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THE

NEWTIMES

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Making War on the Child

Those peoples whom we, from our vast superiority, like to refer to as native races or even as savage tribes are generally noted for the affection they show their children. One of the marks of this affection is the absence of whippings inflicted upon those of tender years. Generally speaking, it is only as we ascend the scale of modern civilisation, it is only as we begin to climb towards that higher region where adult strife is expressed in terms of poison gas and incendiary bombs that we find the upbringing of the young to be based from infancy on physical fear and on corporal Punishments.

There are many parents in this, as in every other community, who detest such a system of education. There are many who say that in their own homes the strap or the cane is never in evidence, and that nevertheless their children are obedient and truthful. But let any such approach teachers in the schools—and this applies equally to State and to denominational institutions—and they are almost certain to be greeted with the evergreen, "I had plenty of it, and it did me no harm." The very utterance of such a sentiment is fairly conclusive evidence of its falsity, since it is mostly founded either on a smug and shallow self-satisfaction, or on the harsh cruelty of the disciplinarian which is none the less real because it may not be consciously deliberate.

Just consider the experience of the average child going to our schools. The infant of six years or thereabouts is generally truthful. If brought up in a decent home it is almost inevitably so, for a normal child lies only for one reason—fear. But the truthful child very easily learns to lie at school. For the school system of our days is essentially centred around punishments, and largely unjust punishments. This again goes a long way to explain why so many "savage" races, until they come under the blessings of white influences, are noted for their truthfulness.

WHY BEAT CHILDREN?

What is the routine of the twentieth century school? Why do children begin to be beaten with sticks and horse traces? Principally for two reasons—either they don't know their lessons, or they are inattentive in class. Why does not the child know its lessons? In the majority of cases, not for a reason that is properly to be blamed on the child. The lesson may be taught a dull and dreary way; the teacher may have explained it badly; the particular child's brain may not be capable of grasping some individual subject as readily—as others do. And so the child is brought out and caned or strapped before its classmates.

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Canings for inattention, or as teachers like to call it, disobedience, are generally traceable to similar causes.

In most of our Government schools we have certain regulations as to corporal punishment. Every child, and many teachers will tell you privately that these regulations are honoured largely in the breach. In schools not conducted by the State there are no such regulations, and the cane or the strap, the handle of the feather duster or the edge of the ruler is constantly brought into play, on girls and boys alike, and almost invariably in front of the whole class.

The effect of such punishments, apart from their barbarous cruelty and injustice, has a most debasing influence on the child's character. Upon the child who is thus punished there is, apart from the physical pain, a sense of shame and humiliation, leading in turn to a false hardihood that develops into callousness and often into cruelty—as expressed later in that "I had plenty of it and it did me no harm", or otherwise in the attitude of our rulers and successful business men towards the unemployed. Upon all the children, whether victims or witnesses, there comes the atmosphere of terror. From the desire to escape this barbarity what is more natural than that children should lie their way out of trouble when they can? From lies it is an easy step to worse.

PARENTS AFRAID OF
VICTIMISATION.

Let a parent go and tell these things to its children's teachers, or to those who control the teachers, and there is likely to be scant sympathy. Teachers will at once claim that the parent is exaggerating. Or to the individual parent they will probably say with pride: "Really, Mr. Smith, you are the first parent who has ever spoken to me in this fashion. If other parents thought as you do, why do they not come and tell me so?" If other parents thought

—if only some of our teachers could hear the real opinions which parents, who are so nice to their face, express about them when they are not present. For the parents, like the children, have become victims of fear—not personal fear, but fear for their little ones. Go into any ordinary home, hear what parents have to say privately about the cruelty displayed towards their children, and suggest to them that they make a protest. What answer will you get? You will almost certainly be told that they are afraid to say anything for fear their children will be marked for

Various calculations have shown that the cost of killing a soldier in the World War can be reckoned at about 20,000 to 31,000 dollars—say, 25,000 dollars, to take a mean figure. Of this cost of killing, the armament industry took at least half as clear profit on manufacture.—Otto Lehmann-Russbult in "Disarmament" (Official Journal of the World Disarmament Conference), July 1, 1932.

victimisation, for fear the worse barbs of the tongue on their spirits will be substituted for the slash of the cane on their hands and legs.

CHILDREN'S ATTITUDE TO
TEACHERS.

Children naturally love to learn. They look up to and respect those who can teach them, those whom they regard as being "good at" things. Do they regard their teachers in this way? If teachers were doing their work properly, they would come next to parents in children's esteem. Where do they come? If they desire to know their real place in the hearts of their charges, let them hide themselves somewhere and listen to what the children say about them—not only the children who are more or less at open enmity with them, but even those whom they fondly regard as their especial admirers. They may then be appalled to find what a tribe of little hypocrites

they are dealing with. But let them consider whether they are not themselves responsible for this hypocrisy, whether their own system of corporal punishments does not drive the child, through fear, either into open lying in words or into acting a lie through behaviour. By way of contrast, let the teacher then note the way in which children speak of, and behave towards the fathers and mothers who do not vent their own shortcomings upon the tender bodies and spirits of the young.

There has been quite a little crop of cases in our Courts lately in which allegations of cruelty have been made by parents. On those we have no comment to make except this—that, if all parents who felt similarly were to bring their cases to Court, there would be ten thousand times as many. And this also applies just as much to most of the private as to the government schools. We hear little in the press of dissatisfaction in the former simply because, no matter what particular denomination be concerned, parents naturally shrink from the prospect of ventilating their grievances publicly where they feel that their religion may be implicated. But if a law were to be introduced—and it is long overdue—prohibiting absolutely the striking of children by anyone other than their parents, one need have no hesitation in saying that it would receive the overwhelming support of those who send their children to denominational establishments. It may even be suggested that there is more reason for such a law in this case—for little girls, at least, generally escape beatings in government schools.

TEACHERS' DISABILITIES.

In saying these things there is no desire to be unfair or offensive to teachers, or to discount in any way the services they are rendering to the community.

In the first place, there are numbers of teachers—who would that they were in the majority—who

do not believe in and who do not practise the beating of children (just as, unfortunately, there are still numbers of parents who do beat them). And of such teachers it may be said that they receive, as they merit, the respect and the affection, both during and after school years, of "their charges."

In the second place there are very few teachers who do not labour under great disabilities. These disabilities deal mainly with equipment, with remuneration and with the testing of results.

INSUFFICIENT EQUIP-
MENT.

Where equipment is concerned, there is scarcely an institution in Australia that is properly provided for. There is generally an insufficiency of class space and furnishings; there is almost invariably a shortage of teachers. As a result we find that the usual thing, particularly with younger children, who require the most individual attention, is that one teacher has to deal with fifty, sixty or seventy pupils at a time. This is the most immediate cause of the punishment, or fear system. With such huge classes, the true meaning of education, or leading out, becomes lost, and school hours are rather a time of repression, or driving in. Nerves are frayed, discipline becomes more urgent than learning, the sergeant major ousts the friendly instructor. Much discipline and little learning leads to the slavery of undue homework, making many children's hours of work longer than the law permits for adults.

TEACHERS UNDERPAID.

Insufficient remuneration makes the position worse. Lay teachers, whether in State or in private schools, are hideously underpaid. Performing a function whose importance to the community can hardly be overrated, where their power for good or evil is so great as to be terrifying, they receive the pay of a petty clerk. Where they are members of religious bodies,

The Proprietors,
Melbourne's Daily Newspapers.
Dear Sirs,

Do you really expect the public to believe that you are fighting for any principle in your wearisome outbursts of childish pique against the Victorian police commissioner? Because General Blamey does not see fit (and we are not defending him) to make available to you at any hour of the day or night all the sensational details of crimes, is it necessary for you to pose as the public's protectors, and even to go so far in your spite—as one of you did—that you must endeavour to cast a slur upon our police force by digging up all the unsolved murders for years past that you can remember? You talk about the money we spend on our police (who are shockingly underpaid), and the results we ought to get for our outlay. How would you like to see, alongside your unsolved murder list, a list of unsolved advertisements, of the sums spent in your advertising columns which have not even arrested attention?

One point you make, in your sudden zeal for the public, is that the publication of crime reports would deter criminals. This is on a par with the other newspaper argument of some time ago that we should be regaled with the unsavoury and salacious details of the divorce court in order to promote domestic virtue, and is just about as reasonable as though you were to contend that racketeering films should make boys studious.

If you were honest you would admit that you

want reports of these crimes merely in order to fill your columns with sensational reading matter and so sell your papers to the people whom you are rendering incapable of serious thought. When, in all your inglorious lives, have you ever reported crimes as they should be reported? When have you ever carried your investigations beyond the stage of shallow emotionalism? When have you ever probed down to the causes of crime, which are nearly, always connected with environment rather than with innate viciousness? What space have you devoted of the reams which you can set aside for obstinate artist and Miss Victoria competitions, for crossword and guessing puzzles and similar rubbish, to trying to abolish crime rather than to punish it harshly? You know as well as we do that the origin of most crime lies in destitution. You know that shockingly large numbers of our children never get a decent chance in life from the time they are conceived until they die as paupers or as criminals. And so far from lending your weight to the righting of this horrible injustice, your tendency is rather to suppress or distort every honest endeavour in this direction, to pass by in silence or to vilify every reformer, to laud or to cringe to our arch suppressors.

If you were really sincere, instead of attacking the suppression of crime reports, you would at present be attacking with all your might the suppression of the Crimes Act. On that subject, however, you do not appear to be so eloquent.

THE NEWTIMES.

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:

VIOGEN (Blue)

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Sold everywhere, 1/-, 1/6 and 2/-.

especially teaching primary schools, their conditions, if anything, are worse. They are imparting a form of education that is nominally free, and at the same time they are expected by the controlling authorities to extract enough money out of parents (who often cannot afford it) to make the school pay its way. As a result, children who do not bring the fees which are supposed to be voluntary are frequently subjected to humiliations that are grossly unjust.

MASS PRODUCTION BY EXAMINATION.

Finally, they have the competitive examination system, the horror of every decent teacher, the enemy of true learning, and the greatest device of the devil of dictatorship to bar the people's road to true freedom. Had we not mass-production education, it is safe to say that the people of the world, and the people of this country in particular, would never have suffered, without one effective protest, the crimes and injustices of the past six years, of the last war, of the war which is liable to begin again at any moment.

What real education do our children receive? Take the average child at school-leaving age. What does it know about the true history of mankind? What does it know of literature or the arts? What does it know of the things about it—what is the meaning to a boy of a wireless set or to a girl of an electric iron, except something that is brought into operation by pressing a switch? What do they know about anything? More important, what desire has been implanted in their minds to know? They have just about enough education to read and write, to do very little thinking for themselves, to pick up a daily newspaper, to believe the wicked nonsense it tells them, and to "prove" their correctness in any argument by the triumphant declaration: "I saw it in the paper." They have been made far better receptacles for inspired propaganda than if they had been left in untutored ignorance.

