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THE NEWTIMES

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Making a Show of the Farmer

A record Show! Year after year about this time we have grown accustomed to the same story—bigger and better entries, finer stock, higher quality in exhibits of every kind as the farmer dresses his windows for us. Production, at all events, fulfils everything that Dr. Coue would desire: every day in every way it grows better and better. But what of the producer himself?

The farmer, like everyone else, is admitted to have had bad times these last five or six years. Not, mind you, that nature has failed him; he has not been passing through lean years in the sense that droughts have stricken his crops or disease decimated his stock. It is only financially that he has been in trouble. But during the past month or so a most determined effort has been made to convince him that all that is now over and done with. Wool is up wheat is up butter is up. There's a good time coming.

STOCK TAKING.

Before looking forward to rosy dreams of the future, it might be well if the farmer were to take stock of his position at the moment.

First, he might consider prices. There are few farmers who would say that the market prices which have ruled during this past year of "recovery" have been high enough to give them a decent living. Yet the farmer must remember that these prices, low as they were, have been artificially boosted for him.

For a start he has received, through the exchange rate, a bonus of 25 per cent on every bushel of wheat, on every pound of wool and butter and meat and everything else he has sent abroad. Then he has been spooned in all sorts of other ways. He has received further subsidies in the home price of his wheat, his butter, his sugar, and a variety of other things; we citizens of Australia are accustomed to pay a far higher price for our own primary products than they realise when transported to the other side of the world. On top of this (again through the exchange rate), in order to help the farmer, we pay 25 per cent more on everything we buy from abroad. We pay in taxation £6½ millions a year more to furnish interest on our overseas debt. And we have voluntarily increased the principal of the debt by £150 millions in Australian money—all in order to get the farmer out of a hole.

And yet the farmer is not satisfied. He is not satisfied even with the latest move to wipe right off a portion of his private debts.

From a commonsense view of

this position it must surely appear that either the farmer is a hopeless ingrate or else that there is something radically wrong with the whole system of prices.

Let us leave it at that for the moment.

FIGURES OF RECOVERY

Every great daily newspaper, every politician who believes in "sane" finance, nearly every University economist and after-dinner speaker will definitely say that the year 1935 has been one of general recovery.

Here in Victoria the unemployment figures—that is, the figures disclosing those who have no income—are admittedly not improving. But that was readily explained by the "Argus." In case you missed it, this is part of what the "Argus" said on the 6th inst.: "There are on the public payroll the economic nondescripts who in the days before systematic unemployment relief picked up a livelihood somehow, and slept in the Domain. When the public at the outset of the depression sanctioned special relief taxation they did so in the belief that it was to be used solely for the benefit of those who had lost their work through the depression. They are now being defrauded." So that's that. But, in spite of the incubus of our being defrauded by being asked to help those immoral wretches who had the hardihood to be unemployed previous to 1929 (when our new code of morality began), everyone tells us that things are better. Building, for instance, has picked up considerably—so much so that the National Bank says it is hard to get men for jobs. The National Bank, of course, knows much more about this than the unions, who say that the bank is a liar. Certainly there has been a great deal of building activity in the way of putting up palatial new bank buildings, big hospitals financed by banks and insurance

companies, big blocks of flats, and the like.

Then, although it does not necessarily reflect prosperity—it may even indicate that the unwary are being fleeced by rogues—there has been tremendous activity this year in mining transactions. Whether a

WHAT DO YOU WANT?

1. Do you want the unemployed miserably provided for by money taken away from you through taxation, giving them little relief and putting yourself further into debt?

Do you want the same scanty provision made by increasing our national debt at the rate of £30 millions a year, thus adding over a million a year to taxation for interest, without ever reducing the debt?

Or—
3. Do you want them properly provided for by new money issued by the Treasury—money which would come back to the farmer and the shop keeper through the sale of their goods, and which would enable them in turn to enjoy the financial prosperity to which their production of real wealth entitles them?

If you want the last,

DEMAND THE NATIONAL DIVIDEND.

The Dividend is not inflation. It is the monetising of real wealth, which today is unsaleable only through lack of money.

sign of recovery or not, however, the volume of such transactions would undeniably swell the amount of bank clearings, or the interchange of cheques between one bank and another, of which the total figures are published weekly. And similarly these bank figures would be swelled by transactions in national, corporation and council loans, in all

of which there has been somewhat of a boom this year, as—if you haven't already noticed—you will shortly observe through taxation.

Very well. Take all these and all the other figures of recovery. Now what do the figures of bank clearings disclose? From January 1 to September 17, 1934, Melbourne bank clearings showed a net total of £477 millions. From January 1 to September 16, 1935, they showed a net total of £484 millions. That is to say, the indications are that business this year has "recovered" only to the extent of a shade over one per cent. Even these figures are constantly seesawing, showing a slight increase at one moment, a slight decrease at another. And don't forget that they include the mining gambles and the loans.

So it becomes evident that there is no real recovery at all, so far as business in general is concerned. And from the farmer's point of view, as well as from that of the ordinary businessman (who also benefits from the farmer's prosperity) all this talk of rural rehabilitation is nothing more than pompous tongue twisting.

But, during the past few weeks, at any rate, prices are picking up. Why?

PROSPERITY AND WAR

Any farmer with any sense knows that there is one reason, and only one reason, why prices for his exports are showing an upward trend these days. That reason is the prospect of WAR. Nations are stocking up as an insurance against destruction by bombs, submarines, and whatever new devices of the devil may shortly come to light.

There are two aspects of war prosperity. The first is a moral one, and consists in the sorry reflection that the unemployed—including the "economic nondescripts" of the "Argus"—can be provided for only through mass murder. The second, which, being a material one, may

possibly appeal more directly to some people, is that war prosperity is inevitably followed—has always been followed—by worse poverty than preceded it. Not on account of the destruction of goods; at least, not nowadays. Are we not aiming at the destruction of goods because we have too much? Is not every report of droughts, whirlwinds and hurricanes hailed by everyone, except the actual sufferers, with sighs of relief? No, the post-war poverty is brought about only by one factor. That factor is not material loss, but financial debt. Wartime prices are paid by means of loans. Loans are national debt. The interest on national debt is perpetual taxation.

Hence, whatever way one looks at the farmer's problems, or the problems of anyone else, it seems they must inevitably come back to the question of finance.

PRODUCTION AND INCOMES.

Some people say we have plenty of money, if only it were distributed properly. The economists will tell you—or they would tell you until recently—that the depression was due mainly to maldistribution of incomes.

Undoubtedly there is a certain amount of maldistribution of money. The obvious cure for that is taxation. Haven't we tried it? Haven't we spliced ladder after ladder of legislation together to enable taxation to climb to a point where it reached the stage of the higher the better? And how much better off are we?

The first thing which any sensible people would consider when tackling the problem of distribution is not whether some have more than their share, but whether, if all that is available were shared out, there would be enough to go round.

That there are enough goods we know. But we do not distribute

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The Hon. R. G. Casey, M.H.R.,
Acting Federal Treasurer.

Dear Sir,

In addressing a public meeting at Creswick last week you are reported by the Melbourne "Argus" to have said that you did not know what people meant when they talked about public credit, unless they meant inflation; that no one had yet shown how to raise money on public credit, and that you could not understand what public credit meant.

If the "Argus" report of your speech is correct, then you were openly admitting your incompetence to hold your present position, and still more the position of full Federal Treasurer for which the Prime Minister has nominated you.

If you look up the Commonwealth of Australia Constitution Act you will find that the framers of our constitution understood quite well what public credit means. Thus in section 51 of this Act it is set out that Parliament shall have power to make laws with respect to "borrowing money on the public credit of the Commonwealth." We submit to you that if you do not understand this you should, in ordinary honesty, resign. We have more than a suspicion, however, that you understand far more about it than you pretended to the people of Creswick. If the recent national loan of £12½ millions—for which you, as Treasurer, were the official immediately responsible, and in connection with which you made such ardent appeals to subscribers—was not raised upon the public credit, then will you please tell us what is the bondholders' security? What is the security, for

the whole of our national debt, internal and external, except the public credit of the Commonwealth, which you and your predecessors have so light-heartedly pledged to private financiers?

If you are really looking for information we would define for you the public credit of the Commonwealth as being the willing capacity of its inhabitants to furnish goods and/or services. Parliament has control over this credit through its constitutional power to tax (not to mention the Defence Acts). The difficulty today is that so much money has been raised on public credit—and withdrawn again by the same bankers who raised it—that it now requires the whole of our national currency (note issue and other legal tender) to pay each year's interest bill on these so-called loans. Hence, although the real credit of our people is higher than ever, as is shown by our production of wealth and our population available for services, our financial credit is genuinely precarious. And if you are sincerely anxious to carry out efficiently your duties as the nation's Treasurer, we would suggest that you turn your thoughts towards making our financial credit reflect our real credit.

This can be done quite constitutionally. For the same section of the Commonwealth Constitution Act as we have already referred to gives Parliament full power to legislate with regard to currency, coinage, legal tender, the issue of paper money, and banking. In other words, it is constitutionally practicable to issue money against the real public credit without borrowing from bankers at all.

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:

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goods directly, or services either. The farmer does not buy his ticket to the Show or pay his admission fee with a sack of potatoes or a bag of wheat. He does not use these things to pay his income tax or his bank overdraft. Neither do any of the rest of us. For all these purposes we use our incomes. Which means, we use money.

It comes to this, therefore, that if the goods, which are plentiful, are to be distributed effectively, we must see that incomes are in line with production. Are they?

From the farmer's point of view this is easily answered. Let him take a bag of seed wheat and plant it. Supposing the bag produces, him two, or four, or six bags of new wheat—does additional money grow up alongside the additional wheat? If not, how can he turn the wheat, which he does not want, into income, which he does? And how can the person who does want the wheat get it? This is the crux of the farmer's problems.

"SOMETHING FOR NOTHING."

You will find a great many people in this community, and in every other community, who view with horror the mere idea of something for nothing. A lot of farmers still have this notion, particularly when applied to such a sacred thing as money. To be sure, they are not logical in their arguments. The farmer, for instance, does not view the 25 per cent exchange rate, arbitrarily fixed for his benefit, as something for nothing, although it makes a tremendous difference to his income without exertion on his part. Neither does he regard as something for nothing the fixed home price, the bounty, the export subsidy, the straight-out gift of money to pay his debts. He will justify all these things to himself by saying that he works, and that he is entitled to a fair return for his work—which is, of course, quite different to giving money to a person who does not work at all.

It is not proposed here to enter into the moral side of the argument, or into the work aspect, either. It is quite true that a great part of the needed money incomes could be distributed by the State through national works for a long time to come; but we are at present concerned only with the money, or income question itself.

