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If We Took The Grimwades' Advice -

The past week has seen the annual meetings of Drug Houses of Australia Ltd. (chairman, Major-General H. W. Grimwade), and of Felton, Grimwade and Duerdins Ltd. (chairman, Mr. E. N. Grimwade). The latter company, which has a paid-up capital of over half a million, represents the amalgamation of Felton, Grimwade with Duerdin and Sainsbury. Drug Houses of Australia was formed six years ago to consolidate the interests of A. M. Bickford and Sons. Ltd.; Felton, Grimwade and Duerdins Ltd.; Felton, Grimwade Dental Co. Pty. Ltd.; Felton, Grimwade and Bickford Ltd.; Taylors, Elliotts and Australian Drug Pty. Ltd.; and Elliott and Australian Drug Co. Ltd. This powerful merger has a paid-up capital of Just on £2 ½ millions—and incidentally, Mr. E. V. Nixon, of the Monetary Commission, is its auditor.

Apart from their long-standing interests in the drug and medicine trade, the Grimwades are also closely identified with the bottle and glass industry, Mr. E. N. Grimwade being chairman of Australian Glass Manufacturers—a company with a paid-up capital of over a million—while Major-General Grimwade is also on the same board, along with Mr. Alec Stewart, of Collins House, and others. In listening to the opinions of the Grimwades, therefore, we are hearing the views of gentlemen who are commercially successful, of gentlemen associated with really big business—so big, in fact, that it may not unfairly be termed monopolistic.

THE TAX BURDEN.

Summing up the general remarks of the two chairmen, both complained—and complained very rightly—of the excessive burden which taxation inflicts on shareholders. In the case of Drug Houses, which owns all the ordinary shares in Felton, Grimwade and Duerdins, taxation in the last four years has absorbed £114,000 (£42,000 this year), while the ordinary shareholders have received over that period an average dividend of only three and one-sixteenth per cent. In 1933 when the ordinary dividend was at its lowest (14 per cent.) taxation actually took more than this dividend. Is it any wonder that business men complain?

Unfortunately, however, neither of the chairmen appears to have given that amount of thought to the root of the matter which one would wish to see devoted to it by influential business men. Mr. E. N. Grimwade seems to have been content to make a very vigorous (and well justified) protest against the sales tax, pointing out that this is just one more of those instances of "temporary" impositions which are never lifted. We cannot

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quite agree with his conclusion that the tax generally falls on the retailer. In some cases

—as in chemists' proprietary lines—this may be quite true, but the consuming public are only too painfully aware that retailers in general pass the tax along. Still, whether the retailer or the public be called on to pay, the tax is burdensome, unjust and unnecessary.

It is at this point that we fall out with the Grimwade conclusions, since neither chairman attempted to show how the sales tax or any other tax could be lessened. Major-General Grimwade's line of argument was in this wise:—

(1) Government expenditure is not being reduced as it should be:

(2) Therefore we can have no relief from taxation;

(3) Therefore private enterprise is unable to solve the distressing problem of unemployment.

We give Major-General Grimwade credit for the utmost sincerity, and with equal sincerity we ask him this:—

If taxation were absolutely abolished to-morrow, if private enterprise were entirely free of debt, would not the first step of nearly every primary producer, manufacturer and retailer be to purchase still further labour-saving machinery? Granting that there would be a temporary fillip to employment in the making of machines and the building of places to house them, would not the unemployment following the additional new machines be far greater than it is at present? As an instance, we would point to the Bank of England,

an enterprise which has no difficulty over personal finance, since it pays its bills by drawing cheques upon itself. A bank, not being a producer of real wealth, has comparatively small call for machines—yet the Bank of England a few months ago dismissed a number of employees which ran into four figures, replacing them with

ECONOMIC SANCTIONS? SURELY NOT!

The suggestion that economic sanctions should be applied to Italy is one that will dismay every right-thinking person. If sanctions are brought into operation, the main object of war will be defeated.

The purpose of wars is to provide a market for goods, and to provide work for the people. A really big war would bring prosperity to everybody. If the other nations are not going to make the best of the opportunity by sending Italy and Abyssinia lots and lots of goods on loan (with no hope of ever getting anything back on them), it will simply delay the "recovery of international trade to normal levels."

—"Why" (N.Z.).

a few bookkeeping machines. The fact is—another of our modern paradoxes—that poverty and taxation are giving employment when the reverse would abolish it.

GOVERNMENT EXPENDITURE.

As for government expenditure, it is easy to criticise this, but would General Grimwade indicate where any considerable portion of our government expenditure can be cut without either repudiating our debts or repudiating our moral obligations to the aged, to the sick, and to those

whom private industry has already made destitute? For years we have heard this story of reducing government expenditure. To some extent it was tried, and in proportion as it was carried into effect, so did unemployment and destitution increase. It is only since governments have been increasing their expenditure again that business has shown even the small recovery which is taking place, and which is actually a stage in the process of endeavouring to borrow ourselves out of debt. If General Grimwade will look into figures here and abroad, he will find that this is a statement of fact.

We agree with him entirely that this government expenditure should not proceed either from increased taxation or from fresh interest-bearing loans. In his own business he has seen a case of taxation taking in one year more than the ordinary shareholders received. And taxation, under the present practice of loan finance, must increase forever. We have already reached the stage where numbers of our semi-public bodies (such as Water Boards) require nearly three-quarters of their gross income to pay interest on previous loans. The position must ultimately arrive where the same thing will happen in private business, until every penny of income will go in taxation. What then?

WHAT MR. GRIMWADE NOTED.

Perhaps General Grimwade might be assisted in thinking this over if he would give some little attention to Mr. E. N. Grimwade's report of Felton, Grimwade and Duerdin's year.

Mr. Grimwade noted three things:—

1. An increase in sales, accompanied by a decrease in expenses.

2. Increasing difficulty to maintain increased business.

3. Hope for the future lying mainly in higher prices for exports such as wool.

The first of these items explains the second quite adequately. If a company is at the same time getting more money from the public through the sale of its products and distributing less money to the public with which to buy its products, how can it hope to increase its business? How can it even maintain its business except at the expense of its competitors? Apparently Mr. Grimwade, even if he did not clearly recognise this, must have sensed it. For the only encouragement he could hold out to shareholders depended upon Australia selling part of her goods abroad without buying goods from abroad, and in this way getting hold of some money wherewith to buy Felton, Grimwade's output. We know—again as a matter of hard fact—that this policy is breaking down all over the world. If the foreigner is to buy our wool, he must pay the woolgrower in Australian money. In the normal way he can obtain this money only by selling his goods to the Australian public. But the Australian people, not having the money to buy their own wool, naturally have not the money to buy its exchange value in foreign products.

In the past, as we are all aware, this money has been made available to foreigners by bankers within the country which wishes to sell for export, and the foreign country has owed the money. The position then arose that, while the exporting country had to keep on selling more to foreigners than it bought from foreigners—in order that its own people might be able to purchase the balance of their own production—the foreigners now found themselves also obliged to sell more abroad than they purchased, in order that they might pay interest on their external loans.

Sir Stanley S. Argyle, K.B.E.,

Leader of The Opposition,

Parliament House,

Melbourne.

Dear Sir Stanley,—

It is reported in the daily press that a special grant of £250 has been made from taxpayers' funds to assist in meeting the expenses of your recent five months' jaunt abroad. The press indicates that this sum is additional to your fares, hotel bills, etc., which were provided by the United Kingdom branch of the British Empire Parliamentary Association. It seems a tidy little bill for one man's extras—over £10 a week, on top of the Parliamentary allowance which we presume was running on even when you were strolling, gun in hand, across the Scottish moors.

In the ordinary way we would not criticise this appropriation of the money, wrung out of us by taxation; £250 from the budget of a rich State like Victoria is not, after all, either here or there when its parliamentary representative goes abroad—even if that representative does happen to have been just turned out of the Premiership and to be reputedly in danger of being ousted from the leadership of his own party. But in your particular case, Sir Stanley, you have for years been the local leader of those who will have it that we are not rich at all, but very, very poor—so poor as to necessitate the cutting down of wages, pensions, and the miserable allowances made to the sick and suffering. Has not your constant wail been on every occasion: Where is the MONEY to come from?

We had a Centenary celebration in Victoria a few months before you set sail to tour the world. Were we not then so poor, in your opinion, that what should have been an occasion for State-wide rejoicing was, by the Government which you then

led, allowed to pass without a single thought for the workers who helped to make the State what it is? Were we not then so poor that the best your Government felt able to do for our tens of thousands of unfortunate unemployed, with their suffering wives and innocent children, was magnanimously to grant them, not even the price of an extra meal, but an order on their tradesmen for approved provisions for a meal?

While you were regaining your health in overseas travel, with fares and hotel bills (etc.) paid, and with your parliamentary salary for spending silver, a campaign was being conducted by the Melbourne "Herald" for funds to procure a glass of milk a day for thousands of our under-nourished school children. The "Herald" published reports that many of these children had not previously known the taste of milk. It took weeks and weeks to obtain £250 through that appeal. It was a scandalous appeal, Sir Stanley—scandalous in the sense that such conditions should ever have been permitted to occur in a land which is short of nothing but money. It is short, of money only because of the private monopoly of finance. You have been one of the strongest upholders of that monopoly.

Apparently the State of Victoria was too poor to provide the £1000 needed for its half-starved children. But the same State does not appear to have made any bones over providing a quarter of this sum for the extras of one globe-trotting politician. We wish you joy of the money. And we are sure the children will join in with us.

THE NEW TIMES.

P.S.—If you would only use the brains which God has given you, you might come to realise that there is no real need either for you to go without your extras or for your little fellow citizens to go without their necessities.

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

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This is the physical absurdity out of which the unfortunate Sir Henry Gullett has vainly been trying for months past to extricate us.

Is it any wonder that General Grimwade and Mr. Grimwade are in difficulty? And yet their problems, thus far, are not nearly so severe as are the problems of smaller business men. But they will become so.

EVEN THE MONOPOLIES ARE HIT.

Drug Houses of Australia and Australian Glass Manufacturers are both, in effect, monopolistic enterprises. It is not suggested here that the Grimwade family, in so far as they are connected with these two companies, have been impelled by any motives other than those we usually term keen business instincts. And the keener a man's business instinct, under existing financial regulations, the more inevitably he is driven to establish a monopoly. The man in business today who says "Live and let live" is a fool, for there is no such thing. We have just seen how Mr. Grimwade told his shareholders that sales had gone up while costs had gone down. The counterpart to that, I which must exist somewhere in I the community, is a business whose costs have gone up while its sales have gone down—a business heading for bankruptcy. The keen business man, therefore, is he who sets out deliberately to do two things—first, to stifle competition, and then to fix prices which are remunerative to himself. This is what is generally understood by a monopoly.

Having reached this objective, a monopoly may hold its own for awhile, particularly when it is supplying something which the public cannot very well do without. But it meets its first big reverse when it discovers that, having driven its competitors out of business, it is being taxed to support them (even if only on the dole) either by direct unemployment levies or through taxation to pay interest on bankers' loans to the Government.

The second reverse comes a little later when the monopoly, which is naturally strongly protectionist, finds itself in open conflict with other sections of the community. The recent history of Australian Glass provides an illuminating instance of this. For some years the glass monopoly has been so well protected that the depression has hardly put a grey hair in its head. But, in a cut-throat world where producers generally have been forced to sell their goods at a loss or at next to no profit, this state of affairs could not continue indefinitely. There is no reflection here on the prices charged by Australian Glass. Some say they are fair; others say they are unfair. We shall assume for our argument that they are fair. The point is that they are higher than the prices at which Belgians (probably sweated Belgians) are prepared to sell glass to us in exchange for South Australian barley. South

Australian farmers, having no interest, or certainly no friendly interest in Australian Glass, and "finding no other provision made for them to dispose of their crops, have at last succeeded in getting the local monopoly restricted to a portion only (three-fifths, we understand) of the Australian market.

