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Vol. 1. No. 24.

Registered at the G.P.O., Melbourne, for  
Transmission by Post as a Newspaper.

MELBOURNE, FRIDAY, NOVEMBER 8, 1935.

Every Friday, 3d.

## COAL ON THE DOLE

There are signs of another great upheaval in the coal industry. If it takes place it will almost certainly be accompanied by extreme bitterness between employers and employees, and it will quite certainly result in the most severe hardships for thousands of unfortunate families in the States where coal is produced. And it is all because of something which should be an occasion of nation-wide rejoicing.

Those people who assert that the time has come when every man, woman and child in the community can be given an income, apart from whatever they may happen to earn in industry, are constantly faced with the inquiry: "But who would do the dirty work?" This inquiry does not come merely from those who believe it would be flying in the face of Providence to allow "the working classes" to live decently manual labour. It comes from the ranks of political Labor itself—Mr Maurice Blackburn, M.H.R., for instance, does not hesitate to express the view that the effect of a national dividend would be disastrous in this respect.

The coal-raising business is unquestionably one of the dirtiest, as well as one of the most dangerous jobs in industry. It is probably the dirtiest and the worst of all. The miner spends his working life buried in the bowels of the earth. His occupation makes his body black and filthy. The air that he breathes is poisonous, both from gases and from the coal dust that he must inhale. He goes constantly in danger of his very life; scarcely a week passes that the newspapers do not report a coalmining disaster somewhere, often with its tale of victims by the hundred. His working conditions are shocking. Not only is he denied the light of the sun, the beauty of the earth and the breathing of God's pure air, but in his underground hole he is required to perform the acrobatics of a contortionist, often lying full length in water while he drives his pick into the seam of coal in preparation for the charge of explosive that will shatter the fuel and maybe shatter himself also.

### THE NEW COAL MACHINES.

But now at last it is announced that something has taken place which promises to liberate forever eight out of every nine men who are slaves to coal. An invention is about to be installed by the Broken Hill Proprietary Co. in a Newcastle mine, concerning which the

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Miners' Federation has this to say:

"On the company's own figures they propose, with the machines to be installed, to increase the per man production from an average of four to five tons to an average of 20 tons a day. It should be quite obvious . . . that with an average production per man of 20 tons a day, 2000 men working 200 days, annually could produce the total Commonwealth coal requirements of 8 million tons. Five or six mines, not necessarily mines now working, could supply all the coal required and all other mines could be permanently closed."

Discussing this machinery, the Melbourne "Herald" of October 29 made the comment that "the machines which it is proposed to instal at Lambton B"—the mine in question—"known as 44D Coal Loaders, have a guaranteed capacity of 360 tons a day—vastly inferior machines to the 360 tons an hour Whaley Automat Coal Loader which has been marketed by the same makers. This machine is single-motored, track-mounted and self-propelling. In addition to coal-loading it handles slate or rock in entry work and roof falls."

Just pause and think what this means. Accepting the two statements above, Australia is in a position, by using the machines which the B.H.P. is about to instal, to relieve immediately 17,000 of the 19,000 men engaged in her coal mines, and to work the balance for only four days a week (or the equivalent). If the 360-tons-an-hour machines be installed, the total number of coal miners in Australia could be cut clown to a mere hundred or two with no loss in production. And yet people say: If you gave machinery its head, if you did not allow financial considerations to hold it up—in other words, if you made financial provision for everyone in the community—who would do the dirty work?

The very obvious answer is

that the machines would do nearly all the dirty work, and the very few men then required could be paid so high a wage that they would be tumbling over themselves to claim the few vacancies.

### REACTIONS TO THE MACHINES.

If we were a people of ordinary common sense, if our national behaviour was not that of idiots in an asylum, what would be our reaction to this news about the coal industry? Would it not be one of extraordinary rejoicing?

### DID THIS NEWS ITEM APPEAR IN THE AUSTRALIAN PRESS?

The Dean of Canterbury, who recently landed in New York on his way to Canada, immediately conferred with Father Coughlin, the famous radio priest of Detroit.

Father Coughlin, as readers of this paper will know, has a weekly audience of so many millions that he needs a staff of over a hundred to deal with his immense correspondence. These two have issued a joint manifesto condemning the destruction of foodstuffs, and calling for a scientific money system in order to prevent war.

"We consider it the duty of every Christian openly to condemn restriction of output as one of the worst types of sacrilege," says the manifesto, quoted by Reuter.

"The world has sufficient goods to give everyone in Western civilisation a good standard of living.

"The present financial system is anti-Christian, un-American, and un-British, since it does not provide social justice and individual security."

—"Social Credit," Sept. 27.

Would you not expect to see streamer headlines across the front pages of our newspapers? Would you not expect to see wires of congratulation pouring from every town and village to our happy mining communities? Would you not expect to see these little communities celebrating their freedom with carnivals and sports? Think of the scene in any miner's family—no more anxiety about the bread-winner's safety every time he descended the pit mouth, no more fear of phthisis or explosions, no

more filthy outfits to be washed, no longer the hideous conditions that drive so many coal miners to forget their horrible life by drinking themselves "blind" as soon as pay day comes. This is what one would expect in a sane community. But what have been the actual results?

Here they are:

The Newcastle miners are up in arms, and their Federation says that its members will refuse to work the new machines.

An appeal for support has gone out to Victoria, it being pointed out that Wonthaggi, because its coal is seamed with stone, would probably be unsuited to the machines, so that this mine would be closed down and every one of its miners would be relieved of his duties.

The Prime Minister stated in Parliament last week, as a matter for congratulation, that the new machines will add to our labour, instead of lessening labour.

What is the meaning of all this madness?

### THE PRIME MINISTER'S - LOGIC.

Taking first the Prime Minister's attitude, this betokens either unbelievable childishness or else just plain, downright dishonesty. Mr. Lyons said that, because the mine had been out of production for seven years, its reopening, instead of decreasing labour, would place men in employment. The statement is typical of Mr. Lyons's attitude to all our problems, and is about as sensible as though, if he were greeted with the news that fifty children had died of starvation through the conditions permitted by his Government, he were to turn around and say: "Ah, yes; but I have just added one more to the Lyons family, so you see we have gained in population after all."

The re-opening of Lambton B will quite clearly engage men in Lambton B who were not working in Lambton B when Lamb-ton B was not working;—it does not require a Prime Minister's genius to observe

that. But what about the effects on other mines, and on the men working in them?

The Broken Hill Proprietary does not assume that the public are quite such half-wits as the Prime Minister seems to take for granted, as the company is reported to have admitted that mechanisation will certainly result in men being put off. The B.H.P. contends, however, that these men will be re-absorbed in other industries because of the fillip which cheaper coal will give to business generally. This argument is worth more serious consideration.

### CHEAPER POWER AND EMPLOYMENT.

In the first place it is clear that it must be looked at from the point of view only of total numbers employed. You can't work a man all his life digging coal and then expect him to be qualified to take up work in, say, a boot factory, even though the boot factory wants extra hands. Put off two coal miners by the use of machinery and, granting that the boot factory wants three extra hands, it is more than likely that three unemployed boot hands, or perhaps one boot hand and two girls, will get the jobs, the coal miners in turn going on the dole—which is hardly satisfactory to the miners.

The next point that arises—and we are not yet discussing money—is, what will be the result in industry of cheaper coal? Is not coal every day, to a greater and greater extent, being used for the generation of power? Does not the use of power mean the use of machines? And does not the use of machines in every industry mean what it does in the coal industry, namely, the displacing of men? If, therefore, by substituting machinery for men in the coal industry you make the raw material for power cheaper, and consequently power itself cheaper, will you not in turn, so far from

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

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The Right Hon. Marabou,

Winner of The Melbourne Cup.

Dear Marabou,

Do you think it is quite fair? When all's said and done, you're only a horse, but look how they treat you and your fellows. A great city proclaims a holiday in your honour. Business is suspended. A hundred thousand people travel millions of miles to see you. Fortunes are outlaid on your behalf. Your least wish or whim is studied. You are waited on day and night. You are guarded against all weathers. Nothing is too good for you to eat. Your shoes are fashioned with as much care as the slippers of a princess. You have the attention of a masseur for your body, a dentist for your teeth, and a doctor for your least ailment. There is a special society formed to see that you are not asked to work unless you are really well and fit. You have a great life.

And what do you do for it? Most of the year you just graze on the daintiest food that Nature can be enticed to produce on the sweetest lands in Australia. For a few months you do a little sprightly exercise on velvet tracks, or go for a pleasant stroll, or take a swim with a careful attendant. Your working hours are short—perhaps eight or nine days in a year, with a shift lasting two or three minutes; half

half an hour a year at the outside. And you are only asked for five or six years of effort—say three hours of work in a lifetime.

You retire young to attend to your family affairs. And here again you have the life of a Rajah, with no responsibilities of bringing up the family and with the most handsome of baby bonuses paid in advance. Is it any wonder we talk of horse sense?

The Governor General comes to see you. Governors of States travel hundreds of miles in your honour. The national Parliament lays aside discussion of matters that vitally affect the lives of hundreds of thousands of us, your poor relations, to pay you their respects. And untold myriads of people who are too busy to examine why children cannot get a glass of milk a day can yet spend hours and days in close study of every intricate detail of your life.

It hardly seems fair. And yet perhaps it is. For if a horse were in a bare, waterless yard adjoining a knee-deep paddock with clear streams running through it, and if that paddock had a gate to it. AND IF THE GATE WERE WIDE OPEN, what would the horse do?

We stay in the dirty yard and starve. That's the difference between us.

—THE NEW TIMES.

adding to employment in other industries, rather assist in throwing men out of these also through their greater mechanisation?

Come now to the question of price, that is, of money. Whether a thing is cheap or dear is entirely a matter of comparing its price with the amount of money in the possession of buyers. Coal at 11/6 a ton at the pit's mouth — its average price last year — may or may not have been cheap to the New South Wales miners. But put the miners off, deprive them of their income, and will coal at, say, 8/- a ton be any cheaper to them? Similarly with other industries—reduce the price of power, add to machinery, dispense with employees, and will the consequent reduction in prices be of any benefit?

The Broken Hill Proprietary's own figures, dissected in our issue of August 9, show the results of mechanisation. For five years up to last year every £ 1 charged by that company for its goods included an item of 2/6 for depreciation of plant. The mechanising of Lambton B will now surely increase the proportion of plant charges and decrease the proportion of charges which represent money in the hands of buyers. The same effect will be noticed in all the other industries which will benefit from cheaper coal and cheaper power. They may be able to offer goods to the public at a lower money price, but it will be to a public which will have in its possession a still lower fraction of the new prices than it had of the former ones. And this is the only point that matters.