By now the farmer has found out pretty thoroughly, and pretty painfully, that his surplus production is not income until he can sell it. The same lesson has been learnt by manufacturers of every description. And they are beginning at last to realise that private industry, even if there were no taxation and no debts, will not re-absorb all the unemployed. On the contrary, thanks to the machines, it will tend to produce more and more goods with less and less labour. It will distribute less incomes to consumers, and, consequently, less incomes to the producers themselves.

Now, just what is the nature of the producer's interest in the consumer? He wants effective orders for his product. He wants to find a consumer who has money in his pocket. He doesn't care a rap how, when, why or whence the consumer got the money so long as he has a lawful title to it—and he is interested in this only to protect his own title to the money when it comes into his hands. Then why worry if the State gives money to consumers (including producers in their consuming capacity) as a present? Why not, instead, demand that it be given in this way? The only alternative is our present way of providing for the destitute by taxation. Taxation is an extremely painful process. If there were enough money in existence to enable all our goods to be sold,

"TOMORROW"

Our airmail dropped gently on the reception plate by the corner of the house. The red flag attached to the bag denoted the importance of the contents, and the first letter produced bore the familiar inscription, "On State Business."

It was from the Controller of Superfluous Hedges and read: "Take notice that whereas our inspector has advised that the hedges about your house are more ornamental than useful, you are hereby solemnly warned to remove the same immediately in the interest and for the progress of our country."

My wife was worried over the idea. "But it has taken us ten years to grow and trim them like that, and whatever shall we do for shelter on this barren hillside?"

Women are just like that; they don't realise that our boards and commissions work only for our good, which they, by reason of their position and learning, can

taxation would be fair enough. But as it does not add one penny to our total money supplies, and as statistics and experience both show that these are hopelessly inadequate, then taxation is senseless as well as unjust.

The Commonwealth Constitution Act expressly gives the Federal Parliament power to make laws with regard to currency, coinage, legal tender, and banking. Every citizen by virtue of his vote shares in this power. And every citizen is faced with the choice either of using his power to ensure adequate supplies of money or of seeing the entire community—farmers, manufacturers and consumers—grow financially poorer as our real wealth increases. Every citizen should remember, too, that this increasing financial poverty, apart from its other injustices, is breeding all sorts of ills between different sections in the wild scramble for a share of something that today cannot be made to go round. What a ghastly thing to contemplate that the writer of the "Argus" editorial already quoted—who in his private capacity would probably give whatever assistance he could to a Domain "dosser"—should yet officially be guilty of such almost unbelievable callousness to the victims of social injustice as to consign them heartlessly to "picking up a livelihood somehow and sleeping in the Domain." Yet this is what we are coming to, the jungle rule of devil take the hindmost.

What is the position of this community today? Is there not antagonism between the farmers and the city businessmen, and between both and the unemployed? And yet are not their real interests interlocking? Is not each necessary to the other? Cannot plenty be made available to everyone, and to everyone's gain, if only we put our finances in order?

Orderly finance is not that type which suits bankers, who are dealers in money, and who therefore keep it scarce. Orderly finance, properly understood, is a system of bookkeeping which should at all times enable all goods produced (provided people want them) to be cleared from the market at a fair price to everyone.

JOHN WHITE,
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see so much better than we can. How could we exist without them! I didn't argue, but went quietly on with the work.

I had just opened a fresh box of matches, attached the requisite red and two green duty stamps to the enclosed form (which happened in this case to be from the office of the Controller of the Fund for the Remuneration of Retired and Indigent Members of the Main Highways Board), and got my pipe fairly going when I heard a plane approaching. Hastily hiding my pipe, I resumed my labours. The plane landed, and an Inspector approached. Producing a pocket sextant, a pedometer, and one or two other instruments, the uses of which I was of course ignorant of, he took sights with that grace and rapidity which comes only from long years in the public service. Receiving from his two assistants a pad, a pencil and a pair of parallel rulers, he made notes and calculations, referring from time to time to several large volumes, an abridged edition of the Shorter Catechism, and a little book of verse by the Prime Minister.

All the time I had stood quietly at attention, cap in hand, and now for the first time he glanced in my direction. "Mac Slavey," he said, and his voice was deep and low, "you are nearly two feet behind schedule, in fact 1.987654321 repeating." I stood there horrified, and even if words had come it was certainly not for me to answer back to an inspector.

But there was a very kind heart beating beneath his official uniform, for he said, "You may deduct ten minutes from your luncheon period to catch up with your work. On completion all fences are to be moved three feet nine and a half inches nearer the house and one additional calf kept on the land thus made available for the development of our country." I only hope that as he turned to go he caught something of the light of gratitude that was burning in my eyes.

I found my wife reading the mail when I got in, and I could see she was troubled.

"This is awful," she said. "For the second time in seventeen months one of our eggs has not conformed with the standard set by the Director of Laying Hens."

"I feared it," I replied. "It's that pet black hen of yours; I haven't trusted her for a long time." I got my painless exterminator and went out at once—for what would happen if by any mischance an egg such as that came into the hands of a foreign government? Could our country ever hold up its head again among the nations after having allowed this thing?

I at once reported my action to the Department by radio phone and received the assurance that after official investigation had proved all to be in order I would receive my certificate of necessary destruction, suitably framed and mounted, costs being deducted from my cream cheque by the State Bank.

That night was very dark and wild, so old Jim came round for a yarn—rather risky, it being the hour appointed for rest at home; but Jim is a queer old chap who can even "remember the slump of 1929-1945, when he was quite a boy. He has never settled down to our scientific way of living, nor realised how great are our advantages today. I really think he got most of his ideas from his father, though.

As we sat listening to the radio giving us the instruction for the day, he told us that many years ago radios were not compulsory adjuncts to every house, and controlled from Headquarters, but that it was possible to change from one station to another according to one's fancy. He even remembered his father switching off a very high official

Letters to the Editor

MR. LYONS ROCKS THE BOAT.

Mr. Lyons, speaking as the guest of honour at the annual smoke night of the Royal St. Kilda Yacht Club last weekend, absorbed the marine atmosphere and cast around him a few pearls. He expressed the opinion that the common sense of the world would disburse the ugly war cloud, and then would follow worldwide recovery from the economic troubles of the last few years. He then proceeded to rejoice that prices of important commodities were rising, explaining to the yachtsmen that rising prices would increase our incomes, and he wound up the windlass with his lovely bed-time story about the depression passing and our being able to look to the future with confidence.

The yachtsmen generously applauded Mr. Lyons, and their Commodore referred to him as a states-

right in the middle of his speech!

It was all very interesting, but they did have some queer ideas in the old days—seemed to plan things for themselves and just go ahead and do their work the way they thought best. Jim said they were quite happy, and made a living that way, but I think his age has rather affected his judgment. How could a farmer possibly know when he wanted a new cowshed if there were no official with a sound university training and a departmental education to point out the fact to him? How could a firm of city milk vendors secure the right quantity of milk, from suitable persons, without the advice of those who, through long service on public bodies and by a specialised training as pastry cooks, painters, electricians, and the like, were in a position to lead the country to heights of prosperity of which our forefathers never dreamed?

Sometimes in those days, Jim averred, Ministers of the Crown frequently remained in the country for as long as twelve months at a time and called it "duty." He had just begun to speak of "private enterprise" and the "law of supply and demand," though I believe they were only terms he had heard his father use, when he looked at the clock and jumped up. "I'll just have time to clock in to the Controller of Farmers' Hours of Sleep," he muttered as he dashed out.

I was glad he had gone, for the next moment the Voice said: "Once again, after being warned fifteen years ago, MacSlavey has incorrectly compiled a form, thereby endangering the smooth and efficient service which we at all times seek to give to our great country. There will be no further warnings."

I grew strangely cold. Strong man though I was, having faithfully followed the exercises set each morning, I felt suddenly old.

When I recovered, the radio was playing one of the very old songs that have been preserved for us by the museum authorities. What strange things they sang in those days—

"Land of hope and glory,
Mother of the free
— C. T. Reade, in "Why?"
(N.Z.).

man, and said that Mrs. Lyons showed the world how Australian ladies could hold their own, and the yachtsmen applauded again.

Mr. Lyons, speaking to men who sail under a Royal Charter, might have explained that the mentality controlling the world today is exactly similar to—and in some cases the same as—in 1914, when British people were slaughtered by British munitions fired from British guns supplied to enemy countries by the same British firms that are now in prominence. The directors of these firms, who are also, largely, directors of banks and other financial institutions, would be regarded as men of common sense. A typical one is that great Englishman, Sir Otto Ernst Niemeyer, of the Bank of England, director of other banks, and of the British armament firm of Vickers-Armstrongs, which fortified the Dardanelles a little prior to the arrival of the Anzacs. Australians remember Sir Otto's visit in 1929, when he ushered in the depression and demonstrated the power of the banker over governments. The kind of economic recovery they seek does not add anything to our girths at all.

Then, on the question of how rising prices of important commodities would help us, Mr. Lyons did not say anything, but we can imagine the yachtsmen cheering at the prospect of a rise in the price of sails and ropes and paint and corned beef and beer and other commodities so important to them. Even yachtsmen have a strong suspicion that prices may rise more rapidly than their own incomes.

At any rate, it was a nice night. No one was rude enough to mention the sales tax or the cost of sending Mr. Lyons and his Australian eleven around the world. There were some other comedians at the smoke night, and they also told funny stories that bucked the yachtsmen up, and Mr. Lyons said he enjoyed himself, which was a great compliment when we consider the circles in which he moved while abroad.

"CUTTY SARK."

MOTHERS' CLUBS AND STERILISATION.

When the Victorian Federation of Mothers' Clubs pronounced in favour of voluntary sterilisation of certain types of physically and mentally unfit persons, I am sure that they were not thinking of physical unfitness caused by malnutrition. It is a gross injustice to a fine body of women to suggest that such was in their minds.

Although sterilisation of the unfit is a matter upon which medical opinion is divided, yet it is generally admitted that certain forms of mental and physical diseases are definitely hereditary. The aim of science, as I see it, is two-fold; first, to ascertain the secrets of nature; second, to apply them to mankind's ultimate benefit. Is it not, then, a humane application of science to prevent diseased and insane persons from begetting their kind?

However, all will agree that malnutrition of little children in the presence of ample food supplies is a blot on our civilisation. Your efforts to rectify it through what, I believe, will be the only satisfactory way, monetary reform, should have the support of every intelligent person in the community.

C. J. GAWLER.

Burnley.

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NOT FAIR TO THE CREATOR

By BRUCE H. BROWN

[By arrangement with the *Castlemaine Mail.*]

To talk one thing and act another is hypocrisy, and we had a depressing example of it on Sunday, September 1. That was the day set apart for the offering of special prayers for Peace, and thousands of clergymen throughout the world recited those special prayers apparently quite regardless of the absurdity of their attitude. It was an absurd attitude, because it took no proper account of the facts round about them or of the cause of those facts.