Left at that, the position might still be fairly satisfactory for the Australian monopoly. But its present price can be sustained only if the tariff on the imported article is kept constantly at a level which will bridge the gap between the two prices. To show that this is not permanently possible, one has only to look at the thing realistically.

MAKING THE WORLD SAFE FOR DEMOCRACY.

In the World War the United States Government sent 2,000,000 boys to France. The pay of these men for the time they were in France was 1,100,000,000 dollars, which is the sum that the United States Steel Corporation made in clear profits, over and above all taxes, in the five years of the World War, 1914 to 1918, inclusive.

—"Why" (N.Z.).

The price which the exporting farmer gets is the same price at which the imports come in—that is to say, the price he receives enables him to buy imports only at their free trade valuation. If the incoming goods are further taxed—for that is what the tariff is, just a plain tax—then he must either buy less of the imports or less of the local article, or he must agitate for a reduction in the tariff, with its corresponding reduction in the price of the local article.

Certainly, taxation, if redistributed locally and not used to repay bank overdrafts or for purposes of meeting purchasing power in the community. But there is a limit to taxation—as both the Grimwades have indicated—and when it goes beyond a certain point producers break their hearts and give up the ghost. (If memory serves us rightly, Australian Glass, or one of its subsidiaries, was in this state of mind when it seemed possible that the Lang Ministry in New South Wales might be returned after being ousted by London's present Chief of Police.)

When you reach the point at which taxation becomes insufferable, the victim, before dying, kicks. And he kicks hard. The object may be a J. T. Lang. It may be a protected local industry. And if there is any soundness in our judgment, an industry which is due for some very severe kicks in the not far distant future is Australian Glass.

AN EASY REMEDY.

The pity of it is that it is all so unnecessary. Whatever the demerits of Australian Glass (if it has any), it represents a great Australian industry. It is progressive. It has proved itself so by giving us more and better products and more unemployment through the machines it uses. This is, or

should be, a benefit to everyone. Who wants to burst his lungs blowing glass which a machine can turn out so much better? And who wants to see the company, which has been enterprising enough to instal the machines forced to work them for little or no reward? Yet, if General and Mr. Grimwade and their associates in big business do not bestir themselves pretty soon, we shall either have to go back to handwork or else their enterprises will be as bankrupt as the small ones already are.

Give us less taxation, they say. The tax on imports, called the tariff, put on to assist them, brought in £25 millions in the year just ended—three times the amount of the sales tax so bitterly complained of. Abolish this tax and you put them right out of business. Abolish any form of substantial taxation and you starve the unemployed and the pensioners—the whole of whose income goes straight back to our business men. On the other hand, relieve business of taxation and forthwith it makes more unemployment without providing purchasing power for the unemployed. Hence it will automatically cut down its own capacity to sell its goods.

This is more or less the position that would arise if the advice of the Grimwades were to be taken as they mean it to be taken.

Yet their advice could be acted on in a way that would restore prosperity to every person alive in Australia; that would keep Drug Houses and Australian Glass busier than they have ever been, at the same time allowing their progressive executives to give their brains free play. It could be done in a way that would allow General Grimwade and Mr. Grimwade to face their shareholders with glowing tales of achievement, with stories of ever better plant, of output increasing right up to real capacity, and without a single grouch against the government of the day. And the recipe for all this is so simple and so obvious that apparently they cannot see it.

That portion of the community which receives money from the government needs it, and needs a great deal more before it satisfies requirements which are reasonable in themselves and which primary producers and industrial organisations can easily supply. That portion of the community which is bearing taxes for this purpose cannot afford to pay the money—or, at all events, very few taxpayers can.

Why, then, don't the Grimwades and their business associates in the producing industries throw their powerful weight behind the movement which is demanding that Government, instead of taxing or borrowing, issue sufficient money to enable consumption to catch up to production? This must come eventually. Why not now?

The Missionary Salesman

From our contemporary, "Social Credit":—

A Scottish parson up in London for a brief visit called at the offices of "Social Credit," bought five dozen copies at 1/6 a dozen, tied a poster on to his person, sallied forth into the Strand, sold the lot, came back, bought three dozen more, went forth again, sold the lot, came back, reported his success, and left the whole staff feeling as if a sea-breeze had blown through the office!

The "New Times" extends a cordial welcome to anyone, cleric or layman, who may feel disposed to give us similar assistance in our fight for the restoration of the people's liberties. We suggest that the method would need some variation, however, as the Scottish parson's effort, if carried out in the streets of Melbourne, would probably result in the loss of liberty of his emulator. You can't rush about our streets selling things like that. It's against regulations.

"IF I WERE IN CHARGE"

The object of dictators and governments being slavery and desolation (writes "Confidence" in the "Murchison Standard," N.Z.), by cramping industry and giving a free hand to financiers, I would immediately, on taking control, completely strangle industry and give all money-lenders unlimited power.

As the financial system already owns 90 per cent. of the world's wealth, I would use this 90 per cent. to grab the other 10 per cent. The chief aim of industry apparently being to produce goods to dump into the sea or burn, I would quickly solve my unemployment problem by putting unemployed to work producing for destruction.

As prosperity depends on producing and exporting more than we import, I would usher in an unparalleled era of prosperity by exporting absolutely everything, that's movable. The unemployed wouldn't starve, because they would be working full time producing goods for destruction. Any additional unemployed who insisted on being born would be put to gold mining, digging gold out of a hole in the ground to be buried in another hole, which has a bank built over it. This last may seem a rather stupid thing to do, but I must plead custom as my justification. To further make work, I would decree that the only tools allowed to be used by bushmen and timber workers would be pocket knives, with salt-spoons for navvies and table forks for bushmen.

The National Debt would be paid off by borrowing more, as at present, following the well-known principle in economics that,

In 1916 a well-equipped hand-factory produced 858 4 lb. loaves per man per week of 48 hours. The same factory, installed with the dough machine and divider, was now producing 1200 loaves per man per week of 44 hours. In some cases modern factories could produce up to 2000 loaves per man per week of 44 hours. In 1930 the actual cost of the operator's labour had been assessed at 2 1/4 d. a loaf. A liberal estimate of the labour cost to-day would be 1d. a loaf.

In 1927, 19,000 boot factory employees produced 16,800,000 pairs of footwear, at an average wage of £163 a year. The average labour cost a pair was 3/10. In 1933, 14,000 employees produced 17,630,000 pairs, at an average wage of £129. The average labour cost a pair was 2/-. —Evidence given before Shorter Working Week Inquiry, Oct. 23.

although companies and individuals cannot borrow themselves out of debt, a government can. It's as simple as lifting yourself up by your bootstraps. By a vigorous system of borrowing, I would soon have enough money to pay off the National Debt."

I recognise that the credit of the country (its ability to produce) really belongs to the people, but the people are not awake to the fact, and I intend to keep them in ignorance, for by pawning the people's credit I can gain all sorts of privileges from my real masters, the financiers. If the people do stir in their sleep and show signs of waking, I will have the press deluge them with crossword puzzles, bodyline, leg theory, wheel-barrow derbies, or any other rubbish just to lull them to sleep again. This idea of a circus being a good substitute for a feed found great favour in Rome just before the crash. Should I ever be deposed and obliged to fight an election, I would win farmers' votes by wangling them an extra penny per pound for butter-fat; unemployed would be won by free gifts of boots and blankets and a slight rise in pay, all of which would have been previously wrung out of them by my suction pump taxation department. It would not be expensive either, as dredging operations would commence after the election and I would get

it all back. To make doubly sure of my position, I might have to institute preferential voting.

It was proved in 1931 that the way to increase purchasing power was to impose a 10 per cent. wage cut, so I would outdo this prosperity by a 90 per cent. wage cut, and if the people were still short of money, I would obtain it for them by means of taxation. This is known as Axiom II.: If your financial yard-stick is too short, cut a piece out of the middle and put it on the end.

Although all other businesses would be ruthlessly regimented, I would say "Hands off the Banks." The reason is clear, as it is the function of a barometer to control the weather and the sundial to control the sun, so it should be the function of the nation's bookkeepers to control industry.

Should it be necessary to still further cripple industry to fit it into the financial system, I would start what I call "planning." I would gather round me innumerable "yes-men" who would be formed into boards and commissions with instructions to investigate the plight of the country and report on the "plan" to be adopted to relieve distress. They would be told beforehand exactly what to report. This would relieve me of all blame.

The school-entering age I would raise to twelve, because by stamping out such evils as education the people could be more easily trampled under foot.

As regards my Cabinets, Boards, etc., ability would be no qualification for the positions. Brains in these positions are not only unnecessary, but highly undesirable.

Periodically, I hope to get the country into the devil's own mess, and this will furnish ample excuse for an extended world tour, which would be termed "seeking overseas markets." On these tours, I would take with me as many of my friends as the boat would hold, and the rest of them would be sent overseas to study conditions, processes, etc.

Finally, when the people would have no more of me, I would vote myself an enormous pension, a string of titles, and retire.

A Very Long Shot

The tit-bit of the week's news is provided by the "Montreal Standard" for August 24, reporting from Winnipeg.

It appears that the Hon. W. J. Major, K.C., Attorney-General of Manitoba, raised a question in the Manitoba Legislature as to whether William Aberhart had not violated the Corrupt Practices Act, and so voided the election by offering every voter in Alberta twenty-five dollars a month to vote for his party.

—"Social Credit."

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"ARE YOU ASKING FOR WAR?"

This very candid article, addressed to readers of the English "Catholic Herald" last month by Father F. H. Drink-water, applies with equal force to readers of every denomination in every modern country. When Father Drinkwater writes of war, he writes of something he understands, for he was several times wounded and mentioned in despatches when serving as a chaplain in the last war.

It is fitting in every way that Dr. Schacht, Germany's Finance Minister from America, colleague of Hitler and friend of Mr. Montagu Norman, should be the one to blurt out openly the connection between unemployment, finance and war.

"Rearmament and military training," he boasts, "have done more than any other factors to reduce unemployment in this country."

Mussolini says the same, not in words, but in actions. With a million young men gone, or going, to campaign in African deserts, and the rest of Italy working to equip them, the Italian unemployment problem must be nearly out of sight.

Our own government, in its own muddling way, does the same. The comparative prosperity that many parts of England, are enjoying, and the present boom in industrial shares, are due almost entirely to preparations, for (or against) warfare.

Last year the world's expenditure on armaments increased by 125 millions up to a total of 1225 millions; so says the League of Nations "Armaments Year Book." This year, of course, it will go far beyond that figure.

CREATING MONEY ON SOCIAL CREDIT.

Money is no obstacle. All the countries are discovering now that the money-reformers are right, and that any country can create as much money as it likes for internal purposes, so long as it keeps within its national resources of raw materials, etc.

Italy, Germany, Japan, are all using their national credit to create the money they need, though, unfortunately, not using it in ways that will benefit their poorer citizens much.

Even our own government—wonder of wonders!—now goes about saying that "finance need be no obstacle" to public works that would relieve unemployment, though it has not yet got to the point of doing much about it.

Governments know how to find the money all right. But they will not issue it as consumers' money. Only for production. Only as a wage for work. Those who have no work must have no money, except what is taken from workers.

NAZI MINISTER'S FRANKNESS.

