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MELBOURNE, FRIDAY, NOVEMBER 15, 1935.

Every Friday, 3d.

YOU OWE £1400 MILLIONS!

Last week we had again a piteous spectacle with which this country is now growing familiar. The Prime Minister, Premiers and Treasurers of the Commonwealth and States met in conference. Nominally the assembly was vested with sovereign powers. Actually it was a farce and a mockery.

At the same time a genuinely sovereign assembly was in session nearby, giving secret orders to the representatives of the people. On those orders there will depend, for some months to come, an extraordinary variety of activities. Roads, bridges, water supply, sewerage, afforestation, schools, hospitals, the rebuilding of slums—these and a host of other enterprises will hinge largely upon what instructions the secret assembly passed on to the people's elected legislators. Indeed, the very lives of a million of us, and the prosperity of most of us will be greatly affected thereby.

This, you may incline to think, is an exaggeration. Nevertheless it is true that those who act as the nation's bookkeepers are ruling the nation. And the proofs will be given.

At this stage of our history it should not be necessary to point out that our well-being is not to be gauged by our material achievements. Were that so we should be enjoying almost boundless prosperity. Turn your mind back to the opening years of this century, thirty years or so ago. Do you remember the conditions under which we then lived and worked? Amuse yourself by recalling the inventions which have come into use since then. Obvious ones come to mind at once—cars, planes, phones, wireless, moving pictures, all sorts of electrical devices. Yet these things that you observe around you are the least in importance, for very few of them are necessities. Some, like cars, cause more deaths than war. The real progress of science is demonstrated on the farm and in the workshop and the factory where electrically driven plant has made child's play of man's most pressing problem—the preservation of life, the fight for his physical necessities.

It is not necessary to delve into this. Every newspaper brings it before you every day these years past. Wonder follows wonder in the realm of scientific production. But what of man? The newspapers don't tell you so much of him.

OUR STANDARD OF LIVING.

What of our standard of living in 1901, in the intervening years, and today? What has been the measure of our progress as expressed in the making available of the fruit of all these inventions to the general run of our citizens?

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The position of the man on the land can be dismissed very quickly. The official organ of the United Country Party, "The Countryman," summed it up very expressively and very tersely a week ago. In its issue of November 8 the editorial was headed: "Farmers Owe £500,000,000—Why?"

For the moment we can leave it at that. We can leave, too, the question of the present condition of business men generally in order to look into matters on which we have definite figures to guide us.

In the Official Year Books of the Commonwealth there are set out from year to year the weekly wage rates for all industries in each State. After taking into consideration the numbers employed (and unemployed) in each industry the Commonwealth Statistician is able to compute the average weekly wage prevailing throughout the whole of Australia in any given year. He calculates this wage in three ways. First he shows the nominal wage, that is, the wage in terms of pounds, shillings and pence. But, as the buying power of a pound varies from day to day, he shows, secondly, the real wage, as expressed in what the money will secure for its possessor in terms of goods. And in the third place he takes account of the percentage of unemployment,

thus arriving finally at as near an approximation as possible of the true standard of living of the average wage earner in Australia.

In the figures that follow, which are all taken from the Official Year Books, the wage is that of adult males. And for convenience, in each of the three above classifications, the reckoning is based upon the wage of 1911 being expressed as an index number of 1000. (That actual nominal wage, as denoted in money, was £2/11/3.)

THE NOMINAL WAGE.

Let us first take the average nominal wage. Here are some figures:—

Year.	Nominal Wage.
1901	848
1907	893
1911	1000
1914	1081
1918	1270
1921	1826
1929	1972
1932	1639
1934	1592
1935 (1st quarter)	1604

The story thus far represents more or less the striving of every trades unionist, of every Labor politician—the striving for higher money wages. As far as it goes it indicates, from 1901 to 1929, a steadily increased standard.

And, because the ordinary unionist and the ordinary Labor M.P. believed that the money wage was the real standard, they accepted with hardly a protest what was handed out to them from 1930-31 onwards. Never was there a greater deception put upon them.

For this first table means nothing at all. It is merely the table of wages in Montagu Norman jargon, in bankers' figures, whose meaning alters from day to day to suit bank policy. Money is worth only what it will buy. And the table which now follows translates the fiction into fact.

THE REAL WAGE.

Here is the same table again, but expressed now in relation to the purchasing power of wages:—

Year.	Real Wage (if all had full-time work).
1901	964
1907	996
1911	1000
1914	975
1918	932
1921	1076
1929	1082
1932	1168
1934	1148
1935 (1st quarter)	1145

What a different story these figures tell! Where now is the

wonderful rise in living standards, the war-time luxury, the post-war extravagance to atone for which the wage earner had to tighten his belt at the behest of the Big Four, of Otto Ernst Niemeyer and all the rest of the Bank of England gang? From 1901 to 1929 the average real wage standard rose only 12 per cent. Even that rise, as every wage earner knows, was mainly fictitious, for the intervening years saw large additions to the inevitable expense which accompanied wage earning. As one instance, the growth of our cities generally meant that workers had to live further from their jobs, and the extra fares paid in 1929 probably took away at one blow any little gain that had accrued.

But even these figures do not tell the whole tale. For they take no account of unemployment—of the individual worker's periods out of a job or of the unemployed dependents to be kept by those who still held their jobs.

THE REAL LIVING STANDARD.

And so we come to the third set of figures:—

Year.	Real Wage (allowing for unemployment at each date).
1901	945
1907	986
1911	1000
1914	970
1918	921
1921	1002
1927	1075
1929	1009
1932	870
1933	926

(In this last table, 1927 has been added, as that year marked the high water mark of real living conditions. Figures later than 1933 are not yet available.)

And now we have the truth. Now we have the figures that every worker with any sense should carry pasted in the inside of his hat. Look at those figures again:—1901, 945; 1933, 926. No increase in the standard of living at all. Not a blessed penny in 30 years.

Who has thus robbed the wage

*The Most Rev. Frederick Waldegrave Head,
M.C., M.A., D.D.,
Anglican Archbishop of Melbourne.*

Your Grace,

Since your welcome return from overseas we have read with close attention various reports of your speeches, as well as your own writings in the press. From them we have gleaned that you believe England is enjoying quiet prosperity, that the Empire is quietly strong, that the British Navy is ditto, and that Australia can continue to be secure only by clinging closely to the same Navy and the same Empire—our reward, presumably, being the same quiet prosperity as is being enjoyed by everyone in Britain except the two million unemployed and their several million dependents and the other millions who would be unemployed except for rearmament and the millions who are not sure from week to week whether their pay envelopes will contain notice of dismissal. We observe also that you think the Pope might have stopped the Abyssinian war.

All this is very interesting, even if a little profound. But we were hoping your Grace might have revealed something more of your attitude towards our local problems, particularly as you wrote some days ago: "My purpose in going was to have time and leisure for reading and thinking after a rather strenuous five years' work here. It had been difficult for me, under the conditions in which I have to live here, to find time for the necessary thought and reflection which leadership requires at the present day." From time to time in the past you have made those difficulties rather evident—in your attitude or lack of attitude towards what are called our economic problems, for instance.

Last year, if we remember aright, your Grace was inclined to leave the solution of these problems to University professors and bankers. We now respectfully submit to your Grace, what we hope your leisure for reading and thinking may have impressed upon you, that these problems require a far more active co-operation on the part of such spiritual leaders as yourself. Take the question of slums. Are not these the inevitable breeding ground of all sorts of sin and vice? Is

anything being done at present to remove this foul blot upon our Christianity? Is it not universally admitted that the only hindrance is finance? Is it not therefore within your Grace's spiritual province to give some study to a financial system which prevents practical Christianity? We would, again with the utmost respect, submit to you that this is even more vital to Christian living than the problem of education to which (when not speaking about the Pope and Abyssinia) you devoted your attention in St. Paul's Cathedral last Sunday. We heartily endorse your views about helping children to grow up into Christian men and women, but did you ever hear about the seed falling on barren rock? And if you do not remove the rocks of slums, of needless destitution, and of the apparent apathy of many Church leaders towards the horrible conditions under which so many of our people are ground down to-day, do you seriously think that, in your own words, "in the week-day instruction the Church can meet the hostile teaching of Communism, the extreme Marxist Socialism, and the new paganism into which the old secularism is developing"? For our part, we are not optimistic.

In case your Grace may at the moment be more in touch with "the work of the Empire and in particular of our Navy" than with local affairs, may we remind you that a very fine lead in the direction we indicate is being given by your own Australian Primate, Archbishop Le Fanu, as also by the Anglican Primate of our sister Dominion of New Zealand, Archbishop Averill?

Would it be presumptuous if we were to ask your Grace to read carefully the Memorandum to the Presbyterian Church Assembly which we publish in this issue—and perhaps also what the present Pope (who "might have prevented," etc.) had to say about the monopoly of finance in his famous Encyclical?
—THE NEW TIMES.

PS.—You have related that during your holiday you "drove about England in a second hand car." During your travels did you by any chance have the opportunity of exchanging views with Dr. Hewlett Johnson, your distinguished Dean of Canterbury?

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

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

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earner? The farmers with their 500 millions of debt? Hardly. The manufacturers? A few, yes. But not most of them. Industry is just struggling along, pretty much in the same position as the farmer and the wage earner. Who then is the robber?

For the answer go back to your secret government. By their works shall ye know them, and here are the works of the national ledger keepers, of those who have produced nothing, not even the buildings they live in, not even the ledgers in which they write up our debts to them.

OUR NATIONAL DEBT.

Here is the table of our progressive national debt:—

Year.	£s. of various sorts (Australian, English, etc.).
1901	200,000,000
1913	300,000,000
1915	400,000,000
1917	523,000,000
1918	653,000,000
1919	694,000,000
1920	770,000,000
1930	1,100,000,000
1931	1,156,000,000
1932	1,187,000,000
1933	1,204,000,000
1934	1,222,000,000
1935	1,242,000,000

Or, in Australian money, 1935 £1,390,000,000

Here is the inside story of the increased standard of living. Finance has increased its standard, it has multiplied our total indebtedness to it seven times over since 1901. At the beginning of the century our debt was just over £50 per head. By 1911 it had grown to £60. By the end of the war it was up to £130. Today the national debt, expressed in terms of Australian money, is £206 for every man, woman and child in the Commonwealth. We owe £1390 millions, payable in money. On the interest (exclusive of £4 millions suspended interest on war debt to Britain) amounts to £50 ions a year.

HOW TAXATION FOR INTEREST HAS GROWN.

You may find such huge figures hard to grasp. Here is a method of expressing them more simply.

As recently as 1915-16 the total taxation, Commonwealth and States, was £31 millions, or £6/8/- per head. In 1932-33 it was £93 millions, or £14/3/- per head. Of that taxation, £8 per head—more than half the total—is now required for interest on the national debt.

What applies to the public debt applies to the semi-public debts, to the debts of municipalities, shires, water boards, electricity commissions and the like. Averaged over the whole of Australia you will probably find that the major portion of the revenues of these bodies goes to pay interest. In some cases 14/- or 15/- in every pound is already allocated for this purpose.

