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THE NEW TIMES

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MELBOURNE, FRIDAY, DECEMBER 20, 1935.

Every Friday, 3d

Gold Diggers of Collins House

Putting the Hard Word on the Government

In last week's issue we made a few notes on the activities of our nominal government during 1935. Hence it is only fitting that the year should not be allowed to slip out without some passing mention of the activities of the little group of gentlemen whose operations radiate from Collins House, Melbourne. For in this assembly of knights and esquires we are far, far nearer the seat of our real government than in any parliamentary chamber.

Even to skim the cream off the annual operations of Collins House would require rather a library than the columns of a small newspaper, for the chefs of this establishment have their fingers in nearly every big pie that is dished up in Australia. In this issue, therefore, we shall content ourselves with a little retrospect concerning the expressed attitude of the Collins House group towards governments, and especially towards interference by governments in their affairs.

This attitude may be summarised as a demand that governments should get out and stay out. The theme needs little stressing, since it is repeated, in one form or another, at nearly every meeting presided over by a Collins House director. In its general terms we find it expressed in a slogan of the politician Lyons who, like such other politicians as W. A. Watt, Arthur Robinson, and Walter Massey Greene, may yet perhaps finish up as a Collins House director. Mr. Lyons's favourite battle cry is, of course, "Hands Off The Banks"—which is much the same as saying, "Hands Off Collins House," since the two are as much alike as the opposite sides of a double-headed penny.

"TAKE THE LOAD OFF PRIVATE ENTERPRISE."

Tracing the attitude a little more in detail, we find it repeated in the recent impudent demand of P. C. Holmes Hunt, chairman of Colonial Gas, that the "vexatious taxing of debenture holders and shareholders resident outside Australia upon interest and dividends" paid by this Collins House Company should cease.

Then we have Mr. W. A. Watt's annual homily at the Dunlop Perdriau meeting. "How," this Collins House gentleman cried this year, "can legislators persist in the delusion that governments can find a remedy for unemployment? The time has come to take the load off the back of private enterprise."

Similar instances of this sort of thing could be repeated almost indefinitely. A little while ago we saw how pressure upon the present Federal Ministry resulted in the lifting of hundreds of thousands of pounds' taxation off the shoulders of big companies, even while the smallest householder continued to

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carry the burden of the sales tax and the bread tax. Our farmers had an almost unbelievable example of the Collins House mentality when another Collins House knight, Sir Robert Knox (of Knox, Schlapp and Co., Australian agents for the Vickers Armstrongs munitioneers) brought forward as a proof of overseas generosity that, though our primary producers had received millions of pounds

Gold Mines of Australia Ltd. the other day. It was already apparent, he said in discussing the company's projected operations, that any successful revival of deep-lead mining would be dependent upon an adequate supply of low-cost electrical power being made available, and upon the Government of Victoria according this particular section of the mining industry a full measure of encouragement and assistance.

ber one single appeal in the cause of humanity, in the cause of anything other than their own profit and power, that has ever come from the dwellers in this banking—insurance—trustee company—mine promoting—industrial monopolistic den. You can't? Neither can we. Now examine the implications of this appeal for government assistance from a source which cries that "the time has come to take the

ANOTHER PRESS LIE NAILED

In our last issue we referred to a daily press cable alleged to have been sent from Canada on December 6, and of which the purport was a supposed repudiation by Premier Aberhart, of Alberta, of his national dividend pledge.

Through the courtesy of the Douglas Credit Association and Party of Queensland we are now able to publish the following cables exchanged between the Association and Mr. Aberhart:—

"Premier Aberhart,

"Edmonton, Canada.

"Papers here carry Montreal cable that you repudiate National Dividend Pledge. Please advise us facts."

Mr. Aberhart replied from Ottawa as follows:—

"Rumour absolutely groundless.

"Aberhart."

for less their annual products, they had nevertheless disposed of far greater quantities of goods in order to realise this lower price!

SIR COLIN FRASER'S SUGGESTION.

But for colossal impudence from this quarter it would be hard to excel what was said by Sir Colin Fraser at the annual meeting of

A full measure of encouragement and assistance! Rack your brains, and see if you can remember Collins House ever suggesting that the Government should give a full measure of encouragement and assistance to the unemployed, or to old-age pensioners, or to civil servants whose pay has been cut, or to school teachers whose promotion has been held up. Try and remem-

load off the back of private enterprise."