The proof of this lies, on the one hand, in the paucity of recent contributions to lasting literature, to poetry and the drama, to painting, sculpture and the fine arts. In these days of universal education, what have we to show against the wonderful output of the ages of so-called illiteracy? On the other hand, would barbarians tolerate for one moment the conditions which we educated people accept as though they were the will of God? Have we not been educated to fear, but not to think?

PRIVATE SCHOOLS FALL DOWN ON THEIR JOB.

From the private schools, largely founded as a protest against this sort of sausage machine, one would have hoped for better things. But, alas, most of them have been vanquished in their true purpose by that evil spirit, "We must keep up with the State", the horrible demon of false intellectual pride. What is the practical test that many of these schools put upon themselves? Mix with their teachers and their directors, and you will find that they are just as badly bitten with the competitive examination bug—sometimes it takes the form of a rowing or football bug—as any State school teacher who feels that promotion may be involved. They are secretly (and often outspokenly) proud because their pupils get better "results" in competition with children from the State schools.

The consequence of all this, in both types of school, is that school days, instead of being a time of happiness, a time when the child is free to follow its innate thirst for knowing things, tend rather to break its spirit, to make it fearful or sullen, rebellious or callous. The last day of school is greeted with a sigh of relief: "Thank God, that's over." The book of education is slammed shut.

Then comes the search for the job. The child goes out into life, not to do something useful, but to get a wage. If it is successful,

what does it care for the failure of others? HOW can it be expected to? Was it not taught at school that failure means "the cuts", that punishment is the inevitable result of being unsuccessful? How can you expect such a child, grown to manhood or womanhood, to have sympathy with those on the dole when it was reared on the theory of punishments?

THE ONE OBSTACLE.

There is only one thing in the world to-day stopping us from being peaceful, happy and prosperous. There is only one gate barring our way to what Pope Pius XI has referred to as "that higher level of prosperity and culture which, provided it be used with prudence, is not only no hindrance, but is of singular help to virtue." That gate is the ignorance of our people. Its bars are the wrong principles adopted in educating our children. And it hinges upon preventing children from thinking for themselves at school, from cultivating the habit of thought after school, upon making the people, as a noted Jewish financier wrote long ago, incapable of understanding. The teachers of this generation were the pupils of a few years ago. These teachers are daily proving how hopelessly uneducated they themselves are by putting up with conditions which are as insufferable and as unnatural as they are unnecessary. Is there any shortage of assistant teachers, if only there were the money to pay them? Or of school buildings, of playgrounds, of desks and forms and apparatus, if only there were the money to provide them? Or of scholars who would like to extend their studies to things that are really interesting, useful and ennobling, and which teachers would themselves love to delve into, if only the scholars' parents had the money to pay for them? Where, all over the earth, is there a shortage of anything but money? Is not the shortage of money being used as the excuse to make all these other things short?

And what do most of our teachers, who are so vitally affected by this matter of money, know about money? What understanding of money are they imparting to those children who in a few years, when they reach 21, will have it in their hands to bring about an alteration?

Poor teachers! They expatiate on the bygone horrors of Bloody Mary or Bloody Cromwell, as the case may be; they piously thank God for the emancipation of slaves and Catholics. And they flog the children who can't remember the dates.

THE WORLD'S STRAIGHT-JACKET

World stocks of gold, says the "Sunday Express", amount now to 695,200,000 ounces, and are worth £5,063,075,000. All this could be stored in a room fifty feet long by thirty-five feet wide and twenty feet high—a room about the size of one of the chapels in Westminster Abbey.

The "Sunday Express" does not say how big a hall the world's production and distribution of goods is confined to, but it must depend on the size of the room described above, and not on the world's productive capacity.—"Social Credit."

"Commencing Sunday next, October 13, and until further notice, no boat will be allowed to shoot more than eight nets per man, with a limit of eighty-five nets for any one boat. Any boat infringing this direction will have its licence withdrawn for a period not exceeding five days." In this way there will be a satisfactory control system brought into operation.—"The Eastern Daily Press" (England) October 10, 1935.

GREENHORN GOVERNMENT?

A Local Impression of the New Cabinet in Alberta

By "WILLIAM ROSE (in Social Credit).

Out of the fifty-six Social Crediters to be returned at the election, there was not one of them, at that time, an M.L.A. (Member of the Legislative Assembly). That is to say, as far as governing was concerned, they were novices. From these Mr. Aberhart chose a Cabinet, and from the material at his disposal he chose what I think to be an excellent team. Let us look at the qualifications of the new members.

HERE THEY ARE.

Of the ability of Mr. Aberhart himself there is not the slightest question.

The post of Provincial Secretary has been filled by Mr. Ernest Manning, formerly Mr. Aberhart's private secretary and right-hand man. He was born in Saskatchewan about twenty-seven years ago, receiving his education at Rosetown in that province. Until 1928 he followed farming as a career, then going to the Calgary Prophetic-Bible Institute to study the Bible under Mr. Aberhart. The latter, seeing that he had more than the average ability, made him his private secretary. Since then he has been perhaps the closest to Mr. Aberhart of all his followers.

Dr. Cross, of Hanna, a small town of about 200 inhabitants, was elected Minister of Health.

The new Minister of Agriculture is Mr. Chant. Mr. Chant owns a large farm in Alberta, and is noted for his up-to-date methods of farming.

The Minister of Public Works, Telephones and Railways, is a former stationmaster, Mr. W. A. Fallow, of Vermilion.

The new Provincial Treasurer and Minister of Municipal Affairs is Mr. Cockcroft. He was formerly an accountant, and of late the runner of a general store in the small town of Gadsby.

You will notice that they are men with no previous experience in government affairs, and are citizens with just the average ability. Time alone will show whether or not they can successfully fill these important posts. At least we do know one thing. We have an honest government. We have a government that is conscientious. A government that will do its best. They will abolish graft and work along Christian lines.

A SIGNIFICANT INCIDENT.

Shortly after the election an amazing and yet annoying incident occurred in the capital city. Even before the old government had gone out of office a deputation of unemployed marched to the government buildings and told Premier Reid that unless they received their basic dividends of 25 dollars a month within two weeks they would make plenty of trouble for the new government. In my opinion these men were stirred up by opposing interests, but, fortunately, nothing more of this nature has occurred.

HARD TIMES FOR FARMERS.

One unfortunate thing has occurred here; all the crops in Alberta have been frozen. Many hundreds of acres are to be burned—they are not worth the binder twine required for cutting. No one will gainsay that a good crop year would have been an aid for the new government. Instead the farmers will still be unable to pay off their debts. There will be more foreclosures and unemployment for the people to face. Of course, many farmers who voted for the old-line parties will now, having the basic dividend in view, support Mr. Aberhart, realising that they must give their full support if they are to expect the new government to succeed.

FAIR PLAY FROM THE PRESS.

A question that is foremost in the minds of the people is whether or not the *Social Credit Chronicle*, now published as a weekly, will soon become a daily newspaper. Mr. Aberhart said shortly after the election that unless

the press gave him fair treatment he would be compelled to make the *Chronicle* a daily paper. If, however, they gave accurate information to the public of the doings of the government, he would not do this. Since that statement the treatment accorded the government by the press in general has, been good. It would obviously be fatal to them if another daily were to be put into circulation in what is already a crowded field. There is no doubt that some of them would go out of circulation, as there is no doubt that everyone, for and against Social Credit, would become close readers of the *Chronicle's* column.

WHAT OF THE FUTURE

On the whole I think that this government has just as bright a future as any government that sat in the House. Admittedly it has more opponents. Too, its problems are greater, and it has promised more than any other government has ever done. Will it fulfil these promises? I fail to see any reason why it should not. In my opinion Mr. Aberhart made no rash promises. It need not be imagined for one moment, however that their task will be very simple. Co-operation and trust must be given them by everyone, and then, and only then, will we see the results that we are looking for.

PLENTY GETS THE BIRD

Latest news from our special war correspondents posted, at great personal risk, on the battlefields of the War-to-end-Plenty indicate that Plenty has suffered heavy casualties all along the line. The morale of the Allied troops is reported to be excellent, and there is a hope that Plenty may be wiped out altogether.

Between January 1933, and August, 1935, cotton stocks have declined from 10,552 to 4,278 thousand bales, and tin from 64.9 to 20.0 thousand tons. Wheat has suffered casualties of 253 million bushels, bringing the stocks down to 340 million bushels, while sugar stocks have declined from 8,868 to 5,487 thousand tons. Tea has had 46 million pounds wiped out.

Coffee and rubber, we regret to report, have put up a stubborn resistance and have actually increased in supply, but more drastic measures of restriction and sabotage are to be used against them, which will no doubt prove effective.

When the enemy has been finally subjugated, steps will be taken to guard against similar wars of aggression on the part of Dame Nature. The fact that she has been allowed to do it is, of course, further evidence of the futility and impotence of the League.—"Social Credit."

In 1879, 41,695 men produced 3,070,815 tons of pig-iron in U.S.A.; in 1929, 24,960 men produced 42,613,983 tons. —J. H. Deventer, Editor, "Iron Age."

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THE BLIGHT OF OUR EMPIRE

(ii)

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

The point at which we finished last week was the admission of Ramsay Macdonald in 1931 that "a few financiers are able to destroy the fruits of good harvests and the productive accomplishments of human energy." We have made the statement that the Bank of England is one of the main agencies through which these financiers work, and we are asking you to give consideration to the grounds upon which, this conviction is based.

Following the decision of the conference of international bankers at Brussels in 1920, Montague Norman was appointed Governor of the Bank of England. Previous to that, the history of banking in America makes amazing reading. We have already quoted the circular which was issued by the American Banking Association in 1877, instructing the banks to grant favours to certain people in the form of credit and to withhold similar favours from others with the object of preventing the community from regaining control of their money system.

THE 1893 CRISIS.

That was barefaced enough, but on March 11, 1893, it issued another circular containing the following:—

"The interest of national banks requires immediate financial legislation in Congress. Silver, silver certificates and Treasury notes must be retired, and National Bank Notes upon a gold basis made the only money. This will require the authorisation of five hundred millions to one thousand millions of new bonds as the basis of circulation. **You will at once retire one-third of your circulation and call in one-half of your loans. Be careful to make a monetary stringency among your patrons, especially among business men.**"

That rather spills the beans, doesn't it? Please read it again, paying particular attention to the portion I have printed in black type.