It is quite true that we are enjoined to pray and that we have many Scriptural records of miracles; but we are not anywhere directed to pray for miracles. Solomon, one of the wisest of men, prayed and obtained promises, but the promises were contingent on earthly co-operation. Here is one such: "If my people shall humble themselves and pray, and seek my face, and turn from their wicked ways, then will I hear from heaven and forgive their sin, and will heal their land." Note particularly the Parts I have emphasised.

Miracles, as we understand the word, are actually performed every day. At this very springtime we see the re-creation of things almost beyond description in beauty, and the reappearance of daylight each morning is magnificent evidence of the wisdom and power of our Creator. We cannot see the wireless waves, but we know they are there, and in the same way we cannot see the atmosphere, but know, that if it were not there supplying us with oxygen we could not continue to live. A grain of wheat is also a miracle but it is evidently a miracle of another kind that our clergymen are so unthinkingly seeking.

GOD HELPS THOSE THAT HELP THEMSELVES.

Jesus did all sorts of marvellous things. He turned water into wine; raised Lazarus and others from the dead; feed the multitude with a boy's lunch; cleansed the leper; gave sight to the blind; and so on. He even used Sunday for the purpose, and made no charge for his services. Something for nothing! A terrible example to set us! And what is more, He said that we would be able to do similar things if our faith were sufficient. It is, therefore, quite reasonable to say that if miracles could be performed then, they can be performed now; but it is important to remember that Jesus emphasised, as we have fully explained previously, that "Faith without works is dead," thus indicating quite clearly that while having our minds properly attuned in spiritual matters, we must nevertheless help ourselves in material matters. We have either overlooked this essential requirement or are frightened, and instead of helping ourselves have supinely surrendered the world to a small group of financiers and watched them become increasingly powerful.

To talk to the people of faith and prayer without giving them the lead

in works is simply to endeavour to dope them against intelligent realisation of the actual tyranny under which they suffer. In the face of this, it is a fair thing to ask for the performance of a miracle on the part of the Creator when all that is necessary is the exercise of common sense on our own part? We say it is not a fair thing, and disassociate ourselves entirely from it.

For several years now we have had unmistakable signs of what is wrong and, through an unmistakable genius, have had the remedy pointed out to us, but instead of heeding these signs, and in total disregard of the remedy, we have continued to rely on the same old "leaders" and on the same old methods; and now that we are increasingly threatened with the natural consequences of this apathy, we have the audacity to make petitions to God suggesting that He has not done His part. The truth is that He has done more than His part, for He has provided us with a superabundance of every needful thing and with full ability to make sensible use of them, but we have permitted a few individuals to take control of the whole box and dice to the serious detriment of humanity at large. All these things, mark you, are free gifts to all of us from the Creator, wholly unconditional and without charge for His services. Something for nothing again!

Instead of gratefully accepting this bounty and distributing it to all members of the human family, we have allowed it to be "cornered," and have stood by and watched it destroyed while thousands and thousands of people starve. We deserve the horsewhip, and in a sense it serves us right to be suffering. Notwithstanding this, however, we have the nerve to rush back to the Bounteous Giver pleading that He will now perform the miracle of reversing the results of our stupidity, although we have on record the definite statement that He will not heal the land until the people turn from their stupidity.

OUR "REPRESENTATIVES."

It does not appear to have occurred to these leaders of prayer that we are "represented" in high places by the wrong people, and that the first necessity in our turning from stupidity is to insist that our governing authorities shall in fact be what they purport to be—i.e., our representatives, not mere delegates of the private financier as they are at present.

To pray for guidance to be given to the deliberations of the League of Nations when we have sanctioned and even applauded the placing of that body under the control of a worldly Satan, and when the men we have sent to the League can see money only as debt to a private monopoly, constitutes conduct which can only be described as reprehensible, and seeks to transfer to the Creator responsibilities which properly belong to ourselves. It is miserable and cowardly.

Most of the recognised Church leaders have publicly pledged themselves to the support of the League of Nations, little realising that by so doing they have pledged their support to an organisation which, as now constituted and managed, will assuredly sanction the pawning of everything to High Finance, thus bringing about conditions which can only lead to war and more war. That prospect can only be altered by a complete change of personnel on the League, and we shall have war or the menace of war until the League is working in the interests of humanity instead of under the dictation of private financiers.

THE LEAGUE IS UNNECESSARY

As a matter of fact, the League is entirely unnecessary, and will automatically go out of existence when money is used as the medium of distribution instead of as a commodity controlling all other commodities. In other words, when money is

controlled by production, it becomes the servant instead of the master. No league can satisfy communities, which have plenty of things they actually need but cannot get access to them because of financial starvation. In such cases, rebellion, sooner or later, is inevitable.

THE CASE OF AUSTRIA

Space does not permit us to give you anything like a full history of the establishment of the League of Nations and of its operations since, but we ask you to note what a great song has been made of the way in which it came to the "rescue" of Austria and "saved" it from bankruptcy. The Children's Encyclopedia has even been used to create an atmosphere of adulation in young minds about it. Actually, the League did nothing of the kind. What it did was to hand the helpless country over, almost holus bolus, to International Finance.

In the Melbourne *Herald* of September 4 there was a fitting commentary on the alleged wonderful "rescue." Austria was referred to as "The Weariest Country in Europe." The article, written by a man on the spot, tells how the country has been the scapegoat of Versailles and is weary and unhappy. The Council of the League has had more than one go at the "financial reconstruction of Austria", and it has also recently warned Greece that strict adherence to international financial obligations is "paramount."

MEMBERS OF THE LEAGUE'S COMMITTEE

The affairs of the several countries are "investigated" by a committee of financial experts appointed by the League, and even Australia has not escaped. Have you ever taken the trouble to inquire who these "experts" are? Have a good look at this lot, who met in the League's name at Paris on 30/5/32:—

Fulvio Suvich (chairman): Formerly Under-Secretary in the Italian Finance Ministry;

Norman Davis: Formerly Assistant Secretary of the U.S. Treasury, Director of the Bank of New York, and Director of the American Trust Co.;

M. G. Dayras: Inspector of Finance in France;

Sir Otto Niemeyer (that great Englishman): Director of the Bank of England, Director of Vickers Armstrongs (armaments), and Director of the Anglo-Continental Bank;

Dr. Paul Kempner: Director of Mendelssohn and Co., one of the largest banking organisations in Germany;

Dr. Vilem Pospisil: Governor of the Czechoslovak National Bank;

Count von Krosick: Director of the German Ministry of Finance;

M. Frere: Financial Attaché, Belgian Legation in Berlin;

M. J. Bizot: Assistant Director of the French Finance Ministry;

Sir F. W. Leith-Ross: Controller of the Treasury and Chief Economic advisor to the British Government (in this case it is important to remember that Mr. Montagu Norman has publicly admitted that the difference between the British Treasury and the Bank of England—a private company—is the same as the difference between tweedledum and tweedledee!);

Professor Beneduce: Member of the governing body of the Bank for International Settlements;

L. J. A. Trip: President of the Nederlandsche "Bank, Holland;

M. Musy: Chief of the Department of Finance in Switzerland.

Every one of these men knows that the whole world is starving today because of lack of ability to buy, and everyone of them knows that this lack of ability to buy is due to the actions of the very interests they represent. Not one of them has shown any public desire to remedy that state of affairs, and yet they all solemnly assemble in the name of an organisation whose motto is Peace! The arrant humbug of it all.

WHAT THE LEAGUE IS.

Publicity is not given to the identity of the people who actually control the League of Nations, and

it is high time that citizens who are capable of independent thought did a little investigation on their own account. If they do this, they will find that the League is simply an instrument for securing super-national power designed by the oligarchy, which established the Bank for International Settlements. This Bank is outside the scope of any government authority, and controls the policy of the Central Banks in all countries. The League of Nations is the tool of this private organisation. A league of angels could not force countries whose people are starved to remain quiet, and the unrest in the world can only be cured by the removal of the financial restrictions, which cause economic chaos.

Effective distribution of God's bounty is the only problem, and prayer till the cows come home will not secure it. Money is the modern claim to goods or licence to buy, and a small clique, who has usurped the power of creating money, have thus assumed the ownership of all the bounty. It is unfair to the Creator that the bounty of the earth, which He has provided for the maintenance of the lives of the people, should be separated from us in that way, and it is more unfair to Him to clamour for His intervention when we can so easily rectify the matter ourselves.

Think this over: The absence of any effort to make the finance of the world truly represent the facts of production, strengthens the fear that the intention of the League is really to impose a military and political power controlling the world. This makes it doubly important that we should know all about those who will control the League, for they will control the world.

As we have shown, we believe it is the International Money Power concentrated in the Bank for International Settlements which dominates the banks of all other countries, thus making it possible for a small group of internationalists to wield the full power embodied in money, arms and politics.

What interests are represented by Australia's delegates? To what clubs do they belong, and what did they do to Australia's publicly-owned bank? They are the Australian links in the Money Spider's Web.

MR. BRUCE H. BROWN WINS STAWELL DEBATE

Readers may be interested to know that the debate between Mr. R. T. Knight (the challenger) and Mr. Bruce H. Brown, arising out of Mr. Brown's article published in our issue of July 26, took place at Stawell last Sunday, in the presence of a good attendance of the public. The subject was, "That a Reduction of Government Expenditure is Essential to Australia's Economic Recovery," and the decision of the three judges was un-animously in favour of Mr. Brown, who argued the negative side. It was clear that the audience was greatly impressed by the facts and the lucidity of their presentation as given by our contributor.

League of Democrats

WEEKLY CAMPAIGN NOTES

To meet the need for a short explanation of the electoral campaign for the use of those trying to recruit workers and collect funds, a circular has been printed, and is now available. Ask for L.O.D.7; the price is 6d for 25.

Badges bearing the words, "Abolish Poverty," will shortly be available, and will provide a useful means of spreading the idea. All should make a point of wearing one.

Sympathisers in every part of Victoria (Melbourne included) are asked to offer their services to help organise the campaign in their own districts. Don't wait for others to do the job. You are the suitable person! Write to the Campaign Director now.

All who believe in the truth of "Ask, and ye shall receive," are urged to put their belief into practice, and help organise this moral and social dynamic. It is literally true to say that we have the power. The campaign is to turn on the switch.

All sub-branches of the Returned Soldiers' League have been circularised. Get in touch with your local branch and try to get their assistance in the campaign. Do it now, and capitalise the publicity.