A USELESS INDUSTRY

Government "encouragement and assistance" means, of course, either a direct or an indirect subsidy—either permission to sweat employees or else a grant of money. Government grants, under our present money dispensation, must come

THE NEW TIMES

Most Rev. Reginald Stephen, ALA., D.D.,
"Stanhope,"

Eltham, Vic.

Your Lordship,—

We count it an honour to join with those who have already offered you their respectful congratulations on the practical Christianity contained in your Moorhouse lectures at St. Paul's Cathedral, Melbourne, and particularly on the note upon which you closed the series a week ago.

When you referred to "a financial system which was intended to aid industry, but is now strangling it" and when you said that the final criticism of our system was its failure to put the goods it produced into the hands of those who needed them "because it has allowed finance to become its master," you were putting your finger on the core of our material troubles and also on the immediate occasion of the majority of our spiritual ills.

Again, you clear-sightedly pointed out where we are going when you declared: "The desperate remedies adopted are not far removed from attempts at suicide. To meet a depression which is caused by slackening of demand—that is, by insufficient money in the hands of the people—fewer men are employed, and so trade depression is hastened by the means taken to check it." And then: "Is it a reasonable or a moral system which allows a stoppage to be made in the interests of the few who are able to control the scheme? Even if prosperity comes, it will only delay the breakdown of a system subordinating its needs to money, which should be the medium of exchange instead of the controller of industry."

Unlike some others of our clergy, you display no doubt as to the interdependence of economics and

either from taxation or from loans, which latter in turn mean increased taxation forever to pay interest.

What does Sir Colin Fraser want this encouragement and assistance for? Gold mining.

At a time when the production of nearly every other kind of real useful wealth has been undertaken at a loss or with very little profit, on account of prices being so low the price of gold has soared to the skies. And it must not be overlooked that its nominal increase in price has been a long way short of its real increase in purchasing value because, money being scarce, the price of everything which money would buy declined sharply. Gold, therefore, even if it were badly needed, would have the worst case of any commodity in a claim for government assistance these times. But, to make Sir Colin Fraser's case worse, gold is not needed at all. In what substantial way would humanity be worse off if all the gold in the world dissolved overnight? Admittedly a number of gold mining promoters and speculators, a number of city gold diggers would suffer some inconvenience, but even these gentlemen would doubtless turn their fertile brains to some other avenue of business promotion. At the worst, if they all went on the dole, the community might find it a considerable saving in the long run to pay them an outright pension.

GOLD AND THE PRIVATE BANKS

The real significance of Sir Colin Fraser's suggestion, however, lies not so much in the actual request that the government should subsidise the search for gold as in the particular source whence the suggestion arises. Collins House without its banking affiliation; might as well close its doors—as Collins House. Take the names of the Baillieus, of Sir Arthur Robinson, of Sir Robert Knox, of their friends and associates off our bank boards and you reduce Collins House to quite normal proportions. You leave it with some capable technical men, some highly efficient company secretaries, a few legal gentlemen (f.a.q.), many big industrial

(Continued on page 6.)

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:

VIOPEN (Blue)

THE ONLY ANTISEPTIC TOOTH PASTE

42 of the world's leading toothpastes have been tested in Universities to an internationally accepted standard. They all failed except Viopen (Blue), the antiseptic. (B) A tooth powder that will actually harden teeth:

VIOPEN

Recalcifying Tooth Powder

Viopen advertisement is plain, undistorted, scientific truth. The proof is on the wrapper.

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

Fr. Coughlin says: "Keep Out of War!"

My friends and fellow Americans: The National Union of Social Justice welcomes the opportunity of renewing its radioactivities. Today this broadcast becomes truly national as it extends from coast to coast. Because of the tremendous expense entailed in maintaining this network, it is imperative that our time will be limited to forty-five minutes. Fully appreciating my duty to serve you to the best of my ability, I gladly shall be your spokesman each Sunday as long as it is possible to meet the enormous expense of presenting this radio hour.

I.

Time is precious. Therefore, let us turn our attention to the specific programme of the National Union for Social Justice. It has been called to my attention that loose-lipped whisperers of various breeds, together with certain mad-cap newspaper columnists, have written the obituary notice of our organisation.

Much to the chagrin of these literary crystal gazers, the National Union will prove to be a most dynamic corpse. There will be no let down. Principles, not men; justice, not partisanship; courage, not cowardice—these motivating forces will not be surrendered, nor shall I stoop either to compromise or betray the members of the National Union.

THE PROGRAMME.