Did you notice the year? 1893! Was not that the year in which certain discreditable things happened to the people of Australia through the banks? In almost precisely the same way our experiences in Australia since 1929 had their origin in America and were reflected here through the agency of the Bank of England. But that comes later. You will see as we proceed that Mr. Arthur Kitson, a very eminent Englishman, had good reasons for describing these financiers as "panic organisers."

MONTAGU NORMAN'S POWER.

To get back to the Bank of England. An American financial paper, called "The Wall Street Journal", published the following on March 11, 1927:—

"Montagu Collet Norman, as Governor of the Bank of England, has wide powers in determining the course of British credit. No foreign issue appears in the London market without his approval. He, more than other bankers, has inspired the policy of banks of issue in a dozen countries. His personal influence is such that he has variously been called 'A Crusader' and 'The Currency Dictator of Europe.' From the time he entered office, he set out to re-establish approved proportions between gold and credit at the Bank of England. He was with Mr. Baldwin in America when he reached the settlement of Britain's debts. It was evident that Mr. Norman regarded support in returning to gold and maintaining the standard as more important than the sacrifices in debt settlement... The extent of his power well makes him the currency dictator of Europe. The Federal Reserve Board has not ignored his desires

in shaping bank-rate policy... Empire borrowing, especially that of Australian States, has been closely regulated by the Bank of England... Governments which refused to return to the gold standard and to fall into line with the issue policy of the Bank of England, found the London market closed to them."

That, too, is all worth reading again. Note how the paper of the financiers talks of "approved proportion", British "sacrifices" in debt settlement, Mr. Norman's desires in shaping bank-rate policy, regulation of State finance in Australia, and the closing of the "market" against naughty Governments. There was, therefore, a great deal of truth in the contention of the "New Age" on 5/5/1927 that "Mr. Norman was Wall Street's choice of a deflation agent to inaugurate and supervise Britain's compulsory return to the gold standard."

BANK OF ENGLAND AND NOTE ISSUE.

In view of the circular issued by the American Bankers' Association in 1893, as quoted above, it is interesting to note how closely the bank policy of Britain has been brought into line with the policy enunciated by the American section of the world-wide money swindle. Mr. C. Marshall Hattersley, in "This Age of Plenty", tells us that the principal effect of "The Currency and Bank Notes Act of 1928" was to transfer to the Bank of England the sole control of our paper currency and to provide for the replacement of our Treasury notes by notes of the Bank. As from November 22, 1928, the issue of Treasury notes ceased, and notes of the Bank of England, limited in nominal value strictly in accordance with the amount of the Bank's gold reserves, took their place. This was the continuation of the policy recommended by the Cunliffe Committee of bankers and supported by the "static-minded" professors of Political Economy, who are generally either unable to conceive of any standard outside what they slavishly teach or, "remembering the various chairs endowed by munificent financiers, are too politic to do so."

This return to the gold standard and the replacement of Treasury notes by other notes was really a serious betrayal of the Empire as a whole. Let us quote the remarks of Mr. Arthur Kitson as they appeared in the "National Review" for March, 1925, as follows:—

"Having created these national gold debts, the conspirators were still fearful lest their hoards of gold might turn to dross if Europe should stick to its paper money and refuse to employ their metal for internal currencies. This fear was particularly intense so far as England was concerned. The Treasury notes had performed all the functions of money perfectly — far better than gold... These notes formed the basis of what might have become a perfect elastic currency, admirably adapted to the commercial and industrial needs of the British public, who had grown accustomed to them and liked them. Where gold had failed the Treasury notes had succeeded... Moreover, these notes admitted of expansion without disturbing international affairs and without the aid of international financiers. Hence their destruction became a necessity to the conspirators."

DEFLATION.

After the decision of the financiers in 1920 that the world would return to the gold standard (note particularly that it was **not** the decision of an elected Government!), the first step to bring that about was to effect a

reduction of the total quantity of money in circulation, and prices immediately began to fall, the design being to bring the quantity of money back to the amount of gold in the hands of the banks. That production was expanding and should, therefore, tend to increase the amount of money was totally disregarded.

From this it can be seen that prices do not fall by accident or result from any act of the Creator. The fall is deliberately engineered, the private banks being both principals and agents in the manipulations. Mr. J. M. Keynes, recognised as an economist of high standing, says definitely "Deflation involves a transference of wealth from the rest of the community to the 'rentier' class and to all holders of titles to money. In particular it involves a transference from all borrowers to lenders." Montagu Norman, the agent of the deflationists, is Governor of the Bank of England, and right from the time of his appointment in 1920 he has imposed the policy of deflation on the British Empire. He is still endeavouring to have us forced back on to the gold standard.

Have you grasped the significance of what Mr. Keynes said? It means that when the policy of deflation is being practised the people who produce no wealth are placed in control of the people who produce all the wealth. Even Lord Milner, himself a banker, has expressed himself thus:—

"Just as productive industry welcomes rising prices, the moneyed interests must always be in favour of falling prices, because they render its own wares (money) more valuable."

WHAT HAPPENED IN 1929.

This rather opens up the events of 1929 to a little light. You will remember that three important things happened suddenly in that year. Loans were refused for Governments, prices fell, and banks called in overdrafts. Is it sensible any longer to blame God or Nature for that? When loans stopped, Government works stopped. When prices fell, farmers were ruined and the banks got their properties. When overdrafts were called in, industry became stagnant and thousands were made bankrupt. Each of these three things brought about a serious curtailment of the amount of purchasing power in circulation, and the cumulative effect of the three together was simply disastrous from the point of view of the community.

Now all that was part of the scheme decided upon in 1920, a scheme for which Montagu Norman was selected to be the spearhead in the British Empire. He is still the spearhead, notwithstanding the advice he gave to the British people in 1931. An election was actually fought on the question of the gold standard, and the people of England were scared into voting for its continuance. On September 11, 1931, Phillip Snowden, in a national broadcast, declared that "Unless the gold standard is maintained it would end in untold disasters, not only to this country, but to the world generally. Our whole industry would be thrown into chaos if the gold standard were abandoned, and unemployment would rise by leaps and bounds." On that occasion he spoke for Montagu Norman, the man who is reported to have told Mr. Ramsay Macdonald that "If Snowden goes, the Government goes!"

In the face of this, can you believe that **ten days later**, that is, immediately after the election, the gold standard was abandoned? Is it any wonder that the "Manchester Guardian" described it as "the most fraudulent election of modern times"? Here again Mr. Arthur Kitson was trenchant. He said: "The truth is that Mr. Snowden, like the Prime Minister, merely repeated what he was told by certain bankers. What was the object of making these false and terrifying statements? Apparently the object was to

create a public scare which would enable the Prime Minister to carry out the instructions of the financiers to compel the people of this country to reduce their standard of living." The financiers had already had their instructions carried out in Australia. (To be concluded.)

MONETARY AND BANKING COMMISSION.

QUESTIONS IN FEDERAL PARLIAMENT.

The following questions and answers appear in Federal Hansard, issued November 23:—

Mr. Beasley. —Has the Government given any consideration to placing a time limit on the deliberations of the royal commission appointed to inquire into the monetary and banking systems of this country?

Mr. Lyons. —I think it would be somewhat difficult to direct a commission of such a character as to how long it should take in its deliberations in respect of the important questions with which it will be called upon to deal. Once a commission of the kind has been appointed, **and great care has been taken to select appropriate persons to conduct the inquiry**, such a matter should be left in its hands. I feel that if it could not be trusted in regard to the time to be taken in its deliberations, it could scarcely be trusted to handle the big question referred to it.

(The emphasis in Mr. Lyons's answer is ours.—Ed., "N.T.")

* * *

Mr. Baker.—Has the attention of the Prime Minister been drawn to the fact that a select committee, representative of all parties in the Tasmanian House of Assembly, has unanimously recommended that—

The inquiries of the Commonwealth Monetary Commission should not be confined to superficial aspects of the present monetary system, but should be directed, firstly, to the basic principles on which money, and especially credit, is issued and controlled, with particular attention to the manner in which it functions in industrial operations in the creation and liquidation of costs and debts.

Will the Government give consideration to this suggestion? Mr. Lyons.—The Commonwealth Government has no intention to alter the terms of reference of the royal commission to inquire into monetary and banking systems in Australia. The Tasmanian committee was appointed to invest-

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FALLACY OF COMPOUND INTEREST

An American insurance agency each month sends out a fine blotter on which the recipient's name is neatly printed, and under it appears a cryptic statement that is supposed to make him think about the wonders of life insurance.

Last month's blotter, which a friend in America sent me, presents the following the italics appearing in red:

\$24,000,000,000,000,000,000,000 A
Roman Child's Bank Balance to-day.

1900 years ago she deposited one cent at 3 per cent. compound interest.

In that simple statement, philosophically considered, you have all you need to know of the basic reason why the world finds itself in such a dreadful mess to-day.

The truth is that the world simply cannot afford to pay compound interest. It can pay it to a few for a limited time, but it cannot pay compound interest to a single person for an unlimited time on the tiniest bit or capital. Interest, compounded limitlessly, would enslave not only the world, but the universe.

Hence panics, depressions, inflation, liquidation, war, starvation, gold standard, managed currency, and all the other economic ills that beset mankind.

I don't propose to attack thrift, savings, insurance, trusts, or other methods of self help, but the rights of the many must always dominate the rights of the few. The Roman child who put aside a penny 1900 years ago can't be paid in full, and won't be paid in full.

And until we get this through our heads we'll have periodic financial crises.

B.I. Philosophy (organ of British Insulated Cables), October, 1935.

igate this question, and, surely, with all the great ability displayed by its members, should have settled the question long ago.

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Vol. 1. No. 27.

FRIDAY, NOVEMBER 29, 1935.

Still the Experts Come

Just two years ago—or on December 5, 1933, to be precise—the present Prime Minister, in reply to a question in the House of Representatives, said that, because several inquiries had already been made into the Douglas Credit system, the Commonwealth would not make any further investigation into the subject.

Now, two years later, we find that the same Prime Minister, forgetful of his earlier utterance, suddenly feels called upon to issue a memorandum denouncing Social Credit as a crazy scheme, fallacious and pernicious, and all the rest of it. Why this sudden haste once more to marshal the "authorities"? Why the desire of the Ministry to rush into the fray when it can confidently anticipate that the carefully selected executioners on its Monetary Commission may shortly be relied upon to condemn Social Credit yet again?

Two reasons suggest themselves. The general one is that the Social Credit principles, which took a number of years to sink into the minds of the more thoughtful section of our community, are now permeating all sections with a rapidity that is startling even to those who have pioneered the movement.