The miners, in their own particular case, recognise that the machinery which displaces them will result in their having no income at all to buy anything. Hence their attitude, as men who study very little, is easy to understand. So is their appeal to Wonthaggi, when they say that Wonthaggi will be unable to compete with the mechanised coal output of New South Wales. And so is the support which the miners are receiving from their tradesmen and district farmers, and from property holders in their vicinity, and from professional men who have been drawing an income from the services they have rendered to miners and to those directly and indirectly dependent on their earnings. But the issue is a far wider one than that. For the dismissal of these miners, under present monetary conditions, will lower still further the living standard of every person in the community. The actual miners and their dependents will come right down to the dole standard, but everyone else will also come down another step, for more people on the dole will mean more taxation and more interest-bearing loans, with still fewer to pay both taxes and interest.

THE SOLUTION OF MRS. BOOTH, J.P.

There are two ways of dealing

with the problem which the Broken Hill Proprietary is creating for us. One of these was indicated a week or two ago by Mrs. Angela Booth—J.P., we nearly forgot it—a prominent woman Nationalist, in an afternoon address to, the Australian Women's National League at Dandenong, Victoria. Mrs. Booth, who claimed that she had been a student for the past two years, said she viewed with grave concern the introduction of machinery, especially in recent years. What was to become of the people thus thrown out of employment? Mass production goods could not be purchased by people out of employment, for they did not have a chance to earn the money to enable them to purchase the goods, even though manufactured cheaply. We had arrived, said Mrs. Booth, at a point where most things, other than machinery, were controlled, and it was for her hearers to see that machinery was controlled also.

Now this is a perfectly logical attitude to take up. It is the attitude, not only of our two-year-old student of J.P.'s economics, but also of the miners, who are not students at all, and of the change-of-heart people, who are too lazy or too superior to study. If you look upon "the working-classes" as having pores to sweat with rather than brains to think with, you are quite-entitled to support Mrs. Booth's complaint that electric lifts are now worked by touching a button. In that case you should logically strive for the control or even the abolition of machinery.

It all depends upon the point of view. Is a lift designed to give work, or to raise and lower weights — with the minimum of effort and the maximum of convenience? If the former, why have lifts at all? You could provide far more work by having everything laboriously carried up and down stairs. And in our big city buildings stairs would have to be far wider and more plentiful, which would give new life to the building trade. There is no end to the activities we could design for ourselves, or which Mrs. Booth, J.P., would probably be pleased to design for us all — herself, we hope, included. For without machinery married women would have little time to spend their afternoons discussing the regeneration of man, whether by controlling his mental or his physical fertility.

#### SOMETHING THAT THE COMMUNITY DOES NOT CONTROL.

But Mrs. Booth, one may hope, will continue her studies a little further, and particularly in this matter of control. You will note that, after making the remarkable discovery that people out of employment—that is, "the working classes" out of employment — cannot buy what they need, she went on to state that most things, other than machinery,

are now controlled. We suggest to Mrs. Booth that one very vital thing is not controlled by the community, and that, were it controlled, we could let up on the control of a great many other things. And, so far from controlling machinery, we could joyously apply to it the whip and the spur instead of the snaffle.

That uncontrolled department is finance, or the people's money supply, which is the alternative way of tackling our problems. If modern machinery is producing goods and if, as Mrs. Booth and everyone else admits, those goods are required by people who cannot obtain them, there are two ways of enabling the people to get the goods without interfering with machinery. One way presupposes that the money in existence suffices to buy the goods, and suggests that taxation be heavily increased. The other, which is prepared to prove that the money supply is insufficient, suggests that the Commonwealth issue the money by giving it to the people.

We don't know (though we have our suspicions) to which school of monetary thought Mrs. Booth's studies incline her to attach herself. But we commend her to take her choice of either way out.

To the miners, and to all those who, like them, find their livelihood in peril because of mechanisation, we earnestly advise that, instead of trying vainly to stem the tide of progress, as the Chartists did long before them, they abandon their demand for the right to work and substitute instead the right to live. They have, a very good precedent in the action of the Bank of England, which recently, in dismissing many employees who were mechanised out of their jobs, offered them £2000 each or £2 a week for life. The Bank of England, to be sure, could manufacture the money to do this. The B.H.P. cannot. But the community can. And the miners and their friends still have votes.

### "Someone Who Is Not God—"

I.

In a City Alley.

Someone who is not God has passed this way,

Crushing the tribe of men until, behind,

When he is gone is left a dull decay

Setting upon the light of man— his mind.

The hollow eyes of little children say,

"Someone who is not God has passed this way."

II.

In a Destroyed Dug-out.

Here in the dark a bloody river runs

From, mangled flesh whose beauty once was famed.

The chill of broken, profitable guns,

The ghastly sockets where the bright eyes flamed

In dreadful diction make their message clear,

"Someone who is not God has rested here."

III.

In a Board-Room.

Now a few men all enterprise control

From this cool chamber, secretive and murky,

Without a thought that lesser beings have soul,

And feel great pain, but only that they work.

Starvation cries with every weary hour,

"Someone who is not God upholds such power!"

— NEIL SMITH.

Queensland.

## England's Leading Financial Journal Turns to Social Credit

Some little time ago we suggested that the London *Economist*, the Bible of British business men, was verging perilously close to financial heresy. This process continues, and the issue to hand by this week's mail (dated September 28) publishes a sensational editorial on the subject of Mr. Bruce's recent utterances at Geneva. We reprint the article in full, emphasising the last paragraph, which practically admits everything that is claimed by advocates of Social Credit all over the world.

The *Economist* says: —

"It has taken a long time for the world's producers of foodstuffs to realise that, if only consumers were given a chance to achieve the nutritional standards established by experts, both a burdensome plenty and a crushing poverty might disappear. On September 19th the Second Committee of the League Assembly at Geneva discussed a proposition by Air. Bruce, on behalf of the Australian Government, which was supported by eleven other Governments, including the British. Briefly, Mr. Bruce's plan is 'to marry health and agriculture'; to eradicate both malnutrition on the one hand and the depression in world agriculture on the other, by increasing the consumption of foodstuffs per head. 'In the less developed countries' said Mr. Bruce, 'the great masses are living on a bare subsistence level. . . . Even in the most advanced countries there is a stratum of people which is unable to obtain adequate nourishment.' Mr. Bruce asked why adequate nutrition, especially for mothers and children, should wait upon the slow progress of economic recovery in a world where each country tried desperately to make self-sufficiency in foodstuffs 'pay'—at the cost of falling consumption. He pointed to the great gulf fixed between producers' prices and retail prices; and he cogently urged that the millions of pounds now spent in the world on bonuses, subsidies and other forms of assistance to agriculture—only to keep prices at levels which retard consumption— might be better spent in bringing about greater consumption of agricultural products, and in particular of milk and dairy products, fruit and vegetables, eggs and meat.

"Lord de la Warr, Parliamentary Secretary to the Ministry of Agriculture, confessed to grave scepticism about those Government measures which set out to solve the problem of 'poverty amid plenty' by abolishing plenty. 'It was not sufficient,' however, 'merely to resist a policy of restriction. Something more positive was needed.' It might have to be deliberate action to increase consumption.

"An example of the form such action might take is afforded by the recent experiment of the Potato Marketing Board at Bishop Auckland, on which a report has just been issued. The report shows that the opportunity given to the unemployed to fetch potatoes from a special depot at a price of 4d., instead of 7d. a stone resulted in a total increase of consumption in the whole area of 69 per cent.

"This is most interesting; but as Sir John Orr pointed out at the recent British Association meeting (see the *Economist*, September 14, page 507), and as *The Times* confirmed on September 18, not even the transfer of all distributive and retail functions to the Marketing Boards in this country would enable the retail prices of foodstuffs to be reduced to levels which would permit those with the lowest incomes to obtain the right kind of food.

"In the end, if the present 'surplus' foodstuffs are to be conveyed

to those who need them, subsidies to consumers may be necessary; and it would be ridiculous to propose that the subsidies should be paid for by consumption taxes levied on those very foodstuffs. Even when restriction is abandoned and marketing improved, Governments will have to face this issue."

## New Zealand and Monetary Reform

### ELECTION PROSPECTS.

The New Zealand parliamentary elections will be held on Wednesday, November 27. The Australian daily press has hitherto preserved a silence on this, as on other matters, that is distinctly encouraging to monetary reformers, who have high hopes that the financial monopoly is about to receive another serious blow to its world domination.

During the week the Rev. H. L. Richards, Methodist Minister, of Palmerston North, who was passing through Melbourne, was seen by a representative of the *New Times*, and gave it as his opinion that prospects in New Zealand are highly encouraging. Mr. Richards is president of the Manawatu branch of the Douglas social Credit movement, and is closely in touch with the latest political developments.

Asked for his opinion on the election prospects, Mr. Richards said he thought most of the metropolitan seats, and a few in the country, would be won by Labor. Most of the country constituencies, he believed, would be shared between supporters of the present Ministry and Independents advocating Social Credit. The Social Credit movement was not running party candidates as such, and would be well content to see a majority comprised of Labor and Independent representatives pledged to monetary reform—that is, reform in policy, and not merely in matters of administration.

A new political party, said Mr. Richards, has recently appeared on the scene, which should help reform candidates. This body, styling itself the Democratic party, represents ultra-Conservative opinion, and is opposing the present Ministry as being too Socialistic! A prominent member is Mr. Justice Herdman, who resigned from the Bench in order to help oust the Government. As New Zealand elections are conducted on the "first past the post" principle, this splitting of the anti-reform vote should be all to the good.

Concerning the attitude of Church leaders to monetary reform, Mr. Richards said that the different denominations were throwing their weight more and more behind it. Both the Anglican and Catholic primates had appeared on the public platform demanding the Christianising of our monetary mechanism, and the clergy generally were now adopting an outspoken attitude.

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## A QUESTION OF TACTICS

By G. B. MALTBY.

When the Electoral Campaign is first explained to anybody, the almost universal criticism is that the average politician will agree to whatever we demand, but that, having got back into Parliament, he will ignore the promise, excusing himself on the plea that he alone can do nothing. Whether this is an accurate picture is quite open to argument, and it is doubtful if the politician is as complete a knave as many people believe, but, as a matter of fact, the objection is based on a total misconception of the proposals of the League of Democrats. These will be too closely meshed to allow of any such obvious bad faith, even if it were attempted. If one looks forward to the time when politicians will be approached, it will be seen that what will happen will be along the lines indicated below.

In the first place, we shall have obtained at least the same number of signatures as represents the majority by which the seat was won at the last election, and we will assume that there are about twelve months left of the normal life of the Parliament. Armed with these signed demands by voters, we shall approach Mr. Blank and say to him: "Look, Mr. Blank, we believe that you want to carry out the wishes of your constituents, and therefore we ask you, in the name of so many thousand voters, to get busy at once demanding action to abolish poverty. The line we think you should take is that this abolition is obviously quite possible, and that therefore a direction to the treasury officials would cause them to produce a workable plan within a few weeks. This we expect you to demand from Parliament as a first consideration; in fact, we insist that you drop all other Parliamentary activity and demand this action unceasingly, regardless of the party or anything else. If you are prepared to do this, we assure you of the support of this organisation, which is going ahead now to approach the rest of your electors. We have already got these thousands of signatures, and have only been to so many houses, so that, by the time we have finished, we shall be so strong that nothing will be able to withstand this united demand of the people of Australia."