Listen to this: "It is not the job of mankind to live in an earthly paradise. His task is to struggle, to work, to earn his daily bread." Who said that? Sounds like some bishop or dean, you think? Not at all—it was Dr. Goebbels, Nazi Minister of Enlightenment and Propaganda.

Here is some more enlightenment: "I frankly admit that with all our labours we have not succeeded in turning Germany into a Paradise. We could not do it—but we did not want to do it!"

So there you have it—Goebbels and Schacht between them spill the whole sack of beans. Unemployment must be "remedied," but you must not give the unemployed money, because that would set them free; you must give them work. There is no ordinary work to give them, because the machine does it all; consequently you must give them war-work.

War-work solves the whole problem because it goes on for ever without really producing anything except a heap of corpses now and then—and even that means fewer unemployed.

CRIMINAL INSANITY.

Everybody else is satisfied; above all Finance is able to keep its control and draw its regular toll of interest on all money issued.

Is that really what you want, reader? No, anybody can see that it is criminal insanity. Can't you understand, then, that there is only one alternative to it, and that is to issue money directly for the consumer as such—a social dividend in some form or other?

At any rate, be clear about this, for there is not the slightest shadow of doubt about it any longer; if you insist that the remedy for unemployment is work, work alone, work at all costs, then what you are seeking for is—war!

STOP THOSE EGG-LAYING RECORDS!

This year the Ministry of Agriculture have been able to include in the preliminary returns the returns of poultry, which are of great interest since they show that the rapid increase in the number of fowls, which has been a feature of post-war years, HAS BEEN ARRESTED, and this year there was a decrease of 5.2 per cent., or 3,200,000 fowls, bringing the total to 58,130,000, or below the 1933 total.

—National Farmers' Union Record (England), September, 1935.

IT'S YOUR RHYTHM WE WANT

[By B. J. BOOTHROYD, in "Reynolds's Illustrated News."]

"Plan To Make Us All Happier. Just Learn To Breathe, Stand, Sit, and Walk Properly."

Thus does a Sunday contemporary lead us ever on and up towards the Light.

"A movement to do this," I read, "is growing in many countries." It will "solve the troubles of the world. . . . Dr. L. P. Jacks, the famous educationist, social thinker and philosopher, is one of its leading advocates. A great part of the troubles of the world exist, he says, because we do not know how to stand properly; we do not know how to sit; we do not know how to breathe."

In fact, it is only by sheer luck that you manage to live five minutes. Your ignorance is abysmal. You do not know the first thing about your organs. You might as well leave them on the hatstand when you go out.

I read, for example, that most of you breathe with the top of your lungs instead of with the bottom, you poor mutts. I admit it's 'not your fault. No one told you how to use them when you "first had them, and there were no instructions on the wrapper. But it isn't only your inside works that you can't use. I learn also that you "do not know how to balance your bodies and you waste two-thirds of your energy in wrong and unnecessary movements."

Clearly, you ought riot to be allowed out. And if some of our famous social thinkers had their way you wouldn't be. It's a marvel how you manage to get on a 'bus. I suspect that when some of you get out of bed in the morning you look at your feet and say, "What do I do with those?"

A PLEASURE TO WALK.

But the social thinker and philosopher, having diagnosed the cause of the world's ills, shows light through our gloom. "The correct way to hold the body and breathe," he says, "can be taught in a few weeks."

He says that sitting and standing are already being taught in Philadelphia. Which proves how far ahead of us America is in education. A thousand girls attend classes and do rhythmical exercises to correct their faults. "Shop girls," I read, "said

it was just a pleasure to walk about the shop." So now we know why girls leave home.

Another experiment has been made on some of the boys at a Liverpool secondary school. At the end of the year "their scholastic progress had surpassed that of the others by 200 per cent." And now I suppose they say it's just a pleasure to do sums, the little liars.

So at last we have solved the problems of What To Do With The Body. It seems to me, after a few moments of philosophy and social thinking, that the way of the government is clear. Everybody must be compulsorily taught breathing, sitting and standing. Rhythmical exercises must be made compulsory in all schools, workshops, offices and places where they breathe. We dare not miss a chance to end the world's troubles. If they can be removed by a few weeks' rhythmical exercises, what are we waiting for, O my heart (top and bottom)?

A large army of officials, all trained in social thinking and rhythm, must be let loose among the people to watch them all day, or, in the case of those on night-shifts, all night. Anyone seen breathing wrongly, such as with the bottom of the lung or through the ear, will be swept up in a basket and—no, that's harsh. Will be placed under observation for six months without the option.

JUST HOW TO ACT.

So we needn't bother any more about war, poverty, Fascism, pains in the back, unemployment, bankers, varicose veins or income tax. It can all be put right by rhythmical exercises.

As soon as you begin 3'our rhythm, Mussolini will recall his troops and Hitler will push himself over a cliff. As soon as you start breathing with the top of your lungs, consumption will equal production and your wages will go up with a rush. No sooner have you sat down without unnecessary muscular movements, than, bonk!—down will go prices to the buyer, and simultaneously swish!—up will go prices to the seller. It will be difficult for the economists who have to explain what has happened, but I suppose it will be all right if they breathe properly.

So let us get on with it. At the word "one," breathe smartly with the bottom of the lung, and—Gosh! Did you hear that? My rent fell down eighteence.

An Italian Plan for Bigger Wars

While the Italian army is out to kill Abyssinians an Italian scientist is at work on an invention which may have even graver results. Professor Mezzadroli, of the Bologna University, has turned his attention to the insects which ruin plants, and his experiments with ultra-short radio waves threaten to deluge the world with still more plenty — which, naturally, will promote bigger and better wars for new markets.

His methods are said to have produced excellent results. In ground "cured" by short wireless waves all insects harmful to the plants were killed, and the growth of the plants was stimulated.

Professor Mezzadroli is to continue his experiments in an attempt to create the ideal farm of the future.

He plans to put huge metal sheets in various parts of the field, equal distances apart, and of the same height as a human being. The plants will be dug between these sheets, and ultra-short wireless waves will be introduced.

The transmitting station will be placed on a small car, which will be moved from place to place as desired.

Professor Mezzadroli believes that with treatment of this nature bad soil can be improved by one or two simple radio treatments, and that dangerous insects can be destroyed within a week.

THE MINSTREL SHOW

The Coons: "Good Evenin', Massa Johnsing."

Mr. J.: "Evenin', Gen'lemen. Be seated, please."

Rastus: "Say, Massa Johnsing, did I see you coming out of the Bank today wid a friend o' yours?"

Mr. J.: "Why, yes, Rastus, and where were you when you saw me coming out ob de Bank?"

Rastus: "I wuz comin' out ob de pawnbroker's."

Mr. J.: "But you hadn't been dealin' there, surely, Rastus?"

Rastus: "I sure had, Boss. Ever' time my finanshul ob'l'gashuns gets out ob hand I pops in an' hocks ma banjo."

Sambo: "Massa Johnsing, sa, wuz dat friend ob yours 'called Massa Fitzbertie?"

Mr. J.: "Well, Sambo, he's not 'xakly ma friend, but I wuz 'splainin' 'bout Banking to him. He done been real mad cos he hocked his farm wid de Bank and caint raise de cash to get it back."

Sambo: "Den de bank mus' be very much like de pawnbroker?"

Rastus: "No, it am wusser. De pawn man can only lend de money he hab got, but de bank can lend up to ten times as much as dey got."

Sambo: "Oho, boy, den dis bank can create new money, huh?"

Mr. J.: "Restrain yo'self, coon — you is irreverent. De bank borrows de extra money from de public. Dat's where it comes from!"

Sambo: "Den de public can create new money? Wow, I been missin' great opportunities!"

Mr. J.: "Yo' is all wrong, coon. If any pusson not ob a Bank makes new money, den he go bang in jail."

Sambo: "Golly, I might hab 'spected a catch somewhere!"

Rastus: "Can you tell us where de money come from, and is y' a 'can-o-mist?"

Mr. J.: "Yo' is too iggerant, boy! Any 'conomist knows dere ain't no extra money. Dey is just put down in de big books."

Rastus: "But how kin we find out all 'bout de business?"

Mr. J.: "Yo don' hab to 'know anything 'bout it. Fact is dat ornerly people who wants to know is just CRANKS!"

Bones: "Tell us, Massa John-sing, what is de secret ob your success as a genuwine 'cano-mist?"

Mr. J. (with pride): "Dere is three things, Mr. Bones. Fust, I always claim dat things is as dey is ('cos I can allus prove dat); second, I never gib a plain

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answer to a plain question; and, last, I allus argify in circles so's nobody don't git anywhere."

Sambo: "But what about de folks who say dat things is not as they should be?"

Mr. J.: "Dey is irreverent, and is CRANKS, too. Dey can't see dat de Banks is Pillars of Integrity" (removes his hat) "and saves de country all de time."

Bones: "We is wanderin' to no places and gettin' everywhere, but dat don' help Rastus get back his banjo. Dat pawnbroker didn't lend him enough money to pay de interest. Does de Bank give Mr. Hitzferbert money to pay his interest, Massa Johnsing?"

Mr. J.: "Dat is a crazy idea, Bones. Interest is de legitimate earnins ob Capital, an' I'se already 'splaind to Mr. Fitzbertie dat if he use all his spare cash payin de interest den he ain't got no kick comin' when de Bank takes his farm."

Sambo: "But 'nother big 'cano-mist sez farms and factories and m'chinery is Capital. Is Rastus' banjo Capital?"

Mr. J.: "Dunno bout de banjo, but farms is Capital, sure 'nough."

Bones: "Den de Bank should pay interest on de farm when dey use it as a 'scuse to issue more money?"

Mr. J.: "Dere yo' is all wrong again. Farms is jus' ordinary things and jus' grows wool and food. But Banks is Institushuns of Importance an' must be paid, no matter what happens to farmers and business men, or us folks, either."

Sambo: "Can you tol' us how you knows when de country is saved?"

Mr. J.: "Easy, Sambo. As long as de Banks is payin' dividends de country is saved. People who can't see dis and has ideas that everybody should have plenty to eat is not got de proper respec' for de great sacrifices ob de Banks, and is just CRANKS, anyway."

Chorus: "Well, we is gettin' so interested that we is going to keep on being called those names, too!"

"R.W.W." in "Why."

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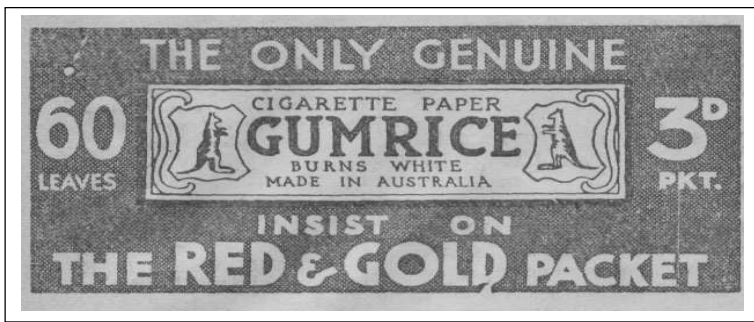
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Government Insurance and the Banks

Another move is afoot to open wider the insurance field for the outrageously profiteering monopolists. As would be expected it comes this time from that stronghold of "sane" finance, the Stevens Administration in New South Wales. Two years ago that Government announced its desire to withdraw from competing with its Government Insurance Office against private companies. Existing legislation, however, compels it to accept workers' compensation business when offering, and as the Government office, while highly profitable, has brought premiums down to something like half the rates formerly charged by the companies, many insurers have refused to accept the invitation of Mr. Stevens to take their business elsewhere. Now, however, a member of the Cabinet has given notice of a Bill to "rectify" this position.

