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Collins House and the Depression

It is only two or three weeks since our jubilant Jubilee Prime Minister was telling the yachtsmen of St. Kilda, as a little previously he had been telling our Canadian cousins, that the depression, as far as concerns Australia, is a thing of the past.

Either the Prime Minister is a terribly bad judge or the gentlemen of Collins House, Melbourne, would seem to be terribly bad business men.

That small and select coterie commonly known as the Collins House group in Melbourne is synonymous in the minds of Australians with an ever-growing stranglehold over our industrial life, and very closely identified with the private stranglehold over the nation's money supplies. The best-known names in this group are those of the Baillieu and the Robinson families, the secondary list comprising such figures as Messrs. W. A. Watt, Alec Stewart, Colin Templeton and an inspiring parade of knights, which includes Sir Colin Fraser, Sir Lennon Raws and Sir Walter Massey Greene. Some slight idea of the power of this group may be gained when it is said that a careful calculation last year showed various members of the Baillieu family alone to be sitting on the boards of companies whose paid-up capital and debentures, reserves and undistributed profit amounted to the enormous sum of £45 millions. And the Baillieus' names appear only on a fraction of the companies in the control of which Collins House is interested.

The interests of the group embrace banks, insurance, trustee and pastoral companies; all sorts of metals: rubber, wool, silk, cotton and machinery; gas and electric light; planes, cars, ships, trams and railways; newspapers and amusements; patent foods, beer and manures — truly a comprehensive list. And the more comprehensive the roster, and the wider the controls and the interlocking, the greater should be the facilities at the disposal of such a group to get whatever share of prosperity may be going.

With these preliminaries let us see what showing the Collins House enterprises are at present making.

COMPANIES LOSING HEADWAY

On Thursday of last week the Melbourne "Star" published on its financial page a prominent article entitled "Progress of Industrial Companies—More Increases in Profits for the Last Year." The article set out in detail the results for 1933-34 and 1934-35 of 55 industrial companies whose annual accounts were published during September. Totalling up the results, it appeared that net profits for 1933-34 amounted to £1,726,074 and for 1934-35 to

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The Dunlop Perdriau Discontents

£1,573,453 — a step backward for the last year of £152,621. In spite of this the "Star" said, "the general impression is of continued improvement." As this is obviously not the total impression, one is driven to look for the laggards.

And then one discovers that, though not the only enterprises on the list to show a worse position, four of the major companies most closely identified with Collins House show, between them, £266,000 less profit for this year than for last—a figure big enough to have a very material effect.

Australian Knitting Mills showed £59,000 profit in 1933-34 and only £39,000 in 1934-35. The board of this company comprises F. F. Robinson (chairman), G. H. Robinson (vice-chairman), N. Robinson, M. H. Baillieu, Sir Walter Massey Greene and Merson S. Cooper.

Yarra Falls (closely connected with the above) showed £105,000 profit in 1933-34 and only £38,000 in 1934-35. Its board consists of Sir Walter Massey Greene as chairman (his turn), F. F. Robinson, N. Robinson, E. L. Baillieu and three others, with a London board of W. S. Robinson and C. L. Baillieu.

Barnet Glass, of which the whole of the ordinary shares are owned by Dunlop Perdriau, showed £57,000 profit in 1933-34 and only £45,000 in 1934-35.

And Dunlop Perdriau fell from £287,000 in 1933-34 to £120,000 in 1934-35. Let us go into Dunlop's in some detail.

THE CASE OF DUNLOP PERDRIAU

The chairman is Mr. W. A. Watt, and amongst those associated with him either as directors or as alternate directors are C. L. Baillieu, Alec Stewart, Sir Walter Massey Greene and Sir Colin Fraser.

Dunlop Perdriau is a very big concern, having a paid-up capital of almost £4½ millions. As there are more than 10,000 shareholders

holders, its capable management is naturally of very grave concern in many homes. And there was doubtless consternation in those homes when it was learnt that Dunlop Perdriau, though under the directing inspiration of "sane" financiers, proposed, in this year of recovery, to pay no dividend to its ordinary shareholders.

The annual meeting was held on last Friday and, like the annual meeting of Trufood held the same day (chairman, Sir Arthur Robinson, and result for 1934-35 worse than for 1933-34) was remarkable for an impotent outburst by shareholders against the directorate.

HEIL HITLER!

Dr. Schacht is the only economic dictator of Germany. —"The Economist," August 24.

Dr. Schacht wonders whether he is heading for a monument or for the scaffold, which is quite an appropriate moment to observe that he is AN AMERICAN JEW, with no training as a banker, who was attached to the Reichsbank after the war as a publicity expert. Whether his rapid rise in his new profession has any connection with the fact that his intimate friend, Mr. Montagu Norman, was a New York banker before he was made Governor of the Bank of England, is and will probably remain a mystery.

—"Social Credit," August 23.

In the case of Trufood, Sir Arthur Robinson, replying to a shareholder who suggested that the directors were taking the cream off the company's milk with exorbitant fees, effectively subdued his critic by answering with knightly dignity "petty attacks on directors were unworthy of shareholders." But Mr. Watt, not being a knight, was subjected to more severe scrutiny.

POLITICAL STRATEGY IN BUSINESS

One of the unkindest things that could be said of Mr. Watt was the comment of Melbourne's most widely read daily newspaper: "The strategy gained by the chairman (Mr. W. A. Watt) in his long political experience enabled him to handle a most difficult meeting successfully. After a lot of cross-firing by irate shareholders the report and balance-sheet were adopted." The statement was unkind in its suggestion that the affairs of such a huge company could be in a state, which would require the strategy of a politician rather than the honesty of a business servant in placing its accounts before the owners. Nevertheless press reports of the meeting seem to indicate that the chairman was there to use wiles rather than candour.

Apart from the criticism of a well-known public accountant that the company's balance-sheet simply threw a smoke screen over its whole financial position, Mr. Watt personally came out of the encounter with little added prestige, for a number of his defensive utterances were no better than the clap-trap to which we are accustomed at street-corner political meetings. There was, for instance, his remark that, while some of the classes of its goods being sold were not very profitable at present, he regarded it as a moral obligation of the company to continue to supply all classes of rubber requisites in Australia. A moral obligation — and in the next breath Mr. Watt was telling the shareholders that they had no right to know how much their directors were paying themselves!

Mr. Watt, again, was virtuously indignant at the mere suggestion that any director of the company might be taking advantage of the bad impression created by the balance-sheet to snap up whatever shares were offering cheaply on the

Stock Exchange. "I can say that I bought none", he assured the shareholders, adding, "I can go blindfold and say that any of my colleagues will take the same oath." More than that, "no one sitting at this table would have anything to do with an incorrect balance-sheet."

There is the typical cross-my-heart utterance of a politician. And it met its due answer when another of the shareholders present suggested that if the current balance-sheet was not incorrect then last year's one must have been hopelessly so, since a writing down by some hundreds of thousands of pounds had been found necessary only a few months after the last annual statement of accounts.

A NEW IDEA OF NEW COMPANIES

On the question of competition by other companies Mr. Watt also found himself in difficulties. It was pointed out to him that a young competitor, starting with no goodwill (Dunlop's allow £354,000 in their balance-sheet for their own) had not only paid a handsome dividend for the year but its shares were quoted at 30/—, against Dunlop's 14/6. Mr. Watt tried to answer this by claiming that with young companies maintenance was low, depreciation nil and altogether, in the first year, there was a light load to carry.

Such a statement, coming from the head of one of the biggest trading concerns in Australia, and a man who, before he became a politician, was an accountant, is nothing short of amazing, and one can well imagine how it must have been received by business men generally. Anyone who has ever had any connection with the starting of a business knows perfectly well that its initial stages bristle with troubles — even where it has not to face so mighty a rival as the Dunlop-Perdriau-Barnet Glass combination. On the selling side there is the difficulty of breaking ground and of getting orders. Almost inevitably there is heavy expense in securing a continuity of business. There is the costly matter of

The Right Hon. J. A. Lyons,

Prime Minister of Australia

Dear Mr. Lyons,

At the risk of making a nuisance of ourselves by too frequent correspondence (but we won't mind if you don't answer our letters) we feel impelled to drop you another few lines.

So you really did put it in writing for the Pope after all! Well, His Holiness will be delighted to know that with you it's not a case of out of sight, out of mind. But what's all this we hear about your asking the Pope to advocate free lunches for State school children? Hasn't His Holiness enough troubles of his own—trying to satisfy Bishop Baker, of Bendigo, and all sorts of other people who want him to stop the war—without your getting him into fresh wars by leaving him open to a charge of starting Papal soup kitchens for proselytizing little Protestants? Really, Mr. Lyons, we're surprised at you.

Seriously, though, on this matter of more food — it was refreshing to find you arriving at the momentous conclusion that "the solution must be found in increased consumption rather than in retarded production." Quite a few of us held that opinion even when you were enthusiastic about Premier's Plan ideas of lessening incomes, and so lessening of consumption—but we won't go into that now. How do you propose, though, to finance this increased consumption? You can't expect the farmers to give the food away. Who is going to

pay them for it? The unemployed can't. Will it be the State? Then, unless you follow us all the way, and GIVE money to the people, you must increase taxation once again. . . Even the bankers' press has just told you bluntly that you are the ultimate straw in taxation, so your only recourse seems to be an unbalanced budget.

But at the mere idea of this you expressed a holy horror as recently, as last Saturday night, when you gave an after-dinner explanation of finance to the Commercial Travellers' Association. Not being financial experts, we must confess we found it hard to follow your explanation that, "once Australia slipped into an unbalanced position, it would lose its reputation abroad, with a consequent loss of confidence, followed by loss of trade and commerce." We understand the part about "reputation" and "confidence"—you've explained that so kindly to us before—but we're frankly puzzled to know why Japan, say, would refuse to buy our wool if a whisper got out that our State school children were gorging themselves on an unbalanced budget. Perhaps you would put this into nice, simple language at your next Saturday night's dinner.

We note, however, that you've left us one loophole. State budgets don't matter, you say, since overseas people don't hear about them. Shades of the departed! How things have changed abroad since the days of John T. Lang.

THE NEW TIMES

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building up an efficient sales organisation. On the production side there are generally expenses innumerable. There are breakdowns in new plant, hitches in supplies, delays due to inexperience of staff, to their lack of familiarity with their plant, to failure in teamwork. There are a thousand and one reasons which make a company's first year or two its most difficult time, as is common knowledge in the very infant school of business.

As for depreciation and maintenance, if a company is run by anyone whose head is not ivory from the teeth up, that person must know that plant depreciation commences the moment the wheels begin to turn, and he must provide for it accordingly—unless he wishes later to face his shareholders with the inglorious admission made by Mr. Watt on Friday, that "a careful and complete revaluation of our machinery and plant has been carried out, which disclosed a large shrinkage of asset value. The sum of £273,000 has been written off these assets, and in addition liberal special provisions have been made with respect to losses on all other assets." Can shareholders wonder that directors have suddenly found their plant hopelessly overvalued when their chairman believes that with a young company depreciation is nil? Does not one of the biggest items of depreciation occur with the first use of anything—with the use that changes it from something new to something secondhand?

WHO IS THE DEFENDER?

Before leaving the immediate matter of the meeting—about which a great deal more could be said—one further word may be added. A bad impression was created by what appeared to be an inspired defence of the directorate on the part of a certain Mr. J. A. Boyd. The substance of Mr. Boyd's remarks was that he deprecated criticism of directors by shareholders.

Who is this Mr. J. A. Boyd, who claimed to have "a good deal of experience with companies," and who was so anxious to come to Mr. Watt's aid in his hour of trial?