Mr. Blank will, no doubt, agree, and we will leave him to think things over. Next time he goes into Parliament House we shall watch Hansard to see if he brings the matter up, and if he does not, he will be notified that we are disappointed, and that we sincerely hope he realises that we are in earnest. If this does not produce action, we shall write to him again more strongly, expressing the hope that he will not force us to organise against his re-election. If this is non-effective, we shall start this organisation, and, unless his attitude changes at once and very strongly, we shall carry forward this opposition and sweep him out of the Parliament at election time.

### A BUSINESS PROPOSITION.

This Campaign is a business Proposition, and we shall employ the methods that usually obtain in the relationships of employer and employed, modified, of course, by the fact that the power of dismissal is in our hands only at election times, but remembering also, and using our knowledge to the full, that the well-grounded fear of dismissal will provide pressure that very few men would care to withstand.

...Looked at in this light, the fears of those who mistrust politicians are shown to be groundless, and there can be no reason for refusing to help organise this Campaign, which can be either a tremendous moral support for those who keep their word, or else a sure promise of victory for anyone stands against a sitting member who has violated his pledged word, or who has

refused to be guided by the legitimate demands of his constituents.

There is some danger, also, that a member may be quite willing, but be so blinded by his pre-conceived ideas that he insists on demanding some particular remedy that a majority of Parliament does not believe in. To do this is of no earthly use and renders sterile the efforts of the League, which will be fully justified in pointing out that no such demand has been made on behalf of the voters, and in treating a continuance of this action as being against their interests. All that is demanded of Parliament is the sanction of legislation, and the technical form of this must depend, as it always does, on the plan drawn up by expert to give effect to the desired result. If the plan produced fails, then it only proves the incapacity of the experts, and in no way weakens our case, which is that poverty in the midst of plenty is an unnatural absurdity, and that its removal has got to be the first task of those we elect to administer the country in the best interests of the citizens.

### A COMMON GROUND FOR ALL REFORMERS.

Reformers of all sorts—money reformers, land reformers or 100 per cent. Marxians—can be at one in this campaign, for nothing is more sure than that it must lead to a tremendous increase of active interest in all varieties of reform thought, and it is equally certain that those reforms which are properly put before the people, and which find favour with ever-increasing numbers, are going to be in a very strong position when the time comes to demand that their ideas be examined with a view to inclusion in the suggested legislation.

To every person, then, who looks for improved social conditions comes this clear call that he or she shall be prepared to do some work for the advancement of that purpose. This work may be of several varieties, but at the present juncture, with the real crisis imminent, it is of the first importance that all who possibly can, should take up the work of the Electoral Campaign. No other work is of such importance to the world to-day. No spread of knowledge of the technique of monetary reform can possibly be swift enough or unanimous enough to prevent the catastrophe that threatens. One thing alone can save us, the early and effective attainment of a true Democracy, the irresistible power of which can, and will, obliterate forever that Reign of Mammon which is all that stands in our way.

## League of Democrats

### WEEKLY CAMPAIGN NOTES.

This week marks the commencement of active canvassing for the Electoral Campaign. One complete electoral district and six isolated teams have been supplied with the pledge forms, and the best wishes of the League go out to these first workers in the field. This is a great day, and, like Shakespeare's Henry V., one feels that those who "stay abed in England" will reproach themselves for not being present at this economic Agincourt. It is hoped they will hasten to join the ranks and present the united front which alone can bring success.

There is good news from the other States. In both Queensland and New South Wales there will be organisations for the Electoral Campaign. This means that it is now well on its way in every State on the mainland.

**Social Credit Broadcasts.**—A new series of broadcasts, sponsored by the Douglas Social Credit Association, commenced from Station 7HO, Hobart, on Sunday, November 3. The broadcasts will take place on Sundays at 8.30 p.m., and not at 10.0 p.m., as previously announced.

## TASMANIAN SELECT COMMITTEE DEMANDS SOCIAL CREDIT

### A Unanimous Report From All Parties

As reported in our last issue, the Select Committee appointed by the Tasmanian House of Assembly presented its report to Parliament on Tuesday, October 29. The personnel of the Committee was Mr. G. S. Carruthers (Independent, Chairman), Mr. E. Dwyer Gray (Treasurer), Mr. D. J. O'Keefe (Speaker), Mr. E. W. Turner (Nationalist member, who retired from the Committee and was replaced by Mr. B. J. Pearsall, Independent member for Franklin), and Captain Cameron (Nationalist member for Wilmot).

The printed report is not yet available, but in the meantime we are pleased to give our readers a brief summary, which has been published in some of the Tasmanian newspapers, as follows:—

"Suggestions for the scope of the inquiry by the Commonwealth Monetary Commission are contained in a voluminous report of a Select Committee, which has inquired into the distribution of wealth, actual and potential. . . . It suggested that the Commonwealth Monetary Commission's inquiries should be directed to the basic

**It must not be forgotten that unemployment is still at an extraordinarily high level in Australia. True, it has fallen from 30 per cent, in 1932 to 18 per cent, to-day. But at 16 per cent, it remains a formidable challenge. In Australia, as in Great Britain and the United States, though production is rising, unemployment obstinately persists. In all three countries it is still the dominating economic, social and political problem.**

—The "Economist," Sept. 28.

principles on which money and credit were issued and controlled, and showed that the Committee held the view that it was possible to find a just and equitable method of distributing wealth.

**"On the evidence placed before it," the report stated, "the Committee finds that the people are being prevented from possessing, consuming, and/or utilising and enjoying the increase in wealth, and/or the actual or potential increase of production during the past thirty years; that the cause of this is the shortage of purchasing power in the hands of the community as a whole; and that this can be effectively remedied only by**

**""(1) Restoration to the Sovereign community of effective control of money in all its forms; and**

**""(2) The establishment by the Commonwealth Parliament of machinery which would secure regular equation between the community's production and the community's purchasing power.**

"This Committee considers," the report continues, "that the inquiries of the Commonwealth Monetary Commission should not be confined to superficial aspects of the present monetary system, but should be directed, firstly, to the basic principles on which money, and especially credit, is issued and controlled, with particular attention to the manner in which it functions in industrial operations in the creation and liquidation of costs and debts. Secondly, this Committee considers that the chief factor in judging the success or failure of any financial system should be whether it is, or is not, assisting industry to function at its maximum rate, and at the same time distributing

maximum wealth combined with the highest standard of living among the people generally. Any monetary system failing in these must be automatically on the defensive. The Committee's general and unanimous conclusion is that it is obviously possible to find a just and equitable method of distributing any already existing surplus, and also potential production, without in any way injuring or dispossessing those now enjoying wealth.

"Community control of credit and its equitable distribution seemed to be the first necessary step towards realising the ideals expressed recently by the Prince of Wales."

Representing the unanimous conclusions of a Parliamentary Committee drawn from the various, and often conflicting sections of the House, this report marks another epoch in the fight for monetary reform. It is particularly significant that the daily press on the mainland does not yet appear to have heard of the Tasmanian report. Why?

## FOR WHOM DO WE FIGHT ?

If you could go among the Italian troops assembled to invade Abyssinia, do you suppose that one in a hundred could give you a clear, correct sketch of the reasons why they are there? Do you imagine that one in a hundred of the British soldiers who took part in the Great War could have told you (or could tell you now) what quarrel they had with Jerry? If you do, you must be a very simple soul.

Those British soldiers were forced to fight for the trade supremacy of financial and industrial and commercial interests in which they had no part—and never could have. Suppose those interests had got rid of German competition (which, of course, they did not), would workers' wages have risen, would any of the benefit have seeped down to the rank-and-file? Not so's you'd notice it!

British soldiers were stuffed up (as German soldiers were) with stories of the wicked cunning of

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their opponents, of conspiracy long-prepared, of what would happen if they did not sit still and have hell rained upon them. In the same way the Italian troops are lied to about the necessity of defending "their" country and its colonies, of avenging its "honour." And, in the same way, British soldiers and sailors, if they were sent against the Italians, would be taught to regard every Italian as a Mussolini in folly and crime.

The regulars in fleets and armies go to the shambles of their own free will. They have agreed to take their chance of being maimed, poisoned, slaughtered in return for housing, food, clothes and pay. But the Italians are almost all conscripts, unwilling soldiers or men utterly deceived, and so would be the great mass" of our soldiers if we had another big war.

### "LINED UP TO DIE."

Nothing, it seems to me, can justify putting men in deadly peril against their will, of forcing them to be killed miserably for "their country" or their leader. Bring some Italian and British boys, encourage them to be friends; in a very short time they will be getting on very well together. Dress them in uniform, give them hand grenades, trench mortars, flame-throwers; tell them to kill one another, and they must obey—without knowing why.

Think of the problem of war in this way, and it seems to simplify itself.

Look at war from this angle, and much that seems confused may become plainer. It seems plain, at any rate, to me. The only hope, then, lies in relieving mankind from the disastrous delusions of "the State" (or "King and country," if you prefer), which, though it is not run for their benefit, but for that of a ruling class, claims their unquestioning obedience and their lives.

—Hamilton Fyfe, in "Reynolds's Illustrated News."

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Telephone: M 5384.

Vol 1.

No. 24.

FRIDAY, NOVEMBER 8, 1935.

### A New Governor for New South Wales

We have at least this to be thankful for — the fight between the people and the money power is daily becoming more and more an open warfare. A few years ago finance ruled us -so secretly that few of us realised we were being ruled at all, and we inclined to look upon trade cycles, so-called, as though they were as much an act of God as a drought. Thanks, however, to the exposures of a few earnest and intelligent men in various parts of the world, our secret rulers are being forced to display the mailed fist and the cloven hoof.

New South Wales a few years ago, like other States, regarded its Governors as being little more than openers of garden fetes and attendants at Society dinners. The awakening came when Sir Philip Game, companion of Montagu Norman in the war to uphold civilisation against the Boer settlers of South Africa, proved himself so efficient in carrying out the policy of Montagu Norman's bank that he was able to dismiss from office the elected representatives of the people of New South Wales. Sir Philip has been rewarded for his services by being appointed chief of the police which guard London (and the Bank of England) and Philip, Junior— noted as a promising lad when he was out here —has secured a lucrative appointment with British oil interests in the Near East.

Others have come since then to keep the flag flying. Tasmania has a Governor selected from the Big Four who acted as precursors of Otto Ernst Niemeyer, of the Bank of England, in ushering in the belt-tightening process of depression wickedly inflicted upon us by the same bank and its subsidiary banks in Australia. A further step is now indicated by the announcement that

the next Governor of New South Wales is to be none other than Sir Murray Anderson.

Sir Murray Anderson comes to us with all the glory of Newfoundland fresh upon him. Newfoundland, least and weakest of the British Dominions, was naturally the first to be pounced upon by the bankers. "Sir Murray Anderson's task in Newfoundland", as Wednesday's cables reported, "called for the exercise of a special degree of tact, inasmuch as the ordinary form of government was suspended and the country run by a Commission. The Governor was obliged to call on the islanders to tighten their belts owing to the depression in the fishing industry."