Every farmer, every business man will tell you that taxation and interest are killing his business. Taxation, as has just been shown, is mainly interest. It is the interest bill which is keeping the worker from enjoying the fruit of invention.

The secret government, the Commonwealth Bank Board working in conjunction with the trading banks—all bodies without responsibility to the people—the secret government has decreed that the process of national recovery is now to be helped by a further increase in the national debt, by a further £7 ½ millions added to our liabilities at a still higher rate of interest.

HELPLESS POLITICIANS.

And what has been the attitude of your representatives? They have been concerned principally in competing with one another to see which State will secure the heaviest increase of debt, of interest, of perpetual taxation. One should make an exception in favour of Tasmania's Premier, Mr. Ogilvie, who has expressed his opinion of the sordid swindle in no uncertain terms. But the rest appear to be concerned nothing with national policy, nothing with any future beyond the next few months, nothing with the flagrant injustice they are perpetrating against our unborn children.

What is to be the end of it? Since 1901 our national debt has gone from £200 millions to £1400

millions; since the war concluded it has doubled from £700 millions. And there is no prospect of it doing anything else but going up and up and up. There is no possibility of it doing anything else unless the voters of Australia compel their parliamentary representatives to take one course.

That course is to withdraw from the secret government its power over our money supplies, to give back this power to the nation, to have the nation issue this money as required instead of borrowing it, and to issue it free of interest as our Commonwealth notes and our coinage are issued. It is a revolutionary change, if you like, but only in our point of view. It is merely a change in name. The money needs to be issued, as it is now being issued. More of it needs to be issued—what effect will the paltry £7 ½ millions have, for which Mr. Casey will now be appealing?

The only change required is the alteration of one word. Stop referring to the national debt. Call it the national dividend. The money issued in the past as national debt has been withdrawn, but the debt itself and the interest remain. Issue it as the national dividend, and it will likewise be withdrawn—only in the latter case it will leave behind it no trail of £1400 millions which cannot be repaid, and no annual charge of £50 millions in taxation.

"I AM NOT GOING TO DISCUSS SANCTIONS"

The following is an excerpt from an article, "At the Barber's Shop," which appeared in the Melbourne "Circle" of November 4. It is understood that the writer is a gentleman prominent in Melbourne's professional ranks.

"We have been reading a lot," says this writer, "about Abyssinia, Italy and Sanctions. I am not going to discuss sanctions, but if ever there is a proposal to send troops out of Australia to fight abroad, I would like you to come up to Russell-street and bail me out. I am afraid that I will be a bit of a nuisance in those days. You will be seeing me at some of the street corners on a lorry, or in the Bijou Theatre, urging the populace to impede such military measures. Yes, sir, I will help the unions to hold up the ships, to dislocate trade and to proceed to any extreme measure rather than have our men sent abroad. I daresay the Crimes Act will be handy then. I suppose you have read 'Remarque, C. E. Montague, Arnold Zweig and others who have written of the war. I was there, sir, in an infantry battalion, and I saw enough of my friends killed and maimed. My best friend—an only son—was killed on the last day our battalion was in the line. I saw scores of men carried out on stretchers as the result of one gas attack, and I saw sufficient of war's rottenness and hypocrisy to make me intolerant of any proposal for another A.I.F. All right for those who stay in the capital, plastered with bits of ribbons like a collection of military postage stamps, but you agree with me that when a war is over the mutilated are looked at more in the light of wretches worthy of compassion than as heroes.

"Who made the law that men should die in meadows,
Who spake the word that blood should splash in lanes,
Who gave it forth that gardens should be boneyards,
Who spread the hills with flesh and blood and brains,
Who made the Law?"

"Commonwealth CRIMES ACT and Political Offences."

Speaker:
Mr. J. V. BARRY, LL.B.
Academy Hall
(Opp. Camberwell Station),
THIS SUNDAY, 8.15 p.m.
Under auspices of Kew and Hawthorn Branches Douglas Credit Movement.

END MONOPOLY FINANCE!

A Call to the Clergy of Two Nations

By REV. FR. C. E. COUGHLIN and the DEAN OF CANTERBURY.

In the last issue of the "New Times" reference was made to a joint statement issued from Detroit, U.S.A., by Rev. Charles E. Coughlin, known throughout the world as America's Radio Priest, and the Very Rev. Dr. Hewlett Johnson, Dean of Canterbury, England, known also internationally for his fearless propagation, by voice and pen, of the Social Credit proposals. We have now received from our contemporary, "New Democracy," (New York), the full text of the manifesto, which we publish as it appeared in that journal.

A call to the clergy of two nations to join in a movement for monetary reform "which will usher in the new age of leisure which has been rendered possible by God's great gifts of science and invention", was issued from Detroit on Sept. 21 by the Rev. Fr. Charles E. Coughlin and the Very Rev. Dr. Hewlett Johnson, Dean of Canterbury.

Doctor Johnson, second ranking official of the Church of England, visited Father Coughlin at his home to discuss their mutual interest in social reform. Doctor Johnson is a leader of the Social Credit movement in England. Father Coughlin is head of the National Union for Social Justice.

After eight hours of discussion, a formal statement signed by both clerics was released.—Eds. "New Democracy."

We consider it the duty of every Christian to openly and actively condemn the destruction of foodstuffs and the restriction of output as one of the worst types of sacrilege, for God's gifts are flung back into His face.

We believe the world has an abundance of goods sufficient to give every person in western civilisation a good standard of living. That the only reason why this abundance of commodities is not consumed by the people of the world is the shortage of purchasing power, and until purchasing power is equated with the productive capacity of industry the total output can never reach the people who have produced it.

That the present financial system is anti-Christian in that it does not provide social justice nor individual security, nor allow the free development of man's personality nor recognise the worth of the individual, which is an essential of Christianity.

That the present system is undemocratic, un-American and un-British insofar as it gives private international bankers the right to coin money and stabilise its value, whereas the Constitution of the United States gives to Congress the right to coin money and regulate its value.

That the present financial system prevents the broadening of private ownership as it multiplies wealth in the hands of the few and poverty on the backs of the masses; and that Christianity, through the voice of Pius XI, has complained bitterly about the private control of credit, which is the life blood of all nations, and which to-day is so controlled in the hands of the few that no one dare breathe, let alone live, against their will.

That we are opposed to the iniquitous system of permitting bankers to create money which they loan to the Government and their fellow-citizens, exacting from them payment in currency money for both principal and interest, neither of which actually exist.

That the introduction of a scientific monetary system would go far toward removing the primary cause of war and allow Christian principles to be practised in the business and economic life of the community.

That we believe it not only the privilege but the duty of every Christian minister to give manifest proof of his belief in the brotherhood of man, which brotherhood becomes a mockery if the few are permitted to exploit the many; and that Social Credit has no part in extravagant

socialism, atheistic communism, or pagan Nazism.

That all Christians should join in a united effort to bring about this great national reform, which will usher in the new age of leisure which has been rendered possible by God's great gifts of science and invention.

That inasmuch as the battle for production has been won, we are now faced with the problem of consumption, which problem cannot be solved until the goods produced by the workers are equitably distributed, thus enabling men, through the benediction of mass production machinery, to devote their leisure toward enlarging their spiritual and mental lives.

That it is our immediate duty to Our Lord, Who, Himself, first fed the multitude, to point out from every pulpit there is this great abundance of goods, and teach the people to demand the distribution of such abundance to the starving millions by the introduction of a scientific reform in our monetary system.

"Getting Results" in the U.S.A.

"The A.A.A. programme of ploughing under American products is getting results," says the "Golden Age Magazine." "Several cargoes of Argentinian and Roumanian grain have been received at New Orleans and other ports. Each such cargo means so much cash for American banks that did not see how to get their money back until the scheme of destroying American products was invented."

The same journal announces that "the Home Owners Loan Corporation, otherwise known as the HOLC, is now making forty foreclosures per week. The average man has nothing to gain from borrowing money from the Government over borrowing from a local bank. In any event it is some bank that at the end holds the whip hand. The very fact that the Government itself has to borrow money from the banks, and insists upon paying interest on it, shows that the banks are more powerful than the Government and practically own the country: What was it President Lincoln said about this wonderful government of the bankers, for the bankers, and by the bankers?"

BOOKS ON MONETARY REFORM

Why Poverty in the Midst of Plenty? By the Dean of Canterbury	8d.
ABC of Social Credit. By C. Bar	7d.
Clay Smith	7d.
Dividends for All By C. Barclay	7d.
Smith	7d.
Tell Me the Story Simply. By Will T.	7d.
Duggan	7d.
Modern Problems and Mental Attitudes. By Rev. J. T. Law-	1/1
ton	1/1
Fetters of Finance. By Rev. J.	7d.
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C. H. Douglas	6/10
Social Credit. By C. H.	6d.
Douglas	6d.
The Breakdown of the Employ-	4d.
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Monopoly of Credit. By C. H.	6/3
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Poverty Amidst Plenty. By C. J. Galloway	10d.
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GOOD FAITH — AND INSURANCE!

By "LYCURGUS."

One often wonders whether the reverend (and other) gentlemen who fulminate so vigorously against the sin of gambling have ever stopped to think that the insurances which they have upon their lives, their homes, their goods and their chattels are essentially gambling ventures. As the late Sir William Anson points out in his excellent text book on the Law of Contracts, "a man who bets against his horse winning the Derby is precisely in the same position as a man who bets against the safety of his own cargo. Yet we call the one a wager, while the other is called a contract of marine insurance."

When one reflects on the matter, it seems very much as if the man who makes a wagering bet against his own horse is in a better position than the man who bets against his attaining the age of 60 or his house being burned down. The sinful punter is likely to be paid with much less difficulty and delay than is his respectable brother!

It would take too long, and it would not get us far, to discuss the probable reasons why wagers are considered sinful, and insurance contracts, which involve precisely the same principles, are thought to be entirely moral and proper. It may be of use, however, to indicate the favoured position that insurance companies hold in the eyes of the law, and to show how that position can be and often is abused.

"ALL MATERIAL FACTS."

In the first place, insurance contracts fall within that exceptional class of contracts which the lawyers, with their fondness for dog Latin, call contracts *uberrimae fidei* or contracts of the utmost good faith. In insurance contracts it is the duty of the person who wants to be insured to tell the insurer all material facts. He may not know what facts are material, and he may quite innocently and unwittingly fail to tell something which the company, when it finds it out after a claim is made under the policy, may consider should have been told. If the company persuades the last court to which it drags the unfortunate proponent that the fact he innocently omitted to tell it was material, then the proponent and not the company bears the loss!

In 1927 the Law Lords who constitute the Empire's highest court had a case before them which raised this question. Read what their Lordships had to say about the legal misfortunes of the happily named Sapsy Glicksman, the little Polish Jew of whom Viscount Dunedin speaks so feelingly. Having described Sapsy as "the wretched little ladies' tailor who could neither read nor write and could only sign his name, whose natural and best language was Yiddish, not English," Viscount Dunedin went on: "I am left with the impression that those—shall I call them attractive?—qualities which we are prone to ascribe to the Hebrews, among whom Shylock has always been the prototype, have been quite as satisfactorily developed on the part of the Insurance Company as ever they were by the little Polish Jew." Lord Atkinson joined in: "I think it is a lamentable thing that Insurance Companies will abstain from shaping the questions they put to intending insurers on these occasions in clear and unambiguous language."

