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THE

NEWTIMES

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Hooray for New Markets -

But How?

The flowers that bloom in the spring, tra la! The Gilbert and Sullivan season is on, and so are many other Gilbertian schemes.

During the week we have been honoured with a letter and a pamphlet from the New Markets Development League, the object being to obtain our active co-operation (membership subscription and donation form enclosed).

For the project of seeking new markets we have the utmost enthusiasm. One of the main purposes for which the "New Times" was established was not only to seek, but to exploit new markets as they have never been sought or exploited in past history. We seek to exploit to the fullest the market for milk amongst children who hardly know its taste; to exploit the market for education amongst those youngsters who today are disciplined rather than taught in herds of fifty or sixty to a classroom; to exploit the market for our wool growers amongst those who haven't a change of clothes, and to whom the slogan, "From the sheep's back to yours," is a foreign tongue. We seek to exploit dozens of similar markets — and we have it all over Sir John Latham, Sir Henry Gullett, and all those other present and whilom politicians that we can put our finger right on our new markets without running the taxpayers into any expensive jaunts abroad. For the markets are right under our nose. But are these the fields, which the New Markets Development League has in mind?

THE LEAGUE'S SPONSORS

The League's pamphlet begins with an official blessing from Sir John Latham and from Professor G. L. Wood, of Melbourne University.

Sir John says: "... The difficulties that are associated with the sale of Australian products in the older markets of the world emphasise the desirability of finding New Markets. . . I heartily concur with your objectives."

And Professor Wood: "... In Britain's interest, as well as our own, we are under an obligation to relieve the glutted conditions of our main market and find additional means of meeting our overseas obligations."

Professor Wood, you will notice, rather lets the cat out of the bag when he mentions that we have to sell more goods to foreigners in order that we may pay no interest to British financiers. However, we may let that pass for the moment.

SIR H GULLETT'S VIEWS

On Monday night the press contained a lengthy report on

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overseas markets coming from no less a personage than Sir Henry Gullett, our Minister in Charge of Trade Treaties, who is prying into every hole and corner of Europe on behalf of the same objects as our new league espouses. And what has Sir Henry to say?

"Except in Switzerland, I have been persistently reminded of Australia's extremely favourable balance of trade, which makes satisfactory treaty-making very difficult. If the present Continental buyers of Australian wool could obtain the same quality elsewhere they would do so with great gusto. . . Overseas credits are no longer treated, in these days of crazy self-sufficiency, as available for world purchases generally. Nations buying from other countries expect the credits so created to be expended within their own boundaries. . . The prospects for the sale of Australian produce in Europe are limited. The few openings will doubtless be taken when treaties are made. . . Nothing could be more complex or more hopeless than European trade. . . We encountered teams of treaty makers of every nationality in every capital."

Sir Henry then went on to speak indignantly of "self-sufficiency madness, deep-rooted in post-war suspicions," etc., etc. What hopeless humbug, what impudent hypocrisy! For the very figures published in the pamphlet of our New Markets Development League show that the objects of the league and of Sir Henry are conceived in injustice and born in insanity.

The league wants to spread our markets; in other words, to find some new mugs, if any such are still to be found.

"The league is convinced that the most vital issue of the day is the profitable disposal of the Commonwealth surplus production of exportable products, and that this object can only be achieved by setting up organisation for the creation of new markets."

Nowhere throughout the league's weighty utterances is

"ROOT CAUSES."

Until the nations are at last forced by circumstances to cease tinkering with results and instead to deal with root causes, it will be impossible to stop the rot. Why are nations anxious to export and not to import? Why, in other words, are nations anxious to get rid of their real wealth out of the country, and to receive in return nothing which is of any use to anybody — i.e., to build up debts which they know cannot be paid except in goods and services which they are not willing to receive? Clearly, it is because each nation is giving internally to its own people utterly inadequate purchasing power to enable them to acquire what they have themselves produced, or what they are entitled to receive from other nations in exchange for their production. In a sane world a statesman would be expected to enter into conference with those of other nations to see how much of their real wealth he could obtain in exchange for that of his own. He would be thought, rightly, a candidate for Bedlam if he came back and triumphantly announced that he had arranged to send to another nation a large quantity of the real wealth of his own country and to receive in return very little of theirs; and yet this is, in fact, what every statesman is trying to do, since every country wishes to export and not to import. There is an ominous sound in these days about the saying, "Whom the gods wish to destroy, they first make mad."

—The Chamber of Commerce Journal (London).

there a line or a hint as to where these new markets are obtainable. But the league gives some data on our present markets, which will help to explain Sir Henry Gullett's difficulties.

OUR TRADE FIGURES

It quotes our trade figures for 1932-33. Here are some of the transactions (in British currency):—

	£ Millions	Our Sales	Our Purchases
Belgium.....	4.1	..	4
China.....	6.3	..	3
France.....	6.1	..	1.2
Italy.....	3.3	..	.7
Germany.....	5.1	..	1.8
Japan.....	1.5	..	3.5
Switzerland.....	1	..	.5

The Swiss figures, where we bought £500,000 worth and sold only £100,000 worth, explain Sir Henry's "except in Switzerland, I have been persistently reminded of Australia's extremely favourable balance of trade." But what a slender hope to build our case upon!

Our total overseas trade figures for 1933-34—figures, which the New Markets League, naturally, did not give—show that we exported goods to the value of £98 millions sterling and imported goods priced at £60 millions sterling. Leaving out dealings in specie and bullion we had an excess of merchandise exports over imports amounting to £30 millions sterling. What utter rubbish, in view of such figures, to talk of new markets.

Our trade balances from July 1929, to last December show that in merchandise alone our sales exceeded our purchases by £144 millions sterling. Add to this a balance of £78 millions on account of bullion and specie exported, and you have

a gram total of £222 millions sterling. Considering these figures, how in the name of common sense can anyone be so half-witted as to expect further markets?

OUR CUSTOMERS WANT TO BUY MORE.

At the moment we have amongst us a distinguished Japanese visitor, Mr. Debuchi, the purport of whose message is that his people are ready and anxious to expand enormously their purchases from us. But they can do this only on one condition, which is that we make it possible for them to pay us for our goods. As no one in Australia wants to be paid in Japanese yen, the only way Australia's bill to Japan can be settled is by our taking Japanese products in return. To see how difficult we are making it for Japan, look again at the league's figures above.

And the same argument applies to Germany, Belgium France; to almost all our other big customers. Every one of these countries would willing to buy more of our goods. It is we ourselves who are standing in the way; as the trade figures show. Hence Sir Henry Gullett's twaddle about crazy self-sufficiency, deep-rooted post war suspicions, and so on, is sheer, undiluted claptrap. It is worse; it is blatant dishonesty put forth to blind the Australia people to the iniquitous ramp being worked upon them by those bankers whom Sir Henry Gullett Sir John Latham, Mr. J. A. Lyons, and all the rest of the inglorious politicians are so ready to defend.

THE REAL CRUX

Our marketing position can be stated very simply as follows:—

When a farmer reaps or clips his natural increase in wheat or wool there is not produced a similar increase in money to enable the sale of the increase in wealth. The only increase in money distributed amongst the

The Victorian Federation of Mothers' Clubs.

Dear Mothers,

We learn from press reports that a meeting of your delegates on Monday, by 114 votes to 23, decided to throw its weight behind the movement for sterilisation of the physically and mentally unfit. Voluntary sterilisation, of course—for a start, anyway.

We wonder is it accidental that your resolution immediately preceded the world congress of the B.M.A. in Melbourne—or did you perhaps feel that a dress parade from you at the present juncture might spur on such of its members as may hold your opinions but may be diffident of expressing them in a country which still calls itself Christian?

On the immediate point at issue, it would be interesting to learn whether you have prepared a schedule setting out what complaints constitute physical and mental unfitness. Would five or six years of unemployment, for instance, be taken as an outward and visible sign of the first, or perhaps of both?

In the ranks of the B.M.A. men who are taking part in the Melbourne congress you will find many who have stories of terrible physical unfitness directly traceable to lack of sufficient nourishment. Without going outside the city of Melbourne you may remember that the latest reports of its health-officers disclosed piteous and alarming figures of physical unfitness amongst our children. The Melbourne "Herald" for weeks and weeks has been appealing for a milk ration for 16,000 city children, many of whom, it says, never tasted milk until they were included in the free distribution scheme.

These children, doubtless, will grow up to swell the ranks of your examination candidates.

The report of your meeting indicates that one of your members, Mrs. Hebbard, of Croydon (God bless her!) mixed some sound common sense with the Babel of babble, which surrounded her. On the question of fact she pointed out that medical opinion is reverting to the idea that actual disease, either physical or mental, is not hereditary, and that tendencies in that direction may be corrected. On the matter of common sense she advised you to deal with causes rather than with effects. For, supposing you were to sterilise (or, if you had the real courage of your opinions, to kill off) all who are now unfit, what of the future? Do you not see a fresh generation of unfit being artificially created amongst you? And will you not see endless similar processions, INCLUDING MANY OF YOUR OWN CHILDREN AND GRANDCHILDREN, unless swift action be taken to separate industrial unemployment from destitution?

Give everyone ample food, clothing, shelter and medical and dental attention, and the problem that so exercises your maternal minds would rapidly unravel itself. All these preventives are available without stint. Only financial bookkeeping debars us from them.

The trouble with all you good people is that your ideas of reform never seem to get beyond the axe or the knife stage; you must either be hacking our liberties or pruning our organs. Why not try leaving us entire for a change? Why not imitate nature and science, and concentrate on addition rather than on subtractions?

THE NEW TIMES

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

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

VIOPEN (Blue)

THE ONLY ANTISEPTIC

TOOTH PASTE

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

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

VIOPEN

Recalcifying Tooth Powder

This is the tooth hardening formula of Professor Andresen, of the University of Oslo — its claims have been confirmed by Dental Professors and authorities of different nations. If you have orientated your economic thought to realities—put your mouth health in line with modern dental scientific facts. Viopen advertisement is plain, undistorted, scientific truth. The proof is on the wrapper. Sold everywhere, 1/-, 1/6 and 2/-.

people is the amount of the overdraft that a bank may have given the farmer in order to produce his crop or clip. This applies through the whole of our productive system. The result is an accumulation of goods far in excess of the amount of money required for their distribution.

To obtain this necessary money we, like all other peoples, endeavour to sell abroad more goods than we buy from abroad. The buying country, instead of handing over goods in exchange, hands over its I.O.U.'s. These I.O.U.'s (national debt) are passed over to the bankers in the selling country—or more strictly, nowadays, to the international bankers—who then make available to the sellers, by way of book entries, money in the sellers' own currency.

By this means in the past we have built up a huge edifice of international indebtedness to the bankers, which has now broken down under its own weight. For we have arrived at the stage where not only must the exporting country continue to sell more than it buys, but the importing country, in order to pay its interest bill, must do likewise.

We see this notably in the case of ourselves and Britain. The British bankers who control Commonwealth politics still insist on a preferential tariff for British goods, the object being to increase our imports from, and our debt to Britain. At the same time, if we are not to default in interest payments, we have to sell Britain £28 million (Australian) pounds worth of goods more per year than we buy from her. It being impossible to reconcile the two, up pops the New Markets Development League. As Professor Wood puts it, "in Britain's interest, as well as our own, we are under an obligation to relieve the glutted conditions of our main market" (Britain) "and find additional means of meeting our overseas obligations."

The British bankers do not want their interest toll in the form of Australian wool, wheat or butter. They want it in the form of British currency. Or they would be prepared to accept it by making other countries their vassals, as they have made us. They realise that our national debt to them is just about at breaking point (£81 sterling per head). But they would not mind spreading their markets in the

manner of a New National Debts Development League.