The conduct of insurance has rightly been called the greatest racket (after banking) of our time. It is, in its personnel, very closely associated with our banks, the directors of Australian banks being openly on the boards of something like a score of insurance companies operating in Australia. Insurance plays a very important part in banking, for it serves to corral and to keep under one control enormous aggregate deposits which, coming into existence through bank loans, are sources of grave danger to the banks. For though, as deposits, they are only book entry money, yet their holders have the right to demand that they be turned into Commonwealth notes and coin. As the banks have the merest fraction of the notes and coin required to meet the total of such claims, it becomes imperative for them to shepherd into safe hands such deposits as they cannot turn aside into those de-

ferred claims on themselves which are known as fixed deposits.

Hence the banker will always preach thrift—which means that you must keep your money in the bank, or in other words, you must not ask the banker for the cash which you have the right to demand, but which he has not got. If you cannot be induced to practice this thrift by leaving your (non-existent) cash with the banker, then he terrifies you into thrift by bringing out the second string to his bow, and the insurance company works on your fears. Thus you are induced to insure yourself against destitute old age, against the undertaker's bill, and so on. By this means the banker can get you to postpone your claim for cash for perhaps twenty, thirty or more years. He goes further, and gets the small wage earner who draws his weekly pay in real coin to surrender part of it through an industrial policy. In the majority of these policies, those who take them out ultimately forfeit every penny they put in; even where the policies come to maturity the return to the holders is ridiculous. Insurance, then, properly understood, is really as much an insurance by bankers against their risks from the public as anything else. As such, one would expect that these banker-influenced enterprises would give the public some semblance of a fair deal for surrendering their claims to money. But the public get no such thing.

The profits of insurance companies are very like the profits of banks—hard to discover. The "mutual" idea, whereby shareholders in the abstract are supposed to own the funds which shareholders in the concrete never see, serves as an effective smokescreen in most cases. But occasionally we get a peep behind the scenes, and notably when the companies are wholly or partly limited liability enterprises with shareholders. The Mutual Life and Citizens Company is an Australian instance. This company (of which the chairman is also chairman of the Commercial Banking Co. of Sydney) regularly pays its shareholders an annual dividend of eighty per cent, —not eight, but e-i-g-h-t-y.

In the case of such figures—and there are no grounds for assuming that the profits of the Mutual Life and Citizens are more extortionate than those of the other big companies—one realises more keenly the force of the allegation that insurance, as now conducted, is a racket that puts bootlegging to shame.

Nevertheless—living as we do under a system of debts, fear and taxation—insurance, as long as the present money monopolists are in the saddle, is just as essential to most of us as it is to our real rulers. But we could turn it into quite a formidable weapon against them. Make insurance a socially run service and, quite apart from

the lessened charges to the public, it would provide a very useful two-edged weapon against the banking monopoly.

In the first place, as their figures show, well over half the Australian assets of companies operating in Australia are represented by Government and municipal securities. The current Year Book gives the figure (for 1932) at £94 millions, and it is now doubtless well over £100 millions. Hence, the insurance companies are in a position to give or withhold huge sums to Government and semi-Government finance—our national loans, for instance. With our banker masters sitting on the boards of these concerns, one may well imagine that the policy of the insurance company in helping or hindering the people's Government is hard to distinguish from the policy of the bank. But make insurance a national service, and it acts as a buffer between the people and their masters.

In the second place, the huge funds of the insurance companies, if controlled on behalf of the people instead of on behalf of banking interests, would constitute an ever present menace to the bankers and provide a means of exposing them whenever desirable or desired. The banks to-day could not pay four shillings in the pound if current account depositors demanded their money all together. But concerted action on the part of hundreds of thousands of depositors may not occur once in a lifetime—not since 1893 have our bankers been thoroughly shown up for the impostors they are. It would be a very different story if all insurance company deposits were under Government control. A relatively small proportion of these, lodged in bank current accounts and demanded from banks in legal tender, would shut up all the bank doors in Australia in a few minutes.

It is not suggested that there is any virtue in forcing banks to close their doors. But in view of the obstinate obstruction of our bankers to any measure of monetary reform—even reform which would not diminish their legitimate profits—and in view of the lying propaganda whereby they have sought to establish that they are "merely repositories of the people's savings," a Government monopoly of insurance might well be the easiest means of winning the battle for the restoration to the community of its sovereign power over its own money supplies.

However, the battle is not likely to be assisted by any skirmishes from the present Ministry in New South Wales.

Subsidised Shipping Again

Some weeks ago attention was drawn in these columns to a pending move to tax the Australian people in order to provide gifts to the British companies which operate ships around our coasts. It was pointed out at that time that British shipping (like most other British and Australian monopolies or semi-monopolies) is very closely linked with the British bankers. Some little time ago we published a note of a British shipping company being put into liquidation by its bank creditor,

and elsewhere in this issue we reprint from an English exchange some account of a policy now being carried out in England whereby shipyards are being broken up. Accompanying this, as readers of the daily press will have noticed, ship after ship is being sent to the breakers in England. The majority of such vessels are still very serviceable—although possibly they may take a few hours more to cross the ocean than their successors. All this would seem to indicate that a policy—and an expensive policy—of destruction is taking place in order to establish more firmly a monopoly in British shipping to suit someone's interests. Following this, we are asked for subsidies.

This week three prominent local politicians have taken up the cry. The Prime Minister, lately back from London, indicated that a conference may shortly take place "to consider the whole problem." In the same statement he said that "the Government recognised the unfairness of the position, in which Australian and British vessels had to compete with American boats that were subsidised in regard to both construction and running."

Sir Stanley Argyle, fresh back from London, observed that "there was no doubt we were in for a bad time from the subsidised shipping of other countries," and that "it certainly seemed like Australia having to find a subsidy, because competition had to be met with the same weapon."

And Sir Frederick Stewart, also on his way back from London, expressed similar views in New Zealand, saying that "the Australian and New Zealand Governments should give shipping companies larger subsidies."

Without repeating the arguments we previously advanced on this subject, and which were all against making straight out gifts of taxpayers' money to companies whose attitude to our own Commonwealth line is still fresh in our minds, it should be sufficient here to consider the worst possible effect on Australia that our political alarmists can conjure up. This would be the million-to-one chance of an entire cessation of shipping to and from our shores at some indefinite date in the future. What would this signify? What does overseas shipping do for us at present?

From the personal side it enables politicians to neglect their duties and to jaunt abroad on holidays at our expense. It also enables Australians to go forth and give their lives for foreign financial interests in foreign lands. Likewise it enables our wealthier citizens to spend overseas the incomes Australians have earned for them, and to come back from "home" more patronising and more anti-Australian than ever. Would the stoppage of this be any great loss to Australia?

From the material viewpoint the purpose of overseas shipping has always been to take away from this country every year far more real wealth than it brings in. For the payment of interest alone, public and private, this toll is nearly a million pounds' worth of wealth a week. Would it be a great hardship to us if the refusal of unsubsidised British shipping to

carry goods away brought this to a stop?

Finally, there is the aspect of the goods we really need from abroad. Run through the list of the things you use from the time you get up in the morning until you go to bed at night, and see which of them we do not or could not make for ourselves if we were blockaded. Food, drink, clothing, housing, transport—can we not supply our needs in all these respects? Petrol, perhaps; but there are many people in Australia who confidently declare that, if overseas petrol supplies were cut off, oil in plenty would be found here in the morning. In any case, we could get oil from shale.

These are the physical realities behind the shipping subsidy question. These are the points which the Australian taxpayer should turn over in his mind before he permits another toll to be levied upon him in the interests of the overseas monopolies which are bleeding him white.

The Jews and the Cables

In the middle of last week a cable appeared in various journals of the Australian press detailing another outrage against the Jews in Germany. The names of Jews who had been killed fighting for Germany in the great war, it seemed, were to be erased from honour boards all over that country. Naturally, there was great indignation amongst those who can always be relied upon to froth at the mouth over the treatment of Jews, in Germany or elsewhere, but who show little sympathy for the victims of Jewish financiers in many other places. The Melbourne "Star" even wrote an editorial, "Man's Ingratitude," beginning, "There is a cruel meanness in the order of the German Ministry of Propaganda that the names of Jews must be removed from rolls of honour compiled after the Great War. Germany has enjoyed her little pogroms," etc., etc.

Unfortunately for the "Star's" sob story, it appears that the German Consul in Melbourne had had his doubts as to the authenticity of the story, and had set inquiries on foot. As a result of these inquiries he was able to announce, simultaneously with the "Star's" editorial, "that expunging the names of Jews from these monuments has neither been ordered nor contemplated."

This brings us back to the original cable. Who invented it, and for what purpose? We have often seen printed statements (and we have never seen them contradicted) that nearly the whole of the great international news, cable and propaganda services are either Jewish owned or Jewish controlled. Are we, then, to assume that this was an inspired message sent forth to the world to stir up further sympathy for the "oppressed" race which so brightly ornaments the firmament of international finance? We commend this line of inquiry to the "Star." While it is on the job, it might also do a little probing into the whole question of falsified, distorted and suppressed news—with particular terms of reference as to who are the gainers thereby.

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"WAR BRINGS SORROW TO SCIENCE"—Sir David Rivett

By BRUCE H. BROWN.

[By arrangement with the "Castlemaine Mail."]

Speaking at the Unitarian Church on Sunday, October 13, Sir David Rivett said this:—

"Humanity is not taking full advantage of the contribution science offered it. In some spheres it is deliberately rejecting the good offered and prostituting knowledge by using it towards the ends of degradation. . . . There had been beautiful work in physics and chemistry on the materials of the modern gun, fuses, high explosives, and poisonous liquids, but this work had been done with no unworthy object. To those who had lived to see what had been done with their discoveries, there had come a great sorrow."

Such a statement from such a person prompts us to put this

MONTREAL ON THE "RED INDIAN" STATE.

We commend the following, from an editorial in the "Montreal Star," to the "Bulletin" writer who referred some weeks ago to "Alberta, a Canadian province in which there are 15,000 Red Indians":—

"Make no mistake about it, the electorate of Alberta is on a high level of culture. University graduates abound. They have a fine school system. It is very unlikely that in any other province the gatherings which would listen to party speakers could rate higher intelligence and understanding."

Yet they have voted against the government, against the U.F.A., against the Liberals, and against the Conservatives. They have voted a complete want of confidence in any political organisation they have ever known. They have gone to the poll and registered utter contempt for all the established parties that have ever been tasted and tried in office.

direct question to him: Have you yourself not personally "prostituted knowledge" by inexcusable silence about the swindle of the financial system, which, besides crucifying humanity, has circumvented, circumscribed and degraded the scientist? Humanity has been wantonly defrauded of the advantages that science offers, and the responsibility for this falls largely upon the scientists themselves and certain University professors for failing to expose the fraud.

Our inquiries about Sir David have revealed that in his particular line of learning, as measured by our present financial, commercial and cultural standards, he is one of the cleverest men who have ever passed through our University. We respect his achievements in this sphere, and to the extent that he has been a credit to his parents we pay him our tribute of praise. But when his achievements are assessed by the increase or decrease of their effects on human happiness and well being, it is not so evident that his cleverness has been beneficially applied.

SCIENCE NECESSITATES WAR.

What is the use of Sir David Rivett moaning that war vitiates science when he must know that science, under existing financial limitations, is increasing the necessity for war? He has shown a cleverness at the University of which we might all be envious, but how greatly that cleverness would be enhanced in real value if only he would apply it to an impartial examination of the reasons why the benefits of science are being turned to the discomfort and even the destruction of his compatriots.