Away back in 1908, in the time of the Bent Ministry in Victoria, the Hon. J. A. Boyd, M.L.A., then departing overseas to take part in the Franco-British Exhibition, was thus farewelled in the House as "my old friend" by Mr. W. A. Watt, M.L.A.: "I wish him well on his trip. He came here as a sailor before the mast, and if he can spare any time from the various functions at Buckingham Palace to tell the men

of England hat men can do here, his speeches will be worth the money spent on the delegation." Old friends, you see, in 1908. The friendship was even more firmly cemented before the end of that year, when Mr. J. A. Boyd retired from the Bent Government and voted against the Ministry on the motion, moved by the late Mr. Murray and seconded by Mr. W. A. Watt, which caused the defeat of the Government.

Mr. Watt's reference to oaths at the Dunlop meeting brings to mind that it was on the occasion of the Murray-Watt motion that Sir Thomas Bent, replying to an interjection by Mr. Watt, turned to him and said: "The people of this country will believe me before your oath, let alone your word."

This, however, has nothing to do with Dunlop Perdriau; recalling old memories makes one discursive. The point is that W. A. Watt and J. A. Boyd have been very close personal friends these many years. Nor have the years dimmed their close association. Mr. J. A. Boyd is still associated, as a director of Rolfe and Co., with Mr. W. A. Watt, who is chairman of the same company. Here again he would naturally be in sympathy with Mr. Watt in directors' troubles, for Rolfe's fully paid 7/6 shares have a present market valuation of about 2/-.

Speaking of Rolfe's brings to mind that the same Mr. W. A. Watt, who so virtuously declared last week, as chairman of Dunlop's, that he would not be a party to the breaking of a contract made by the company—a contract benefitting a director—was apparently not so worried about the sanctity of company contracts last year, as chairman of Rolfe's, when the preference shareholders of that company had their dividend arrears cancelled and their fixed rate of future dividends reduced from eight per cent to five per cent.

TRUSTEE OR TRUST?

Dunlop Perdriau's meeting has been gone into in some of its more personal aspects not for the sake of having a fling at Mr. Watt. Far from it. Nor is there any desire to put forward the least insinuation that Mr. Watt has not always acted according to what he believed to be the best interests of Dunlop Perdriau.

The whole matter at issue hinges, upon what the words "Dunlop Perdriau" convey to Mr. Watt. Do they convey the idea of himself as trustee for thousands of shareholders scattered over thousands of miles? Or do they convey an idea more closely akin to a word used today in a sense almost exactly opposite to its original meaning—does Dunlop Perdriau signify to Mr. Watt a trust in the sense of a monopoly? Is this enterprise merely a part of the super-trust, of the combination of monopolies towards which the group with which he is associated has for years past been aiming, and which it has so nearly attained? The administration of the company has unquestionably been faulty, but is this because Dunlop, Perdriau

and Barnett Glass have all been gobbled up to carry out the policy of a super-monopoly which is concerned more immediately with power for itself than with profits for its shareholders?

We suggest to Mr. Watt that this may be so, and that the over-centralisation of monopolists becomes unwieldy, promotes inefficiency, and is grossly unfair to shareholders. That shareholders' control over these Frankensteins, which their own savings have helped to construct, is daily diminishing was made patent at the Dunlop Perdriau meeting. Almost every shareholder present appears to have been hostile to the directors and their management. Yet the meeting passed off without their even finding out what the directors were paying themselves out of shareholders' funds, and when it came to a showdown the retiring directors were re-elected without any other candidates being put up against them. Even had there been opposition, it is safe to suggest that it would have been fruitless. For the spreading of a company's shares over a wide geographical area, the general provision that absent shareholders can be represented only by other shareholders (of whom they will probably not know any), and the power of directors to present accounts and to give or withhold material information under cunningly devised articles of association, have resulted in existing directorates establishing a virtual dictatorship.

WHERE THE MONOPOLY DEFEATS ITSELF.

So long as these dictators pay shareholders what the latter regard as a fair dividend their sway is not likely to be disputed. But this is where the Collins House monopolists, through their ignorance of the workings of our money system—for they are not really very wise men—have been making a stick with which they will ultimately beat themselves. For under our present money arrangements it is physically impossible that every industry should show a financial profit; one can show a profit only if another shows a loss. Mr. Watt's half-million of depreciation this year, for instance, represents money not disbursed by his own industry—or rather, when it was originally disbursed to the public through construction it was taken back through a share issue, leaving the public with share scrip only. Hence the depreciation charge must be got from other industries, which in turn must show a loss. Ultimately, when the monopolists have got hold of nearly all major industries, the position must arise that they cannot collect their depreciation from outside, and the debit for depreciation will be clearly indicated in the dwindling market value of their own scrip. We see this reflected in Dunlop Perdriau, whose 3½ million ordinary shares were valued at the beginning of this year at about £1, but which have since slumped 25 per cent, on the Stock Exchanges.

We commend this consideration to Mr. Watt and to his Collins House associates. Numbered amongst the most vigorous opponents of monetary reform, these gentlemen oppose suggestions, which, without interfering with their wealth, would admittedly deprive them of their monopolistic power. But they cannot have it both ways. If their opposition persists a little longer they will find themselves with power but without wealth. And, if last week's meeting is any sort of a fingerpost, an irate people will then step in and deprive them also of the remnants of their power. So, if Collins House wishes to save any of its chestnuts, it might be well advised in its own interests to do some very hard thinking on its attitude to finance.

(References to Mr. Watt's expressed attitude to our national finances will be found in a leading, article on page 4 of this issue.)

MEAN PRIVATION OR PRIVATE MEANS?

By CHARLES F. J. NORTH, Member of the Legislative Assembly of Western Australia.

Anybody who sits down and calmly considers why it is that the bottom has been knocked out of enterprise and why universal over-production seems to portend universal rum is likely to sit up. His first conclusion must be that we are all mad. Then, as he reasons on, he will probably arrive at the point that the world tragedy in economics springs from slavishly following principles which govern the village market, principles which come down from time immemorial.

What are those principles? One of them is that value is derived from scarcity. For instance, if 1000 eggs are offered, of which 100 are new-laid, the farmer with the new-laid eggs will receive a good price. If all the 1000 eggs were new-laid he would take the price, which his neighbours secured, no more and no less. A second principle of great importance is that in the old days the village market was—so to say—mutual. Everybody had something to offer. It was in this way that the system worked. Whether from the fruits of labour or of land or capital, everybody more or less was in a position to draw from the pool to which he had contributed.

With the dawn of the machine age, however, which has now developed into an automatic power-fed machine age, everything has changed. In the first place scarcity has been removed from the scene. With a diminishing proportion of persons engaged ample products can be made available for everybody. "Yes," you will say, "can be but are not." Well, naturally not, so long as we persist in trying to run things under the old system. For trade and industry and farming normally are conducted between those who

JAPAN PICKS UP MORE WESTERN IDEAS.

The annual net increase of the population of Japan has fallen from a peak of 1,007,868 in 1932, to 527,209 (or 13.79 per thousand) in 1933; and to 809,224 in 1934. This last figure means a rate of net increase, which is the lowest for any year since 1920, and is well below the average for the whole period of thirty-three years, which Japanese statistics cover. The fall in the birth rate is the principal factor in the decline of the net increase. The number of births in 1934 was 2,043,807 (or 29.97 per thousand). This is the lowest figure recorded since 1924, and is 138,936 births less than the number in the peak year, 1932.

take in them, whether they contribute finance or land or labour. But, as we are fully aware, millions and more millions are being cast aside in favour of mechanised production. They are supposed to stay away from the market place, to shiver in a garret, or to starve silently in disgrace because man through science can dispense with their services. This situation is in all conscience bad enough, but it is developing in a new direction. Governments, fearing bankruptcy, reluctantly borrow just sufficient from time to time to prevent these victims (who in reality are the living witnesses to the triumphs of the engineer) from dying in the streets. Gradually those who remain in the industrial arena feel the demand for their products weakening. In desperation public works are started and in many countries conscription is extended and the munitions of war produced in greater quantities.

In such a situation the responsibility, which rests upon those who fight for the New Economics, is a terrible one. For it would be possible to write on a single sheet of paper the names of the periodicals, which at the present time are carrying the brunt of the world-

wide battle. Just as steam, scientifically harnessed, has transformed the civilised globe, so will credit wisely operated in the public interest enable men to move over from an age in which all contributed their services to an age in which fewer and fewer will be required to do so.

WESTERN AUSTRALIA'S PROBLEMS

The peculiar problems arising in Western Australia from this situation are largely due to the fact that her whole economy has been built up on an export basis. World prices govern her fortunes far more than in the Eastern States, since there is not that balance of factory life to take the shock, as it were. Farmers were urged by the Federal Government to grow more wheat and did so. Their reward has been to receive a price well below the cost of production.

It was felt by a large body of citizens that a remedy for this tragedy could be found in leaving the Federal Union and setting up a separate State, which would permit of a financial policy more suitable to the situation. Social Credit was not actually propounded, but there would have been nothing to prevent the new Dominion Government from utilising its own public credit as it thought fit, assuming the people so desired.

At the present time, however, all eyes are turned on Mr. Ogilvie, the Premier of Tasmania. For there is to be a joint conference between the three weaker States as to the best means of relieving the position which confronts them. Mr. Ogilvie is known to be sympathetic to Social Credit, and he should have the support of a vital report upon finance fresh from the hands of the Tasmanian Select Committee. The antidote to the general bankruptcy, which threatens Western civilisation, is not mean privation but private means. And when all is said and done, pens, ink and paper are really plentiful and quite cheap.

SOCIAL CREDIT MEETINGS AT BOX HILL.

On Wednesday of last week a capacity house in the new Town Hall buildings, Box Hill, listened with enthusiasm to addresses on the need for a new social order by Revs. J. T. Lawton and C. D. Brock, the latter of whom is the president of the Social Credit Movement of South Australia. In introducing the speakers, the chairman, Mr. David Robertson (president of the Social Credit Movement of Victoria) assisted them to bring home their points by some very pertinent remarks on present-day methods of "big business."

The next meeting in this district will be held at Moyes' Cafe, Station-street, on Tuesday, October 8, at 8 p.m., when an address will be given by Cr. L. McRae Stewart, of Caulfield.

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METHODIST MONEY SPEAKS!

[An editorial published in "The Christian Century," Chicago, of August 4, 1935.]

Was the secret meeting held by wealthy Methodist laymen in Chicago on July 29 the opening gun in a campaign which will go far toward fixing the character of American Protestantism for the next generation? The men of great business affairs who gathered behind closed doors at the Union League club so conceived it, and their sense of destiny may turn out to have been well founded. Alarmed at the growth of demands for social and economic changes which threaten their positions of power, and determined that such demands shall no longer receive the sanctions of the pulpit, between thirty and forty laymen spent a day in launching a campaign designed, in the words of the group's spokesman, to "keep a watchful eye on radicals within the communion." It was clear, moreover, that these Methodists hoped that their effort to purge the pulpits of their Church of social preaching would spread to other denominations.

The only concrete result of this gathering of laymen so far public is the announcement that a permanent organisation, designed to conduct a national campaign, has been formed, and the release of a statement of general principles. In the early stages of the Chicago meeting it is rumoured, many of the participants favoured adopting a declaration which would condemn certain Methodist denominational boards and clerical leaders by name, at the same time setting down certain definite social and economic issues as outside the legitimate concern of the pulpit or of denominational conferences. A day's consideration, however, convinced the conferees that it would be better strategy to launch their fight without making the objectives too specific. The result was a document, which, because of the historical importance it may assume, deserves to be reproduced in full:

"The fundamental object of the Methodist Episcopal Church is the building of Christian character. The message of the Church is personal, individual. True Christianity relies, for its influence on social and economic conditions, upon the work of individuals who have accepted the philosophy of Christianity and have ordered their lives by it.