Lord Wrenbury's judicial conscience must have hurt him also for he said: "My Lords, it is with the very greatest reluctance that I concur in the motion which is proposed from the Woolsack" (to allow the company's appeal and thus leave Sapsy lamenting). "I think it a mean and contemptible policy on the part of an Insurance Company that it should take the premiums and then refuse to pay upon a ground which no one says

was really material." One surmises that the legal gentleman who named the contract as being "of the most entire good faith" had his lighter moments!

"FILLING IN THE PROPOSAL."

Do you remember how you effected your life insurance (or your car or your house insurance)? That eloquent and affable gentleman who called on you obligingly wrote out the answers on the proposal. Then he got you to sign it. You did your best, racking your brains and straining your memory, to answer the questions he read out to you, and he put down your answers in his own way. Then you got your policy, and a weight was lifted from your mind. You are covered against that risk, you think. But are you? Get hold of any book on Insurance Law and read the chapter on "Insurance Agents." If, after that, you don't want your proposal back for further scrutiny and soul-searching, your simple faith is of the kind that may move mountains, but begets in appellate Courts only a fretful and wondering disapproval.

NOTIFYING FORTHWITH.

Let us assume, however, that you have managed to negotiate all the legal hurdles, and have got a policy which the Company that has been accepting your premiums does not challenge. When you got it, you saw it contained a lot of paragraphs in small print, and that these paragraphs were headed "Conditions." You did not bother reading them, but locked in your desk the precious paper that guaranteed you freedom from worry. Perhaps it was your car policy. One wet night your car runs down a pedestrian. You pick him up, give him your name and address, and he assures you he is alright. Your accept his assurance, and forget about the matter. A fortnight later you get a lawyer's letter claiming damages. Bliethly you send it on to the Company, with the thought: "It's just as well I'm insured against this." But are you? When you read your policy, you will find that you were bound to notify the Company "forthwith" of the accident. You haven't done so, and the Company repudiates the liability, because you have broken a condition of the policy. Your soul revolts against this seeming injustice, and you instruct your lawyer to issue a writ against the Company. He then gently points out to you that there is another clause you have overlooked.

ARBITRATION.

You must go to arbitration. That sounds fair enough, you think; going to arbitration can't be as expensive as going to Court. Ah, says your lawyer indulgently, but the policy says that you must pay your own costs whatever the result, and you've also got to pay half the arbitrator's fees!

Suppose you own a picture which you value at £500, and you insure it for that sum. It is burnt, and you claim on the Company for it. The Company, although it has been accepting premiums for years, says it does not consider your picture is worth anything like £500, and it wants arbitration. You very naturally inquire: "Well, if we go to arbitration, and I pay all my own costs, and half the arbitrator's and shorthand writer's fees, will you pay me what the arbitrator awards?" The Company's adjuster will reply: "Under the policy the Company is not called upon to define its attitude at this stage." In other words, you can pay for an expensive arbitration, with no certainty that the Company will not then repudiate its liability on some ground which it has up its sleeve all the time!

THE NEED FOR SIMPLER LEGISLATION.

The law of insurance contracts is a weird and wonderful growth.

It passeth the mind of mortal man to know in full its mysteries, and not one fraction of them is here touched on. Get out any one of your insurance policies and read it and see how much of it you understand. Then take it to your lawyer, and ask him a few questions about its meaning, and see how much of it *he* understands. Go to law upon it, and enjoy the spectacle of several learned judges debating its meaning with great wisdom and solemnity. Then, you may die happy in the knowledge that you have assisted further to obscure the unintelligible.

In the murky depths of insurance law lie all kinds of traps for the unwary assured, who never knows of them until he is caught fast in their grip. When one compares the simplicity and decency of the rules which govern its outcast sister, the wager, one wonders whether the law would not be better occupied in devising methods to protect the unwary proponent than in administering rules which are meant only to conserve the bulging coffers of the insurance companies.

It could be done. It has been done in Canada. A short Act of Parliament prescribing statutory forms of policies which insurance companies must use would do much to restore the law to some coincidence with justice. Particularly is it desirable that insurance companies should no longer be enabled to escape the publicity which repudiation of a policy justifies. The arbitration clauses in policies should be so expressed that, when a claim is made, the matter could go to arbitration only if both parties consent. At present the policies are so framed that the companies can insist on an arbitration, which takes place in the privacy of a barrister's chambers and behind locked doors. The companies take advantage of meritless quibbles and harsh technicalities, which they would hesitate to shelter behind in open court. Generally, public hearings are insisted upon as a means of preventing injustice and establishing confidence in the law. It should be so with disputed insurance claims. A claimant under a policy should have the right to insist upon a hearing in open court if he desires it, and the law should so provide.

Public sentiment, which now regards the insurance business as a form of legalised but inescapable roguery, would welcome such changes in the law. But in Australia, the insurance companies are the Vestal Virgins of High Finance, and woe betide him who lays impious hands upon them.

"Democracy"

Anyone who thinks that New Zealand is governed by Parliament cannot know much of the Reserve Bank. A Bill to establish this Bank was introduced in 1933, but was dropped, the new Act passed in the early session of 1934 arranging for the Bank to open in August. But it appears that the Governor of the Bank, which was not in existence and had not been authorised by Parliament, was appointed on January 1st, 1934. As we had frequently stated would be the case, this gentleman was from the Bank of England. He has about 60 clerks to look after. His salary in N.Z. is £6250 per annum, free of income and unemployment taxes, so that he is really receiving as much as half-a-dozen Cabinet Ministers. And Mr. Lefeaux's job is secure for seven years at least. Appointments such as this, made without Parliamentary authority, require searching investigation as to their whys and wherefores, but there is much more said about a relief worker's wage than about the extraordinary appointment of Mr. Lefeaux. — "Farming First", N.Z., October 25.

A CALL TO ARMS

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

At the moment the forces of reaction, the hosts of Mammon are weakening, and here and there they have retreated, but let no one suppose that they are defeated, and that we have only to sit back now and reap the fruits of victory. To many an attacking force has come disaster, complete and irremediable, through making precisely that same mistake. On them, over-confident and unprepared, has fallen the weight of a vigorous counter-attack, overwhelming them and sweeping away all their hard-won victory. Let us, therefore, be prepared. Let us recognise that this counter-attack is inevitable, that is indeed already launched and its first waves are to be perceived by those who would look. Already in the newspapers we find descriptions of the alleged failure of Social Credit in Alberta, of disunion between Major Douglas and Mr. Aberhart; of discontented crowds thronging the Parliament House at Edmonton demanding immediate payment of the Dividend, and side by side there is an attempt to discredit Mr. Aberhart personally, to show him as a crank, a religious semi-maniac. This is at present the merest trickle, which will swell to a torrent as time goes on, and not only will words be employed, but there will doubtless be used the agent-provocateur to mislead the willing, but ignorant, into demonstrations of protest against unavoidable delay. Such demonstrations will be pushed to the limit, and whenever possible there will be organised ruffianism such, as has characterised all the open displays of the power of the financial oligarchy. Every opportunity will be used to point a moral and advise a return to the sheep-fold of "sane" finance, and where excuse is lacking there will be no lack of lies. Under these circumstances what we have to do is to press on with redoubled energy and vigour. Every moment must be given to consolidating our gains and improving our strong position. To everyone with whom we speak we must insist that poverty is capable of being abolished, that all that stands in the way is this power of finance, and that we have at our command a force stronger by far than that. Talk abolition of poverty all the time, display badges, and get into conversation with people; show the "New Times" and other papers in trams and trains, and give away your old copies. Talk Electoral Campaign, sell the idea of Abolish Poverty to everyone. Talk about Alberta, show the difficulties and point out the real truth of the

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situation. Above all, bear an active part in the Electoral Campaign. See that in your district there is no house that has not been visited, and no elector that has not been invited to sign the Elector's pledge. Of all work in the world that is open to the average person, there is none so vitally important to civilisation as this organisation of the electorate to demand the end of poverty amidst plenty. As this is being written there are canvassers at work, men and women, who have given up their time to devote themselves to a cause that is the cause of all of us, and which none of us can afford to neglect, and to which everyone owes the plain duty of assisting in some form or other. The job is immense, but it can be taken in small doses, and wherever in any district there are two or three people of goodwill, they can become a working centre for the Campaign. Let us not be appalled by the magnitude of the job, it only looms large when you get scared of it. Tackle it boldly and thoroughly, and the great task will dissolve into a most fascinating employment. Now is the time, do not delay in offering your energetic services — next year may be too late.

Campaign Notes

To facilitate the collection of small donations to the Electoral Campaign Fund, a subscription list has been opened in the Douglas Rooms, and all visiting the rooms are invited to help swell the total.

Sandringham group are trying out an experiment in publicity. They have taken the Town Hall for the week November 18 to 22 inclusive, and will hold a meeting each night with a different speaker.

Hampton also are taking action, for, on Sundays, December 8 and 15, they will conduct a P.S.A. at the Soldiers' Memorial Hall.

Here's a chance for those who go to the beach to spare an hour in hearing something to their benefit. A sandwich-board man on the beach would provide useful publicity.

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FRIDAY, NOVEMBER 15, 1935

Cadging for Justice

Except for trifles like compressed air drills and the paraphernalia that goes with tram and road reconstruction the streets of Melbourne are comparatively quiet once more. One can again make one's way along the city footpaths without a collection box being rattled under one's nose every few steps on behalf of the hospitals or the poppy day appeal for destitute returned soldiers and their dependents. No longer are railway booking windows congested by invalids in cots placed there to elicit sympathy. But it has been a disappointing year. Collectors for the hospitals, it is alleged, were repeatedly insulted in the streets; the poppy day sales, it is understood, fell far short of what was expected. The public is sick and tired of these box rattling days. And the public is right.

This is not to say that the public is displaying either intelligence or ordinary civility in venting its dissatisfaction on those charming young ladies who undertake the not very pleasant job of shaking—or, lest one be misunderstood, one should rather say rattling—the boxes from morning till night. All honour to them for their efforts on behalf of the sick and the destitute. At the same time one may be permitted to regret that those who are most prominent in efforts to cadge money for so-called charities do not seem to be so prominent in those true social movements which insist that all these button, flag and poppy days are nothing more than the perpetuation of an inexcusable injustice. For the poor and the destitute are not, or should not be a charge on our charity; they are an urgent claim on our justice.

A few days ago the Melbourne daily papers ran the story of a soldier's tunic that was causing great trouble to the War Museum authorities. The value of the tunic lies in its coating of long-dried Flanders mud. The problem was to

shift the tunic without losing its dust to the new museum at Canberra. The accomplishment called for great care and probably quite a little expense.