THE SINEWS OF WAR

Generally speaking, there is no more distasteful task than appealing for funds for any purpose—but this is an exception. The money you give the League of Democrats is not a donation—it's an investment, and an investment that will return you greater dividends than you can hope to receive from any shares you may buy in the mart of commerce. There is an urgent job to be done. The task is to organise that mass demand that exists today as an unformed wish in the heart of almost every individual. All are willing to see the end of poverty, but few know how to do it. The way is clear. Demand it with sufficient force and nothing can withstand it. Demand it with the united voice of three million electors and Parliament will act like lightning to obey its master's voice. Go to every elector and say, "Do you want to see poverty abolished? Then demand it by signing this pledge." A wonderful conception, and utterly irresistible if properly carried out. Let us do it, then! Each one must play his proper part; some to organise, some to canvass, all to give the money to make possible this great new factor in politics. Do you want it? Then help us! We want at least one hundred persons to subscribe each one pound before Christmas. Send your cheque to the treasurer, or send in 1/6 every week.

Great ends need great efforts; today it lies in your power to play your part in the Abolition of Poverty.

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-Introducing Mr. Menzies to the Truth

Mr. R. G. Menzies, Federal Attorney-General, is back home. And that is much the same as saying that Mr. Menzies is hard at work again—making speeches.

On Monday Mr. Menzies delivered an oration to the share holders of Ware's Investment Trust Ltd., of which he is a director — one of those varied outside interests which this remarkable man contrives to carry on in addition to the heavy official duties of which he has already reminded us since his return from abroad. In the course of his address, as reported in the daily press, Mr. Menzies made some statements that, coming from a responsible Minister, were hardly in accord with his courtesy title of "Honourable." In fact, not to baulk at the word, they were untrue statements, and Mr. Menzies is either an utter ignoramus or he must have known them to be false.

The Melbourne "Herald" reports him thus: "Excluding certain industries, the general impression in England was one of great prosperity . . . The amount of recovery in Britain was phenomenal."

A carefully considered opinion of the present position in England is to hand by this week's overseas mail. It comes from a source to which Mr. Menzies could hardly take exception, that leading English financial organ, the "Economist," dated August 10—and it may be added that the other recognised financial journals of England are in substantial agreement. In a leading article, entitled "Below Two Millions", the "Economist" says:

"The unemployment figures for July, which were published this week, have, at last, fallen below two millions. This is a notable event, for it is the first time for five years that any breach—even if only a small one—has been made in this 'Hindenburg line' of depression. . .

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. . . The figures might have looked rather different if the day of the estimate had been a week later, after the end of the school term, for there was a rather unusually large number of juveniles leaving school at the end of July, and entering the labour market for the first time.

. . . Some observers who look at the situation in the country are inclined to argue, on the basis of official figures, that we shall have to face a very serious problem within the next two years when the present housing boom comes to an end . . . According to the Registrar-General, the immediate demand for dwelling houses is almost satisfied. If the activity in demand for residential building ceased abruptly, we should quickly have some hundreds of thousands of men thrown out of the building industry, and this would precipitate a new and serious crisis . . . It is, indeed, almost self-evident that the housing boom cannot indefinitely continue at the present rate. The houses, which are being built in such numbers are predominantly of one general type, and the number of persons with both the desire and the ability to purchase them is not unlimited.

. . . If the case for public works is, as we believe it to be, strong in the circumstances of today, it will be many times stronger when we are faced with a decline in building activity. That such a decline is approaching, and that it will have serious consequences, are beliefs which are very widely shared."

Could anyone by any possibility reconcile these statements with Mr. Menzies' "great prosperity" or "phenomenal recovery"? And the considered opinion of the "Economist" is even worse that it appears on the surface. For the "Economist" looks for recovery to public works. And public works, under the only regime envisaged either by the "Economist" or by our Attorney General, mean increased loans, increased national debt, and increased taxation for all time.

Mr. Menzies, in his Investment Trust address, lauded also the recovery which we in Australia have "achieved by a sound financial policy"—reflected by an increase of £150 millions in our national debt. Some of the signs of that wonderful recovery, as indicated by the figures of bank clearings, are instanced in an earlier page of this issue. But, to make matters worse for Mr. Menzies, the very issue of the "Herald" which contained his prosperity rally to his shareholders featured also, and on the same page, one of the most remarkable articles by its finance editor that have appeared for a long time. The article was headed, in heavy type: "Harder To Get Money." And the suggestive and unpleasant sub-heading was: "Deflation?" The opening paragraph began: "Overdrafts are becoming harder to obtain. This informa-

tion has been received from many sources. A sure indication, for example, is that one bank is receiving many applications from customers of other banks."

In the course of the article the "Herald" editor made the interesting admission (from such a source) that the sale of securities by banks "is definitely deflationary." Its summing up of the situation was as follows: "Unless the position is relieved, either by a much larger increase in export prices than we have yet seen, or by the provision of further funds by the Commonwealth Bank, perhaps against Treasury Bills, the deflationary trend may become pronounced."

If Mr. Menzies is not satisfied with the two opinions quoted, both from his own camp, we can produce others ad lib. Can he, appearing for the defence, bring forward tangible evidence in support of his claims?

And, while he is looking up his authorities, perhaps he might care to substantiate his statement, as reported in Saturday's press that our workers can afford to pay for medical treatment. One fails to find supporting evidence either in the basic wage rate or in the workers' incomes, as revealed by the last census.

Bank Sales and Deflation

Almost every day now the force of circumstances is driving orthodox financial organs into so many enlightening admissions that it is purely a race against time between monetary reform and war—though, unfortunately for stupid mankind, the odds are heavily in favour of war.

The admission of the "Herald" that the sale of securities by private bankers is definitely deflationary is a case in point. Just consider what such a transaction means. Our Commonwealth securities are an acknowledgment of national debt, a financial claim against the community by whoever chances to hold the scrip. When a bank sells these securities, therefore, it is simply selling our debts—money debts, due to be paid in money. And the act of selling them by a bank is deflationary because it destroys the money, which might repay the debt without in any way destroying or reducing the debt itself.

The sequence is this: In the first place, the community not having sufficient money, the bank creates money by purchasing national debt. A loan is floated; the bank applies for portion of it, pays for it by writing out a cheque upon itself, and gets scrip. The government, which receives the bank cheque, pays it to the credit of its own bank account, and proceeds to spend it on public

works, etc. Let us say that £1000 of this money finds its way (in the form of a government cheque) into the hands of a contractor, who decides to invest it. He buys, on the advice of his banker, government securities, which the bank obligingly obtains for him from itself. The contractor had £1000 to his credit in the bank; he now has nothing. He has transferred his credit to the banker, who destroys it, giving the contractor bonds in exchange.

Do you see now why our national debt cannot possibly be repaid? It arose through the issue of fountain-pen money by the banker. The banker got the money back for cancellation by transferring his scrip. The scrip (proof of debt) remains. The money goes out. But why should money be destroyed simply because the ownership of our debts is transferred from one person to another? Moreover, when banks are selling securities, and thus destroying the money which might have been used to redeem them, they are selling something which by the very act of sale they make worthless, and so are really defrauding the public. When, on the other hand, securities change hands amongst the public, the money supplies are not affected. There is a change in the individual ownership of bank deposits to correspond with a change in the ownership of scrip, and nothing more. Hence sales from the public to the public have no deflationary effect.

Perhaps the public will now begin to realise what a potent weapon over governments is thus in the hands of bankers. Assume that a Prime Minister or Premier is unacceptable to the banks — J. T. Lang, for instance. What is simpler than for them to start a campaign of security selling? The more they sell, the less money is available to buy what they continue to offer. Naturally, "confidence" flies, the price of securities is heavily marked down, panic ensues, the politician is discredited — all is well. Meanwhile those in the know are quietly buying up the securities, often with the money of the panic-stricken people. As an illustration we had the recent unguarded statement — reported in our issue of August 2 — of the general manager of the A.M. P. Society (banker-directed!) that in the last financial crisis, when our bonds were at a heavy discount, his company bought all they could get. "I can tell you," he said, "we made good money, the return in some cases being as high as nine per cent. So that our patriotism was well rewarded."

The patriotism, as you will have observed, consists in surrendering the people's hard-earned money to the bankers for destruction. When the right time arrives, when the government has come to heel or been changed, the people find them-

selves again short of money. Again they have recourse to the bankers, and the reissue of money destroyed to put them in subjection takes place through a new loan, thus putting them further into subjection than ever.

Such are the mysteries of high finance.

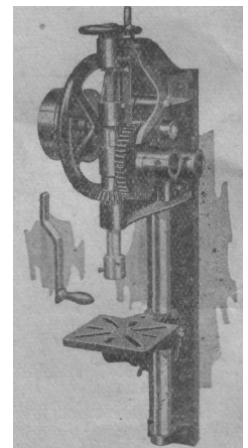
Something for Nothing in Shipping

Readers will have noticed that a move is again afoot to secure a Commonwealth subsidy for the privately owned British shipping lines which are being ousted from the Australian trade by subsidised American services. One of the pleas entered is the old parrot cry of defence against our imaginary invaders. On this aspect it may well be inquired whether, if Australia were ever really threatened from the source hinted at, America might not feel more directly interested than Britain in safeguarding our position in the Pacific. But whether that be so or not, Australians have little reason to make further gifts to British shippers. Have we not made them enough gifts in the freights charged for our produce since Mr. Bruce "disposed of" our nationally owned line of steamers? Did we not sell these steamers for the proverbial song — a song, incidentally, that the purchasers have not sung? And will not a little investigation into the control of British shipping disclose remarkable links of connection with British banking interests?

Should it be decided that some form of financial assistance to British shippers is required — which assistance would mean further taxes for Australians — then let us do it on a business basis. Why should any private companies foreign to this country expect gifts from us? If moneys are to be handed over, let them be treated as an investment. Let the Australian people either have a debenture over the companies' assets, or else let the subsidy be treated as additional capital, entitling us to a share in the ownership and the profits.