The depression in the fishing-industry, as the cable might have added, but did not, was caused by the hard work of Newfoundland's people. They caught too many fish. And so, rather than see the money released that would enable the fish to be sold, the Bank of England, decreed that the fisher folk must tighten their belts and take less money. When the people murmured that they could not do this and carry on, as they had liabilities to meet, it was pointed out to them that they should not have been so reckless as to plunge themselves and their country into debt. And to make quite sure that they were taught a proper lesson in sane finance their Constitution was taken away from them and they were governed by a Commission. The head of that Commission was Sir Murray Anderson, of whom we learn (also from the cables) that "the smoothness with which he carried out his trying task impressed both Newfoundland, and Whitehall." We have no doubt that it impressed Threadneedle Street also.

### Moves in India and China, Too

Australia is not alone in receiving the attentions of the Bank of England. A new constitution, as readers are aware, has recently been drawn up for India. A new Governor-General has been appointed for that country also, months in advance— apparently lest there be any unfortunate slip in connection with the pending elections. Singularly enough, this Governor, Lord Linlithgow, happens also to be a director of the Bank of Scotland, one of the Bank of England's satellites. Under the new Government of India Act there is to be a show of provincial autonomy, but before this can take place it is laid down that an inquiry into India's finances shall be made.

The name of the "inquirer" has now been announced in England in these words: "On the invitation of the Secretary of State, Sir Otto Niemeyer, G.B.E., K.C.B., has agreed to undertake this inquiry during the

forthcoming cool season in India." Well may the Indians shiver at the prospect of the cool season, for, as the announcement was naively greeted by a financial newspaper in London, "Sir Otto's fitness for this important task is not open to question; for he was Controller of Finance in the Treasury from 1922 to 1927, and since then he has been a high official at the Bank of England, a Director of the Bank for International Settlements, and, since 1922, a member of the Financial Committee of the League of Nations. He has also conducted expert inquiries at the request of the respective Governments into the finances of Australia, Brazil and Argentina . . . The Government have not been slow to give India this earnest of their good intentions."

In China the Central Reserve Bank is being reorganised into a purely bankers' bank, thus forming another link in the world-wide chain of central banks subservient to the Bank for International Settlements in its bid for a world dictatorship. If you want a very simple explanation of the Chinese "reorganisation," read the comment of the London "Financial Times": "That China lately received advice from a British expert does not alter the significance of the adoption of a new financial system which will conform broadly to that which is serving this country so well . . . The Chinese Government undertakes to balance the Budget within eighteen months, and pledges itself against inflation." Need more be said?

### And Egypt

Under cover of an alleged threat from Italy, the same influences are again at work in Egypt. Wednesday's cables reported that "political opinion in Egypt has been painfully impressed by a news agency message from London, which is alleged to represent British official views— i.e., Bank of England views— "declaring that it would be a tragedy if Egypt attempted to take advantage of the present position to obtain inopportune undertakings. The statement has aroused disappointment, owing to the suggestion that Britain"— or the Bank of England? — "was unwilling to heed what are considered to be just demands."

As there appears to be a general delusion in this country that Egypt is now a sovereign independent State, it may not be out of place to set out the measure of this sovereignty, which was thus described by the London "Economist" of September 21:— "Our position in Egypt still rests upon our unilateral declaration of February 28, 1922, in which we recognised Egypt as an independent sovereign State, while provisionally reserving to our own discretion four points: (a) The security of the communications of the British Empire in Egypt; (b) the defence of Egypt against all foreign aggression or interference, direct or indirect; (c) the protection of foreign interests in Egypt and the protection of minorities; (d) the Sudan. Thereafter, on March 15, 1922, H.M. Government instructed British diplomatic representatives

in all foreign capitals to notify the Governments to which they were accredited that 'the termination of the British protectorate over Egypt involves no change in the status quo as regards the position of other Powers in Egypt itself; and that H.M. Government 'would regard as an unfriendly act any interference by another Power in the affairs of Egypt.' These declarations still govern the situation to-day."

In the same article the "Economist" says that the Egyptians are "aware of the probability that a release from their present irksome relations with this country would merely expose them to the danger of falling into far more unpleasant relations with Italy," and that "they are fully alive to the difference between British whips and Italian scorpions."

As people of British stock, even if we are not very sentimental about it, we take exception to that phrase, "British whips." British policy, given a fair chance, is not so bad, whether dealing with white or with coloured peoples. As law makers and as law administrators, the reputation for fairness, broad-mindedness and freedom of the British people will stand quite a lot of scrutiny. But unfortunately, and particularly during the last few generations, British policy has come to be confused, if not to be identical with Bank of England policy. That this is not altogether British in its origins would seem to be indicated by such prominent Bank of England names as Otto Ernst Niemeyer, Goschen, and others. And that it is entirely lacking in fairness, broadmindedness or freedom we Australians, reminiscent of the consequences to this country of the visit of Niemeyer and his other British friend, Theodor Emanuel Guggenheim (Gregory), need no reminder.

What we do need to be reminded of, and reminded very urgently by such events as those detailed above, is that the world domination of this evil institution — recently described by a prominent English cleric as "the greatest enemy of God and man in the last century"—is nearing its coronation ceremony. And every day's delay on our part, resulting as it does in the forging of another link in the chain, makes harder to achieve our ultimate freedom from the whips and scorpions of this little gang of soulless financiers.

### A Courageous Archbishop

Fortunately there is a reverse side to this gloomy picture. For, just as finance is growing more open in its appointments of "safe" men to high positions in the State, so is its ruthlessness ever stirring up fresh voices to demand that the people deliver themselves from its evil yoke. And loud amongst those voices one is glad to hear the tones of the people's spiritual leaders, now generally awakening to the full realisation that this is no party crisis, no temporal tribulation to be endured with patience, but an urgent menace to all that is best and deepest in mankind.

No, more courageous voice rings out from these leaders in

this country than that of his Grace the Anglican Primate of Australia, Archbishop Le Fanu. In our last issue we reprinted the Archbishop's recent address at the opening of the Abolition of Poverty campaign in the Perth Town Hall. During this week his Grace has made another striking utterance, addressed this time to the Rotarians of Brisbane. It the course of his speech Archbishop Le Fanu pointed out to his audience that one problem and one only, was at the root of all our economic and political puzzles. That problem was how, to get into the hands of the people enough money to enable them to buy what they had made or produced. Production itself was not at fault. Production, aided by the inventions of the last half-century, had abundantly disproved the old contention that great masses of people must needs suffer for lack of sustenance. The problem underlying nine-tenths of our industrial unrest, the problem threatening chaos unless it was solved, was that of socialising the difference between the financial cost of production and the income of consumers.

It is specifically to solve that problem that the Social Credit proposals have been put forth — to issue sufficient money to bridge the gap between the prices, which producers, if they are to carry on, must charge for their goods, and the amount of money available in consumers' hands to buy these goods. Archbishop Le Fanu is quite right in indicating that our major difficulty is purely a monetary one. Solve that, and you will not necessarily solve all our moral problems. But you will go a very long way in that direction. Many of the latter will automatically disappear; as for those that remain, we shall have a fair fight and no favour, a clear-cut issue between right and wrong, with no beg-pardons on either side. Who to-day, no matter how he may wish it, can remain in business and call himself a just and honest man? What foundation of justice is there in banking practices which thrive on scarcity, which encourage restriction and which subsidise destruction while millions starve?

#### PROVIDENCE STEALS A MARCH.

In a communication to the press yesterday, the President of the National Coffee Department (Brazil) stated that the statistical position of coffee will be maintained and that the destruction of 760,000 bags belonging to the National Coffee Department, already ordered for the earliest possible date, will be composed of 680,000 bags interior coffees, and 80,000 bags Santos.  
—Financial Times, Sept. 12.

A terrific storm has destroyed 500,000 bags of coffee.  
—Financial Times, Sept. 14.

#### DOUGLAS CREDIT WOMEN'S MOVEMENT.

Important Notice.  
On Monday, November 25, a Lecture of Extreme Interest Will Be Delivered. Watch For Further Announcements!

This was to have taken place on Monday, November 11, but, through unforeseen circumstances, has had to be postponed.

Members are therefore urged to take advantage of the additional time to get in touch with their friends and invite them to this meeting.

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## SACRIFICES AND STANDARDS

By BRUCE H. BROWNS.

By arrangement with the "Castlemaine Mail."

Another apostle of "sacrifices" and "lower standards" has been rewarded. Mr. McComas, the retiring member of the Commonwealth Bank Board, was too old to be re-appointed (so the Government said) and Professor Giblin has been selected to take his place. That would naturally lead us to suppose that the professor is some bright young thing with the promise of a brilliant future, but the facts are quite the opposite. He is a man of 64; so old, in fact, that if he were a member of the Public Service he would now be obliged to retire. From the point of view of age, therefore, it would have been just as reasonable to reappoint Mr. McComas, and consequently we must assume that something else influenced the decision. This, we think, is to be found in the fact that although the professor is distinctly unorthodox in regard to his attire, he is slavishly orthodox in the view that the world and its people must take second place to finance, and it was about his turn for some special recognition.

Up to 1924 the Commonwealth Bank was controlled by Sir Denison Miller, and the record of its achievements between the time of its establishment and its great betrayal stand highly to his credit, but for the period since the betrayal the conduct of the bank has been such as to call for criticism of the strongest character.

### SIR DENISON MILLER'S ATTITUDE.

In July, 1921, Sir Denison Miller was asked by a deputation from the unemployed if he would make financial arrangements to provide work for them, and he replied that he would. It was put to him as follows:

"In your address in London, Sir Denison, you stated that to meet the necessities of war certain things had been done by you which before the war would not have been dreamed of. You financed Australia for £350,000,000 for war purposes, and had the war continued you could have financed another £350,000,000. Are you now prepared to finance Australia £350,000,000 for productive purposes?"

Sir Denison Miller: "Yes; I shall do my best."

That is quoted from "Australia's Government Bank," by Dr. Jauncey, page 275, as also is the following comment: "The reply of Governor Miller that he was willing to finance the purposes of peace as fully as those of war showed the human side of the first governor of the Commonwealth Bank. Unfortunately he died before he could make good 'is promise.'"

Finance, you see, was no insurmountable barrier to the man who sought genuinely to serve public, and we may be sure there would have been no "financial emergency" in Australia had he been spared to command the nations bank at that particular time. Finance is a "problem" now only because private interests are placed before public interests, and Professor Giblin has given his support to the continuance of this policy.

### THE GREAT BETRAYAL.

The great betrayal referred to occurred in 1924, when the control of the Bank was placed in the hands of a directorate of six men representing private interests. When he brought in the Bill to give effect to this, Dr. Earle Page made reference to the series of conferences the Cabinet had had with the general managers of the Private Banks on the subject. Four at least of the six directors came from the magic realm of private finance, and by this means the control of the public bank was placed in the hands of the three monopolies which own the private banks. It is still controlled by the same interests,

and this is approved by Professor Giblin.