Our programme for this year, and for at least part of next year, will consist of the following: First, to bend every effort to retain Christianity against both paganism and any other "ism" which opposes the Christian concept of life.

Second, to fight unto death, if necessary, for the retention of the American democratic system of government, together with its republican institutions.

Third, to retain our entire Constitution, including the right of Congress to coin and regulate the value of money. Without having restored this power to Congress—a power held today with questionable unconstitutionality by the privately owned Federal Reserve Banks—there can be no economic freedom. Prosperity, like a breathing spell, may return under the present system of private money coinage and control, only to be followed with diabolical regularity by more disastrous depressions. This constitutional right must be re-established before there can be any sane hope of guaranteeing to the labourer a just and living annual wage, of guaranteeing to the farmer production at a profit.

Fourth, to impress upon this audience that the President and his Cabinet are negligible entities compared to the Congress of the United States, which is composed of our law-making representatives, and Senators.

THE REAL LAWMAKERS

On this last point let no American citizen be deceived. In our scheme of government the President is not the law-maker nor

Fr. Charles E. Coughlin, America's Radio Priest, and head of the American fight for the restoration to the people of control over their own money service, needs no introduction to readers of the "New Times." Fr. Coughlin's national broadcast addresses, interrupted during the American summer, were resumed on Sunday, November 3, when he gave the following message, as remarkable for its eloquence as for its courage, to the nine million members of his National Union For Social Justice. We reprint the full text, with acknowledgments to the author's kindness in making it available. The words are addressed to Americans, but readers will not go far before noting how closely alike are conditions in Australia and in the United States.

must we ever permit him to become the law-maker. The President and his Cabinet are nothing more and nothing less than the executives who, whether they like it or not, are bound by the path of office to see that the laws passed by Congress are executed in the manner which Congress dictates. There is only one dictator in the United States of America. That dictator is the American people, which speak on the matters of establishing law through its duly elected representatives and Senators and not through its President. Therefore, the National Union for Social Justice serves notice on the candidates for office, both in the Senate and in the House of Representatives, that the open hunting season for members of Congress is on. It serves further notice to the Asiatic Communists, to the extreme Socialists, to the European Fascists and plutocratic money manufacturers that this is the United States of America and that we, its citizens, will tolerate no upstart and no group of upstarts who will attempt to claim for themselves the regency of our nation.

A further remark on this same point: Every indication in our national legislative and executive life seems to point that the slogan, "Roosevelt or Ruin," must be altered to read "Roosevelt and Ruin" unless, by November, 1936, we turn the hose of public opinion into the Augean stables of Congress to wash out the rubber stamps of moribund minded men who have lost sight of their duty as representatives of the American people.

What has been the history of this Congress and of its predecessors for the past twenty or thirty years? Briefly, it has been a history of men who were more interested in acquiring patronage—post office jobs, bureaucratic jobs for their relatives, friends, benefactors and ward-healers—than they were in securing equitable legislation for the thousands and hundreds of thousands of voting citizens who received no job. It was an aggregation of misguided men who were more anxious to acquire financial appropriation for their congressional district for the purpose of bridge building, road building and other materials than they were for voting for the majority's welfare. We do not send men to Washington to connive with patronage bosses. We do not send men to Congress to participate in slush funds for public works. We send them there to be legislators; to defend the Constitution; to secure rights for the downtrodden and the exploited, and to pass just legislation even though it will result in their being read out of their respective parties. Let them be Americans first and Democrats or Republicans second!

OPEN SEASON.

I repeat that the open hunting season is on for members of Congress. Thus, we propose to inform you of your rights, to co-ordinate and solidify your scattered forces upon a common programme that is socially just for all, and to support those candidates for national office, be they Republican or Democratic, whose platforms and pledges are in harmony with our social philosophy.

To accomplish this latter we are compiling the record of every representative and Senator, either to applaud him as a patriot or to lash him as a Benedict Arnold.

This written record will be placed in your hands sometime after the next session of Congress.

At no time has it been, or will it be, our desire to establish a so-called third party. The two major political parties which already exist, and to which the vast bulk of American citizens already belong, long since have been seized by powerful groups of manipulators. The American Liberty League, the United States Chamber of Commerce, the American Bankers' Association, the Manufacturers' Association, the oil industries and many other groups so jockeyed your representative into position that, oftentimes, he became nothing more than the Washington secretary of plutocratic overlords.