A day or two later the original owner of the coat turned up, the soldier for whom nothing was to be too good upon his return from the trenches to Australia (see any daily paper from 1914 to 1918). There has apparently been a miscarriage somewhere, for, while the coat is being carefully preserved, this returned soldier, according to the Melbourne "Herald," "is an experienced motor driver and mechanic, but lately fortune has deserted him, and he is out of work."

Was there ever such damnable hypocrisy? "Fortune has deserted him"! Fortune has likewise deserted the sick and suffering in our hospitals, the widows and the orphaned children of soldiers who have died since their return from causes not directly traceable to the war, and those tens of thousands of soldiers and hundreds of thousands of our other citizens and their dependents who are willing to do any work required of them, but of whom mechanised industry has no immediate need. Of our population of 6 1/2 millions, more than 3 1/2 millions were shown in the 1933 census as having no income at all, another million had less than £1 a week, and another million ranged from £1 to under £3. Less than a million in the entire community had over £3, and only one in every twenty persons in the Commonwealth had £5 a week or over.

Think over those figures and, instead of complaining that button days are not the success they might be, is there not just cause for marveling instead at the spirit of generosity which prompts so many of our citizens to part with shillings they so badly need themselves? Is there not greater cause for indignation and for community action against those who are deliberately blocking the one reform which will abolish the need for rattling boxes in the streets by the simple expedient of giving an income to those who have none?

What Sort of a Hospital?

The question of supporting hospitals naturally leads to the burning question of the moment in Melbourne, namely, the disposal of the present Melbourne hospital site when the new building goes up elsewhere. There have been deputations, protest meetings and now there is heated discussion in the Victorian Parliament over the bill to empower the hospital trustees to sell the site. Reading the reports of the speeches, one is compelled to wonder whether the pressing needs of the moment are not rather the provision of a great many more mental hospitals. For what are the

actual physical facts?

1. We need more hospital accommodation. We have a new site. We have all the men, materials and skill required for the enterprise, and patients are waiting on all sides.

2. When the old hospital is demolished, its site would be ideal either for a park, for extensions to the adjoining public library and art gallery, or for similar purposes which would add to the beauty and grace of the city.

Then why not get to work without any further bother? What is the difficulty?

In the words of Victoria's Premier, "the whole question is one of finance." But what does this question of finance amount to? The Premier's contention is that the finance for the new hospital cannot be provided unless the old site is sold. If finance consisted of bricks and mortar and steel girders and such like things, this attitude would be understandable. But finance means no such thing. It means figures in ledgers, little else. So the position comes to this, that owing to a shortage of figures in ledgers the Melbourne public must either go without the new hospital or else go without the alternative real improvement to their city.

It is quite understandable that this should be condoned by those who today control the nation's finances, to their own great gain and to the people's detriment. It is equally understandable that it should be condoned by such upholders of the private financial monopoly as the Melbourne "Star", which began an editorial a week ago with these words: "Politicians have queer ideas about money. Some, at least, act as if they think money can be conjured out of the air." But it is not understandable that apparently sincere men like our political representatives should allow the people's interests any longer to be sacrificed to this bluff. The "Star" went perilously near the truth when it spoke of money being conjured out of the air. For nearly the whole of our money supply is conjured out of bottles of ink and sheets of paper. And the only obstacle, as even Mr. Dunstan admits, in this and most other important projects is that he and we allow ourselves to be bullied and victimised by ink-and-ledger conjurers.

The Presbyterian Church and Unemployment

The movement for monetary reform has long numbered amongst its most ardent advocates a group of men prominently connected with the Presbyterian Church, including several of its best known clergy. Until recently their efforts have been those of individuals, and it is no secret that they have had to face considerable opposition from the more conservative elements within their own Church.

But the Commission of Assembly of the Presbyterian Church of Victoria, which has been in session in Melbourne this week, has now expressed its official and unqualified approval of the principles which these men have been so courageously upholding. No longer is there any talk of finding work in industry for all. The memorandum on unemployment (which is reprinted elsewhere in this

WHAT DID YOU DO IN THE GREAT...?

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

What did you do in the Great War, Daddy?

I wrote about it, my pet.

What will you do in the next war, Daddy?

Write about it, you little fool. Somebody must write about wars. You cannot have a good war unless the newspapers keep reminding the people what it is about, lest they forget.

BLOWING HIM UP.

The pen is mightier than the sword. I mean ultimately. I do not mean to imply that in removing a Dictator's head, or impelling him from behind in any desired direction, a pen would prove as effective an instrument as a sword, regulation or two-handed. Those who have attempted to decapitate a Dictator with a fountain pen tell me that it is a tedious business, and that it has been found in actual practice more effective to take advantage of modern inventions and bean him with a typewriter.

I once read a crook story in which somebody filled a wealthy financier's fountain pen with high explosive, so that next time he began to use it, it blew him up. But this story, while proving to what excellent uses a fountain pen may be put, and inspiring, I hope, the secretaries of wealthy financiers with fruitful ideas, is irrelevant to my theme.

What the phrase is intended to

CANADA'S NEW PRIME MINISTER AND SOCIAL CREDIT.

In the western provinces, Mr. King has been friendly toward Alberta's effort to introduce Social Credit.

"Hands off Alberta," he has declared to be the Liberal position. At Saskatoon, he explained with reference to Premier Aberhart's provincial policy, "I hope with all my heart he may succeed."

—Vancouver "Weekly Province,"
October 9.

issue) accepts frankly and gratefully that

1. If by "employment" is meant functioning in the economic process, then universal employment is no longer necessary.

2. This is a blessing, and there fore physical poverty can and should be abolished.

3. Our existing monetary arrangements assume that the productive system is still an employment system, which it has ceased to be. Purchasing power must therefore be made available from some source other than employment, and the very fact of membership of the community should entitle the individual to receive this.

4. To bring this about, the control of the monetary policy, of the policy concerning the creation, issue and cancellation of money, should be taken out of those private hands in which it at present rests and should be re-vested in the community.

These statements amount to nothing less than a complete acceptance of the principles of Social Credit, which are now being acknowledged by honest men in ever-growing numbers all over the world. And nothing less than the acceptance of these principles can bring any measure of peace and prosperity where now we have little else than the prospect of gloom, destitution and war.

Our most earnest hopes go out that Presbyterians everywhere will act on the recommendation of their Commission of Assembly.

convey is that the written word has more influence upon the destinies of nations than lethal weapons, which is doubtless why the National Union of Journalists always insists on its members receiving higher pay than private soldiers.

It is doubtful whether modern wars would ever be fought at all but for the activity of the pens in providing the rival populations with their daily dozen bright sunbeams of truth, in case, being left to their own imaginations, the populations might guess right about the cause of the war and start fighting their own governments instead of the official enemy.

Few people are ready to fight for a foreign market, because they have never seen one. But if you call a foreign market a "hearth and home," they may join up. It is for such reasons that a sword is very little use without a mighty pen behind it.

The question at the moment is whether our pens are mighty enough to arouse the people to support the League of Nations with force of arms.

LACKING PUNCH.

The difficulty here is that most people are unable to think of more than one nation at a time. They are ready to be patriotic, but it will not be so easy to make them Leagiotic.

It is doubtful, for example, whether a man who is ready to fight for a whole Leagueful of countries, many of which haven't even a King. A recruiting poster which announces that

"Your Kings, Queens, Presidents, and Countries Need You", is a poster that lacks punch.

Again, if you reproduced a picture of the world, with the words, "Isn't This Worth Fighting For?" it would not inspire many men to rush to the 20 or 30 odd colours. Few men, I find, on putting the question, want the earth. It is too big. The general consensus of opinion is that they would rather have a small Bass.

It is said that if the League's army is big enough it won't have to fight, as Mussolini would not dare to oppose it. I gather that the League will turn out in full strength, or not at all. There is to be no question of "Half a League, Onward." We are, therefore, in the unusual position of demanding an army for the purpose of not fighting.

This idea does not readily lend itself to snappy slogans. If we say, "No More War. Join the Army Instead," the subtlety of the argument may be lost.

The situation, indeed, bristles with intellectual difficulties. Many a devout Pacifist has given himself a headache by realising that if the League doesn't have a big army Mussolini will slaughter the Abyssinians, whereas if sufficient people will agree to commit the sin of bearing arms there will be no war. This raises the question, "When is an arm not an arm?" and the answer, "When it's a Sanction," does not relieve the confusion.

It is, indeed, a knotty problem, and it will be interesting to hear what answers the future will provide to the question, "What did you do in the Great Sanction, daddy?"

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THE STORY OF KEROSENE SHALE IN AUSTRALIA

By D. J. AMOS, F.A.I.S., author of "The Story of the Commonwealth Bank", "The Story of the Commonwealth Oil Refineries", etc.

The kerosene shale deposits of New South Wales are first mentioned in the report of a French scientific expedition published in 1807, and tradition says that the rich Hartley Vale deposits have been known, and attempts made to work them, since the first road was opened over the Blue Mountains in 1815. However that may be, in 1865 the Western Kerosene Co. established works at Waterloo, near Sydney, but only the richer portions of the seam, averaging as much as 150 gallons of crude oil per ton, were treated. The Hartley Kerosene Oil and Paraffin Co. Ltd. was formed in 1866 but, for 14 years, confined its efforts to tearing the rich shale out of the mountain and exporting it. In 1880, however, a treatment plant was erected at Hartley Vale "for dealing with shale not rich enough in oil to bear the cost of exporting", but in a few years they ran through their supplies of such shale and retorting ceased. These two companies amalgamated in 1871 under the name of the new South Wales Shale and Oil Co., which started mining shale at Torbane, but, the rich seams becoming exhausted, they decided to drive a tunnel right through the mountains, and work the deposits at Airly. The company acquired on tribute the Jenolan seam near Capertee, the largest and richest known deposit of kerosene shale, and the work of tearing it out and exporting it went steadily on.

By 1905 the Commonwealth had been formed and definitely committed to a policy of protection and, although kerosene was still coming into the country free of duty, it appeared to the Directors of the N.S.W. Shale and Oil Co. that, if they started retorting and refining oil in large quantities from their shale instead of sending it abroad, they could easily get a substantial duty on imported oil and, in the course of a few years, be in a position to supply Australian needs themselves. They knew that they could get between 55 and 80 gallons of crude oil per ton from their shale, as against the 18 to 31 gallons per ton which the Pumpherton Co. obtained from the Scottish shales, yet this latter company, with the assistance of a duty of 3d. per gallon on imported kerosene, was paying good dividends to its shareholders. (During 1914 it was to pay a dividend of 50 per cent. on its subscribed capital.)