If humanity is not taking full advantage of the benefits of science, as he asserts, it is not because humanity does not want to take advantage of them, but because humanity is prevented from having access to them. The benefits of scientific output can only be obtained and used by people who have the money to claim them, and Sir David must surely

know that, with the exception of the private bankers, people are not allowed to manufacture their own money. Citizens who endeavour to establish their own mints soon find the whole force of the law arrayed against them, but repressive measures are never invoked against the clique who have stolen the community's credit and usurped control of the nation's finance. Why is there so much silence in high places about this outrage? If Sir David has protested, when, where, and how did he do it?

MONEY AND SCIENCE.

Does he know anything about the origin and control of this thing called money, which has assumed such an overriding importance that it controls everything? It is no use his saying it is not his business. It is his business, if only because money controls and thwarts his science. Logically, therefore, he is the very man to tackle the subject of finance and apply his acknowledged cleverness in the urgent and important task of removing artificial restraints, thus helping to secure what Sir Samuel Hoare says we need, and what we also say we need—namely, a new social order. It is futile to leave this public duty to his friend, Professor Copland, for he has already rendered abortive the golden opportunities he has had of earning not only the respect of the present generation, but the undying admiration of posterity. As it is, he gets his income, his entry into society, his place in the limelight, his inclusion in the "honours" list, and his position as economic adviser to the government from slavish adherence to the exploded notions of the past.

Before he was knighted, Sir David gave some public talks which went very close to suggesting that our money system was responsible for our community difficulties, but he has been strangely silent on this aspect in recent months. Is it fair to ask whether the conferring of the knighthood, and the freer entry into high society thus afforded him, have lessened the desire to be openly honest about the Money Swindle and the Fraud of the Depression? Are not the greatest beneficiaries of the swindle the bulwarks of high society as we have it to-day, and would not an open attack on the financial system mean an open attack on several of his fellow knights? We appreciate the difficulty of his position, but unless he is prepared to play his full part it were preferable that he refrained from uttering gratuitous gibes at suffering humanity. He knows, or should know, that humanity is a prisoner in the chains of Finance. Neither he, nor anyone else, could seriously and honestly dispute the existence of grave defects in our financial system which are suffocating the scientific ability of himself and his colleagues, turning our iron into cannon instead of ploughshares, and our nitrogen into high explosives instead of fertilisers; and neither he, nor anyone else, could honestly dispute that the problem of rectifying these defects goes to the very root of ever human in-

THE FACTS OF THE POSITION.

Right before our very eyes we have the paradox of unlimited scientific capacity to produce goods side by side with a great mass of people in want and widespread poverty, and the removal of this absurd state of affairs is the problem confronting civilisation and science. Instead of bending their energies towards securing a sensible method of distribution, however, the "big men" of the clay are advancing the disgraceful paradox referred to as

justification for instituting all sorts of repressions, such as Fascism, Dictatorships, Communism, Crimes Acts, and so on. Not one of them can be heard denouncing the true cause of the paradox.

We put it to Sir David Rivett, and to every other intelligent person, that the following facts deny escape:—

1. Goods have been produced in excess of public ability to buy but not in excess of public ability to consume.

2. Lack of ability to buy has led to unemployment with a consequent surplus productive capacity in labour;

3. Unemployment has brought about poverty, insecurity, and restlessness without diminishing the economic needs.

4. Because people have been deprived of purchasing power, we have redundant industrial equipment and redundant scientific knowledge.

5. All of which has intensified personal and national cut throat competition to sell to the diminishing number who have money to spend.

6. Industrial profits have therefore dwindled and caused business failures, bankruptcies, etc., with their mental, moral, social and material distresses.

7. With consequent vicious competition for foreign markets (which means pressure to export "real" values to secure artificial monetary values), international friction threatening and inevitably leading to war, and what has been referred to as "the frustration of science."

THE COMMON FACTOR.

All of these affronts to commonsense and intelligence have one common ingredient and one only—viz., a lack of money in the hands of the people with which to buy or claim the produce of science and industry. Is that true, Sir David? If it is true, then we suggest your duty is clear, whether it pleases high society or-not. It is useless to

TASMANIAN MONETARY INQUIRY.

The Select Committee appointed by the Tasmanian House of Assembly, on the motion of Mr. G. S. Carruthers, presented a unanimous report to the House on Tuesday evening. The report has been ordered to be printed, and as soon as it is available its contents will be made known to our readers.

blame human nature or original sin for the frictions between consumer and producer, between buyer and seller, between user and distributor, and between nation and nation. These are merely the growing features of modern business, and are due to the fact that the real wealth of the physical, economic, and scientific system is not reflected in a corresponding abundance of purchasing power in the places and in hands where it would be effective as buying power.

Possession of money, which is of no value whatever in itself, gives the only feeling of "economic security" to-day, and so long as we continue to adhere to the existing practice of measuring all values by a "financial standard," so long will money control everything. No matter what we may produce it is valueless until it has been monetised, and the power to monetise things has been filched from the nation by a private monopoly consisting largely of titled persons. These men determine what money we shall have and what money our governments shall have, and they determine what "value" shall be placed on the country's production. Our economic security should obviously depend on our productive capacity, and not on a bookkeeping system controlled by a private monopoly for its own purposes, as is now the case.

Does not Sir David's intelligence revolt against the absurdity of the existing methods of "sound finance" which impose this insanity upon us? Individuals are increasingly sorted out for popular esteem according to the figures in their bank books, or for the influence they can command in securing positions of power in the Swindle of Finance, making money plentiful or scarce according to the policy of the private individuals who constitute the inner ring.

WHAT DIFFERENTIATES UNEMPLOYMENT FROM LEISURE.

Sir David Rivett has not come forward to point out that unemployment is really an asset, measuring as it does the value and the effectiveness of his scientific developments. The only thing which at present prevents it from being a good asset is the fact that it is accompanied by disemployment, and that this disemployment robs the unemployed of their access to goods. What is it that differentiates the "millions" of the unemployed from the "hundreds" of the leisured class? It is simply that the latter have easy access to plenty of purchasing power while the former have no such access. An increase in the volume of purchasing power in direct relation to the total prices of the goods for sale would increase the security, well-being, and general happiness of every grade of society, but there are two obstacles to the adoption of that solution, as follows:—

1. The personal interests of the members of the private monopoly which controls the manufacture, issue, and cancellation of money, together with their sycophants and hangers-on; and

2. The widespread idea that purchasing power should be obtainable only through work (and lifelong work at that), whether industry needs human work or not.

Science is increasingly lessening the need for human work, and consequently we already have the position that for millions of people it is a case of less work, less pay, and less goods, or no work, no pay, and no goods, all because our financial arrangements have not been brought up to date with our production arrangements. In the face of this, there is a definite responsibility on Sir David Rivett and all other professional men to make the public conscious of the true objective of science and industry. Nature has imposed certain conditions of material existence (food and clothes) and of happiness and security (luxuries and leisure), but nature has also opened up increasing ability to produce all the necessities and to meet all the conditions, and Sir David's scientific ability is one of these gifts of nature. Money, an artificial and unnatural thing, alone frustrates him.

Behind what is commonly called "Industrial and Scientific Development," the psychological urge is the desire to bring about true unemployment—namely, leisure, which means unemployment plus access to goods. To regard unemployment as a disease, or to make it financially a disease, is an unnatural perversion of this psychic urge, and can only bring on the dangerous disease of restlessness, rebellion and war, which always arise from the perversion of nature.

Science can be relieved of its sorrow by the adoption of a system having the following characteristics:—

1. National control of the power to create credit for production.

2. A new method of distributing money to ensure that purchasing power will equate with prices; and

3. A scientific price mechanism to prevent inflation.

In other words, an insistence that science shall be applied not only to production, but also to distribution—i.e., to money as well as to goods.

ENGLAND URGES DEFENCE—WHILE FINANCE DESTROYS HER SHIPYARDS

During the last five years (says "Social Credit" of September 20) numerous shipbuilding yards have been bought for scrapping by National Shipbuilders Security Ltd., whose report for the year ending March 31 has just been issued.

It is recorded that Palmer's yards at Jarrow, Hebburn and Amble, and Walker's yard at Newcastle, were bought; and, since March 31, the company has acquired Workman Clark's yard at Belfast, and Cands, of Greenock.

Sir James Lithgow is the chairman of the company which buys and breaks up shipbuilding yards and works.

No valuation of the yards bought is given in the accounts, which show expenditure over the last three years standing at £1,836,357, as against £1,050,340 twelve months earlier.

Purchases of redundant shipyards for demolition or resale (for other purposes) total £1,153,387, rising from £768,336. This is the scrap value of the yards, whose replacement price would be enormously greater.

A new item is £126,985 in connection with purchase of shares in a subsidiary acquired for the purpose of discontinuing shipbuilding. In respect of pacts to give up shipbuilding and marine engineering the expenditure is £275,444, advancing from £70,444.

* * *

Discussing the above news item editorially, "Social Credit" goes on to say:—

By a strange twist of irony a Bank of England concern which has probably done more in the last few years to undermine Britain's security than all the Communists and all the machinations of foreign powers put together, is called National Shipbuilders Security Ltd. A more suitable name would be International Bankers' Security, for this concern is engaged in making ship-owning safe for bankers who now control the "British" mercantile marine. It is "rationalising" the shipbuilding industry by scrapping so-called redundant yards.

According to its annual report this company has spent, in the last three years, a total of £1,153,387 to buy shipbuilding yards for the deliberate purpose of scrapping them. To replace this destruction would cost at least twenty times as much. This is but one more instance of the sabotage of real wealth in the attempt to make facts fit an archaic financial system.

Those who remember the submarine blockade of last war, which resulted in the loss of millions of tons of ships and thousands of human lives, and nearly resulted in starving this country into surrender, should ponder the dangerous activities of National Shipbuilders Security, particularly at the present moment. We trust that, if unfortunately war comes again, no plea of ignorance or "sound financial reasons" will enable those responsible for this sabotage to escape the penalty of traitors, should Britain suffer for lack of these yards in which to build ships to replace those sunk.

The chairman of National Insecurity—Sir James Lithgow—has held a commission in the British Army. We would urge him most seriously to consider whether his oath of loyalty is compatible with his present position.



RESTRICTION

By D. IZZIE.

If you have a problem and wish to solve it in the modern and orthodox manner, then you must look around for something to restrict. The idea is familiar. We remember how the problem of abundance was first tackled by restricting production, and the problem of poverty by restricting incomes. Despite failure in these directions, restriction of some sort is the first straw grasped by our bewildered servants[^] the politicians. It was proposed in the Victorian Legislative Assembly last week that the age at which a person could obtain a licence to drive a car should be lowered from 18 years to 17. The Chief Secretary refused to accept the amendment because it would increase the difficulties confronting those who had to regulate our traffic. The implication is that if the age were lowered there would be a rush by young chaps of 17 to buy motor cars. Why the Chief Secretary should think that these lads should be more prosperous than other sections is not quite clear, but it is obvious that he thinks the best way to regulate traffic is to restrict the number of cars on the roads. Perhaps in a few years he will realise that it might help to have better roads and more outlets from the city. But these ideas are ruled out at present because the money available is restricted, not because there are no materials or men.

EVEN WAR.

This restriction is the most serious of all, and is responsible for many strange things. Take war, for instance. Practically everyone agrees that war is inevitable under present conditions. The League of Nations was formed to try and head it off. But instead of endeavouring to alter the conditions which lead to war, the League waits for little wars to break out and then gets busy applying the universal remedy of restricting them. We know that we are financially prosperous when there is a decent-sized war on. Although it enables us to dispose of embarrassing surpluses of goods and unemployed men, the League must now restrict each outbreak. The reason is that wars cost money, which means that National Debts would increase too rapidly and, as every economist knows, the rate of increase must be restricted.

