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Go Broke and Save Your Country!

"Unfortunately many men on the land have had a very trying time in the last few years, and many have become insolvent, but in the process of becoming insolvent they have done much to maintain the solvency of the State."

Was this statement delivered at a foregathering of lunatics in some mental hospital? Well, it was not uttered in an asylum, at all events. The words quoted were part of a speech made by the Premier of Victoria, Mr. Dunstan, at the official luncheon of the Royal Agricultural Society of Victoria last Friday. What is more, paradoxical to absurdity as it may sound, it is literally true the bankruptcy of producers help to keep the State finances solvent.

This is easily seen when we look into our community finances as are at present conducted.

SIR R. KNOX'S ENTHUSIASM

A splendid amplification of Mr. Dunstan's text is to be found in the enthusiastic oration that was delivered by Sir Robert Knox (of Knox, Schlapp & Co., of Collins House, agents in Australia for Vickers-Armstrongs) in his presidential address to the Associated Chambers of Commerce in Melbourne last January.

On that occasion the Collins House Knight said that we should be "everlastingly thankful" to Britain because, though our exports to her in 1931-32 were £10 millions less than five years earlier, "the drop in the total value of exports was far more than outweighed by the decline in the price level, so that Britain really took a greater quantity of our produce in 1931-32 than in 1926-27." Sir Robert went on to explain that our exports of butter went up from 63 to 185 million lbs., of meat from 153 to 286 million lbs., of wool from 242 to 286 million lbs., of sugar from 620,000 cwts. to 5,400,000 cwts., and of wheat from 16 to 29 million centals. As Sir Robert put it: "We nearly doubled our exports of meat and wheat, and trebled our exports of butter. . . I hope Australia will ever realise the full extent of the debt we owe to Great Britain."

Taking Sir Robert literally, the Lord knows we are not likely to forget the extent of that debt. For the great increases in exports, which he noted, were applied almost entirely to paying interest on the debt. And it was in order to pay that interest, and so, as Mr. Dunstan said, to maintain the solvency of the State, that our farmers in 1931-32 and in all the other recent years have been going insolvent. Producing often two and three times as real wealth as ever before they have been

selling it at a price which did not even give them back their own out of pocket costs, much less show them a fair wage for themselves.

TAXING OURSELVES INTO PROSPERITY.

Our farmers have done more. For many years before the depression, for many years before the exchange rate was raised 25 per cent — allegedly to help the exporting farmer, but mostly, one suspects, to help the mortgagee financial institution — the farmers have sold on a free trade market and bought on a high tariff market. Thus also have they headed towards bankruptcy for the solvency of the State.

Have you ever tried to think without prejudice about tariffs? Leave aside for a moment the stories about local industries, higher standards for the worker and all that sort of thing, and ask yourself just what our tariff means in practice. That it has not raised our general living standards seems pretty evident when we consider that the basic wage today, in spite of all our improvements in process, has a lower buying power than it had when it was first fixed in 1907.

You get some inkling of what the tariff means when you consider that the Lyons Ministry has shown scant sympathy towards either the Australian worker or the Australian manufacturer, and that Mr. Lyons himself boasted in Canada recently that "the Tariff Board was not hampered by political interjection and orders." The meaning of that is fairly clear, and it is made more clear in the light of Ottawa and of the numerous reductions in duties recommended by the Tariff Board. Yet we find that we still have a heavy tariff. The truth is that the Ministry dare not abolish the

tariff. It dare not adopt to any great extent either free trade or prohibitions—both of which are logical. For, whatever motives started the tariff, it is today the Commonwealth's greatest source of taxation. Last year the Customs accounted for £22 millions out of total Federal taxation revenue of £56 millions. Leaving out excise (£11.9 millions), it equalled the sum total of all the other Federal taxes put together. And this is the real reason why a government, no matter how free trade by inclination, must always keep tariffs in practice, even if there were not a single factory wheel turning in Australia.

Supposing the latter eventuality were to happen, you would find that the principle of preferential tariffs would be extended, but the impost would not be abolished. And this brings us to the next way in which the farmer has been bankrupted in order to make the State solvent.

REBUFFING THE FARMER'S CUSTOMERS.

For long years we have erected particularly hostile barriers against some of our best customers, and notably against Japan, Germany, France, Italy and Belgium. In the case of the last named country we have just been told that the truce patched up by the marvellous Mr. Bruce last year is about to end, with further disastrous consequences to our farmers. Yet Belgium, like all the other countries mentioned, has no desire to break off trade relations with us; far from it. Why, then, cannot our Bruces, our Lyonses and our Gulletts make trade treaties?

Have a look at these figures: From 1926 to 1934 our sales to the five customers noted came to an aggregate of over £300 millions; our purchases from them

were less than £100 millions. The only reason that stops us, not merely from preserving our trade with them, but from expanding it considerably, is that we will not allow them to pay for their purchases with their goods. In other words, we are ruining our farmers "to maintain the solvency of the State." We are putting high tariffs on the products of these countries, we are preventing our farmers from doing business with them, and, incidentally, we are making their goods dear to our people, in order to increase our national revenue through taxation. A sum equal to the whole of our annual Federal taxation is required to pay the interest on our national debt, to maintain our national solvency, our credit in London, "confidence" — and all those other mystic virtues upon which the Prime Minister is so fond of dilating.

And the joke of the whole business is that, in spite of bankrupting our farmers, in spite of all the other painful devices praised by Mr. Lyons, Mr. Dunstan and all those other shallow politicians whose futile utterances would seem to indicate that they are either ignoramuses or rogues, we are, even by their standards, hopelessly insolvent. We have never been anything else since they were born. And our position is daily growing worse. There is no recovery. Politicians who tell you there is are deliberate liars. Recovery under present conditions is a physical impossibility.

"BALANCED" BUDGETS

The outward and visible sign of recovery to a politician is a balanced budget. A balanced budget means living within our income. But let us be clear on this point. When the orthodox politician, or his master

the banker, speaks of living within our income he does not mean that our production of new wealth must be equal to or greater than the wealth we destroy. He does not mean that we must grow as much wheat every year as we use up for bread, fowls' feed or seed; he does not mean that we must shear as much new wool as we wear out on our backs; that we must build new factories as fast as old ones are dismantled, or anything of that sort. Look around you at the improvements we are forever making, at the increase in our flocks and herds and poultry, at our ever mounting stocks of produce and manufactures of all sorts, and you will at once see that we are living far within our real income and that we could without any serious difficulty increase that income to an almost boundless extent. No; the term, living within our income, has long since been divorced from any semblance of reality, until it has come to signify that financial receipts must be at least equal to financial outgoings. In a governmental sense this means that expenditure on current liabilities — the civil service, social services, the unemployed, and the like — must be covered by current receipts. Government receipts come mainly from taxation, and to a lesser extent from government enterprises, such as the railways and the post office.

Are our governments balancing their budgets? Are they within sight of doing so? Have a look at the national debt figures, now up to £1400 millions in Australian currency and heading direct for the stratosphere. As Mr. John Lemmon, M.L.A., put it the other night, "loan upon loan, loan to pay loan."

So it comes to this. If we are to strive after what we have been taught to look upon as sane finance or a balanced budget, we must all be prepared to go bankrupt. The more of us that sell our goods below cost, or our labour at coolie rates, the better for the State, that is, for all of us. Abolish the home price for

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Senator T. C. Brennan, LL.D., K.C.,
Canberra.

Dear Senator Brennan, —

Some few weeks ago, when your name was mentioned in connection with a judgeship that was expected to become vacant, it was suggested in a section of the press that you are not as young as you might be, and that appointments to the judiciary should be reserved for mere striplings of fifty-eight, like Sir John Latham. You have this week confounded your critics by an oration at the U.A.P. conference, and shown that you still enjoy the fullest use of your faculties by producing a masterpiece of rhetoric and a forest of statistics. Unemployment percentages, Savings Bank deposits, building figures and imports—all these you passed nimbly in review, arriving at the triumphant, if not quite original conclusion that "Australia has made, since the Lyons Government has been in power, progress that has excited the admiration of the whole English-speaking world."

Far be it from us to discount any of your proofs of recovery. But we may perhaps be permitted to ask, in the recent words of the Bank of New South Wales: Recovery to what? We assume that you would reply: Recovery to full time work for all.

In that case we should like to place before you, as an eminent jurist and author of "The Gun Alley Tragedy," this little tragedy of full time work. We quote Wednesday's "Argus": "Mrs. -----, of

Katoomba, today told the Full Bench of the Industrial Commission, which is inquiring into living standards, that it was a tragedy for any of her children to become ill. If a doctor ordered special food not allowed by a lodge she could not afford to buy it. Her husband's wage was £3/15/-, without wage tax reductions. To provide necessities if any of her children became ill she had to seek work. 'If I can't get sewing I go out washing and cleaning,' she said. 'My insurance is the only means of saving. I live frugally.'

"Mr. Justice Browne: 'I think you are a most economical and industrious woman.'"

That, Senator, is the end of the story. Is it the end of the recovery for which you are striving? Whether or no, it represents as high a standard of living as has ever been granted to the wage earners of Australia since the Commonwealth Constitution was established.

In addition to "The Gun Alley Tragedy," you are also the author of a work entitled "Developing The Constitution." If we remember aright, this formed the basis of your Doctor of Laws degree. We would respectfully suggest to you, Senator, that you use your undoubted intelligence and ability to develop the Constitution in such a way that workers' wives would not have to go out washing when their children get sick. We think the title, Doctor of Humanity, though less academic, would be far more a matter for congratulation than Doctor of Laws.

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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sugar, the flour subsidy and every other form of subsidy and bounty, and in proportion as we tighten our belts so shall we have a more prosperous State.

Does the idea strike you as absurd? Well, if it does, there is only one logical way out, and that is a new system of national bookkeeping. Such a system would begin by a bank heresy. It would demand that the budget, as at present kept, be unbalanced, and also that the State cease from borrowing upon the public credit. This system would take cognisance mainly of two things—of the real wealth produced by the community, and of the money tokens in their hands, which enable that wealth to be distributed.