So they set to work and floated in London, towards the end of 1905, the Commonwealth Oil Corporation Ltd., with a capital of £1,000,000. In 1906 this new company bought up the N.S.W. Shale and Oil Co. and started operations on a large scale. It established its retorts at Newnes, in the bottom of the Wolgan Valley, with further refineries at Hartley, and it ran a light railway for 34 miles from Newnes, up 2000 feet of precipitous hillsides (the grades were sometimes 1 in 25), to a junction with the Government Railways. It imported from America special "Shay" engines, working on a system of cogs, to negotiate these frightful inclines; it had about 1000 men upon its payroll, and it spent money like water. The Commonwealth Government, however, declined to impose any duty upon kerosene, and although the corporation, in order to justify its contention that it could produce kerosene up to the required standard, accepted a contract from the New South Wales Government to supply them with 100,000 gallons annually, it could not compete with the well oil of the American companies, and was forced to go back to the old practice of export-

ing shale.

OUR LOSS THROUGH EXPORTS.

To quote Mr. Carr (Hansard, vol. 59, pages 5658, etc.): "Up and down the steep inclines of its railway toil the trucks, loaded with dark grey shale on its way to Germany, and every ton of it containing not less than 120 gallons of crude oil, most of it more. Australia receives £2 per ton for this shale, but the oil each ton contains is worth £10; so that the loss to Australia on each truck load of 200 tons exported is £1600 as a crude oil proposition alone, exclusive of the even larger sum represented in the purchase of the petroleum products contained in the dyes and in the printing inks that we buy abroad, in the colourings of delicate tint and shade that we see in the silks of the present day, the water colours our painters use, the mackintoshes our people wear, the ammonia we use in our baths and in our fields, and the anaesthetics our surgeons employ, all contained in that very Wolgan shale that the Germans are, bidding for as fast as it can be torn from the foundations and ribs of the Blue Mountains, where 21,000,000 tons of shale are actually in sight and some 60 to 70 miles of country are shale-bearing."

To add to the troubles of the Corporation, the British Australian Oil Co. and the Tasmanian Oil and Shale Co. entered into the shale oil business. The first of these, established in 1910, controlled 937 acres at Murrurundi, besides smaller areas at Jenolan, Capertee and Kelvin Grove, in New South Wales; the Tasmanian Co.'s works were at Latrobe, in the Mersey Valley, where large and valuable deposits of shale were discovered, and the oil from this shale was afterwards found to possess a greater calorific value (20,000 B.T.U.) than any known mineral oil ("Argus", 20/9/15, p. 4).

A GOVERNMENT BOUNTY.
The position of the Corporation became desperate, and it made a final effort to obtain Government assistance. Fortune this time favoured it. Between the years 1900 and 1909, the production of crude oil in America rose from 2672 to 7542 millions of gallons, and that group of oil interests known as "Standard Oil" found itself, in the latter year, with a stock of 5000 million gallons of oil on its hands. It tried to come to an arrangement with the European group of oil companies, known as "Dutch Shell", for a share in their sales; failing to do so, it cut its prices in Europe and, to make up for the loss sustained, pushed up the price of kerosene in Australia ("Argus", 26/11/10, p. 21; 16/4/12, p. 7).

The situation gave our legislators food for thought; they still refused a duty, but granted a bounty for three years of 2d. a gallon on kerosene made in Australia. In 1911, however, the Standard Oil Trust and the Dutch Shell Combine amicably composed their differences, and the Corporation, after staggering on for another year or so, finally closed down on 12th February 1912. The Inter-State Commission on Shale Oil (17/6/15) reported that "during the period of the operations of the Commonwealth Oil Corporation (1905 to 1912) the expenditure amounted to £1,796,000, the greater portion of which was wasted by useless extravagance and incompetent management; . . . each chapter in the unfortunate history of this company seems to have been characterised by a total absence of sound judgment or reasonable prudence." This is the first whisper we get of sinister influences working through managers

and staffs to prevent the establishment of an oil industry in Australia; these whispers become more and more audible as the years pass on, till they finally culminate in a roar of exposure. (See "Story of the Commonwealth Oil Refineries.")

The subsequent history of these shale works is rather interesting. They were re-opened in 1914 by Mr. John Fell, probably the most practical man in the oil business in Australia. He installed retorts of a new kind, and persuaded the Hughes Government to change the bounty of 2d. per gallon on kerosene to 2¼d. per gallon on crude oil. Then he produced over 3,000,000 gallons of crude oil, with which he supplied the wealthy gas companies in Australia and New Zealand, and as, owing to the bounty, he could sell it to them cheaply, it paid them to obtain their gas by using this oil rather than coal. (Hansard, vol. 88, pages 10,334, 10,840.)

Altogether Mr. Fell collected £125,156 in bounties from the citizens of Australia, but it is rather difficult to discover what they received in return. The works were again closed down in 1923 (by which date production of shale oil in Australia had ceased altogether) as a consequence of the Oil Agreement. From 1909 to 1923 they had produced 25,260,015 gallons of crude oil, from which 21,800,520 gallons of refined oils were derived, besides 1800 tons of by-products. (Joint Committee of Public Accounts, 23/2/1926, Part 2.)

In July, 1930, the high price of coal was found to be seriously affecting the costs of the big Broken Hill companies; they decided to replace their steam-raising plants by Diesel engines, using crude oil extracted from Australian shale, so they formed among themselves the Shale Oil Investigations Proprietary Ltd., bought from Mr. John Fell his abandoned oil plant at Newnes, and took over leases on 10,000 acres of oil shale lands near the plant.

INTERNATIONAL INTERESTS.

In May, 1930, we learn that leases, comprising 32,000 acres on the Maitland Coalfields, were under offer to the German Dye Trust, Standard Oil, and Imperial Chemical Industries, who proposed to extract by-products from the coal, and obtain 30,000,000 gallons of motor spirit a year. These people had already spent £20,000 in boring and surveying, and it was now proposed to establish a plant at Ellalong, on the coalfields. As both the then Prime Minister, Mr. Scullin, and his friend, Mr. Theodore, were said to be sympathetic towards these firms, "with a view to protecting the oil industry", it is to be presumed that they got what they required ("Argus", May 23rd, p. 6). Early next year the Standard, the Royal Dutch Shell and Imperial Chemical Industries combined "in order to extract oil from coal", and they are said to have had a working arrangement with the German-United States organisation, founded in the preceding year ("Argus", 11/4/31, p. 20). This huge international concern is a partner of, and works hand and glove with the great oil companies, and Mr. A. Gatley Lyon, a chemical engineer of Newcastle, stated in his evidence before the Royal Commission on the Price of Petrol (1934), that in his opinion Imperial Chemical Industries Ltd. was hampering the extraction of oil from shale and coal in Australia in the interests of the oil companies through influence brought to bear upon the Department of Science and Industry ("Argus", 1/3/1934, p. 13). It was a grim charge, and if true, shows the Commonwealth Government in the honourable role of office boy, not merely to private banking concerns, but also to great industrial combines.

"MAY I DRINK DOWN TO THERE?"

A Canadian Paper on Dr. Hewlett Johnson

"To see a little English child accept a glass of milk from a nurse, and, with finger on the glass, enquire, 'May I drink down to there?'; to realise that in thousands of English families children are asking parents that same question as they hold the glass their brothers and sisters are waiting for!

"And to know that last year forty millions of gallons of milk were poured down the drains of England!

"Now, don't you think that a parson has a right on the public platform?"

In these words the Very Rev. Dr. Hewlett Johnson, Dean of Canterbury, told 1200 people in Georgia-street Auditorium on Wednesday night (says the Vancouver "Weekly Province" of October 9) why he is an advocate of Social Credit.

"Social Credit is above politics," he said. "If it were only party politics I would not be here."

THREE MAIN AIMS.

The Dean, a tall, striking figure, gesticulating with his hands throughout, received an enthusiastic response from his audience. His gift of anecdote, his apparent disregard for his own eminence, his sincere and eloquent presentation of his subject, won appreciation and sympathetic applause.

"In my heart I feel that I am a Socialist, in my head I am a Liberal, and in my bones I am a Conservative, but I love everything that is under the name of Anglo-Saxon institutions," he declared.

"The first thing that Social Credit says one must do is to get back the sovereign right to make-money. The second step would be to make money serve the interests of industry and not industry serve the interests of money. Thirdly, there must always be enough money in the pockets of consumers to buy the things of which they are the producers."

NOT ENOUGH MONEY.

Before embarking upon an explanation of the principles of Social Credit, the Dean gave a short history of Major Douglas, the founder of Social Credit. Trained in India, especially in cost accountancy, Douglas volunteered for war service, was returned from the front to clear up transport of aeroplanes, and through his success in this mission evolved the scheme named after him.

To show what Social Credit is, the Dean took one instance, that of motorcars. He pictured as coming from the factory a stream of motor cars; on each of these cars is a price, therefore accompanying the stream of cars is a stream of prices. A third stream is composed of the wages, salaries and dividends paid the producers of the cars.

If there is not enough money to pay the price, the Dean contended, then some of the cars are not sold. If the price stream is too fast, something must be put into the money stream or taken out of the price stream.

"That is why milk, coffee and other commodities are being thrown away nowadays," the Dean said.

GENERAL SUMMARY.

He summed up the Social Credit system thus: If Canada's production amounted to, say, 400 million dollars, and the total wages amounted to 300 million dollars, there should be a 25 per cent. discount on the price of goods, or, in other words, put new money without interest in the hands of the people. Thus will be derived the dividend for everybody.

The result the Dean envisioned as a great creative society, a new age of universal employed leisure resting not on slaves, but on the machines, "God's own gift."

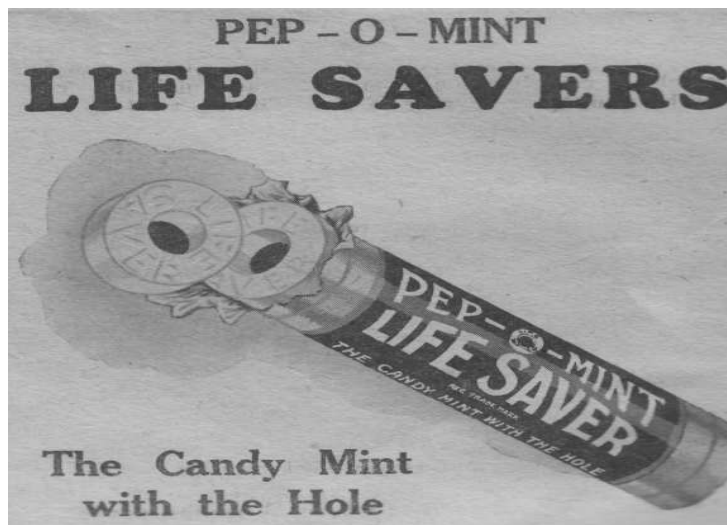
The same issue of the "Weekly Province" (which by no means favours Social Credit in its editorial policy) contains the following fair comment from its London correspondent:—

Major C. H. Douglas and Dr. Hewlett Johnson, the Dean of Canterbury, have been introduced afresh to millions of British newspaper readers because the Alberta electors decided to return a Social Credit Government.

Every newspaper of note in the United Kingdom "wrote them up," interviewed them, asked them to explain all about Social Credit "in a nutshell," so to speak, and even made it clear that in spite of the denunciation of them by the financial press as "currency cranks," they were men of outstanding ability, of wide knowledge, and better able to deal with the complexities of economics and finance than most bankers.