In 1927 Mr. Bruce personally explained to the London bankers how he and his Government had transferred our bank to the control of a board which had been charged with the duties of Central Banking.

At this point it is important to know that the "Central Bank" idea came from Paul Warburg, of Hamburg, who had migrated to New York and assumed command of the Federal Reserve System; also that his personal friend, Montagu Norman, was sent from America to London in 1920 to become Governor of the Bank of England and to establish the policy of deflation and Central Banking throughout the Empire! This man, Montagu Norman, was known and publicly referred to as "Wall Street's Deflation Agent", and it was in Wall Street that the Fraud of the Depression was precipitated, and through the Central Banking-System that it was immediately made world-wide.

With that tit-bit in mind, now note again the significance of Mr. Brace's further remarks to the bankers of London:

"The intention is that the Board shall control credit in Australia as the Bank of England regulates it in this country, and advice is now being sought from the officials of the Bank of England as to the exact steps necessary to bring about a fully effective central banking system."

The "exact steps" were duly ascertained and faithfully put into effect. So you see, not only had the control of the Commonwealth Bank been surrendered to representatives of private finance, but the bank itself had been made a branch of the Bank of England—a privately-owned and privately-controlled institution conducted with regard only to its own interests.

### OTTO NIEMEYER.

Three years later we had a visit from Sir Otto Niemeyer, that living example of Dr. Jekyll and Mr. Hyde, who is at one and the same time a high official of international finance, a high official of the League of Nations, and a high official of the armament firm of Vickers Armstrongs. He came as the direct emissary of the Bank of England, and told our Governments that "there is evidence that the standard of living in Australia has reached a point which is economically beyond the capacity of the country to bear without considerable reduction of costs", and that Australia must "reduce costs of Governments, balance governmental budgets, and cut costs of private industry." Professor Giblin has been his echo in this, and has now been placed where he can help to insist upon its observance.

But the Governments jibbed a little, and did not immediately do what Sir Otto had ordered, so on the 19th December, 1930, the banks warned them that if they desired further assistance they must cut costs and balance budgets. Professor Giblin supported the banks, even though he must have known that they themselves had caused a serious diminution in the quantity of purchasing power circulating in the community, with the consequent dislocation of budgets.

### GIBSON'S ULTIMATUM.

In February, 1931, Sir Robert Gibson sent the following impudent ultimatum to the Commonwealth Treasurer:

"Subject to adequate and equitable reductions in all wages, salaries and allowances, pensions, social benefits of all kinds, interest, and other factors which affect the cost of living, the Commonwealth Bank Board will actively co-operate with the trading-banks and Governments of Australia

lia in sustaining industry and restoring employment."

Calmly reflect what that meant. If the Government did not do as the bank had ordered, industry and the unemployed could go hang. Think of it. A group of private individuals daring such outrageous dictation, and actually forcing compliance with their demands at a time when real wealth was increasing by leaps and bounds! This was done at the behest of foreigners, and in May, 1931, it was admitted in the Senate that the Commonwealth Bank was acting on the advice of the Bank of England. Professor Giblin supported the Bank Board and the foreign dictation.

While all this was going on Mr. Montagu Norman maintained his contact with Paul Warburg, and travelled frequently from London to New York for consultations. In addition, nothing was done to rid the Bank of England of the domin-

### MACKENZIE KING NOW HAS HIS CHANCE.

Addressing 5000 people at a meeting in Vancouver a fortnight before the Canadian Federal elections, Mr. Mackenzie King, Liberal leader, and now Prime Minister, said:

"Credit to-day is controlled by the private banking interest—the money power, and the only way that can be eliminated is by the establishment of a national bank subject to the will of the people."

He criticised the Central Bank established by the Bennett Government, stating that only the governor and his deputy are appointed by the Government, the directors being appointed by private shareholders. In other words, it is a private bank, he said.

"That is my first objection to it. My real objection is that it takes away from the Government the control of currency which it had under the British North America Act" (which established Canada's Constitution). "The Liberal party says the people themselves should have control, for once a nation parts with control of its currency, it matters not who makes the laws."

ance of foreign financial interests on the directorate and inner council. Yet Mr. Menzies talks of England as the home of democracy, and innocently went to London expecting preference for Australian producers!

After the Bank ultimatum had forced the imposition of the Infamous Premiers' Plan, Sir Robert Gibson came out and publicly reassured us in a broadcast address that the Commonwealth Bank would never close its doors as long as the nation stands. He went on to say: "The Commonwealth Bank has control of the Note issue, and can command resources in the form of currency to an extent which, in the opinion of the Bank Board, is deemed necessary." If that meant anything it meant that the Commonwealth Bank is capable of meeting the complete needs of Australia regarding the provision of money, and confirmed absolutely what Sir Denison Miller had previously told the unemployed. In the present case, however, everything depends on the "opinion of the Board," an opinion which is synonymous with the desires of the private monopoly controlling money. Professor Giblin offers no objection to this.

### "WITH FULL AND CORDIAL APPROVAL."

After Sir Robert Gibson's death the shareholders of the National Bank were informed by Sir Frank Clarke that "Mr. Claude Reading, Sir Robert's successor, reached that high position with the full and cordial approval of the bankers of Australia." Naturally, seeing that he came direct from one of the three monopolies which own all the banks, and the same may now be said of Professor Giblin, who has shown himself so ready to be a willing ally.

Notwithstanding the statement of Mr. Lyons that little notice is taken overseas of the position of the State budgets, "The Times,"

## "TEN MILLION DOLLARS' WORTH OF PUBLICITY"

### An American Journalist Assesses Value of Alberta Elections

Writing from London to an association of American newspapers which he represents, Mr. A. C. Cummings, the well-known press correspondent, thus discusses the aftermath of the Social Credit landslide in Alberta:—

"Ten million dollars would not pay for the publicity Alberta has obtained in Britain as the outcome of its Social Credit election. For three weeks past one can hardly open a daily newspaper without seeing an interview with Premier Aberhart or an account of his career, a eulogy of Alberta as a province or a description of life on the prairie, an outline of the difficulties that the fall in the price of wheat has brought upon the farmers or an attack on Social Credit.

"Leading newspapers like the *Times* have written extensively about Alberta and its great natural resources—publicity that could not be bought for thousands of dollars. More popular journals like those of Lord Rothermere and Lord Beaverbrook have given their readers long accounts of provincial affairs centred on the personality of the new Premier. High-brow weekly periodicals like the *Spectator* have outlined Social Credit and shaken elderly editorial heads over the outcome. The financial press has first become angry and then very silent; it mournfully consigns Alberta to the limbo where 'currency cranks' flourish in all their rankness and the blessings of orthodox finance as interpreted by Mr. Montagu Norman, Governor of the Bank of England, are unknown and unappreciated.

### HOPES PLACED ON ALBERTA.

"Public men, too, have not been backward in giving their opinion about Alberta. Those who believe that poverty in the midst of plenty is merely a proof of human stupidity and inertia have welcomed the

Alberta elections as showing the world, at least, that something should be done about it. Those who are struggling with the vast problem of unemployment in the United Kingdom are hoping that Alberta, in the next two years, will show them a way out. Those like the Earl of Tankerville, Lady Clare Annesley, Lord Tavistock and others who are convinced that Social Credit is a workable remedy, are eager to see their ideas put into practice. And those who have worked and spoken and written for Social Credit for years past think that they have come to the testing-point at last, and that what happens in Alberta in the next two years will be of importance to the entire world.

"Typical of the class of intellectual man who holds that the destruction of foodstuffs while people starve is a crime against humanity is Mr. J. B. Priestley, the famous novelist and playwright. He has been telling the British people to 'Watch Alberta.' If the people of that province cannot solve the paradox which has reduced the world to misery, he says, 'then perhaps one of their hostile critics may be inspired to do it for them.'

"It is an experiment of the highest importance," says Mr. Priestley. 'I notice in a section of the press a definite hostility to it already—a determination even at this early stage to make the worst of it. Could anything be more lunatic when we are all in this mess together, and when a way out is most urgently needed? You might as well begin to throw bricks through the windows of a laboratory for cancer research.'

"Unquestionably, for some time to come, Alberta will continue to hold the newspaper headlines in this country. The province has started something that has taken all Britain by surprise."

in September, 1934, published the following:

"The danger is that the Commonwealth Bank, after this year, will no longer be able to finance the deficits of the States, and it will then be forced again to retrenchment. . . . What has been accomplished since 1931, together with the assurance of another three years of office for the Lyons Ministry, is sufficient guarantee for the present that the financial position of the six States will be kept well under control."

Montagu Norman is a member of the committee which controls "The Times," and consequently the extract quoted seems suspiciously like another threat to Australia. It admits openly that the banks were responsible for the 1931 disgrace, and suggests brazenly that they might try to do it again. Note particularly the reference to the "guarantee" that the States will be "kept well under control." Under the control of whom? As recently as October 25 the "Argus" called special attention to the increase in State deficits, and this would seem to have a special significance when read in the light of the fact that the editor of that journal is the chief correspondent in Australia of the London "Times." Professor Giblin is out for balanced budgets, and holds that the banking system should continue to be the supreme ruler. Hence his appointment as a director will be acceptable to Montagu Norman.

### "A KEEN SUPPORTER OF THE PREMIERS' PLAN."

All the interests represented on the Bank Board are against decent living conditions for people outside their own circle, and these interests will hail the advent of Professor

Giblin, of whom the "Herald" wrote on 19th October thus:

"Professor Giblin is a keen supporter of the Premiers' Plan. The one point which Professor Giblin has stressed more than others in his economic teachings is that persons must make sacrifices in wages and luxuries for the good of the whole, and that if, at any time, wages or prices are depressed, those directly affected must do their share by admitting correspondingly lower living conditions."

By this he means that money, a thing of no value in itself, must continue to be the master of all other things; and that no matter how efficient or how prolific our production may become, it must be brought within the financial figures set by the private monopoly controlling the money supply. That is what the monopoly thinks, too, even though 2,400,000 people died last year of starvation and another 1,200,000 committed suicide because of economic stress.

Sir Harold Bowden, vice-president of the Federation of British Industries, says: "Not unemployment, nor even the restoration of trade, but the distribution of purchasing power is the kernel of the problem." As a leading business man he knows that demand is governed by the quantity of money in circulation, but the wise Professor Giblin, who is too old to learn, seeks to keep the demand at a low and unsatisfactory level by reducing our living standards to the level of an arbitrary and wholly inadequate supply of money. How does he propose to go on reducing costs after we have reached the stage of having only a loin cloth for covering and a few handfuls of rice for food?

(To be continued.)

## ENGLISH ENGINEERS AND NATIONAL DIVIDENDS

[The Amalgamated Engineering Union of England, in its Monthly Journal for September, 1935, publishes a thoughtful article by R. C. Proctor, entitled "National Dividends," which is here re-printed. The writer makes an appeal to Trade Unions to accommodate their ideas and demands to our present age of potential plenty/instead of still basing their claims on the conditions of the age of scarcity.]