The particular reason is probably the report of the Tasmanian Parliamentary Select Committee. This report, now being reprinted in our pages, is an undiluted recommendation of Social Credit, and is the unanimous result of the deliberations of members selected from all political parties in the Tasmanian House of Assembly. Although it has been practically boycotted by Australia's great dailies, it has apparently sent the Prime Minister into a state of frenzied panic. For one of its signatories is

Captain Donald Cameron, Nationalist member for Wilmot, the area which the Prime Minister has the honour to represent in the Federal House. And Captain Cameron is not a gentleman whom the Prime Minister can dismiss airily as a crank or a fanatic. A Pastoralist and a breeder of stud cattle Captain Cameron has a varied and distinguished record in the British army. He is also a coroner, a magistrate, and a municipal councillor.

In the last Federal election Mr. Lyons had a narrow escape from losing his seat in Wilmot. It is probably that only his eleventh hour concession of a monetary inquiry saved him. Since then Mr. Lyons has appointed a Commission whose personnel is thoroughly unsatisfactory and the general tenor of whose report would seem to be a foregone conclusion at least as far as Social Credit is concerned. How must Mr. Lyons now be feeling, in view of the influence on his electorate of Captain Cameron's attitude, and in view of his own statement that, if Wilmot turned him down, he would retire from parliamentary life? Is it any wonder that, seeing his doom descending upon him, he seeks what relief he may in frantic phrases?

However, Mr. Lyons should cheer up. For, even though he lose his job in Parliament, even though no convenient Commissionerships or Collins Street directorships place themselves in his way, he will still, by virtue of his large family, be quite a respectable shareholder in the National Dividend. Unless, of course, his hostility to "a crop of magicians" should debar him from accepting it.

Minister For No Treaties

While Mr. Lyons is busy convicting Social Credit, events are conspiring, as they have done for a long time, to establish its truth. The evening press of Tuesday, which contained a summary of the Prime Minister's "crazy credits" memorandum, had also some vital remarks from Sir Henry Gullett, a very unheroic figure landing at Fremantle.

Sir Henry's mission has failed miserably, in spite of the notable assistance lent him by Messrs. Lyons and Menzies in paving his way. Sir Henry is not to be blamed on account of his failure, for he was on a fool's errand from the day he set out—which is not to say that he is not entitled to blame for setting out at all. For the essence of his job was to act as our salesman to buyers to whom we deny the possibility of paying for their purchases.

There is no dearth of markets. As Sir Henry said: "Treaties could be made with most countries—France, Belgium, Germany, Czechoslovakia, Poland, and Switzerland. It was a matter of terms." What are those terms? Simply these. Our potential customers say to us, in effect: "We shall be happy to take some of your real wealth if you will accept from us an equivalent amount of real wealth in return." Sir Henry did not put it quite in these words. He said that treaty making "would entail granting reciprocal concessions"—the "concessions" being our consent to take real wealth in exchange for our real wealth, whereas the present purpose of our treaty makers is to get rid of real wealth and to take only book entries or pieces of paper in exchange.

This is where Social Credit comes into the picture, and where those whom Mr. Lyons describes as having been "hypnotised by Major Douglas" get the laugh upon our comical figure of a Prime Minister. Our necessity to get rid of part of our wealth and rigorously to exclude anything tangible in return arises only from one cause—our shortage of internal purchasing power, or money. It is not a question having anything to do with recovery overseas, or any other of those shibboleths so dear to Mr. Lyons. As has frequently been pointed out in these columns, if the issue of our money were a statistical process, depending neither upon bankers nor upon politicians, but reflecting our production of real wealth, then we should at all times have enough money to buy the whole of our output. Consequently, we should have enough money to buy, pound for pound, overseas imports against our exports, without dislocating any of our local industries. But, not having this money—because, as the "hypnotist" Douglas has pointed out, when you grow potatoes you don't grow alongside them the money to enable anyone to buy them—we are in the position that we must try to sell abroad part of our annual output for money to buy such portion of what we retain as is otherwise unsaleable.

This is one of the "pernicious and false" doctrines of Social Credit. And, deny it how he may, Mr. Lyons can show no other satisfactory way out of our difficulties. The best that Sir Henry Gullett seems able to suggest is that we "endeavour to retain our present somewhat attenuated position in foreign markets." A cheerful outlook for our farmers.

The Banks Take the Air

We have latterly had quite a series of unpleasant incidents in connection with our broadcasting services. There have been threats from official quarters against any commercial stations which should venture to broadcast war reports or comments that might be "misleading"—though the daily press monopolists can publish the most extravagant and contradictory nonsense without interference. There was the suppression of a speaker in Sydney

whose criticisms of public affairs were unpalatable to one of our Ministers. There was the admission by the same Minister (Mr. Parkhill) in answer to Mr. Beazley in the Federal House on October 30 that the only international news going over our national stations is that provided by the Australian Associated Press (the newspaper combine) and by the British Official Wireless. On the same occasion, in answer to Mr. Beazley's question: "Is it a fact that the Government instructed Amalgamated Wireless (Australasia) Limited to cease supplying the commission with the service known as 'Trans-Ocean'?" Mr. Parkhill answered: "Yes."

These and similar incidents should suggest pretty plainly to the public that, no matter what denials may be made by interested parties, the hidden censorship over the air is rapidly becoming as tight and as thorough as the censorship which has consistently and effectively been exercised over the daily press in the same interests.

But for colossal impudence it would be hard to exceed the latest effort of inspired propaganda which is announced to begin this (Friday) evening. At 6.50 p.m., from national station 3AR there is scheduled the first of a series of eight talks, entitled "The Story of Our Banks," and described in one of the radio newspapers as "an historical treatment of the romantic growth of Australia's main trading banks . . . their evolution into the present day mighty banking system, performing such indispensable national services," etc., etc.

It would hardly be a rash wager to bet that the unfolding of the evolutionary story of Australia's great trading banks will deal very lightly with the period around 1893, the one and only occasion on which a high percentage of depositors in these banks demanded the money which was legally theirs, with the result (as would happen today if the same thing occurred) that the banks were shown up for the fraudulent trustees and counterfeiters they are. Nor is it likely that the story will go into any detail over the consequent misery caused, then and since, to tens of thousands of our citizens; or that much will be said about the shady devices employed to evade legitimate claims against the banks. These are chapters, which our performers of "indispensable national services" would fain forget.

But, apart from this false propaganda, there is raised the wider issue of the glaring abuse of a nationally owned broadcasting service. It has always been understood that advertising is to be rigorously excluded from the national stations. Who has authorised the titles of the first six talks, "The 'C.B.C.'", "The 'A/asia.'", "The 'Union.'", "The 'E. S. & A.'", "The 'National.'" and "The 'Commercial.'"? Are these private companies paying for the advertisement at full rates? And, if so, will the Broadcasting Commission extend similar advertising rights to the Mont de Piete and the breweries, which also perform indispensable national services?

They are more honest about these things in England. Over there they have just appointed

to the chairmanship of their national broadcasting corporation the brother of Montagu Norma Governor of the Bank of land.

Business Men and the Immediate Future

Business men, whether in a large or in the smaller way, who remember how badly they were hit five or six years ago with depreciating stocks on their hands or with commitments to take delivery of stocks bought at pre-depression prices, would do well to remember that experience just now. For all the indications are that the financial monopoly is going to give us another squeeze of depression.

For some weeks past even the daily newspapers have been protesting that the banks are calling up overdrafts again. The new loan, as loans go, is a very small one, and is apparently to be financed mainly, if not altogether, from existing savings instead of by the issue of new money from the banks. The statements of the Tasmanian Premier and Treasurer that there has been a large scale selling of securities by the banks, while scoffed at in some quarters, has not been disproved or even bluntly contradicted. All these things spell deflation and falling prices.

It is not likely that we shall see any serious move in this direction until after Christmas, but the business man who is canvassed to place large orders at firm prices for delivery in the New Year would be well advised to make sure of his position before doing so. Especially in the building industry it seems likely that there will be a falling off. It was recently stated in the metropolitan press that not only are bankers no longer making money available for this class of trade, but that on the contrary they are demanding the repayment of loans made a little while ago and insisting that these be refinanced through insurance and trustee companies. With this call on their funds on the one hand and with heavy investments in the new loan on the other, the resources of such companies are likely to be straitened for some time to come.

If the building trade is hit, most other trades will feel the repercussion very shortly afterwards, as, again, we saw a few years ago. There is every indication, therefore, that business in the autumn will be far from brisk, even measured by to-day's scale of activity.

Certainly one cannot forecast these things with any degree of certainty. It all depends upon the banks. Another loan in the early part of 1936, for instance, if financed by the bank creation of new money, would set things going again for the time. But anyone who has been through the gruelling of this bank-engineered depression and who is still disposed to stake his capital upon the banks' relenting should get out of business altogether.

NEW ZEALAND LABOR'S CREDIT POLICY.

Mr. Savage also gave a definite assurance that the Gisborne-Napier railway would be completed if Labor were returned. The project would not be financed by loans, but by the use of public credit.

—Auckland "Weekly News," November 20.

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MADMAN'S DIARY

BEING SOME ITEMS OF NEWS RECORDED DURING THE PAST WEEK

Friday, November 22.—Melbourne University's Vice-Chancellor announced that the numbers of its students might have to be restricted owing to lack of finance.

The Returned Soldiers' Congress in Sydney decided to ask the Federal Government to build the Australian National War Memorial at Villiers Bretonneux as soon as possible. . . . Saying that tent dwellers had at least fresh air and sunlight, Dr. Ramsay Mailer declared in Melbourne: "In the insanitary and filthy conditions in which thousands are living in Melbourne there is no chance of mental, moral or physical health. Before birth the minds and constitutions of children are sapped, and after birth they are deprived of everything necessary to health. It is from the slums that gaols, mental homes, orphanages and like institutions are being filled."

Gifts of £50 sought for hospital. . . £10,000 gift to Melbourne Music Society.

Australian cricketers in India refused honorary membership of club which **draws colour line.**

Saturday, November 23.—Announcing that hundreds of boys applying for admission to Caulfield Technical School will have to be turned away and will not receive a junior technical school training, although they have merit certificates and are entitled to the training, the principal of the school said: "Not only is it difficult to cope with the numbers in junior day school, but it is just as difficult to find room for the evening students in several senior departments. The school council has made repeated requests for new buildings, but, despite a promise from the Minister for Education last year that the work would be done if the money was available, the only thing yet completed is a sketch of the plans." Similar conditions were announced from Brunswick Technical School, where 300 boys will be turned away.

An indignant correspondent from Kew wrote to Melbourne "Argus": "It is regrettable that a more intensive campaign is not launched to prevent the destruction of valuable bird life."

Cabled from London that Mr. Bruce "h a s conscientiously studied French." . . . Also that France's attempt "to remain true to the gold standard" has resulted in another crisis.