Major Douglas, the scribes pointed out, was not only a sportsman fond of tennis, fishing and yachting, but a man who had himself been successful in business life as an engineer in charge of electrification contracts on the Tyne and in India. Incidentally he helped to build the Post Office "tube" railway under London, and he now constructs yachts very successfully.

Dr. Hewlett Johnson, for all his stern words against those who keep the world in poverty while plenty waits on its doorsteps, is a man of charming personality, a persuasive orator and an original character. He was an engineer before he entered the church, and he joined the Independent Labor party soon after his ordination. He also was an athlete in his youth—a rowing "blue" at his university.



APOSTLES OF SACRIFICE AND LOWER STANDARDS

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

Last week we referred to the appointment of Professor Giblin at the age of 64 to the directorate of the Commonwealth Bank Board in place of Mr. McComas, who was "too old" to serve another term. We also showed the close connection between the Commonwealth Bank and the Bank of England, as well as between the Governor of the Bank of England and the leading director of the Federal Reserve Board of New York. It was explained how the last named, Paul Warburg, was the originator of the "Central Bank" scheme, and how Montagu Norman was an American banker up to 1920, when he was sent to London to become the financial dictator of the British Empire. It now remains for us to add that Dr. Schacht, another American banker, was sent to Germany to become the financial dictator there. These three men maintain close contact with each other, Mr. Norman paying frequent visits to New York and "holidaying" at the home of Dr. Schacht in Germany. He has also been "holidaying" in Canada since the results of the recent Albert elections startled the world, and his object in every case has been to prevent the community gaining access to adequate purchasing power, and thus to maintain the overriding power of the private banker. Professor Giblin has committed himself to the same objective, and has shown himself a faithful apostle of "sacrifices" and "lower standards."

In further substantiation of our claim that Professor Giblin's selection for a seat on the Bank Board was due to the fact that he may be depended upon slavishly to follow the utterly absurd dictum that the world and its people must take second place to money, we call attention to the report of the special committee appointed by the Federal Government in 1932 to conduct what is officially termed "A Preliminary Survey of the Economic Problem." The report opened up with this sentence: "The object of the survey is to find a way to restore employment." Professor Giblin was a member of this "survey" committee, and from start to finish the report reveals the impress of men who still cling to the methods of the Age of Scarcity even though we actually find ourselves in an Age of Power and Plenty. The phraseology used suggests that it was drafted by the contingent of "professors", who either refused to go outside the ambit of the stuff they prate to students, were utterly incapable of

bringing original thought to the problem or had some personal interest to serve in framing a report which would not be disturbing to the private monopoly which controls finance.

THE MEN WHO REPORTED —AND WHAT HAPPENED TO THEM.

Before giving our attention to what the committee said, we might note who the professors were and the happenings since. There were four of them: L. F. Giblin, L. G. Melville, R. C. Mills and Edward Shann. Professor Giblin has done particularly well. The following year he was appointed to the Commonwealth Grants Commission, and is now further rewarded with a seat on the Bank Board. Professor Melville is economic advisor to the Commonwealth Bank, and is in attendance when the Board meets. Professor Mills has been made a member of the Monetary Commission. Professor Shann is unfortunately now deceased. It is therefore clear that the report of these professors found favour with the clique who secretly rule Australia through their control of its finances.

It is quite impracticable to quote the report extensively, but seeing that two of the men who signed it are now directly connected with the policy of the Commonwealth Bank, the most powerful institution in the land, whilst the third of the four professors is to sit on the Commission which is to inquire into the system they have been upholding, it is necessary for us to be aware of their mental approach to the conditions which so gravely affect everyone of us. Please consider the following extracts:—

WHAT THE REPORT SAID.

"Unemployment is due to the fall in the national income." "It is true that we have produced and exported in the last two years more wool, wheat, butter, meat, gold and other products. None the less, real income has fallen." "More than double the volume of exports is required to pay our interest bill." "No plan to relieve unemployment can be successful unless deficits are becoming progressively reduced." "The restoration of employment is to be found in bringing into harmony the costs and prices of export industry. This adjustment must involve for the time a general lowering of standards in agreement with our loss of real income." "The re-absorption of all the unemployed is unattainable until prosperity is regained over a

large part of the world." "The extent of Government action is determined by finance. Any money raised... will come mainly from the banks." "It is the duty of governments to provide sustenance for the large numbers who... will remain unemployed until overseas prices rise." "The economic problem, as we understand it, is that of keeping at a maximum the well-being of the nation. This well-being may be measured... by the aggregate incomes of Australians. Any fall in the aggregate incomes of Australians measures some depression in the activity with which they serve one another and others with whom they trade."

These views caused them to recommend further reduction of costs and increased efficiency in production as "the way to restore employment."

WHAT WAS NOT EXPLAINED.

Running through these, extracts briefly, we find that the Committee regarded the fall in 'the national income as an unpreventable occurrence, like an earthquake which did not need explaining, for not a word did it give as to why the "income" fell in the face of abounding wealth. Similarly, the members of the Committee were content to say that more than double the quantity of exports had to be sent away to meet interest requirements without any explanation of why interest had suddenly become so onerous and yet so compelling. In the same way the Committee failed to show how the people could possibly purchase more goods or pay higher prices if they are obliged to accept lower standards and Governments can only spend what they "collect" from a financially impoverished people. Another thing they forgot to explain was this: if prosperity was lost when the world was actually producing more and more wealth with less and less effort, what sort of "prosperity" would be regained by producing less and less wealth with more and more effort? Furthermore, if the extent of Government action in the community's interests is determined, as the Committee admits, by finance, then the Government is not a free agent of a sovereign body unless it controls finance; and as the Committee confesses that money "raised" by the Government must come from the Banks, it unwittingly confirmed that the Banks are the real rulers behind the Government, and that they are responsible for the fall in the national income and the associated suffering.

Notwithstanding this, and their talk of progressive reduction of deficits, the gentlemen of the Committee went on to say, with pathetic inconsistency, that Governments must provide subsistence for all who will remain unemployed until overseas prices rise! What if overseas prices do not rise? And what if Mr. Menzies was really correct for once when he said we must in future depend less on external markets and more on the home market? Are we to starve here because of the price level in other countries even though, we can produce more than we can consume? And if it is true that our well-being is measured by our aggregate incomes, without regard to the distribution of those incomes, then if 5 per cent. of us receive the lot and the other 95 per cent. are destitute, the national well-being must be assured!

Again, if the Committee really believed that our activities are governed by our incomes, why did it have nothing to say about maintaining and increasing those incomes, especially when all money used in Australia is made in Australia? And, still further, can we believe that the members of the Committee were in their right mind when they recommended a reduction of costs combined with increased efficiency in production? In other words, they said: "We know we are

producing more than we can sell, and that the people have been deprived of their incomes, but if Industry would circulate less money and increase the quantity of goods it would be able to sell more!" And to think that these are the considered opinions of the man who has been appointed to the Commonwealth Bank Board. He never discusses the things that really matter — science, mechanisation, purchasing power and effective distribution.

A FURTHER SURVEY.

Following his brilliant effort in the Survey of the Economic Problem (even though he started the survey from the wrong point, i.e., effects instead of causes), he was promoted soon afterwards to the Commonwealth Grants Commission to make a further "survey", and here again he commenced the survey at the wrong point by looking at the division of finance instead of its creation and control, and showed brilliance appropriate to his age and associations. Is it any wonder that the Prime Minister should feel obliged to make this significant public admission:

"Of the many problems which arise in the working of the Federal Constitution, none is so difficult and so intractable as the adjustment of financial relations between the Central Government and the various State Governments. The Grants Commission, appointed by the Government two years ago, has endeavoured to formulate some definite principles upon which financial assistance might be based. The chief point in its report is that the Commission can see no better way of assisting the budgets of the weaker States than by the system of grants determined from year to year according to certain principles."

How could such a Commission contribute anything material to the solution of a problem in the consideration of which it gave no place whatever to the most important aspect of it? Not one word did we see in the report about money itself, the only thing which the States lack. Before the Commission sits to write another effusion, the Prime Minister would be well advised to demand a clear explanation of what money, is, who "produces" it, how it is produced, who owns it, at the point of "production", who controls the quantity and distribution of it, and why the community is so short of it. The failure of these commissions was apparently one of the strong points which caused the Government to select the great professor for higher service to finance and greater disservice to the community at large.

Compare the attitude of this out-of-date economist with that of the Prince of Wales. Speaking to two thousand British architects in London last November, His Royal Highness said, this: "The great majority of our people should, and can have better living conditions... I feel most strongly about this. You must consider the greater and more important ideal of working for the great majority of our people instead of studying the needs of the minority. I am anxious to see the living conditions of the great masses improved as quickly as possible."

We are with the Prince in the fight for better standards, and against Professor Giblin and his ilk, who seek to debase them. Better living conditions can only be provided by giving our people access to food, clothes, shelter and the things which go to make home life more comfortable and attractive. All those things are available in abundance, but we lack the tickets of distribution and the accounting machinery, the two unreal and unnatural things which form the barrier to the use of the real and natural things. Professor Giblin knows that we are abundantly supplied with material things, but

The Golden Calf

It is not the Jews, but the Central Bankers of the World who idolize gold as the very Ark of the Tabernacle. When they get some, their precautions for its safety are as horrible as are the substitutes for religion upon which Dean Inge has not yet sharpened his wits. The two thousand millions of pounds' worth of gold which the United States Government — daily becoming more and more a Central Banker's puppet — deludes itself into supposing a fair reward for two thousand million pounds' worth of American goods, has aroused great anxiety in regard to its safety. So elaborate and expensive are the precautions to guard this gold that on the vote in the House of Representatives Mr. Buchanan, Chairman of the House Appropriation Committee, asked if Mr. Cass, the Treasury expert, feared an attack by the army. Lately, half the gold was moved from San Francisco to Denver, the Pacific Coast being too exposed. The safety measures now voted include radio, flood-lighting, tear-gas, machine-guns and special guards. By the time America has added the world's silver to its gold, and begun to buy up pearls, platinum and diamonds, its unemployment problem will be solved by conscription for the guardianship of the treasure.

I have described the Bank of France before. It is air-raided, gas-attack, artillery proof. By the pressure of a button intruders can be dropped into the waters under the earth.

The new Bank of England isn't bad. With becoming modesty it is the safest in the world, although it holds only about £150 millions. The bronze entrant doors, each weighing eight ton are artillery and riot proof. The eight feet thick walls of the vault are thief, moth and rust proof, not to mention depth charge and electric drill proof. The doors of the vault weigh twelve tons each. The safes cost half a million, and the doors weigh twenty-five ton each. Altogether, over thirty thousand tons of good steel went to the making of these vaults. Electric cables run everywhere and the slightest interference with the "Do not Touch" of this amazing "Lullaby Land" rings an alarm. To prevent any super clever fellow from cutting the current off, it is made on the premises in an enormous subterranean engine-room. All this is not enough. A detachment of his Majesty's Guards attends nightly to protect the place from mice. Information whether the entire Court of the Bank of England also suffers from insomnia (terrified lest one of the partners should get there first some morning complete with a trick for opening one of the doors by himself) is not available. — "Pontifex", in the "New English Weekly."

