field of operations may shift from Abyssinia to Europe.

If the move is not successful Selassie's ten million people will nevertheless show the world that all its brains are not hidden behind white foreheads. They already showed that in the Wai Wai clash last December. On that occasion the Abyssinian troops came up against tanks for the first time. Finding their bullets harmless, did they give way to panic, as certain white people did some years earlier? They did not. They retreated into the bush, rounded up a mob of scrub cattle, and stamped them down against the Italians. The cattle stirred up a blinding dust cloud, under cover of which the Abyssinians stole right up on the tanks, shot their crews through the gun ports, and took possession of the infernal machines. Hence Mussolini's rage. This, at least, is the account of the incident appearing in overseas papers, which have their own correspondents on the spot. And from this we may incline to think that the filibustering Mussolini, if left to prosecute his employment-seeking measures in Africa, will be kept fully occupied, and that many of his unfortunate unemployed will disappear permanently from the scene.

But if Haile Selassie's last move is successful—and, despite a very obvious censorship of our press, it seems to be tending that way—then the battleground will swing around the compass, and the main rallying points will be much nearer sea level than the Abyssinian tableland. In which case may God help us all.

There is still the third way. That is the way, which our servants are trying to boss us out of taking. "In view of the delicacy of the situation", said the First Servant of Australia, J. A. Lyons, last Saturday, "I would appeal both to the press and to the public to take extreme care to say and do nothing that might prejudice the position, and thus make the task of those who are striving for the maintenance of peace more difficult."

Did ever a servant talk greater balderdash to his masters? Delicate situation, forsooth! We have been hearing this impudence about delicate situations for years and years. We had the delicate situation regarding our credit in London. Then we had to hold our very breaths for fear lest we wilt that delicate plant, confidence. Now we have a delicate position in international affairs. All this mumbo-jumbo of delicacy and silence is nothing more than a smoke screen set up between us and the financiers who know that one opening of the windows, one decent blast of God's clean, fresh air would expose them to us in all their putrescent corruption.

So far from saying and doing nothing, this is, if ever, the time when we should all be up and doing. This is the time when every union, every association, every society and every citizen should make their voices heard. We had in the last war the excuse, for what it was worth, that hostilities were upon us almost without warning. There is no such excuse in this case. For weeks and months we have watched the hawks sweeping in circles over our heads. Shall we continue to sit on the fence, twittering inanities like a lot of silly sparrows, (because the situation is delicate), until our heads are bitten off, or shall we do something?

## What Can We Do?

It will be said that Australia's attitude would have little effect either on an Italo-Abyssinian or on a world war. Perhaps not; perhaps it might. Why not try it?

What can we do?

The first thing is to let it be known as an instruction to our servants in Parliament that we shall definitely refuse to take any part in the war of spoliation. This can be done by resolutions of bodies, and by letters, telegrams and phone calls to our individual members, to Premiers and to the Prime Minister. And make no mistake about it, ninety-nine per cent of these politicians are professionals. They have no more desire to be unemployed politicians than the rest of us have to be unemployed clerks or artisans. If they know we are determined on doing a thing, and that they will get the sack if it is not done, they will set about doing it, however reluctantly. Remember also that on this occasion even the financiers' press will find it difficult to convince anyone that Australia is in danger of invasion. We have scraped our feet clear of that birdlime by now.

If we openly and firmly adopt a policy of non-co-operation, what then? It would certainly have a serious influence on the policy of the British Commonwealth of Nations, particularly on Canada, South Africa and the Irish Free State—and therefore on Britain, which would be a major step on our way.

Supposing the war goes on, what then? We can refuse supplies to the belligerents. This, you will say, means economic sanctions, which is the same thing as a declaration of war? Drivel. Is not England already indicating this course towards Italy, and in-the-most gentlemanly way? Have you not read in the cables how British suppliers of coal are complaining that they will not be able to send more to Italy unless she pays for it promptly? And how can Italy pay English merchants' coal bills unless she in turn exchanges Italian goods for English money with other English merchants? And how can she make such sales if there are no English merchants about who happen to need Italian goods just at the moment? There is no difficulty in cutting off supplies in the most friendly manner.

But, you will say again, is it reasonably to be expected that woolgrowers, for instance, who are now getting a higher price for their wool because war is expected, should refrain from selling when they need money so badly? In any case, the

actual woolgrowers don't know who are the buyers.

The objection is sound. But at the same time it might be pointed out to woolgrowers and other producers that the high prices realised in war time are more than counter-balanced by the taxes that follow war debts—as witness the last war and its results. How many woolgrowers in Australia are better off today, with 20 years of labour thrown in, than they were in 1914? War debts are of two kinds—debts owing by participants, and debts owed to non-participants, and both bilk the ordinary taxpayer.

As for the wool-selling organisations, admittedly most of them are so closely interwoven with the bankers (as witness their directorates) that they are hard to separate from the financial institutions, and therefore they tend to be internationally minded and to be lacking both in patriotism and in humanity. But wool sold is not necessarily the same thing as wool delivered, particularly if the nation, by legislation or otherwise, expresses itself against delivery.

In times of peace Australia is not nearly so important a world supplier of primary products as she was 20 years ago. But in the event of war in Europe she would jump into the front rank again. And so our decision may be a very vital one.

But there is another aspect of war to be considered which just now transcends all the others, grave as they are. Keep war off a little longer, and we are on the threshold of a better day for all humanity. Nearly the whole world now openly admits that we have only one real material problem; that that problem is distribution; and that distribution means money. Nearly the whole world is on the verge of realising that bankers' money—money lent at interest for production—is normally insufficient to enable distribution to function properly. The bankers, sooner than give up the power, which goes with their role of money creators, are trying desperately to get out enough money to keep us quiet. But they are failing, and they are bound to fail, except in one event—and that is war. Send us to war, distract us with its lies and passions, and we shall readily accept as national debt sums which today the bankers dare not issue in this manner. For today criticism is keen. There are all sorts of persons and journals, many obscure in themselves (such as this one), but which between them are keeping public attention on the crux of our problems. Can you imagine the banks today increasing our national debt by £87 millions in six months (as they did in 1918) and getting away with it? Not in peacetime; but in war they would cover the rogery with the mantle of patriotism—and suppress inconvenient critics.

Give us a little longer the power to din into the deaf ears of the slowly awakening public that every fresh issue of bankers' "loans" to the nation is a proof of national money shortage and of outright robbery, and the public will soon arise in their indignation and wipe out the whole vicious ramp. Plunge us into war, and the movement for the liberation of the people is—God, and the bankers, alone know where.

## Mr. Casey and Realities

On all sides there is increasing agitation against taxation, and like most agitations of the kind it is as ill informed as it is well meaning. This is particularly noticeable in the wrangle at present going on between the Commonwealth and the States, the object of which is not to lessen the taxpayer's burden, but merely to see for which taxing authority he shall first be put-up as a sitting shot. As Mr. R. G. Casey, the Assistant Federal Treasurer, said last week: "The Australian community is having an argument with itself—its State rule against its Commonwealth rule." The Federal Treasurer-to-be concluded a long newspaper article—in which he made out a very good case for the Commonwealth—with these words: "If the realities of the situation are ignored, the Australian taxpayer may suffer in the end, whereas it is very necessary that he should get relief as early as the proper obligations of Australian Governments allow."