MR. BRUCE'S WISDOM

Over at Geneva last week our Mr. Bruce actually indicated that it has at length dawned upon him that we could do with a bit more nutrition. And so he moved "that the Assembly, having considered nutrition in relation to health and the effect of the increased consumption of foods upon national and world economic problems, believes that a great improvement in health might be achieved in this way. Simultaneously agricultural difficulties would be decreased. It urges Governments to examine practical means of procuring increased consumption."

Mr. Bruce went on to advocate that the League "instruct technical organisations to collect information about measures taken in various countries for improved nutrition through the increased consumption of food" and that it "appoint a committee of agricultural and economic health experts to examine the results and to report to the Assembly in 1936 upon its agricultural and economic effects." This latter part is typical of Mr. Bruce's plausible pretences of doing something while he displays a masterly inactivity upon the true cause of the trouble—finance. "Report to the Assembly in 1936"! Is not Mr. Bruce aware of the report recently issued from Geneva, which says that over two million people last year died from starvation? Why wait for a report upon the obvious until another two million consumers starve and countless more producers go insolvent?

There are only two practical ways of attaining "improved nutrition through the increased consumption of food." One is to give the food to those who are without money to buy it, and so to bankrupt the producers. The other is to give

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WHAT IS AHEAD OF CANADA?

Montagu Norman's Flying Visit

Amongst the items of news about Canada, which our daily press did not give us recently, is the little matter of its having been visited by Mr. Montagu Norman, Governor of the Bank of England.

The London "News Chronicle" reported early last month that Mr. Norman was "sailing for Canada on a holiday." Apparently it was something of a busman's holiday, since the "Observer" of August 11 announced: "Mr. Montagu Norman, Governor of the Bank of England, accompanied by Mrs. Norman, arrived at Quebec yesterday. They are spending two days in Ottawa as the guests of the Governor of the Bank of Canada, Mr. Graham Ford Towers, and will then leave for the United States."

We have not since then seen any further advice of Mr. Norman's later movements.

FEDERAL ELECTIONS.

The Canadian Federal elections will take place on October 14, and the overwhelming defeat of the present Conservative Government of Mr. Bennett by the Liberals, led by Mr. Mackenzie King, is forecasted on all sides. It is anticipated that Social Credit candidates will win a considerable number of seats. The Sydney "Sun's" Vancouver correspondent, cabling on September 7, said: "Social Crediters are busy carrying their propaganda to all parts of Western Canada. They've sent speaking teams through Saskatchewan and Manitoba, and it is probable that between thirty and forty Social Credit members will be elected to the House of Commons. With this weight of numbers, Aberhart and his lieutenants hope to hold the balance of power between the Liberals and the Conservatives. If a Social Credit group thus controlled Parliament, two alternatives would be open. Either the presumably victorious Liberals would be compelled to make concessions to Social Credit, adopting some planks of their platform, or else a merger between Liberals and Conservatives would be forced."

In connection with the two major parties in Canada it must be remembered that the Mayor of Vancouver, Mr. McGeer, K.C., who was elected a few months ago with by far the greatest majority ever recorded, is not only a Liberal with great influence in the West; he has also for a long time past been preaching Social Credit with great enthusiasm.

money to consumers so that they may buy the food.

But governments cannot get this money by aiming at budgets balanced through taxation. Their only alternative is to increase their income from some other source. If they increase it through loans they merely increase the taxation necessary to balance future budgets—remember that the whole Federal revenue from taxation is now only the equivalent of the annual interest on our public debt.

The public debt represents loans. Loans are either genuine loans from savings, which do not add to our money supplies any more than taxation does; or they are new money created by banks. Most of us now realise that they are mainly the latter. If the government, instead of borrowing this new issue of money from private financiers against the public credit, had issued it against the public credit, and without having to pay interest on it, would our position be worse or better? Would farmers, if we did not have to provide a million a week for interest, be told by a Premier that their insolvency helps their State? Would the first servant of the State find it necessary to make a fool of himself in public by suggesting that an accumulation of bankrupts makes prosperity?

As far as we understand, he, like Mr. Aberhart, has his own ideas as to administration, but he appears definitely to understand the evil results of the private money monopoly.

As a breakaway from the Conservatives there is the new party led by Mr. Stevens, who this year resigned from the Bennett Ministry, and who also is denouncing the money monopolists throughout Canada. It may be remembered that the cables some weeks ago announced overtures from Mr. Stevens to the Social Crediters.

The position and prospects, from natural party enthusiasms and from the lack of reliable correspondents, are obscure here at the moment, and will probably remain so until the numbers go up in a few weeks time. Assuming, however, that Social Credit advocates were to have the balance of power in the Canadian House of Commons, there is yet another obstacle to be overcome before any effective or radical reforms can be carried out. This is well expressed in a communication to the London "Observer" of August 11 from its Ottawa correspondent, which we reprint below in full:—

THE SENATE IN CANADA—COMING TEST OF POWER

"Canada is rapidly heading for another constitutional crisis.

"The Government consists of the Crown, the Senate, and the Commons. The Senate has 96 members, the Commons 245. Senators are appointed by the Governor-General on recommendation of the Prime Minister, and hold office for life.

"There have been seventeen vacancies accumulating in the Senate, and the Prime Minister therefore has seventeen appointments to make. He has appointed ten, and the other seven will be announced shortly.

"The Conservatives already had a substantial majority in the Senate, and with the new appointments, many of which replace deceased Liberals, there will be sixty-four Conservative Senators against thirty-two Liberals.

"The Senate has all the powers of the Commons, save over money bills. It cannot initiate such bills, but has power to amend or kill them. There is no safeguard, as in the English Parliament, where a measure, after passing the Commons three times, becomes law with or without the approval of the Lords.

EXTENSIVE POWERS.

"The Senate can thus block any Commons legislation it sees fit. Should a Liberal Government take office after the coming general election, it will be faced by a hostile Senate, which can check every move, and amend or kill every Bill the Commons may pass.

"The dictatorship, therefore, passes into the hands of the Senate, a non-elective body, responsible to no one. Right Hon. Arthur Meighen, a former Prime Minister, is Conservative leader in the Senate. He checkmated even Mr. Bennett's recent dictum that the Senate had no right to amend Bills contrary to Government policy on the subject matter of the Bills.

"Senator Meighen, who is also a Minister without portfolio in the Cabinet, fought this issue out with Mr. Bennett, and the Prime Minister had to give way, leaving the Senate in the admitted position of being able to amend or kill any bill, irrespective of what Government policy may be.

"The extent to which the Senate will use its power with a non-Conservative Government in office will have an effect on the public agitation for the reform of the Senate. As the Senate must agree to legislation for its own reform, the Conservative majority is safe in the saddle, and there is nothing the Government, the Commons, and the electorate can do about it."

ROYAL SHOW

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at the "NEW TIMES" Stand
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THE NATIONAL BANK ON SOCIAL CREDIT

For a long time the National Bank has been very quiet in its Monthly Summary. A year or so ago it used to publish controversial articles in defence of the money monopoly, but some of its more incautious statements were answered in a way to make the Bank pretences look so ridiculous that of late it has wisely taken refuge in silence on such matters. Now, however, as a result of the Alberta elections, it has felt constrained to put out a little more propaganda, and its Summary of the 10th inst. includes an article entitled "Douglas Credit."

We reprint this gem with our own comments.

"Cabled reports of the results of the Alberta (Canada) election," says the Bank, "and the success of 'Social Credit' candidates there indicate how far the desire for relief from pressing difficulties will lead people along the line of illusion."

The first thing to note is that the pressing difficulties of the Albertans are not connected with material scarcity, but only with the distribution of their own plentiful production. But let us see where is the "line of illusion."

"It should be obvious that a community lives upon the goods it produces, not upon the money it has, either in circulation or hoarded away."

This, though an elementary truth, is a useful admission from the bank, since it follows from the admission that money should always be the servant of goods, and that its quantity should be regulated in accordance with production instead of production being regulated in accordance with money.

"A higher standard of living can be obtained by increasing production of goods and services, but not by merely adding to the quantity of money used for exchanging those goods or services."

The first part of this statement, under our present money regime is definitely untrue, as the well-known facts of food destruction all over the world have demonstrated. The production of more money without reference to a corresponding production of goods (though encouraged by bankers everywhere who desire to stimulate gold mining) is certainly senseless, but producing more goods without more money is even worse. For at least gold (which makes one kind of money) will last; goods will not. The point should need no stressing to anyone who has not Rip Van Winkled through these last five or six years.

"Giving each member of the community a bonus will be much the same as making a gift to the poor and needy, but it will add nothing to the sum of useful goods and services available for the people as a whole."

As a matter of fact, it will, because an increasing proportion of the goods now produced by machinery are not available for the people as a whole. They are not available to the unemployed, who have no money to buy them, and in great part they are not available to the lower paid workers who comprise about 90 per cent of those drawing incomes. Neither, as goods, are they of any use to the producers themselves. A farmer wants only a few bushels of wheat for himself; a wireless manufacturer only one set. What the producers want is money for their

goods, in order that they may use this money to buy other goods or services.

"In all modern communities an effort to assist its lower-paid members is made through the taxation system, whereby the larger incomes provide a proportionately greater part of the cost of social services, such as education, old-age and invalid pensions, defence, etc. This fact should be realised, and schemes for further eating into the larger incomes should not be disguised as 'Social Credit' or 'Consumer Bonus' plans, but be placed before the electors, free of subterfuge or sophistry."