If we are to pay our interest in Britain, the British people must buy our goods with sterling, which is then handed over to the banks. But the British people, like ourselves, are short of money. The bankers are therefore prepared to see us sell our goods to such countries as Japan, in exchange for Japanese I.O.U.'s, provided we hand over those I.O.U.'s. In other words, our capital debt will not be decreased, but the interest on it will form the basis for a new capital debt to the British financier from the Japanese, the Germans, or any other acceptable race. The only drawback is that these races, being now crazily self-sufficient, decline to put themselves further in pawn. Hence the impasse.

THE ONLY WAY OUT

There is, to be sure, a very simple way out. In our own case, if we elected parliamentary servants who were not the lick-spittles of the bankers, they would see that the statistical (not political) issue of money corresponded with the statistical increase of real wealth. There would then be enough money in existence to enable all our production to be distributed locally. There would be no shortage of food, clothing, shelter, or even of moderate luxuries to anyone in Australia. We would develop new markets at home.

We should, of course, have a genuine surplus in such things as wool. But, having the money to buy it ourselves, we should also have the money to trade the surplus, £ for £ against goods from Japan, Germany, France or elsewhere. In this latter case our imports would not, as at present, dislocate other Australian industries, for the money to buy the output from these would also be in existence.

This commonsense method of issuing our money on a statistical basis, by the nation and not by private bankers, must come, and come soon—otherwise we shall have worse chaos.

Meantime one might recommend the New Markets Development League to turn its attention towards the only unexploited market that suggests itself, and try selling ice cream in hell. And one could nominate, with popular acclaim, quite a large trade delegation.

THE PROFIT ILLUSION

"The ignorance of the working classes is surprising," remarked Bill as he drove in some tacks.

"Oh?" said his mate.

"Yes," continued Bill confidently, "and if you asked most of these fellows in this factory what is the cause of the economic crisis, they'd say at once, without giving it a thought, 'over-production.'"

"True enough," said his mate, George, "though if they called it 'under-consumption' they'd be nearer the mark."

"Under-consumption?" queried Bill vaguely, "that's a new word to me. Sounds right, though."

After a little while George said, "You haven't told me what your own opinion is regarding the cause of the crisis, Bill?"

Bill looked up quickly.

"Production for profit, of course, that's obvious," replied he.

"What's profit?" asked George.

"Good Lord; you don't expect me to define a profit, do you?"

"WHAT REMAINS TO BE SEEN."

Cabinet Ministers will go on their holidays rejoicing in the knowledge that the total number of registered unemployed when the count took place on July 22 had fallen below the two million mark—to 1,972,941 precisely—for the first time for five years . . . Improvement is especially noticeable in the heavy industries, which produce "capital goods," such as machinery and iron and steel.

What remains to be seen is whether, when the capital goods are put to work to turn out consumers' goods, enough consumers will be ready to absorb them.

—*"Manchester Guardian Weekly,"* August 9.

Anybody knows what that is."

"No need to define a profit, but tell me how this profit-making works so as to cause this periodic slump and depressing crisis. Just what happens?"

"Well," started Bill, "take the head of this firm. He employs thousands of men like us, who earn his profits for him; that's why he is rich and we are poor."

"I don't quite follow," said George unhappily. "Do you mean he gets his financial profits out of us?"

"Of course," snapped Bill.

"How?" said George.

"Well, suppose I started a manufacturing business, employing five men, say, at £4 a week each.

"Then I sell the product for, say, £30, thus making £10 profit weekly out of my five employees. That's simple enough, isn't it?"

"It sounds simple enough," agreed George. "Is that what happens?"

"Of course it is, only more so with these big firms. Don't pretend to be dense about it," said Bill testily.

George appeared to be turning this over in his mind. "Dash it," he said at last, "I can't see how that happens. Here, let's stick to your example, which is fair enough. You say you employ five men at £4 a week each. That makes £20 you are paying into the market as wages every week?"

"Yes, that's right," said Bill.

"And you sell the weekly product for £30, so making £10 profit every week?"

"You've got the idea," agreed Bill happily.

"Thus you collect £30 out of the market into which you have put only £20?"

Bill stopped hammering tacks.

"Eh?"

George repeated his last question.

But Bill had no reply ready. George went on. "Are you seriously suggesting that industrialists (as a whole) are continually collecting

more money (via prices) from us working consumers than we ever get as wages?"

Bill's puzzled frown grew deeper as he turned back to his work. "Let me think that one out, mate."

Half an hour later Bill turned to George.

"I must admit you've got me stamped, mate," said he. "What I thought was continually happening I see now is impossible. I'll say, however, it is possible for a firm here and there to make profits in the way I thought they were made, but that can happen only at the expense of other firms making losses, unless some new money comes into the consuming market for which I can't account. I still believe we are victims of a profit trick somehow, but I can't see how it works. What's the answer?"

"Oh yes," replied George, "we are victims of a profit trick all right, but you can't see how it is operated until you know the difference between a real profit and a financial profit."

"Explain," said Bill.

"Well, the essential difference is really the difference between goods and money. By industry we can produce an increment of goods, which is a real profit, as, for instance, when you grow potatoes—the crop is far greater than the seed sown. The food harvests of the world are really a rotation of real profits by which we live.

"In this factory we change steel plate, wooden planks, glass, hides etc., into motor cars, and by our associated labour we transform the raw materials into a product that has gained a vast real profit of serviceability."

"Yes, I agree," broke in Bill, "but we are robbed of this real profit somehow. It's true what you say, but why does the farmer destroy his surplus milk? Why does the fisherman often throw his real profit of fish back into the sea? Why does the cotton-grower plough back into the earth a third of his crop? And the rancher shoot down his calves? Why does the equipment of a factory like this stand idle more than half its time?"

"Well," replied George, "when you grow potatoes, you don't grow money to buy them with, the fisherman doesn't haul any money out of the sea with his fish, nor do we here make money to buy motor cars with."

"In other words, the real profits represented by an increment of goods are not reflected in the financial system and distributed to consumers, as they must be if complete distribution of the real profits is to take place."

"Now, no matter what real profits are produced by industry of all kinds, they cannot be distributed to consumers except at the pleasure of the money-producers."

"Money-producers?" ejaculated Bill.

"Money-creators," said George.

"Money-creators?" whispered Bill.

"What . . . who . . ."

"And a very easy and profitable business it is, too," went on George mercilessly. "A million pounds is produced with practically no more effort than you make when you sign a docket. When the Bank of England creates a few millions it is done with less cost and less effort than we two have to put forth in trimming this motor body."

"And whose money is this?" asked Bill quickly.

"Well, the Bank assumes it belongs to it."

"Oh, does it?" burst out Bill aggressively. "Well, I don't; it sounds like a confidence trick to me."

"It is a confidence trick," said George, quietly. "Didn't you say

you were convinced we were victims of a profit trick somehow?" "Ay, but I never suspected this . . . I never thought money was made . . . yet it must be if it is to increase . . . I begin to see . . . You say the Bank claims the money as its own at the moment of creation? If that's what happens, I think it simply wicked. Whose money would you say it is, really?"

"Well," replied George, "it should belong to the community; all improvements in the process of producing real wealth should be made to pay a dividend to the community."

"Of course they should," said Bill eagerly, "that's what I've seen all along; the goods are there in plenty."

"Exactly," said George, "the real profits are abundant. The thing to do is to monetise them for distribution to consumers."

"I agree; that's what I want."

"Well, in that case you must express your will about it. The idea that production for profit is wrong is an illusion—to veil the wickedness of denying your just claim in the legacy of science, by which you have a right to a part of the increment of modern production, so much of which is being destroyed. You must claim your inheritance, as thousands of others everywhere are now doing. Demand your birthright in the form of a National Dividend, which will give you your personal share of the nation's real profit. Your legal title depends only on your making and voicing this demand. The legacy is there, the means and method of distributing it are known, demand a National Dividend as loudly and as often as you can—especially by your vote at the next election. Vote for nothing else."

"Stake your claim unmistakably and determinedly, and we will get it."

"Good," said Bill. "I'm on, and I mean it. Mate—I owe you something—shake hands."

—G.H., in "Social Credit."

To New Readers of the "New Times"

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

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

If the "New Times" meets with your approval you can best help its campaign by making it known to your friends and by yourself placing an order with your newsagent for regular weekly delivery or by sending your direct subscription to New Times Pty. Ltd., Box 1226, G.P.O., Melbourne. The subscription rate is: One year, 15/-; six months, 7/6; three months, 3/9 (post free). If your newsagent does not stock the "New Times," will you please notify us.

COUNTRY VISITORS TO THE SHOW

Are you satisfied with the market price of your products? Is your mind free from anxiety for the future?

IF NOT—

You are invited to attend a public meeting to be held in the Central Hall, 203 Little Collins St. (just up the hill from the Town Hall corner), on Monday, September 23, at 8.0 p.m., when you will hear just what is the matter with prices and markets, and you will be shown how a simple adjustment in our money mechanism—an adjustment which your vote can help to bring about—will result in prosperity for producers and consumers, with less taxation and without inflation or loss of liberty.

Chairman—MR. DAVID ROBERTSON.

Speakers—REV. J. T. LAWTON and MR. L. H. HOLLINS

THE NATIONAL DIVIDEND

G. S. CARRUTHERS. Member of the House of Assembly, Tasmania.

That part of the Douglas proposals called the National Dividend is very often misrepresented and misunderstood. Opponents of Douglas are fond of describing the Dividend as being "something for nothing." Many say it can't be paid, and even if it could, it would be injurious morally.

Anyone raising such objections shows clearly he has neither studied nor understood the real principles behind the Dividend.

Think for a moment of the chief suggestions made by the existing Nationalist and Labor parties for the cure of the depression and of unemployment.

"BACK TO WORK."

Nationalists are very fond of repeating that we must put our people back to work on reproductive industries under private control.

It is quite easy to say this, and it sounds nice and wise. They say to themselves: "We have a lot of unemployed and we are short of money." Next these wise people say: "Let us put these men back to work making things, and then sell the things, and our troubles will be over." Quite so, but our troubles have lasted many years; and this cure, which sounds so simple, has not yet been applied; and only a little serious thought is needed to show it can't be applied.

Increasing the population cannot help unless we increase consumers without increasing producers as much. Reproductive industries have never in the past kept all our workers employed, and at the same time provided the necessary money, or purchasing power, to enable the people to buy the goods produced. Sir Herbert Gepp, speaking to the Agricultural Bureau at Hawkesbury, N.S.W., recently said that the world is slowly coming to understand that the so-called depression is really the birth pains of world re-adjustment to increased human control over the forces of nature, with its relatively greater production.

He suggested that the way out of the world's trouble is "greater purchasing power for the masses", and this, the reporter said, presumably means higher wages and shorter hours.

I cannot agree with the reporter that higher wages and shorter hours would supply greater purchasing power. Any student of economics knows they will not. But Sir Herbert Gepp has got very close to the root of the matter when he says that more purchasing power is required by the masses, in order to enable them to consume the increased output which has resulted from man's increased control over the forces of nature.

The required increase in purchasing power cannot result from putting people to work on reproductive industry.

In the past, much purchasing power was supplied by expenditure on capital and public works, and by greatly increasing our debt. Today, in

addition to our other troubles, we have to pay an ever increasing interest bill on past debts, and it is still less possible to supply the required purchasing power by continuing old methods.

For a long time we have realised that the Nationalist party has no solution and no policy to offer, and every time they attempt to show a way out they only prove they are blundering deeper into the mire.

Their favourite plan is to point to the great recovery which, they say, has taken place, and trust that you will believe them, without noticing the greatly increased national debt which, as long as our present financial system continues, must pile up still more trouble for the future.