While expressing these admirable sentiments, Mr. Casey, as would be expected, very carefully dodged the realities of the situation himself. If we wish to face realities we must, instead of arguing about who is to collect, find out how and why taxation has reached its present staggering proportions.

At the beginning of the war the Commonwealth and State taxation combined was averaging about £4/15/- per head of our population. In 1915-16 it jumped to £6/8/-. In the succeeding four years it climbed to £6/17/6, £7, £8/18/-, and £ 10/14/- . In 1928-29 it was one penny a head under £14. Since then—in our years of depression incomes—it has twice exceeded £14, and in the remaining years been only some shillings short of £14.

In other words, our taxation graph and our national debt graph have run more or less along parallel lines. On the outbreak of the war our total taxation was £4/15/- a head; today our taxation includes £8/8/- a head—nearly two-thirds of its total—for interest on the national debt alone. £55 millions a year has to be sweated out of us to pay this charge. This is the reality we must face, for the national debt knows no fear of the stratosphere. It is an insatiable mountaineer, the original Excelsior.

If we are to deal with taxation we must deal with the national debt. And how many Federal Treasurers or Prime Ministers have ever suggested doing that? Did not Mr. Casey himself boast a short time ago that our interest—thanks to the marvellous Mr. Bruce—is no higher than it was some years ago? But what of the principal? Excelsior.

Why have we a national debt at all? For one reason, and for one reason only. Our debt is the tangible proof that the community has not printed for itself enough money. That is all. And so it has gone to private bankers, got them to substitute an equally inexpensive fountain-pen currency, and run up an annual bill of £55 millions, payable in very real sweat and tears.

There is no other explanation, except that there is enough money in the hands of the rich, and that they have escaped the taxation, which they should have paid. We don't believe this, and we are quite sure Mr. Casey doesn't. It is admitted by everyone that, having men and materials in plenty, we could carry out vast schemes of improvement if more money were available. To do even the trivial jobs we are at present undertaking, and to make the patriots doles available to the aged, the sick and those displaced by machinery, is building up our national debt at the rate of £30 millions a year. Would Mr. Casey suggest that an extra £30 millions of taxation should be added on to the rich in order that Governments should function properly? Hardly. Then why does he not face realities? Why does he not admit the money shortage and cry out for the nation to make up its own deficiency?

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ENTERING THE PERIOD OF CRISIS

A Call for Immediate Action

NOTABLE SPEECH BY MAJOR C. H. DOUGLAS

Readers will remember that it was on the occasion of a dinner given to Major Douglas on his return from Alberta, Canada, that the Premier of Tasmania, Mr. Ogilvie, who was a guest of honour, made his startling pronouncement in favour of the Social Credit proposals.

The chairman for the occasion was the Earl of Tankerville, who is very prominent in the Social Credit movement in England, and there were about 225 persons present. A full report of the proceedings is to hand by this week's English mail and we are able (with acknowledgements to "Social Credit," London) to reprint the speech delivered by Major Douglas in reply to the enthusiastic welcome given him. Major Douglas said:—

In acknowledging your very kind welcome to Mrs. Douglas and to me upon our return from Alberta, I am immediately confirmed in my opinion that a really pleasant life must contain a certain amount of both light and shade. Tonight is the light. When my friend the Earl of Tankerville was saying those kind words about me, I was thinking of a little incident which occurred in our train journey from Ottawa to Edmonton, the capital of Alberta, which had been preceded by a good deal of really cheering information as to the sort of reception we should get in Alberta. It was suggested that Albertans were a very wild sort of people who would not much appreciate the intervention into their politics of a mere Briton, and that if we got back with our lives it was as much as we could hope. On the trains, which run out to the West, the situation after about the first day becomes similar to that on a boat—even the most insignificant person becomes well known. On the second day, when I went into the breakfast car to have my roll and coffee in the morning I noticed at the other end of the car a gentleman with a bright red face and polished gold teeth regarding me with an affectionate smile. In answer to my enquiry, the conductor told me that this gentleman, who seemed so interested in me, was the Public Executioner, and was on his way out to Edmonton; so I could not help feeling additional sympathy with the movement for the abolition of capital punishment.

THE NEED FOR RETICENCE

I expect you would like me to tell you something of what is happening in Alberta, but I am under certain inhibitions with regard to talking about the political situation there, because Social Credit dominates it, and anything I might say about it would be given political significance. From certain points of view this is a matter for congratulation, but at the same time imposes upon me a certain amount of reticence for, as you no doubt saw from the "Times" yesterday, the elections in Alberta will be held on August 22, and there is very little doubt that anything that even we insignificant people might say will get to Alberta and will be used for political purposes. I can of course, talk about things which are common knowledge; and there is no doubt that in Alberta, as, indeed, all over the world, the conditions of life are absurdly bad considering the physical possibilities, and that they are definitely getting worse. I do not propose to dilate, but will give you one very obvious instance to show the absurdity of the present state of affairs.

YOU DON'T MAKE ROADS OUT OF MONEY

Alberta, as you know, is a Prairie province, although in fact parts of it do run into the Rockies, there is a type of soil which, when

the rain falls, makes the ordinary mud road become a real mud road. There is never any doubt about its being mud, but very often doubt about it being a road, and of all the physical deficiencies of Alberta the lack of good roads is the most outstanding. So far as I am aware there is only one length of waterproof road outside the large towns, and that extends for about 150 miles from Edmonton.

The rest of the Province is completely without any but dirt roads. The people, no doubt, imagine they cannot afford better roads for some reason connected with money, yet, in the north of Alberta, there is a remarkable deposit of over 100,000 acres of tar sand to a depth which is unknown, and this has merely to be taken out and put down to form almost perfect waterproof roads. So we have at one and the same time a country which is dependent for its everyday business upon roads—because the farmer has to get his produce, his shopping, and his social amenities on roads—and you have in the north this marvelous bitumen deposit, with a railway running up between the road less district and the tar sand, yet they are thinking of shutting down the railway because there is not enough traffic! That is, I think, in very simple form, a laboratory demonstration of the absurdities of this so-called financial system.

GOVERNMENTS ARE THE VERY DEVIL.

I want to leave Alberta for the moment for certain generalities, which have been reinforced in my mind by my visit to Alberta, although perhaps they existed there, and in many other minds before. There is an old saying in Latin which reads: *Daemon est deus inversus*, which I will translate very freely as "Governments are the very devil." And when I say Governments I mean not only political, but financial governments, and perhaps more financial than political. I believe that this is a matter of very great importance; in fact, it runs into very obscure metaphysics into which I don't propose to enter tonight. For my sins, I have been in contact with governments most of my life (hence I have not much hair, and what I have is grey) and I have noticed—and nobody who comes into contact with governments can fail to notice—that while individually the components of governments, financial or political, are generally—but not always—charming and amiable gentlemen, in organisations of which they are the titular heads, even in their own ranks, are included persons and policies which combine the charming attributes of the skunk and the tarantula.