"Economic and social systems operate upon mankind in the mass. They are the result of social evolution throughout the centuries. In themselves they are mechanistic in character, impersonal in operation, and not primarily interested in men and women, nor in their hopes, aspirations or characters.

"Between the philosophy of Christianity, with its emphasis upon the personal relationship and responsibility of man to man, and man to God, and the philosophy of economic determinism, which relates all human happiness to economic reward, we feel that there is essential and inevitable conflict.

"Therefore, it is the sense of this group that when the pulpit and the religious press substitute economic and social systems for the Christian ideal of individual responsibility and freedom of choice, they are losing sight of their fundamental objectives.

"The ills from which the nation and the world suffer have arisen from the spread of materialism. Those ills will not be cured by more materialism.

"We call upon Methodist ministers and laymen everywhere to join us in the study of the problem growing out of the conflict between these two opposing philosophies. We, therefore, recommend that the movement among laity begun in this meeting be encouraged, and that a continuing committee be appointed so that problems as they arise may be thoroughly studied and facts developed that may be disseminated."

No complete list of the laymen who drew up this document and compose the organising group of the movement thus launched has been made public. It has been reported, however, that the chairman of the executive committee is Mr. Henry S. Henschen, president of one of Chicago's collapsed banks; that the chairman of the committee which wrote the declaration of purpose was Mr. Arthur M. Hyde, secretary of agriculture in the Hoover Cabinet; that the secretary of the executive committee is Mr. Wilbur Helm, head of a Chicago bond house and president of the Illinois society of the Sons of the Revolution. Others reported to have participated in the Chicago meeting include Mr. Fred. Sargent, president of the Chicago and Northwestern railway; Mr. Hugh S. Magill, formerly secretary of the International council of religious education, and now head of the American federation of utility investors; Mr. Burt J. Denman, manager of the United Light and Power Company, and Mr. T. W. Appleby, president of the Ohio National life insurance company. The only attendant at the meeting not a member of the Methodist Church was, significantly enough, Mr. Perry Adelman, one of Chicago's best-known public relations counsels.

The launching of a movement of this sort by a group representing so much economic power is certain to be viewed with dismay in official Church quarters. What disasters, financial and otherwise, may not befall the denominational programme of benevolence and property expansion when laymen who hold the purse-strings thus conceive themselves as engaged in "essential and inevitable conflict" with much of the Church's preaching! But while such concern is natural, and will lead to efforts to minimise the actualities of the cleavage, which the action of this company of laymen has revealed, it is as well for the health of religion that the issue has been thus joined. If there has been a latent conflict between the economic security of the wealthy laity of Protestantism and the preaching of an important portion of the Protestant ministry—as there has been—it will not increase the tension much, and it will immensely improve the understanding on both sides, to have this conflict brought completely into the open.

The laymen have chosen to open their onslaught with a declaration of dogma — dogma as to the nature of religion and of the purpose of the Church. As their movement develops, the clergy whom they seek to bring under fire will have no difficulty in disposing of that dogmatic argument. This appeal to individualism to settle the "responsibility of man to man and man to God" comes from the very men who, in their most individual relationship with their pastoral shepherds, are most likely to insist on their social helplessness in living up to the ethical standards of the New Testament. It is almost exactly descriptive to say that this dogma represents an effort to translate the economic and social dogmas which Mr. Hoover has championed in the field of politics — all that mass of ideas which has come to be suggested by the term "rugged individualism," and which is maintained in the Hoover credo, "The Challenge to Liberty"—over into the field of religion.

Undoubtedly, as this movement develops — for it may be taken for granted that wealthy laity in all communions in their present state of apprehension will welcome and rally to it — this dogmatic rationalisation of its purposes will have to be answered. It has already been answered — pulverised, would perhaps be a better verb — by a long line of Christian thinkers stretching back to the beginning of Christian theology and finding expression in the contemporary period by the group which may be said to stem out of Rauschenbusch, Gore, and Leo XIII. But this is the kind of task which has to be done over and over again for a succession of generations before it takes genuine hold on the minds of the masses, both within and without the Churches. At this moment when the movement is being launched, however, reality is best served by paying only minor attention to its formulation of dogma and seeking its real meaning and purpose in its personnel. What is the real significance of the Union League club meeting?

There can be no question as to the purity of the motives, which have induced these laymen to launch this movement. It is almost equally beyond question that they do not themselves realise the factors which have led them to believe that religion is in peril and requires salvation by the sort of means they have in view. It is the irony of the situation that, at the very time they are thus denying the validity of such a conception as economic determinism, they are giving what the orthodox Marxist will seize on as the most convincing illustration of the working of that principle in the recent life of the Church. These laymen believe, honestly but we affirm, mistakenly, that their primary concern is for the purity of religion. As a matter of fact, their primary concern is for the maintenance of their power. Not, fundamentally, their power in the Church, but their power in American society. They represent power in a social order now under terrific tension; they represent power apprehensive for its future; they represent power determined that religion shall not become a factor in bringing about a shift of power to other hands.

It will be said that this Union League meeting is a reminder by Methodist laity to Methodist preachers that he who pays the fiddler calls the tune. There may have been a little of that in it, but the real motivation was not so mean as that. Fundamentally, the Union League club meeting was notice served that the sort of layman who, under the laissez faire order, has had the financial ability to pay the fiddler does not mean to relinquish that ability. He likes to pay the fiddler. He would rather pay the fiddler than call the tune. Wealthy laymen have, in the main, been broad-minded as to the tune their fiddler plays.

But the laymen see clearly that this particular tune is likely to dispossess them of the privilege of paying any fiddler at all, except as they share this privilege on an equality with rank and file members of the Church. The launching of this lay offensive against the social gospel in the Protestant pulpit is only one part of the offensive which wealth — now that the panic of six years ago has largely passed—is launching all along the line.

Not all wealthy churchmen will join in this offensive — not by any means! There are in the ranks of the Christian laity numerous rich men and women who have reached that stage of intelligence and grace where they are fully aware of the deceitfulness of riches in determining their motives and actions. Whether their eyes were opened by Jesus or by some other teacher, these men and women are working for a social order of justice, and so far as their own fortunes are involved are willing to take the consequences. But they are exceptional. The great majority will not be able to analyse their own motives and see that they are rationalising their economic interest by pious dogma. And because of the respect which history has taught privilege to have for prophecy, these wealthy laity will insist that this offensive be launched immediately against the pulpit. From the standpoint of the preservation of their own power, they are quite right. The pulpit, which preaches the mind of Christ and an undiluted New Testament, is far more to be feared by the controllers of the present order than any forum, which preaches the Communist manifesto.

Loud Speakers for Everybody

The Radio Exhibition (writes B. J. Bothroyd in "Reynolds's Illustrated News") has inspired some of our prominent politicians with important ideas. Anyhow, it has inspired me.

Editor: Are you a prominent politician?

Yes.

What Party are you prominent in?

The one I've just started. The New British Fascist Party, open only to Christians of pure Camden Town descent. You can't join—your great-aunt's third husband was Dutch.

How many members have you got?

Two, me and Uncle Harold. We meet Thursdays at the Skinner's Arms.

Have you a Party organ?

No, but Uncle Harold plays the flute.

I mean, have you a paper?

No, I use yours. And now can I get in my article? Thanks.

TOO MANY OPINIONS

To proceed. The press recently announced a suggestion for advertising the Exhibition by a cordon of loud speakers round London. The idea does not appear to have borne fruit. I use the word fruit in its broadest sense. This is a pity. It would have been a test as to whether the English people still retain any powers of resistance, or whether they are ripe for a dictatorship.

The idea of a cordon of loud speakers round London leads naturally to the wider and nobler conceptions of a forest of loud speakers all over the country. After all, it is possible to break through a cordon. What we need, in the interests of national discipline, are broadcasts from which the people cannot escape.

For the time has come, my Party has decided, to get public

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opinion properly under control. There are too many different political opinions about. So long as people are allowed to choose their own political opinions there will be no national unity.

There must be only one political opinion. The Government must decide what it is, and then have it broadcasted once an hour throughout the day. There must be loud speakers every few yards along the streets, and compulsory wireless in every home, with heavy fines for shutting it off during the statutory listening time.

In this way no one will be able to escape having the right opinion. We shall be a united and unanimous people—"one flag, one land, one heart, one hand, one nation evermore." And only one idea.

I regard this as the most important proposal that has yet been made for achieving national stability. It is not quite new, for they have had something like it in Germany. At the moment of going to press, Germany is the most united nation in the world except the Eskimos, whose brains are frozen for eleven months in the year. Germany's heart beats as one. Any heart found not beating as one is branded on the left ventricle with "N.A.," meaning Non-Aryan, and its owner is deprived of his vote and sugar-card and compelled to eat without a knife and fork.

This happy state of national unity has been brought about largely by wireless. During their one-party election they put loud speakers in the streets so that no one could help hearing Hitler's speeches. And the German voter, after listening to the arguments on both sides (of the street), balanced them carefully in his mind and voted for the only Party there was. I am told that if anyone was seen not enjoying it, he was put in a camp on bread and water for six months and branded on the forehead with "N.A.," meaning No Appetite.

COMPULSORY LISTENING.

Some people say the British people would object to compulsory listening-in and would not submit to hearing the same speech once an hour for every day of the week. I do not foresee any serious opposition. Most people have given up attempting to escape from the wireless. They know they can't.

Motors with wireless attachments pursue you along the main roads, and the "blah blah" of announcers greets you from every cottage, reminding you that the world is full of friends. Picnic parties transmit the sounds of a dying pig, which they call dance music, over the hills and moors, and the once silent woods echo the moans of crooners in perpetual pain. And I have no doubt that if I take the wings of the morning, or a bicycle, and flee to the uttermost parts of the earth, lo, a voice will say, "This is the National Pogrom."

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Tariffs, Taxation and Mr. W.A. Watt

It is now an accepted custom that the chairman of our big companies, in the concluding remarks of their annual addresses to shareholders, should deliver themselves of a few pregnant abstractions about national policy. This custom has been strengthened by the necessity which the recent depression years have imposed of distracting shareholders from gloomy trading reports. Mr. W. A. Watt, at the annual meeting of Dunlop Perdriau last week (referred to elsewhere in this issue) was no exception, and he brought his statement to a close by a short dissertation on tariffs and taxation, with a few incidental remarks about the unemployed.

The gist of what Mr. Watt had to say may be summed up in three paragraphs:—

1. Since Ottawa, "Australian manufacturers have become oppressed by an insecurity complex." Even the efficient local manufacturer is threatened, and there is danger "lest widespread and irreparable damage be inflicted upon capital, employment, and the community generally."

2. Taxation continues a heavy impost. "The Commonwealth enjoys a robust surplus, quite a considerable proportion of which comes from the Postal Department . . . The Post Office should not be employed as a taxing machine. . . . The States, however, do not seem so concerned with the duty of balancing their ledgers."

3. "How can legislators persist in the delusion that Governments can provide a remedy for unemployment? . . . The time has come to take the load off the back of private enterprise, and give it a direct incentive to embark upon undertakings which will absorb that section of the unemployed which is still employable."

Let us try to bring Mr. Watt's statements down from the abstract to the concrete and see what they mean.

Statement number one is a plea that heavy taxation should be inflicted upon the community to benefit Australian manufacturers — for that is what the tariff is in practice, a form of taxation which brings in revenue of over £20 millions a year. Mr. Watt suggests that this would benefit "the community generally." Perhaps he would explain how the tariffs have increased the real buying power of the basic wage since it was instituted in 1907. Perhaps he would explain how high prices for what they have to buy have helped those Australian farmers (wool growers, for instance) who sell nearly all their produce abroad at world parity; perhaps he would explain how the attempt to keep out foreign goods has enabled the same farmers to sell their own goods to foreigners.