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A BISHOP ON ECCLESIASTICAL CRITICS

Sharp Rebuff to Clerical Attacks on Father Coughlin

Mention has repeatedly been made in these columns, and reports given of the speeches of either Charles Coughlin, the famous radio priest of America, who is in the very forefront of the world movement against the international money monopoly, and who has now a following of millions of every rank, creed and class (except private bankers) in the United States. As was recently reported in the "New Times," Father Coughlin, though he has so far escaped the assassination, which befell Senator Long, has done so only by good fortune, for his residence has already been bombed. Likewise, his reputation has constantly been assailed. These weapons having been unsuccessful, a new form attack developed against him the shape of charges made against him by certain other ecclesiastics. One such was reported in our issue of August 2; and there have been many besides. Father Coughlin has been accused of being a political priest, revolutionary, a fomenter of class warfare; in particular it has been said that he is wrongly identifying his Church in the popular mind with specific and debatable nostrums, and fears have been expressed that his utterances may bring abuse and persecution against the doctrines which he has without authority taken it upon himself to interpret. Father Coughlin's Bishop is Dr. Gallagher, of Detroit, to whom many such "fears" have been addressed. What is Dr. Gallagher's attitude? He has expressed himself thus:—

"For myself, I share no part in their fears. I fear no persecution, which will result from any priest's preaching of social justice. What I do fear is the seemingly justifiable persecution that results when the laws of God are flouted; when the great principles that should govern man's relationship to his fellowman are openly discarded; when priests fail to speak, while they tolerate every wrong in the world without raising their voices in protest against man's inhumanity to his fellowman. Such inhumanity makes countless millions mourn.

earth and the plentitude thereof to his creatures, how can the priests keep silence? With wealth concentrated in the hands of a little group of selfish men, the teeming masses of the people are living in dire and abject poverty.

"I do not fear Father Coughlin, but, to quote the words of the Head of the Catholic Church, I fear that, unless serious attempts be made to see that, at least in the future, a just share only of the fruits of production be permitted to accumulate in the hands of the wealthy and that an ample sufficiency be supplied to the working man, let nobody persuade himself that the peace and tranquility of human society can be effectively defended against the forces of revolution.

THE AUTHORITY.

"Father Coughlin has taken, however, the Encyclicals of the Popes, written in language clear as the noon-day sun, written for the average priest to read and immediately understand; written, not in obscure metaphor or parable, but as he who runs may read; written to be privately interpreted in each nation of the world by the faithful of that nation. For example, when the Holy Father states that wealth is concentrated into the hands of the few, does private opinion vary this fact?

"Let me develop this point for a moment. Let me take one specific example, the example of the concentration of wealth into the hands of the few and the evils, which grow from this concentration. May I quote for you St. James, who, in speaking on this subject, indicts the rich in the following words:

"Your riches are corrupted and your garments are moth-eaten, your gold and silver is cankered; and the rust of them shall be for a testimony against you. You stored up to yourself wrath against the last day. Behold the hire of the labourers who have reaped your fields, which by fraud has been kept back by you; and the cry of them hath entered into the ears of the Lord of Sabaoth."

"This is the language of Scripture. On the same subject, the Supreme Pontiff, Pius XI, writes as follows:—

"Not alone is wealth accumulated, but immense power and despotic economic domination are concentrated in the hands of the few, and those few are frequently not the owners, but only the trustees and directors of invested funds, who administer them at their good pleasure.

"This power becomes particularly irresistible when exercised by those who, because they hold and control money, are able also to govern credit and determine its allotment, for that reason supplying, so to speak, the life-blood to the entire economic body, and grasping, as it were, in their hands, the very soul of production, so that no one dare breathe against their will."

"By the way, credit, as you understand, constitutes about 95 per cent, of all modern money. This 95 per cent, of all our money is almost totally controlled by a little handful of private individual citizens. When they please they can demand of a sudden that all debtors pay their bills. By recalling credit they bring on a depression and destroy the prices of farms, of homes, of factories, as well as paralyse business. Then after they buy the homes and factories and farms at bargain prices, once more they re-issue credit, having gained a firmer grasp on the properties of the nation.

WHOM DOES THE POPE SINGLE OUT?

"My friends, do you not see that the Holy Father in our day is indicting concentrated wealth as did St. James in Apostolic Days? The Holy Father recognises that the long train of centuries has brought with it the same old moral evil, but he puts his finger on the control of money and credit. He tells us there are certain forms of property too valuable to be left in private hands, and he mentions among all the forms of property that there are in the world two forms—money, meaning currency; and credit, with its allotment.

"Father Coughlin addresses the millions in the audience. He follows the scriptural indictment expressed by St. James. He follows the doctrine specifically laid down for him to preach by Pius XI. He goes further with the instructions he has received. He actively supports the nationalising of the control of money and credit, which, by the way, is in accord with the doctrine laid down by the Father of his Country who guided the writing of the Constitution of the United States of America.

FATHER COUGHLIN'S DUTY

"To interpret privately and to apply the language of the Encyclical is the right and duty of Father Coughlin as he fulfils his obligations as citizen and priest in attempting to correct the evils of a privately-owned, centralised banking system. Nor is he entering into politics. The right to correct an evil is neither Democratic nor Republican. Moreover, Father Coughlin is accused of stirring class against class; in truth, he speaks for simple justice. He pleads that it be extended to the poor, to whom it has been so grossly denied. He knows that it is the duty of government to govern on behalf of the poor, because, in this same Encyclical to which I have referred so many times today, the doctrine which Father Coughlin preaches is laid down, namely, that government should be solicitous for the poor because, as it is witnessed, the rich have ample means to protect themselves.

THE ISSUE.

"I know the issue at stake. Forty odd years ago I, myself,

A GREAT SCIENTIFIC DISCOVERY

Turn off the wireless and stop cracking nuts while I tell you of the latest epoch-making scientific discovery.

The "Times" has discovered that if people don't eat enough, their health declines.

In a special article headed, "More Food From the Farmer. The Demand for Nutrition," it says:—

"Scientific and medical opinion is now convinced that an adequate intake of high-class proteins, mineral salts, and vitamins is essential for the resistance of disease and the maintenance of sound conditions of health."

BOTH IN AND OUT

This startling discovery that food is necessary to health will have the most revolutionising effects on modern scientific and economic thought. There has been nothing like it since Professor Schweinpeitz discovered that fishmongers cannot breathe under water.

Note, for instance, the word "intake." For many years scientists have known that the common person has a hole in the front part of its head. But they had always assumed that this was merely an outlet for noises, such as the love-call of the male in the mating season, or for the correction of football referees. They never thought it was an intake as well as an outlet.

I gather that one day a young biologist, noted for the boldness of his speculations, said to his colleagues, "I say, you know that hole in a worker's face? Well, I believe he eats with it!"

He was laughed at, of course, and the joke spread throughout the Royal Society and the School of Economics. But after further research he proved his point with a snapshot of a cotton operative eating bread and cheese.

This created a stir in scientific circles. The idea that workers needed food, though often mentioned in literature, had never been taken seriously by experts. Eating had always been regarded as a pastime for those who could afford it like polo or fretwork.

But now all doubt has been dispelled. They have been making

was a student in a University in Europe. The money question was raging in this country. I am frank to admit humbly that I was a victim of propaganda—the propaganda of that day. The battle was lost in every generation, from Alexander Hamilton to Henry Morgenthau, from the immortal Father of his Country to the present incumbent in the White House. I know the power that, in the past, won this battle for the banking interests. It is a power that today gladly would endow, if it could, a majority of the members of this Congress with five million dollars each to keep the control of money and the allotment, of credit in private hands. Nor would these money lords and robber barons stop with the defilement of the majesty of the State, but willingly would they go into the very ranks of the clergy, into the sanctuary of the Church, there to find anew a Judas willing to sell his soul for thirty pieces of silver.

"Of old the cry went up from certain high priests at Jerusalem: 'It is better that one man die in order that the people may live.' I am not comparing the priest to Christ let no man mistake. But I am saying that the same spirit that animates the hearts of ecclesiastical critics worked well when nineteen centuries ago they laid Christ in His tomb."

experiments. "Evidence of a startling character," says the "Times," "is available... The provision of additional milk to 10,000 school children in Scotland resulted in ... increases in height and weight... It has also been found that where ... higher rents caused decreased expenditure on food, family health has suffered."

This evidence was so startling that two Ministry of Health officials are reported to have died of heart failure.

TEST IN A CAGE.

There have been other experiments. I am told that at one place two blast furnace men were put into cages under scientific supervision. One was fed on steak and the other on water. At the end of three weeks a doctor tested their reactions to a punch on the nose, and the one that had been fed on steak displayed unmistakable signs of superior vitality.

This revolutionary theory that workers can't live without food has thrown many leading politicians and economists into a state of consternation bordering upon the jitters.

For the economic system was not designed to allow for workers eating. A wage, as you know, is carefully estimated so as just to enable the workers to keep the landlords, traffic combines, and insurance companies going. No one thought it was necessary to leave anything over for food. Rough calculations show that the sum left over per week from the average industrial wage will barely meet the cost of a grasshopper's lunch.

That is why any increase in the food supply is always destroyed. If anyone suggested putting it into the people, some politician would indignantly rebuke him on the grounds that the free and independent British public are neither dustbins nor incinerators.

You may wonder, therefore, how the "Times" ever came to admit the principle that people ought to eat. One would have thought that any sound economist, faced with the alternatives of giving the people food or letting them die off, would have chosen the latter rather than unbalance the Budget.

AND STILL MORE.

The reason, I think, is another great discovery mentioned in the same article. The "Times" says that the policy of restriction as a means of improving trade is now regarded less favourably. "It is being realised that there is much more prospect of solutions along the lines of increased consumption. Improved nutrition would tend towards the solution of agricultural difficulties. The science of nutrition has opened up new vistas—of expanding rather than contracting markets."

In other words, the experts have discovered that if the people ate more food the farmers might sell more. And I bet it gave them a pain in the brain.

—B. J. Boothroyd, in "Reynolds's Illustrated News."

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Chairman—MR. DAVID ROBERTSON

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

ADAM'S CURSE BANISHED

By LESLIE H. HOLLINS, M.I.A.E., Aust.

"In the sweat of thy face shalt thou eat bread." Thus saith the Lord when He drove Adam from the Garden of Eden, where the work state did not exist. Through the centuries Adam's curse held. To refuse to labour was a most heinous offence, for stark famine ever lurked at man's door.

By the beginning of the Christian era man had learned much, but he still depended on human labour to provide for his needs. Only by the "sweat of his face" could he eat bread. St. Paul said: "If a man will not work, neither shall he eat."

Although that was nineteen hundred odd years ago, we still have many persons in our midst who would perpetuate Adam's curse, little knowing that the engineers and scientists have virtually achieved their goal, the ever-increasing elimination of human labour in production.

THE GREAT ACHIEVEMENT

Right down through the ages man has been attacking Nature's fortress, with, until recent times, little gain. The year 1774 saw the first real success, for in that year James Watt invented the steam engine. Perhaps, to be more correct, we should say improved, and not invented, for James Watt merely improved the steam engine then in existence, and made it a going concern.

To trace the history of steam engines we must go right back to Hero of Alexandria, who carried out extensive experiments with steam and published his book, "Pneumatica," in the first century B.C.

When Hero's book was translated into English in the sixteenth century, the Marquis of Worcester and Dr. Papin studied the principles set down, and by their experiments laid the foundation for the engines of, first, Savery, then Newcomen and, later, Watt.