Search for Kingsford Smith unavailing. . . Search for "Miss Victoria" now "Star" item of news.

Monday, November 25.—Mussolini made posthumous awards of glory to native African troops killed in the endeavour to bring the blessings of Europe to Abyssinia.

The new King of Greece was welcomed home by a harmonious duet of church bells and gun batteries.

War brings prosperity. Italy's unemployment figures dropped from 866,000 in September, 1934, to 628,000 in September, 1935.

"Austria is just beginning to feel a little bit more prosperous." So said wife of German professor visiting Australia, who ascribes improvement to tourists.

Tuesday, November 26.—In the endeavour to improve oil sales in Canada, as much as seven quarts of beer are being offered free with five gallons of oil. Petrol is down to 5½ d.

Because of congestion in the Melbourne Technical Schools, the Victorian Minister for Education agreed to the overflow of pupils making their studies in the Melbourne gaol.

A miniature representation of our

economic position is taking place at Moreland, Vic., where more than 1000 children at the local State School have had to be rationed for drinking water. The headmaster, Mr. Bennett, declaring that it was a shocking and serious position, said that the trouble lay in the inlet pipes to the school, which are too small. There is plenty of water, but "when the taps in one end or section were turned on, no others would work."

Wednesday, November 27.—Taxes Exceed Profit. Apart from customs duties, Marcus Clark Ltd. has paid more this year in various taxes to the Government than the total profit earned.

Warnings that the Melbourne and Metropolitan Board of Works finances were exceedingly grave were given by two members of the Board. "We are mortgaging our future without knowing where money will come from; the position of the Board has never been so parlous as it is to-day," said Councillor Woodfull. Councillor Hansen said his council was confident that a loan would be made to the Board in course of time.

NORTH-EASTERN AND GOULBURN VALLEY CONFERENCE

A highly successful conference, from all points of view, of North-Eastern and Goulburn Valley Social Crediters was held last Saturday, the 23rd inst., at the Mechanics' Institute Hall, Wangaratta. Districts represented were Wangaratta, Benalla, Albury, Rutherglen, Nu-murkah, Chiltern and Yackandandah.

By invitation, a party from headquarters, including Dr. John Dale, Mr. F. A. Newman (General Secretary), Mr. G. B. Maltby (Electoral Campaign Director), Messrs. Trenoweth and Hayes (of the *New Times*) and Messrs. L. Graham and N. Bradley, attended and took part in the proceedings.

The conference, which assembled at 4.30 p.m., was accorded an official welcome by the Mayor of Wangaratta, Cr. Nolan, who, during the course of an appropriate address, said he wished to congratulate those responsible for calling the conference on the fine attendance of representative citizens present.

He understood the conference was being held for the purpose of co-ordinating and extending the efforts and activities of the thoughtful and public-spirited section of the community that is desirous of bringing about a more satisfactory state of affairs than exists at the present. That there was something seriously wrong with the existing economic and financial system could not truthfully be denied. Widespread unemployment; bankruptcies, the result of unplayable prices and unprofitable business, which were driving many people to distraction; restrictions, and the destruction and waste of so many of those things that were required by the people, were causing thoughtful people throughout the world seriously to question and to challenge a financial system that was unable or unwilling to put an end to the existing absurd paradox of poverty in the midst of plenty. Continuing, Cr. Nolan said the Social Credit advocates had a strenuous fight before them, but nothing worth-

PROFESSOR COPLAND MAKES A BELATED DISCOVERY.
Every effort at a reduction of salaries, costs and fixed charges in France has been followed by a further fall in prices and a further shrinkage of income.
—Professor Copland, in Melbourne "Herald," Nov. 26.

while had ever been achieved without effort and sacrifice on the part of those who all down the ages had led the vanguard of progress.

The chairman, Mr. J. Higgins, proprietor of the Wangaratta "Despatch," also extended a cordial welcome to the visiting representatives and briefly outlined the purpose for which the conference had been called.

After discussion it was resolved that Wangaratta and Shepparton, respectively, should be the centres of activities for the North-Eastern and Goulburn Valley districts, and that steps should be taken as early as possible to form branches of the Social Credit Movement wherever possible throughout those districts. Offers to organise branches of the movement were received from Benalla, Rutherglen, Shepparton, Albury and Wangaratta.

After hearing the aims and objects of the Electoral Campaign explained by the Campaign Director, Mr. G. B. Maltby, the conference resolved to support the campaign.

At 6.30 the conference adjourned, reassembling at 8 o'clock to hear an address by Dr. Dale.

The Mayor, Cr. Nolan, presided at the evening's meeting, and extended to Dr. Dale, on behalf of the citizens of Wangaratta, a cordial welcome to the town.

After delivering a most interesting address, Dr. Dale answered a number of questions to the evident satisfaction of his questioners.

A hearty vote of thanks to Dr. Dale was moved by Mr. H. E. Glover, of Rutherglen, and seconded by Mr. Bray, of Benalla.

On Sunday afternoon Dr. Dale addressed a well-attended meeting in the Soldiers' Memorial Hall, Benalla.

Prior to the address Mr. Maltby outlined the Electoral Campaign to the meeting.

LEAGUE OF DEMOCRATS

Campaign Notes

An extension of the Campaign into the north-eastern district was made this past week-end, when a party from Melbourne attended a conference at Wangaratta, at which the Campaign was explained, and many misconceptions and objections cleared away. After a discussion, a resolution was carried that the Electoral Campaign be proceeded with, and organisation is proceeding in several centres.

On Saturday evening Dr. Dale spoke on the present world economic situation, showing clearly how essential is the Abolition of Poverty, and how necessary it is for all to do their best in the attainment of this objective.

As arrangements had been made for Dr. Dale to address a meeting on Sunday afternoon at Benalla, the opportunity thus provided was taken to give a short explanation of the Electoral Campaign in this district also, and many promises of help were made.

The idea met with some objection at first, but on reconsideration one feels more and more convinced of the certainty of a carefully conducted Campaign, and before long a hike-warm well-wisher is converted into an enthusiastic campaigner, eager to get going and to force political action.

"SOMEBODY ELSE'S PIGEON"

FROM "SCIENCE IN THE MAKING" (BRITISH BROADCASTING CORPORATION).

Snow: "Not bricks, please. Bricks are out of the ark. The builders of the future would like something a little less palaeolithic. There's an interesting material that looks exactly like the stuff they will want. You have heard of aerogels?"

Russell: "As a matter of fact, only in Bernal's book. But never mind. Go on. What are they? Something quite new?"

Snow: "Oh, no. We've known

about them for about five years. They start by being an ordinary colloid solution, something like, water-glass you preserve eggs in; but the water part of the thing is gradually replaced by air—it's rather an amusing process. When you have finally made it, the stuff "is lighter than cork, extremely strong (when you throw it on the floor it makes a singing noise), quite transparent, heatproof, soundproof. Can you imagine a better material for walls?"

Russell: "That sounds very nice. Can it really be made? It's transparent, you say? Will it let through those ultra-violet rays we hear are so very good for us when indoors?" Snow: "Yes. . . It will give us all the benefits of sunshine as well as of ordinary light. And think of the buildings you can make: light, and strong, and beautiful. Why, we should have a renaissance of architecture. The stuff is there waiting for us; it is made; the scientists have done their bit."

Russell: "And now manufacturers can carry on? Will this wonderful stuff be cheap enough for the ordinary man-in-the-street or, shall we say, for the ordinary man-in-the-home?"

Snow: "The difficulty is one of price? Well, yes, perhaps it is. The difficulty is that the material might be too cheap. If this aerogel stuff were introduced now for building you can imagine the how-d'ye-do that would arise in the established industries. It would make so many of our factories and foundries obsolete. The old story. Labour and capital displaced by new inventions. Economic difficulties. The introduction of the new stuff would have to be gradual. We might not therefore get the new stuff for a long time. But that isn't a scientific problem. That is somebody else's pigeon."

"OLD AND FABULOUSLY RICH"

Seldom seen by anyone outside his own household, religiously guarded from photographers, never known to make any statement to any newspaper on any subject—Sir Basil Zaharoff, greatest dealer in armaments the world has ever known. What is he doing now? Where is he?

The other day Sir William Jowitt, K.C., caused a sensation when he suggested to the Royal Commission investigating the armaments industry in this country that Sir Basil should be called to give evidence. If they had wanted to call him they would have found some difficulty in knowing where to shout.

Old, and fabulously rich, Zaharoff lives as a rule in Monte Carlo, where at one time he owned the casino as a side-line. The fortune he picked up from the sale of weapons of destruction has been variously estimated at sums ranging from £20,000,000 to £60,000,000.

Knighted in 1918, for services apparently to science and art, Zaharoff has received a considerable assortment of honours at the hands of a variety of governments. —"Weekly Illustrated," Sept. 7.

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The last war cost —

British Empire casualties—	
Killed	1,809,919
Wounded	2,400,988
Italian casualties, killed ..	680,000
Wounded	1,050,000
French casualties, killed ..	1,393,388
Roumanian casualties, killed	335,706
Serbian casualties, killed ..	127,535
U.S.A. casualties	115,660
Belgian casualties, killed ..	38,172
German casualties, killed ..	2,038,897
Hungarian casualties, killed	\$60,600

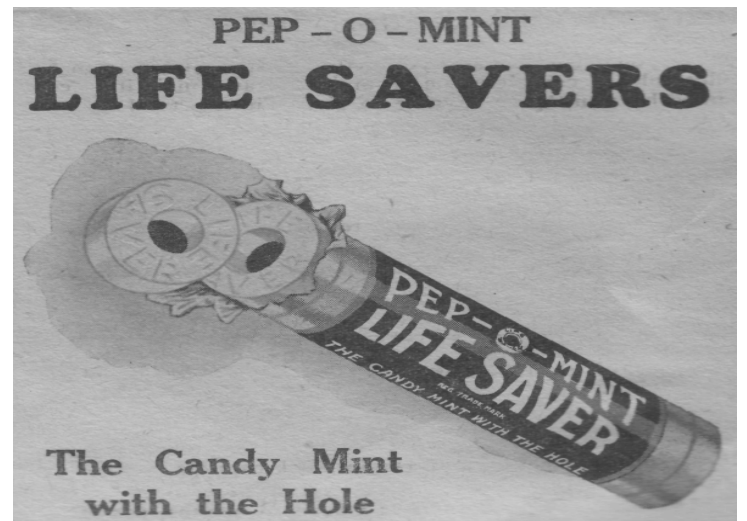
The total loss of life during the war was given by Field Marshal Sir William Robertson as 10,000,000 men and boys—largely boys . . . over 20,000,000 men were wounded, and many maimed for life. The cost in money he reckoned as £40,000,000,000 in direct outlay, or £70,000,000,000 reckoning indirect expenses

HOW IT MIGHT HAVE BEEN SPENT—

A publication issued last year by the mutilated war veterans of France declared that the amount spent on the war would have been enough to build a villa for every family in France, England, Canada, U.S.A., Germany, Russia and Belgium, and to equip every town having a population of over 200,000 with a hospital, public library and university.