Statement number two is a somersault from the preceding one, since it asks for a reduction of taxation. Will Mr. Watt be explicit, and indicate how taxation can be reduced? As a professed believer in the sanctity of contract, will he have us reduce the taxation, which provides interest of £55 millions a year for bondholders? Perish the thought. Or would he reduce the taxation, which gives a few shillings a week to those left destitute in their old age through incapacity to save anything from a basic wage, which makes no provision for saving? Or the taxation which gives a pittance to those broken men and to the dependents of the dead whom Mr. Watt cheered on as heroes when they went to fight for Australia twenty years ago? Or is it that he simply wants to abolish the taxation which gives some relief to farmers by way of bounty, subsidy and home price — an endeavour to give the farmers, by taxing consumers, the same benefits which Mr. Watt's manufacturers have already got, also by taxing consumers?

Statement number three arises from number two. It also is a plea for abolishing taxation—the taxation that provides a pittance for the unemployed. If memory serves us rightly, Mr. Watt made a similar plea last year, contending that private enterprise, if freed from taxation, would re-absorb the unemployed. Mr. Watt has now modified his attitude, and speaks today of "that section of the unemployed which is still employable." One wonders is Mr. Watt, sitting in his offices in Collins Gate, stone blind to what is going on in the great world around him. Is he not aware that if the manufacturer were freed of taxation and of debt the very first thing he would do would be to instal more and more up-to-date machinery and thus, instead of reabsorbing the unemployed, to

cause far greater industrial unemployment?

So that Mr. Watt's threefold remedy is: (1) Tax more; (2) tax less; (3) remove taxation imposed to relieve the unemployed in order that more unemployment may be created. Such are the ways of statesmanship.

You will observe that Mr. Watt carefully avoided any mention of where the taxation comes from — which is the people's money supplies, and not their goods or services. Yet if Mr. Watt were to look into this aspect of the matter he might discover that it is possible at one and the same time to give effective protection to existing home manufacturers without taxation; to give governments sufficient revenue for necessary works and services while still reducing taxation; and to give industry its head, to let it go on increasing unemployment, and to turn that unemployment into a blessing instead of a curse. This can be done quite simply if the nation again takes control of its own money supplies. And the principal bar to its doing so is the dominance over the community of a little group of selfish, antisocial, and — for their own sake let us hope—ignorant men. These men fool the public with the same sort of abstract absurdities as Mr. Watt.

National Crime the Result of Poverty

A striking answer to those who may still be inclined to discount the connection between economics and virtue is supplied by the latest British governmental report on crime in England and Wales. This publication, which covers the year 1933 and reviews the criminal statistics since the beginning of the depression, was issued in England at the end of August, and its detailed figures arrived by this week's mail.

During 1933 there were 62,000 convictions for indictable offences and 540,000 for non-indictable ones.

Of the former cases there was no increase since 1929 in crimes of violence against the person; there was a small decrease in sexual offences. Cases of cruelty to children have declined year by year since 1929, and the 1933 figures for drunkenness were much below those of 1931 and of previous years. But thefts and frauds, which made up nearly three-quarters of the total list, increased progressively from 1929 to 1932, decreasing again in 1933. "In the year when the unemployment figures began to fall," the report states, "there was a turn for the better in the criminal statistics. Probably also delinquency among children is affected by unemployment. When home conditions are harder and there is less pocket money available there may be an increased tendency among the children to pilfer." The report is admirable in the restraint of its wording; witness the term "less pocket money" — amongst the children of England's two million unemployed!

How large a proportion of the indictable crimes can be linked directly with poverty and its sudden temptations to small thefts may be gleaned from the penalties imposed. Only six per cent of the crimes of larceny were serious enough to merit more than three

months' imprisonment, while 78 per cent. were dealt with by fines or the Probation of Offenders Act.

Turning to the 540,000 non-indictable offences, we find that two-thirds of them were of the variety specifically created to provide government income. No less than 284,000 were traffic convictions; 30,000 were for trading at forbidden hours, and a further 30,000 were direct breaches of revenue regulations, consisting mostly of failures to register dogs and vehicles.

It is surely a reasonable assumption that if every household had a decent sufficiency petty thefts would practically disappear; likewise that traffic offences, which proceed mainly from congestion on roads and at kerbs, would be minimised by more thoroughfares and more parking spaces; and that regulations imposed solely for the purpose of producing revenue would cease to be broken if there were no such regulations. As it is immediately evident that nothing but the private monopoly of the nation's finances, and a consequent shortage both of domestic and of governmental income debars such things being done, is it unjust to lay two-thirds of England's crimes at the door of her money monopolists, headed by the master thief of all time, the Bank of England? As for the balance, it must be remembered that major crimes are rarely the work of first offenders — just as poverty leads to pilfering, so pilfering leads to housebreaking, housebreaking to violent assault; violence may lead to anything.

What applies in England applies in Australia and in most other countries. Crime goes with poverty, and, as for its opposite, though we have not had too much opportunity of trying it out, we are quite prepared to accept the words of the present Pope, who recently declared it imperative to uplift everyone to "that higher level of prosperity and culture which, provided it be used with prudence, is not only no hindrance, but is of singular help to virtue."

The trouble is that so many of our good people won't believe it possible the destitute could be prudent if they had a pound or two in their pockets. Besides, the good people would lose that warm glow of smug self-satisfaction, which comes to them now from dispensing "charity" in place of justice. Perhaps, if they gave a little more thought to the crimes, which they are provoking, by failure to instruct Parliament to abolish poverty, they might be a little less self-satisfied and a little more inclined to take a chance on the prudence of those released from poverty.

A Bishop on Politicians

Bishop Crotty, of Bathurst, who is on his way home from a trip to England, has evidently kept himself well informed of Australian events in his absence. For hardly had his ship touched at Fremantle on Tuesday before he was giving to the press his views on "some Australian politicians." The Bishop, being a man of peace, did not exactly say in words that if there is to be a war we should be into it with our heads down. But he did say: "the great moral adventure which Geneva represents must

prove costly and Australia cannot hope to enjoy its fruits while refusing to share its sacrifices." He also said that it is "our plain duty to submit unreservedly to such principles and forces of collective security as can be made immediately operative through the League of Nations."

Possibly we may not be able to understand plain English. But if words mean anything it seems to us that his Lordship, in the very act of censoring those politicians who are saying we won't go to war, is expressing his view that if the League (on Britain's instigation) declares for war, then we must go to war. Is the Bishop the pot or the kettle?

For our own part we incline to think that there is no subject in the wide world on which discussion should be so free and so frank before the event as it should be in the case of war. But we would make one proviso, which is that those who advocate war should, irrespective of age or circumstances, be the first to be sent into the front line when war is declared. There should be no exception — not even Bishops.

NO DEPRESSION IN THIS TRADE

The following table, showing the growth of armament firms' profits in Germany, is given in an American contemporary:—

	Profit in Millions of Marks.	
	1932	1934
Krupp	108	177
Central German Steel Works	22	33
United Aluminium ..	8	24
United German Nickel ..	2	5
I.G.F. (Chemicals) ..	476	565
A.E.G. (Electrical) ..	79	106
Opel (Motors)	25	82

AN ECONOMIC RIDDLE

Inveterate economists
Are very learned blokes,
But when in paradox they speak
Their meaning oft I vainly seek,
Suspecting subtle jokes,
They say the whole world's down
and out;
But here's what I can't see.
If every land, beyond all doubt,
In all the earth is up the spout—
Then who's the mortgagee?

Do we owe money in the moon,
Or some celestial land?
Or have we creditors in Mars,
Or other fixed and unfixed stars,
Who hold our notes of hand?
If not, why all the fuss and fret?
I've conned it o'er and o'er,
And find no clear solution yet.
If all the earth is deep in debt,
Who IS the creditor?

When men go into bankruptcy
The case is plain as day:
What is not in the dear wife's
name
Grim creditors will promptly
claim,
And assets melt away.
But when a whole wide world's
in soak,
And cannot raise the tin,
Here's where I half suspect a
joke:
When all the earth goes stoney
broke,
Who puts the bailiffs in?
—"Farming First" (N.Z.)

"The high contracting parties agree that the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin that may be, which may arise among them, shall never besought except by pacific means."
—Kellogg Peace Pact.

WOMEN!

You are invited to a meeting of special interest to yourselves at the Douglas Credit Rooms, The Block, Melbourne, on Friday, October 4, at 3 p.m. Speaker: Mrs. Lavis.

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LOUD SPEAKERS OF THE HIDDEN VOICE OR STATESMEN?

1.—Mr. Lyons

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

Three prominent members of the Federal Cabinet have been telling more bedtime stories. Mr. Lyons told of how we achieved stability through sacrifice; Mr. Menzies spoke of our wonderful democracy and the capacity of the British stomach; and Mr. Casey talked about the puzzling problem of public credit. These men are supposed to speak for you and for me, and consequently when we have reason to dissent from what they say it is only fair that we should come out into the open and tell them so. We therefore start with Mr. Lyons.

On September 9 he said, firstly, that the success of the social credit candidates in Alberta was due to the failure of the politicians there, because "they had waited for something to turn up instead of following Australia's example in making sacrifices to achieve stability"; secondly, that the tendency of the States to react against the Commonwealth was a real menace; and thirdly, that in Australia we are now reaping the benefits of our sacrifice." On September 14 he followed that up with the plea that "the people of the country should cease to talk about depression" and that "we could now afford to be optimistic." On September 19 he again apologised to the banks having to appoint a Commission of Inquiry, but assured them officially and publicly that they had nothing to fear. On top of all this he boasted, "We have restored the finances and lived within our income."

WHY PICK ON ALBERTA?

Now let us go over these statements quietly. Is it fair to blame the poor politicians of Alberta? They believed in "sane and sound finance", just as our own politicians do, and kept well away from monetary heresies. It is true that they left an empty Treasury, but what else could we reasonably expect? Are not the State Treasuries in Australia in precisely the same position, and is it not inevitable that they must remain in that position under the existing financial system? Did not the great Professor Copland have a triumphal tour of America as the man whose advice to Australia to carry on with "laissez faire" lifted us out of the depression on to the top of a lost world? And is it not true that this same professor has now made the public statement that "there is a great deal of risk in leaving things as they are and waiting for prosperity to restore itself?" Furthermore, as Mr. Menzies was actually elected only last year on the very policy of waiting for something to turn up (I personally heard him admit it in the Hawthorn Town Hall), it seems rather ungracious for the Prime Minister at this early date to tell the people they were hoodwinked. So why pick on Alberta? What's wrong with that policy, anyway? Is it not as good as any other while the Commonwealth allows a small group of private people to dictate in financial matters? In such circumstances no Government can do more than it is permitted to do by the little irresponsible outside coterie. Look at the pathetic figure of Sir Henry Gullett. His story of failure is pitiable, particularly, when we realise that he would have been quite as successful had he remained in Australia and written letters. The markets he has been searching for would have "turned up" just as easily as they could be "found" where they do not exist. The truth is that nothing can turn up unless the private controllers of finance permit it to turn up, and neither Mr. Lyons nor anyone else can alter that position until the control of finance reverts to

the Crown.

SACRIFICES AND STABILITY

As for "sacrifices" and "stability," we ask Mr. Lyons these direct questions:—

1. Why were sacrifices necessary?
2. What was the nature of the so-called sacrifice we made and for whom did we make it?
3. In what respect is Australia actually more stable now than she was before 1929?

If the word "sacrifice" is used in the sense that the people of Australia were the victims of a deliberate slaughter, we do not object; but if it be used in the other senses indicated in the dictionary, then we think it borders on the sacrilegious. This slaughter of the Australian people was brought about by a sudden cessation of overseas loans, a sudden fall in the prices of our exports, and a sudden calling in of bank overdrafts and loans.