We thus see that steam engines, like every other modern mechanism, are a combination of all the ideas handed down through the years. We are therefore co-heirs one with the other to these ideas, and have an inalienable right to a share in the product of the machine. One person may own a machine—i.e., a mass of inanimate metal—but he does not and cannot own the ideas, which give the machine value unless he is the inventor, and then his title is recognised only for about twenty years.

HUMAN LABOUR IRRELEVANT

In the few short years since 1774 man has invented and to a large extent developed every other heat engine now in existence. These heat engines, using stored solar energy in coal, oil, water, etc., are developing not less than one thousand five hundred million horse power throughout the world today.

The true significance of this mighty force and its relation to man's productive capacity can be fully appreciated only when compared with human energy. One horsepower will do the work of ten strong men. Thus man has at his disposal an army of mechanical slaves amounting in all to fifteen thousand millions, enough to provide each man, woman and child with at least seven tireless slaves, who produce unceasingly and consume scarcely anything.

Man with his machine has, in fact, harnessed the inexhaustible power of the sun, "thus making all finding based on human labour irrelevant, because the rate of energy conversion of the modern machine is many thousand times that of man."

Parkinson, of Beechworth, the barrow-pusher, if he achieved nothing else, demonstrated beyond argument the irrelevancy of human labour. After eight days of strenuous effort he reached his objective. It has been estimated that in this effort he exerted approximately eleven million six hundred thousand foot pounds of work. The significant facts for us are, however, that Yallourn power station develops the same amount of energy in one fifth of one second, while in Melbourne we pay nearly two pence for it. As eighty per cent of every account for electrical energy is interest on capital invested, the human labour value of Parkinson's effort was a fraction over one farthing.

SAVING LABOUR ON FARMS

Between 1911 and 1928 the population of Australia increased by nearly two millions. During those years our annual production of wool increased by 200 million pounds in weight, our butter by 77 million pounds in weight, and our cultivated land by nine million acres (nearly twice as many acres under cultivation as in 1911)—yet we employed 50,000 fewer workers in primary industries in 1928 than we did in 1911.

According to Professor Laby, of the Melbourne University, labour-saving machines on the farms of the United States have saved the labour of 13 million men in the last 30 years.

"The enormous increase in power machines on the farm," says Colbourne, "was responsible for a reduction in the number of farm workers of nine per cent, in the ten years ending 1920, while at the same time production increased 11 per cent."

Professor Soddy, the noted English scientist, states: "The productive capacity of Great Britain has increased 4000 per cent, since the introduction of mechanical power."

It has been estimated that 4000 men equipped with modern appliances could produce the whole of the United States wheat crop, whereas five million would be required if they used the appliances of 100 years ago.

Since Eli Whitney invented his cotton gin in 1793, millions of pounds have been spent in an endeavour to mechanise the harvesting of field cotton. Until recently this expenditure was of no avail, and hand picking, although slow, remained the only satisfactory method. Now cables from America tell us that a machine has been introduced which will gather as much cotton in 7½ hours as can be picked by hand in a season of 11 weeks. This means, of course, that 986 hand pickers out of every 1000 will become saved labourers.

SAVING LABOUR IN FACTORIES.

Although the facts relating to primary industries are necessarily brief, and tell only part of the story, they are nevertheless convincing. They are, however, as nothing

compared with the modern labour saving machinery which has been introduced into our factories. If we take one industry out of many—the motor industry—we get some idea of the speed at which we are approaching a state of complete unemployment.

"The automobile industry", according to an association of American engineers and technologists at Columbia University, "reached its maximum capacity of eight million cars a year in 1925 and 1926, but in 1925 it operated with 47,000 fewer men than in 1924, and in 1926 with 69,000 fewer men than in 1925, while maintaining a constantly increasing production."

The city of Detroit alone produces the whole of Australia's requirements of motorcars, 30,000 per year, in two days.

Herbert N. Casson, the well-known business expert, writing in "Maclean's", said: "There was only one automobile manufacturing company in the world that paid a hundred per cent, dividend this year (1934), and this was British. Since 1926 this company has increased its output and exports by 500 per cent, and its wages 145 per cent." This British company was apparently among the fortunate few who make profits. Even with this enormous increase in turnover the increase in wages was small. The increase of production exceeded the increase in wage payments in the eight years by 355 per cent.

One of the reasons for this vast increase of production over wage payments was given by Stuart Chase in his book, "Men and Machines." He tells us of an automatic plant for producing car frames which must turn out 75,000 a year to pay its way. "Viewed from outside," he said, "the plant and its machines are making motor car frames absolutely unassisted. One hundred per cent, automatic performance has been substantially achieved."

In 1904 it took 1291 man-hours to build a motorcar. In 1928 the same car could be built in 92 man-hours. Today, due to improvements in process and more automatic machinery, only 19 men are required for every 250 employed in 1928.

AUTOMATIC PRODUCTION.
The evidence submitted thus far should prove beyond reasonable doubt that man has, by harnessing the inexhaustible power of the sun, brought into play forces which have lifted, for all time, Adam's curse. The burden of toil has been removed from man's shoulders and placed on the back of the machine.

But, although famine has been banished from the face of the earth, stark poverty is the lot of countless thousands of saved labourers, who, being without jobs or incomes, cannot claim their rightful share of the products of the machine.

We employ machines today because they save wages; because they save labourers! Yet, by some extraordinary process of reasoning we expect the saved labourers to buy the goods, which the wage-savers produce.

This will be made clear if we remember that an industry which pays £100 to machine operators must add many charges—i.e., the wages of the machine—into price to remain solvent. Now, it must be equally clear that these charges cannot possibly be income to anyone until the goods are sold. This being the case, it necessarily follows that a large part of the goods we produce cannot be bought with money distributed in their production.

Due to the mechanisation of industry, especially during and since the Great War, the direct labour payments are becoming smaller, while the machine charges are increasing with every improvement in process.

Many industries have been so mechanised today that they have become almost entirely automatic. For instance, it is reported that the

IN DEFENCE OF BANKERS

People are forever trying to rob bankers, and it won't do! It is anti-social; it is unkind. What—hath not a banker eyes . . .? If you prick him, will he not bleed . . .? If you wrong him, shall he not revenge . . .? You take his bank, when you do take the prop that doth sustain his bank.

These honest reflections sprang to my mind immediately my sorrowing gaze encountered an item in today's newspaper. A Mr. Sea Chandra, banker of Calcutta, has complained to the Paris police because "conmen" have separated him from £200 sterling. This is wrong. It strikes a blow at the very foundations of our civilisation. Such deceit destroys that faith in human innocence without which no banker could carry on his holy office. I know there are those who will scoff at my sturdy indignation. To such people nothing is sacred—not even the authorities; nor even the bonny Banks. Such triflers and sophists pretend that stealing money from a Bank is no more felonious than snatching a kiss from a woman; there is an illimitable reserve with which

to make good the deficit. All right. I am no technician, I am only a moralist. I do not know how Banks work; I merely know the cliff emits between good and evil, as any honest man may do, if he follows the promptings of his conscience. And so I say that stealing money from a Bank is sinful: aye, and so is snatching kisses. What if these things should mean no actual material loss: there is still the moral harm done, net, only to the individual, but to society. Even if bankers and women should like such robbery—and I am not prepared to admit this—they must still protest against the outrage, and they do not necessarily protest for themselves; they protest in the name of humanity, progress, decency, the widows and orphans, and all who must suffer were such criminal conduct permitted to go unchecked.

No; bankers and financiers have, because of their reputable wealth, ever been a ready mark for the unscrupulous. A story current in older days, but now forgotten, will illustrate the kind of attack to which bankers are so often subjected, and also show the wise methods by which they protect themselves.

In the early days of the private Scottish Banks, there existed great fairs at which much cattle was sold, and the farmers were often vain, stupid, purse-proud sort of fellows. One of these farmers met a banker at an inn, and the two sat, after their supper, before a blazing fire. As great men will, in their moments of relaxation, these two spoke of money; and the farmer declared that he had more cash than the banker. For his part the banker did not deny such a contention; but, somehow, his tone suggested that the farmer might be in error. So the farmer bet that he would burn a pound note for every note the banker would burn; and the banker, a little saddened, by such crude ostentation, yet agreed to the wager. So the farmer cast a note upon the fire, and so did the banker; and, in the fullness of time, the farmer felt constrained to stop, whilst the banker showed no sign of perturbation.

Now, in those more ancient times, when this story circulated, it was readily comprehended by most educated people; but, today, the story has somehow been forgotten, and possibly it is best to explain why the farmer stopped whilst the banker was ready to continue this destruction of money. The notes that were burned were drawn upon the banker's own bank; consequently their destruction by the banker cost him nothing, whilst their destruction by the farmer put

(Continued on page 7.)

LECTURE.

"The Need for a New Social Order."
By Rev. J. T. Lawton.
(Founder Christian Social Order Movement),
and
Rev. C. D. Brock
(President Social Credit Movement of Victoria)
Chairman: Mr. D. Robertson,
(President Social Credit Movement of Victoria.)
Town Hall, Box Hill,
Wednesday, 25th Sept., at 8 p.m.
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ROYAL SHOW

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ANOTHER MOVE TO ABOLISH POVERTY

Williamstown Instructs Its Parliamentary Members

The lead given by Coburg some little time ago was followed by Williamstown on Monday evening, when a public meeting, presided over by the Mayor, was held in the Williamstown Town Hall, the object being to instruct the Parliamentary representatives of the district to abolish poverty. Speakers included the Rev. J. T. Lawton, Mr. John Lemmon, M.L.A. for Williamstown; Mr. E. J. Holloway, M.H.R. for Melbourne Ports; Mr. P. T. Burke, President of the Williamstown Vigilance Association; Mr. De Chene, President of the local unemployed group; Mr. P. M. Ireland; Mr. G. B. Maltby, Campaign Director of the League of Democrats; and Dr. John Dale, Health Officer of the City of Melbourne. The large audience followed the speakers with rapt attention, and the many questions indicated intense interest in Social Credit proposals.

WHY NOT DO IT?