LABOR'S WAY OUT.

Can there be any escape along the lines of higher wages and shorter hours, as approved by the Labor party?

First, all wages paid for productive work must go into the prices of the goods when they are sold, so that the total extra amount of wages paid cannot be greater than the total increase in prices.

Higher wages may sound very attractive until we begin to realise that what matters to us is not just how much money we receive each week, but how much will that money buy?

Remember clearly that the Douglas movement agrees with Sir Herbert Gepp that the great need of the world is for the masses of the people to have power to buy more of the goods which our machines can produce, and so to have a much higher standard of living—in short, we require more purchasing power, but we must not trust higher wages to supply it.

Next, a word about shorter working hours. Without doubt these must come, and come soon; but they will not end our difficulties.

Let us suppose a 20-hour week has been adopted, and every worker has settled down into a position where he works four hours daily for five days per week at a good wage—better than the present basic wage.

Is not that enough to satisfy any good Labor man? Well, I admit that for a few days we might think our troubles ended.

THE NEW MACHINE

But next week some nuisance of a man will come along with a new invention, and a machine, which is able to do the work now occupying 1000 men.

What are we to do about it? The appearance of this new machine at once puts us face to face with a fundamental principle. If we decide to refuse it, because of the unemployment it will cause, then we shall be indicating that we mean to refuse all other new inventions if they are labour-saving. That is, we shall be saying: "We have progressed far enough. We have made such great advances during recent years that we have decided we have gone as far as we want, and we will not accept any more new inventions."

Such a decision is utterly impossible. Progress must continue. Sometimes old age may be content to remain in ancient ruts and hollows, but youth will and must constantly endeavour to find new paths, to climb higher.

Very well. We accept the new invention, and with it 1000 unemployed. What are we going to do about them?

In theory we are going to spread them out over other industries and shorten the working week for everybody. This sounds very good.

Perhaps we expect there will be five minutes reduction for everybody as each fresh invention is accepted, so that all will be kept in regular work, with hours becoming shorter and pay remaining constant?

But just wait a moment. Are we dealing with fancy or fact? If 1000 men should suddenly be put

off, how many of them, even if positions were available, could make themselves fit for these vacancies at once? How many would not be of much value, even after six months training, and how many could never undertake new work at all? Also, we have to remember that, while these men are trying to learn the new job, other new machines will be coming along and other men will be losing their work. The facts are simply as follow: We must not refuse to adopt new inventions and machines. But it is impossible to adopt labour-saving machines and at the same time to keep all our people employed, even at greatly reduced hours. Therefore we have to face the fact that a large number are going to be unemployed permanently. There is no getting away from this as long as progress continues, even though increased public works may improve the position temporarily. It is quite impossible to employ, and pay, all our people by reproductive work as long as our present economic and financial system exists. The June report of the Bank of N.S.W. admits that, even if we "recover", there may be a hard core of unemployment above pre-depression average.

THE RIGHT TO RETIRE

Just for a moment look at the problem from another angle.

A man starts his working life hoping to make his fortune and retire from business, and be free to enjoy the rest of his life in his own way. We do not regard this as wrong, and when the men who have made their pile retire we generally say they are sensible and praiseworthy for doing so, and letting someone else have a chance.

We admit it has been possible and right, in the hard past, for individual men to make fortunes and retire from active work. Cannot we also admit that, thanks to our greatly increased wealth and power, due to science and machines, it is now possible for very large numbers of men to make fortunes, instead of only a few?

By "fortune making" we really mean making in one year, or period of years, enough goods to last for many more years, and therefore, if the total producing power of the nation increases greatly, it ought to be possible for the nation as a whole to make its fortune, and so enable the men of each generation to retire at an early age and live on their accumulated wealth, while their sons carry on and produce still more.

Going back for a moment, we have seen it is going to be increasingly impossible to keep all our people employed, and, though we are going to have so many unemployed, at the same time we are going to see the nation and the world constantly becoming richer.

What is to happen to these people whom the machines are displacing? Are they to be regarded as criminals, and treated as wasters in disgrace, and be denied the natural pleasures of life, and be put on rations barely sufficient to keep them alive, just because the knowledge of our inventors is rapidly increasing? Or are they to be regarded as fortunate for living in an age of such greatly increased wealth, and are they to be provided with a proper share of it? There is no difficulty in providing this as soon as we regard them as partners with us and members of a State, which has made its fortune.

PRACTICAL CHRISTIANITY.

Preachers will tell you that the world's great present need is for the Christian religion. I agree, and I ask you to remember that religion is not something to speak of in a vague, dreamy way. Christianity is something clear-cut and definite. Christ's last reported words were: "Feed My lambs." His teaching was to establish the kingdom of God on earth. That means more than prayer; it means work. It means study of new ideas and methods, and it may also need pluck to stand up against powerful vested interests.

In his recent address to synod, Bishop Hay said: "Our financial system is being challenged as unworkable, but the problem of im-

proving it, or of substituting it with another, remains unsolved."

Many leading clergy in England believe the problem has been solved, and strongly support the Douglas solution, which the Archbishop of York recently urged should be examined.

So-called financial authorities and economists have had more than enough time to produce a solution. Their failure means that no solution can be found along lines agreeable to them, and leaving the creation and control of credit in their hands.

Day after day, as one man after another, able and willing to work, comes to me with his tale of distress I become more and more disgusted that all who profess to call themselves Christian are not making more definite efforts to get the world out of this unnecessary mess.

Cars, pictures, wireless, cheap and rapid travel and superabundant production of food and clothing—and thousands around us it started in body and crushed in spirit! It was a tragedy, a mockery of our intelligence.

The only problem we have to solve is how to make all of you see you can end it as soon as you determine to do so.

THE BANK OF ENGLAND ADOPTS THE PRINCIPLE.

A few months ago the Bank of England adopted a machine, which put out of work 1000 clerks, all under 34.

Do you know how the Bank treated these men?

They were offered the choice between a cash payment of £2000 each or £2 per week for life.

They had been trained in bank work, and some might find openings where their experience would be valuable. But the bank recognised that many of them would not be able to find work for a long time, if at all. By installing the machine it could get better work done, and at the same time reduce its expenses, and therefore it went shares with its discharged employees, and paid them some of the wages not required by the machine.

The principle behind this payment is very similar to that of the National Dividend, which so many of our opponents are trying to ridicule by calling it "something for nothing." It is particularly interesting that the Bank of England should be among the first to recognise the justice of it.

THE MORAL EFFECT

Some people say the payment of a National Dividend would have a bad moral effect. Perhaps it would. Perhaps if you were to win Tatts, or to receive a legacy from an unknown great-uncle, you would refuse to take the money, because it might have a bad effect on you? Probably you would risk accepting it, though it would be quite as dangerous for you as for Mrs. Brown next door.

Even if a few greedy people do get indigestion when they have a chance of over-eating, surely that is not as bad as having thousands in Tasmania, and millions in the world, with all their reasonable hopes and joys destroyed because we can't agree how to divide our new wealth, and therefore let it go to waste?

Some people ask, where would the money come from to pay the National Dividend?

Where does money come from now? Money is simply figures, or tickets, in banks, representing real goods. And new money comes into existence as new goods are produced and pawned to the banks.

We must learn to think, not in figures, but in facts; not in tickets, but in the goods they represent.

The London Chamber of Commerce says industry is not working at more than a quarter of its capacity. This means we could produce four articles for every one we are now making, and therefore, as soon as we can find a way of distribution, these extra goods, our standard of living, can be four times as high as now.

We are unable to distribute these goods because, as Sir Herbert Gepp says, we are not giving enough purchasing power to the masses. That purchasing power cannot be increased by higher wages, because raising wages makes goods dearer.

We cannot keep all our people steadily employed because every new invention throws out some who cannot be re-employed. And yet we can easily turn out enough goods to make everyone at least four times better off than now, even with shorter working hours. It does not matter whether you or I like the idea of a National Dividend. The fact remains that it is the only way of distributing our new national wealth, and if you will get used to regarding it as a distribution of surplus goods, instead of as a money payment, you will no longer be disturbed by silly talk about inflation, by which the bankers' friends try to frighten you.

League of Democrats

WEEKLY CAMPAIGN NOTES

It is expected that the Electors' Demand forms will be ready next week. Are you ready to handle them? Or are you leaving it to someone else to do? Time is short, the urgency is great, if you have not already volunteered your services, please do so at once.

Before starting out on the canvass the team leader must be sure that his workers know exactly what they are to do. Have a dress rehearsal of the team before going out.

President Roosevelt says: "The function of politicians is to yield to pressure." Help us to generate that pressure.

There is a tendency to mix the Electoral Campaign and Social Credit. This should stop. There is no surer way of wrecking the whole idea of the campaign than by linking it with a demand for a method. Will all workers please try to realise that Douglas meant what he said about demanding a result only?

According to reports, Western Australia has gone "Electoral Campaign." Let us wish them speedy success.

BOOKS ON MONETARY REFORM

Why Poverty in the Midst of Plenty? By the Dean of Canterbury	8d.
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Exit Huey Long—
Who's Next?

One of the two men most hated and feared by those American gangsters who rob pay rolls with fountain pens and bank ledgers instead of machine guns and armoured cars has passed on his way. Huey Long, Senator and potential President, has been brutally murdered. As an earnest of the rejoicing with which his untimely death has been greeted in the circles of high finance we have the horrible editorial statement of the Melbourne "Argus" on Wednesday that "poetic justice has descended upon" him. Truly an infamous statement that can see "justice" — however poetic — in cold blooded murder, and that can conceive assassination as "descending." Were such a public approval of murder to be broadcast from a less privileged source one would look for swift police action.

Senator Long was a son of the people, a champion of the poor and an uncompromising foe of what, in our nice phrasing, we term "vested interests." He had no illusions as to his methods. "You've got to fight fire with fire," he said. He chose his path knowing full well its dangers, and no fear turned him from it. A few weeks ago he was derided in the Senate when he declared he had evidence that his life was threatened. He has proved his contention.

Had he survived the assassin's shot, it is now generally admitted that he might likely have been the next President of the United States. As it is, his "sorry record of political rascality"—as the "Argus" describes his career—being over and done with, what is to happen in the United States? The evening paper of the "Argus" proprietary stated on Wednesday: "To Long's influence, or rather to the intent to stifle it, are ascribed many so-called radical features in President Roosevelt's programme—particularly the 'Soak the Rich' tax proposals. It is thought now that the New Deal is likely to grow more conservative, since the Administration will be relieved of considerable pressure with Long's disappearance from the scene."

Huey Long, or any just man, could hardly wish a better epitaph

taph—particularly if Long's own phrase, "Share the Wealth," be substituted for "Soak the Rich." For Long was not really out to "soak the rich." He proposed to allow the multi-millionaires of his country to retain up to four or five million dollars apiece—and how many of them could claim to have come by that amount honestly?

As was pointed out in these columns very recently, Senator Long was the world's most logical distributist—if distributism is to be put into effect by straight-out taxation. There is, however, a school of thought, which believes that a reasonable distribution of property can be brought about more justly, more easily and more permanently by monetary measures which are not confiscatory. To this school of thought belongs the other American referred to in our opening sentence—Father Charles E. Coughlin, the Detroit priest, on whose solitary head will now be concentrated the entire venom of the international gangsters who masquerade under the respectable name of bankers. Father Coughlin's life has already been attempted, he having been favoured with a bomb some time since, but thus far he has been more fortunate than Senator Long. Will the gangsters fear to interfere further with him, or will they find another "lunatic" to carry out their sentence of death? It may well be that upon that answer will depend countless American lives. For the American people are not in the humour to be treated to a "more conservative" administration, and if they be robbed of leaders who are crusading for social justice along constitutional lines, they will very likely seek it with blood and fire.