I hope no one will accuse me of over-stating the case. What I am trying to say is that so far as I, personally, have come into contact with the upper ranks of politicians, they have generally been composed of men who were trying to do a difficult job, and who in their private lives were honest and respectable citizens, yet they appear to be controlling an organisation which, once it is out of their sight, becomes a nuisance rather than a help, and is devoid both of decency and of common honesty. I hope that I am not rating myself too highly, but I think I know how this comes about. Organisations tend to become the prey of interests, and these interests become things which are run by experts, so that those particular heads of governments with whom we come into contact, or whose names we see in the paper and perhaps even, if I may so greatly dare, those whom you have the honour and pleasure to entertain tonight, become the

unwitting tools of interests which, even if they could, they have not, perhaps, the time to control. Certainly experience tends to confirm this.

There can be, from an unbiased point of view, no doubt as to the wide divergence between the really honest good intention of most of these individuals, and the results which they obtain; and if that is so, the chances of obtaining a better world through the agency of government as it exists are just about the same as those which are involved in the statement that, if a monkey played upon the keys of a typewriter for long enough, it would write the sonnets of Shakespeare. Given sufficient time, no doubt it would, but it would require a long succession of monkeys and many typewriters; and the methods upon which we are carrying on the government of the world at the present time are likely to prove just about as rapid in producing the results that we want. If that is so we have to make some sort of change.

THE IMPORTANCE OF SOCIAL DYNAMICS

Of course I may be wrong, anyone may be wrong, but certainly so far as my experience goes I am more and more convinced that what is urgent in this world, with an urgency that transcends any other urgency, is a study and practice of the science of

The Cabinet also confirmed the granting of a bounty of 2/- a case on oranges exported to the United Kingdom. A Bill to provide for the bounty will be prepared.

—Melbourne "Argus," August 31.

Another admission that producers cannot recover their costs through prices. Pay these bounties with nationally issued money instead of bankers' money (which takes back in taxation what it gives in subsidies), and you will have national prosperity.

social dynamics.

I do not really believe myself that forms of government matter very much. It is the way, and the source from which, control and power are exercised that matters. Just so long as you have the machinery of government without a dynamic will in control, you have a body without a soul. We have in this, as in most Western countries, quite a good body—good enough at any rate for practical purposes—but it has no dynamic will, and a body without a soul is a lunatic; and that is what governments are at the present time. It is immensely urgent, not that we should change the form of the body, but that the mechanism should be controlled by a political will; and I am grateful to your chairman, whose speech, I need hardly say, owes nothing to me, for taking exactly the line that I should have wished him to take if I had been presumptuous enough to suggest it. I am quite sure he is right. I am sure that we now know enough about these various agencies of political action to be certain that if we get the power we can achieve the result; and to discuss mere mechanisms, without getting control of the steam of the boiler, is just a childish game which ought to be beneath the attention of any adult person.

The keynote, I am convinced, of this situation is personal responsibility. You have got to get your representatives—and I am talking now of the democratic system of government which exists throughout the British Empire—you have got to get your representatives to realise that they have the immensely honourable position of securing for you the distribution of your wealth in accordance with your desires, so far as it is physically possible to do so, and to realise that they should not attempt to be the technical advisers who say how things should be done. Nothing is more depressing to me than some of the conversations I have had with the politicians in various countries who propose to inflict their half-baked schemes upon a long suffer-

ing populace.

THE PROBLEM OF CONTROL.

All over the world at the present time there is a spate of action, which can only be compared to that of a child operating a machine-gun and slewing it all round the horizon. Governmental powers in this complex modern world are so great, and they can be exercised with so little knowledge, that to contemplate the risks, which we incur, whilst they are wielded by those now in charge of them in many places, is one of the most depressing spectacles that anyone can experience. I am quite sure that we are obliged—and I mean obliged by necessities that threaten our very existence----- either to endure the break-up of the modern systems of organisation, because we recognise that we are not sufficiently advanced to control the forces which they have at their disposal, and revert perhaps into a period like the Dark Ages until we regain an opportunity, after a long struggle, to solve our present problems; or else we have to recognise that all these forces must be made responsible to the over-riding necessities of the human spirit, and must not be subordinated to the interests of any sectional ideal.

It is no use at the present time to put forward schemes for Social Credit, or any other scheme, until you have got the dynamic power to make those people in control apply it. I am convinced, after fifteen or sixteen years of continuous experience in these matters, that the attractions of those usurped powers, used for antisocial purposes, are so great, even to men who otherwise appear to be men of common decency, that they will never give them up unless forced to do so.

I feel, in speaking to a audience of the calibre of those gathered here tonight, which is, I imagine, drawn from the more fortunate ranks of life, that I should insist on the obligation which rests on those more fortunate people to take a hand in this matter. Nothing can be more lacking in common sense than to suppose that there is an alternative, at the present time, between change and no change. There is no such alternative, in spite of what perhaps Mr. Baldwin might tell you. There is only the alternative of what sort of a change we are going to have; and I have been appalled at the nonsense which has been talked to me by responsible people as to the sort of changes which they think will be brought about. Changes which involve the sacrifice, probably for hundreds of years, of the freedoms and the privileges upon which the British race prides itself, simply and solely to obtain something which can be obtained without a single sacrifice.

A GREAT RESPONSIBILITY

Unless those people in the more fortunate ranks of life at present will justify the opportunities they have had of obtaining a wider outlook, not only will they not prevent a change, but they will have no hand whatever in the kind of change that will be made. That change will be put over; it will be a change not only worse for you but worse for those who have put the change over.

I am making an appeal to your selfishness, but not only to your selfishness; I appeal also to your altruism to place yourselves at the service of the change. The fact is that a change can be made without any shadow of doubt, a change which, in the real sense of the word, would benefit everyone and hurt no one; but that change on the lines of which I am speaking will not be made as a result of hearing people talk, and it won't be secured unless you take a hand in it. A change more unpleasant and with far worse consequences to everyone will take place unless you live up to the responsibilities placed upon you.

This is not a matter of abstract importance, one to which you can attend when you have a little

time it is a matter of such urgency that I agree with something Lord Tankerville said to me this afternoon, that it is extremely doubtful whether we have time. All we can say is that the time is so short that we must use all those energies and all those abilities and possibilities which we possess, wisely—not madly in rushing off expecting to do it in two days—but continuously, with a recognition of the gravity of the situation; in the hope—I believe it to be a forlorn hope—that we may avert a great catastrophe.

If we cannot avert that great catastrophe, we shall, at any rate to a considerable extent, in men's minds, and perhaps even in men's actions, start such things as may carry over the catastrophe to produce something approaching a millennium after the catastrophe has passed.

THE PARTING OF THE WAYS

Within the next two or three years—I will say, in spite of my well-known objection to prophesying in terms of time, certainly within the next five years—the future of social life on this planet will be fixed for hundreds of years to come. It will either take a line which will mark the beginning of a completely new epoch, in which ultimately, although not immediately, material issues will become trivial—something of about the order of cleaning your teeth or putting on your clothes in the morning—they will not disappear, but we shall have release from those present ills which dominate our lives, and leave us free to develop in a manner about which I am not going to prophesy, as it is not my business. Alternatively, if we persist and allow matters to go on as at present, we shall be involved in one catastrophe after another, and I have no doubt we shall descend again into something approaching the state of the Dark Ages.