Dealing with monetary reform Mr. Martin (Labor candidate for Raglan) said this was by far the most important plank in his party's platform. From Labor's point of view the election would be fought to decide whether control of currency and credit should be taken out of the hands of the banks and vested in the Government. —N.Z. Herald, Nov. 4.

A PICNIC,
organised by the Williams-town Branch of the Douglas Credit Movement, in conjunction with the Mt. Evelyn Branch, is to be held at MT. EVELYN on SUNDAY, DECEMBER 8. ALL BRANCHES are asked to cooperate in making this outing an outstanding success.



ALICE IN MONEYLAND

By A. M. MOWAT, in *Saturday Night*.

"It won't be long now," said the Mad Hatter, rubbing his hands and looking very cheerful, "before we money-lenders are once more in our heaven and all's well with the world."

"What makes you think that?" asked Alice.

"Because," replied the Mad Hatter, "the necessary steps are being taken everywhere to cure the depression."

"What are the necessary steps?" Alice, said curiously.

"The necessary steps," replied the Mad Hatter, "are restriction and destruction."

"Are many things being restricted and destroyed?" asked Alice.

"I should say so," said the Mad Hatter gleefully, "tea in the East Indies, coffee in Brazil, oranges in Spain, cattle in Holland, cotton in the United States, wheat everywhere, petroleum, rubber, sugar, oh! and scores of other things which common people need badly but haven't the money to buy."

"It seems a queer way to get out of the Depression," said Alice, thoughtfully.

"It's not queer at all," said the Mad Hatter. "It's very sensible and logical. Whenever a depression comes, a large number of the common people find themselves without money and are unable to buy food and clothes and things. Therefore, it's only logical to start at once to destroy food and clothes and continue to do so until there is hardly enough left for those people have money."

"I don't see anything logical about it," said Alice, hotly. "Won't the common people who haven't any money suffer dreadfully?"

"Undoubtedly," replied the Mad Hatter, "but their suffering, though severe, is salutary. If we didn't restrict and destroy, we money-lenders wouldn't be able to loan, and therefore the world couldn't escape from its Depression."

"I think you're talking nonsense," said Alice. "Why does the food have to be destroyed?"

"So there won't be unwanted surplus of food," said the Mad Hatter, gravely.

"What's an unwanted surplus?" asked Alice.

"An unwanted surplus of food," replied the Mad Hatter, "is a supply of food which that portion of the population which has money doesn't want to buy."

"But the common people who haven't money want it," cried Alice. "So why destroy it?"

"Of course, they want it," said the Mad Hatter irritably, "but they can't buy it, so it must be destroyed. If it wasn't destroyed, prices would fall."

"Why would they fall?" asked Alice.

"I have just told you," said the Mad Hatter, "because there is more food than the people with money want."

Prices fall when there's more of a thing than the people with money want."

"Suppose," said Alice, slowly, "the moneyless common people had money, would it still be necessary to destroy their food?"

"Of course it wouldn't be necessary," replied the Mad Hatter, "but I've told you that when a depression comes that's just what they haven't got—so why ask foolish questions?"

"I only asked," replied Alice, "because I thought that perhaps you and the March Hare and the other money-lenders might give the common people money. Then, you see, they wouldn't have to starve and their food wouldn't have to be destroyed."

"That," said the Mad Hatter, harshly, "is heresy. What you are suggesting, Miss Alice, is that a money-lender should finance consumption. That is something I have never done, and Wall Street helping me, I never will."

"I don't see why," said Alice.

"Because," replied the Mad Hatter, "I've never done it. Moreover, I think it's too risky."

"Then, why not let the Government Dormouse do it?" cried Alice, "and don't be such a dog in the manger. If the Dormouse did it, the common people wouldn't have to starve and their food wouldn't be destroyed."

"I tell you," replied the Mad Hatter, "such a policy wouldn't do at all. I and my fellow-moneylenders are the only people who have the right to create and loan money."

"Who gave you that right?" asked Alice.

"That question," said the Mad Hatter, "is merely impertinent. It doesn't deserve an answer. Besides, everyone knows that the March Hare and I and our friends are the only people who know when, where, how and to whom money should be loaned. Our record speaks for itself."

"If I understand you correctly," said the Dormouse softly, "you are maintaining that you can't and I mustn't create and give money to the moneyless common people."

"I certainly do maintain it," said the Mad Hatter, grimly, "and therefore it follows that the unwanted surpluses must be destroyed."

"But that's what I just can't understand," said Alice. "Why does it help matters to destroy the food which the moneyless common people need so terribly?"

"I am very glad you asked that question," replied the Mad Hatter, "because it's so easily answered. You see, my child, unwanted surpluses not only make prices fall and so imperil our securities, but they make it impossible for us to loan money."

"Why so?" asked Alice.

"Because," said the Mad Hatter,

"unwanted surpluses mean that there is more food and goods in the world than the people with money want to buy, and, as we moneylenders only loan money to finance the production of food and goods, it follows that as long as the unwanted surpluses continue to exist we can't loan, because the new goods and food wouldn't be sold and we wouldn't get our loans back with interest! Do I make myself clear, Miss Alice?"

"I see why you can't loan," said Alice, "but why does the destruction of the unwanted surpluses help the world?"

"It helps the world," replied the Mad Hatter, "by enabling us money-lenders to loan. Because when enough food and goods have been destroyed, you will find that food and goods become so scarce that that part of the people who have money will be compelled to pay more for them. In other words, scarcity makes prices rise, and then we money-lenders can loan. Once we start loaning the world can become happy."

"Why does the world become happy?" asked Alice.

"Because the money we loan for production," said the Mad Hatter, "very quickly gets into the hands of the moneyless common people in the form of wages. Then they begin to buy things and that makes us feel it is safe to loan more money for production, which in turn enables the common people to buy more and so it goes on and on and on until—"

"Until what?" cried Alice, feeling very excited at the happy picture which the Mad Hatter was painting.

"Until," said the Mad Hatter, crossly, "we money-lenders see that the common people haven't nearly enough money to buy what has been produced by means of our loans and our work."

"But why does that happen?" said Alice.

"That happens," said the Mad Hatter, "by the common people being so grossly extravagant as to spend their wages buying the things our loans helped to produce."

"Oh, that's the reason, is it," said Alice. "You know, somebody once told me it was because the common people's wages were so low they didn't have the money to buy what was produced."

"That's absurd," said the Mad Hatter, "but anyway it's a purely academic question. The important point is that sooner or later we money-lenders see clearly that the common people haven't nearly enough money to buy the food and goods that are being produced."

"What happens then?" said Alice.

"Why, another depression happens," said the Mad Hatter, "and we start to restrict and destroy more intensively than ever, until another blessed scarcity has been achieved and it becomes safe again to loan for production."

"It's horribly complicated and depressing," said Alice, "but you seem to be saying that it is only by keeping things scarce that money lenders can live and loan."

"You never said a truer word," cried the March Hare. "Abundance is a curse, scarcity is a blessing—to a money-lender. It is scarcity, not love, Miss Alice, which makes the lending world go round."

"And it will continue to go round in the good old way it has always done," said the Mad Hatter, heartily, "so long as we money-lenders control the money supply and keep our Mad Dormouse from creating and giving money to moneyless common people."

"Well" said Alice, indignantly, "if I had my way I'd allow our Dormouse to increase the money supply so the food supply could be eaten, instead of your way of destroying the food supply because there isn't enough money, and what money there is in the hands of only a part of the people."

"My dear, dear girl," said the Mad Hatter, reproachfully, "that would be infringing on our money monopoly. It would be taking away our business from us. It would be opening the doors to abundance. In a world of abundance who

A CHANCE TO DO THE RIGHT THING

By B. J. BOOTHROYD, in "Reynolds's Illustrated News" of October 20.

I have just started a Be Kind To Politicians League.

With a General Election at hand, I want to ask electors to show some sympathy for the candidates.

It has ever been our proud boast that we are good to dumb creatures. It is time we showed a similar consideration for those less fortunate creatures who are not allowed to be dumb because they are paid to talk.

I have been deeply moved of late by the pathetic sight of our statesmen having to explain what they meant several years ago when they talked so eloquently about sanctions. You all know how embarrassing it is, when you have said a good thing, to find yourself in the position of having to say what you meant.

THOSE "AVENUES."

Fortunately, it is a situation in which highly-placed politicians are seldom found. The kindly tolerance of the British people restrains them from bluntly asking a politician what he means by his utterances. They know he hasn't the least idea, and only talks like that because, ever since the government of the country was taken over by the Bank of England, no statesman ever knows what is really happening, and couldn't help it if he did.

As the years passed we have asked less and less of them. In my youth, all a Government had to do was to say it was Exploring Every Avenue. But nowadays we don't even expect it to explore avenues. All it has to do is to sit where it is and Turn the Corner.

At the last election the electors reached the limit of generosity, for they put a party in power without even understanding what its programme meant ("stabilise the Pound," I think it was), so nobody knows whether they ever carried it out or not. That was real sportsmanship.

All this latitude in the past, however, only makes the present situation all the more embarrassing. When our great statesmen committed themselves to the Covenant, they never thought they would ever have to explain it, still less act upon it. It was a nicely worded document. Sung to music with a flute obligato, it goes down well at a party. But to ask the men who drew it up to act upon it is unfair. You might as well ask a man to chase a bull because he has just sung "The Toreador."

So I ask you to be extra fair to the politicians at this election. They have had a nasty shock, so be gentle with them. Be a sport, and don't spoil the party. When a candidate stands up to sing his little song, join in the chorus like a gentleman, and don't ask him to explain the words. Remember, they aren't his words.

would want to borrow and what would become of the lenders of money? After all, you mustn't forget that our world was made for the money-lender, not the money-lender for the world."

Quite so," said the March Hare.

They are the Party's words, and the Party doesn't know what they mean any more than he does. But they had to say something. You can't have an election without speeches, any more than you can have a concert without music.

RECORD SPEECHES.

This is going to be a difficult election. One Party is going to ask you to vote for a fighting force so strong that it can defy the rest of Europe. It is cruelty to animals to ask a man to explain that. Some Parties are saying two opposite things at once, and won't have time to decide which is the right one. In many cases opposite candidates are saying the same thing.