Suppose this restriction were removed. Humanitarians would still find reasons for not having wars, but we could achieve the same result by playing at war. As war uses up men and materials, of which we have plenty, let's build guns, ships, etc., as hard as we can. Plant a big gun on each headland and let it rot there and, to make sure that men will not be used up by being-killed, make the shells too big to fit. Route marches from gun to gun would keep the troops busy. Think of the employment in the steel industry, the brass business and tanneries. Think of the restricted prosperity we would enjoy as the result of removing only one restriction. Of course we could do better by removing more, but the public must be gradually weaned from the re-

strictions which they accept without question.

ELECTIONS.

Liberty also has been restricted. We have been denied the pleasure of telling our legislators that we are not interested in party politics. We are forced even to vote. We are given two or three unsatisfactory alternatives, and forced to choose the least objectionable at an election. This restriction should be reversed. Instead of the servant restricting his master and saying

what he will do, the public should restrict the politician and say what it wants done. Then we would get those restrictions which we want. Poverty could be not only restricted but abolished, the power of finance to regulate us could be severely restricted, and all problems could be tackled from the standpoint of physical reality. What other animal besides man (Homo Sapiens?) would be restricted and hungry while surrounded by abundance?

But a much more important question is this: To what is it recovering? Are we merely getting back to the old method of production and consumption, vast production and inadequate distribution, which means that presently, with the turning of the wheel, we shall be in the same difficulties once more and enduring the same inhuman wickedness as now?

It is not for us to blame any individuals—we need hardly use the word "blame"—we are simply trying to use a machine for a job which is too big for it, and if my machine won't do its job, I don't necessarily break it up, but at least I trade it in for a new one.

"Don't let us talk about blame," continued his Grace. "You and I are as much to blame as anyone. Let us say that we believe that our machine, which did the job once, is not up to the job now."

"I want the best brains in the whole community harnessed to the job, not of making the old machine go by tinkering with it, but of finding a new machine to do the job properly."

"I believe there is no power in the community like the power of public opinion, and to exercise that power is what we are here for to-night."

BEVERLEY NICHOLS ON RUDE SOCIAL CREDITORS

Now let us get back (writes Beverley Nichols in the London "Sunday Chronicle") to something which is not at all obvious, but is extremely funny.

It is the latest report of the National City Bank of New York—much more topsy-turvy than anything in Alice in Wonderland.

Here are a few extracts:—"The improvement in wheat is not only in this country, but in the world position. Harvests are smaller everywhere."

"The cattle situation is also more healthy, owing to the effect of the drought."

"Cotton is likewise looking up. There is a total supply of 20,000,000 bales, which compares with 26,000,000 bales two years ago."

The black type is my own. But not the economics.

This report is printed in the organ of "Social Credit." I refuse to lie drawn into long dis-

AT IT AGAIN.

The Palestine government announces from Jerusalem that it is making long-term loans to Arab peasants in the hill regions.

cussions about this system of economics, but whatever you may say for or against Social Credit, you cannot deny that the people who believe in it have a most uncomfortable knock of knocking the stuffing out of the orthodox bigwigs.

For instance, a recent speech of Lloyd George is summed up as "We have too many goods," says Lloyd George, and adds: "Therefore, we must put more people to work so as to manufacture more goods."

Here are some more rude and naughty remarks which these embarrassingly frank "Social Crediters" have produced:

"Modern industry is like a millionaire pushing his Rolls Royce up hill."

"In the old days we went to war to take something from the enemy. Now we go to war to force the enemy to take something from us."

"History traces curves, but humanity thinks in straight lines."

It is because humanity thinks in straight lines that I advise you to learn a little about Social Credit. It can't do you any harm.

And it is the only money system (good or bad) whose sponsors have a sense of humour. Lord knows, they need it.

That's more than enough about economics, of which, admittedly, I know nothing—i.e., as much as anybody else.

Not Much Recovers

LEAGUE OF NATIONS' WORLD ECONOMIC SURVEY IS PESSIMISTIC.

In striking contrast to the happy stories of certain types of returning travellers comes the fourth annual World Economic Survey of the League of Nations, covering the period July 1934, to July 1935. In the course of a lengthy review of its figures the "Economist" of September 21

"According to the latest Survey, 'the economic outlook at the beginning of 1935 was distinctly more confused and unpromising than it had been a year earlier.' A year ago the Survey noted that the indices of recovery in the majority of the more fortunate countries—mostly those which had devalued their currencies or allowed them to depreciate—had come to a halt; and that, in any case, recovery had not been translated to the sphere of international trade. Now, a year later, the new Survey has to record a slow continuance of recovery in the indices of separate countries, but, in the words of the Director of the International Labor Office in his latest Report, the recovery has been 'superficial rather than fundamental.' Production remains low; there are still vast stagnant pools of unemployment in the chief industrial countries; and in the world's primary-producing countries there are unemployed plantations and labourers. Despite the extension of self-sufficiency measures and the building and rearmament booms in most countries, production in most countries had not even regained the 1929 level six years thereafter..."

"Where wholesale prices have risen, as in the sterling group of countries, the Survey concludes that 'restriction of the supply of important commodities, rather than an increase in demand,' is the cause; and such a rise of prices was offset by falling prices and dwindling imports in the gold "bloc" countries, which has only made for unbalance..."

"Building and rearmament together can account for much of the domestic recoveries in Britain, Germany, Japan and Sweden. The primary producing countries, on the other hand, have found their markets in the industrial countries shrinking."

"In the field of industrial relations, the Survey shows that the industrial real wages of those in employment, after rising by about 10 per cent, between 1929 and 1933, began to fall during 1934; for the rise in the national cost-of-living levels outran a slight rise in money wages. Entrepreneurs, on the other hand, both in industrialised and primary producing countries, have contrived to exert sufficient pressure, either on their Governments or on markets, to maintain and even raise prices by restricting production and by roping off their markets. Thus, the profitability of enterprise—and to a lesser extent of agriculture—re-emerges at lower levels of production; but the communal well-being is scarcely benefited..."

"The impression left by the League's survey in the mind of the observer is scarcely comforting. The conjuring tricks of the world's governments in the economic sphere are not so very impressive; and when this prestidigitation is so scrupulously analysed they become less so. Millions of unemployed; 'distressed areas' in both industrial and primary countries; cheap money, but a predominant desire to 'keep it liquid'; and an international political tension which waxes with economic self-sufficiency. These are the inescapable facts we must set against the slightly—but only slightly—improved indices of so many purely domestic recoveries."

AUSTRALIA'S ANGLICAN PRIMATE ON MONETARY REFORM

[Editor's Note.—In our last issue we published a letter from Rev. E. Hankinson, Anglican Vicar of St. Mary's, North Melbourne, appealing for funds to print and circulate amongst the clergy and prominent laymen of the Churches some of the recent addresses on monetary reform by their own leaders. The response to Mr. Hankinson's appeal to date has been generous, and the work will be put in hand immediately. In recommending the appeal to our readers who may not yet have sent subscriptions we would remind them that the number of copies of the pamphlet available will be in direct proportion to their own generosity. Subscriptions may be sent to Rev. E. Hankinson, St. Mary's, North Melbourne, or to the office of "The New Times."

Accompanying subscriptions received during the week have been requests from readers for a report of the speech delivered by Archbishop Le Fanu, Anglican Primate of Australia, at the opening of the Abolition of Poverty campaign in the Town Hall, Perth, on October 3, to which reference was made in Mr. Hankinson's letter. We therefore publish the Archbishop's address below, with acknowledgments to our contemporary, the "New Era."]

The Archbishop said that he was glad of the invitation to speak at the meeting, especially as he had been asked to speak as a Christian Minister.

He desired to say certain very simple but far-reaching things about the teaching of Christ in its bearing on our economic difficulties.

The foundation of Christ's teaching is summed up in the words of the Creed: "I believe in God the Father." It follows from that and is stressed again and again in Christ's teaching that men are to be treated and live as persons, and not as instruments or machines.

Many of the pre-suppositions of Western society are contradictory of this Christian axiom, for they value things more highly than persons and make "traffic in the souls of men."

Secondly, the Christian Faith is a Sacramental Faith (in other words—an embodied Faith) and therefore everything that has to do with material things has its proper place and value.

Then, thirdly, the first thing that Christ would have said about any policy or action would have been "Is it right?" "If thy right hand cause thee to offend, cut it off. It is better to enter into life maimed than to go to Hell."

He looked upon riches, not as a privilege, but as a very grave responsibility. "How hardly shall they that have riches enter into the Kingdom."

He said that a man's life consisteth not in the abundance of the things that he possesseth. On the other hand, Christ valued possessions. He said, "Seek first the realm of God; all these things will be added to you," and He claimed that man might have life and have it abundantly.

LABOUR-SAVING INVENTIONS.

It is often unsafe to prophesy, but there are certain things which surely are not going to happen unless the world crashes.

First of all, inventions and the displacement of labour are not going to cease, but rather going to be indefinitely increased. This means that production is going to be easier and easier.

Restriction and rationalisation get us no further.

Secondly, tariff walls are not only very stupid, but at best they are a temporary makeshift and seem almost inevitably to lead to war.

Thirdly, man will therefore have to work less time, but he must be paid for the short time if he is to live decently and well.

For whose advantage is this in-

creased production and increased leisure to take place? Surely for the community.

Every man in the community is heir to all the inventions and scientific knowledge which have made this easier life possible, and yet the enhanced values and opportunities of life are not shared as they should be by the community.

One very simple instance is the appreciation of values as a city grows: that should undoubtedly belong to the whole community—to the whole nation perhaps—rather than to any individual or private corporation.

UNEMPLOYMENT AND DESTITUTION.

The other day the Chancellor of the Exchequer in England said publicly that we must accept the situation that there would always be at least one million unemployed in England. This may be well if we teach them how to use their unemployment, and if such work as there is shared.

Let me give you another instance nearer home. I wired to Canon Hammond in Sydney, who is well known for his work for the unemployed, asking him the number of families homeless in Sydney through unemployment when he started his settlement. I got the following reply: "Over 7000 under order of Court to vacate premises."

Our present financial system is not doing its job, and I don't think anyone doubts that very plain statement.

The fundamental Christian objection to the existing capitalistic system, and to the bankers' control of money from which it seems inseparable, is that it holds persons in serfdom to the exigencies of financial policy.

MONETARY POLICY A FAILURE.

But money was made for man, not man for money. To say that the social services must be starved and sons and daughters of God kept in penury—at a time when poverty is the one evil which we have power to eliminate completely—because of the claims of a monetary policy is merely to say that the policy is a failure.

If a system cannot be made to work on any terms tolerable to conscience nor without sacrificing men and women to an impersonal and abstract dogma, then it is the system that must be changed, not men and women that must be starved.

We are told Australia is recovering, but how is it recovering? By fresh borrowing of twenty millions a year.

READ

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MONEY, RIGHTEOUSNESS AND COMMONSENSE

Religion's Place in Economics

By the VERY REVEREND HEWLETT JOHNSON, D.D.,
B.Sc., A.M.Inst.C.E., Dean of Canterbury, England.

Monetary policy, I am told, is not a parson's business. I deny Money policy has led us into a position as ridiculous as it is absurd. Millions of our fellows are plunged, through no fault of their own, into indigent idleness. Machines displace men. And even the machines themselves are now condemned to idleness, for industry works far below its capacity.