We shall enter this critical period in the autumn, for if it has not already actually begun we are at any rate in what might be described as the foothills. I should not be at all surprised if the course of events in Canada—not only in Alberta, but in Canada generally—and in that great country which lies to the south of its territorial boundary, and the state of affairs in general as they develop during the remainder of 1935, will form the opening of a quite definite period; and I would assure those of you who have by your presence here shown your interest in this matter that a very great responsibility rests on every one of you individually.

If you really do not regard this matter merely as a parlour game to be played as a good substitute for contract bridge, and costing rather less, then I really urge you not merely to think or write about it, but to do something and to do it quickly.

For anyone to suppose that any useful purpose can be served at this time by putting forward Social Credit, much less any detailed proposals for its application, without a clear idea as to the powers which must be invoked for its success, is absolutely childish.

So far as I am aware, and so far as my thinking will take me, certainly in this country there is no better method (in fact, as far as I can see it is the only method) by which you can achieve results, than to take action along the lines - of the Electoral Campaign, which was explained to you by Lord Tankerville, and insist that your Parliamentary representatives shall do what you want, and that you shall not be asked to vote on something that they want you to have until you have made your own agenda.

If you do not express your will, then the position is this: Unless you have a corporate will you cannot have a corporate body, and you must either develop that corporate will, or the corporate body becomes an insane body and will undoubtedly destroy itself and you.

## CATS AND HERRINGS

(By D. IZZIE.)

Once upon a time the people of a certain country asked for an inquiry into their banking system. The Head Man of the country, who was called The Tiger, was a great friend of the banks, and hesitated about granting the people's request. He said that an inquiry was not necessary for, as banks were the only institutions, which could thrive on adversity, they must be sound. When he was finally forced to accede to the request, he decided to delay it as much as possible. So he told the people that a good committee would need an ideal chairman, and that he was determined to get the best he could find. He looked all over his own country, and then travelled through other countries, always seeking The Perfect Chairman. In the course of his travels he visited the country of Threadneedle and met the Boss of that land, who was called The Old Lady. The Old Lady told him that the chairman must also be acceptable to her. Of course, that made his task even more difficult, so in despair he returned at last to his own country and told his people that The Perfect Chairman was very hard to find. However, he said, his travels had not been in vain, for he had met a lot of people. He hoped that everyone would have forgotten about their desire for an inquiry, but when the people still asked for it, he gave the job of finding any sort of chairman to the press and the Conglomerated Banks, and this is how our fairy story starts.

## THE MEETING OF THE CONGLOMERATES

It is supposed that the heads of the Conglomerated Banks met and discussed the position. Mr. I. Havel President of the Smashen-grab Bank, presided, and outlined the situation:

Gentlemen (he said), what I am about to say to you has already been told to the public on Friday last through the medium of our unofficial organ, *The Trumpet*.

To New Readers  
of the  
"New Times"

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

At the same time the policy of this paper is not mere destructive criticism; that, in view of what is happening on all sides, requires no effort at all—the facts alone provide it. The policy of the "New Times" is one of hope in the midst of despair. It is one that would lay the foundations of a happier civilisation without disturbing anything that is good in what we have. It spells prosperity alike for the producer and the consumer without upsetting private enterprise and with a minimum of government interference or control.

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Needless to say, it has been said in such a way that the public will not realise that we have inspired it, and will accept it as the views of their own members. First, we have made it clear that the inquiry will not inquire into any alternatives to our present system, and that adverse criticism will be taboo if it touches any vital issue. The Tiger's right hand man has told us that it is necessary to educate the public, so let this inquiry be of an educational nature. We must be sure that the public is convinced that our Financial System operates under Divine right and follows natural law. Also that we ourselves are real fine fellows, and the most suited to operate this wonderful system. The Tiger has delayed the inquiry for nearly a year, so we must help him out by suggesting a chairman who belongs to this country and is satisfactory to our dearly beloved Old Lady of Threadneedle. Then, naturally, the composition of the remainder of the committee must claim our attention. This must be well chosen, as it is essential that the report should be unanimous. For this reason I think there should not be more than five members. It would be almost impossible to get agreement between any more, and it will be difficult to find even five good men and true. The ideal would be one good man and hang the truth, but I am afraid we must be more subtle than that.

## THE MACMILLAN COMMISSION

The danger of too many is exemplified by the Macmillan Commission in Threadneedle. That Commission consisted of 14 members, and issued a report carrying four addenda, five reservations, and a long memorandum of dissent by Lord Bradbury. That report, Gentlemen, let too many cats out of the bag, so many, in fact, that nearly all the red herrings were wasted. Some of these cats have caused us quite a lot of trouble.

For instance, on page 25 the report says:

"The Bank of England is almost unique as a Central Bank in that it is a private institution practically independent of any form of legal control . . . The restrictions, under which the Bank works in its operations are restrictions which the Bank has imposed upon itself, and which, of course, it has the power to alter."

That should never have been made public. Then, on page 34, the report not only admits that banks create credit, but actually shows how it is done. Lord Bradbury agreed with this in his memorandum on page 269, but drew his herring first on page 264, where he said:

"I am of opinion that the real remedies for our economic troubles lie in the main in a field outside the terms of reference of the present Committee"—and he followed it with another when he suggested that any departure from present practice would result in Government control of banking. The fact that he did not succeed in killing that cat caused us quite a lot of trouble last year. You will remember that our spokesman fought a losing fight in the press about that cat. I feel sure that a more satisfactory result for us would obtain if Lord Bradbury's memorandum had been printed in the front of the report instead of at the end. As it is, people who set out to read the report find the cat but become too tired to continue and find the herring. Consequently, all that good stuff has been wasted.

## BANKS AND WAGE SLASHING

Another cat was set free on page 98 when, in discussing the Bank Rate, the report says:

"Its efficacy depends in the first instance on reducing the

profits of businessmen. When, in the effort to minimise this result, output and employment are contracted, it depends on decreasing the amount of business profits and increasing unemployment up to whatever figure is necessary to cause businessmen either to decrease their costs by additional economies or to insist on, and their workers to accept, a reduction of wages."

Bradbury also did his share of cat freeing when, discussing one of the projected alterations in our system, he said (page 266):

"In an individualist society capital can only be provided by inducing individuals to forego present enjoyment in exchange for future advantage. It is no doubt a convenience to all except the individuals who have made the present sacrifice that, the capital having been provided, the future advantage should be diminished or fail to materialise altogether."

He then pointed out how the future advantage would be minimised and finished his criticism with the words, "Honesty, even if stupid, is a better foundation for credit than the most adroit finesse." It is just as well that so many pages separate these cats. Lord Bradbury falls a bit short when, on page 264, he says, while criticising the report's International Money Policy of a Permanent Character:

"Such a proposal really means the substitution of an index figure for gold as the standard of value and the new unit of value would, if the proposal were adopted, be better represented by a counter to be issued by a trustworthy international authority. The world would then be saved the labour and expense of gold mining, and the Central Banks the worry of having perpetually to devise expedients to adjust the value of that no longer necessary commodity to the value of the new unit."

and yet states on page 271 that "under the Gold Standard, gold in quantities which can be digested is a food, in excess it becomes a poison." What is to become of our golden herring if statements like those get about?