"Do you really think that the People of the world are interested in abolishing poverty? Then, if they are, why in the world don't they do it?" the Rev. J. T. Lawton asked. "We say times are bad, and yet it is an undeniable fact that in the natural and physical sense times were never better. The world today is wealthier than ever before in human history. Its potential wealth is simply incalculable and yet there are millions of people who are below the bread-line! Somewhere there is something terribly wrong. The position we have come to is that human beings can take part in the production of a superabundance of wealth and yet have little or no right or title to it. We cannot keep on in this way very much longer, and the more you examine it the more you will become convinced that if we try to keep on the result will be a few people with more and more wealth under their control, and consequently, more and more power, and the great multitude of people without any title to the wealth of society. That is the kind of thing that is in front of us. The aim of financial capitalism is world domination, and a resultant new serfdom. If you don't want that serfdom, you have to try and understand what is wrong and demand that those who rule shall bring in the necessary legislation to give effect to your desires. Man invented machines that quickened the pace of the worker, because he had to keep up with the machines. Today that is all passing. We have moved out of the machine age into the power age. It has not reached its maximum here; it is merely in its infancy. Man is inventing machines the processes of which are automatic. Solar energy converted to coal, and finally to electricity, is supplying power to the machines. No longer is man, producing what he requires by the sweat of his brow. He has shifted the burden from his own shoulders and harnessed energy. Technical skill can produce the material requisites of life. If we only understood the secret of organisation of distribution, and if we only adopted fresh methods of distribution, then the material requisites of life could be almost as free to us as the air we breathe.

"I grant you it would probably need a tremendous change in our viewpoint. In my judgment, what is keeping you from realising that kind of world is

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not what you call the 'big capitalist'; it is yourselves, because you have exactly the same kinds of minds that the capitalists have. All over the world they are crying out to stop producing. Here is a world capable of producing wealth incalculable, yet, according to our present way of thinking; unless you work you are denied the right to live. We are on the verge of an entirely new civilisation. Will we open our minds and make the necessary adjustments? Will we abolish poverty and give man a reasonable chance of coming into his inheritance? If we don't, then the same fate awaits us as has befallen other species in the long biological development. It is our bounden duty to demand that the necessary legislation to give effect to this solution be placed on the Statute Book."

SOCIAL CREDIT THE RIGHT LINE.

Mr. John Lemmon, M.L.A., stated that the one thing that stood between the producer on the one hand and the consumer on the other, was the control of the credit power of the various countries of the world. At the present time there was a vast amount of poverty in the States of Australia. Men and women were standing idle in the market place, their only fault being that no man would hire them. The States were indebted to the extent of millions of pounds, and Parliament had been forced to declare moratoriums. This indicated a state of society that was a menace to civilisation and a disgrace to a democratic people. The income tax revenue had been increased by taxing those people who were in receipt of incomes under £4 per week, three-quarters of a million had been deducted from the Children's Welfare and other social services, and the number of unemployed had increased from 37,000 to 120,000. Yet the one common policy pursued by governments in order to bring about a reconstruction was that of going to private banks to borrow money, in an attempt to borrow their way to prosperity—loan upon loan, and loan to pay loan. The national debt in 1900 was £197,000,000, and in 1935 it had been increased to £1,233,000,000. Between 1919 and 1933, £871,000,000 was paid out in interest, whilst the debts were still accumulating. The present depression had been brought about solely by the contraction of credit. To improve the social conditions their first step should be to secure the control of the financial credit of the country in the hands of a public authority. Social Credit seemed to him to be the right line to follow for the purpose of grappling with the question.

Mr. E. J. Holloway, M.H.R., held the opinion that the competitive trade system in operation at the present time was to blame for a good deal of the existing distress. The present system, he thought, had outlived its usefulness. Religious and political freedom was not much good unless we had economic freedom as well. No case could be made out for the economic system, as it existed today, when the standard of living was lower than ever before in his lifetime.

NO MONEY FOR A DOCK.

Mr. P. T. Burke stated that Williamstown was in need of a clock and other public utilities, but the city had to go without because the Government had met them with the statement that "there was no money available." The retailers could easily buy more goods if the people had the money to purchase them. It was the duty of everyone to learn as much of the position as possible.

BAGS FOR BLANKETS

Mr. De Chene vividly portrayed the hardships of the unemployed under the present system. "I have gone into homes and tears have come into my eyes when I heard the cry for food," he said. How many of the people know that half of the men working on

sustenance leave home with nothing in their stomachs? There was certainly something in the home, but either they or the children would have to go without. All they asked was the right to live. In a great wool growing land such as Australia, most of the children of the unemployed are covered at night with bags. The unemployed are beginning to be pushed out as something that doesn't matter.

THE NATIONAL DIVIDEND

Mr. P. M. Ireland, A.A.I.E., said he belonged to a profession that had largely helped to put thirty million people out of work. Engineering and science had for many years been engaged in the development of labour-saving devices. In America, in one factory, automobile side frames were being turned out at a cost of approximately 5d each. A factory for the manufacture of rayon (artificial silk) was under the control of one man alone, who operated a switch board. In every industry they would find the same tendency towards mechanisation. Machinery was displacing man. Man, from being a worker, was very rapidly becoming an ornament. As an engineer of twenty years' experience, he could say that men were being displaced in hundreds every week by machinery. There was an absolute abundance of the necessities of life, yet there was poverty. The goods produced by the machines had to rot under the present insane system. Starving-people could not purchase them because they did not possess sufficient of that flimsy little thing called money. Members of the engineering profession had devoted their lives, among them some of the most brilliant lives the world had known, to lifting the load of drudgery from the shoulders of men. Science and engineering had succeeded, but the means of distribution, money, had absolutely prostituted their magnificent efforts, and instead of being a benefit to mankind, they had become a curse. To abolish poverty they should set their productive mechanism to work, and produce all the goods they could, and then assure a reasonably equitable distribution of these goods. If this were done in Australia the result would be more than sufficient to abolish poverty. They were not going to achieve this by going to Arbitration Courts and asking for higher wages, nor by lowering wages, nor by raising taxes. The cost of goods at present represented wages plus the depreciation of the machine engaged in their production. Eventually the price of goods would be represented by the depreciation of the machine, and practically no wages. Every child born into the world had the right to live its life, and live it decently. The only way of doing this was by assuring him an income, so that he could be decently fed, clothed and educated. They could accomplish this by means of a national dividend for every man, woman and child. To do this it would be necessary to alter the foundations of the existing money system. It was time the nation asserted its own right to create credit as required. When all was said and done, all that the banks lent were a few pieces of paper and some figures in a ledger. The nation needed the right to create and issue its own money free of interest, and when they gained this they would be able to distribute a national dividend.

LEAGUE TO ABOLISH POVERTY.

Mr. Maltby, Campaign Director of the League of Democrats, outlined the proposals and the objects of the League. The League was organising a house to house campaign in this and other States, and asking people to sign a request that Parliament take steps to abolish poverty and make the necessary alteration in the money system to enable this to be brought about. Those who signed would also pledge themselves to support candidates who were prepared to carry the proposals into effect.

JUSTIFICATION OF A DIVIDEND.

Dr. Dale, health officer of the city

IN DEFENCE OF BANKERS.
(Continued from page 6.)

money, to the amount of the sum burned, in the coffers of the Bank.

It is fortunate indeed that the Authorities are usually capable of protecting themselves against these continual attacks from those who would defraud them. I am reminded of another story, which tells how an attempt was made to extract money from a financier, and how that attempt failed.

There was an old woman who claimed to be a philanthropist. She was always thinking of the poor, and this cost her nothing because she collected money from the rich, retaining only a small "rake-off" for her personal expenses. Once she tried to collect £100 from a rich banker; and, very rightly, he refused to give. The old woman was ignorant, and the banker explained

of Melbourne, after reviewing the remarks and arguments of the previous speakers, continued: "The last few years have brought it home to us how extraordinarily important it is who controls credit. All the complaints about democracy having failed amount to this—that democracy has not been tried. Whatever Government has been put in power has had to do what it has been told. Industry, privately owned as it is, is controlled by those who control finance. We are faced with a monstrous paradox—prevailing poverty in the midst of plenty. We have arrived at a crucial stage of life on the earth. Never before has man been in such a position of power. A new situation has arisen. I feel most of you share my idea that a new brotherhood of man is now possible. Unless some steps are taken, we will very likely fall into chaos. Certainly, I think, within quite a few years we will be forced into another world war. The last war blew the gaff, and exposed war in all its filthy horror, yet here we are preparing and regarding it as the inevitable result of the existing financial system. Is the National Dividend, money for nothing, so mad? How many people have drawn a dividend for nothing? Are these people degenerate and useless and lying on their backs? You don't want work, what you really want is goods, that is, real wealth. By far the greatest factor in the production of wealth is the accumulated inheritance of invention of past ages. One man working for an hour or two produces ten or twenty times as much as a man did in a day fifty years ago. To my mind that is the moral justification for the National Dividend. I hope you will act immediately, and work for the introduction of a National Dividend and the abolition of poverty."

Mr. Dixon, president of the Williamstown Douglas Social Credit branch, moved a vote of thanks to all taking part in the meeting. Mr. Rutley seconded.

to her the evils of charity, telling her how it merely perpetuated poverty; and how it hindered progress by assisting the unfit at the expense of the fit, in defiance of all the clearest teachings of science and the laws of Jehovah and Darwin.

But the old woman, though shaken, remained obstinate in her ignorance, and she said: "These are just high-faluting excuses, made to cover your meanness and love of money!"

So the banker saw that logic and science would not avail; action was required. He therefore seized his chequebook, and with practised hand filled in a cheque for £1000. "Here!" he cried, "You say I'm mean . . . That it's not a matter of principle, but of love of money . . . Well, look at this!" With that he tore the cheque for £1000 into small pieces and threw them on the floor. And the old woman, robbed of all argument, and marveling at such contempt for wealth, slowly and silently left the Bank.

But though most of the Authorities can protect themselves, there are those who cannot—as is shown by the sad case of the banker from Calcutta. Such bankers must be protected. It is not right that plausible Irishmen should be allowed to swagger about, dropping their pocket-books before innocent and tired men of business, and telling stories of how it is necessary to sell the Pope's jewels, or liberate some exalted prisoner of Spain. Such tales only deceive, and, be it noted, such tales could only deceive serious-minded, sober, industrious men, to whom a little profit of several thousands per cent is a matter not to be taken lightly or dismissed too easily.

The point is that confidence men destroy confidence. They should be ruthlessly suppressed. They should have the "cat." Nothing is too bad for them. Their insidious and evil "graft" is cunningly calculated to work only upon such natures as possess the greatest qualities—those virtues of thrift, ambition, and enterprise that have built up our modern civilisation. In short, the confidence man is a deadly menace because he robs only the worthy, and trades upon the greatest merits. Given a noble nature—trusting, and with a sane appreciation of profits—and the "con man" cannot fail. Unlike other criminals, he scarcely takes a risk, or goes outside the law—until he has the businessman's money. Civilisation must wage war on these crooks, then. They have discovered a mean and loathsome way of extracting money from their betters; and, as our newspapers show, these confidence methods scarcely ever fail. As Baudelaire said: "We call a thief the gambler who has found the means of always winning."

—R. LAUGIER, in the "New Age."



THE CASE FOR FINANCIAL REFORM

IV. —The Super-Government that Rules By Scarcity

[The earlier articles of this series appeared in our issues of August 30 and September 6 and 13.—Ed. "N.T."]