With that last sentence we find ourselves in agreement. As was pointed out in the "New Times" (and even in the "Argus") after the Alberta elections, the administrative suggestions of the Aberhart party, as originally put forward, bore no relation to the true Social Credit proposals, since they indicated that the Dividend, would be paid from some sort of taxation, instead of from new money created for the purpose. It seems, however, that these ideas will be corrected by the calling in of Major Douglas himself. As for eating into the larger incomes (not to mention the smaller ones) by further taxation, Social Crediters are quite in accord with the National Bank that taxation, instead of being increased, should be rapidly reduced. But taxation cannot possibly be reduced under present circumstances. The shortage of money in every community is in practice admitted whenever the banks obligingly create new money by so-called loans, which are added to the national debt. Interest on debt accounts for more than half of our taxation whether paid directly to governments or in the form of municipal or water rates. And unless this new money is provided by the government itself, free of interest, taxation must go up instead of down. We would suggest that the Bank check up on this by reading Mr. Casey's Prosperity Budget.

The Bank then proceeds to give a lengthy quotation from the London "Times" Trade and Engineering Supplement, which, it says,

"Points out a fundamental error, which persists more or less strongly in the minds of many people, with regard to the working of our financial system. That error is expressed by those people in the words 'Banks create credit.'"

We do not propose to weary readers by again sluicing over that old ground. In suggesting that banks are not money factories the National Bank has no longer any hope of hoodwinking the public. That cat is out of the bag forever. Its escape was publicly announced by the National Bank's confrere, the Bank of New South Wales, last month. It is at present being broadcast by the "Herald," as is noted elsewhere in this issue.

If the National Bank had any common sense it would now shift its ground and assert that bankers, as money experts, are the right people to manage our money supplies. But by hanging on to the worn out fabrications of a generation ago it is simply proving that bankers have not intelligence enough to manage a crèche.

FRAUD OR HUMANITY?

(By BRUCE H. BROWN.)
(By arrangement with the "Castlemaine Mail.")

Last week we protested strongly against the miserable and cowardly conduct of the people who, after failing to practise Christianity, rush to God in prayer, and seek to place on Him responsibility, which properly belongs on their own shoulders. We also pointed out that it is farcical to expect success from the League of Nations so long as it exists merely as the tool of the international financier. As it so recently told the Government of Greece, it looks upon strict adherence to international obligations as "paramount."

Reference was made to the claim of the League that it had gone to the "rescue" of Austria, and had "saved" it from bankruptcy. To get the significance of what we propose to say this week, it is necessary to remind you again of the article which appeared in the Melbourne "Herald" of September 4. Austria was then referred to as "The Weariest Country in Europe," and the article, written by a man on the spot, told how that little country has been the scapegoat of Versailles, and is both weary and extremely unhappy.

THE FINANCIAL OCTOPUS

Two days after I had written the last article, I received a further instalment of Mr. G. W. L. Day's book entitled, "What's Wrong With the World," and in chapter VII, dealing with the "Financial Octopus," he furnishes confirmation of what we told you about the League and Austria. In giving you the following extract we do so with the strongest feelings of resentment that "such treatment could be meted out to a helpless people in our name, treatment which if imposed on innocent people in other circumstances by other persons would be declared to be the work of criminals. In all seriousness we ask, are criminals at work on the Council of the League of Nations?"

"Some few years after the war, Austria, a beaten nation, dared to try some novel experiments which cut right across the sacred rules of taxation and balanced budgets. Her Government tried the plan of giving her merchants and others sums of money on condition that they reduced the prices of their goods. This was done especially in the case of primary necessities, such as food.

"The results were very remarkable. There was no inflation (inflation means more money, followed by higher prices, followed by still more money, followed by still higher prices, like a puppy chasing its own tail).

On the contrary, things looked up to such an extent that foreign visitors were amazed.

"Colonel Repington, who was sent out there, reported that new and enlarged industries were springing up everywhere; that the papers were full of advertisements; that farming was rapidly improving; and that loaves of bread which cost the State 60 kronen were being sold in the shops for only 9 kronen.

"Everywhere people were becoming happy and prosperous, but the Austrian budget was not being balanced. The man in the street was on the up grade, but the rules of Sound Finance were being broken.

"Then Finance got busy. Here was somebody getting out of hand. Something must be done about it at once. So the Finance Committee of the League of Nations, a useful tool for Finance, was called in to float an international loan to 'save' Austria.

"The League acted as bumbailiff for the bankers. Austria was forced to open her national finances for inspection and superbank monopoly of money, and to balance her budget by heavy taxation.

"She was forced to deflate— that is, to reduce the amount of her money in circulation—just as we were forced to deflate in 1925. And the consequences were just the same, namely—lower incomes, still higher taxes, and stagnation of industry. Bankruptcies rose rapidly, and, according to 'The Times,' suicides increased by 88 per cent.! All this eventually resulted in the Austrian rebellion of 1934, which was a desperate attempt to escape from the shackles of Finance. But it was crushed, and Austria remains enslaved to this day."

Italy, as we pointed out last week, stood ready at the behest of Parisian financiers to grab Austria had the rising been successful.

OUR OWN EXPERIENCE

How like our own experience here in Australia! The policy of deflation made its presence felt in 1929, and from then until 1932 bankruptcies more than doubled, unemployment reached the enormous figure of 30 per cent, suicides increased alarmingly, marriages decreased by nearly 30 per cent, and poverty, sickness and destitution spread in all directions. All because international finance, working through the widespread network of central banks, had decreed that the people of the world were to have less money, i.e., less of the means, which alone give access to the necessities of life.

And yet there was not one word of protest from that sanctimonious body known as the League of Nations. Not only did it not protest, but it actually lent its whole organisation to facilitate the execution of the crime; and Australia's representative, Mr. Stanley Melbourne Bruce, supposed to be one of our "greatest sons," was actually the man who took the leading part in handing over our own public bank to be one of the agencies for implementing the money scarcity policy.

WOMAN AND WAR

More than we have ever previously recognised, we must look to the women of the world to prevent wars and the perpetuation of poverty. How many of you have read the eloquent and piercing article, "Woman and War," written by Rose Henderson, ex-Judge of

the Juvenile Court at Montreal? No woman should miss it.

"The uncivilised woman of the past, when commanded by the State," she writes, "threw her babies into the Ganges or under the Juggernaut car to appease the 'god of wrath.' Today, civilised woman in her ignorance hands her son a gun, and to the strains of music and the waving of flags sends him forth at the command of the State to appease the greed and rapacity of the 'gods of profits.'

"Too long have women been fed on the romance and glory of war. Too long have its realities been hidden from them by hypocrisy and lies. The (death agonies of the dying have been drowned by the din of martial music. The scars of body and soul have been covered up by gaudy uniforms, gold lace, plumes and medals.

"The warmongers have fooled and flattered women into the belief that their menfolk were fighting for their honour, their home, their God, when in reality they were fighting for oil wells, coalfields, new markets to plunder, and new 'spheres of influence' to exploit.

"Economic conditions have forced women to face the question of poverty, unemployment, infant mortality, and prostitution, but in comparison to war these pale into insignificance. Resolutely and fearlessly the women of the world must understand the causes of war or see the race exterminated. The cost in human life of the Great War was approximately 12 millions killed and over 20 millions wounded. The lifeblood, yea, life itself, of women was given to bring forth and nurture these millions, the victims of man's ruthless folly; given, not in the cause of freedom, but in the cause of mammon.

"What a waste of woman's life! What a waste of love! What a waste of labour and sacrifice! What a condemnation of man's religion, morality, and government! Reflect, oh, mothers of the world, reflect!

"Women were asked, commanded in the name of democracy, God, and home, to hand over their sons to the State. Almost without question they did so. In return they were promised that war would be abolished, life made more secure, and their children rescued from poverty, ignorance and slum life.

"To speak of the economic causes of war has been considered seditious and disloyal. Men and women are today lying in gaol for no greater crime than that they tried to enlighten their fellow men on the causes of war and the foul deception that was played upon them. If the menace of modern war is to be removed, **causes of war must be made known...** The Great War was never intended to end war, for in the words of a well-known general, 'War is a great and profitable industry.'

"The ethical effect of the war on the capitalists ('financiers' would be a more accurate term, we think) has been negligible, and they continue their policy of public plunder. They have control of the press, which they use for their own purposes, and news is manufactured for them to deceive the people. Indeed, capitalism (finance?) has increased its power by the war... By means of a press, which, at the word of command, flatters or condemns, which speaks or remains silent—by means of this press, which manufactures news they control public opinion for their own ends.

"Capitalists (financiers?) continue to grow rich out of war investments while the poor grow more wretched. There is an end to the war pensioner and his dependents

A QUESTION OF CHOICE

By G. S. MALTBY.

It seems to be difficult for advocates of Monetary Reform to grasp immediately the implications of the Electoral Campaign, and to realise that if the present system is to be altered it can be done constitutionally only in one of two ways — either by a direct victory at the polls, or by some method similar to the Campaign. Of the former, one can only say that, despite the success of Alberta, there are very great difficulties in organising a party that will command a majority, and very grave dangers that reform would become the plaything of party manipulation and jobbery, so that the final result would be a hodge-podge of ideas doomed to failure from the start. The success of the Campaign, on the other hand, depends only on the energy and will power put into it, and, provided that these are available, its success is assured.

Unfulfilled promises and wearisome delay have made most of us sceptical of easy success, so that the natural reaction to the foregoing is to remark, "Well, I want showing how." What touchstone of success is there in the Electoral Campaign that makes it an assured success?

If we study politics, we find that every move that is taken is hailed as being the will of a majority, and though we personally know it is

but to the war loan there is no end; it will go on as long as the people are willing to pay. Today, scarcely seventeen years after the war, heroes have become beggars but the dance of death proceeds and there seems to be no moral force in the world as yet strong enough to check the lust for power and profit of those anti-human beasts of prey now planning the 'next war'."

Well, you mothers, and those who hope to be mothers, is Rose Henderson correct or not? If she is correct why do you show such little personal interest in this, the most important subject in the world? Finance controls everything, and this all-powerful thing is controlled by a small group of men who are not responsible to anyone but themselves. So far as Australia is concerned, it is within your power to rectify the position immediately, and all that is necessary is for you, who outnumber the men voters, to tell your Federal Parliamentary representatives that there must be no more borrowing, but that in future all money must be brought into existence by the Government as the property of the Nation. When that happens we shall commence the job of wiping off our public debt and the crushing burden of interest, and shall have no further worries about markets and "shortage of funds."