A report such as this is of no use to us. You can see the pitfalls we must avoid and the advantages that are possible. We must be sure that the report does not contain such damaging admissions and contradictions. Also the growing danger of New Economic thought must be removed. To that end, Gentlemen, I implore you to discover five good men and true, and if they cannot be found, then make up the balance with some honest stupidity.

A WAY THEY HAVE IN  
NEW ZEALAND.

## —And in Some Other Places.

The spirit of enthusiasm animating the Douglas Credit Movement (says the "Bay of Plenty Times," New Zealand) is well exemplified in the case of Mr. Bullock, of Wanganui, who, as the President of the local District Council, said, at the meeting on Friday last, that he had travelled 220 miles from Wanganui by push-bicycle in order to attend the conference. To illustrate the absurd economic conditions of today, Mr. Bullock said that on the way he met a gang of prisoners who worked six hours a day. A little further along he found a camp of relief workers who worked eight hours a day. Then he came to a dairying district, and there he found the farmer working fourteen hours a day. The disparity did not end here, however, for the prisoners cost the country 25/- a week, the relief workers 15/- a week, and the dairy farmer nothing. Moreover, the prisoners were transported to their work in motor lorries, the relief workers had to go on bicycles, but the dairy farmer lived on the job. His work started as soon as he got up.

## EDUCATION AND FINANCE

## Growing Discontent and Impaired Service

By R. JOHNS.

Much publicity has been given recently to claims by the Victorian State teachers for salary restorations, and it has been made quite plain that the discontent incidental upon injustices being suffered by them is seriously impairing the work in the service.

As has been pointed out in this paper previously, their claim for full restoration of salaries and promotions is wholly justified; but though these claims may be the immediate cause of discontent, there are other long standing grievances contributing to their dissatisfaction, among which are: (1) Unwieldy classes; (2) lack of equipment; (3) dilapidated and ill-furnished buildings; (4) Unpsychological basis of pupils' promotions.

## UNWIELDY CLASSES.

It has been estimated by leading-educationists that to do a measure of justice to each pupil a class of over 25 pupils is unwieldy, yet, in most town and city schools in Victoria the average is around 50 to 60. When classes reach this size any individual instruction becomes impossible, as does any psychological study of a child's individual makeup. This leads to a kind of mass production in education in which every scholar is treated as a unit of equal intellectual capacity. The subnormal are forced along beyond

## A HINT FOR BANK CLERKS

"I understand that if the N.S.W. banking institutions followed the system in English banks of installing machines, labour would be reduced by about 75 per cent. I am not quite sure of the percentage, but I have heard figures quoted."

—Mr. M. Henwood, Conciliation Commissioner, at Newcastle, New South Wales, August 29.

their mental rate of assimilation which, of course, is impossible, and which always ends in despair and utter detestation for school work at the time, and generally kills all desire for study in later life.

The super normal, or child above normal intelligence, is subjected to the opposite process—one of slowing down—which soon results in boredom, from which he relieves himself in wool-gathering distractions, so that his powers of continued concentration are seriously impaired.

The effect upon the teacher is no less serious, as, in attempting the impossible task of standardising the human mind, his efforts are doomed to continual failure, undermining his confidence in his own ability, destroying his morale, and embittering him against his work.

The remedy for this evil is a more generous arrangement of staffing, but when this is advanced, the reply is: "No money to supplement staffing."

## DILAPIDATED AND ILL-FURNISHED BUILDINGS.

To work at such an impossible and despairing task is demoralising enough, but when such work is carried out in crowded buildings, antiquated, ill-furnished, shockingly equipped, stifling in summer and bitterly cold in winter, there is little hope for congenial association between teacher and scholar, or environmental uplift or relief from this mass productive system of education.

Relief here can only come from money, but there is always a chronic shortage.

## THE PROBLEM OF RETARDATION

To the general public this problem will probably require some explanation. In bygone years someone, somewhere, conceived the idea:

(1) That all human minds were endowed with the same amount of native intelligence;

(2) That the minds had also equal capacities for assimilation;

(3) That intelligence grew at a uniform rate in all beings—in

short, that mental age was a constant with physical age. To simplify this statement further, it was assumed that all children, say, of six years, had equal native intelligence and capacity for assimilation in relation both to volume and to rate.

With these ideas firmly fixed in their minds, the Education authorities demanded that pupils should rise from grade to grade according to age, and headmasters and teachers were judged on their ability to enforce this principle, whilst keeping up the prescribed standard of work in each grade. And if a master could have all his grades classified according to stipulated ages, and in addition gain for them 100 per cent, of promotions at the end of the year, he was the perfect pedagogue, and was rewarded accordingly. Needless to say, though this has been attempted with heartbreaking effect both on teachers and on children, success has never been achieved—and never will be, as will appear from what follows.

It has been proved the world over by all competent psychologists and educationalists that intelligence is neither endowed equally on human beings nor grows at a constant rate; and mental age and physical age differ widely in children and are influenced by heredity, environment and physical welfare. Consequently the system of forcing children through classes according to age as practised in this State is as ludicrous as it is effete. And even though books prescribed by Victorian educational authorities on psychology for the training of teachers condemn such a system, tradition triumphs. This unnatural forcing of education according to age, still the nightmare of teachers, is yet the watchword of some inspectors, whose reports are directly responsible for teachers' promotions.

With fully staffed schools children could be classified and advanced according to mental ability with differing curricula, making education scientific and ideal, but this, of course, under our present financial system, is impossible.

All else which could be rectified them is already existent in the community—viz. (a) an already highly qualified body of teachers, with thousands more available to be trained; (b) sand, cement, steel, timber, and artisans, now unemployed, to fashion these into model schools, well equipped and furnished; (c) lastly, but of paramount importance, food to nourish and clothes to warm the child whose physical and mental welfare is now being terribly impaired through want.

Parents and teachers—all are here; all is waiting except money, just worthless paper tickets, whose real and only function, in this case, is to transfer a model educational service to the people of the community.

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LETTERS TO THE EDITOR

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

A MEETING OF MONETARY REFORMERS

Seeing that promises have been made, time after time, by our politicians re a monetary enquiry, and without results, with very little likelihood of any in the near future, will you please grant space in your valuable columns for this appeal to the people, or to those who are earnestly interested in monetary reform.

Unless there is a serious drought (and, even in this case, serious consequences can be avoided with foresight), there is definitely no need for periodical depressions, which can only come about by undeniable mismanagement and bad government.

There is plenty of everything that is necessary for a healthy, harmonious and humane life for all. Millions of people could buy millions of pounds worth of goods if they only had the money to buy these goods with, and business now depends on selling the people the goods they want, or can be induced to want, in place of only what they need - vast potential field, untouched by our smartest businessmen. What these millions of people want could not be produced by the thousands in Australia seeking employment, and assistance would have to be sought in other lands to produce these goods - so great is the potential demand for these goods by the people.

With the object of getting all earnest monetary reformers together, and any others who are anxious for reform generally, I suggest a mass meeting at the Yarra Bank on Sunday next, September 8 (weather permitting, or the first fine Sunday following). This will give the many, of a very large area, not forgetting those who are unable to pay fares, an opportunity of assembling, with the object of organising some definite line of action. Any brand of monetary reformers welcome.

Trusting that many will come along be in earnest for his essential world-wide need, and look for the white sign with the blue letters, "Monetary Reform."