It is all so difficult that many candidates are reported to have asked their H.Q.'s to exempt them from making speeches, and let them do step dances instead. One asked if he might do conjuring tricks.

I have thought of a plan to make it easier. I have suggested that the Parties shall have gramophone records made of set speeches. Each candidate will take a gramophone on the platform with him, turn it on, and stand beside it with his mouth gagged, to show that he is not personally responsible for his speech, and, therefore, cannot answer questions.

A humane touch, I think? I thought it my duty to speak for those who cannot speak for themselves.

SELF GOVERNMENT AND OUR NAVY

The following report is from Federal Hansard issued last Saturday, November 23:-

Mr. Archie Cameron asked the Minister for Defence, upon notice:-

1. Does the Royal Australian Navy rank as an integral part of the Royal Navy in the calculations of foreign powers?

2. Was the Royal Australian Navy so considered in the Washington and London naval agreements, and in the discussions which preceded them?

3. What consequences to Australian naval defence policy could be expected to flow from the acts of non-co-operation with the Royal Navy advocated by the Labor Opposition parties?

4. Do foreign navies recognise any signs of distinction between His Majesty's ships of the Royal and Royal Australian navies; if so, what are they?

Mr. Archdale Parkhill. —The answers to the honourable member's questions are as follows:-

1. Yes
2. Yes
3. The most serious consequence would be the breakdown of the existing system of a united and common defence for all parts of the Empire.
4. No.

TOOWOOMBA (Q.) SOCIAL CREDIT BROADCASTS.

The Toowoomba branch of the Douglas Social Credit Association wishes to advise listeners that it broadcasts from station 4GR, Toowoomba, every Thursday from 7.0 to 7.15 p.m. and every Sunday from 7.5 to 7.20 p.m. (Major Hannay).

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Letters to the Editor

A TRINITY OF VIEWS

Three recent opinions of conditions in Great Britain from returning visitors are interesting in their lack of unanimity. Mr. Menzies said the impression of conditions in England he got was "wonderful prosperity." His Grace Archbishop Head returned with an impression of "quiet" prosperity. The 2,000,000 on the dole would hardly be conscious of the "wonderful" prosperity of Mr. Menzies or the "quiet" prosperity of his Grace, I fear.

The latest opinion, that of Mrs. Shaw, daughter of the late Sir William McPherson, describes conditions of "appalling poverty" in England, and "more appalling poverty" in Scotland. Mrs. Shaw, no doubt, had opportunities for close observation of living conditions which Mr. Menzies and Dr. Head, moving in exclusive circles, denied themselves, and it may be taken that her impression is correct.

Her remarks re Scotland suggest that the appalling conditions may explain to some extent the hostility recently shown there to Mr. Lyons on account of his religion. The people know conditions are causing immense want and suffering, and, through a want of understanding of the basic causes, they imagine that if "papists" are persecuted then their troubles would be lessened. This attitude fails to appreciate that we live in an age when science and invention have made it possible for the world to provide plenty for all, without any exception of creed or colour. As has been shown in your columns continuously, only financial policy prevents this happy state from becoming a reality. If people would but realise this they would cease worrying about the other fellow and his religion, and challenge their real enemy, financial control by a private monopoly. Recourse to sectarianism will merely keep the people in bondage, and the sooner those false sectarian leaders realise it he better. Let me appeal to

these earnest, but misguided folk to shed the "scarcity complex", which prompts their attitude, and unite in the fight to usher in the age of plenty, which lies within our grasp.

F. VINCENT.

East Melbourne.

GOVERNMENT BY CRIMINALS

I have just finished reading W. P. Pitkin's book, "A Short Introduction to the History of Human Stupidity," published recently by Geo. Allen and Unwin, London. While disagreeing with this writer's remarks on high tariffs (I think high tariffs are necessary to beat the money power), and with some of those on war, which I think are refutable, I have to vouch for his book, which is an epoch-marking work.

Pitkin contends that all governments on this earth at the present time are composed of criminals, but they are powerful and clever criminals who make their own laws to protect themselves from any punishment for their crimes. It is, he says, only the stupid minor criminals who get caught and thrown into gaol, because they attempt crimes against property in small ways outside the legalised rackets. This statement recalls how, in Sydney, some small insurance companies, which attempted to "horn in" on the big rackets were raided by the police and crushed; and how the share-selling racket which ran counter to the ones run by the Stock Exchange was "outed." One also immediately thinks of the sugar and tobacco ramps, and the protection afforded to them by our discussion-stifling parliaments.

This author points out that the percentage of those in gaol all over the world for crimes against property is enormous compared with that of those in gaol for sex offences, etc., and perjury.

Sydney. SCYTHIAN.

At the National Coffee Congress of Brazil in July it was decided to place a fine on the planting of new coffee trees excepting as replacement for old ones. — "Guaranty Survey," New York, September 30, 1935.

OIL AND WAR

VIII. —The Cockpit

[Editor's Note. —This is the final article of a series unfolding the grim battle for world supremacy in oil, a battle raging 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 and 15.]

We began our story of oil in the Near East, and to the Near East we must turn again for its last chapter—to date. This area, as we have seen, has been for years the field of operations of the Mr. Rickett who figured so prominently in cables over the Abyssinian concession. It has been the scene of the activities of such other notable figures as Lawrence of Arabia. And it has, during and since the Great War, been the cockpit wherein many of the bitterest battles of diplomacy, and some of blood, have been fought between the Powers seeking oil.

The career of Lawrence of Arabia, who began his investigations in the Near East as an archaeologist, can be summed up in this sentence, which he wrote to another archaeologist: "In October, 1913, when England launched the Queen Elizabeth, first of the cruisers to burn crude oil, I knew then that it was up to me to concern myself with the supply of oil for my country and not with archaeology." The archaeologist to whom this was written was a woman, Miss Gertrude Bell, a brilliant Oxford graduate and Oriental scholar, who was also destined to play an important part in the campaign on behalf of British oil.

To Miss Bell, after she joined the Anglo-Persian (or, as it is now called, the Anglo-Iranian) Oil Company belongs the honour of persuading the Arab chieftains, whose dialects she spoke perfectly, to accept for their king the sheik Feisal, British oil's puppet and Lawrence's choice. Feisal, on being made King of Iraq (the old Mesopotamia), duly ratified the great oil concessions which were responsible for his throne.

Under British oil's advice and direction, the new King consolidated and extended his position. He had a bad setback in Syria, now a French mandate, which he tried to annex, but where he was defeated by French forces under General Gouraud. Nevertheless Iraq reached the dignity of being admitted a member of the League of Nations.

STRANGE DEATH OF KING FEISAL.

Feisal met a peculiar end. He visited England in the summer of 1933—and during part of his stay, incidentally, he was the guest of Mr. Rickett. In the following September he was staying at Berne, in Switzerland. Going for a car drive one afternoon, he returned to his room, and an hour later he was found dead. Death, the press learnt, was due to natural causes. But the peculiar coincidence was that the manager of the hotel, who had been the first to discover the body, also died suddenly on the same day.

Nothing untoward has since been proved over the affair. There were rumours, of which the substance was that American oil interests had approached the King and that he had been foolish enough to listen to them. But nothing was proved.

The chief oil centre of Iraq is a place called Kurkuk, between Bagdad and Mosul, where the oil is drilled by the Turkish Petroleum Co., a subsidiary of Shell and the Anglo-Iranian. Standard Oil has also a fifth share in the company, which it got when the United States dumped the Armenians at the Lausanne Conference. (The purpose of this, as of other conferences, was chiefly oil.)

Except for brushes with the French and the Americans, and for some serious trouble with Ibn Saud

of Arabia, British oil had had a comparatively free run in Iraq. But in Persia, where its first (D'Arcy) concessions had been located, it came up against the best skill of Russia.

KHOSTORIA'S CONCESSION.

The first trouble occurred over a concession in the far north of Persia. This was sold to the British oil interests by a Russian named Khostoria. The Soviet claimed that no one but itself had the right to dispose of a Russian-owned concession. The Anglo-Persian countered with a claim that Khostoria (who was a White Russian) was a Georgian subject, Georgia at that time being an independent government.

The Soviet then adopted very clever tactics. For some time it had been cultivating Persian friendship. Strong links of trade were binding the two neighbours together. Russia magnanimously handed back to Persia all concessions held by Russians in northern Persia, which had been acquired in the time of the Czar, including Khostoria's! The one condition set upon the surrender was that Persia must keep these oil concessions for itself, and on no account cede them again to any foreign interests. This was followed up by the formation, under Russian influence, of a small Persian company to hold the concessions.

EINHORN AND RHIZA KHAN.

The Soviet had an exceedingly clever Secret Service agent named Einhorn at work in Persia. And Einhorn, like all good oil men, in due course produced his candidate for office. This was Rhiza Khan, a Persian cavalry man who, under the capable tutelage of Einhorn, aspired to rid Persia of British influence.

In 1925 Rhiza Khan had grown strong enough to seize control of Persia and have himself proclaimed Shah. Events thereafter began to move more quickly. The Anglo-Persian began to meet with difficulties, with constructional accidents. British lines of communication began to be hampered. The Shah dismissed any official known to be pro-British. The crisis came in 1932 when Persia formally revoked all the Anglo-Persian's rights.

Naturally, the British Government stepped in. There were new bids; new negotiations. Finally the Anglo-Persian got a new charter, but nothing like the old one. The 1933 concession cost a million pound offering to the Shah for a start. It entails royalties to the Persian Government on all oil extracted, as well as a fifth share of the profits. And it is good for oil only, whereas the original concession covered all underground rights.

This is the position, as far as we know, to-day. British oil in Persia is no longer in undisputed sway; rather is it on the defensive against Russian assaults. The Shah has indicated where he stands, if it comes to a showdown, in this saying: "The two greatest evils from which a country can suffer are foreign control and Communism. If Persia has to choose between them, I should be the first to place myself at the head of a Communist army."

What will be the end? What next conflict will arise in the Near East? (Conclusion.)

MASQUERADE!

"Human, nature is composed of mud bricks. . ."—(Sir F. G. Duffy.)

The child is growing old beside the man. Its wisdom is an aged man's bitterness.

"Earth is a den of thieves. Take what you can. What matter if your brother must have less?"

Trust no one. Men are liars. Women worse.

Harden your heart—and keep a padlocked purse."

This is the torch which age hands down to youth.

This is the LIE which masquerades as truth!

I think the oft-told falsehood first began

When Wordsworth blew his sentimental nose

And said: "The child is father to the man."

The human heart by imitation grows,

And life in the hearts of children is as fair

As the sweetest bud which scents the morning air.

—Neil Smith.

Queensland.

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The Tasmanian Monetary Inquiry

(Continued from last issue.)