" See the Banks "

In the attempt to perpetrate a witticism at the expense of the Alberta Ministry, the Canadian Prime Minister has inadvertently lent force to Social Credit contentions, and our witless cable censors have broadcast his blunder.

Upon the new Ministers taking office in Alberta they found an empty Treasury, something for which, surely, even they can hardly be blamed. Alberta, it must be remembered, is a State similar in its powers to any of the States of our Commonwealth, and so its Premier was compelled to act in much the same way as Mr. Dunstan has recently done in Victoria, and to apply for Federal assistance. To which the Prime Minister, Mr. Bennett, with his tongue in his cheek, replied: "See the banks."

From the point of view of the millionaire Mr. Bennett the joke was a rich one, and it can readily be imagined how he and his banker friends must have chortled over it in their Ottawa clubs. But look at the position in its real aspect.

On the one hand we have a government returned by an overwhelming majority of the citizens. On the other we have the banks.

Banks are either one or both of two things—keepers of the people's savings, with power to lend them out, or money factories. Nearly

every bank in the world now admits (the Bank of New South Wales is the last to make the confession) that they are principally the latter.

Is it moral, therefore, that the sovereign people should have to go to a few members within their community to obtain the right to exercise their own sovereign power?

Would the people for one moment entertain the idea of going hat in hand to their Commissioner of Railways for permission to use the train services? The mere suggestion is preposterous. Yet this is, in effect, the advice given by Mr. Bennett to Mr. Aberhart.

Banking is of itself a far less important community service than a railway system. The latter does things, the former merely records them. One is the engine and rolling stock, the other merely a ticket window. And though it might have, its inconveniences, it would be quite feasible to carry on our railway services without tickets; but it would be deucedly awkward to do so without trains.

Yet we find here in Victoria that our Premier has just adopted a most independent attitude to a Chief Commissioner, whose contract was due for renewal, offering him a reduced salary on a strictly take-it-or-leave-it basis. What a contrast between that and his attitude to the financial ticket clerks! Admittedly the ticket window is manipulated from Canberra and not from Melbourne. But what does Mr. Dunstan propose to do about it? To every deputation that approaches him he says plaintively: "We have no money." Why does he not join in with his brother Premier, Mr. Ogilvie, of Tasmania, and with the ever-growing body of opinion in all the other States to remedy what he knows to be a scandalous state of affairs? Slums, overcrowded hospitals, ill-equipped schools—on all sides he is faced with problems which would present no problem at all if only he had sufficient tickets.

Political
Interference

Speaking of Canada reminds us that Canadian papers recently to hand contain quite a fund of interesting speeches from our J. A. Lyons, which were made during his recent visit to that country, but which somehow or other our keen cable hounds missed. Thus one oration delivered towards the end of July is reported in big headlines: "State Railways Loss to Australia — Lyons." "Premier Says They Cut Down Continuous Surplus." In the course of this speech Mr. Lyons "stated that Australia passed through the depression before Canada." He explained how this

was done by such devices as pensioners and civil servants taking pay cuts, "all for the good of Australia," and so that the nation might "do what all decent citizens would do—pay its own way."

Mr. Lyons then went on to speak of our railways and our tanks. The newspaper report says: "If there were no State railways the Government would complete each fiscal year with a substantial surplus, declared Premier Lyons. Last year Australia finished the year with a surplus of 3,500,000 dollars." Let us hope that the reporter (we are quoting from the Vancouver "Weekly Province," of July 24) misquoted Mr. Lyons—otherwise it would seem he was bluffing the poor Canadians that we had a national instead of a Federal surplus, and that the Right Hon. J. A. L. had got his surplus even after meeting the losses on State railways (a false notion which, of course, Mr. Lyons would never dream of disseminating).

But, to return to the report: "He explained the national banking system in Australia, which was kept free from political interference."

One wonders if it has ever occurred to Mr. Lyons that our national banking system's freedom from political interference is the only reason why our State railways show continuous losses. Every year our railway systems (apart from the inestimable benefits they have conferred in increasing land values, which are not reflected on their books) show very substantial trading profits. It is only when interest comes to be reckoned that a loss appears. Thus our railways last year had a surplus of £10 millions—until interest charges of £13 millions were debited against them. And why the debit? Simply because railway construction was financed with interest-bearing "loans" from banks instead of by the issue of national money. To have adopted the latter course would have been political interference.

What does the horror of political interference mean, anyway? Nothing more nor less than being frightened of our own shadow. We, the community, are the body politic. Politics signifies the science of government. And political interference, properly understood, simply means that the people take a hand in running their own affairs.

We are constantly hearing of the curse of politics. Our curse is that we have not in the past had enough brains to attend to our politics. What we want is a great deal more political interference.

The Wild Cat Spits
at Social Credit

A time there was when one looked to the Sydney "Bulletin" for striking facts couched in striking phrases. The "Bulletin" still has a facility for phrases.

Thus it began a lengthy editorial in its issue of the 4th inst., with these words: "Alberta, a Canadian province in which there are 15,000 Red Indians, has made history by putting a Douglas Credit Ministry in office."

Under cover of this picturesque beginning the "Bulletin" artlessly hid one straight-out lie, and one perversion of the truth. The lie concerned the "Douglas Credit Ministry." Alberta (as even the Melbourne "Argus" admitted) has returned a ministry pledged to what its leader calls Social Credit, but whose pre-election speeches indicated a technique directly opposite to that advocated by Douglas. The perversion of truth concerned the 15,000 Red Indians. Had the "Bulletin" spoken of Alberta as containing 716,000 persons, who are not Red Indians, it would have been as much nearer conveying a correct impression as the latter figures outweigh the former. However, 716,000 ordinary white people do not provide exciting enough material for artists' flights of fancy. And, as the "Bulletin" artist had also to do his bit against Social Credit, the leader writer obligingly worked in the Red Indians. For "Bulletin" artists, like "Bulletin" editors, are still a generation or two behind the times, and cannot give free play to their primitive wit except on such material as abos., whiskered cockies, and Norman Lindsay's fat nudes. They are another example of a class out-distanced by the machine. And so Alberta is editorially made a Red Indian State in order that it may pictorially provide a full page for the lassoing of Major Douglas in the best "Bulletin" tradition.

With this creditable start, the "Australia for the White Man" paper settled down to its work of serious criticism, and a few sentences later disclosed how the Alberta Government had "engaged the Major, that very Hebraic-looking Scot."

The type of literary criticism involved in the last phrase is dangerous, as it invites reprisals. Had one the wish to be equally personal one might make quite a few remarks about the "Bulletin's" own appearance. One might, for instance, comment that the countenance of the issue in question is pitted with "sane financial" advertisements from the National Bank, the Commercial Banking Co. of Sydney, the Bank of Adelaide, and the Queensland National Bank. One might note that an A.M.P. (bank directed) advertisement squints out from one page, and a Mont-de-Piete (pawn broking) advertisement leers from another. One might suggest that these and other similar sources of revenue would possibly incline the "Bulletin" to take a some what jaundiced view of any monetary proposals which are anathema to private bankers, pawnbrokers, insurance companies, and all the rest of that tribe who find our difficulties to be their opportunities. One might do these things if one cared to meet the "Bulletin" on its own level. However-----

Poor old wildcat. What a tame pussy it has become.

"-OR SOMETHING."

Mrs. Lyons explained that she was a Nationalist and an Imperialist, "Ninety-eight per cent of the population of Australia are British, and in Tasmania, where I was born, 98.8 per cent.; the rest are Chinese laundrymen or something."
—"Vancouver Weekly Province," July 24.

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I know as well as you do that material prosperity is only worth having as the means to spiritual advance. But I know, too, that the misery and hopelessness and dull despair which are the lot of millions at the present time are not material but spiritual facts; and so is the loss of self-respect which comes of enforced idleness; and I know that those who want to fight for the spiritual well-being of their fellows must fight first for a certain measure of material well-being.
—"Elzevir," in the "Argus," September 7.

BIG BUSINESS AND THE N.R.A.

How the Financiers Worked Their Ramp in America

[Editor's Note. —The following extracts are reprinted from a recent national broadcast by Rev. Charles E. Coughlin, America's radio priest and founder of the National Union for Social Justice, supplied us by courtesy of the author. Father Coughlin's subject was the crisis created by the declaration of the United States' Supreme Court that most of the National Recovery Act legislation was unconstitutional.]

Now that the Supreme Court of the United States has declared illegitimate the NRA—the child left by the United States Chamber of Commerce on the doorstep of America—there is no need on the part of the United States Government or of the citizens to become unduly upset. There is a way to salvage the new deal. May I explain this way, the only way, which remains.

First, let us turn our attention to consider a phase of our industrial activities for the purpose of retaining those parts of the N.R.A. which must be preserved.

The National Recovery Act was declared unconstitutional because, among other reasons, the Federal Government interfered in the regulation of those businesses and industries, which were confined within the limits of one State. This is known as intra-State business, which falls under the jurisdiction of the States themselves, and not under the jurisdiction of the Federal Government.

As a matter of fact, big business, especially banker-controlled business, does not want the Federal government to interfere with the conduct of business, chiefly because it would interfere with the profit making of big business.

Hypocritical business forgets that it was Government which wrote every protective tariff for business, delivered every mail order to business, dredged every river and harbour for business, spanned America with ribbons of steel by its gifts of land to carry the products of business. Finally, it was Government that contributed for business the sacrifice of the thousands of lives in a war to protect private finance and billions of dollars to swell the coffers of banker and businessman who profited by the slaughter. Hypocritical business which, through the United States Chamber of Commerce, petitioned the Government to adopt its plan of Reconstruction Finance Corporation to bail out business and finance, and its plan of the National Recovery Act to prevent the total destruction of business, now forgets the chaos which business and finance were most responsible for creating. It is difficult to understand the ungracious attitude of finance and industry.

In a blind and foolish arrogance they generally gloat over the decision of the Supreme Court, which cancels the bloodless revolution. In the spirit of an ingrate they demand their former licence to exploit the labourer, to sweat the immature child, to spin the wheels of industry beyond reasonable hours, to slash prices at the expense of human toil, to indulge in every unfair labour practice and to allot that minimum pay which destitution and starvation alone are forced to accept.

"The New Deal has served its purpose! The Old Deal must be restored," is the clamorous cry of the victorious Bourbons. In a snarling, sneering attitude they gibe at Roosevelt. Happy in his discomfiture and blind to the inevitable realities of tomorrow, they face bloody revolution if the bloodless revolution cannot succeed.

With these preliminary remarks, pause to consider a phase of our industrial life.

POWERS OF CONGRESS

Among the great corporate entities of this nation were those who gloried in the limitations of our Constitution. Astute lawyers employed by these corporations know our Federal Constitution well. They recognised that the entire Federal Government rested upon seventeen powers delegated to

Congress. Among these powers there were only three to fear—namely, the power to tax, the power over inter-State commerce, and the power to coin and regulate the value of money.

The power to tax they made their asset in every protective tariff measure from 1791 to the present day.

The power over inter-State commerce they restricted to a few industries that could not avoid it—namely, to the railroads and to the communication lines. Then, by the vested power of intellect, they made industry "intra-State" so that the Federal Government should be devoid of regulatory power, incapable of reaching its long, strong arm into few factories of the country.

THE CASE OF GENERAL MOTORS

Are you aware, for example, that the General Motors Corporation, engaged in manufacturing motor cars which are sold in every State of the Union, does not engage in inter-State commerce?