J. J. SIMPSON.

17 Finlay Street, Albert Park, S.C.6.

OUR ATTITUDE TO WORK

What hope is there of educating people to think sensibly while the existing monetary arrangements continue? The newspapers laud this or that citizen because he donates the cost of something, which gives work, or provides employment, and the praise is given to the donor solely because he has enabled this employment. The fact that the product of this work may be quite unnecessary is ignored.

Here in Melbourne certain citizens were held up to popular favour because they enabled boulevard schemes and so forth to become financially possible. That is to say, the work could go on without dipping into the public revenue for wages of the workmen. In a State populated by people, who are in dire need of decent homes, as well as proper food and clothing, boulevards are not of prime importance. A settler building his shack in the

bush spends what time he can spare from building in obtaining food and warmth. When the shack is finished and other essentials assured, he commences to plant geraniums around his home and perhaps he builds a small boulevard from the door to the wood heap. But those adornments come after his standard of living permits the necessary time to produce them.

Looking around Melbourne we see horrible slums, and, in spite of the opinion given by the visitor from England that we do not know what slums really are we may reply that we know what decent living conditions are, and that they are within easy reach if the people will think sensibly.

Our minds have been trained to think that the acceptance of a gift of blankets or clothing by the poor carries a stigma. If, however, the husband does some useless toil about as valuable as digging a hole in the ground and filling it up again, and for so doing he receives a few miserable shillings with which to buy the clothing, then there is no stigma. If it were suggested that he be paid to work at his own home, stopping the leaks in the roof or adding a sleep-out to augment the overcrowded conditions of his hovel, there would arise all sorts of complications. The council by-laws would conflict with the scheme, the landlord and tenant wrangle would arise, and organised trade unions would cry out against such an iniquitous plan to deprive them of their right to work. The press would condemn the whole thing as being impracticable and objectionable.

In other words, we are taught that work, in itself, is noble, and that any poor person who expects something without work is a loafer or an undesirable. This is the attitude adopted by the more fortunate towards the less fortunate. The poor people themselves concentrate their efforts on securing work—the only title they recognise to the necessities of life. They hate anything savouring of charity.

So we go on struggling to find work, and because we fail to do so, the farmer, the manufacturer, and the trader are dragged down close to the level of the poor city dweller.

Looking sensibly at the problem we see that income and not work is the crux of it all, but our accounting methods contain no technique that permits payment of wages without charging such payment into the cost of the product. This, of course, must be recovered in the selling price of the product, so when wages are raised prices go up. There is no escape. So, very naturally, manufacturers instal labour-saving machinery to reduce the wages bill. The goods go forth into a community with a reduced income and this process has reached the breakdown stage. Wealth and potentially more wealth—the goods mankind wants—exist in abundance, and the nation is too poor to buy even bare necessities.

Forming progress societies, trade unions and such organisations will get us nowhere until the people recognise that the only thing missing is money, which is made of paper and ink.

The technique to transfer the wealth of the nation to the nation has been developed by the Social Credit movement, and it is the duty of every thinking person to study and understand the Social Credit proposals. When such a stage is reached a just solution of the problem of poverty in the midst of plenty will emerge, and it will take the shape of making

everyone richer without making anyone poorer. It will distribute to the people those essentials of life, which now are being destroyed or withheld from production. "SLIDE RULE."

SOCIAL CREDIT AND SHOW WEEK.

The sweeping victory of Social Credit candidates in Alberta has given publicity without precedent in the history of the movement. This, coupled with the threat of war and the utter failure of Governments to alleviate the present chaotic conditions, is driving citizens in ever increasing numbers to seek knowledge of the Douglas Proposals. Never before have we had such a golden opportunity to further the interests of our great cause. The public, especially in the country, are hungry for information, so we have decided to make Show Week this year a time to be remembered in the history of Social Credit in Victoria.

We have already made arrangements to share stand No. 302 in the Hall of Manufacturers at the Show Grounds to display "The New Times" and to serve as an information bureau for both town and country visitors. In conjunction with this we propose to hold a monster public meeting for which every Douglasite in the State will be expected to work. The Central Hall, 203 Little Collins-street, has already been booked tentatively for Monday evening, September 23. Although the success of this meeting is assured, we must, if we wish to achieve the greatest possible results, do everything in our power to get our country friends to attend, and in our way create more disciples for Social Credit, who will go into the four corners of the State with this message of hope. To further extend the sphere of influence every effort will be made to have the addresses broadcast.

The unqualified success of the above depends only on the amount of money available for publicity, after having paid for the hall and the Show stand. About £12 is already assured. This, we believe, will cover approximately one-third of the cost. The other £24 we feel sure will be gladly subscribed by members and sympathisers.

As the time is short, donations are asked to be sent without delay to the Propaganda Secretary (Mr. G. R. Trenwith, of 123 Rennie-street, Coburg). No matter how large or how small the donation, it will be gladly received and faithfully applied.

LESLIE H. HOLLINS, Propaganda Director, Douglas Credit Movement of Victoria, Block Arcade, Melbourne.

DEPRECIATING CURRENCY

In your issue of August 16 is a reply to Dr. Maloney's suggestion for the adoption of Gesell's reform as a way out of the financial morass. First, I wish to thank you for the space you have given to the Woergl experiment in Austria, and I would also like to reply to some of the criticism of Gesell's reform through the columns of "The New Times."

Professor Irving Fisher, of America, after having visited Woergl, calls himself a humble disciple of Gesell. Daladier, former Prime Minister of France, after a visit to the town returned and formed a party of 30 Socialist Deputies and called the new party the N.E.O. Socialists, after Gesell's famous work, "The Natural Economic Order." Surely these men must have seen something more than a new form of taxation in that great experiment at Woergl.

At Woergl the issue of 12,000 schillings Demurrage Scrip was

backed by 30,000 schillings of legal currency. This 12,000 schillings of scrip exchanged goods and services to the extent of 100,000 schillings and, in addition, effected payment of all arrears in rates. All in the space of three months. Maybe Social Credit advocates might find food for thought in these facts.

Now let us examine briefly this "so-called taxation." Most reformers agree that all taxation is passed on to the workers. Can anyone show me how the holder of a Demurrage Note can escape the penalty incurred for keeping-money out of circulation?

Gesell maintains that the introduction of Demurrage money, together with the land reform, the collection of ground rents for public revenue, would eliminate interest and taxation and would restore at least 40 per cent, purchasing power to the workers. Gesell maintains that the cause of interest is due to the defect of our present form of money. Is he right? That depressions are caused by the withdrawal of money-capital from production in order to prevent the increase of wealth (houses, factories, etc.), so that interest yield on existing wealth may be maintained. No interest, no money; no money—unemployment, industry at a standstill. Only on condition of interest will the present form of money circulate. Is he correct?

With Demurrage Money the circulation has ceased to be conditional. It must circulate or suffer loss. Demurrage Money means the sale of goods. The sale of goods means employment. Employment means money. The circuit is complete.

The introduction of these reforms would bring about cash transactions and replace the present credit system, with its pawnbrokers, cash order systems, Stock Exchanges, debt collectors, and would bring about the reduction of Law Courts, politicians and parasites of every description living on the present system.