And what about you returned soldiers? Is it not time that you, too, realised that the private financiers who dictate government policy have played false with you? Are we to go on submitting to the fraud or are we to take a stand for humanity?

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nothing so positive, yet we also know that in a negative aspect the claim is correct. It is nothing but the inertia and passive acquiescence of the majority of electors that permits us to be daily robbed of our birthright of prosperity, security and peace, and the problem that confronts us, as reformers, is to secure this passive majority and convert it into an active force that shall be irresistible in its demand. If this can be done the problem is solved, the first step will be taken in reform, and whether or not that first step is Social Credit in its entirety or not, yet by making, and continuing the demand laid down in the Pledge Form, we can be perfectly sure that sooner or later the Acts of Parliament must culminate in the production of a state of affairs that will satisfy monetary reformers of all shades of opinion.

"It is the function of politicians to yield to pressure," said President Roosevelt, and it is the function of the League of Democrats in Victoria, and other bodies elsewhere, to organise and apply that pressure which alone can bring about victory.

Given this mass opinion demanding the Abolition of Poverty, Parliament will hasten to find out how it may be done; it will inquire of experts of all sorts how to set about it, and among those experts must be the exponents of reform, the only people who claim to be competent to see the job through. This is the chance for the technician, but we, the rank and file, must do our work first, and if we fail, then we may wait for reform in vain.

Much has been said lately on this subject, but it can all be boiled down to the final choice of propaganda or action. That is the question now before reformers, and as in any case our personal opinions are not likely to be canvassed by Parliament, and as we must demand results and not methods, it should not take long for a thinking person to decide on which side the weight must be used.

Propaganda has its place, and a very valuable place, and the conduct of the Campaign will greatly enlarge the opportunities for propaganda; but let us bear in mind always that desire must be translated into action, and backed by moral force, before it becomes satisfaction. That is our aim. Let us go straight for it putting all our energies into the rapid and thorough conduct of the Campaign. This is the testing time of the sincerity of those who have protested their desire for action— here is the opportunity.

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**The Budget and
War**

The extent to which the public can be imposed upon by vicious newspaper propaganda is illustrated in a remarkable way by the war appropriation in the new Federal Budget, justly described by Mr. Beasley, M.H.R., as a rich harvest for the armaments ring. It is announced that "defence" expenditure for the year will be £7,352,000. Of this, £5,606,000 is to be provided from current taxation, and the remainder from the "trust fund" which has been established by fraudulently earmarking recent surpluses and ignoring the deficits, which immediately preceded them.

How has the great metropolitan press greeted the Ministry's announcement? The Melbourne "Herald" says: "The world position and the duty of guarding the country's security supply full justification." And the "Age": "The defence services cannot be starved; an adequate programme is imperative and will be fully endorsed." Similarly with the other great dailies; one looks in vain for a word or a gesture of protest, even where one finds old age pension taxation bitterly attacked.

Australia must be adequately defended! Is Australia being adequately defended by having the "Australia" stationed in a handy position to protect British oil concessions in the Near East? Is she being adequately defended by having the new "Sydney", as was announced in Wednesday evening's press, "remain in the Northern hemisphere pending the clarification of the international situation"? This cruiser, incidentally, represents a cost to Australia of £1,500,000, not to speak of the Australian crew aboard her.

Was Australia being adequately defended when our troops were

used as pawns on Gallipoli in the vain endeavour to clear a way for Black Sea oil to get through to the Allies? Yet we still fall for the same old story in spite of our loss of 60,000 lives and £800 millions in material wealth. We still listen to the unsavoury rubbish emanating from such sources as the Melbourne "Argus," which pooh-poohs the idea "that Australia could in the face of difficulty slink away to an obscure corner of the world and hope that its presence would be unnoticed by the other nations. It is not possible, even if it were desirable or creditable, that Australia should play such a humiliating part." No one seems to remember that in the last war such countries as Holland, Norway, Sweden, Switzerland and Spain contrived to keep both their neutrality and their independence. And they were not in obscure corners of the world, either. As for the humiliation, we have not noticed the name of the prosperous "Argus" in the list of those who have subscribed to the fund for supplying a glass of milk a day to the thousands of Melbourne children whose fathers (many of them returned soldiers) cannot afford to buy it for them. Neither have we noticed the voice of this one-time influential paper, raised on behalf of the poor of Australia — though we have observed its protest against relief being given to what it terms "the economic nondescripts who in the days before systematic unemployment relief picked up a livelihood somehow, and slept in the Domain."

That conditions such as these should be suffered to continue gives people with any sense of decency a real feeling of humiliation. And so does the thought that bogey-man stories about imaginary enemies should blind our people to the sinister motives behind rearmament, and make those who believe we are too poor to give milk to our children consent to have millions taxed from them in the sacred name of bombers and phosgene.

**Those Awkward
Auditors**

One can foresee, if "sane" finance remains much longer in the saddle, that the office of auditor of public accounts, or at least the publication of auditors' reports, must inevitably be abolished. For the revelations of the auditors are really too embarrassing in view of all the nice

stories of recovery which the public are expected to absorb.

"Constitutional practice assumes it is the revenue collected in the year that is available for the expenditure of the year." With this gentle reminder Mr. J. A. Norris, Auditor-General for Victoria, draws the attention of Parliament, in his annual report this week, to a state of affairs which, if existing in a private company, would quickly land the directors in gaol, yet which is allowed to go on in our public accounts year after year. Not only that, but the statements made by Premiers in pre-election policy speeches, and on other similar occasions, show that either they have no knowledge whatever of the accounts they are elected to administer, or that they are wilfully lying.

As a case in point, Mr. Norris mentions that the net deficit in Victoria's consolidated revenue account for 1934-35 was given as £151,000. The real figure, he says, was £3,172,000. The difference between the two (£3,021,000) was conveniently tucked away from the public, partly by capitalising departmental expenditure and partly by carrying forward departmental deficits in the hope they would be made good in subsequent years.

The "principle" behind this latter scheme, as you will realise, is exactly the same as if a bank teller, who finds his cash short today, fills in a return showing it is in order, in the hope that he may win enough at the races on Saturday to fix everything up. A bank clerk, however (if found out) goes to the gaol; a Premier goes to the Jubilee.

The system followed, Mr. Norris explains, is such that Parliament can no longer influence, not merely the allocation of moneys, but even their maximum amount. The expenditure on unemployment relief last year, he points out, was approved by Parliament (subject to its being available from tax receipts) at £1,765,000. The amount actually spent was £2,000,000, of which £1,704,000 had come in as revenue. The balance of £296,000 was spent without Parliamentary sanction and carried forward as a debit against the receipts of this year, next year, or sometime.

The whole procedure is essentially unconstitutional and dishonest. Can we be surprised that the people are misled into believing that "sane" finance is gradually getting them out of their troubles when even Parliament itself hardly knows what is going on?

Meantime, though we are told that Victoria is the soundest of all the States, its public debt continues to soar. It has now reached the fine total of £175 millions, an increase of almost £13 millions in the last few years. A few more years of "balanced" Budgets and we shall top the £200 million mark.

THE WORLD'S GREAT GLUT

Enough Wheat to Last for Two Years

Coffee Being Burned by the Ton More

Tea Than We Can Drink

Wheat, tea, sugar, coffee, to mention a few of the household necessities, and copper, tin, cotton and rubber among the primary commodities of industry, are rotting in warehouses or being stored away until world conditions improve. The heading and that, with my italics, is an extract from an issue of the *Sunday Express* in August 1932—three years ago.

The simple mind is left wondering how such an ideal state of affairs as plenty of everything could be improved upon, and what was the nature of the improvement expected and desired. Much has been done since 1932 in the way of restriction, and of co-operation between various countries to reduce their crops, so evidently it is scarcity, which is the goal; the only kind of plenty looked upon with favour, and regarded as a blessing, is plenty of work. How to provide us with an abundance of work while avoiding the plethora of goods, which would be its natural result, is the difficult problem with which governments are faced.

In July 1933, two years ago, the *Daily Express* said:—

"London's cold storage accommodation is so full of overseas produce that incoming cargo steamers are being diverted from the Thames to Liverpool, Southampton and other ports. The inward rush of foodstuffs is greater in volume than for some time, and the larger part of it is being taken direct to cold storage lest the unloading of large consignments on the market should cause a further slump in prices.

The *Daily Telegraph* of June 28, this year, reports that this country is "deluged with unwanted milk," and says of potatoes:—

"Since we are practically self-supporting in main crop potatoes, a bumper year or increased plantings might well leave us with a surplus of which we should have difficulty in disposing. Last year farmers were carting them down to the beach and dumping them in the sea in many places."

Lord Eustace Percy speaking at a conference on commercial education last June said: "We need to concentrate on a combination of *reduced prices and increased output.*"

The "increased output" of three years ago was stored away and left to rot, while two years ago imported goods were taken direct to cold storage lest they should cause a slump in prices, i.e., lest they should cause the very thing Lord Eustace Percy now declares to be eminently desirable and our greatest need!

What is the plain man to make of such confusion and contradiction? In too many cases he has just given up thinking at all in despair of discerning any rhyme or reason in anything. In this he has made a grave mistake, for

it is only the plain man who can save us now by remembering that he is the master of this land of Britain. His servants, the statesmen and politicians, are wasting his substance and ruining his estate, as servants have been known to do before when their masters become slack and leave them too much to their own devices.

The people of Britain *who are the masters of Britain* must give their elected and paid representatives definite instructions that there must be no more destruction and restriction; that National Dividends must be issued to enable all goods that can be made to be sold, and schemes of restriction deferred until such time as we are really threatened with over-production, i.e., when we all have as much as we desire or can possibly utilise or enjoy.