Its motorcar manufacturing plants are in Michigan. These plants may buy parts from subsidiary plants outside Michigan. But Cadillac, Buick, Olds, Pontiac, Chevrolet and the GMC truck are all carefully located in one State. This corporation may even assemble manufactured parts outside the State.

To whom does the General Motors sell its cars? To the dealers located in the forty-eight States? No.

It sells its entire product to the General Motors Sales Corporation, located in Michigan—a corporation that is not an industry, but an agent, an instrumentality, a pawn, a puppet, a hide-out erected solely to evade inter-State commerce provisions emanating from the Federal Government, and subject only to the regulatory laws of Michigan.

Years before the National Recovery Act was contemplated, the astute lawyers and the vested interests of wealth and of intellect anticipated the new deal. In fact, they so conceived the NRA through the United States Chamber of Commerce that, when the emergency of the moment had passed, they could toss it into the ash can of unconstitutionality.

I use the name of General Motors only as a specific instance of every great corporation in this nation. Actually, this and most other corporations carry on interstate commerce.

Technically, they are protected, generally by hideout sales corporations.

Here, then, is a subject for the consideration of Congress if it desires seriously to enforce regulation over business and to preserve the wholesome portions of the NRA codes.

It is possible for Congress to preserve the inter-State commerce clause from barefaced evasive tactics. When the product of one State finds its market in every State of the Union, no chiseling attorneys shall be permitted to use the power of a single State to render impotent the power of Congress between the States.

ONLY 15 PER CENT OF NATIONAL BUSINESS INTER-STATE

So great has been the abuse of manufacturing, banker-controlled corporations in this nation; so clever have they been in their methods of evasion that, although the vast bulk of our nation's business represents the use of the products of one State by the citizens of another, yet only a miserable 15 per cent, of all business is technically termed inter-State. The orange juice and ham from California and Iowa, the clothing from Illinois or New York, the lumber from Oregon, the coal from Pennsylvania, the oil from Texas, the cod from Massachusetts, the radio tube from New Jersey—all these processed or manufactured goods first pass through the hide-out branches of a sales corporation, thus escaping Federal Government

regulation on a technicality.

Did not the Supreme Court recognise the very looseness of the laws regulating inter-State commerce? Was not the Supreme Court forced to act in deciding according to these loophole laws when, by unanimous decision, it voided the entire National Recovery Act? The NRA, in a great part, can be made legal, if not by an act of Congress, at least, however, by a decision of the people who are now apprised of the hideout sales corporations, which were organised to evade Federal jurisdiction.

It is the prerogative of Congress to pass suitable laws in harmony with the Constitution. It is the duty of Congress at this time to redefine the nature of inter-State commerce and thus render inoperative the subterfuges of modern corporations.

POWERS OF CONGRESS OVER MONEY

May I now invite your attention to the third power of Congress which big business and high finance both fear.

They fear this third power more than the other two combined. Unless it is controlled and operated by the Government, the power over taxation and the power over inter-State commerce are meaningless. I refer to the money power, which, up to this moment, has not been seriously considered by this Administration.

This is no place for me to expound my philosophy of money. But it is the proper place to insist that, no matter what philosophy of money one may entertain, he cannot reject the concept that the coinage and regulation of money belong to the people of the United States. There is no authority, which can uphold before the Supreme Court of this nation the questionable right of subletting the coinage and regulation of money into private hands.

Today, in the United States, the coinage and regulation of money belong to the privately owned Federal Reserve Banks and to their affiliates. If Congress cannot delegate its power over legislation to bureaucrats appointed by the Administration, neither can Congress delegate its power over coining and regulating money to super-bureaucrats nominated by themselves.

The Supreme Court has committed itself, in one instance, to the strict interpretation of the seventeen powers of Congress. It cannot dodge the issue in the other.

THE POINT FOR NEXT ELECTION

It is not a question of the new deal being constitutional. It is a glaring question of the unconstitutionality of the old deal with its private control of money and, eventually, of its banker-control of industry. Here is the point upon which the next Presidential election will be fought and won. Here is the basis of the new deal, because he who controls the purse controls the destiny of America.

The National Union for Social Justice does not appear upon the scene as a threatening menace to the Constitution of the United States. Its members, however, are leagued together in a constitutional manner to uphold the third power of Congress, which is feared by the financiers and manufacturers of this nation, the power to coin and regulate the value of money.

This principle we plan to support rather than to support any man. If this principle is denied, then it is high time for the Supreme Court to reverse itself, and uphold the right of Congress to delegate its legislative powers to the so-called bureaucrats of the new deal.

Thus I come directly to the point at issue.

If you are an American or a

THE "NEW TIMES"
IS OBTAINABLE
AT ALL AUTHORISED
NEWSAGENTS.

THE CASE FOR FINANCIAL REFORM

III-Bankers' Money

[The earlier articles of this series appeared in our last two issues. —Ed., "N.T."]

With only about £22 millions of legally recognised money in their possession at the end of last March, the cheque-paying banks of Australia showed in their returns on that date that they held £342 millions in deposits—apart from the £213 millions in the savings banks (of which part reappears in the form of savings banks' own deposits with the trading banks).

From these figures two things appear. The first is that the private banks are essentially rogues, and that those responsible for their practices should long since have been in gaol. The second is that the banks, without the bulk of the people being aware of it, have quietly assumed over the community an absolute dictatorship—absolute to the very point of life or death.

DEFAULTING TRUSTEES.

Let us look first at the question of roguery. On the date just quoted, March 31 last, the cheque-paying banks admitted that they were holding non-interest-bearing deposits amounting to £116 millions.

If you happen to be in a business or profession or in any station of life where you are called upon to sign cheques you probably have a current account with a bank. Unless your account is overdrawn you figure amongst those who have non-interest-bearing deposits, and you are aware that you are entitled to draw from the bank, at a moment's notice and in legal tender—that is, in Commonwealth notes or in coin—every penny of your deposit, less the bank's charge of five shillings on smaller accounts. Supposing you tried to do so, all of you together, what would happen? Within an hour or two you would shut up every bank in the country. For the banks only pretend that they will honour their obligations, knowing perfectly well that should they be called on to do so their roguery must instantly be exposed. From time to time, indeed, the banks have been exposed. The bank smash of the 'nineties is the classic instance in Australia. But these institutions generally manage to carry on their dishonest

practices for quite long periods at a time simply because their magnificent buildings and air of opulence bluff the public, and because the public, who do not as a rule desire to carry their money about with them, are hopelessly ignorant of banking practices.

Hence they deposit their money with the banks—or think they do—for safekeeping. Never was there a greater mistake. If the banks have only £22 millions in their possession, and if depositors have immediate claims to £116 millions (not to mention deferred claims to fixed deposits of £226 millions), where does the safe keeping come in? Your money is safe only so long as you do not ask for it!

Many people, because they do not receive interest on their current account, labour under the delusion that the deposit they pay into the bank remains their own property, the banker merely acting as a custodian. Such people would do well to realise that, the moment they receive the bank's receipt, the bank owns their money outright, and they simply become a creditor of the institution. Let those who were robbed of their money in the '93 bank smash ask themselves how many bankers went to gaol in consequence? How many were arrested on criminal charges? Yet if a private individual defaults on money handed to him for safe keeping, if a solicitor fails to account for trust funds, arrest and hard labour follow, no matter how highly placed the welscher. Then why the difference with the banker?

COUNTERFEITING ON THE GRAND SCALE.

The difference in treatment arises because we have long tacitly exempted the private banker from nearly all community legislation about money. If we catch a counterfeiter manufacturing money we give him a heavy sentence, although the coins he issues may have as good an appearance and be intrinsically quite as valuable as the corresponding money issued by the nation. Take the case of a bad two-shilling piece. If it fails to pass muster, no one can lose more than two shillings. If it escapes detection the whole of the community

(Continued on page 8.)

leader of Americans, you cannot question the right of Congress to control, in every sense of the word, the issuance and the regulation of this nation's credit and money.

Does not everyone realise that big business and industry conduct their operations on the wheels of credit?

Therefore, let the Administration without further delay restore to Congress its sovereign prerogative over credit and money. Let Congress set up a quasi Supreme Court of finance to act as an agent of Congress for the purpose of regulating and allotting the credit of the nation.

CONTROL OVER ABUSES.

If, in the meantime, there is difficulty in reviving the regulation of business according to the codes of the National Recovery Act, there should be no obstacle whatsoever in controlling industry, wages, minimum hours, child labour and fair industrial and commercial practices by the Government's allotting credit only to those industries which are willing to pay fair wages and to abide by codes of justice and equity.

If a certain motorcar manufacturer either cuts his wages or lengthens his hours, or moves his machinery to abnormal speeds, these abuses can be corrected immediately by withdrawing credit from that corporation.

If this certain motor corporation, for example, is blessed with such a large reserve capital that no credit is required for the moment; if this corporation, therefore, presumes to act contrary to the fair codes of practice—to cut wages, to engage child

labour or other unsocial activities—then the Government, which owns and controls credit, can refuse to accept the stocks or the bonds of that motor corporation for security in any bank of the nation. The stockholders who, either directly or indirectly, vote the policies of that corporation into being, will take exact care that their corporation's policies will be in accordance with Government requirements.

There is no excuse in this wide world for the new deal's failure. There is no room for the Bourbon and Tory on the one side, or the Communist and Socialist on the other, to prate of unconstitutional activities when the very Constitution itself puts into the hands of Congress the way out of every dilemma of an industrial or financial nature.

If we have suffered from low wages and from unfair labour practices; if profits have gravitated into the hands of a few; if there is want in the midst of plenty, it is because this power over the issuance and control of credit is held in the grasping, greedy hands of Wall Street, whose minions manipulated it for themselves. The time has arrived for this power to be transferred from Wall Street to the Congress of the United States, where the Fathers of this country and the Constitution, which they bequeathed to us, originally placed it.

This is the way out! There is no other way left! This way means Roosevelt and recovery! Any other way means Roosevelt and ruin!

NATIONAL INSURANCE: BEWARE OF IT

By BRUCE H. BROWN.

By arrangement with the "Castlemaine Mail."

While listening one night to Mr. Harold Holt, the new M.H.R. for Fawkner, I wondered why he was giving so much attention to Unemployment Insurance. The reason is now clear, for in the press of August 26 we saw three significant items, as follows:

1. The N.S.W. Branch of the A.L.P. decided to support a compulsory scheme of unemployment insurance, and that such a scheme should form a part of the fighting platform at the next Federal elections.

2. Before leaving London, Sir Frederick Stewart reassured the friendly societies of Australia that they would continue to flourish under the proposed scheme of national insurance.

3. Mr. Lyons announced that Cabinet would soon consider a scheme envisaging the merging of all Government social services in a uniform plan controlled by a Federal Health Council similar to the Loan Council.

This is an alarming development of centralisation, even though many of its sponsors may have the very best intentions. It will put us further into the hands of the money-controllers and deflationists.

Before proceeding to discuss the general question of national insurance, and seeing that we have mentioned Mr. Holt, it may be appropriate to record his prelection methods. His chairman appealed for an attentive hearing and assured us that the candidate would be pleased to answer questions at the conclusion. The candidate repeated the undertaking. Imagine the general surprise when he left the platform without even inviting questions, giving the excuse that he had to hurry off to another meeting. Surprise turned to disgust when he hopped off the lorry at 8.40 and entered into conversation with his friends on the footpath until 8.52.

Several times during his address he said the depression in Australia was due to "world causes", but gave no indication whatever of their nature or how they came about. I wished to ask about them. When he referred to the unemployed he almost wept in sorrow, and said that a national insurance scheme was the only solution. I desired to question him about that, too. Then, in contrast with his sorrow for the plight of the unemployed, he nearly shed tears of joy in praise of the Loan Council and the Financial System. Unashamedly he favoured continuance of the existing swindle under which the Government of Australia can do nothing for the people of Australia without the consent of the private individuals who now control Finance. I was anxious to hear more about this also. So you see that at the very commencement of his public career his words and actions tend to confirm the rumours that he has been put into Parliament to do as he is told by certain people outside his constituency. Time will tell.