I have no desire to take up more of your space but, believing that no question is settled until it is settled properly, I would advise Social Credit advocates to read Gesell's "Natural Economic Order" and also to fight for a Royal Commission with an independent public man as chairman, with no connection with banking institutions, when Douglas Credit and other credit systems, as well as Gesell's Cash System, can be thoroughly analysed.

CLARENCE S. CAVANAGH, The Australian Free Economy League, 83 Spensley Street, Clifton Hill, N.8.

As an outcome of the next war Great Britain's oil supply may be improved and there may be more work for Italian factories, but it does not matter who wins or who loses, it won't turn another factory wheel in Australia, nor will it add an oil well to Australia's fuel supply. —J. T. Lang, September 4.

A USE FOR UNEMPLOYED MINERS

Some little time ago we published figures showing how the use of modern machinery in England has released many of its miners from their risky and unpleasant occupation, while increasing the output of coal. What happened to the released miners? "The News of the World" (England) tells what some of them are doing:—

"Hundreds of jobless miners risk their lives daily in mad dashes to stake claims on moving colliery trains carrying coal-dirt to the slag heaps. Several have been killed; many have lost arms and legs, through losing their grip and falling under the wheels of the wagons. This 'wagon jumping' is illegal, but it goes on.

"Sympathetic mine owners allow coal to be picked from the slag heaps, upon which all the waste is thrown. The waste is taken to the heaps in railway wagons, and hundreds of men lie in hiding awaiting the trains. As soon as they approach they dash down from the embankment and attempt to jump. Many fall back on to the line; often-unlucky ones drop down under the wheels. But if they are successful in climbing on top of the wagon, they stake a claim, and their claim is honoured by the unsuccessful. When the train halts, they work feverishly to fill their sacks with stray pieces of coal.

"The object of these train raids is to collect enough coal to sell to help out the family budget. The coal is sold at a shilling a bag, and in a week the most successful of the pickers can make about £2. The bags are carted away in all kinds of contrivances, from prams to homemade trucks. Offenders are often caught by the police and fined or sent to gaol, but unless something further is done, it seems that there will be many more armless and legless men in the coal-pickers' districts of Wigan."

ADVANCED MATHEMATICS.

An American contemporary gives us the following problem in advanced mathematics:

Problem.—To add: "No country, no Empire, has a greater desire for peace, has worked harder, and is working harder for peace than our country and our Empire."—Stanley Baldwin.

Plus: "The Government, like the French people, is profoundly attached to peace."—Pierre-Etienne Flandin.

Plus: "What could I wish but peace and quiet?"—Adolf Hitler.

Plus: "The greatest need of the world today is the assurance of permanent peace."—Franklin D. Roosevelt.

And to obtain the following result (reported by the League of Nations' new Armaments Year Book). Cost of world armaments increases by £100,000,000 in 1934.





# CHURCH LEADERS AND WAR

By JOHN T. LAWTON.

Last week certain Church leaders were taken to task for uttering pious platitudes with respect to war. Those leaders may or may not be in touch with religious thought throughout the world, and probably were giving very guarded and personal opinions. Readers of the "New Times" should know that an unprecedented revolt against war is actually in process throughout Christendom, and one may hope that people will not again be regimented for mutual slaughter.

The unfortunate compromise of the past between the Church and the use of force has tended to perpetuate the idea that war is both inevitable and necessary; in fact, that it belongs to the very nature of things, and, therefore, can never be abolished. The truth or partial truth contained in such an idea is that, though war does not necessarily belong to human nature, yet it does follow from certain human arrangements. It is within the compass of man so to alter the conditions of his organised life that war, instead of being thought to be inevitable, will be regarded as the very negation of civilisation and the height of human stupidity.

There is a growing consciousness that war and Christianity cannot much longer continue side by side. Striking evidence of this is seen in the short summary, which is here presented:—

## DECLARATIONS AGAINST WAR

1. In 1928 an event unique in human history took place. Some 200 representatives of 14 of the world's most living religions met at Geneva for the sole purpose of considering how the forces of religion in all nations could be brought to act concertedly against war, and against that spirit and those things that make for war. It was the first time in human history that a gathering for such a purpose had ever been held.

2. In Victoria the motion received by the Commission of the Presbyterian Assembly for consideration and report is most significant:

"Whereas war now constitutes a mortal threat to civilisation, this Commission of Assembly views with alarm the present policy of reviving and retaining the war spirit, and of attempting to preserve peace by preparation for war. It regards such a policy as not only futile but dangerous, revealing an incompetency in the national mind to interpret the obvious facts of the situation, as well as the lessons of the past. Further, such a policy amounts to a refusal to embark on a statesmanlike and constructive policy for peace and prosperity in keeping with the actual needs of the hour. It regards the retention of an economic

system in which war is inherent, and the pursuit of policies that make war inevitable, as a betrayal of civilisation.

"It therefore calls upon the national leaders to apply themselves with open and honest minds to the imperative need of solving the problem of justly distributing the riches of our productive activity and of enabling the community to enter upon a standard of living in keeping with its productive capacity. It views with equal alarm the prevailing apathy with regard to the urgent necessity of making provision for adequate defence other than that afforded by the appeal to force.

"It calls upon the nation to abandon the war spirit: to cultivate and pursue a policy of active goodwill and mutual understanding; to demand the solution of its economic problem and the removal of the artificial anomaly of poverty in the midst of plenty.

"It records its conviction that the solution of this problem would remove the major cause of international war and social unrest."

3. The anti-war resolution of Pittsburg Ministers is as follows:

"Whereas we, a group of Ministers in attendance upon the Council of Cities held in Pittsburg, Pa., February 27-29, 1924, recognise that war is the most colossal and ruinous social sin that afflicts mankind today; that it is utterly and irremediably un-Christian; that it has now become not only futile but suicidal; and that the recognition of this fact is necessary to the continuance of civilisation; therefore be it resolved that we declare our sincere repentance for past ignorance of, or lack of faith in Christ's ideals and methods of righting wrong, and that we memorialise the General Conference of the Methodist Episcopal Church meeting in Springfield, Mass., May, 1924, to declare for an unalterable opposition on the part of our Church to the entire war system — economic exploitation, imperialism and militarism; to call upon the government to cooperate with other nations in organisations looking towards world peace; to inform the government that our Church can take no part in any movement toward war, but that we dedicate anew our lives and resources to the building of a world brotherhood wherein the principles of the Sermon on the Mount shall be progressively practised."

### "NO COMPROMISE."

4. The English Congregationalists are deeply stirred: In 1926 one hundred and fifteen English Congregational Ministers, assembled at Leicester, made this solemn declaration:

"We are determined by God's help to take no part in, and give no sanction to war. This pledge allows

of no compromise. We no longer make any distinction between righteous and unrighteous, aggressive or defensive wars."

5. The Anti-Militarist Clergy men's International Congress makes the following declaration:

"A. (1) That the moral principles of Christianity, as they are revealed by the Gospel of Jesus Christ, are in irreconcilable opposition to war; (2) that war, especially modern warfare, by its very character violates all Christian values; (3) that the State that makes preparation for war and forces its citizens to share in the business of war de-Christianises the nation.