Unfortunately his activities have been directed towards preventing or delaying the improvements advocated by the Prince, with the result that the great majority of the people are not permitted to use the gifts of God or enjoy the wonderful things made available by the skill of our fellow-countrymen. We therefore register our strongest objection to the action of the Federal Government in placing him in the position to be even a greater obstacle to the liberation of Australia from the tools of Finance. If past events are any criterion, we may expect poverty and misery to continue in this land of plenty, for the new director of the nation's bank confessedly stands for the debasement of the people's living conditions.

TO OUR READERS—

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OIL-AND WAR

VII.—Russia

[Editor's Note.—In this series of articles is being unfolded the grim battle for world supremacy in oil, a battle ranging through nearly every country in the world, and in which the chief actors are British interests, represented mainly by Royal Dutch-Shell under Deterding, and the American forces led by Rockefeller's Standard Oil. The earlier articles appeared in our issues of September 27, October 4, 11, 18 and 25, and November 1.]

We have already noted that Royal Dutch-Shell had penetrated into the enormously rich oil country between the Black Sea and the Caspian, where it had absorbed a French company organised by the Rothschilds. It was to get the oil in this country that the Germans and Turks strove so desperately against the armies of the Grand Duke Nicholas in the world war. And it was from this region that a great deal of the propaganda of Stalin went forth before the Bolshevik revolution.

With the Bolsheviks came the appropriation to itself by the Soviet of all sources of production in Russia, including, of course, Deterding's Caucasian oil fields. There followed the backing by Britain of the White Russian armies, intended largely to re-establish Royal Dutch-Shell in its preserves. At the same time Sir Henri, making for once a very bad error of judgment, was busy buying up at bargain prices as much as he could secure of confiscated oil lands which had belonged to Russian aristocrats who had succeeded in escaping the Bolshevik Terror. The Anglo-Caucasian Co., intended to be another Anglo-Persian, was formed to exploit these areas when the White armies should have subdued Lenin.

Standard followed the same tactics and bought out, amongst others, the interests in Baku of Nobel of Sweden, a name well-known in the armament and the peace-prize world.

But the White armies were not successful.

"STOLEN OIL."

Failing war, bargaining was then resorted to, and once again we had the spectacle of Royal Dutch-Shell and Standard Oil bidding against each other for a monopoly. But the Russians, while willing to grant concessions up to a point, would not give sole rights to either. Negotiations broke down, and Baku oil, produced by Russia herself, began to appear in European markets in competition with the British and American rivals. The result was a temporary alliance between Deterding and Rockefeller to declare Russian oil black, on the ground that it had been stolen from its rightful owners. But alliances of this sort do not last long, and this one was broken when Deterding, through one of his subsidiaries, bought cheaply some of the Russian output and began to use it in a price war against Standard.

HARRY SINCLAIR.

Russia was already competing against British influence in the Persian oil situation (as will be shown in the next article), and it was natural that Bolshevik policy should incline towards joining forces, for the time at least, with Shell's and Anglo-Persian's great American rival. But negotiators in America finally selected a man in the United States whom they thought they might work with even against the mighty Rockefeller. That man was Harry Sinclair, in the forefront of the independent American oil producers. Sinclair had started in the oil

the oil business in the early 1900's, had made a fortune out of Oklahoma, had dabbled in Central and South America, and was now looking for successes further afield. Here was a man who might be used against both Deterding and Rockefeller, the quondam anti-Russian allies. Sinclair, besides, was a close friend of President Harding and of several members of his administration, and could be relied upon to use his endeavours to secure recognition and, what was more important, supplies of machinery for the Soviet from the United States. So Sinclair was invited to Russia.

Harry Sinclair came back from that trip with the whole of Baku in his pocket, on the basis of a fifty-fifty share in the profits between the Soviet and himself. The conditions were that he was to invest something like a hundred million dollars in working the fields, and that he was to obtain from his country a loan for Russia.

Standard, seeing the holdings it had bought from Nobel going west, was furious, and Standard set to work to block the American loan. It had one useful lever in the American Secretary of State, Hughes, formerly attorney for Standard's interests. It had a better one in the Teapot Dome affair.

THE TEAPOT DOME SCANDAL.

The Teapot Dome Scandal, as you may remember, consisted in the revelation that Fall, Secretary for the Interior, had granted illegal leases of American naval oil reserves at Teapot Dome, in Wyoming, and elsewhere, to Sinclair and another, and that Fall had received from Sinclair about £50,000 in Liberty

DOUGLAS CREDIT WOMENS MOVEMENT.

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bonds. This was the end of Sinclair's Russian adventure, and his concession was cancelled shortly afterwards for non-fulfilment of conditions. It also marked the end of the greatest attempt of an independent to buck the American tiger. Thereafter Harry Sinclair devoted less attention to world oil politics and a good deal more to such harmless enterprises as his racehorse, Zev.

Their experience with Sinclair, following those with Deterding and Rockefeller, made the Russians decide to develop their own oil without outside assistance. At the same time their relations with Standard became more friendly, just as the mutual antagonism between themselves and Deterding (who had married the daughter of a Russian White general) increased. Marketing agreements were made between Standard and the Soviet oil trust. Standard bought Russian oil; flooded, amongst other places, the Indian market with it. The Russians bought American machinery; established trading offices in New York. American official opinion veered more and more in favour of Russia. The climax came last year when Roosevelt accorded official recognition to the Government of the Soviets.

(To be concluded.)

HIS REDEEMING FEATURE.

Herbert Hilder (18), of Egerton Avenue, Hextable, who killed a dog by striking it on the head with a hammer, was shown leniency at Dartford recently after he told the magistrate he had joined the army.

—London Daily Telegraph.

PRESBYTERIANS ACCEPT PRINCIPLE OF NATIONAL DIVIDEND

Notable Memorandum Presented to Commission of Assembly

The Commission of Assembly of the Presbyterian Church of Victoria made history on Tuesday of this week, when it unanimously received and commended to the study of the whole Church the following memorandum on unemployment, submitted by the Council of the Movement Towards a Christian Social Order:

"1. Man's Achievement: Plenty Yet Poverty.—Man's struggle with the forces of nature for a livelihood is now practically over. There no longer exists a problem of inadequate production. Man can produce enough to satisfy his immediate needs. Physical poverty can, and therefore ought to be abolished. The reason for it has disappeared. Man lives in a world of plenty, where potential wealth is simply incalculable.

"2. Penalised by Success.—A decrease in the need for unremitting human toil for a livelihood is a social achievement. The displacement of labour by man-made power-driven machines should be a blessing, but actually 'unemployment' under present conditions is a penalty inflicted upon the whole community. Those who lack employment are conceded only the bare means of subsistence. Thus human values are subordinated to the demands of financial capitalism.

"3. The Changing Basis.—If by 'employment' is meant functioning in the economic process, then universal employment is no longer necessary; yet at present employment is the condition under which most individuals are given a claim to the wealth of society and so to the right to live. The present monetary system rests on the assumption that the productive system is still an 'employment' system. This it has ceased to be.

"4. The Impasse.—As the productive system increases in efficiency, labour is progressively displaced, which means that relatively less and less purchasing power is distributed. Consequently, even a system efficient in production is unable to deliver the goods and services required by the community because the latter has totally inadequate purchasing power.

"5. The Right to Live.—Purchasing power must, therefore, be made available from some source other than employment. Membership of the community should, ipso facto, and normally, entitle the individual to receive sufficient purchasing power to ensure a standard of living commensurate with the achievements of society.

"6. The Barrier.—The monetary system is at present controlled by groups of private individuals and is not performing its proper social function of facilitating the production, distribution and exchange of commodities and services. "Consequently the control of the monetary policy (i.e., the policy concerning the creation, issue and cancellation of money) should be re-vested in the community, that it may be directed to social ends.

"7. Social Well-Being Denied.—The primary economic function of the community is to provide food, clothes and shelter for its members. Under the existing system the full satisfaction of even these elementary needs is being denied by the unsocial control of the

mechanism of distribution—viz., money.

"8. Mammon v. Man.—The method of the existing economic system is competition. Its objective is the acquisition of interest-bearing property and financial control. These ends are pursued irrespective of the cost in human material. Labour is treated as a chattel, and human life as a means to a purely financial end. With the unavoidable recurrence of crises, and to avoid selling at a loss, unemployment is enforced, potential wealth inevitably prevented from becoming actual, and real wealth destroyed. An economic system which necessitates such absurd frustrations of human goodwill and reason cannot be in harmony with the Will of God.

"9. The Christian Way.—The Christian social dynamic is the Spirit of God working through co-operative service for the common good, so that the resources of nature may be used without injury to one's self or hurt to one's neighbour."

[Editorial comment on the above will be found on page 4.]

WHY NOT US?

He was leaning against the counter, reading the "Daily Mail," as I came up to the bar.

"If Alberta, why not us?" he said, turning to me rather truculently.

"Who is Alberta?" I asked, rather surprised, "I don't know her."

"Tain't an 'er—it's a plice—Alberta in Canada."

The light dawned on me. "If Alberta can 'ave it," he went on, "why not us? Ain't we the Mother Country?"

"Certainly," I said, "but a mother is always behind her children."

He was rather huffed. "I don't want no jokes," he said shortly. "I'm askin'. Jf all these 'ere blokes in Alberta can have £5 a month—why not us?"

"That's easily answered," I replied. "They've voted for it, and we haven't."

"Wotcher mean by that?"

"It's simple enough; these fellows heard of a National Dividend, and made up their minds to get it. They went round to all the candidates for their Government—sixty-three there are—and got one everywhere to pledge himself to get this thing through. Then they all put their votes on him and the thing was done."

"You could do it here easily enough if you and your mates, and they and their mates were to go to members of Parliament—Conservatives or, Labor or National—all the lot—and get them everywhere to pledge themselves for the next election, and then vote them in. We'd get our £5 a month—or perhaps more, as we're a bigger and richer country than Alberta. You and your missus have each got a vote, and so have all your pals. It's no good just to stand and jaw about it—you must get to work."

He pondered: "Sounds a bit of orlright," he said.

"It is," I answered firmly; and having finished my glass I saluted the lady behind the bar, and left him to it.

—"E.B.," in "Social Credit."

AUSTRALIAN WOMEN ARE GOOD COOKS SAY MANY VISITORS FROM OVERSEAS

—and some are better than others, of course. You will find that most of the best cooks give credit for their success to the ingredients they use. If you could take a peep into thousands of kitchens whilst cakes were being made or dinners being prepared, you would find PINK PACKETS on the majority of tables—the sign of good cooks.