MODELLED ON ENGLAND.

Until full details of the proposed scheme of national insurance are released it is, of course, impossible to conduct an analysis, but we have

been officially informed that it will be modelled largely on the scheme now in operation in England, even though it is admitted that that scheme is hopelessly insolvent. Sir Frederick Stewart, in the interview referred to, also admitted that a much higher scale of contributions would be necessary in Australia, because in England the old age pensions are only 10/-weekly "after long-payments." That is a bright prospect for a start.

Just consider how you yourself might be placed under the scheme. It is to be financed under the existing swindle, which keeps the community chronically short of purchasing power. That is to say, money will continue to come into existence only as debt to the private money monopoly, and the amount of money circulating in the community will be the amount decided upon by that private monopoly.

EMPLOYEE PAYS EVERYTHING

The money required for the insurance scheme will be taken from the existing supply, and will come from the employers, the employees, and the Government. The employer will pass his share into the price of his goods, and will thus collect it from the workers. The employee cannot do that, and so must surrender a portion of his purchasing power and thus lessen his effective capacity as a breadwinner and consumer. The Government share will be in addition to its existing commitments and can come only from taxation or loans. It will come from taxation, as the Government has already announced that the States will transfer the unemployment tax to the Commonwealth, and consequently the employee must pay again. He will pay his own share direct; he will pay his employer's share through prices; and he will pay the Government's share through taxation.

That would be bad enough if work were plentiful, but as things are the number of contributors is seriously limited, and must become fewer and fewer with the development of machinery. Obviously, therefore, if present tendencies are any indication, and our national insanity continues, in a few years we shall reach the position when only a mere handful of people will be receiving taxable incomes, while machines pour out goods ad lib. Not only so, but as machine processes are extended unemployment will increase, and the number drawing insurance benefits must also increase correspondingly, so that there would be increasing liabilities with a diminishing number of contributors.

THE "BENEFITS."

And what sort of benefits could such a scheme provide? Can we calmly envisage an organisation, which regiments all of us down to a standard of, say, £2 a week? It can mean little else. Unemployment is permanent. It must be permanent, for it is the evidence of the success of our scientists and engineers in their efforts to relieve humanity of grinding toil, and unless we scrap the machines we must face the fact that millions of people in the world

will never again find industrial "work."

This being so, they will automatically become a permanent charge on the national insurance fund or its equivalent, and if they are paid full benefits throughout their lives, they will get sufficient to provide only the barest subsistence. What a prospect! Real wealth increasing by leaps and bounds while ever-expanding sections of our fellow-Australians are deliberately prevented from having access to that wealth. The thing must break down of its own weight, and it is no wonder that Sir Frederick Stewart admitted that we would still need the help of the friendly societies as well!

EFFECT ON PURCHASING POWER

Another important aspect is the effect it will have on purchasing power generally. The proposals will not increase the quantity of money in circulation, but will merely re-distribute it by taking it from those in work to give to those out of work. See how the worker gets the kick every time. He sees his

WHAT THE MACHINES ARE DOING

Giving evidence before Judge Beeby in the Federal Arbitration Court in Adelaide on Tuesday of last week, the superintendent of production at Holdens' motor factory said that a man employed in polishing might now be doing five times as much work as some years ago, but no extra energy was required. The chief inspector of the same plant said that tradesmen today required half the quantity of tools needed ten years ago, owing to the increased use of machines.

mates displaced by the machines and then has to shoulder the burden of providing money tickets for them. Neither the worker nor the community has yet obtained any advantage from the mechanisation of industry. All the advantages have accrued to the few who introduce the machinery, but, strange as it may seem, they have not been required to stand up to the disadvantages. It is a brainless turnout. The people who have retained their jobs are already receiving insufficient for their own needs, but under this insane insurance idea they would receive even less.

Nothing is said about the distribution of the wages of the machines. The espousers of the insurance scheme know that the machines not only cut off the work of the workers, which hitherto has been their only means of securing income, but make no contribution towards the purchase and consumption of what they produce in abundance. The production of the machine has simply got to be monetised, and the monetisation must be carried out by a statutory Commonwealth authority on behalf of all citizens. This necessitates an increase of purchasing power, not a mere re-distribution of a totally inadequate quantity. If the people of Australia submit to this idiosyncrasy they will load the workers with an intolerable burden and condemn the unemployed to live for the rest of their lives on the basis of poorhouse conditions. The thing is so positively outrageous that one wonders whether we are living in a community bereft of all intelligence.

THE ALTERNATIVE.

We have idle factories, idle fields, idle workshops and idle men. This means one of two things — either our production, with the limited equipment and labour employed, is equal to all our needs and there is no poverty, or some peculiar madness is preventing our utilising the full power to supply the needs of everyone, and thus deliberately causing poverty.

The reiteration of our Premier that there is no money for this, and no money for that, is itself proof that the latter is the case, and that the peculiar madness is the tenacity with which we stick to an

ALICE IN SCHEMELAND

An Economystery

(From the London "Economist.")

"The difference between my day and yours," said Alice's uncle sententiously, "is, of course, that we had no planned economy."

"No what?" said Alice. She was growing very sleepy.

"No planned economy," said Alice's uncle. He was a famous professor, with a deep, booming voice; like other good things it went on and on and on. . . . "What a dreadful lot he knows," thought Alice. "And that big head of his; what a lot there is inside it. . . . When you come to think of it, uncle's exactly like an egg."

* * *

Perhaps that was why, a few moments later, she found herself talking to Humpty-Dumpty. He was still sitting, she noticed, on the wall, and he still wore his elegant cravat. But this time he bore an inscription, in letters several inches high: **National Mark. For Home Consumption Only.**

"Well, child," said Humpty-Dumpty, evincing no trace of surprise. "What's eating you now?"

Alice forbore to make the obvious retort. "What's eating you?" ("For, really," she thought, "he looks as if he's waiting to be boiled.") Instead, she answered, with her customary politeness. "Planned economy, sir. Have you ever heard of that? And if so, can you tell me what it's all about?"

Humpty-Dumpty doubled up with laughter (so far, that is, as an egg can double up) and, folding his hands on his capacious stomach, said

So they've been getting at you, have they? Planned economy, indeed! Why, bless you, child, that's what I'm here for."

Alice looked round her. "I don't," she said, "see anything particular happening."

Humpty-Dumpty chuckled. "Of course you don't. Nothing is happening. Nothing is expected to happen. But the point is, there are lots of things not happening."

"Not happening?" said Alice. She was feeling a little dazed.

"Not happening," said Humpty-Dumpty, firmly. "Just you listen to me. Any fool can make things happen—that's why politics attracts so many busybodies. But making them not happen—ah, that's an art in itself!"

Alice nodded sagaciously. "Explain a little more, please. I think I see what you mean."

Humpty-Dumpty chuckled again. "You mean you see what you think I mean," he said, in his old pompous way. "But I don't mean that at all, really. . . . Just you stay where you are, my dear, and I'll give you a few facts."

He closed his eyes and appeared to go into a trance. So much so that Alice was getting impatient, when he opened them again with a jerk. "See this wall that I'm sitting on?"

"Of course," said Alice. "It must be very uncomf ----"

"Don't interrupt," said Humpty-Dumpty sharply. "It's a tariff wall, this; it was built by dropping bricks."

(Continued on Page 7.)

obsolete and thoroughly inadequate system of national bookkeeping. Our factories, fields, workshops and men are unemployed because financial credit is unemployed, and financial credit is unemployed because the nation has been wantonly betrayed into surrendering the control of it to a private monopoly.

Financial credit is the crux of everything. Its issue sets the wheels of industry revolving and its withdrawal stops the wheels from turning. It is a licence to everything, and without it the people starve. It is the modern Nebuchadnezzar, of whom it is written, ". . . all people, nations, and languages trembled and feared before him; whom he would he slew; and whom he would he kept alive; and whom he would he set up; and whom he would he put down." This is a correct description of the behaviour of the private money monopoly, which is responsible for the distress affecting all countries today.

Were it not for the control exercised by this modern Nebuchadnezzar, we could employ our idle plant to increase production if the existing supplies were not sufficient, or if supplies are sufficient for all needs without calling upon our reserve power, we could pay the unemployed as if they were at work and thus enable them to be effective consumers. The only possible way to do this is by monetising production and distributing the money to the people; but instead of taking this sensible course we stupidly allow a dearth of pen and ink figures to widen the gap between production and consumption. Unemployment Insurance is degradation; but Unemployment Payment is leisure.

IGNORING THE CAUSE.

National insurance cannot turn an insufficiency of money figures into a sufficiency, and it is only a waste of time trying to ameliorate the effects if we ignore the cause. This cause of our troubles is that we have an inefficient money or accounting

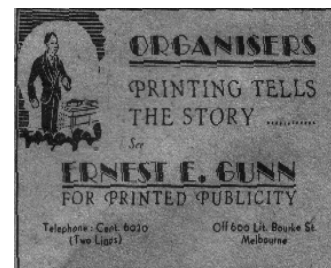
system tacked on to an ever improving production system using science and power. The fact that we have more goods than we can sell, notwithstanding all our idle equipment and power, shows how very rich we are in everything that is of real value. Our supposed poverty is fictitious and criminal, and the time for soft words has passed. Those who control finance are the culprits, and they must be made to recognise their responsibility.

Why are all these women's organisations so silent on this important question? What all women desire, and without which they can never escape the injustices and distresses they now suffer, is an economic recognition equal to the highest of the women and to all our men. This is the incontrovertible right of every woman, and economic recognition depends on their right to receive money without any necessity for them to take part in industrial work. The real problem for all of us to tackle is, firstly, to increase the power of the people to buy goods; secondly, to stimulate the increased capacity of the country to make and deliver goods; and, thirdly, to distribute the abounding plenty of this power age to all citizens as a right.

National insurance can only harm the people and delay their emancipation from financial bondage. It is a sort of opium. What is needed is national control over the issue and cancellation of money, and every Australian worthy of the name, men and women alike, should demand it.

ROYAL SHOW

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ALICE IN SCHEMELAND

(Continued from Page 6.)

"I see," said Alice. "And what's it for?"

"What's it for? It's to keep out imports, of course. Nothing in that, you know; everybody has one. 'The higher the fewer' you must have heard that old tag. The higher the wall the fewer the imports that come in. And if you look carefully—he shaded his eyes with his hand—"if you look carefully, in this direction and that, you'll see the imports **not** coming in."

Alice looked carefully. It was as Humpty-Dumpty had said. There was no sign of activity, all along his wall.

"Thank you," she said. "I'm glad I've seen the imports . . . I mean, of course, not seen them. And what about this side of the Wall? Is anything happening—not happening-- that is to say—here?"

Humpty-Dumpty grinned approvingly. "You're getting on nicely," he said. "We must have you on one of the Committees . . . Yes, this side of the wall is a hive of non-activity . . . Milk Potatoes, pigs—it's most encouraging . . . Can you recite?" he added suddenly. ("Exactly," thought Alice, "like the old days.")

"Of course I can recite," she said aloud. "But what has that got to do with it?"

Humpty-Dumpty didn't answer. "Recite 'The Gentle Cow,' he commanded. And Alice, obedient as ever, began:—

"The gentle cow, all red and white,
I love her more each day;
She gives me milk with all her might

For me to throw away."
Sounds odd," she commented. I didn't know it went like that."

But Humpty-Dumpty smiled benignly.