In his memorable speech on July 19, Major Douglas quoted a Latin saying: "The Devil is God upside down." Machine-produced plenty can be used either to make a millennium of security, freedom and leisure, or a hell of cross-purposes and mutual frustration. A very clever series of Shell advertisements appeared some little time ago, one of the most amusing of which depicted a peevish and frightened invalid with a compress round his throat, saying: "Will the doctor be long, Nurse?" Turned the other way up a buxom and smiling nurse was seen, radiating confidence and serenity and saying: "He'll be here in a few minutes. He's using Shell."

Our picture of the world is turned upside down and shows us the gloomy and despondent features of over-production and unemployment. We have only to turn it the right way up to see the cheerful countenance of Plenty and the lovely lines of Leisure.

D. BEAMISH, in *Social Credit*.

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OIL — AND WAR

I. —The Beginning of the Fight

[Editor's Note. —This is the first article of a series written to illustrate the close connection between wars, revolutions, and disturbances all over the world, on the one hand, and the secret struggle of international forces aiming at a world monopoly over oil supplies on the other.]

It is on everyone's lips that the sudden desire to abolish slavery in Ethiopia is intimately connected with deposits of petroleum that are believed to exist in that country. It may not be recognised so generally that petroleum was responsible for our ill-fated expedition to Gallipoli, that it has been the major incentive for Mexico's many revolutions, that it is the story behind Lawrence of Arabia and the war of the Gran Chaco, that it has on more than one occasion brought America and England perilously near to war. These and many other strange and terrible happenings are interwoven with the struggle for world power in oil.

First in the field were the Americans. The oil business in the States began as a patent medicine enterprise, due to the accidental intrusion of the liquid into a salt springs business. In 1959 a Colonel Drake, deliberately seeking oil to commercialise it, struck the well that started the boom in the lamp industry. In the 'eighties John D. Rockefeller, of Standard Oil, was right into the business. In that same decade the German engineer, Daimler, following other engineers before him, was proving petrol motors to be something more than interesting toys. And Fisher, later Admiral of the British Navy, was asserting that, if warships were converted from coal to oil, their efficiency as fighting units would be immeasurably increased.

So the battle for oil had its beginnings, with the American interests in a commanding position.

BRITAIN ENTERS THE FIELD.

At the dawn of this century, when the noise of a spluttering motor engine still brought its crowd to the footpaths, an Australian engineer named D'Arcy was occupying a responsible position in Persia. For long years D'Arcy had searched Persia for oil. He had a theory that the perpetual torches of the Old Persian temples were oil fed, and he set out to discover the sources. But in vain. After long efforts and great expense he gave up in disgust, and accepted a post as railway construction engineer for the Shah. He became a wealthy man, and a trusted one.

In 1901 the Shah granted him, for a few thousand pounds and royalties, a sixty-year oil concession, which gave him a monopoly over the underground rights of nearly the whole of Persia. Almost immediately afterwards natives discovered in large quantities the liquid, which had so long eluded the engineer.

D'Arcy's concession was worth an incalculable sum. But the engineer was ageing. He was a tired man, and a wealthy one, and he got more satisfaction out of the knowledge that his judgment was confirmed than out of his new wealth. He leased his first wells to a small enterprise, the Burmah Oil Company of England, said nothing about his other huge concessions, and set sail for home. But others had heard of his rights of exploitation, and business interests offered him fabulous sums. He refused them all. He refused six millions. He persisted the face of attempted robbery physical attack.

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ENTER THE MISSIONARY.

D'Arcy all through his life had one distinguishing characteristic—he was a man of a deeply religious nature. On leaving Persia he was more interested in the idea of sending missionaries into the country than in the prospect of invading it with engineers. And so, on the steamer by which he was travelling to New York, it was natural that he should discuss this at great length with a priest who was a fellow passenger, and who was returning from the mission fields in Africa. Before they reached America D'Arcy got the idea into his head, as a result of conversations with this Father Reilly, that he could notably help the cause of Christianity in Persia. Missionaries were forbidden in that land, but D'Arcy's concession permitted himself, his friends, and his assigns to go whithersoever they wished throughout the country. D'Arcy plotted with Father Reilly that missionaries should enter in the guise of engineers and oil prospectors, and made over to Sidney Reilly his entire concession as a free gift.

As it happened, however, Sidney Reilly's parents knew him better by the name of Rosenblum. For the "priest" was none other than a Jew in the employ of the British Secret Service.

So Britain seriously entered the lists in the oil war.

THE ANGLO-PERSIAN.

The next move was the transfer of the Burmah Oil Company's wells to a mysterious concern known as the Anglo-Persian Oil Company, with a capital of £2 millions. Years later, in 1914 (just before the war), it was announced that 56 per cent, of the Anglo-Persian shares were held by the British Government.

A year or two before this, Russia, the third of the competitors in the oil war, had brought influence to work upon the Shah of Persia, persuading him to cut off the northern part of the original D'Arcy concession and give it to the Russian Government. A commentator describes the sequel: "Ever watchful of D'Arcy's little piece of paper, the Intelligence Service found it was time to act. All at once, in Persian cities revolts broke out; revolution reared its oil-stained head. The Shah trembled for his throne and capitulated. He chased the Russians from Persia, renewed the old contracts with the English, submitted again to another sixty-year concession."

ROYAL DUTCH—SHELL.

The first open clash between American and British interests had as representatives of the latter a Whitechapel Jew and a Dutchman.

Henri (later Sir Henri) Deterding, the son of a Dutch sea captain, began his career in an Amsterdam Bank. Sent to the Dutch East Indies, he met and greatly impressed the head of the Royal Dutch Oil Co., soon transferring his activities from the bank to that company. He increased its capital, made it a very profitable concern, and upon the death of his patron became President of the company.

The success of Royal Dutch evoked the unfavourable interest of Standard Oil, and Rockefeller started hostilities. Deterding badly needed transport. Without it he knew that he was beaten. Rockefeller had tied up all the loose tankers about the place, and things were looking very black for Royal Dutch until Shell came on the scene.

The Shell Transport Company was the property of a little Whitechapel Jew, one Marcus Samuel, who later became Lord Bearsted. Beginning his business with the transport of seashells from the East to England, Samuel, on one of his return trips, was offered a cargo of oil in tanks. Seeing the possibilities he built an

oil tanker (Rothschild financed it), and was soon well into the oil carrying trade. Tanker followed tanker. Samuel bought Burmese oil concessions, shifted his own cargoes, gave up shells. He became a rival of Royal Dutch in the East.

To both of these men Rockefeller was the menace, and so, when Standard Oil set out after Deterding's scalp, Royal Dutch and Shell amalgamated (in 1897). Deterding's genius, Samuel's tankers and Rothschild's finance combined to defeat the first challenge of Rockefeller. Having the transport and the finance, they fought him back with his price cutting campaign, beat him in the Eastern markets—which were alongside their supplies—and forced him, in order to recoup his losses, to raise the price of oil in his own preserves, the United States. Here again Rockefeller received a nasty jar, the American public, which already had a long list of grievances against the monopoly, not being over willing to compensate Standard Oil for its losses abroad. There followed the Sherman Anti-Trust Act—which made things no easier for Standard Oil—and a five million pound fine.

After that the war between Standard Oil and Royal Dutch-Shell was carried on with greater bitterness. Each was out to dominate the world. Each, through its growing power and influence, became more and more powerful with its own government and with other governments. Between them they made and unmade governments.

(To be continued.)

LEAGUE OF DEMOCRATS

WEEKLY CAMPAIGN NOTES

Speakers have been prevented from obtaining signatures at outside meetings owing to rules forbidding political action. When addressing clubs, etc., it must be pointed out that we are not asking for the official support of the club, but merely for the signatures of members as private individuals. This in no way transgresses any rule, nor even commits the club to an expression of sympathy.

The Returned Soldiers' League passed two very significant resolutions at their last sub-branch conference. Speakers who are to address branches of the R.S.L. should get a copy of the letter we have sent out to them. This quotes these resolutions, and will be of assistance.

An excellent meeting was arranged at Williamstown, and resulted in great interest in the electoral campaign. A public meeting forms an excellent starting activity for recruiting in any district, and should be considered in those districts where more worker power is needed. Points to watch are: (1) Make the appeal to "Abolish Poverty" only; (2) Advertise it well; (3) Don't let the audience go away without getting signatures of workers.

There is a tendency to sit back and wait for Alberta to produce

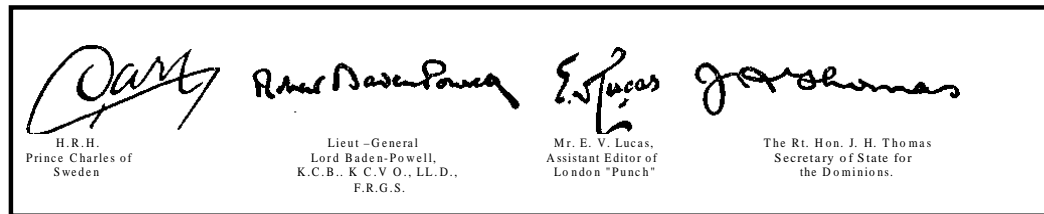
results, in the expectation that these will be so good as to force Australia to follow the example. This is possible, but not probable. There are too many adverse factors for us to be able to afford this complacent view. All of us expect to see a brightening of conditions in Alberta, but whether this will take place in time to prevent us being dragged into another war is more than unlikely, and we must increase our own pressure on politicians so that we can make the best of whatever situation they plunge us into. Even supposing there is no war, and that Alberta succeeds very quickly, there is no reason to suppose that we shall hear much about it, or that our present Government will change over unless forced to do so by popular demand. Any relaxation of effort is therefore a delay to final success and a help to the forces of reaction.

There will be no Speakers' Class on Tuesday, October 1. Next meeting will be on Tuesday, October 8, at 8 p.m.

DOUGLAS CREDIT MOVEMENT

Members are reminded that the First Monthly Meeting will be held on Saturday, September 28, at 8 p.m.

A good attendance is desired.