It has been said that the outsider sees most of the game, and that it is possible to fail to see the wood for the trees, and so it is from the detached position of an out-of-trade member that I offer these views for the serious consideration of all thinking members of our organisation.

Trade Unions were born in an age of scarcity and in an age when all the human labour available was required for industry. They have survived with slight modifications into this present age of potential plenty, in which more and more wealth is being produced with less and less human labour. There has been no radical change in outlook and ideas, yet the change from scarcity to plenty and from a human labour age to a power age is so completely revolutionary that I suggest an equally revolutionary change in Trade Union ideas is required to fit Trade Unions to be as useful in the world of today as they have been in the past.

### WORKERS OR CONSUMERS?

The change from scarcity to plenty does not in itself require any change of attitude, since it was always the consumption problem, in the shape of purchasing power, which Trade Unions were concerned with; but the change from human to non-human labour power does require a changed outlook. In the human labour age conditions of employment were, in effect, conditions of consumption, but in an age in which the direct contribution of human labour to production is decreasing and in which unemployment has come to stay and to grow, the conditions of employment decrease in importance, relatively, compared with the conditions of unemployment.

In the early days of Trade Unions they were organisations of propertyless producers; to-day they must represent the interests of the propertyless consumers, for their members are consumers all the time but workers only fitfully. The political economy of the past and the present has been wholly concerned with the financing of production but the political economy of the future must concern itself more and more with the financing of consumption. The Trade Unions must reflect this fact.

### BASIS OF CLAIM TO CONSUME.

I suggest, in the first place, that we must abandon the idea that the only legitimate claim to consume the products of industry is by virtue of having performed some personal service in industry. There are two reasons why we should do this—first, because it is not practicable to-day; the first-rate brains in the world are endeavouring to put men out of work; it is the second-rate brains that are trying to put them in work, and the second-rate can only win by organising a war which would undoubtedly provide work for all.

The second reason is even more devastating—the claim is not true to facts. The greatest factor in modern wealth production is the

accumulated knowledge of centuries past, our common cultural inheritance, and this is a growing factor, for each generation adds to its inheritance. This inheritance is essentially communal, and the only way in which claims upon the estate can be made is by the issue of national dividends to all citizens unconditionally.

### A POLICY TO ATTRACT ALL.

To support the claim for supplementary incomes, to be paid whether in work or not, incomes that would not be accounted in the books of industry as costs to be recovered in prices, would be wise Trade Union policy, for in that fight you would get continuity of interest from the members, whether in work or not. At present the unemployed member tends to lose interest and the present increase in membership is only a reflection of this fleeting "prosperity" which has made us all so happy and content. Already one union has declared that supplementary incomes seem essential if consumption is to be equated with production.

### A STEP TO FREEDOM.

The securing of an income, as a right of citizenship, would establish the real freedom of the individual—economic freedom, without which all other freedom is illusory. Only enemies of liberty would compel everyone to work (universal forced labour is a poor ideal) for no better reason than that it was once necessary. That idea is just one example of the survival of primitive ideas after the conditions which gave them birth have disappeared.

There is a non-party organisation promoting a national dividend campaign, and in appealing to members to support the campaign I would point out that members are not required to abandon their Socialism or to embrace Douglas Social Credit, for although the latter includes national dividend proposals, the national dividend campaign does not concern itself with methods at all (Douglas Social Credit, or anything else). This latter fact is interesting, because it is the basis of what is claimed to be the only way to preserve political democracy.

### THE VOTER TO GIVE ORDERS.

It is proposed that the voter shall refuse to accept the position as it is to-day, in which candidates come before the electorate with party or personal programmes and seek approval. It is proposed that the voter shall assert himself by saying to the candidate: "You are an applicant for a job, I am the employer. I will tell you what the job is, and if you will do the job it is yours. Parliament is an institution for expressing and implementing my will. I want poverty abolished, here and now, by the payment of a national dividend to every citizen. The dividend must not increase taxes or prices, because it must mean higher effective incomes. I don't know how this can be done, but I know it is possible, because whatever is physically possible is financially possible (finance is only a figure reflection, though somewhat distorted to-day, of the physical). I don't ask you to know how it can be done, but only to get it done. If you don't get it done in quick time, you're fired."

### PARLIAMENT'S JOB

The distribution of abundance

being possible and necessary to abolish poverty. Parliament should require those in charge of the mechanism of distribution (the money system) to make the necessary arrangements for the steady and ample flow of money into each individual citizen's pockets; then industry will be saved the trouble of destroying what so-called statesmen have spoken of as "burdensome surpluses," and saved also the bother of arranging how much, which could be produced, shall not be produced.

The collective security against war which is being sought in Europe to-day can be based on the sure foundation of individual security via national dividends. It is an attractive idea from whatever angle it is viewed and those Socialists who love Socialism more than they hate poverty will not do their cause any good by standing aside. The policy of finance is "divide and rule"; the national dividend campaign has such a wide appeal that it has every possibility of success, and the propagation of Socialism in an age of leisure and plenty will be possible in an atmosphere of sweet reasonableness and will not lose by the abolition of poverty.

## BONES

By HARRIS TURNER.

With acknowledgments to the "Alberta Social Credit Chronicle."

The intelligent dog sat looking at a great pile of nutritious bones. He was hungry as well as intelligent, but he did not satisfy his hunger, which may be an indication that he was not such an intelligent dog as he thought he was. His master had told him that he must not eat the bones, not because they were not good bones, not because he was not hungry, but because his master had not arranged certain formalities which had to be dealt with before it was proper to feed.

"I think it is time to eat," muttered the dog.

"Not yet, you silly cur," said Mr. Bennett.

"Why not?" grunted the dog.

"Because we are on the gold standard," said Mr. Bennett.

"Ah, yes," drooled the dog. "I hadn't thought of that."

"That's your trouble," replied Mr. Bennett; "you don't think. If I let you have your own way you would go ahead and eat those bones and then where would you be?"

"Right here," answered the dog. "Do you think I could have a bite or two before I starve to death?"

"Certainly not," replied his master. "As soon as I borrow some money and raise the tariff and things get settled in the United States and Australia, and if I don't get defeated at the next election, and after the banks have reduced their interest rate from two to one per cent., and Russia gets back to a civilised form of government, and the price spreads committee quits its silly nonsense, and if I can boost up the tariff three or four more points, and the index of price levels indicates that the tide has turned, and the amalgamation of the railway systems produces a condition more favourable to the possibility of an economic recovery, and there is less danger of a European war, and there is a disposition on the part of the Oriental countries to consume more of our wheat, and if there is evidence of a definite change in the climatic conditions in the western part of our national heritage, and people begin to realise the profound excellence of the pioneer spirit which actuated those sturdy ancestors of ours who hewed humble homesteads for themselves from the wooded wilderness, I think it might be proper to assume that you

might be allowed to munch part of a bone."

"Is that the gold standard?" enquired the dog.

"No," responded Mr. Bennett, "that's an after-dinner speech."

"After dinner is a time of day that does not appear on my clock," said the dog.

"Anyway," said Mr. Bennett, "I think my neighbour, Mr. King, is going to take you over in a month or two, and then you will be thankful that you had me for a master."

Just then Mr. King strolled up and the dog asked if he would be allowed to eat the bones when Mr. Bennett had turned over the kennel to him.

"There is little doubt about that," said Mr. King.

"What little doubt is there?" asked the dog.

"Well," replied Mr. King, "if you will only be patient and realise the difficulties surround-

ing the consumption of bones while maintaining the gold standard, and when I get the tariff lowered a point or two, and when we can persuade the Oriental countries to consume more of our wheat, and when some new Beauharnois can supply us with more campaign funds, and when we realise the vastness of the heritage which our forefathers bequeathed to us after hewing humble homesteads from the wooded wilderness, and when we can borrow a few more million dollars, and when I prevent the railways from entering into a disastrous amalgamation, and when I have time to consider the matter, then, I think, there is a possibility that you may be permitted to gnaw a small portion of one bone."

But the dog had collapsed from exhaustion and his own personal fleas skidded about his protruding ribs with fiendish abandon.

## THE ARMING OF ITALY

### Profits Come First: Sanctions Come Later

An unpleasant aspect of the sanctions move against Italy was shown very recently when it transpired that a company nominally controlled by the British Government was continuing to supply the petrol and oil for Mussolini's tanks and bombing planes. The reason given in the daily press was that if this company did not supply Italian orders others would. Much the same excuses have been put forward by the armament combines which have regularly armed both their own countrymen and the adversaries of their countrymen.

It may be interesting, in view of the new wave of patriotism and of sympathy for small nations, to recall how large a share in the present armaments of Italian Fascism has been supplied by banking-industrial monopolies outside Italy. The following figures are taken from an English contemporary:—

"Who has armed Italy, and so handsomely equipped Mussolini's dictatorship that it is in a position to threaten the peace of the whole world? France, Britain, and the British Empire share the responsibility with Germany and Poland.

"Italy manufactures most of her own armaments at the Vickers-Terni factory (a branch of the world's arms trust) and at various other plants at Rome Capua, Pozzuoli and elsewhere.

"There is no means of discovering the exact output, but Italy's imports of raw materials necessary for the production of armaments give a clear indication of the source of her new military strength.

### MOST MINERALS IMPORTED.

"Italy has practically no minerals. She has neither coal nor iron and very few of the chemicals, except sulphur, necessary for the manufacture of explosives and poison gases. These have to be imported, as also have copper, brass, tin, zinc, and the all-important nickel.

"Canada has about 90 per cent. of the world's nickel.

"Without Canada, Italy and the other militaristic Powers could not make a single bullet, shell, rifle, gun, or battleship of modern pattern.

"Canada's production of nickel rose from 20,000 tons in 1932 to 68,000 tons in 1934, the previous highest figure for any year being 56,000 in 1929. No exact figures for the import of this metal directly and indirectly to Italy are available, but it is estimated that in the last few years that country has absorbed more than 15 per cent. of Canada's production.

"Italy's import of coal, coke and patent fuel rose from 8,778,120 tons in 1932 to 12,733,685 in 1934, in spite of the extensive electrification of the Italian railways dur-

ing that period. Other jumps between 1932 and 1934 are in scrap iron and steel, 474,180,500 kilogrammes to 731,708,400; plates and sheets, 30,947,200kgs., to 50,687,400kgs.; rods and bars, 72,655,500kgs. to 126,569,000 kgs.; machine tools 3,134,000 kgs., to 5,036,900kgs; raw jute (from which sandbags are made), 38,386,700kgs., to 56,292,500kgs.

"The number of internal combustion (including aeroplane) engines bought from Britain and other countries was 12,883 in 1932, 17,997 in 1933, and 20,494 in 1934.