Read that again and reflect that each is controlled by the private money monopoly, that each was put into effect through the worldwide system of Central Banks, and that they all occurred about the same time. What was it we "sacrificed" and what was done with it? Who got the benefit of it, and in what form was it handed over to the beneficiaries? If the beneficiaries were Australians, let us have their names, and if they were not Australians, then who were they?

And as to our achieving stability, in what respect did we lack it? Did our gallant men show instability in the Great War? Is it not true that our citizens could always hold their own with the citizens of other countries? Have our intelligence and initiative suffered by comparison with others? Has the quality of our production been inferior to the standards elsewhere? And is it not a fact that our farmers, despite criminal interference with their legitimate incomes, continued loyally to produce in abundance? If there was instability it certainly was not in Australia, and yet our misguided leaders, supported by a lying press, told us that sacrifices were necessary here to achieve something we had never been without. How proud we must now feel of ourselves for submitting so sheepishly to such a swindle, and to think that the "achievement" of this phantom stability cost the impoverishment of the aged and the infirm, the robbery of all government workers, the lowering of the general standards of living, the ruination of many hard-working business men, the cheating of thousands of home purchasers, the theft through forced surrender of thousands of insurance policies, the sacrifice of the small bondholders, who were obliged to sell on a rigged market, the bankruptcy of thousands of farmers, whose properties thus passed to the controllers of credit, the starvation of thousands of innocent victims, and the suicide of hundreds of good but financially-embarrassed citizens! What a price! Surely, at that price we must have achieved some wonderful thing to which we should now be paying dutiful homage. Perhaps Mr. Lyons does regard this newfound stability as some sort of deity, and for that reason associates the word "sacrifices" with it. As one Tasmanian to another, I ask Mr. Lyons what is this stability about which he speaks, where is it, what "benefits" are we reaping from it, and what would the benefits look like if we could see them?

THE MENACE OF THE STATES

Next comes the "real menace" of the States. Even when he was Premier of Tasmania Mr. Lyons found it necessary to demand a Federal Grant, and no one could truthfully deny that the grievances of the States are crystallised in the one word "Finance." Without exception, the States are finding it impossible to proceed with the work, which is necessary for the welfare and progress of their people. Land, materials and labour are available for all practical needs, but they cannot be used because the States lack the requisite bookkeeping machinery, which is the monopoly of the Federal Government, and which that Government traitorously surrenders to a private monopoly.

If the attitude of the States is a menace, then the only way to check the menace is for the Commonwealth Parliament to assume its proper functions under Section 51 of the Constitution Act. The only way in which the States are a menace is the threat they are making to the power improperly exercised over them by private financiers, and every Australian who knows anything about the subject is sincerely hoping that the menace will become even more menacing.

WHY CEASE TALK OF DEPRESSION?

Why is Mr. Lyons so anxious all at once that we should cease to talk of the depression? Without it he would never have been Prime Minister. Is he afraid that we might find out what a fraud it was? It has been a good depression as depressions go, and has provided him with an excellent fall-back ever since he assumed his present office, enabling him to point to the unemployed as an excuse for perpetuating injustice on others. And if the depression is a thing of the past, why are public servants still short paid, and why are pensioners still receiving less than they were paid in 1929? Why, also, are more than half of the population receiving no income at all and five out of every six receiving less than £2 per week? Well might he wish to forget the ghastly business and the ignoble part he played in it?

And what are his grounds for now preaching optimism? Has there been a sudden increase in the birthrate overseas or have people just begun to realise that they have a stomach for Australian products? Or, maybe, the finance controllers have whispered to him that they are now willing to place a little more of their privately manufactured money into circulation. In any case, how does he reconcile his airy talk with the statement so recently made by Mrs. Lyons in London as follows:—

"There is a feeling of hopelessness among the young. They are born, they grow up, and they have no outlook."

There's a fine foundation for optimism!

Finally, in praise of himself, he said we had restored the finances and lived within our income. Even if that were true it would not be a good thing for the nation, because the nation should be the supplier of income, not its extortioner. But the statement that we have lived within our income can only be described as a lie, because since 1929 our public debt has been increased by the huge sum of £150,000,000, on which, under the present system, we and our descendants are committed to pay interest forever.

THE "BANKING" INQUIRY

Mr. Lyons also falls over himself in the rush to admire the banks and what they are supposed to have done in our interests, and if he is correctly reported, the impending Commission is to be a "Banking Inquiry." Why there should be a banking inquiry we do not know. Banks as banks are quite efficient and wholly indispensable. What is wrong is the money system, and that is the thing that calls for investigation.

Can Italy Stand Up to Sanctions?

HOW STOCKS HAVE BEEN BUILT UP

An interesting review of Mussolini's preparations to withstand any possible economic blockade by way of reprisal on the part of such Powers as may object to his Abyssinian adventure appears in the issue of the London "Economist" which arrived by this week's mail.

90-100,000 tons of manganese; 1500 tons of nickel; about 500,000 tons of motor spirit; and crude oil; and 15,000 tons of spelter and zinc. In tungsten, tin, nickel, mica and chromium Italy is entirely dependent on imports; and her domestic production of wool, fodder, coal and coke, iron ore, copper, steel, lead, manganese ore, petroleum and motor spirit, cannot nearly suffice for her requirements in peacetime. The following table shows how some of Italy's chief imports have been moving:—

IMPORTS INTO ITALY

Commodity	1932	1933	1934		1935
			Jan-May	Jan-May	
Meat, salted, preserved, etc., quintals	14,806	4,417	5,819	2,281	3,983
Barley	34,192	37,771	68,617	29,884	44,234
Flax	20,131	17,254	19,487	12,438	13,865
Cotton (raw)	1,902,001	2,197,764	1,871,647	1,010,541	798,364
Copper, ingots	515,204	602,201	629,986	260,376	428,177
Nickel, ingots	4,690	8,829	15,452	6,148	7,961
Lead, ingots	83,142	85,209	60,519	15,646	67,735
Tin, ingots	37,712	39,983	42,155	16,685	21,422
Zinc, ingots	16,378	11,504	28,074	7,943	14,268
Coal	8,017,627	8,790,209	11,781,354	4,299,825	5,575,887
Coke	760,493	771,545	952,331	290,819	326,072

How far, asks the "Economist", is Italy dependent on imports? Has she built up substantial stocks of certain key commodities? What is the present position of Italian trade and industry? These questions are continually being posed today. Here some indications are given in reply to them. First, according to the latest figures of the Ministry of Corporations, the index of industrial production in Italy (basis 1928 = 100) has risen from 72.98 in 1932 to 80.49 in 1933, to 88.33 last year; and the May figure this year at 113.55 compares with a figure of 89.47 for May last year.

The branch of industrial production, which shows the steepest rise, is that of the metallurgical and mechanical industry, for which the index rose from 75.85 in May of last year to 100.72 in May this year; but the production of textiles and of buildings and construction in general showed almost as great an increase. Wholesale prices have risen steeply in the past year; the index of the Provincial Office of Corporative Economics at Milan (basis 1913 = 100) shows that, after a falling trend down to July of last year, the index rose from 272.91 in that month to 319.12 last month. The purchasing power of the lira during the twelve months has therefore dropped from 36.64 per cent, of its pre-war level to only 31.34 per cent, last month — a fall of nearly 15 per cent, in a year. In sympathy with wholesale prices, the cost of living, as far as it can be ascertained, is also showing a rising tendency.

NECESSARY IMPORTS.

As for necessary imports, Italy needs about 12-15 million tons of coal per annum; 60-70,000 tons of copper; about 200,000 tons of iron ore; about 1,000,000 tons of scrap and other steel; 25,000 tons of lead;

Italy's imports of wheat and maize have not increased, for domestic production has risen steeply. Her imports of cotton, wool and rubber have not increased — despite Italian efforts to make heavier purchases abroad — owing to difficulties over Italy's foreign exchange resources and her securing the necessary credits abroad. Already the London banks are considering if it is safe to keep open their credit lines with Italy; and there is little doubt that the decision will be adverse. It is more than likely that the New York banks will take a similar view. These indications are enough to show that the way of Italy, as an aggressor, may yet prove hard. It is known that stocks of certain commodities in Italy will need continual replenishments — notably those of armament materials, cotton, wool, fodder and rubber. The auspices at present are not such as to encourage the belief that Italy, if she decides on war, will easily be able to secure increased supplies of most of these "vital imports." In the event of American action under the "neutrality legislation" and of League action in the shape merely of an "economic boycott," Italy may well find her economic situation rapidly becoming critical.

The "Economist" does not mention that Italy, if hostile to France, may be able to receive considerable quantities of her needed imports by the assistance of a neutral Germany. For Germany is now outside the League. And, as we learnt in the last war (when material was shipped from Britain to Germany via Scandinavia) wars may come and go, patriotism is a fine thing — but trade is trade.

Already we have been informed that the terms of reference will be such as to render the inquiry abortive. If the Commission is to work within a frame of reference similar to that of the Macmillan Inquiry, then the result is predetermined, for not only was that Inquiry confined to the limitations of the Gold Standard, but it was based on the fallacy that employment (working for wages) is the aim and end of life and industry. Nothing could be further from the truth. Industry exists to supply goods, and work is simply incidental to industry. Money, instead of controlling the "value" of goods, should merely be the agent for securing their distribution. Obviously, therefore, the real basis of the inquiry should be to settle these questions, viz.:

1. What is the objective of a production system?
2. What is the function of money, and does money perform that function, involving as it does an equation with prices?

3. Is money in any of its forms manufactured by private corporations?

This matter is far too important to be arbitrarily determined by the few men forming the Cabinet. It is the business of Parliament itself. The members of the Opposition are also representatives of the Australian people, indeed of the people most cruelly affected by the existing conditions, and they should make it clear that they will not be bound in any way by the findings or recommendations of a Commission whose personnel, is not entirely above suspicion, and whose terms of reference preclude consideration of the private monopoly of credit and the gap between incomes and prices. If Mr. Lyons's public utterances mean anything, they mean that the matter is already largely settled as the interested "advisers" have directed.

As our space is exhausted, Mr. Menzies and Mr. Casey must get their turn later.

OIL — AND WAR

II. —The Struggle for the Mexican Wells

(Editor's Note—In this series of articles is being unfolded the grim battle for world supremacy in oil, a battle ranging through nearly every country in the world, and in which the two chief actors are British interests, represented mainly by Royal Dutch-Shell under Deterding, and the American forces of Rockefeller's Standard Oil. The first article appeared in our last issue.)

The first round of the fight between British and American oil interests, as we have seen, ended in a victory for Deterding's Royal Dutch-Shell over Rockefeller's Standard Oil. Following this, while Rockefeller had his hands fully occupied by the anti-trust movement in the United States, Deterding set about consolidating his position and acquiring further concessions. Thenceforward, as we shall see, his programme became a twofold one. The first was to get possession of every possible oil concession of note throughout the world; the second was to make this monopoly more effective by endeavouring to run Rockefeller's wells dry.

Deterding extended his company's interests into Mesopotamia. There was fierce competition between various national interests here, but when the air cleared temporarily it was found that the lion's share had fallen to the English and the Kaiser. Royal Dutch-Shell pushed northward to the rich Russian oilfields between the Black Sea and the Caspian, absorbing in its stride a French company of Rothschild's. Next it turned its attention to the Americas.

THE OIL REVOLUTIONS

The story of European interest in Mexico begins with gold and proceeds through silver, copper and other metals. Little did the earlier exploiters dream, as they pushed inland for treasure, that they were passing over what was to prove the greatest hunting ground of all—the oil which seeped out along the low-lying shores.