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THE SIGNATURES

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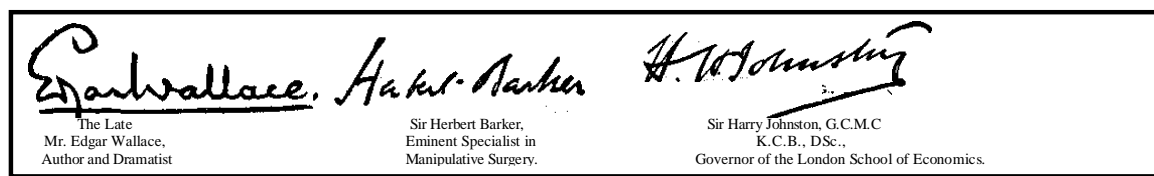
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**LOOK OUT FOR YOUR BANK
DEPOSIT!**

**Newspapers' Disagreement Emphasises
Banks' Shaky Position**

Some very interesting disclosures are being made to the public as the result of a sharp clash of views between the financial editors of the "Herald" and the "Argus." On Monday week the "Herald," in an article alluded to in last week's "New Times," suggested that we are in for a further dose of deflation. Overdrafts, it said, are becoming harder to obtain; money is tighter because the banks' cash reserves are being depleted; the banks are selling securities in order to destroy current account deposits, and so to lessen claims upon their cash; interest rates are hardening.

The "Argus" (without, of course, mentioning the "Herald" by name) answered this on Saturday. No untoward results, it claimed, need be feared from the tendency of interest rates to harden, "as this upward tendency is due to improved economic conditions on natural lines."

So far, the "Argus" was on fairly safe grounds. We all know that interest rates are highest when money is most plentiful, and that they are lowest when it is most scarce. We have only to set 1928 against the last few years to realise this.

But then the "Argus" began to flounder. Beginning with that well known danger signal, "in those days confidence was lacking," it arrived at the stage of telling us that "overdrafts have increased, and, with wider fields opening up for investment, deposits have declined." Just where the deposits, which one would naturally expect to follow from overdrafts, have gone to, the "Argus" does not indicate. It would be interesting to learn.

The "Argus" extricated itself, however, by getting its stick out and belaboring governments. "Governments cannot expect interest rates to remain low when they continue to borrow heavily. A healthy corrective against excessive borrowing is a high interest rate. **Interference with this natural law**" (our emphasis) "causes widespread injustice."

Did you understand that last sentence? If you didn't, don't apply to us for a translation, because we don't understand it, either. Let us call it a mystery of finance.

THE "HERALD" HITS BACK

The "Herald," at any rate, was not to be put off with any abracadabra from its monitor, and on Monday it returned to the attack. And it attacked in a very downright fashion.

"The present tendency of interest rates to harden," it began, "is the direct outcome of a sharp

reduction in the cash reserves of the trading banks." There is no beating about the bush there; the banks are short of cash.

Carrying on with its attack, and answering the "Argus" complaints of Government borrowings, the "Herald" proceeded: "Interest rates can be high because of an unhealthy boom. A second—and totally different—factor that can cause high interest rates is a shortage of funds. It is becoming a common fallacy to ascribe the present hardening of interest rates to the first-mentioned factor, and to claim that interest is rising at present as a natural result of the growing pace of revival in industry."

"To take such a view is, ostrich-like, to ignore the facts." (That sentence sounds like a nasty dig at the Albert-and-the ostrich campaign of the "Argus's" evening paper.)

"A glance at the cash reserve figures of the trading banks is illuminating." The "Herald" then proceeded to give the figures, which show that the trading banks' cash reserves (meaning legal currency plus claims on the Government) have dwindled from £38 millions in June 1934, to £23 millions in June 1935.

The financial editor went on to score off the slip of the "Argus" about vanishing deposits and increasing overdrafts. "The suggestion that deposits can be made to increase merely by increasing interest rates," he said, "will not hold water. Where are the deposits to come from?"

"Not from notes held by the public—for the public has shown that, year in and year out, about a steady 25 millions in notes is required for till money in companies and shops, and for personal holdings in the people's pockets. The only other sources from which new deposits can come are from the introduction of funds from outside (for instance, from borrowing abroad, or from higher export values); or from additional cheques, which spring from bank advances."

The latter part of that last sentence is particularly illuminating. In order to shame the devil (otherwise the "Argus") the "Herald" tells a truth which rings strangely from Flinders-street. "New deposits can come from additional cheques, which spring from bank advances."

This is, from another stronghold of high finance, a straight-out admission that the private banks create and destroy financial credit (i.e., our money supply) at their own sweet will. A year ago the Australian banks were denying

any such terrible insinuation. Last month the Bank of New South Wales candidly admitted it. Now the "Herald" follows suit. Keep a note of it—Monday, September 23, 1935, page 5, column 2.

THE BANKS ARE INSOLVENT

Coming now to the argument between the two papers about bankers' cash reserves, the glaring admission which stands out from both of them is that our private banks are chronically insolvent, and perpetually in the position of being defaulting trustees. Their cash reserves at June 30 last, as the "Herald" points out, were only £23 millions—not quite enough to pay four shillings in the pound if the people with current accounts demanded their deposits in cash, as they have a perfect legal right to do. And the "Herald" explains in detail that the banks have no hope of getting any more cash to meet their liabilities, unless—

Here is the way out it suggests: "The only way in which the banks' reserves can be replenished is by further provision of funds by the Commonwealth Bank."

**WHAT COMES OUT IN THE
WASH**

So the points that emerge from this interesting little divergence of views are:

1. The private banks can create (by ledger entries) and destroy bank deposits to suit themselves—thus effectively controlling prices, profits and prosperity.
2. The whole of the bank deposits of hundreds of millions of pounds (less £23 millions) are sheer bluff—and therefore it is damnable impudence on the banks' part to charge interest on overdrafts when they could not hope to pay their depositors.
3. When enough of the people wake up to the fraud being practised upon them, and demand the cash, which the banks haven't got, these private usurers will have to fly for protection to the Commonwealth Bank—that is, to the people whom they have defrauded.

And yet the very press that, through personal ill temper, exposes these scandals contends that we have no real need of an inquiry into banking practices.

HEIGH HO THE HOLLY!

Isn't it fun for everyone?
Isn't it fun for everyone?
Plenty to do but it mustn't be done!

Ha! Ha! now isn't that funny?

What could be nicer or more top-hole
Than to bring up a family on the dole?
Come; let us fill up the flowing bowl
And all be exceedingly jolly!

Here's to the Earth with its bulging store
Of Wealth for the making and means for more—
Men and machines and supplies galore!
Fill up! and let us be merry!

Plenty of coal and plenty of oil,
Plenty of seed and plenty of soil,
Millions hungry for food and for toil—
But no! There isn't the money!

Not enough "figures on paper" to earn,
So the men mustn't work and the wheels can't turn,
And coffee and rubber and wheat can burn.

Did somebody say "Damned folly"?

Hush! hush! my man, you mustn't say that;
Of course the financiers know what they're at,
You must draw the purse strings to keep in the cat;

It's "sound" and it's orthodox—very!
—Janus, in "Social Credit."

DISCIPLINE

(By L. W. M.)

"Disciple: one who takes another as his teacher and model. Latin *"disco"*—learn. (Oxford Concise Dictionary.)

Hence, one might reasonably conclude, "discipline."

This is an excellent—if melancholy—example of the corruption of a beautiful word by familiar use. Apparently its true meaning has never been overlooked, yet like the blessed name of Christ itself, it has ever been exploited for ignominious ends. What civilised nation has ever launched itself into the most dishonourable conflict without first invoking the blessing of God and sending off its troops with the gratuitous assurance that they go forth to slaughter in the name of Jesus Christ? Likewise, how much pain inflicted and what suppression imposed on individuals and whole peoples by tyrants and despotic States in authority in the virtuous name of Discipline?

To British people the word has a fascination. Fathers and heads of public institutions love to roll it about their tongues as if it possessed a flavour they were loath to lose. Little boys in the home and in the schoolroom do not appear to enjoy the flavour to the same rapturous extent as those who administer it, but they have it walloped down their throats, nevertheless, as a necessary medicine.

Discipline, as will be readily asserted by every dutiful father who, by accident or design, has begotten children, is necessary in the home. Babies, we know, are notoriously spoiled; but from the time they begin to think and use their will power they are subjected to its influence. That the stage at which disciplinary training commences happens to mark a time when the novelty of parenthood has worn a bit thin and a series of hitherto unchecked baby yells of mirth or displeasure disturbs the tranquility of the evening after an unusually tiring and vexatious day at the office, is, after all, coincidental; but if, by any chance, baby's consciousness makes any record at all of its first lesson, it will in all probability associate the occasion with a very tender little posterior.

At school the imposition of lines and the ultimate master's cane marks a further step in his education. He cannot evade the traditional influence of discipline. Later in life, too, he will find that his bread and butter depend on something more than efficiency. If he doubts this, he need only assert an unconventional political outlook to a conventional employer or fail to maintain the conventionally respectful and subservient attitude so necessary for the maintenance of discipline among those who, instead of selling goods for profit, exchange labour for a living.

IN THE ARMY

In the army discipline reaches a pinnacle. The new recruit discovers that laxity in that most profound of military tactics, "forming fours," or shouldering his rifle, brings its own particular kind of abuse. Should he, however, be possessed of a spirit rebellious enough to resent the loud-mouthed contumely of a gentleman whose main qualifications are a bulky form and a raucous voice, and whose authority is marked by stripes upon his arm, he will find the whole might of the Army Act—or whatever they call it—against him. He will discover that there is ample provision for enforcing proper conduct in accordance with the best military tradition. There are still some old soldiers who remember the famous "Glass House" in England. In time of war, should his soul revolt against the blood and the inhuman mechanism of it all or should he, under the resultant stress and strain, revert back to type—there are still, strangely enough, some people who believe that man is not by nature a fighting animal—then, with a wall behind him and a row of levelled rifles in front, he will die like an undisciplined dog as a lesson to all those who believe in freedom and brotherly love. What cannot be welded must be destroyed.

DISCIPLINE OR COERCION?