"The imports of nitrate of soda rose from 10,000 metric tons in 1929 to 77,000 tons in 1933, and calcium cyanide from 38,000 tons in 1925 to 146,000 tons in 1934. Zinc spelter production rose from 6500 tons in 1925 to 15,800 in 1929, and 24,400 in 1934.

"These figures tell their own story.

"The total Italian exports fell in value by nearly 20 per cent. in 1934 over 1932.

"Against the increase in imports of internal combustion engines by nearly 8000 in two years, making a total of 51,000 for three years, the increase in exports of motor cars was only 3000, and as far as one knows the bulk of these had Italian-made engines.

"While the imports of raw rubber increased from 18,498,300 kilos in 1932 to 24,482,600 kilos in 1934, the export of manufactured rubber articles decreased from 6,918,100 kgs., to 4,596,300kgs. Here the exchange factor operated, the lira standing high, making export sales more difficult, but it does not account for more than a fraction of the huge disparity.

### ARMAMENT ORDERS.

"One significant fact stands out from the Italian import returns. For the basic armament raw materials, though prices to Italy have gone up in terms of lire in the past few years, Italy has continued to increase her orders.

"While ordinary imports have remained stationary, there has been a decrease in nominal value expressed in terms of lire. For all the essential raw materials for war preparation the price has been adjusted to suit the exchange. For example, 8,778,000 tons of coke cost 685,917,000 lire in 1932, 12,700,000 cost 857,000,000 lire in 1934. For scrap iron and steel, 4,700,000 tons in 1932 cost 78,000,000 lire, and 7,300,000 in 1934 cost 125,000,000 lire, the price of the metal having kept pace with the rise of the lire.

"The British, German, French and Polish members of the coal and iron cartels, in fact, have made Mussolini pay through the nose for his imperialism.

"They will make him pay more before he is finished."



LETTERS TO THE EDITOR

NOW IS THE TIME

As a regular reader of "The New Times" since its inception I should like to express my deep sense of appreciation of the high literary and educational value of the articles appearing therein. Whilst I understand the increases in the circulation from week to week have been phenomenal, and deservedly so, it is to be regretted that such a splendid paper should not be going into every home in Australia.

Even with the present rate of increase in the circulation it is only a matter of time—and that not considerable—when the paper will be sold in its tens of thousands each week.

Gratifying though this progress is it is not sufficient, especially in view of the fact that the world is in a turmoil and great changes are inevitable within a measurable period of time. But what changes? The answer to this question depends largely on you and me. For instance, left to take its course "The New Times" must quickly double its present circulation, but if every reader made it his or her business to get one new subscriber each month, what a power of difference it would make?

Assuming the circulation to be thousand this month, it would be ten next and twenty the month after, until, in six months, the circulation would have increased to 160,000 per week. Surely it is not too much ask all those who appreciate what Social Credit will do for the world at large and this country in particular to get one new subscriber every four weeks.

I am sure it is only necessary bring this matter under the notice of your readers to make each and everyone of them an active salesman on behalf of "The New Times." Although I, personally, am prepared to pledge myself to get one new subscriber each week for the next four weeks, I would not ask others to pledge themselves to get more than one in the same period. If past performances are anything to go by, however, there are many who will not be satisfied with anything less than four per week. Now is the time; act now!

LESLIE H. HOLLINS.

THE PRESS AND HATRED

It is pathetic, in the course of daily business courtesies, to have to listen to so many people expressing views hostile to the peoples of other nations. The German hate is the most pronounced. That represents, possibly the dying embers of the war to which is added the subtle Hebrew anti-Hitler campaign. The French are denounced because they do not rush in with John Bull to gore any old nation that may not be seeing eye to eye with John. And then the French are growing wheat instead of buying more from us, and they are imposing conditions and quotas upon the nations from whom they buy. The Italians, at the moment, are being especially hated. Everything is wrong with them. The Americans are despised daily because they send us motor cars that the majority of our sturdy people prefer to the British product, and the U.S.A. does not buy enough

Australian goods; and so it goes on. The basis of all this is the slavish faith the people have in the press. It is the same press which worked us into a fury of horror and German hatred when Nurse Cavell was shot as a spy and the Lusitania was sunk. Both these acts have since been internationally declared to have been within the conventions of warfare. Germany, in committing these acts, did not violate the conventions. The press told us lies.

Since then Stanley Bruce presented the name plate of the "Emden" to Germany with the good wishes, or kind regards, or something, of the Australian people, and other sundry acts of goodwill have been performed, but the press, linked as it is with the international armament manufacturers and financiers, will never allow the hate campaign to die. It nourishes on it, and keeps the people duped and in subjection.

COUNTER JUMPER.

CARWARP PUBLIC MEETING.

We desire all possible organisations to know that at a public meeting held recently at Carwarp the following resolution was passed:

"That a report of the refusal of the Country Party Government to help these settlers be sent to all C.P. branches and farmers' organisations; that these branches be asked to make every effort to prevail upon the C.P. Government to cease its attacks upon these settlers; that the Government repeal Section 13 of the Closer Settlement Act and amend existing legislation to permit of settlers receiving adequate compensation; that tenancy and sustenance be continued until this matter is raised in the House and finalised satisfactorily; and that you call upon your representative to support these demands."

Our case is that the Government threw open for selection this Carwarp-Yatpool area as suitable for wheat growing, its unimproved price being £1/2/6 per acre. We were encouraged to invest our capital and labour in this land, believing it to be suitable for wheat production. After spending up to 22 years of our lives on this land, the Closer Settlement Board, declaring that it is a marginal area and unsuitable for wheat growing economically, are reverting it back to the Lands Department, and intend to throw it open for grazing in 5000 acre lots, and we are to go off the land we cleared, fenced and improved, sank tanks and built our homes on, in which we invested all our capital and labour, and we get up to £100 compensation, with which we are to start life afresh! We are past our prime, hardships have left their marks on us, and our families are still young. At present no work is available except relief work, which is not a living. Therefore we claim:

- (1) Maximum compensation of £500, or
- (2) Transfer to properties capable of producing a living of £150 per annum.

And we ask you to support these claims.

K. McCOLLEY.  
Sec. Mallee Women's and Settlers' Association,  
Yatpool, Vic.

If Great Britain gives the lead in renewing its armaments by loans of which no one at the moment feels the burden, our example will be copied all over the world. And if once the nations get into their heads that we can get these pretty toys for nothing, and that such expenditure cast incidentally make unemployment disappear as if by magic, we may as well throw in our hand at once and abandon hope of saving the world from destruction.

—The "Economist," Sept. 28.

A Professional Economist and Major Douglas

Consider this statement: "... It is possible, therefore, to have general over-production, namely, for more to be produced than can be absorbed at the same price level. The goods can be purchased if the price level is lowered, but this very reduction in the sale prices may, by abolishing profits, lead to a cumulative breakdown in purchasing power, and will steadily increase unemployment. . . . What does cause the difficult) - is the failure of the supply of money and credit to increase proportionately with the increase in the production of commodities. . . . The difficulty, in other words, is a monetary and banking difficulty and does not involve a fundamental error in our economic order. If . . . for example . . . currency can be issued . . . an additional supply of purchasing power will be created which will permit all the goods which are produced to be purchased without any fall in the price level . . ."

The above is almost a complete statement of the Douglas analysis of the breakdown periodically of our economic system and the means of preventing the breakdown, as proposed by Social Credit—but the words are those of another Douglas—the eminent professor of economics of the University of Chicago, Paul H. Douglas, whose statistical researches on "real wages" and purchasing power are probably the most exhaustive made by any economist.

The jibe is often made that no professional economists agree with C. H. Douglas. I know of several, in fact, who do.—*Social Creditor, in Vancouver Province, April 6, 1935.*

A Rhyme to Roosevelt

Send up a shout!  
Spread it about!  
Franklin Delano is leading us out.

Out of the night,  
Into the light,  
Out of depression and hunger and fright.

Straight into debt,  
The highest we've met;  
And some small voice tells us the end isn't yet.

Down on his shanks  
He goes to the banks,  
And borrows the money and tenders them thanks.

Then when we've spent  
All that they've lent,  
We're still just as broke as before the event.

Vainly we groan  
As taxes have flown,  
A fourth of them goes to pay interest alone.

But our trouble's not through.  
It's tough now, it's true,  
But what will it be when the principal's due?

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

If you think the NEW TIMES is worth supporting, your best way of doing so is to make it known to your friends.

ROOSEVELT SAYS AMERICAN DEPRESSION IS ENDING

But Destitute Millions Give Him the Lie

Speaking to a crowd of 70,000 persons in the Los Angeles stadium a few weeks ago, President Roosevelt said his conclusion, after travelling across the country, was that the depression was ending and that the American people had come, through stormy seas into fair weather.

If President Roosevelt were asked to justify this declaration he would probably point with pride to industrial companies' figures. Many U.S. enterprises are certainly earning profits again. The Federal Reserve Bank of New York has just published an imposing list of 388, industrial companies whose total returns show a remarkable measure of recovery. But it is notable that these are mostly concerns dealing in heavy equipment or capital goods. Trades handling ordinary consumers' goods have quite a different tale to tell. The groups comprising clothing, food, household equipment, leather, shoes and tobacco, as well as the public utilities, actually show lower earnings for the first six months of 1935 than for the same period in 1934.

Seeking an explanation of this, we find that the whole of Roosevelt's efforts have done practically nothing to better the condition of the unemployed. As in Australia, these have received meagre doles from heavy taxation and from enormous increases in the national debt, but they have not been re-absorbed into industry nor provided with any other source of income. The use of electric power in American industry, as would be expected, is on the increase, and unemployment is not on the decline.

SIX YEARS' SCIENCE MEANS 20 PER CENT. UNEMPLOYMENT.

Even Roosevelt himself admits this. In a conference with American pressmen in the latter part of September, he forecasted that, if production returned to the 1929 level (which it has not yet done) industry would require only 80 per cent, of the workers who were employed on the former date. Such is the advance which science has made even in these few years.

What are the real figures of industrial unemployment in the United States?

The American correspondent of the London *Economist*, discussing this in that journal's issue of September 28, wrote as follows:—

"The present figure is as debatable as ever. Officially there are about 5,000,000. But the Federation of Labor estimates 11,000,000; the National Industrial Conference Board 10,015,000; and the Alexander Hamilton Institute 13,019,000—all for July, 1935. This disparity is not only wide in itself, but difficult to

reconcile with the official 5,000,000; even more disconcerting is the fact that each of these three calculations shows an increase since October, 1933. Still more astonishing, that although the Federal Reserve Board's index of production rose from 75 in November, 1934, to 90 in February, 1935, the employment figures showed no increase whatever."