The first notable oil seeker to appear in Mexico was the Irish-American prospector, Edward L. Doheny, who brought in gusher after gusher near Tampico, on the Mexican Gulf. Rockefeller's agents followed him, and the wild scramble began whose story is the story of Mexico's revolutions. From the very beginning it is a tale of bribery and corruption, of the filching of land from peasants whose forbears had transmitted it from father to son for centuries. Soon it is written in chapters of blood.

Rockefeller and Doheny began their operations under concessions from the elderly President Diaz. For a time all went satisfactorily, but when in a few years production increased from 200,000 to 14,000,000 barrels a year, when a new gusher established a world record of 200,000 barrels of oil a day, Diaz felt that his share was

not enough. He decided to play off the Americans against the English. He sold new concessions to the Englishman, Weetman Pearson (Lord Cowdray)—a friend of Deterding—and by 1910 Pearson's company, the Mexican Eagle, was controlling about half of Mexico's oil.

MADERO.

How did Standard Oil and Doheny strike back? They brought from the United States Francisco Madero, a Mexican who had been forced into exile through his political maneuverings against Diaz. In 1910 Madero, financed by the American oil interests, headed a revolt against Diaz and forced him in his turn to fly the country. Madero was recognised by the United States. An arms embargo was proclaimed against the Diaz party. American oil supremacy seemed safe again.

HUERTA.

As it happened, however, the U.S. ambassador in Mexico, Henry Wilson, was not interested in oil and he was an ally of other American metal interests, which were old enemies of Madero's family. Forces were joined with British oil interests and a new adventurer was brought forward in the person of Victoriano Huerta. There was a new revolution. Madero was captured and duly shot one night "while trying to escape." Cowdray subscribed to Huerta's government loan. Britain recognised Huerta. Oil concessions were showered on the British.

CARRANZA.

But Standard Oil was not satisfied to let it go at that. President Woodrow Wilson entered office. Representations were made to him of Huerta's savagery. He investigated, recalled the ambassador Henry Wilson, and demanded Huerta's retirement. "If General Huerta does not retire by force of circumstances," he wrote, "it will become the duty of the United States to use less peaceful means to put him out."

Huerta, confident of British support, laughed. Wilson, unaware that he was playing Standard Oil's cards for them, made urgent representations to Britain. An envoy was sent from England to discuss matters with Washington, but without effect.

Two men aspired to supplant Huerta; Villa was one, Carranza the other. Villa was responsible for so many atrocities that Carranza secured Wilson's support—likewise the support of American oil in the form of guns and cash. A crisis was precipitated when some of Huerta's officials arrested a party of American blue jackets for trespass on a military zone. Within an hour they were released with apologies, but Wilson demanded such humiliating com-

pensation as he knew Huerta could not grant. The United States fleet bombarded Vera Cruz. There were a few hundred deaths. Huerta gave in. Carranza succeeded to office.

Carranza, however, did not prove as grateful as American oil had hoped. He even had the impudence to talk of Mexican rights, to refuse to grant further concessions either to American oil or to British oil.

Wilson was distracted from Mexico with the European war.

At this stage Villa comes again upon the scene. This gentleman, discontented that he had not received from the United States the support he had expected, derived what consolation he could by shooting a score of American engineers whom he had captured in a train hold-up. There was fury in America. The oil interests attempted to direct it, not against Villa, but against Carranza as incompetent.

A second incident followed when some Americans were killed by Villa's men actually within United States territory. There were particularly nasty rumours that certain Wall Street oil men, who had been on the spot a few days earlier, had planned a demonstration (without such fatal results) to secure fresh American intervention in Mexico and to displace Carranza.

However that may be, whether Wilson sensed this or not he contented himself by sending General Pershing on an unsuccessful expedition after Villa. Carranza he did not disturb.

New adventurers had therefore to be introduced.

CALLES.

In Madero's army there had been the son of an Asiatic camel driver named Elias and a Mexican wife whose maiden name was Calles. This son, Plutarcho Elias, added his mother's name to his own, and as Plutarcho Elias Calles achieved some note under General Obregon in Madero's revolutionary army. By 1920 Obregon and Calles, joined by a young lawyer named de la Huerta—not of the same family as the Huerta already mentioned—had decided that Mexico, in the sacred name of liberty and peasants' and workers' rights, could well dispense with President Carranza. Oil thought so too. Carranza was shot from behind by one of his own men.

De la Huerta was elected President, to be succeeded by Obregon. Oil production again went ahead in full swing. Meantime Cowdray had disposed of his Mexican Eagle interests to Royal Dutch-Shell and other British firms.

In the game of oil politics that followed Obregon listened to both sides, but was rather non-committal about new concessions. His successor at the polls became a question of importance. The choice lay between de la Huerta, who was looked upon as more amenable to oil than the extreme radical, Calles. But Obregon wanted Calles, and when it seemed he would have little chance of winning by election de la Huerta tried the old method of an appeal to force and raised a revolt in southern Mexico. He was unsuccessful, and Calles with his labour battalions crushed the rising. De la Huerta followed the succession of insurgents into exile, and Calles was elected President in due course.

Calles came into office intent to make war on the Church, the landlords and the employers. He knew the oil interests had been opposed to him, but for the time he was too busy elsewhere to give them much notice. Something like a secret international warfare on the oilfields now ensued, with burnings of derricks, armed guards and shootings the order of the day—or rather of the night—as the wild scramble went on.

But the labour agitators of

Calles forced him to take notice of conditions at the wells, and Calles in 1925 announced the enforcement of a dormant article in the Constitution, which virtually expelled the foreign oil-seekers.

Coolidge was now U.S. President, and Kellogg Secretary of State. The American ambassador rushed to Washington and Peace-Pact Kellogg issued one of the most bellicose statements against Mexico, which, short of a declaration of war, could issue, in which he emphatically referred to American rights and Mexico's international engagements and obligations. "The Government of Mexico," he said, "is now on trial before the world."

The Government of Mexico was deeply annoyed. But the Government of Mexico had other troubles. For one thing, Church persecutions had the Catholics in open revolt. And in the disturbed state of the country other insurgent Generals were found by the oilmen to raise the flag of insurrection. A military rebellion broke out in 1927; Calles suppressed it and executed the leaders.

THE PACIFICATION.

Finance finally brought him to terms with oil. Less production meant less revenue, and Calles needed revenue very badly. And so Calles the Marxist became quite an intelligent politician.

The event was signalled by the sending to Mexico as U.S. ambassador of a partner in the Morgan firm, Dwight Morrow. Morrow and Calles became great friends. They discussed art and literature together. In due course Morrow's son-in-law, Lindbergh, flew to Mexico City as a goodwill ambassador. Will Rogers, the humorist was a guest of the President to the agitation of American Catholics for the breaking off of relations until persecution of their fellow members in Mexico should cease fell on deaf governmental ears.

Mexico is now officially in a state of peace and quiet.

Calles as President, and as unofficial dictator after his retirement, became the friend of American oil. Standard Oil was even given an injunction by the Mexican courts against the Mexican Government.

And so, for the present at least, this battle front represents a triumph for Standard. But Royal Dutch-Shell more than made up its losses by gains elsewhere.

(To be continued.)

Servile Sobriety

"Fear of dismissal is generally regarded as the most important factor in influencing all classes of workers towards the present decrease in the consumption of alcohol," said a speaker at the Temperance Summer School. If we exclude the staggering differential taxation directed against 'liquor,' and the grinding, heartrending, hopeless poverty which effectively 'guards the alcoholic morals' of the submerged fifth, this may be true. But if it is true it is a nasty thought.

The economist, who rejected Social Credit, as he wished his servant to bring him his coffee, not because he wanted to, but because he had to, was at least not mealy-mouthed in defence of privilege and domination. But only the meanest hypocrisy can rejoice at the would-be carouser who stays sober lest he lose his job.

Like a famous bishop, we should certainly rather see Englishmen free than sober.

—Social Credit.

The suggestion that, while there are still nearly 40,000 unemployment registrations in this State alone, we have already reached an industrial boom is almost too absurd for answer. —Melbourne "Herald," Sept. 26.

GOD SPEED
THE PLOUGH!

By G. B. MALTBY, Campaign Director, League of Democrats.

A trip into the country and a talk to country people clears the mind of many cobwebs. We in the city are always subject to the tendency to allow financial reform to become largely a matter of debate and philosophical interest. Most of us are in jobs in which we do not have brought to our notice the immense and futile waste of effort that goes on today. We want reform, but we have a thousand side issues to divert our attention, and it often requires real effort to realise that this thing affects us vitally. For this reason there is apt to be some slowness on the part of a city dweller in taking an active share in the Electoral Campaign, and this can be overcome only by realisation of the urgent need for the translation of words into deeds, and demand into politic pressure. For this reason I want to show to the town dweller just how the country man and his wife think and feel and live in the midst of circumstances that make it easier to realise the truth. Let us put ourselves in the place of some of these people, get their viewpoint, and examine our own action in the light of the revelation that springs on us when we use their eyes.

A country woman, working hard from dawn till after dark milking, cooking, doing house work and farm work, caring for her children and helping her husband, does not get overmuch time to worry about inflation or deflation, gold standards or goods standards. She sees the trees laden with their fruits, dropping to rot because it does not pay to gather them. She sees her man go off with loads of vegetables and come back with a payment that does not cover the expenses of the trip alone, much less provide anything for the days of endless toil put into the cultivation of their crop. Beans at 10 lb. for a penny, 56 dozen cabbages sold for 12/—less than a farthing for a cabbage. Think of it! Think of the sick feeling of wasted effort!

These and innumerable other instances are constantly before their eyes. They see the fruits of their hard toil denied them, and their holdings daily becoming less and less their own. Toil, care and worry for the future are their daily portion, and yet they keep cheerful and smiling—a wonderful spirit, and one that we can all afford to copy. Yet their spirit does not stop at being cheerful. They demand action, and when shown how to get it they make no bones about it, but get behind and push for their lives. We in the city could do with a lot more of that type of driving force, and we must learn from the country how to get down to realities, how to so pervade our daily lives with the thought and spirit of action that we become a living demand for a better world, a force that alters the outlook of all with whom we come into contact. These things we can be, and must be, if we are to achieve what is needed.

Every thought of ours must be related to the desired end, and I know of no better example than that shown by a country woman who said: "Every morning and every night, and with every bit of work I do through the day, pray, 'God speed the plough for the coming of Social Credit.'"

God speed the plough—that the spirit of the country people. Not asking God to do the work but invoking His blessing on the work that they are doing.

Let us all get this spirit, and we cannot fail. Let us capitalise this living force, and the demand for reform will speed from end to end of this land like a clean refreshing wind, blowing away the mists and fogs of doubt and uncertainty, and allowing the light of truth to penetrate and heal our social sores and political infirmities.

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ABYSSINIA, BRITAIN AND AUSTRALIA

The League's Deathbed Repentance

The Prime Minister's attempt to stifle any expression of opinion from a public with whose very lives he is at the moment playing is being well seconded by the impudent financiers' press of Australia, which on all sides is pleading for silence in this most delicate situation. When, one may ask, is public opinion to be allowed to express itself? And is the Prime Minister supposed to be our master or our paid employee? Those of us who remember the last war know very well what the procedure is likely to be if public opinion does not declare itself emphatically and unmistakably before this admirer of British financiers and British-Australian banks is allowed to run riot with what is left of our liberties. Let the people keep quiet now, and at any moment it suits finance they may find Australia committed to another ghastly slaughter of its own citizens. What protest will they then be able to make, with all the arms in the country under the control of their treacherous servants, with such press organs as are still honest effectually censored, with liberty of speech muzzled, and with so-called war-time precautions giving the financiers' agents open and unbridled powers in every direction?