"Sounds odd, eh?" he said. "Well, well, I daresay it does. But it goes like that, I assure you . . . The trouble with you young people is that you learn all this lovely poetry, but you don't learn any economics."

Alice was delighted. "Is that economics?" she cried excitedly. "Why, my uncle always said it was difficult."

"Difficult?" Humpty-Dumpty looked at her in astonishment. "Difficult? Of course it isn't. Let me explain this milk business, and you'll see how easy it is."

"I hope it is," thought Alice.

Humpty-Dumpty pondered. Then, "This is the scheme," he said suddenly. "Milk's too cheap—doesn't pay to produce it—"

"But in that case," said Alice, "it wouldn't be produced, and then it wouldn't be too cheap, you know."

"Don't interrupt," said Humpty-Dumpty sternly. "This isn't an argument; these are facts. Arguments are out of date . . . And now you've thrown me out of my stride—where was I?"

"You were saying milk was too cheap," said Alice meekly.

That's right," said Humpty-Dumpty. "Milk's too cheap; so it is. So we pay producers more for it. So that makes it dearer. So people can't afford to buy it. So producers produce too much. So we have to give away the surplus to be made into

umbrella-handles."

"And that," said Alice, "is the plan?"

"That's the plan. Just quietly negative, if you follow me, after all this fuss and bother. When I think of all the people who aren't getting milk, and of all the milk they're not getting—why, I nearly fall off the wall with laughing. "But I don't see," Alice went on, "why you don't do something with your milk. Couldn't you give it to those poor children, the ones who are underfed?"

"Ah!" said Humpty-Dumpty. "That's politics . . . You can't give milk away—it's demoralising. It would make such a hash of the Means Test."

"I don't follow that," said Alice.

"Why," repeated Humpty-Dumpty, "you can't work your Means Test if you start giving things away. As it is, it all works out so beautifully. If the kids come under the Means Test, they can't afford the milk. If they don't come under the Means Test, they don't need it. So our milk, like our movies, gets an A certificate; it's reserved for adults only."

"Cheer up," he continued (for Alice looked rather worried). "I want you to know about the pigs. Just recite, 'This Little Pig Went to Market.'"

"Well," said Alice, "that's an easy one anyway:—

"This little pig went to market:
This one stayed in the hall;
This little pig got a chit from the Board
This little pig was too small;
This little pig was fined a quid
For not getting born at all."

In 1922 the total State liabilities of Italy were estimated to be between 100 and 105 thousand million lire.

In 1934 the public debt had increased to 152 thousand million lire.

Amongst Italy's creditors appears the firm of J. P. Morgan, for 960 million lire.

"Splendid!" cried Humpty-Dumpty. "Splendid! You see how easy it is, if you only try. There's the whole situation in a nutshell."

Alice was getting tired. "Planning!" she said crossly. "I'm sorry, but I see no sense in it at all."

Humpty-Dumpty laughed. "I shall have to explain that, then. You see, we have a Board and a Syndicate. The Board buys pigs from the farmers; the Syndicate buys them from the Board. Then everyone's happy. Bacon is scarce, which keeps up the price of it, and the price is high, which keeps up the supply-----"

"But in that case," objected Alice, "why is bacon scarce?"

Humpty-Dumpty was put out. "That's not a proper question," he said. "That's not a proper question; it's been disallowed by the experts . . . It's nothing to do with the Board, I know that; and as for the Syndicate, they're more syndicate than sinning. No, I think it's the pigs themselves. Obstinate little devils, pigs are; they've got no economic sense . . . Discipline; that's what they want." And, when Alice left him, he was humming to himself:—

"This little pig was fined a quid
For not getting born at all."
And serve him right, too,"

muttered Humpty-Dumpty.

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THE PROTOCOLS AND THE VERDICT

By JOHN SMITH

Outlining in the *New Times* recently some of the more salient points from the *Protocols of the Learned Elders of Zion*, I endeavoured to make clear that I was not concerned as to whether or not the Protocols were what they purport to be—viz., the plot of a small group of Jewish financiers to rule the world. My object was to show how remarkably their author—whatever he may have been—forecasted the methods of high finance as we see them in operation today. International finance is largely Jewish in the personnel of its leaders. Communism has been almost entirely so from Mordecai (alias Marx) to Bela Kuhn, and to Finkelstein (alias Litvinoff), and the rest of his confreres who rule Russia today. And international finance and Communism have a great deal in common. The weapons of both are centralisation of power and compulsion; and both, as we clearly see them in practical application, are essentially anti-Christian. Between them the two constitute the greatest enemies to true freedom.

Readers of the *New Times* may remember that while the articles on the Protocols were appearing, I was taken to task (very courteously) by Dr. Maloney, M.H.R., for dealing with documents which "have been repeatedly proved to be forgeries, and even a few months ago were proved in the Courts of Switzerland, to be so" (*New Times*, July 26). In reply, I pointed out to Dr. Maloney that I had already disclosed the verdict of the Swiss Court. Since writing that, I have received a leaflet (copies of which are obtainable from W. Whitehead, 22 Lisle-street, Leicester Square, London, W.C.2), which gives some interesting sidelights on the recent Swiss judgment. As these aspects have not received any publicity in the Australian press, I give them as set out in the leaflet, which says:—

A Court of Law in a neutral country has—"after two years investigations"—declared the famous *Protocols of the Elders of Zion* to be a forgery! Various papers have asserted, "The efforts to prove the authenticity were hopelessly feeble and futile."

That ought to be conclusive! A verdict has been rendered . . . what more can the public demand?

One thing only—reliable information concerning the conditions, which rendered such a judgment possible.

As the entire press is in Jewish hands, knowledge of the truth is not permitted to leak out and the Nations are kept in complete ignorance of vitally important facts.

The Protocols contain the strategic plan for the Jewish conquest of world supremacy. The book was published thirty years ago, and all the prophecies have been fulfilled . . . This fact has attracted attention and has alarmed the Gentiles; Bolshevism (which is a Jewish product) is spreading all over the world. Our whole civilisation is threatened, and it is not surprising that outbreaks of anti-Semitism should occur in various places. Measures of defence are natural in the presence of a formidable danger.

Under these conditions, it is obvious that Jewry should desire to avert the aroused suspicions of the Gentile world by the assertion that the Protocols are spurious. A verdict to this effect—however obtained—was of vital importance; the necessary steps to secure it were therefore most carefully planned.

THE CASE.

Berne was selected as a suitable forum and advantage was taken of a Law paragraph, which rendered a prosecution, possible. A few impecunious young men, who would presumably not be able adequately to defend themselves, were prosecuted for selling the Protocols (which are still obtainable in every Swiss library); the problem of

authenticity was artfully "tacked on" a year after the action had started. Thus the case came to be tried in a simple police court, and the stupendous verdict, which practically affects the whole world, was to be pronounced, not by a jury, but by one single judge . . . who happened to be a Marxist!

A very clever arrangement. . . .

To make the victory still more certain, the Jewish plaintiffs secured the services of very capable lawyers and of a brilliant expert. Another expert, who was supposed to be neutral, was appointed by the Court. In October a horde of pro-Jewish witnesses were brought to Berne from distant lands. Immediate victory for the Jews seemed certain.

Then a German expert, Col. Fleischhauer, took up the case for the defendants. The action was postponed until the end of April. His efforts, far from being "feeble and futile," were formidable, and the evidence produced annihilating for the plaintiffs. But if a legion of angels had descended from heaven to plead, it would have been in vain—for the verdict was fixed in advance, irrespective of any evidence supplied.

WHAT THE JEWISH PRESS SAID.

This fact is proved by an article in the *Jewish Daily Post* on April 28, the day before the trial reopened. This is the passage: "There is no longer any question of proving or disproving the allegations. That matter is settled . . . What is now important is that this refutation be given the widest publicity . . . the judgment must be spread abroad. The trial shows concretely what can be done by proper Jewish organisation."

Two weeks before the verdict was rendered by a Swiss judge, the Jews proclaimed triumphantly that their coming victory was due to their organisation (not to the justice of their cause). Under these circumstances it is obvious that the entire trial was a sinister farce. Justice is trampled underfoot, if one of the parties announces in advance how a judgment—not yet rendered—is to be exploited.

The Jews were obviously very certain of their victory, for the expert, Mr. Loosli, chosen by the Tribunal, was not "neutral." His attitude in Court was so outrageous that a protest had to be lodged with the Swiss Government!

On May 13, the *Jewish Daily Post* made a formidable blunder: it spoke of the "pro-Jewish expert, Loosli." It is consequently established that the Jews played with loaded dice. The third expert (who ought to have been a sort of umpire between the contending parties) was not impartial, but had been chosen on purpose to secure a verdict for the plaintiffs.

(Could the Jews not prove their innocence without resorting to similar tricks?)

PROSECUTION OF WITNESSES

As the Jewish witnesses had in October made numerous statements contrary to facts, one of the defendants took proceedings against them for bringing false evidence.

The Court declined to prosecute them—"technical grounds!" The witnesses had not signed the process-verbal and could therefore escape through a loop-hole; their depositions might have been incorrectly rendered! The Art. 92 of the Berne Criminal Code claims that all witnesses must sign their depositions. As this formality had been neglected, the evidence supplied was legally null and void. Yet the judge permitted the experts to use it, and he used it himself! The plaintiffs were allowed to benefit by a gross irregularity.

The defendants presented a list of 36 witnesses, willing to come to Berne to prove the authenticity. The judge, who had allowed the plaintiffs to produce in Court all the men they wanted, refused the request of the defendants and only permitted them to produce one single witness. All those who could have established that perjuries had been committed were not allowed to appear . . .

The *Jewish Daily Post* then stated ironically "the expert for the defence was unable to find any arguments."

The *American Hebrew* announced on May 3 that "The revelations of Princess Catherine Radziwill will be influential in determining the decision of the Court as regards the falsity of the Protocols."

This assertion is significant!

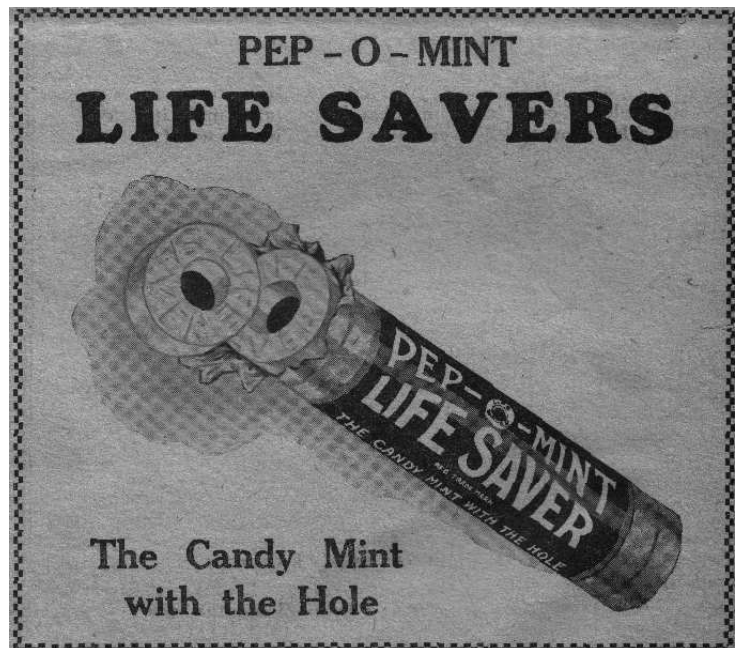
Evidence was advanced establishing the fact that this lady is a notorious swindler, who has served three years in prison in England for forging a cheque of £3000, and who afterwards continued a criminal career in U.S.A.