"B. And makes urgent appeal to Christian Churches to consider it their duty (1) To protest in a fundamental way against the sin of war and war preparation; (2) to declare the office of military chaplain inconsistent with the Gospel; (3) to protect the conscientious objector as one maintaining the Christian attitude; (4) to convince the Christian nation that it ought to disarm and, instead of the sinful risk of war, ought to accept, in the reliance on the assistance of God, the risk of peace."

6. A recent plebiscite of Christian ministers of America resulted in some 13,000 declaring that they renounced war and would henceforth take no part in it.

## DR. FOSDICK'S RENUNCIATION

7. Perhaps the most dramatic event of recent times was Dr. Fosdick's renunciation. In a great public meeting he said:

"I have an account to settle between my soul and the Unknown Soldier. I deceived him. I deceived myself first, unwittingly, and then I deceived him, assuring him that good consequences could come out of that. As a matter of headheaded biological fact, what good can come out of that? Mad civilisation, you cannot sacrifice on bloody ground the best of your breed and expect anything to compensate for that. . . I, too, was persuaded that it was a war to end war. I, too, was a glib fool and thought that modern war could somehow make the world safe for democracy. They sent me like me to explain to the army the real meanings of war and, by every argument we could command, to strengthen their morale. . . If I blame anybody about this matter, it is men like myself, who ought to have known better. We went out to the army and explained to these valiant men what a resplendent future they were preparing for their children by their heroic sacrifice. O, Unknown Soldier" however can I make that right with you? I will myself do the best I can to settle my account with the Unknown Soldier. I renounce war. I renounce war because of what it does to our own men. I have watched them coming gassed from the front line trenches. I have seen the long, long hospital trains filled with their mutilated bodies. I have heard the cries of the crazed and the prayers of those who wanted to die and could not, and I remember the maimed and ruined men, for whom the war is not yet over. I renounce war because of what it compels us to do to our enemies, bombing their mothers in villages, starving their children by blockades, laughing over our coffee cups about every damnable thing, we have been able to do to them. I renounce war for its consequences, for the lies it lives on and propagates, for the undying hatreds it arouses, for the dictatorships it puts in the place of democracy, for the starvation that stalks after it. I renounce war and never again, directly or indirectly, will I sanction or support another! O, Unknown Soldier, in penitent reparation I make you that pledge."

This is some indication of the way in which an increasing number of Christian leaders are thinking.

# TRAGIC LAND SETTLEMENT

By "DEMOCRAT."

There are 196 municipalities in the State of Victoria. Of these, 31 are cities, 5 are towns, 20 are boroughs and 140 are shires.

Out of this number of shires there are between 70 and 80 within whose territory a number of ratepayers—who never pay rates and never have—have been settled on the land under the Closer Settlement Board's administration. These comprise civilian closer settlers and soldier settlers.

So successfully has this Board done its work that there are at the present time £100,000 of unpaid rate arrears owing to the shire councils in the State of Victoria alone, and there is every prospect that in the end the State Parliament will repudiate the liability.

Every year for years past the annual municipal conference has clamoured for relief from this scandal. Conference after conference has been held, followed by deputations to one Minister or another with the same old parrot-cry—"There is no money."

Once, and once only, has any Minister recognised the justice of the shire councils' claims, and that was just before the Ministry in which John Allan held a portfolio was put out. He it was who had a Bill prepared to place these huge arrears of rate payments on an honourable basis, but, unfortunately, he was put out of office before he could even bring it before the House.

## AN AUTOCRATIC BOARD

Today the Board imagines itself to be so strongly entrenched in its magnificently upholstered apartments, surrounded by its regal staff, that it has actually threatened those Parliamentary Members in whose electorates councils have been most insistent in pointing out this injustice that, unless they can muzzle those councils, the Country Roads Board will deprive them of their share of the Federal aid relief grant for road construction. This is no idle threat, either. One has only to examine the lists of the grants to see for themselves.

In fact, delegates to these municipal conferences openly state that the surest way to participate in these grants is to applaud the Commission and the Board, and to say what fine work they are doing, and that any adverse criticisms will bring down reprisals.

Subsequent events have proved the truth of these statements.

Members of Parliament are utterly powerless in their hands, and as incapable of securing for their electors any redress as if they had never seen the inside of Parliament House.

Imagine it—these Boards allocate the community's money with as much partiality as if they were doling out their own private wealth.

Here we have an excellent illustration of what could be done if the community's credit were handled by the community.

## SETTLER'S HANDICAPS

To begin with, the settler too often is handicapped by the original price of the land, which the greed of the owner has demanded for the sale of it. Added to this is the heavy annual payment, which, at a time when the price of his produce shrank to an utterly unpayable figure, made it impossible to pay his way.

more especially as bad seasons rendered his task still more impossible.

There is, however, a purely economic view of the position.

Either the settler was not fit for the land, or the land was not fit for the settler.

If the land was not fit for the settler the responsibility falls upon the Government, or the Commission appointed by the Government to carry out the settlement scheme.

If the settler was not fit for the land the fault still lies with the Government, or the Commission appointed by them, for retaining in a false position year after year a human unit who, instead of being an asset in the community, was a drag on the wheels of industry.

Worse still, every year an unfit settler was allowed to remain in this position, every year added to the demoralisation of a unit who in another sphere of action might have risen to become an asset. But still more than that, every year this unfit unit was allowed to remain an unfit unit, and qualify to become a still more unfit unit, his land was lying idle and accumulating debts whilst another human unit capable of using the land to the best of advantage was debarrued from adding to his own increased store of prosperity and the nation's as well.

But even yet, if we had a class of politicians capable of understanding, the position is not entirely hopeless.

If the electors could only be persuaded to see the lever they have at their hands and insist on their members getting them out of this morass of imbecility, and, if they have not themselves the ability to apply the remedy, to seek the advice of the experts who have the problem would quickly be solved.

All that Parliamentarians prattle and prate about today is their masters, the banks, tell them—"There is no money."

What a pitiable condition of affairs humanity has allowed itself to drift into—to allow a few men to dictate to the community what it shall do with its own wealth!

But since from its earliest moments it has been reared on the theory:

"God bless the squire and his relations, And keep us in our proper stations".

it is perhaps not so much a source of wonder that it finds it next to impossible to throw off its first lessons.

# League of

# Democrats

## WEEKLY CAMPAIGN NOTES

Recruiting speakers are asked to note that the framework of the speech has been set out in the form of notes, and that these are available either at the speakers' class or from district supervisors. Rev. C. D. Brock spoke on the electoral campaign last Thursday at the Douglas rooms, and was emphatically in favour of it. There seems every probability of the co-operation of South Australia.

A great many replies to the original L.O.D. appeal are still to hand. This campaign needs "self-starters"; will local leaders please take the hint?

The social arranged by Mrs. Kurrle at Nicholas Buildings was a most enjoyable evening, and will provide useful funds. It is hoped that the example will inspire others to do likewise.

Wanted — A Supervisor of Finance. Duties—to organise the efforts of workers and friends in a drive for funds. Will anyone willing to undertake the job please send name and address to League of Democrats, room 8, Block Arcade, Melbourne?

Printed By The Advocate Press, 309-319 Lonsdale Place, Melbourne, for the New Times Proprietary Limited, Elizabeth House, Melbourne.

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