There are very few people in Australia who are not hostile to the course being taken by the Italian Fascist. But let them beware lest on that account they fall victims to the cunning propaganda of the financiers of Britain—who no more represent the English people than do their partners and agents here represent us.

An example of this propaganda may be instanced in a leading article, which appeared in the Melbourne "Argus" of Tuesday under the heading, "A Political Funk Hole." As the title suggests, the object of the "Argus" was to stir up our lagging martial spirits by suggesting that surely we brave Australians are not afraid to stand up to our obligations—the old "coward's blow" game. "No greater disservice could be rendered to Australia," said the "Argus," "than a blatant avowal that there is a group of politicians prepared to scuttle from their pledged word at the first alarm."

The "Argus," like the rest of its contemporaries, then set out to show how pure are Britain's motives in taking it upon herself to safeguard the Abyssinians:—

"It is not the least part of this poor agitation that those who have conducted it have sought to belittle Great Britain and the British representatives. . . . There are still a few survivors from the bitter controversies of last century who believe that everything that Britain does is from the basest of motives. It is regrettable, however, that a political party which believes that it has a future should make its appeal to that pitiful section."

In the first place it must be emphasised that there is often a world of difference between the motives of Great Britain—meaning the rank and file of the British people—and the motives of the financial gang who dictate British

Government policy. And it is well that the Australian people should understand this very clearly at the present juncture. The great mass of the British people, like the great mass of the Australian people, are mainly concerned just now with trying to eke out some sort of an existence. In so far as they give any serious thought to the Italo-Abyssinian affair it is mainly to speculate upon whether war activities may perchance give a little temporary improvement to their prices and their incomes. They dislike Mussolini. They have sympathy for his Italian slaves and perhaps a lesser sympathy (because they are dark skinned) for the Abyssinians. But beyond that they are no more wildly excited than they were when the Japanese invaded Manchukuo. And, remembering the League's attitude towards Manchukuo, they have more than a suspicion that in the League's present activities there is considerably more than meets the eye. They are right in thinking so.

The League of Nations, in so far as it is a political instrument, has been kept in existence mainly to enforce French policy, and its activities have been directed to keeping Germany surrounded by enemies. Hence Geneva, which was not unduly concerned over Manchukuo or the war in the Gran Chaco, has always given very close attention to such matters as Austrian affairs. The

CAREERS FOR RETIRED ARMY MEN

Trained soldiers were not failures in other professions. They had been successful in every walk of life in Great Britain. Upon their retirement many Army officers had entered business to attain directorships and managements of some of the most important firms in the country.—Major-General Dodds on Saturday.

A similar view was expressed by General Sir Harry Chauvel.

Are the Generals right? Of course they are. Look at the distinguished ex-Army officers who grace the boards of such great English enterprises as Vickers-Armstrongs and other armament firms, continuing even in retirement their strenuous work for peace.

Even in Australia there is opportunity for retired Generals—provided "theirs not to reason why." Is not General Chauvel himself a director of the National Bank?

League has been little more than the open expression of French backstairs diplomacy.

Britain, until recently, has been more or less content to let it go at that. British finance has had little to gain or lose by it. When the League did not suit Britain the League was ignored—when, for instance, the British munitioneers did their part in secretly rearming Germany; or when the close alliance between Montagu Norman, economic dictator of England, with Dr. Schacht, economic dictator of Germany, was reflected recently in the new Anglo-German naval arrangements.

But Mussolini's African ambitions have suddenly given the League a new importance to British financial interests.

What is the true significance of Italy in Abyssinia? Simply this—that it is the greatest threat ever held out against English financiers in the Near East and in India. Give Mussolini a strong base in Abyssinia and at one stroke you threaten the great commercial interests of English financiers in the Iraq and Persian oilfields, in Egypt, the Sudan and India. Let Mussolini achieve his ambition, and the whole line of communications between London and the East may be severed at any moment at its most delicate point, Suez.

That it is this consideration, and not any altruistic concern for the freedom of Abyssinians, which is

dictating this sudden regard for the League is amply shown by the readiness with which Britain has agreed to the exploitation of Abyssinia, provided no one Power gets a stronghold there.

This is no secret on the Continent. The European press is full of it. It is not altogether a secret even in such of the English press as is not body and soul in bondage. But have you seen a whisper of it in such patriotic organs as the "Argus"?

The "delicacy" of the situation arises because France is afraid that if she supports England in this venture, the Italian, in revenge, will throw in his lot with Germany, while the British financiers, having pulled their own chestnuts out of the fire, will calmly abandon France. The Anglo-German naval conversations of a few months ago strengthen French suspicions.

But, from the Australian point of view, is this position of British financiers so delicate that we should all go around with our eyes closed and our mouths shut, waiting until the financier beckons us to fill the breach with our sons' bodies?

Death Penalty in Russia

The Soviet criminal courts (says the *Manchester Guardian* of August 30) are applying the death penalty for ordinary crimes with such regularity that the provision in the criminal code fixing ten years' imprisonment as the maximum penalty, except for crimes against the safety of the State, is ceasing to have any force or meaning. The Soviet courts always have the power to sentence convicted offenders to "the highest measure of social protection"—shooting. Formerly this power was used in cases of political offenders or of notorious criminals previously convicted many times, but two years ago the Government decreed its application to offences involving the property of the State or of the collectivised farms. Since then the courts have steadily broadened the application of this penalty, and scarcely a day now passes when the Soviet press does not report a death sentence for robbery, embezzlement, forgery, or similar crimes.

Three men in Moscow forged bonds of the State Loan in order to receive lottery prizes, which had been awarded to these bonds. In this way they collected 50,000 roubles. They were sentenced to death, and a group of accomplices to long terms of imprisonment. A former officer of the Hungarian army, Schmeck, who had been a bookkeeper of the Far Eastern Fish Trust in Vladivostok, and two other employees of the Trust were given the death penalty for embezzling 300,000 roubles. Two other men have been sentenced to death for stealing grain from an elevator in the Kursky district. Such cases could be multiplied many times.

A somewhat different kind of case is that of Irina Mitina, formerly a maid employed by the Duchess Volkonskaya, who, before the Revolution, became a post office employee and was given a house with furnishings by the Duchess as a reward for her services. This building was nationalised after the Revolution, and taken away from her, which made her embittered and is said to have inspired her to attempt arson many times as an act of revenge. In 1928 she and her husband were exiled to a concentration camp because they were accused of having set fire to a railway car. The husband escaped abroad; in 1934 Mitina arrived in Moscow, and soon afterwards is said to have begun to set fire to dwellings of working people. At her trial she was charged with firing eight dwellings. The court decided that her class-revenge motives showed her to be an irreconcilable enemy of the Revolution, and the 3000 workers in attendance applauded the death sentence.

LETTERS TO THE EDITOR

THE MATING SEASON

Springtime, with its blossoms and birds and poetry and Royal Agricultural Show, even has its influence on leader writers of daily newspapers, one of whom ventured into the subject of the process of selecting suitable life partners. No doubt his attention had caught some of the influences at work in improving the quality of livestock on view at the Show. The oldest inhabitant may deny that the Shorthorn bull of today is any better than his forbear of last century, or that the laying hen that gave forth more eggs than her grandaunt is really a representative of progress. So many considerations, such as the quality of the meat and the hide and the chicken, enter the field that we cannot be satisfied that our experts are really beyond doubt. Nature has her way of doing things, and when she draws the line at allowing the expert to cross the breed of the carrier pigeon and the cockatoo she means that we cannot have a bird capable of carrying verbal messages. There is a limit.

The recent B.M.A. Congress listened to an authority on eugenics, but the amazing thing about it all is that the learned medical men did not carry a vote demanding that so-called excess produce be distributed amongst the people. So much is known about food calories and vitamins that we must expect our experts to take steps towards improving the human race by proper feeding. That is the first essential in producing good livestock. Even working animals must have good food and sufficient of it. The merchant who supplies inferior adulterated chaff to the War department is branded as a traitor, but the low-grade foods supplied to the soldiers come more within the sphere of ordinary commerce. So, returning to the process of selection, we observe that where nature is in full control everything goes along very well, but man's interference has produced questionable results in some quarters and disaster in others. When the human race is adequately clothed and fed and we have risen above the mentality of destroying necessities because our bookkeeping systems can't deal with them, then it will be time enough to talk about giving a man a hand to pick the right girl.

"MOTHER OF TWENTY."

THE ART OF TALLYING

In primitive human communities the art of counting is often developed by tallying on the fingers.

In the well-known Acquisition Island the natives make their idea of plus and minus concrete, by always taking and receiving by way of the right arm, and giving or handing out with the left. All "sums" to them are personal ones, and prowess with the right hand is, as

one would expect, the foremost boast of the braves.

In an adjacent island the custom is to use food as the symbol around which conceptions of the opposite "signs" are centred. They have a ritual of passing all food produced into one store, and recording the total "plus" by miniature measure tokens, the reverse process-taking place as food is distributed for consumption.

In the third cultural centre (Numinative Island) the control of tokens only is centralised, but they follow the "flow" idea of the second group rather than the "give and take" of the first one; and so have set our vaunted Western civilisation an example worth studying and adapting to our more complicated needs.

C. H. ALLEN.

Ashleigh-grove, Unley Park,
South Australia.

League of Democrats

CAMPAIGN NOTES

Garfield branch was visited on Sunday last, and their response to the Electoral Campaign was a clamour for immediate action. With workers like these the country is going to make the city look to its laurels before long.

A branch of the League has been established at Surrey Hills, and meetings will be held at the residence of the branch secretary, Mr. A. Elerick, 29 Clyde-street, Surrey Hills, every Tuesday evening. All interested are cordially invited to attend.

Badges, "Abolish Poverty," are available at 6d each (4d. to Districts). These are a neat rectangle in gold and blue enamel. The words stand out boldly, and are bound to attract attention and invite enquiry. Get one at once, and start people talking. Have some circulars (L.O.D.7) in your pocket to hand out to contacts. Don't let an opportunity slip; time is short, action is urgent.

Many have asked the question: "How is this thing going to spread into the country?" The answer is, "By the work and enthusiasm of each one of us." The practical method is for each one who has a friend in the country to write to him or her, explaining the Electoral Campaign, sending a copy of the Pledge Form and a circular, and asking him or her to take up the task of putting pledge forms into the hands of every elector in the district. By this means every worker will become a recruiting agent, and there will be a worker in every town and settlement. Forms can be obtained at cost price from the central office. Write, enclosing four pence in stamps, and a supply will be sent by return. Don't use these to get signatures; use them to spread news of the Electoral Campaign and to swell the ranks of its working force.