The purpose of this article, as its title indicates, is to show (1) that the existing rule of the bankers constitutes a government which, though without responsibility to the people, is supreme over the people's government; and (2) that this rule must inevitably be accompanied by a scarcity in the sum total of our money.

It should hardly be necessary to prove the first contention, as far as national government is concerned. We all know by now that our combined governments, State and Federal, find it impossible to obtain, through taxation, enough revenue to carry on. They have consistently eked out the proceeds of direct and indirect taxation by a series of bankers' loans which today total, in Australian money, the stupendous sum of £1,400 millions, carrying an interest burden of £55 millions a year. This latter figure, as you will remember, coincides with the total amount of our national money—notes and coin—in existence. So you can see what chance we have at present of ever repaying our debts.

WHAT THESE FIGURES MEAN.

Figures so huge as these are difficult to grasp. Perhaps we may realise their significance a little better by applying them to things, which affect us more closely.

The annual interest toll on our public debt equals our total Federal taxation—customs, excise, sales tax, land tax, probate and succession duties, and income tax. It is one and two-third times as great as the sum total of all taxation collected by the six States. It is five times as great as the sum total of old age and invalid pensions, and eight times as great as the total of war pensions. In short, it accounts for and absorbs over 60 per cent, of our combined Federal and State taxes, direct and indirect. This is the price we pay for the Prime Minister's slogan of "Leave the Banks Alone."

Some weeks ago we had the spectacle of State Premiers jostling and elbowing one another in the Loan Council. The purpose of that jostling was the eagerness of each to get the biggest possible share of new debt—to be followed by new taxation forever. In spite of it all we find every responsible (save the mark!) Minister complaining that he cannot get enough money from the

bankers to run his department properly. Slums remain, hospitals and schools are hopelessly inadequate and overcrowded, roads and bridges are unmade and in disrepair, water and sewerage schemes are not carried out, transport is years behind the times, farmers and manufacturers cannot sell their goods, people in need cannot buy them—and all because we are short, not of men or materials, but of the money by which bankers rule us.

So much for our national position. Turning to public and semi-public bodies and corporations, we find that in nearly every case from a half to three-quarters of their gross revenue every year goes to pay interest also. They, likewise, are in the hands of the banks.

And what about industry? This is no less enslaved. It was shown in the figures quoted last week that all but £22 millions of the £555 millions appearing as bank deposits in Australia last March was bank-created money. Hence, unless banks make money available, neither industrial concerns nor individuals can possibly have financial capital. It follows that concerns, which are favoured by banks, may succeed, and that concerns, which are not favoured by banks, must inevitably fail—that is, of course, concerns in a large way of business. This is well illustrated by a glance over the boards of our biggest and most powerful companies. Scarcely one will you find that is not nowadays openly and directly linked up with one or another of our private banks.

THE CASE OF BARNET GLASS

Let us take an example from current history. The Dunlop-Perdriau Rubber Co. has as its chairman Mr. W. A. Watt, an ex-politician, whose offices are in Collins Gate, the annexe of Collins House, Melbourne, and who is most intimately associated through company directorships with the Collins House banking-industrial-insurance-trustee company group. On the board will also be found Messrs. C. L. Baillieu and Alec. Stewart, and Major-General F. G. Hughes, representing Collins House interests. Amongst other directors is Sir Eric Geddes, chairman of the original Dunlop Co., of a number of its subsidiaries, and of Imperial Airways, and who is very closely connected with English banking interests. The banking affiliation

of this company should be clear enough.

The Dunlop-Perdriau Company owns the whole of the ordinary shares in the Barnet Glass Rubber Co. Barnet Glass Rubber held its annual meeting last week, at which the net profit for the year was disclosed as £45,000. But, like nearly every other company, this profit was not obtained in cash. The company's cash position was £124,000 worse than last year, a current account credit of £64,000 having been turned into an overdraft of £50,000, and the company's holding of Commonwealth Loan, £10,000, having been sold.

But, in spite of its overdraft, did the Barnet Glass Company have any difficulty in paying out £42,000 in dividends? It did not. What is more, it is making out of its reserves of £220,000—not one penny of which, of course, is in cash—the magnificent appropriation of £120,000 to its ordinary shareholders, the Dunlop-Perdriau Company. So here we find a company which has no cash in hand, but which owes tens of thousands of pounds to its bankers, able to disburse £162,000 in dividends!

Do not get a false impression from this. The Barnet Glass Company is a thoroughly sound trading organisation. Its paper profits and its real assets are unquestioned. But those assets (and reserves) are

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mainly in the form of properties, plant and stock. And if it were not in the good graces of the bankers—see the Dunlop-Perdriau directorate—it could not pay any dividend at all; or alternately it would have to make a forced realisation of its assets to do so, thus effectively cramping its further expansion.

The Dunlop-Perdriau-Barnet Glass instance is chosen only because it is the last balance sheet of its kind published as this is being written. But it is typical of how business is conducted, and of how effectively big business is now controlled by the private bankers with their counterfeit money.

SCARCITY.

So much for the control. Now for its reason—scarcity. We have just seen that Barnet Glass, one of the soundest trading organisations in Australia, has nevertheless no money; on the contrary, it is heavily in debt. Its profits are paper profits, and it is able to pay a cash dividend only by getting further into debt; the same thing applies to its reserves, representing undistributed paper profits of the past.

This position is not an exception. It is the general experience of all major companies everywhere. Why does it arise?

The explanation, in view of what we have seen in preceding articles as to the source of our money supply, is quite simple.

When a company like Barnet Glass applies to the public for its capital—representing in this case £750,000 paid up—it takes a certain amount of money from the community. Through the erection of buildings and plant it again distributes through the community various sums. These sums, naturally, cannot be more than the financial cost of properties and plant, so that when the factories and machinery are ready to turn out goods for sale, the community has no more money in its poss-

ession than it had before the enterprise was started. The position is: On the one side, new factories, new machinery; on the other, share scrip. Nowhere is there any additional money.

Very well; now look at any company's balance sheet. Look at Barnet Glass. What will you find? "Footscray freeholds, less depreciation"; "Sydney leaseholds, less depreciation"; "Brisbane freeholds, less depreciation"; "plant, machinery, etc., at cost, less depreciation"—and so on. What do all these depreciation items signify? They are all necessary, unless a company's assets, through physical wear and tear, are to dwindle to nothing, leaving its shares valueless. The depreciation charges mean that the company must regularly get back from the public, in the price, which the public pays for its goods, such sums as represent the physical wear and tear of its capital assets. But the public cannot pay what they have not got, since, as we have just seen, the capital assets, when brought into being, were not monetised.

Right through industry, whether primary or secondary, we find that this prevails. New real wealth is being added to the community every day. Is the nation issuing any new community money to correspond with it? It is not. Our national money is no greater in quantity today than it was years ago.

How, then, is business carried on? By the private bankers supplying us with their counterfeit money, which they treat as their own property, and upon which they charge us everlasting interest.

There are many other ways in which a shortage of money is brought about apart from that already indicated. And they are all ways, which deliver us, bound hand and foot, into the bankers' clutches.

To sum them up, the position of productive industry is this: If it is to carry on without bankruptcy, it must recover from the consuming public, in the price, which it charges for its goods, every item of its financial costs. The price which you pay for a Barnet Glass tyre or tennis ball includes something for depreciation, something for interest on its bank overdraft, something for shareholders' profit, something for the bad debts of others (who, through shortage of money, will be unable to pay for the goods they receive on credit), something for reserves, and so on.

In many cases (for example, profits, reserves, bank interest) the money which consumers are thus expected to pay now will not be in the hands of consumers for a long time to come, if ever. In many cases the money (even as bankers' counterfeit) does not exist.

PROFIT.

Just consider the item of profit, or the wage of the producer. Take the simplest case. Suppose yourself to have £10, and to outlay this money in making something. You pay out, perhaps, £7 or £8 for materials, and the balance in wages to an assistant workman. Leave out overhead charges of every description. You have helped your workman. You must get something for your labour (profit), otherwise you will starve. Call your profit £1. You must now charge £11 for your product. Where is the £11? You have distributed £10, and £10 only, to enable the community to buy your product. Where is the extra £1 to come from? It is no good to say you will spend this £1 when you get it. The plain fact is that the £1 does not exist. Of course, you may get the £1, but if you do it must inevitably be because someone

else, who has produced, say, another £10 article, will have to sell it, not for £11, but for £9.

There are two alternatives. One is illustrated by our £1400 millions of national debt. This means that the bankers create your profit, and lend it to the government to spend on public works—goods which are not offered for sale, and which, therefore, put money into the hands of consumers to buy industry's otherwise unsaleable products—or on a straight out gift of money to consumers in the form of doles and pensions. This way puts the entire nation into pawn to the bankers.

The other way, as we have seen with Barnet Glass, is for the banks to monetise industrial profits by way of overdraft. This way puts industry and individuals into pawn to the bankers.

And that is where we are all today. The whole of Australia is one vast Mont de Piété. We are more truly in slavery than mankind has ever been before. And only for one reason, which is that we have surrendered control over our money supplies, our only effective means of distribution, into the hands of a little gang of counterfeiterers who, by the greatest swindle the world has ever seen, are now our absolute masters.

Yet the way out is ridiculously easy. All that is required is for the community to reassert its control over its own issue of money tokens, and to regulate the issue to suit its own needs. It does not follow that we must exterminate or nationalise the banks, as banks. But it does follow that we must restrict them to their true functions as safe deposits, trustees, and accountants—which would give them an honourable standing, the friendship of the community instead of its hostility, and ample profits for their genuine services. What we must take from them in its entirety is the mastery over us, which they have achieved through counterfeiting. If we do this we shall no longer be humbugged by being told that what is physically easy is financially impossible.

(Conclusion.)

First Social Credit Play in Melbourne

A number of members of the Social Credit movement in Melbourne have decided on a novel form of educating the public in Social Credit ideals, and a play entitled, "Balancing the Budget", or "What Is Wrong With Rusticania?" will run for three nights at Scots Church Hall, Russell St. The dates are Thursday next, Sept. 26 (Show Night), "Friday, 27th inst., and Monday, 30th inst Tickets are

There has been a great amount of preparation for this play, which includes four acts with twenty characters, and both those who understand Social Credit and those willing to learn more about it (especially Show visitors) are asked to attend. The funds will be devoted to Social Credit activities.

Ticket sellers are requested to apply for tickets to the Douglas Credit Rooms, No. 8, First Floor, The Block, City. Green tickets are for Thursday's performance, pink tickets for Friday, and buff for Monday. The producer is Mr. W. F. Allen, who promises something exceptional in acting and in richness of costumes.

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