Side by side with crippled industry lies the pitiful pile of goods which industry has produced and which are now for the scrap-heap. We live in a time of unparalleled industrial and agricultural expansion. Sir Daniel Hall, the scientific advisor to the Board of Agriculture in Great Britain, tells us that the possible productivity of the soil has been doubled in the last ten years, and instead of welcoming this and distributing the fruits we practice sabotage on the giant scale.

The United States has thrown millions of acres of wheat out of cultivation, and Britain, Australia and other countries followed suit. Canada knows all about this, too. Every larder in England and Wales could have been replenished with twelve pounds' weight of tea if the restrictions of 1933 had been distributed; and while these very restrictions were taking place, children were going breakfastless to school in England. I speak of things I actually know.

RESTRICTION AND DESTRUCTION.

Restriction is, to my mind, worse than destruction, because less dramatic; men get accustomed to it. No decent person can tolerate destruction — cattle burned that would stretch right across England touching one another, and shiploads of oranges flung into the sea.

Is that waste and restriction of food, side by side with the want and hunger of multitudes, no concern of a Church? And shall the Church have no pity for the unemployed, or for those masters of industry who must see their glorious machinery, fashioned with the perfection of a Rolls Royce car, condemned to run at ten miles an hour when capable of fifty?

Professor Clay, the economist, tells us that "if we leave money out of account there is obviously no theoretical impossibility in employing men who are at present kept idle, at any useful work within their capacity, and for which the materials are available."

WHEN THE RESERVOIR OVERFLOWS.

We resemble men possessed of a reservoir at one end and a parched multitude at the other, with only a small-bore pipe connecting the two, and utterly inadequate to convey the abundance to the need. Every conceivable thing is tried save altering the distributive pipe. We pump water into the reservoir until it overflows. We dam up the springs. Our learned economists prove by all the laws of hydraulics that the pipe can carry

no more water, but that, with time and patience, each particular drop of water will at length flow through the pipe: in the meantime, of course, people must die.

That connecting pipe is the monetary system, and the monetary system must be altered.

Money and morality cannot be divorced, and Anglican churchmen will persist, together with Free-churchmen, in thinking, speaking and writing about monetary problems until money ceases to be the master and becomes the slave, and both will welcome the stringent words of his Holiness Pope Pius XL, when he said "Control of financial policy is control of the very lifeblood of the entire economic body..... Immense power and despotic domination is concentrated in the hands of the few. This power becomes particularly irresistible when exercised by those who, because they hold and control money, are able also to govern credit and determine its allotment."

CHRISTIANS, AWAKE!

Christian men everywhere must awake to the realities. We have the machines, we have the men, we have the fruitful earth, and if we have not got the money, that is a fault which can be quickly and scientifically remedied.

We refuse to sacrifice human life, human liberty, and the Constitution, slowly built up through the centuries, to the exigencies of a money machine in which money loses its original function of a ticket of exchange created solely by the country for the country's use—a real sovereign prerogative—and becomes an end in itself, to which other ends must all be bent.

When a cinema, to use a homely illustration, seeks to add five hundred more seats to meet the public demand for accommodation, it is not deterred from enterprise through any difficulty of providing extra tickets for the seats; it creates the tickets in the same quantity and at the same time that it provides the seats.

It does not hand over to another the power to create, issue, and control its own seating tickets. Neither should we.

WE CAN DEMAND.

There are things that we can do and do immediately. We can demand, and demand with no uncertain voice, that those who control our government shall immediately cease to restrict or destroy, or plan for poverty instead of plenty. We can demand that they shall distribute the riches of the earth and of the machine as a dividend to every citizen. What in the nature of things can be done, must be done; and to ask that it shall be done is a possibility and a duty for everyone.

There is something else that the intelligent man and woman can do. They can learn, as I learnt long ago, to ignore the bluff of those who say that the plain man cannot understand money or weigh the pros and cons of monetary systems. It is

nonsense; and I discover that school-boys themselves can grasp the broad principles of the creation and present distribution of money, and the press has given us a spate of books to help us.

"Social Credit."

"THE FOLLY OF THE ECONOMISTS AND OUR RIDICULOUS MONETARY SYSTEM"

Professor Soddy on War and Its Causes

"It may sound foolish," said Professor Frederick Soddy, Lee's Professor of Chemistry at Oxford, and former Nobel Laureate, to a London journalist last month, but if science was given a free hand and absolute control, every world problem could be solved tomorrow. The war menace would disappear, because in a world of plenty there would be no reason for war.

"An entirely new civilisation has been created in the scientist's laboratory. The tremendous strides made in research during recent years have made it possible to produce plenty for all. Science has done all it can. There is sufficient knowledge today in the brains of the scientists to make the world a perfect place in which to live, but the economists refuse to make way for progress.

On looking around the Opposition party rooms one must be impressed with the fact that Labor members certainly live up to their claim that not a man should be sent to any war abroad. Not one member of the Lang Group, and only one member of the Federal Labour party, served overseas during the last war. . . . On the Government side there are many returned soldiers.

—The Star, Oct. 28.

On the Government side there are also men in high places who sent others to the war but who did not go themselves. In the present Cabinet, which has consistently refused to tell Parliament or the people what steps it has taken which may implicate us in war at any time, just consider these names and their war records! J. A. Lyons, Earle Page, Sir George Pearce, E. G. Menzies, R. A. Parkhill, W. M. Hughes, A. J. McLachlan, T. R. Brennan, Sir H. Gullett. How many of these were "indispensables" in the last war? How many would remain so if they committed us to war again?

"That is the whole trouble. Every step forward by science is offset by the folly of the economists and our ridiculous monetary system.

"And so we have the spectacle of wretched poverty amid plenty. Crops are burned, milk is thrown away, while people starve.

"The result is that we scientists are attacked for making life too easy. People blame us for the present world problems. They say we should be checked.

"Checked! Is it a crime to have worked successfully for the well-being of your fellow-men?

"The real crime is that science should have been perverted to the destruction of humanity. I am not alone in that view.

"Every scientist looks with disgust upon a system which employs the results of his research to produce poison gas and other horrors."

Professor Soddy has refused an invitation from the Government to make experiments for the development of chemical warfare.

"I believe that science should be devoted to building a new and finer civilisation, and not to devising new and more horrible means of killing."

"During the war, when the Germans introduced poison gas attacks, we were forced to retaliate—but there was no excuse for continuing such ghastly experiments after 1918.0

"The result is — and every scientist should be ashamed—that from the laboratories of the world have come the means of smashing-civilisation.

"The safety of cities like London, Paris, and Berlin has definitely gone. Nothing could save them from complete destruction on the outbreak of hostilities.

"And we scientists know that there is no adequate defence against poison gas and the other horrors that have been perfected.

"The only remedy is to rid the world of any cause for war—and that, if science was used in the right way, would be simple.

"I should like to see the scientists of the world coming together in international co-operation to demand that the boons they are in a position to give humanity are not rendered useless by the action of the economists.

"Things will never be righted until the financial experts approach their problems in the same way that we do—that is, with a definite formula by which to work."

The Banker and the Economist

The sun was shining brightly
Upon the fields below;
He did his very best to make
The corn and fruit to grow;
And that was wrong because it
brings
The prices down, you know.

The corn was ripening in the
fields,
The fruit upon the tree:
The shops were full, and laden ships
Were sailing on the sea;
All thing's had a fictitious look
Of fair prosperity;
And that was wrong because the
world
Was ruined utterly.

The Banker and Economist
Were walking hand in hand.
They wept like anything to see
Such plenty in the land.
"If this were only stopped," they
said,
"The prospect would be
grand!"

"If seven pests and seven plagues
Were loosened every year,
I think," said the Economist,
"That things would then be
dear."

"I wonder," said the Banker, And
wiped away a tear.

"Consumer, come and walk with us,"
They both did make request.
"The time has come to tell you
what
We think for you is best."
"O thank you," the Consumer
said,
With lively interest.

"And first," said the Economist,
"It's needful to explain
The economic laws which prove
That trade must wax and
wane,
And why abundance is a curse,
And scarcity a gain."

"But not to me" the man replied,
Turning a little white.
"Such dismal scientific stuff
Would stupefy me quite.
I'll take it all on trust because
I know you must be right."

Two winking eyes behind the
back
Of that Consumer met,
As if to say: "This blessed boob
Has asked for what he'll get."
"Old chap," said the Economist,
"Your trust you won't regret."

"This gross abundance that you
see
Before your hungry eyes
Has ruined all the primary
Producing industries;
And so, to set things right again,
We must economise.

"And first we'll make a cut in
costs
By cutting clown your screw,
And next we'll cut production
down
Till prices rise anew.
Then, though you'll have less
goods to buy,
More work you'll have to do."

"Right oh!" the good Consumer
said
(A sturdy Briton he),
And, smiling bravely, yielded up
His share of L.S.D.
By such contraction wages
show
Their elasticity.

"It seems a shame," the Banker
said,
"To play him such a prank."
With sobs and tears he cancelled out
A credit at the bank;
And that was right, unless you are
A monetary crank.

"Consumer," said that pleasant pair,
"We've had a useful day.
Shall we be trotting home
again?"
But nothing did he say;
And that was right enough because
He'd faded quite away.

— Eimar O'Duffy.

CANADA'S BANKERS.

"In 1900 there were 36 banks in
Canada; to-day there are 11.

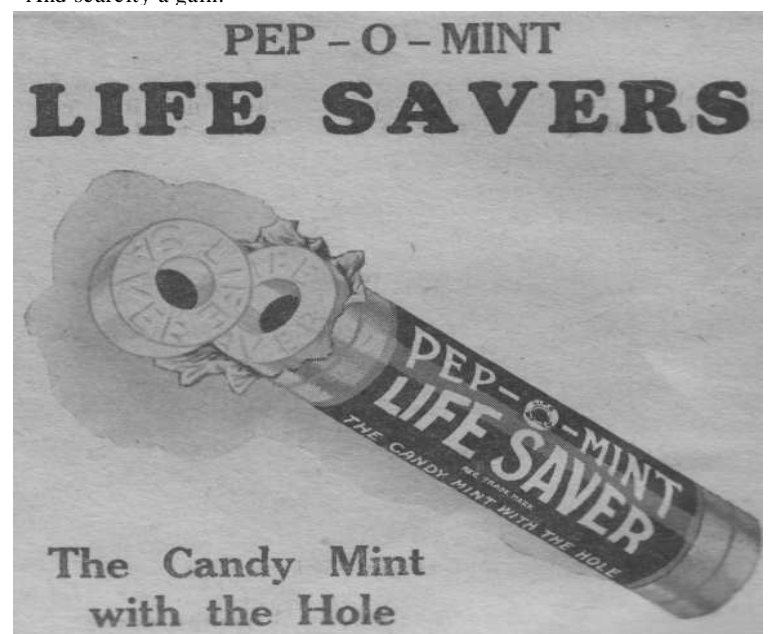
"The 'Big Three' banks control
approximately 70 per cent. of the
banking business.

"The three largest trust com-
panies in Canada are closely
linked with the three largest
banks. . .

"E. J. Garland pointed out in the
House of Commons that the
bondholders received 65 million
dollars more in 1932 than in 1928.

"Almost half the revenue of
Manitoba goes to pay interest
charges.

"Canada's debts — public and
private — are piling up sky high." —
"The Manitoba Commonwealth."



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OIL — AND WAR

VI. —The World War

(Editors 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 chief actors are British interests, represented mainly by Royal Dutch-Shell under Deterding, and the American forces led by Rockefeller's Standard Oil. The earlier articles appeared in our last five issues.)