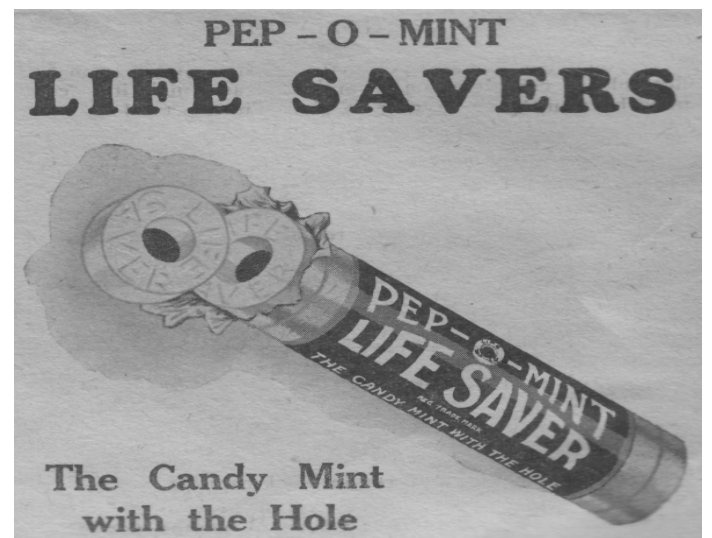
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AUSTRALIAN HOUSING CONDITIONS

PLENTY OF MATERIALS, PLENTY OF UNEMPLOYED IN BUILDING TRADES, BUT—

For the benefit of readers who may have missed some of the press reports of the past few days, we record the following statements made in evidence before the Cost of Living Inquiry in Sydney during the week:—

Describing it as "an awful state of affairs", a health inspector said that most of the houses in the Paddington district had been converted into residential chambers and there were from two to six and seven families in each house. Generally the tenant had one room, sometimes one room and a balcony. The balcony was used as a kitchenette. In one street he had inspected 16 houses and found in 10 cases single rooms were occupied for sleeping and eating sometimes by a whole family. The rentals of these rooms were from 10/- to 12/6. For 5/- one could get a converted woodshed 6ft. by 6ft., with a height of only 7ft. between floor and ceiling. One old "mansion" which was now being demolished had 30 people living in it a week ago. There was only one bathroom, and the rooms were subdivided by curtains. In another house a stable with two stalls had been "converted," and they were let to two old age pensioners at 5/- a week.

"The ventilation in such homes is bad; the stench, particularly of cooking, being awful," he said. "In some places it would turn your stomach sick."

Many laundries had been turned into kitchens. In one place a room had been converted into a combined laundry, kitchen and lavatory.

Balcony rooms were the worst. They had found a man, his wife, and four children living in one. The Child Welfare Department had compelled them to leave. The worst case, he said, ever experienced, was one in which a man, his wife, six children, another daughter and her child were all living in one room.

Another health and housing inspector gave evidence that 25 per cent. of the older houses in North Sydney were defective. Many of the old sewerage fittings were a disgrace. Some of the worst conditions were to be found in houses of three rooms and a kitchen, which often were occupied by a number of persons who shared one bath and one lavatory. In some cases families were housed in one room.

When houses were being demolished to make way for the bridge approaches he had found that the stench from some of the walls was strong, owing to the fact that the houses had been densely populated for long periods, and that the walls and ceiling had become saturated with aqueous vapours from human breath and from cooking.

Still another building inspector said that he had visited premises where there were two cases of enteric fever. One family was eating and sleeping in one room. In a further room an old-age pensioner ate and slept, and another room was the abode of a mother, daughter, and child. In a house of five rooms three families dwelt.

* * *
Plenty of materials, plenty of unemployed in the building trade; plenty of everything—except money.

CANADA MAKES IT A CRIME TO SUCCOUR UNEMPLOYED

Desperate efforts are being-made by the Federal Government to prevent the movement of the unemployed armies marching across Canada to Ottawa to protest against the treatment meted out to them in the unemployed relief camps by the Government.

Thousands of unemployed men are trekking from all provinces, and at last reports a mighty army of men were midway across Canada. In addition to those walking the roads, thousands more are swarming the freight trains leading east. They are being given support, en route, by citizens of the various towns, Church bodies and other social organisations.

Batches of mounted police have been sent to various large towns to hold up the marchers and prevent sympathy demonstrations by the citizens. In some cases, clashes between the police and the unemployed and their sympathisers have taken place.

Special laws have been issued by an Order-in-Council making it a criminal offence to feed, house, clothe or in any way assist the trekking unemployed. The railways have been ordered not to issue tickets to them, while it has been made a criminal offence for conveyances to carry the unemployed along the roads.

Huge armies of the unemployed, which are increasing every week, are camped at various towns in the central provinces, and declare that they intend to march east to Ottawa. Despite the drastic edicts issued by the Federal Government, they are being fed and housed by the Provincial Governments and private organisations. — "The Australian Worker."

HAILE SELASSIE AND SLAVERY

Who Is To Blame?

By T. H. SAMPSON.

In charging the Emperor of Abyssinia with slave-dealing, and his subjects with having committed atrocities upon slaves during the past fifty years, Baron Aloisi's fiery eloquence will be discounted to a great extent by those who know something of the actual facts.

The Italians directly encouraged slavery, severely handicapped trade, and dashed to the ground all the hopes of the merchants and others who thought that the Abyssinian question was settled forever, when Italy unwarrantably broke the treaty of June 3, 1884, made between Great Britain and Abyssinia, a copy of which treaty, together with that of a further treaty made between Great Britain, Egypt and Abyssinia, I have before me as I write. It is as wrong now to accuse Emperor Haile Selassie as it was fifty years ago to accuse King John of having anything to do with the trade in slaves. The Mahommedans then, as now were the culprits, the slave dealers capturing and purchasing the Gallas from the far west, and south and east of the Galla country. When I was in the Red Sea fifty-one years ago the traffic in slaves of true Abyssinian type was nearly unknown; the few that found their way to the slave-market being kidnapped at the Soudan frontier towns.

I have every reason for believing that the effect of Great Britain's behaviour toward Abyssinia after the signing of the 1884 treaties has not yet worn off.

By neglecting to inform King John of what was going on, and the object of the Italian occupation of Massowah, Britain did no friendly action either to Abyssinia or to Italy, the omission bringing about a war and the massacre of many Italian soldiers which might have been prevented.

What the treaty between Great Britain, Egypt and Abyssinia covered was that there should be free transit through Massowah to and from Abyssinia for all goods, including arms and ammunition, under British protection; that the Noosa Negust (King John) agreed to refer all disputes to Great Britain, and that Egypt retained the seaboard.

This became impossible, because Great Britain kept no representative at Massowah. Consequently, Italy fell into the error of annexing neutral territory, and the Abyssinians committed the hostile act of driving them out. Had Great Britain implemented the arrangements of the treaty, it would have been a different matter; the question of the demarcation of the frontier would long ago have been settled; Italy would have obtained a large slice of territory in a peaceable manner, and the present bully-ragging, brow-beating and bluffing on the part of Mussolini would have been obviated.

Now, Il Duce will probably fight for an increase of territory in Abyssinia, which, if obtained, will never recoup Italy for the money and lives she will have sacrificed.

SLAVE BROKERS RECOGNISED.

Fifty years ago a full and proper implementing of the treaties of 1884 would have wiped out slavery in the Red Sea for all time.

As it was, slave-brokers were a recognised guild both at Mecca and Jeddah; no secrecy about it—a bit of a show at Jeddah, perhaps—to prevent slaves from being seen, but any Mohammedan was allowed to go to the places where slaves were on sale.

While I was at Suakim an English gentleman, many years resident in the Soudan (who was also attached to the mission headed by Admiral Sir W.

Hewett when he signed the 1884 treaties with King John) told me that Col. Schaeffer, of the Egyptian service, made a report of what was going on to Sir Evelyn Baring.

An Egyptian officer on the Colonel's staff, my informant added, had no difficulty in seeing the slaves; he was actually taken to the private slave-market by a Turkish military officer.

There is no doubt that the traffic was, and is now associated with murder, debauchery, mutilation of males, and every cruelty imaginable; and for every slave sold into captivity ten others die.

If the Turkish and Egyptian Pashas did not want the eunuchs in their households there would not be such a demand for slaves. Visitors to Cairo will have seen these eunuchs in the carriages of Egyptian ladies on the Shoubra-road any Friday afternoon.

There are probably 500 eunuchs in Cairo, and it is not imagination, which prompts me to say that many thousands of Soudanese have died to procure them. If Turkish and Egyptian officials of high rank had their way they would buy white eunuchs. They only buy black and brown ones because white eunuchs are not on sale.

On my informant's last trip home from Jeddah, via Tangiers, there were on board with him three eunuchs taken as a present for the Sultan of Morocco. Their ages averaged from eight to twelve years, the oldest being a very pretty Galla boy. The unlucky youngsters gave an intelligent account of what they had undergone. Their case was reported at Tor, the quarantine station, to the Egyptian authorities at Jeddah, and again to the Governor at Suez, but no steps were taken to punish those who had the eunuchs with them. There are many horrors to be found in the slave trade, but none so revolting as this.

POINTS FOR MUSSOLINI TO INQUIRE INTO

If the Turkish and Egyptian Pashas did not buy the eunuch there would be no demand, and consequently no supply. It is against these high officials that the accusations of Mussolini should be made, and not against Emperor Haile Selassie.

I will go further, and ask this quondam Labour agitator, who was goaled for his former antiwar propaganda, how slaves can be got out of Abyssinia, hemmed around as that country is by European and Egyptian owners of territory, and those owners remain unaware of the fact? The right to trade through Massowah was granted to the Abyssinians under Admiral Hewett's treaty of 1884, but that treaty was over-ridden by Italy, and there was no representative of Great Britain on the spot to raise a protest.

Mussolini's commander-in-chief of the forces opposed to Abyssinia is probably on friendly terms with many Turkish and Egyptian Pashas; let him advise these officials that, if eunuchs are essential to the life of the higher classes of Egypt and Turkey, they ought to have them manufactured from their own sons.

Let him enquire into the old dodge of freeing slaves, shipping them as domestics, landing them at Jeddah, and selling them, after destroying their certificates of freedom. This has been done under the guns of British men-of-war, against the protest of the British Consul, the reply of Turkish or Egyptian officials being: "It is not politic to interfere with the domestic customs of the country."

We of the Royal Navy knew of these things but were power-

less to interfere. We knew that an Egyptian Minister of State had been in communication with our Admiral on the matter of suppressing the slave trade; and we knew that at the same time he had a eunuch in his entourage. That he would purchase other eunuchs before he returned to Cairo was an open secret.

Mussolini must know that it would have been easier to put down slavery when Italy took over Massowah if her representative at that port had copied the policy of General Gordon in dealing with those Pashas implicated in the slave trade.

Turkey and Egypt, then, even Italy and Great Britain, are far more implicated in the matter of non-suppression of the slave trade than is Emperor Haile Selassie or the rulers over Abyssinia since the time of King John.

SAVING ABYSSINIA

Lord Noel Buxton and Sir John Harris, M.P., both gentlemen who have busied themselves in fighting the more obvious systems of slavery, write to "The Times" suggesting how they would deal with the Italian dispute and "promote both the maintenance of peace and the progress of Abyssinia and the Abyssinians, with whose affairs we have both been intimately concerned for many years."

They say that two conditions are essential to any permanent solution. The first is that "there must be no exclusive national aggrandisement—all nations should be guaranteed an equality of rights." And the second is what do you think?—a loan to be raised "under the auspices of the League!"

The writers point out that the League has now had a large experience of rendering this sort of assistance, for example, in the economic restoration of Austria. This is indeed cheerful news for the Abyssinians. We suggest that the Emperor should read Colonel Repington's famous diary and study the details of the recent Austrian revolt when the victims tried to throw off the shackles of Finance.

— "Social Credit," August 23

NEW ZEALAND'S "RECOVERY"

From the current issue of "Farming First," the official organ of the New Zealand Farmers' Union, Auckland Province:—

An investigation was conducted recently into the home conditions of the children in a class of 28 in a school in the South Island. The following particulars were recorded:

1. Twelve children do not have a hot meal daily.
2. Eleven children have meat only once a week or less often.
3. Fifteen children do not regularly have vegetables other than potatoes. Of these four have vegetables other than potatoes less than once a week.
4. Twenty children do not daily have fresh fruit.
5. Only four children have milk daily.
6. In the case of ten children, butter is not used at all in their homes, and seven more have butter only occasionally.
7. Fourteen children do not have pudding daily.
8. Six children have no leather footwear, not even sandals.
9. Six children have no over coats.
10. Seven children have a bath once a fortnight, as all the fire is needed for heating purposes.
11. In the homes of seven children there are not fires regularly during the winter, and one family generally goes to bed immediately after the evening meal in order to keep warm.

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