TEST OF A FINANCIAL SYSTEM.

Secondly, this Committee considers that the chief factor in judging the success or failure of any financial system should be whether it is or is not assisting industry to function at its maximum rate and at the same time distributing maximum wealth combined with the highest and healthiest standard of living among the people generally. Any monetary system failing in these must be automatically on the defensive.

The Committee's general and unanimous conclusion is that it is obviously possible to find a just and equitable method of distributing any already existing surplus and also potential production without in any way injuring or dispossessing those now enjoying wealth.

Community control of credit and its equitable distribution seems to be the first necessary step towards realising the ideals expressed by His Royal Highness the Prince of Wales in the following memorable words already quoted: "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."

FINANCE SYSTEM LITTLE UNDERSTOOD.

At the outset it may be stated that one fact revealed by this investigation has been the lack of understanding among bankers and others of the economics of the present money system. This fact was remarked also in the Report of the Monetary Committee, 1934, New Zealand, which said (Section 19), "It would appear, however, that the economics of our present money system are not as well known as might be expected."

The nature of some of the prevailing ideas will be referred to again, but mention may be made here of the lack of research, so far as we can discover, into such matters as the analysis of costs of industry and of the growth of debt. There seems to be a tendency on the one hand to regard such an inquiry as a prying into the affairs of private industrialists and business men, and, on the other hand, to adopt assumptions regarding such matters as the relation between costs and prices and incomes without adequately examining their validity. These habits of thought undoubtedly tend towards confusion and chaos in theories relating to the distributive side of industry.

MEANING OF WEALTH.

In discussing the utilisation of the wealth of a country, it is desirable to be clear in the first place as to what we mean by wealth, for the essential difference between wealth (well-being) and its common measure or symbol, called money, is of the utmost importance.



Full Report of Parliamentary Select Committee

Editor's Note.—The earlier parts of this important document, which is being reprinted in full in our columns, appeared in our last two issues

Speaking generally, the wealth of an individual consists of his possessions in land, goods, etc., personally usable or exchangeable for the usable possessions and services of other individuals. His personal ability and his money are not wealth, but may be exchanged for the wealth of others, and, in so far as they can be so exchanged, they constitute only a claim or effective demand upon the wealth and service of other members of the community. Their validity even as a claim to wealth depends solely upon the others' willingness to exchange. An individual may consume, exchange, give away, or destroy his wealth. His personal ability may deteriorate and his money disappear by spending, theft, or loss on investment and in other ways. He then has neither wealth, nor ability to obtain wealth, nor money to claim the wealth of others.

The wealth of a nation is determined by its ability to produce and distribute wanted goods and services. It includes the productive capacity of its land and plant, the skill and morale of its people, and its powers of defence against predatory attack. It is physically impossible for a nation to become poorer unless it consumes wealth at a greater rate than it produces wealth. In other words, so long as national appreciation of wealth equals depreciation of wealth the nation is solvent. When appreciation exceeds depreciation (as is actually the case with all progressive nations), the nation undoubtedly is richer by the amount of that excess.

Unlike an individual, a nation cannot make itself bankrupt by using its wealth, so long as it takes care not to depreciate unduly its capital resources, mines, forests, fertility, etc. On the contrary, any failure of a nation as a whole to produce and consume what it can reasonably produce, without overtaxing either its capital assets or the work or desire to work of its people, is a definite loss to the nation, which must be reflected in the unnecessarily low standard of living of its people.

Individuals or sections of the community may increase their wealth by obtaining, either by fair means or otherwise, an excessive share of the wealth of others. But this internal interchange of wealth, even if it results in the formation of spectacular fortunes, is no indication—though unfortunately often considered to be—of a general increase of the nation's prosperity or well-being.

CONDITIONS FOR PROSPERITY.

Increase of real wealth requires—

- (1) That the productive powers of the nation shall increase, and
- (2) That the increased production shall be fully and effectively distributed.

There still prevails among a certain class of economists the idea that a nation's wealth should be measured by the money value of its production. From the point of view of individual wealth, a man possessing a hundred bushels of wheat which he can sell at 10s. per bushel is better off than if he possesses two hundred bushels with a market value of 3s. per bushel. But a nation must consider its requirements for consumption, and it is a matter of prime importance whether the quantity it possesses is,

or is not, sufficient for its own consumptive demands.

Distinction should be made between the actual value, i.e., utility, of the amount required for consumption, and the money or exchange value of the exportable surplus.

One of the factors which should indicate internal prosperity or well-being is that goods required for internal consumption be low-priced and therefore readily available to all who need them.

Naturally, the greater the exchange or export value of the surplus, the better for the community, in that it

THE MEN WHO SIGNED THE TASMANIAN REPORT.

Carruthers, G. S. (Chairman). Member for Denison since last election (1934). Graduate of Cambridge. First outright Social Credit member of any Parliament.

Cameron, D. K., Captain, 79th Foot, the Queen's Own Cameron Highlanders. One of the members for Wilmut; elected June 9, 1934. Is a Coroner for Tasmania, magistrate for the district of Deloraine, and Councillor of Deloraine municipality. Served with the British Army, July 22, 1914, to 1922; with Cavalry Regiment, Machine Gun Corps and Infantry. Two years service with Imperial General Staff with Military Governor in Germany. Pastoralist; breeder of Aberdeen Angus stud cattle.

Dwyer Gray, Hon. E., Treasurer of Tasmania. Member of Australian Loan Council. Has had a long and brilliant journalistic career; at present editor of "The Voice."

O'Keefe, Hon. D. J., Speaker of the Tasmanian Parliament. Senator, March, 1901. Re-elected, 1910. Federal Chairman of Committees and Deputy Speaker, 1910-1914.

Pearsall, B. J., one of the members for Franklin, elected June 9, 1934; also formerly one of the members for Franklin from 1928 to 1931. Magistrate for Kingborough. Coroner for Tasmania. Warden of Kingborough for eight years. Councillor for over 20 years. Farmer. Chairman of Tasmanian Fruit Advisory Board.

may receive in exchange for such surplus a greater quantity of goods which it requires, but does not itself produce.

TOO MUCH EMPHASIS ON EXPORT VALUE OF PRODUCTION.

The tendency in some quarters is to regard the export value of production as the main consideration and to look upon home consumption as something which is of no particular importance.

MEANING OF VALUE.

To think of value in terms of money is illusory. The fundamental conception of value is usefulness, and any economic theory which is to be of practical utility in solving present-day problems must be based on this fundamental conception.

Coming now to the question of actual or potential increase in wealth over the last thirty years, the Committee was brought face to face with one of the consequences of the prevailing ideas regarding money values of production. Statistics have been collected relating to production, but these are in the form of variable money values and are useless for comparative purposes, and apparently no attempt has been made to find some fundamental invariable unit of measurement.

INCREASED CAPACITY FOR PRODUCTION.

Information is obtainable from other sources, however, showing the trend of the times. Actual figures for productivity per acre or per man-hour for primary and secondary industries have been extensively published for other countries, and these give a reasonably good indication of what might be expected in Australia and Tasmania.

The Journal of the London Chamber of Commerce of March, 1934, stated that industry in Great Britain is not working at more than 25 per cent. of its capacity. This means that four articles or units of wealth could be made available for each individual in place of the one he can receive under present conditions.

Bulletin 1348 of the U.S. Department of Agriculture gives figures which indicate the tremendous increase in productive capacity made possible by modern power-farming. Professor Laby, of the Melbourne University, has estimated that this has resulted in the displacement of thirteen million farm workers in the United States in the last 30 years.

The Editor of "Power," according to Maurice Colburne in "The Sanity of Social Credit," recently estimated that the mechanical power available for industry in four countries alone—United States, Great Britain, Germany, and France—was equal in manpower to five times the population of the world.

Without any doubt, the increased productivity of industry during recent years has been remarkable. There is reason to believe that production is being restricted. Many inventions and discoveries are being held back for financial reasons, and enormous sources of power, many machines, and millions of men, are ready to produce still more as soon as a means of effective, distribution can be found.

FAILURE OF DISTRIBUTION.

For some years past it has been increasingly evident that the means of distribution have not been working efficiently. His Majesty the King, the Prince of Wales, and many others have called attention to this.

In order to analyse the cause or causes of this failure of the distributing system, it is necessary to study the relation between the industrial system in its function of producing physical wealth and the financial system which facilitates the transfer of goods and services. It is usually assumed that these systems are, if not one and the same system, at least mutually supplementary. It may be necessary for us to revise our ideas of their functions.

PURPOSE OF INDUSTRY.

Most people have the idea that the industrial system would function satisfactorily if everyone could be found an opportunity of co-operating, through work or otherwise, in industry. The question should be asked, "What is the object of industry?" Some think it is to make fortunes; others think it is to provide employment; others, again, believe it is to provide goods and services.

The mark of success in industry from a purely individual standpoint may be the highest individual profit or the acquisition of the largest amount of claims on the goods and services of others. But the mark of national wealth or well-being is

surely that few or none of the people shall be in debt and that all, or nearly all, shall have plenty. From this it is evident that our ideas of personal success in industry are in conflict with our ideas of national well-being.

HOW INDUSTRY WORKS.

It is well to examine the matter further by considering, on wide general lines, how the present industrial and financial systems are supposed to function.

Each individual breadwinner contributes what he is able in goods or services to a central pool, which is the existing system of stores, shops, etc. He receives an acknowledgment in the form of a coin or a cheque, and in return for this he can select from the pool other goods and services which he desires. Or he may refrain from selecting at once and either leave his claim idle or lend it to others. This is a general outline of the system built up and accepted by our industrial leaders. It implies definitely that the way a man obtains the right to draw the necessities of life from the pool is by contributing to the pool. Therefore, it is surely fair and just that he must not be denied the right of contribution.

The average individual is not responsible for these conditions, and, therefore, those who are responsible must protect him and either give him work or provide other means of drawing his support from the pool. Conceding that, for the mass, claims only arise from work, how else—if work be denied—can they arise except as a free gift or something in the nature of a shareholder's dividend?

Scientists, inventors, engineers, chemists, etc., have conspired to one end, namely, to increase efficiency, to grow two blades of grass instead of one, to use power and machines, to fill the central pool with the goods man wants and which were previously produced by his own personal effort. Surely, with the increased amount of goods available, all should be more wealthy?

How can these goods be distributed if man's right to earning his claim has been removed?

(To be continued.)

1911-1935.

"Because I am an Italian and because I love the land in which I was born . . . I expressed on the basis of economical and geographical facts my opinion that this enterprise was calculated to injure gravely the interests of the nation." Speaker: Mussolini. Enterprise referred to: Italian expedition into Tripoli in 1911. Occasion: His arrest for pacifist activities, for which he got five months.

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