The war of 1914-18, as is now generally accepted, was primarily caused by the international struggle for markets. This struggle for markets—that is, for buyers—is due to the inability, through the private monopoly of money-creation, of each country to consume its own output, or alternately to buy as much from abroad as it seeks to sell abroad. The Great War, therefore, unlike most earlier struggles, was fundamentally a war of plenty. But scarcity played its part, and notably in the case of oil.

The struggle for oil supplies helped to precipitate the world explosion of 1914. The struggle for oil directed many of the war's campaigns. And the oil victors were the winners—if anyone can be said to have won.

You will recall the Kaiser's scheme of a Berlin to Bagdad railway. This was no plan to transport German tourists to the Holy Places of the East, but an enterprise to transport petroleum from the oily places of the East to Germany. The plan had to be stopped at all costs, and so we had the Eastern campaigns. Australians were shot on Gallipoli (largely with arms supplied by British armament makers) for the double purpose of cutting off Germany from the Bagdad oil fields, and of opening up the Dardanelles to let Black Sea oil through to the Allies. The Palestine campaign, Towns-end's defence of Kut, the capture of Bagdad—all these centred round the oil of Mesopotamia and Persia. The Balkan campaign was largely an oil campaign. Germany, cut off from supplies from the United States and Russia, and finding Austrian supplies insufficient, concentrated on Roumania. Ludendorff wrote: "As Austria could not supply us with sufficient oil, and as all our efforts to increase production were unavailing, Roumanian oil was of decisive importance to us. But, even with deliveries of Roumanian oil, the question of oil supplies still remained very serious and caused us great difficulty, not only for the conduct of the war but for the life of the country."

Almost to the very end of the war Germany exploited the Roumanian oil wells to their fullest extent, and she had great pleasure in availing herself of the British concessions. It may here be noted that British concessions in Roumania were duly recovered at a

later date. Some few days ago the cables published official Roumanian figures of the ownership of oil wells in that country. As elsewhere, Sir Henri Deterding is on top. "Anglo Dutch capital," said the cable, "is responsible for at least 37 per cent. Roumanian capital is controlling only 26 per cent." Of the remainder, the Italians have one per cent., the Americans nine per cent, and Franco-Belgian companies 26 per cent. It would be interesting to learn how far the Franco-Belgian companies are really owned in France or Belgium, and how far they are a screen for the same British owners' as were denounced a day or two ago by Mr. Lloyd George for supplying Mussolini with the oil which is enabling the Italians to bomb the women and children of Abyssinia. For at the end of the war it is understood that Sir Basil Zaharoff, armament supplier to the world, took a hand in transferring the real ownership of many French oil concerns to the interests represented by Deterding's Royal Dutch-Shell and the Anglo-Persian.

"CARRIED TO VICTORY ON A FLOOD OF OIL."

But what of the Allies' oil supplies during the war? The German-Turkish mastery of the Dardanelles was a severe blow, cutting off as it did supplies from Russia which, previous to 1914, was the world's second largest supplier. And the German submarines began to play havoc with supplies from America. There is nothing spectacular about the sinking of oil tankers, but the cumulative effect of the process began to place the Allies in desperate straits, both on the Western front and in their navies. Last week's article quoted what the U.S. Secretary of the Interior recently had to say about this: "We can read a lesson from Great Britain's World War records. On one occasion she had only sufficient wheat for a few days, with plenty piled up at American ports awaiting transport. But the British also needed oil. The choice, of necessity, was fuel oil for the fleet instead of food for the people."

And it did become, about the end of 1917, a case of the most bitter necessity, so much so that Clemenceau was constrained to send the following urgent appeal to President Wilson:

"A failure in the supply of petrol would cause the immediate paralysis of our armies, and might compel us to a peace unfavourable to the Allies. The minimum stock of petrol computed for the French armies by their Commander-in-Chief must be 44,000 tons, and the monthly consumption is 35,000 tons. This indispensable stock has fallen to-day to 28,000 tons, and threatens to fall almost to nothing if immediate and exceptional measures are not undertaken and carried out by the United States.

"These measures must be undertaken without a day's delay for the common safety of the Allies, the essential condition being that President Wilson shall obtain permanently from American oil companies tank steamers with a supplementary tonnage of 100,000 tons.

"The safety of the Allies is in the balance. If the Allies do not wish to lose the war, then, at the moment of the great German offensive, they must not let France lack the petrol which is as necessary as blood in the battle of tomorrow."

It was Wilson's response to this call that gives the Americans their best title to the claim that they won the war. "The Allies," in Lord Curzon's words, "were carried to victory on a flood of oil." The British and French military, naval and air forces and their subsidiaries filled their tanks with American oil while the Germans were perpetually short. When the last great German offensive broke through the Allied lines, it was lack of mobility of transport, due to shortage of oil, rather than any other factor that stopped their triumphal progress. It was the opposite that assisted the Allies in their last counter attack. Petrol, as Clemenceau said, was as necessary as blood.

In the near East, the failure of the German-Turkish forces to overrun Mesopotamia forced them to make a desperate cast northward to the Caucasus, in the endeavour to control the enormously rich oil wells of Baku, on the Caspian, and Batum, on the Black Sea. The oil in this area was also under the influence of Royal Dutch-Shell, which had absorbed a French company organised by the Rothschilds. But there was another factor in the same area, a human factor that was destined to play a most annoying part in the world scramble for oil. That factor bore the name of Soso Djughashvili, a man who afterwards took the Russian name for steel, Stalin, and who was to throw many a spanner into the oil derricks of the two great rivals, Shell and Standard.

(To be continued.)

[Editor's Note. —As matters of interest arising out of this series of articles, there are appended below two notes dealing with current oil topics, both taken from the *Economist* of Sept. 21. The first illustrates last week's article on the exploitation of American oil; the second refers to a recent cable about the Mosul oilfields, about 200 miles from Bagdad, in Iraq (Mesopotamia).]

OIL IN CALIFORNIA

The lack of improvement in the oil situation in America is a matter of disappointment to investors and producers alike. The trouble has its origin in California, where, on the breakdown of the cartel following on the Schechter decision of the Supreme Court, production, from independent sources increased rapidly and price-cutting developed in the gasoline market. At the moment California is producing about 100,000 barrels a day above the "allowable," but now academic, figure fixed by the restricting authorities. The Oil Bill, rushed through Congress before its adjournment, did nothing to relieve the situation. Its official approval of the so-called Inter-State Oil-Compact merely allowed the oil-producing States to agree to cooperate in measures of

restriction if they were willing to do so. California, so far, has not been willing. In an attempt to put a stop to independent price-cutting the Standard Oil Company of California cut the price of crude oil on August 29 from one dollar to fifty cents per barrel and followed this cut on September 5 by reducing gasoline prices by two cents per gallon throughout the territory where prices had remained normal. Attempts are now being made to bring the independent oil producers in California into line, and at a conference this week of over 400 independent producers 85 per cent, on a barrelage basis agreed to sign a curtailment agreement. Until the erring 15 per cent, have also, however, come into line, restriction in California is not likely to be effective.

IRAQ OIL

Quite a flutter was caused in the City on Monday when it was officially announced that Sir Edward Mountaine and Mr. L. C. Patterson had resigned their directorships of Mosul Oil Fields, Ltd., and an associated concern, British Oil Development Company, Ltd. The B.O.D. Company was formed in close association with Mr. F. W. Rickett, who obtained the recent Abyssinian mineral concession; and it was granted a concession for the development of oil in a 45,000-mile area by the Iraqi Government. Mosul Oil Fields, Ltd., was registered as a private company on November 23, 1932, to acquire and hold the whole or any portion of the shares of the B.O.D. Company and to carry on the business of producing, refining, transporting, etc., petroleum and its products.

It was at first reported that the reason for the resignations of the two above-named directors was the acquisition by Italian interests of a majority shareholding in both companies, which were formerly managed by British interests. There is no reason to suppose that this is so. As the Somerset House return reveals, these two directors had both resigned on or before July 9 last; and one would expect any increase of foreign participation to have occurred before that date. It is, therefore, interesting to examine the Mosul Company's development.

The authorised capital of Mosul Oil Fields was originally £1,000,000, but it was subsequently increased and reorganised. It is now £2,333,333/6/8 in 4,000,000 "A" ordinary shares of 6/8 each, and 1,000,000 ordinary £1 shares. Up to January 10 of this year £465,418 had been paid in cash on 201,610 ordinary and 791,424 "A" shares and £788,579 was "considered as paid" on 788,579 ordinary shares. It is interesting to note that under an agreement as long ago as December 12, 1933, "relating to the formation of a company to exploit an oil concession in Iraq obtained by B.O.D. Company, Ltd.," it was decided not to form the said company; and 160,000 shares were allotted to F. W. Rickett or his nominees in satisfaction of all claims and demands on his part against the Mosul Company, the B.O.D. Company, and other parties to the agreement. On January 10 of this year the largest ordinary shareholder in the Mosul Company was the Azienda Generale Italiana Petroli, Rome, with 248,470 ordinary and 625,000 "A" shares; and a group of Continental Interests, mainly Swiss, Dutch, and German, accounted for a further 220,000 ordinary shares and 143,000 "A" shares, of which latter 106,500 were allotted for cash in March of this year. No recent transfers have been registered.

Viscount Goschen, a director of the Westminster Bank, remains chairman of both companies, which, according to a statement by Mr. Rickett on Tuesday, are now foreign-controlled. It is understood that a condition of the original Iraqi concession was that the operating company or companies should be registered in London and 'managed by British interests.

Letters to the Editor

INSURANCE AND PROBATE

The letter from "Calculus" in your last issue draws attention to a sidelight of the control exercised by finance over the lives of people belonging to that section of the community usually regarded as being "comfortably off."

By a strange coincidence, the "Age," on October 28, publishes an advertisement of one of our large life assurance societies confirming the remarks of "Calculus" on the question of the harsh effect of probate duties. This advertisement tells of a man who died leaving an estate on which probate duty amounted to almost £2000, but, being a far-seeing man, he had taken out a probate policy with the assurance company, otherwise—to use the wording of the advertisement—"it would have been necessary to sacrifice his home and other assets for a fraction of their true value in order to provide the necessary cash."

This disgraceful state of affairs should be ended without delay. If it is good enough for a privately conducted financial institution, like a life assurance company, to have ready access to bank-created credit, which is convertible into legal tender money, surely the government can devise a simple plan to make probate money available to those requiring it, thus obviating the sacrifice with which the life assurance society is so conversant.

The unwholesome links which exist between banks, assurance societies and large industrial corporations have placed a small group of individuals in a stronger position than Parliament, and it is time that a greater number of Parliamentary members awakened to this fact. The crux of the whole economic problem is centred in finance, and until tin people control financial policy they will continue to suffer in justices of which this probate obligation is only one.

"AMICUS."

League of Democrats

CAMPAIGN NOTES.

The Box Hill branch of the Douglas Credit Movement heard a speaker on the Electoral Campaign at their meeting on Wednesday, October 23, and although no decision was approved at that meeting, yet the general feeling expressed in the ensuing discussion was that the method outlined offers the best chance of success to forward the aims of the branch. It is hoped, therefore, that good news will be heard from Box Hill before long.

A suggestion has been made that it would be a good thing to change the title of this League to something more indicative of its aims—e.g., Poverty Abolition League. This would also have the effect of preventing the organisation from becoming identified with other bodies using the name of Democrat, and from whose aims and methods it seems desirable to be fully distinguished. The Campaign Director would welcome letters bearing on this matter.

There has been a heartening response to the appeal for funds made last week, but to give the Electoral Campaign the publicity that will make the task more easy, it will be necessary to advertise widely and consistently. This imposes on all who desire the success of the Campaign the necessity to strain every nerve to collect funds for the war chest. Help the Fighting Fund—Your Best Investment.

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