It was proved in Court, beyond the shadow of a doubt, that the evidence of this woman was false—yet, according to the admission of the *American Hebrew*, it determined the verdict!

As the Jews had been utterly unable to advance any legal proof establishing that a forgery had been committed, this cardinal point was entirely omitted by the judge. He delivered a verdict in their favour, because the defendants had been unable to prove that the Protocols were genuine! (How could they have done so, as they were not permitted to produce their witnesses?) The logical conclusion of this sentence is that if the Church is unable to prove that Moses wrote the Pentateuch—then the Scriptures are a forgery.

An appeal was at once lodged by the defendants. Will the Superior Court also refuse to hear the witnesses who are able to elucidate the case?

"That is the question" . . . A great meeting of protest was held at Zurich when the verdict became known. The greatest hall, holding 2000 people, was filled to overflowing. "The verdict has not yet fallen"—exclaimed one speaker—"it will be pronounced by a whole world."



THE WORLD IS DYING OF USURY! A Ridiculous Imposture of Imaginary Debt—and the Taxpayer Has to Carry the Burden

By Fr. F. H. DRINKWATER,
in the *Catholic Times* (England).

The world is dying of Usury. That is the central fact of our lifetime. The fatal diseases which are killing mankind — the unemployment impasse, the urge to war, the universal insecurity—all these are the direct consequences of Usury.

Debt is piled on debt in all spheres and relations of life. Leaving aside the world-wide structure of international debt, so much of which has broken down, and yet so much of which also still goes on producing its diabolical effects, each Government staggers under its load of debt to its own usurers — nearly £8,000,000,000 for our Government alone. Then the municipal debts—hundreds of millions again—and the vast unreckonable loan-burdens of private businesses and institutions.

Loan conversions and "cheap money" ease the situation a little, but slowly, because the money-lenders are often clever enough to put in their contracts one clause fixing a high rate of interest and another clause forbidding the loan to be repaid for a long term of years. Over two hundred millions of municipal loans (it is said) are fixed in this way for another five or ten years at double the interest-rate now current.

THE GROWING LOAD

Extraordinary, surely, that statesmen, even when they talk about public works to relieve unemployment, can think of nothing better to suggest than fresh loans, which would simply pile up another Himalaya on top of the already unclimbable mountain-range of debt that confronts us.

They talk as if such loans were raised from the ordinary citizen who invests his savings in it. So they are to a trivial extent, but the real moneylenders are quite different. Listen to a lively journalist describing what happens when a successful Government loan is being issued by the Bank of England.

"The scene was outside the Bank of England's temporary loan offices in Princes Street.

"The men in the queue were applicants for the £150,000,000 Three per Cent. Treasury Loan.

"The rush hour had not properly started in the City when the first two clerks took up their stand outside the Bank doors. Within five minutes there were twenty in the queue. At the end of half an hour the queue was

forty yards long. It was like no other queue. The men all wore dark clothes. Their faces were set, and they clutched portfolios under their arms. There were few jokes.

"The applications poured in. In the first two and a half hours the Treasury was offered, it was estimated in the City last night, about £250,000,000."

"So the money rolled in at £1,000,000 a minute. In spite of this avalanche of gold the City remained calm. Most of the people who had stood in the queue and those who entered the Bank up to 11.30 were messengers or clerks from financial houses.

"They filed their applications for thousands of pounds, and strolled out as calmly as if they had been buying halfpenny stamps in the post office. Thousands of applications by post from the country had come in.

"At 11.30 a grey-haired Bank servant walked to the door and posted a large notice stating that the lists had been closed." ("Daily Express," April 6th, 1934.)

THE PEOPLE PAY!

Alas, however, for the picturesque journalistic touch — "this avalanche of gold!" There is no avalanche of gold from the private banks, which have probably bought up the greater part of such an issue. They do not part with any gold. They do not part with anything. They pay for the stock (in effect) with an I.O.U., which the Government proceeds to use as money. They are using the nation's credit, putting their hand into the nation's pocket, in order to buy "Government securities" for themselves.

Before we built the new church in our parish we were accumulating a Building Fund, and every year or so after the war, I used to buy a few hundred pounds of War Loan with what was in the deposit account. That was real money, collected from house to house, and taken along in heaps of silver and copper by me to the bank on Monday mornings.

In spite of its being such a desirable investment, there was never any difficulty or delay in buying War Loan, and sometimes it used to cross my mind to wonder why. It seemed rather a mystery. There is no mystery about it now. The reason was that every Bank and financial institution held huge quantities of War Loan, which they had acquired without ever having had to pay for it (paying for it,

THE CASE FOR FINANCIAL REFORM

(Continued from page 5.)

between them lose the profit on coining, which is something less than 1/6 gross on a florin of which the average life is about 45 years. Not a very heavy loss, you will say, yet you find coiners getting far heavier sentences than men who thieve or rob really large sums of money.

And it is quite right that this should be so, for the coiner commits an outrage against one of the most important and far reaching rights of the community. Since all, or nearly all our activities can be reduced to a common denominator of money, which acts as the community's clearinghouse for goods and services, any outside interference with our total money supplies must be jealously guarded against. Hence we distinguish between the thief, who redistributes existing money without destroying it, and the coiner who tinkers with the supply. Hence also it may be said that the better the counterfeit the greater the crime.

But there is this to be said for counterfeiters. Their efforts are directed merely to adding to the currency. And as community life almost inevitably tends to an expansion of real wealth, the small additions to currency, or token claims to wealth, which come from this source are not likely to be harmful in themselves to any individual — always providing, of course, that they pass muster. But what if a lunatic were found who was able to corner and disposed to destroy our money? What should we do to him?

Yet we allow the bankers both to counterfeit and to destroy on the most wholesale scale. Every penny of deposits recorded in the banks over and above their holding of notes and coin is bankers' counterfeit. The banks issue this at their own sweet will and they destroy it at their own sweet will. When they are counterfeiting at a rapid rate we have what we term periods of prosperity; when they are

in fact, merely by credit-creation against the War Loan itself as security), and were therefore only too pleased to dispose of some of it to people like me who would give them actual money for it.

SYSTEM A SWINDLE

The picture of the queue of bank messengers waiting to shower an avalanche of I.O.U.'s upon the Chancellor of the Exchequer, in the sure and certain knowledge that he will pay perpetual interest upon them and tax the people of England to do it, is the true picture of every national and municipal loan. The money is all-imaginary. The debt is a ridiculous imposture. The whole system is a staggering-swindle that has gone on long enough.

It is the right and the duty of a sovereign Government to create its own money. The Treasury notes that were issued in 1914 were a very good legal-tender currency in their way: their quantity was regulated automatically by rules framed in the interests of the people of England. The moneylenders disliked them, and they were withdrawn in favour of Bank of England notes in 1928. Since then only about 3 per cent. of what we use for money is King's money. Strange to say, however, the Bank of England does occasionally lend small sums to the Government — temporary overdrafts, so to speak — without charging interest. These accommodations go by the name of Ways and Means Advances, and it is conceivable that they might become a very useful precedent and method for any Government, which might decide to rescue England from Usury.

Destroying we have depressions. What we miscall the trade cycle is simply the banker's cycle, beginning with forgery and ending with the destruction of the evidence.

How does this come about?

THE METHOD OF OPERATION.

Go to your banker and ask him for a loan or overdraft. Assume it is granted and that your application is approved for, say £1000.

In the ordinary way you will draw upon your loan account by cheque. Your cheques will be paid to various people, who in turn will pay them into their own bank accounts. Assuming that you draw the whole £1000 by cheque, the position when you have done so will be that other people's deposits, between them, will have increased in their bank accounts by a sum equivalent to your loan. That is to say, the total of bank deposits in the community will have gone up £1000 without a single penny of extra real money coming into existence. Your bank, the bank that gave the so-called loan, will therefore have successfully counterfeited to the extent of £1000.

In the transaction there are two points to be noticed. The first, which is a technical modification, is that if any of the persons to whom you have given cheques was himself overdrawn with his own bank, the total of bank deposits in the community is not altered. In other words, one counterfeiter's destruction of money — caused by the repayment of an overdraft or loan — balances the other counterfeiter's issue of money through the "loan" to you.

The second point, which is a practical limitation of the counterfeiting process, is that you or some of the people to whom you paid cheques, may have required to change the cheques for legal currency. It is this demand for currency, which alone limits the power of private bankers to counterfeit national money through the granting of overdrafts. By experience bankers found until recent years that, of every £1000 issued by them, up to £100 might be asked for in legal tender. And so they set up their "limit of apprehension", which meant that they would not risk issuing more than about nine counterfeit (bank) pounds for every genuine (community) pound in their possession. This was their insurance policy against getting found out. Latterly, however, the tendency is to use bankers' cheques more and more, and currency less and less. Ultimately it looks as if the sky will be the limit.

If you will think over these operations you will readily find the answer to scores of matters, which may have puzzled you in the past. These need not be gone into here—except, perhaps, one favourite "poser" which our Australian bankers have been putting up frequently of late. That question is—if bankers can create money without any cost to themselves except paper, ink and their clerks' time, why are they so anxious to attract deposits, and even to pay interest on fixed deposits?

Here is the answer. In the first place, the banker does not exercise his counterfeiting skill—otherwise known as creation of credit—at all unless he gets the deposit. If you drew currency up to the whole amount of your overdraft, then obviously the bank could only lend currency deposited with it — its own capital, plus its clients' moneys handed over, not for safekeeping, but expressly for lending purposes. But so long as you draw pieces of paper, and the persons receiving them pass them along to be recorded (not cashed) with their own banks, the process can go on indefinitely.

Secondly, as to why banks pay interest on deposits — this is simply a part of their "limit of apprehension." If all deposits in

Letter to the Editor

MONETARY REFORM

The meeting on monetary reform, held at the Yarra Bank on last Sunday, had its beneficial effects, in that many requests were made that it should be continued as a means of inspiring many to take an interest in a movement that has the only possible remedy for the present depression and crime of inflicted poverty.

The voluntary assistance of Mr. A. J. Amess, along with his portable amplifier, was appreciated very much, as it gave all an opportunity of hearing the speakers. Many of those in attendance were agreeably surprised to find that the meeting had been arranged. They intend to be present at the meeting on Sunday afternoon next, September 15, at 3 o'clock, and to bring their friends.

Another line in which many can help is, to arrange a meeting in their own homes, and to apply to "The New Times," or to the addresses below for a speaker on the necessity for monetary reform and how it can be accomplished.

J. J. SIMPSON.

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

or

A. J. AMESS.

90 Abbott Street,
Sandringham, S.8.

banks lay in current account, risk of the banks being found out would be proportionately greater. It is for this reason, and for reason alone, that you are offered interest if you will agree to postpone your claim to currency. For that is all a fixed deposit is, a putting off of your claim against a bank. By offering a rate of interest on fixed deposits which is usually about one half of which they charge on overdrafts, banks are enabled greatly to increase their money manufacturing operations and still continue not to be caught short. In practice they can about treble them. The figures already quoted showed the cheque-paying banks returns include £226 millions of interest bearing deposits as against £116 millions, which were, not interest bearing. One of the niceties of banking technique consists in weighing the pros and cons of the relationship between fixed deposits, which are a partial return to the public of their rake-off in interest on money counterfeited, and current accounts, which give the banker the lot, but which contain the ever present risk of detection.

From what has thus far appeared, it should surely be evident that it is time the community took a hand in dealing with these counterfeiters in excelsis.

In the next article it will be shown that the bankers, apart from their dishonest gains at our expense (since they derive the profits from nearly the whole of what serves as money in the community), have also assumed the role of a super government. But worst of all, and paradoxical as it may seem, their system chronically keeps us, and must increasingly keep us, short of money.

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