A week earlier the same writer, after noting that "the only official" (unemployment) "figures come from the relief rolls, which in May (the last reported date) numbered 4,817,000, representing 19,250,000 dependent persons," summarised his conclusions thus:

"This is the paradox of the American recovery. Probably the revival of industrial activity from the depth of depression will compare favourably in this country with that in any other major industrial country. Our economy has reached a stage which can be graded as 'prosperous,' although one would have to limit this adjective with some geographical qualifications. But so far as the statistical data show, only in the first phase of the rebound was there any considerable absorption of the unemployed; and the autumn of 1935 presents the paradox of seeming widespread prosperity combined with unemployment of all but maximum proportions. So far, the whole problem has merely been charged to the Federal deficit and handled by a succession of alphabetical agencies which are practically indistinguishable. In other words, the unemployed have been cared for by the Federal Treasury; but the problem of unemployment remains almost exactly, where it was in the nadir of the depression."

Nor is there any other suitable solution to be found to this apparent paradox. As long as man is permitted to use his intelligence he will continually strive to produce goods with less physical effort. In accordance with his success he will create industrial unemployment. And the care of the unemployed will fall upon the national treasury. This in itself need cause no serious complication, provided the Treasury is controlled by the nation and not by the private bankers.

If the Treasuries of the United States, of Australia, and of other countries were issuing to the unemployed the certificates or other forms of currency required to monetise the real wealth of their nations, we could have immediate and lasting recovery in every industry and in every country.

But President Roosevelt, the "saviour" of America, has done no more to bring this about than J. A. Lyons has done in Australia.



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## MAJOR C. H. DOUGLAS ON THE GOLD STANDARD

Published in the "Rotarian," April, 1935, in a symposium of three articles under the heading, "What of the Gold Standard?" The other articles were by Fentiner Van Vliissingen, President of the International Chamber of Commerce, and E. W. Kemmerer, Professor of International Finance, Princeton University.

I have been asked to formulate my opinion upon the future of the gold standard. To do this with some approximation to intelligence, it is necessary to define my understanding of what is meant when we refer to it.

In theory, although probably never in fact, all forms of monetary effective demand, in countries professing to operate the gold standard, were exchangeable for gold in a fixed ratio of the monetary unit of the country to gold of a certain fineness. For instance, in Great Britain, gold of standard fineness, about 92 per cent., was exchangeable for the national currency at the rate of £3/17/10 1/2 per ounce, which automatically produced a par value as between the American dollar containing 23 grains and the English pound sterling containing 113 grains fine gold of about 4.85 1/2 dollars.

It is obvious that the exchange of national currencies for gold at a fixed price upon demand and without restriction as above defined does not exist, and it is probably safe to prophesy that it will never be re-established.

### DEAD AND BURIED.

In that sense, the gold standard is already dead and buried. The importance which this inquiry possesses probably turns upon the vitality of the idea of gold as a greater or less component of the large bank credits which carry the major portion of business transactions.

The introduction of the word "credit" into monetary problems, although probably inevitable, is unfortunate. It opens the way to the assumption, no doubt temporarily not without justification, that monetary science is primarily a form of black magic, and that so long as the population can be maintained in a state of hypnotic trance in regard to monetary problems, accompanied by a touching faith in the witch doctor, all will be well. Only looked at from this point of view has gold any special function in regard to a modern currency and financial system.

If the world at large cannot believe that a currency system can be a good system unless it is connected with gold, even, though the population neither touches, sees, nor controls gold, it may be true that for a greater or less period of time gold has a psychological use in connection with currency.

### IF IT WORKS IT IS GOOD.

But, at the bottom, a monetary system is as good as it works. Any monetary system which will satisfactorily deliver to consumers those goods which producers are able and anxious to make, will create the most solid form of confidence, quite irrespective of its relationship to gold or any other single article. In order to do this, it must obviously vary with and be based upon those things for which it is an effective demand, that is, general goods and services.

The public, as a whole, does not want gold, and has no considerable use for it. It desires those things which can be summarised as a high standard of living and economic security. From the point of view of internal or national trade, then, the gold standard has no future, and is, in fact, based upon a complete misapprehension of the nature of the modern production system, which is not to any considerable extent an exchange of commodities individually produced, but is rather a synthetic assembly of output of machines operated by power and requiring continuously less attention by human operators.

### DIVIDENDS. MUST REPLACE WAGES.

For this reason, the problem of a satisfactory economic society is essentially a dividend problem, and not a wage problem, and its solution is, perhaps, less related to the idea of values, gold or otherwise, than to an appreciation of the fact that continuous production is only possible if the articles consumed are taken away from the factory door as fast as they are made. This is, of course, in complete opposition to the idea that production should be limited by the power to buy, but rather implies that the power to buy should be increased up to the limits of the power to produce, even though the power to produce is accompanied by a diminishing demand for labour.

Viewed from the standpoint of realistic international politics, the prospects of the gold standard do not appear to me to be much brighter. If it be assumed that some kind of gold standard could, for a time, be maintained, either by force of arms or otherwise, which is a considerable assumption, it would clearly confer upon those countries either having or controlling large stocks of monetary gold, an economic power in proportion to the willingness of

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the world to accept it. Since it is not established that gold holdings are a financial reflection of economic and military power, the political stresses which would be set up as, in fact, they are now being set up by the reaction against a system which does not reflect facts, would sooner or later, and probably within a very short term of years, bring about a social and political upheaval.

### GOLD HAS ITS USES.

Since gold has a definite use in the industrial arts, and is, on the average, expensive to mine and recover, it is quite probable that as an article of commerce it will retain a fairly high price under any monetary system, although probably much below that at present ruling. There is no reason to assume that the production of synthetic gold is beyond the capacity of the chemist or physicist, and there are many substances which have the resistance to corrosion and other valuable properties which in the past have appeared to invest the so-called "precious metals" with almost mystic virtues.

### FINAL STRUGGLE AT HAND

While the long-term trend of the relationship of gold to the modern monetary system is not difficult to apprehend, its immediate future is, of course, less easy to predict. Should, as seems probable, France be unable to maintain her present attitude in the matter, the remainder of the Gold Bloc would be placed in an impossible position, and would, no doubt, take such measures to protect its trade and commerce as the circumstances appeared to dictate.

All that can be said with any confidence in regard to this aspect of the matter is that the final struggles of the gold standard system are likely to be accompanied by oscillations in world trade at least as violent as those of which we have had experience.

Printed by The Advocate Press, 309-319 Lonsdale Place, Melbourne, for the New Times Proprietary Limited, Elizabeth House, Melbourne.

## 20th CENTURY TRAGEDY

Dr. Schacht, Germany's financial dictator, has been saying that the German people must be told again and again that they do not live in a land flowing with milk and honey."

Apparently it makes very little difference to people whether they live in a land of milk and honey or not. This country has been flowing with milk lately—referred to as "an unwanted deluge"—and we have a Milk Board to stem the flood.

Nevertheless, says a well-known writer on economics in one of the London dailies, "it is only fair to mention that Germany's total of unemployment has gone down."

Why, one wonders, were there any unemployed at all in a land which did not flow with milk and honey? Why were not their services gladly utilised in increasing the supplies of those commodities of which there is alleged to be a shortage?

"There undoubtedly has been some genuine improvement," continues the article, "but it is almost impossible to say how large it has been. . . . The clearest indication of the standard of living of the German worker is shown by this fact: although more men are at work and working longer hours than when Hitler came into power, fewer goods are being sold in the shops now than two years ago."

### WHY NOT TREADMILLS?

So the nature of the improvement is an increase of toil and a decrease in the ability to buy the fruits of toil; more work with less result! If work is to be the aim and object of industry, then the best and quickest way to provide it would surely be to erect large treadmills in every parish and establish camps where the people might go and pick oakum.

The writer does concede that Nazi economics have not brought very much improvement to the German working man, and then proceeds to explain the reason why, in his opinion, it has failed to do so. Germany has been going in for public works on a large scale and this takes men away from the production of goods for consumption and puts them on to making capital goods; that is to say if more is spent on national development than the savings available for the purpose.

But surely the public works were instituted for the express purpose of providing work for the unemployed, *that is to say, for those who were not making goods for consumption!*

It has been said that the British have not logical minds and there would seem to be a great deal of truth in this assertion, but it might equally well be said of the Germans, French, Italians, and most other people. It is a very disquieting thought, for surely it is reason that distinguishes us from the beasts, and if we relinquish reason presently we shall find ourselves behaving like wild beasts.

### WORSE THAN WILD BEASTS.

But even wild beasts do not fight for possession of something which is so plentiful that all can have enough, or trample on their food and push it into the water and then roar and bellow because they are hungry. It is not a pleasant thought that we have become more foolish than the beasts of the field. If we have lost instinct and ceased to be guided by reason, what will become of us?

The sinister array of machine-guns, tanks and bombers stand waiting and they seem to say—repent, for the Kingdom of Hell is at hand. The time is coming when your wheat will be denatured for you by poison gas and you will have no need of Milk Boards and Pig Boards, for your blackened fields will scarcely yield enough to keep man or beast alive. The time is coming when there will be work for all in digging the ground,

in nursing the sick and wounded, burying the dead and caring for the insane. If you do not use your God-given reason to provide for all from the abundance available, *real* scarcity will take the place of the *artificial* scarcity which is an insult to God.

We are not faced with a choice between staying where we are or going forward into the new Power Age, but of going backwards into the Dark Ages or forward to freedom and leisure. It is not *quite* too late to choose the way that leads to the land flowing with milk and honey.

D. BEAMISH, in *Social Credit*.

## Vassal States

In Morley's *Life of Gladstone* the following very significant passage occurs:—

"From the time I took office as Chancellor of the Exchequer I began to learn that the State held, in the face of the Bank and the City, an essentially false position as to finance. . . . The hinge of the whole situation was this: The Government itself was not to be a substantive power in matters of finance, but was to leave the Money Power supreme and unquestioned. In the conditions of that situation I was reluctant to acquiesce, and I began to fight against it by financial self-assertion from the first. . . . I was tenaciously opposed by the Governor and Deputy-Governor of the Bank who had seats in Parliament; I had the City for an antagonist on almost every occasion."

In order to fix responsibility for this policy it is, perhaps, only necessary to quote a recent speech by Mr. Montagu Norman, Governor of the Bank of England, as reported in *The Times* of March 21, 1930. A previous speaker, Mr. Hargraves, had said, "They held the hegemony, so far as this country was concerned, in finance, and he thought he might say, considering the way in which they were regarded in foreign countries, that they also held the hegemony of the world." Mr. Norman commented: "He was glad to note what Mr. Hargraves said about the hegemony in one place and another. He believed it was largely true, so far as overseas were concerned, and if it was true, it was largely the result of work which the Bank had devoted, first of all to the stabilisation of Europe, and secondly to the relationships between the Central Banks, which were originally advocated at Genoa."

It will be noted that Mr. Norman "believed it was largely true, so far as overseas were concerned." Is it too much to infer that "overseas" means the British Dominions, New Zealand included? No wonder the Minority Report of the Monetary Commission stated that, "Financially New Zealand is a vassal state." The British people are essentially liberty loving, nor have they hesitated to fight to the death tyrannies in the past once they have been recognised. Our ancestors fought the Divine Right of Kings, it is our task to fight the Divine Right of Finance of which the Empire's Central Banks are the pivotal institutions.

—Why (N.Z.).

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