It is not to be suggested that something is not necessary to keep children, workers, soldiers—in fact, everybody—under authority. Our social system obviously demands as much. When one considers, on the one hand, the bountiful resources of our modern civilisation, with its abundance of all that goes to make life worth living, and, on the other hand, poverty, haggard and hollow-eyed, slinking past like a covetous-eyed pariah, one realises how necessary is the need for restraint of some sort. Property must, of course, be guarded; tradition must be upheld. But why call this control of voluntary action, natural desire, that keeps hungry men honest—or brands them thieves—and makes organised murder an honest trade, by the Christian name of discipline? Call it coercion, intimidation—what you will—for sooner or later we shall have to be honest about it, even if we admit its necessity.

So unacquainted with honesty and freedom are we moderns, that our first impulse is to reject with scorn any suggestion that control by force or fear can ever prevail in our own land. Yet these evils have always thriven. In olden times, when the problem that faced mankind was economic shortage, crime, we know, was no less violent than the measures that combated it. Today an era of plenty prevails—man's brains have made it possible—but there is abject poverty amidst a profusion of plenty because money is as short today as commodities were a few hundred years ago, and the consequent flow of necessities from producers to consumers is checked. So force is still necessary for the protection of the lucky ones.

We cannot blame our governments entirely, for they are no longer the ultimate guardians of the public weal—or woe. There is a higher authority now, which intimidates even governments. A threatened restriction of credit by banks and financial houses has always brought Parliaments to heel. We saw it during the depression, when our own Parliament legislated to instructions from London—instructions to make six millions of people suffer to safeguard the security and interests of a comparatively few people wielding the power conferred by money. Finance, too, has its own methods of enforcing discipline.

Jesus' own example of discipline and His doctrine of love are still possible among all peoples. All that is necessary to achieve them is to face up to the obvious—not cloak it or excuse our own cowardice, as our governments do, with hypocrisy.

The truth will set you free.

A lot of use the papers are
That advertises the motorcar,
That sing of beer and wine and whisky

In gallons, point out all the nifty
Little gadgets we can buy
To keep our zest for living high;
The wines and the expensive cheeses,
The ways to cure the new diseases,
The shirts, cigars, the shoes and gaiters,

The snappy new refrigerators.
A sorry boon are all the glinting
Ads with their three colour printing,
When in our pocket doth recline
A slim and solitary dime
For which these luxuries contend,

And which, eventually, we'll spend
For coffee, as we spent his brother,
And wonder where we'll get another.

—K.K. in "Controversy," San Francisco.



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SHOW WEEK MEETING IN CENTRAL HALL

Large Crowd Hears Social Credit Addresses

On Monday evening a large and enthusiastic meeting was held in the Central Hall, Melbourne, under the auspices of the Douglas Credit Movement of Victoria. The president, Mr. David Robertson, took the chair, and addresses were given by Rev. J. T. Lawton, M.A., and Mr. L. H. Hollins, M.I.A.E., Aust. The gathering included many country visitors to the Royal Show.

Mr. Robertson, in introducing the speakers, stressed the urgency of a study of the Social Credit proposals in view of the desperate state of the world and the admitted failure of governments to provide a remedy. At the same time that remedy was in the hands of the people themselves, and only their own apathy stood in the way of its being applied. The bankers today had the control of the people's money supplies, and consequently effective control over all legislation, but Parliament under the Constitution had been given power to legislate with regard to currency, coinage, legal tender, the issue of Paper money, and banking. When it was suggested that everybody should have money, people who knew no better held up their hands in horror. But, with goods in abundance, money should not be allowed to be an obstacle. Notes, of which we had about £47 million, cost only twopence a dozen to print. Water was really far more expensive; its real cost of supply was ten times greater. Yet no one was denied water.

Every day the Douglas proposals were receiving endorsement from new and influential quarters. Such bodies as the London Chamber of Commerce, the Southampton Chamber of Commerce, and a committee appointed by the Rotarians in England favoured them. He appealed to those present to become active workers in the movement until they achieved a result similar to that which had just been attained in Alberta.

SELLING A MAN HIS OWN FLOWERS.

Rev. J. T. Lawton asked what would they think of a boy who went into a garden and plucked a bunch of flowers, and who afterwards sold them to the owner of the garden? Yet that was the position of the people in regard to the present financial policy! The financial experts knew how to throw dust in their eyes, how to go into the garden and pluck the people's flowers, and then sell them to the people. The present system, was fundamentally wrong and it would have to be changed before there could be either real improvement or permanent prosperity.

A survey of the world would show that trouble and unrest existed everywhere. Man's long struggle with the forces of nature for a livelihood was practically over, and there was an abundance of everything. The first sheep brought to New South Wales by McArthur returned 4 lbs. of wool; today the best sheep in Australia would go nearer 50 lbs. of wool. That showed the progress that had been made in our primary products. A little while ago difficulty was

experienced in ripening wheat in Northern Canada in a given time, but experiments were made and had been triumphantly successful. Truly science had made great advance in the realm of primary production. Much energy had been harnessed by man to his use in the field of secondary production, and the percentage showed a great increase even compared with a few years ago. It was indeed a power age. No longer did man work by the sweat of his brow; automatic machinery worked at his command. The capacity to produce wealth was 40 times greater than 100 years ago, but wages had not increased proportionately.

The world was sick because it was unintelligent. Remarkable progress had been made in the physical realm, but man was penalised by the very success he had achieved. There was an amazing increase in real wealth and in the capacity to produce, but there was poverty on every side. The money manipulators were responsible for the poverty in the midst of plenty. More and more men were being pushed out by one door, and politicians were vainly striving to push them back by another door. Something different in the way of reform was needed if a decent and contented society were to be created. Owing to the advance of science they were living when the very basis of civilisation was changing. No longer did man shape the raw material into finished products; man simply stood by the machine he had invented and the burden had been taken off his shoulders. Thus the greatest powers of the universe had been harnessed by man to do his work. Surely it was incumbent on them, after the great advance they had made, to bring about a proper civilisation. If they did not they would inevitably perish. If they failed to bring home realisation to financiers and others they would fast drift into unutterable chaos. It was their duty to make people alive to the situation and prevent further drift.

The change could be made without altering the whole order of the universe. The world was not based on financial lies, but on unalterable moral principles, and society would fast disintegrate if it was held together by lies. Because of their failure to understand the laws of sociology they had run into a cul-de-sac. All the material requisites of life were available in plenty, but the people were not allowed to consume them. All countries were looking for a favourable balance of trade. In countries having unfavourable balances misunderstanding and other troubles would occur. The only way to keep this system going was to get some scheme in operation for the development of Mars and Venus. It was not beyond the genius of man to devise a policy which would adjust matters differently. The present money system was totally inadequate from the administrative point of view. With a change of systems man could enter into his inheritance and enjoy the marvellous fruits of his productivity. A sound and scientific monetary system would bring about world liberation and establish the brotherhood of man on a better basis. In the name of God and for the sake of their fellow men they should make the change and end the unrest and trouble into which the world had drifted.

Mr. Hollins said that the present position reminded him of the recently reported case of a swimmer found 160 miles out at sea, who did not know how he got there, did not know where he was going, and did not want

to be saved. Many people complained about their legislatures, but the legislatures were elected by the people themselves. Why, then, complain if they found themselves all at sea?

Governments throughout the world had to face many grave problems to-day, and the people should understand the problems that were exercising so much attention. Money should be rigidly controlled. It was their bounden duty to make everybody understand what was wrong with the present monetary system, which was quite incapable of distributing sufficient to meet adequately the needs of the people. The Douglas proposals made provision for the control of credit by the nation itself; for the payment of a national dividend to every man, woman and child in the community, and for a just price mechanism to prevent exploitation. Without the control of credit they could not regain their lost prerogative. The banks had usurped the right of the sovereign people to control their own money. They had reached the position to-day that practically all the money they used was merely fountain pen money and bank-created credit: it cost nothing other than the paper and ink used and what was paid to the clerks. Yet there was a lack of money which accounted for their being unable to buy all that they produced. It was not that they lacked the desire: it was the insufficiency of money alone that restrained them.

With a national dividend the community would be in a position to buy the whole of the so-called surplus production. Every person would then have a constant desire to exchange money for goods; there would be sufficient money, in circulation to distribute the whole of the goods and services that they were capable of producing and rendering. They could well imagine the benefit that would result, and the sense of security that would be felt by the father of a family; not only would he receive a dividend himself but it would also be received by his wife and each member of his family. All the women folk would have an income of their own for the first time in history.

Steam engines, like every other modern mechanism, were a combination of all the ideas handed down through the years. They were therefore co-heirs one with the other to those ideas. If they took out of the world all the culture, learning, discoveries, inventions and labour-saving devices that made nine-tenths of the wealth to-day, what would be left? The world would practically be peopled with uncouth savages, and they would scarcely be able to live. They were co-heirs to a wonderful inheritance, but did all men get a fair deal? The trouble was that they failed to strike at the root cause of the evil. By getting control of the money a perfect equation could be maintained between the prices of goods for sale and the money in circulation. They were forced to borrow money today to buy the goods which they, as producers, already owned, thus incurring debts which could never be paid. The curse of a private money monopoly should cease once and for all. There was always the threat of war because of the iniquitous money system. It was their duty to understand the problems facing them and apply an effective remedy.

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POOR LITTLE RICH WORLD

Zero Hour is Getting Very Near

(By B. W. L. Day in Social Credit.)

A new publication of the Health Organisation of the League of Nations, called "Nutrition and Public Health," shows that an alarming percentage of the population of this mad planet is getting too little to eat. After saying that the main cause is poverty, and that the cheapest foods contain little but carbohydrates, the report says: "The so-called 'protective' foods, richest in minerals and vitamins—milk, green vegetables, fresh fruit, eggs—are also the most expensive and in all countries beyond the means of great masses of the population."

In Great Britain between ten and twenty-five per cent, of the population "cannot afford a diet of the type and quality now known to be essential as a safeguard against malnutrition and disease."