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The Tasmanian Monetary Inquiry

Full Report of Parliamentary Select Committee

The Select Committee appointed by Your Honourable House on the 28th day of November, 1934, and re-appointed on the 25th day of July, 1935, to inquire into and report upon the following matters:—

- (1) Whether the people are being prevented by any removable banking or financial circumstances, factor, law, or condition from possessing, consuming, and/or utilising and enjoying the increase of wealth and/or the actual and potential increase of production over the last thirty years; and, if so, the cause, and what remedial steps should be taken; and
- (2) All matters and things appertaining and incidental thereto—

has now the honour to submit the following report:—

Your committee held nineteen meetings and examined a large number of witnesses, including Mr. H. J. Exley, Deputy-Commonwealth Statistician; Mr. David Robertson, Manufacturer, Caulfield, Victoria; Mr. Arthur Herbert Marshall, Managing Director of Clements and Marshall, Devonport; Mr. Alfred Ernest Watson, Manager, E.S. & A. Bank; Mr. Frank Byron Cane, Company Promoter; Mr. Frank Ernest Ward, Director of Agriculture; Mr. George Davy Balsille, Director of Public Works; Professor Torleiv Hytten; Mr. Stanley Rupert Adams, Manager, Agricultural Bank; Mr. James Charles Foley; Mr. Frederick Howell Ault, Engineer.

REPORT

On the evidence placed before it the Committee finds that the people are being prevented from possessing, consuming, and/or utilising and enjoying the increase of wealth and/or the actual or potential increase of production over the last 30 years; that the cause of this is 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 over 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.

WHAT INQUIRIES HAVE ESTABLISHED.

The inquiries of the Committee have shown that, since the basic wage was first fixed in 1907, the benefits of the great advance in scientific and mechanical aids to production have not been passed on to the general community, but instead have been appropriated by a small section of society, while the great bulk of the people have actually suffered a lowering of their living standards.

Owing to the fact that statistics relating to production have been kept in the form of variable money values and not in the form of bulk quantities, it has not been possible to give an accurate comparison between production at the present time and that of 30 years ago. At the same time, the following facts, to which particular attention should be drawn, appear to be fully substantiated:

- (1) There has been a great increase in actual production,

Editor's Note.—In our last issue we published a short summary of the unanimous report of the Tasmanian Parliamentary Select Committee. The full report is now available and, in view of its importance, it is proposed to publish it in full in this and succeeding issues.

- (2) This increased production has been effected with the use of the services of a relatively small number of workers in industry, and the trend is to wards greater production with fewer workers,
- (3) The workers dispensed with have been left absolutely with out incomes, while the basic wage of those retained in industry has a lower purchasing power than in 1907,
- (4) The smaller producers, manufacturers, distributors, and retailers have been and are being overwhelmed with debt and driven out of business,
- (5) The place of the interests mentioned in (4) is being taken by organisations of a monopolistic tendency, and
- (6) These monopolistic organisations can be closely identified with the monopoly of finance as represented by the private banks and their subsidiaries.

This points to the fact that production has been and is secondary to finance, whereas finance should obviously be secondary to production, i.e., finance should be the servant, and not the master of industry.

SHORTAGE OF PURCHASING POWER THE CAUSE.

Not only is it evident that our people are not receiving full benefit from our increased production, but a large portion of our potential wealth is being wasted, not because of any shortage of people with the desire to consume, but because those having the desire have not also the purchasing power to procure the goods, and this, in turn, hinders manufacturers and producers.

It is rapidly becoming recognised that shortage of purchasing power is the great cause of the world's difficulties. Economists and supporters of the present financial system seem particularly desirous of showing that this system will work well as long as it is expanding, that is, so long as money lent for future productive and public works is being made available to buy present production.

The economists and bankers thus practically admit that industry is not self-liquidating, that is, that during any one cycle of production enough money is not made available to buy the products and thus meet the costs unless further purchasing power is borrowed. This new money is a debt either to individuals or the community, and the interest on it still further decreases the available purchasing power.

There does not seem to be any way of bridging this gap between prices and purchasing power under our present financial system.

COMMUNITY CONTROL OF CREDIT.

The Committee urges the Commonwealth Monetary Commission to pay the greatest possible attention to the statements in the Journal of the London Chamber of Commerce concerning this gap, and the closely related fact that credit is created and issued by the banks as a debt to the community, and that the money to pay interest is not issued except as a further debt, and that it is therefore useless to seek a solution which does not involve community control of credit.

The apparent confusion of opinion about the creation of credit and the origin of money required for

interest, stands out very clearly throughout the Committee's inquiry.

Even in the earliest days of banking, it was known that a bank's chief source of profit is in the issue of credit, and, in more recent years, the injustice of this has become apparent to larger numbers of people.

Attention is drawn also to the articles by Messrs. H. T. N. Gaitskell, G. D. H. Cole and the pronouncement by the London Chamber of Commerce, which are very illuminating when compared with the broadcast of the Federal Treasurer, Major Casey, as reported in "The Mercury" of October 21, 1935.

Major Casey said: "The Commonwealth Monetary Inquiry was not being held because the Government suspected underhand work. It would be useful even if it only showed whether or not the present system could be improved."

"It might appear strange," Major Casey continued, "that the inquiry should be held at all in view of the fact that Australia's banking and monetary systems had been running smoothly for so long. But there were a certain number of persons who were not satisfied with things as they are. They cannot see why, as it is possible for about 85 per cent. of Australians to live reasonably comfortable lives, the lot of the other 15 per cent. cannot be improved."

"Many persons think that perhaps some adjustment of the monetary system would enable prosperity to spread more easily, that is, rectify the terrible anomaly of poverty amid plenty."

"It is to satisfy these people and to see whether they are correct that the Inquiry is being held."

WHAT THE COMMONWEALTH CENSUS SHOWED.

It is an accusing fact that the recent Commonwealth Census showed that 13.3 per cent. of the male breadwinners had no income and 24.3 per cent. had less than £1 per week.

Among the females, 10.9 per cent. had no income, and 40.3 per cent. had less than £1 per week.

That is, 37.6 per cent. of the males and 51.2 per cent. of the females had less than £1 per week.

Also, including pensioners and unemployed, who together made a total of 745,308, two-thirds of the male breadwinners had less than £3 per week, and three-quarters of the females had less than £2 per week during the year which ended on June 30, 1933.

A POLICY OF RESTRICTION. Those who uphold and administer the present system have failed to discover a way of adequately distributing actual production, and the trend of the policy which they have adopted has been and is towards restricting and destroying a portion of present production rather, than developing and distributing the maximum that the people can economically use and enjoy.

The sole object of production should be use or consumption.

There should be no insuperable difficulty in distributing what we can make or produce.

There is an evident attempt on the part of monopolistic organisations to keep the people in ignorance of facts which might lead them to change the system.

But there is a rapidly growing demand for monetary reform all over the Empire on the ground that the present system has failed and cannot

distribute available goods and services. Various British Chambers of Commerce have spoken strongly along these lines. The conviction is growing that shortage of purchasing power is a factor tending to disrupt the industrial system and that this is a factor which must be removed. Contrary to long-accepted ideas, there is now a general realisation of the fact that industry does not release sufficient purchasing power to buy the goods it produces.

WHAT THE KING SAID.

His Majesty the King, at the opening of the World Monetary and Economic Conference on 12th June, 1933, said: "I appeal to you to co-operate for the sake of the ultimate good of the whole world. It cannot be beyond the power of men so to use the vast resources of the world so as to assure the material progress of civilisation. No diminution of these resources has taken place, while on the contrary discovery, invention, and organisation have multiplied these possibilities to such an extent that abundance of production has itself created new problems."

His Royal Highness, the Prince of Wales, at the annual dinner of the London Chamber of Commerce National Congress of Commercial Education, said: "The depression and economic disturbance has been largely caused by maladjustment of distribution. The potential output is far greater than ever before. If all employable labour were employed for a reasonable number of hours per week, the world would have at its disposal a volume of commodities and services which would enable the entire population to live on a higher level of comfort and well-being than has ever been contemplated in the rosiest dreams of the social reformer. Our urgent task is to bring consumption and production into a proper real relationship—not a simple, but a quite possible task."

CHAMBERS OF COMMERCE RESOLUTION.

Attention is called to the following resolution of the 13th Congress of the Federation of the Chambers of Commerce of the British Empire in London: "This Congress of the Federation of Chambers of Commerce of the British Empire, recognising the immense changes in the social and economic conditions of the world brought about by the application of scientific discovery to agriculture, industry, and means of transport and communication, deploring the lack of a corresponding advance in the monetary system both national and international.

"It calls upon all the governments of the Empire to concentrate upon finding a monetary system which would enable the people of the world to enjoy the vast abundance which technical improvements have made available.

"Further, the Congress, representing the producers of real wealth, wishes to place on record that it is strongly opposed to all measures purporting to bring about prosperity by the creation of scarcity through artificial means."

SOUTHAMPTON CHAMBER'S STATEMENT.

The following statement by the Southampton Chamber of Commerce agrees with much of the evidence submitted to the Committee, and is endorsed by the Committee as substantially expressing its own general conclusions: "The effects of

unemployment have spread like a plague over the whole of the civilized world, carrying destitution, suffering, degradation and despair into millions of homes. Taking the total number of unemployed persons and those dependent upon them, it is estimated that about 120 millions of human beings have been rendered destitute in the industrial countries of the world, and, in our view, the problem of unemployment consists, not only of those unemployed persons and their dependents, but also of the vast resources lying idle in factories, plants, mines and land.

"Further, new inventions daily reduce the number of man-hours required in production, and when we find that, over a given period, productivity is increased and human employment is decreased, we are forced to the conclusion that unemployment, due to technological progress, will continue to increase.

"On the other hand we have almost limitless resources for supplying the full wants of every human being in the civilized world made available by machinery.

"The position of an unemployed person is, indeed, strikingly paradoxical. Either he is without work because we are producing sufficient without his services being required, in which case he is poor, because there is an abundance of services and goods available, or he is in want because the available wealth is not sufficient to provide for the satisfaction of his needs, in which case it is difficult to explain why his services are not being utilised to produce more.

"Thus, from whatever angle it is viewed, we have the situation of widespread industrial trade stagnation with producers capable of production and millions in want of the very things that can be produced in abundance.

"On the *prima facie* evidence, the fault in the economic system lies in the machinery responsible for the transfer of goods from productive industry to individuals of the community.

"This link between production and distribution is 'money.'

"Currency forms only a small amount of the total money of a country. The bulk of the money is created by commercial banks. By granting loans, allowing money to be drawn on overdraft, and purchasing securities, banks literally create money.

"There is no indication of the amount of money being dependent upon the needs of the productive system to supply the community with goods and services. Rather it seems that an arbitrarily fixed amount of money now demands the restriction of production to the quantity of money.

"Again, the fact that the authority for the creation of money is thus vested in private institutions seems an anomaly, for the 'credit' or 'belief' upon which the monetary system is based is inherent in the community.

(To be continued.)

Social Credit Movement,
Box Hill Branch.

NEXT MEETING:

Horton Girls' School,

Linsley Street

(Next to New Fire Station),

TUESDAY, NOVEMBER 19,

AT 8 p.m.

Speaker:

MR. F. PAICE, Coburg,

who will answer a series of questions on Douglas Proposals.

Bring Along Your Question!