In the United States over twenty-two per cent, of the school children investigated up to 1924 showed symptoms of malnutrition, and "the fact that the greater part of the population of Africa and Asia suffers from insufficient and faulty feeding is no longer a secret."

The Times, commenting on this report, says that while such conditions exist it is clear that there is no overproduction of food in the world as a whole. While a world wheat surplus threatens economic stability, pellagra and beri-beri, both diseases which could be cured by eating more bread, continue to take thousands of lives every year!

Nobody could put it more clearly than that. Social Crediters should be grateful to the League and *The Times* for so obligingly doing their propaganda for them. It is really remarkable how rapidly the enemy is retiring from one line of trenches after another.

First, if you remember, we tried to persuade people that the problem of production was solved and that modern power and plant could give us an Age of Plenty.

At once this was hotly denied. All the Early Fathers of Thread-needle-street and the ascetics of Westminster told us to work harder and mortify the flesh, because we were really a poor, poor country, however much appearances might be to the contrary.

But in the course of time these wailing Flagellants, with their constant complaints about the slothfulness and degeneracy of human nature, were hardly listened to, and suddenly it was admitted by all but a few temperamental economists and quaint, old-fashioned journalists of the Adam Smith school that the Age of Plenty had dawned.

Then Social Crediters declared that the world's economic troubles

arose from people having too little money in their pockets. This statement, too, was hotly denied by Colonel Blimp and all the other gentlemen who uphold the *status quo*. They pointed to the millions lying idle in the banks, they pointed to the millions shepherded into cold storage by Lord Mottistone, and they pointed to forests of figures which always seem available to prove that black is white, and vice versa.

But now the fact is seldom denied. Nearly everyone admits that the depression is largely due to people (for some curious reason) having too little money in their pockets.

Social Crediters then said that, incredible as it might appear to economists, millions of people had so little money in their pockets that they couldn't buy enough to eat.

Down came the barrage again. The doctors were at once asked to investigate the Unemployed Stomach, and later made a report stating, as far as I remember, that a normal Briton could be fed on food costing 4/10 1/2 a week.

However, the Committee Against Malnutrition has been publishing some extremely unpleasant facts lately about starving babies and under-nourished expectant mothers in Great Britain, and now the League of Nations is blowing the gaff, too.

Soon even the economists will admit that the world is starving in the midst of possible plenty, due to people having too little money, yet, although they have grudgingly agreed that the banks do create money out of nothing, not one single suggestion for monetary reform has even been considered by them.

They are ready to defend the sacred rules of sound finance with the same dogged valour as the Covenanters defended the Thirty-nine Articles.

Is there any further advantage in argument, then? Argument, if you like, has been the preliminary bombardment. It is well-aimed fire and has done its work well.

But now an attack is necessary, and this means direct political pressure. Zero Hour is close at hand. Come Over the Top with us in our Electoral Campaign!

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SWIMMERS ALL AT SEA.

Mr. Hollins said that the present position reminded him of the recently reported case of a swimmer found 160 miles out at sea, who did not know how he got there, did not know where he was going, and did not want



What Douglas Social Credit Means to YOU

A desperate attempt is being made by the press, politicians and financiers to convince the people that Australia is on the road back to prosperity, and that, if the present policy is not interfered with, both employment and prosperity will be completely restored.

Figures and "facts" are being produced by the column in support of this viewpoint, and a great many unwary people are being misled by the false hopes which are aroused.

A building boom based on debt and a lot of daily press talk about a return to "balanced Budgets" is sufficient to convince some people that prosperity is up to her old trick of turning corners.

But what are the facts?

Woolgrowers are still producing wool at a loss—despite an exchange premium of 25 per cent. Dairymen are still producing butter at a loss—despite subsidies. Fruitgrowers are still producing at a loss on every case of fruit exported.

Graziers are still faced with the uncertainty of fluctuating markets and political agreements of doubtful value.

Wheatgrowers are faced with the almost complete loss of their export markets, and the loss on growing wheat, even for local consumption, is too well-known to need stressing.

How can there be any serious talk of prosperity when the condition of practically all our great primary industries is one of bankruptcy at home and the steady disappearance of markets abroad?

The recent Commonwealth Census figures disclosed the appalling fact that 73 per cent. of the bread-winners of Australia are in receipt of £3 per week or less. Sixty per cent. of them get £2 a week or less!

Can the families which depend upon this miserable weekly pittance ever know the meaning of prosperity?

We venture to say that the vast bulk of the people of Australia have never known even a poor imitation of prosperity.

In days gone by, in times of scarcity, a general condition of poverty was perhaps natural enough. People accepted that condition with resignation.

But those days are gone. This is an AGE OF PLENTY. Today the problem of the world—and particularly a rich country like Australia—is not one of shortage. It is a problem of ABUNDANCE.

The problem of producing wealth has been SOLVED. The only problem now remaining to be solved is to enable the people to consume what is produced.

The only thing that is short to-day is MONEY—of everything else there is plenty. A little enquiry reveals the fact that the private banking system has itself established a monopoly of the creation and issue of money, via the cheque system, and that the banks only issue money as a debt to themselves.

This monopoly of money (99 per cent. of which is bank credit, cheque money, figures in books) gives rise to a colossal superstructure of debt, placing the entire community into bondage to the banks.

Thus it is that when our Governments talk of returning "prosperity," they really mean that the banks have created more credit and (directly or indirectly) LENT it to the Governments for relief works, etc. Over £100 millions has been loaned to Australian Governments in the last few years. This so-called prosperity, therefore, is based on borrowed money.

It is a physical impossibility for Governments to BORROW the country into prosperity.

We are piling up debt that we can never repay, and putting a burden of interest on our backs of £1,000,000 per week that is equal to 3/4 per week from every man, woman and child in Australia. And the colossal absurdity of such a scheme of national finance is that we are borrowing OUR OWN CREDIT from the banks, and paying perpetual interest upon it! It is our ability to "carry on" that makes possible the issue of cheque money.

Now, the Social Credit Proposals we advocate would make a vital change in the system of national finance. These Proposals are based on the following principles:

- (1) It is the sovereign right of the nation to CREATE money, not to borrow it.
- (2) The function of money is merely to distribute goods and services. It has no value in itself—that is, you can't eat it or wear it.
- (3) Money (bank credit) is costless to create, being simply credit entries in banks' ledgers, and as its true function is to distribute goods, the volume of money available in any period must at least correspond to the total prices of goods and services available during that period.
- (4) An analysis shows that the industrial system (from which all incomes arise) does not, and cannot distribute enough money to buy the goods and services for sale. THIS DISPARITY must be bridged. If goods are to be sold, purchasing power must be increased. This cannot be done by merely increasing wages and salaries, as this, by increasing prices, maintains the discrepancy; therefore, purchasing power must be increased in another manner. It is therefore proposed, on the National Credit—
 - (a) To finance all national, semi-national and social services, and public works—without incurring any debt or interest charges.
 - (b) To pay a National Dividend to every man, woman and child, probably small at first, but increasing with our productivity.

(c) To reimburse retailers who agree to sell their goods at a National Discount rate of at least 25 per cent., and at agreed margins of profit, thus making price inflation a physical impossibility.

(d) To finance production as now; which is to say the relations between bankers on the one hand and farmers, manufacturers and merchants on the other hand, would not be disturbed, except, of course, that debt repayments would become possible.

This additional purchasing power distributed through the media of the Price Discount and National Dividend is a right of everyone as his or her share in the unearned increment of association, a share in the fruits of our cultural inheritance and the gifts of nature.

The foregoing is a brief version of the Douglas Social Credit Proposals which, in operation, would:

- (1) Put an end to poverty.
- (2) Solve the unemployment problem by giving a decent standard of living to every person whose services are not required in the industrial system.
- (3) Make money and mechanism the servants of man instead of his master.
- (4) Enable retailers, wholesalers and manufacturers to sell their goods at fair margins of profit.
- (5) Make it possible for primary producers to market all wanted production at payable prices.
- (6) Enable individuals, companies, municipalities and Governments to meet their contractual obligations.
- (7) Encourage the use of every labour-saving device that science can offer.
- (8) Abolish the conflict between Labour and Capital and harmonise the interests of producer and consumer.
- (9) Wipe the chief motive for crime, 75 per cent. of which is due to economic causes.
- (10) Eliminate the need for taxation, since the Federal Government will use the National Credit for all moneys required for Federal and State purposes.
- (11) Pay off the National Debt in relatively few years.
- (12) Sound the death-knell of the DEBT system, and witness the end of usury.
- (13) Lead to a shorter working day.
- (14) Raise the whole level of business ethics, since there will be no shortage of purchasing power, and therefore no need for unscrupulous tactics in order to compete.
- (15) Enable money to be greatly expanded and at the same time ensure a lowering of prices, so making it possible for an entire community to be individually rich without reaping the usual whirlwind of inflation.
- (16) Enlarge the local market to the maximum; remove the need of feverish competition for overseas markets, which is the greatest cause of war, and enable imports to equal exports without harm to local industry.
- (17) Establish willing co-operation in place of sullen compulsion as the basis of society.
- (18) Give economic security to every man, woman and child.
- (19) Make it financially possible to do everything that is physically possible.
- (20) Set free funds for the development of every cultural objective.

YOURS IS A PRIVILEGE, AND, AT THE SAME TIME, A RESPONSIBILITY.

You may assist in bringing about this necessary reform by joining with others in requesting your parliamentary representative to commission reconstruction advisers to prepare a plan for increasing the incomes of the population without any increase in the cost of living, and by pledging yourself to vote against candidates who are not prepared to do this and to vote only for a candidate who is prepared to do it. Apply to the Douglas Credit Movement of Victoria for a speaker to address your lodge, club or union, and

JOIN OR GIVE.

To the Secretary,
Douglas Credit Movement of Victoria,
Room 8, 1st Floor, The Block,
Elizabeth Street, Melbourne, C.I.

I enclose as a subscription for membership or
donation to funds.

Signed.....

Address.....