TWO WORMS ON ONE APPLE

Oftentimes there was a little distinction between a Democratic and a Republican member of Congress there was between two worms gnawing on the one apple. Exploitation of the inarticulate people continued until wealth was concentrated in the hands of a few. The Constitution of the United States was degraded while Congress after Congress supported the private coinage and fixation of money. Consistently they permitted profits to pile up prodigiously for the owners of industry in a machine age when the labourer was being paid less and when his toil was wanted less. Consistently they forced the farmers of the nation, at least since 1920, to operate at a loss. Instead of supplying the country with honest American credit. Congress has flooded it with bankers' credit. Instead of regulating our national credit based on our national wealth. Congress has co-operated with the privately owned Federal Reserve Bankers, permitting them to create credit out of nothing while the same Congress expects us and future generations to repay these Central Bankers with currency money that does not exist.

Beyond all doubt, the old economic system of ragged, rugged individualism was nurtured at the twin breasts of successive Republican and Democratic Administrations—the right breast exuding the sour milk of plutocracy and the left breast the skimmed milk of socialistic remedies. The anaemic body of our citizenry, nurtured upon such a fatal diet, witnessed the whitening of the bones of justice, experienced the weakening of the flesh of morality, while the tuberculosis of want spread in the midst of plenty. This individualism was clothed by the unclean, ragged garment of putrid politics, among whose folds there were bred the germs of rugged radicalism.

CAIN'S PHILOSOPHY

Want in the midst of plenty! Millions of acres of fertile fields beckoning to the millions of idle to come and drink at their breasts! Thousands of factories with cunning machines anxious to produce clothing and conveniences for the mass of our citizens! Stately pine and hemlock and sturdy oak, willing to surrender their timbers for fuel and shelter! Yet, because of some fiat, because of some diabolical greed in the minds and hearts of a small group of unchristian men, there was echoed down the centuries the sacrilegious philosophy of Cain, denying that men are their brothers' keepers!

2. I believe that every citizen willing to work and capable of working shall receive a just and living annual wage which will enable him to maintain and educate his family according to the standards of American decency.

3. I believe in nationalising those public necessities which, by their very nature, are too important to be held in the control of private individuals. By these I mean banking, credit and currency, power, light, oil and natural gas, and our God-given natural resources.

4. I believe in private ownership of all other property

5. I believe in upholding the right to private property yet of controlling it for the public good.

6. I believe in the abolition of the privately owned Federal Reserve Banking system, and in the establishing of a Government-owned Central Bank.

7. I believe in rescuing from the hands of private owners the right to coin and regulate the value of money, which right must be restored to Congress, where it belongs.

8. I believe that one of the chief duties of this Government-owned Central Bank is to maintain the cost of living on an even keel and the repayment of dollar debts with equal value dollars.

9. I believe in the cost of production plus a fair profit for the farmer.

10. I believe not only in the right of the labouring man to organise in unions but also in the duty of the Government which that labouring man supports, to facilitate and to protect these organisations against the vested interests of wealth and of intellect.

11. I believe in the recall of all non-productive bonds and thereby in the alleviation of taxation.

12. I believe in the abolition of tax-exempt bonds.

13. I believe in the broadening of the base of taxation, founded

THE PRINCIPLES OF SOCIAL JUSTICE

On our anniversary may I reiterate not only our determination to carry on but also the sixteen basic principles of social justice to which we, the members of the National Union, subscribe.

1. I believe in the right of liberty of conscience and liberty of education, not permitting the State to dictate either my worship to my God or my chosen avocation in life.

There's a new modern way of cooking! COOKING and baking with a choice salad oil... that's the very newest idea. And it has definite advantages, as well as being easy, convenient and accurate in use. Try Nutro Oil in all your cooking and baking... the things you bake will come to your table wholesome and truly delicious, for Nutro Oil has neither odour nor taste; it gives that light, delicate, fine-textured quality that good cooks desire. Send 3d. in stamps with your name and address, for excellent recipe book. COMPARE THESE FIGURES: A small bottle of Nutro Oil holds 5 ounces and costs 8d. this is equal to 8 ounces of butter which costs 1/-. Made by MAIZE PRODUCTS PTY. LTD. MARIYBONG ST., FOOTSCRAY, VICTORIA. NUTRO SALAD OIL (PATON)

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—A Broadcast to Nine Million People

upon the ownership of wealth and the capacity to pay.

14. I believe in the simplification of government, and the further lifting of crushing taxation from the slender revenues of the labouring class.

15. I believe that in the event of a war for the defence of our nation and its liberties, there shall be a conscription of wealth as well as a conscription of men.

16. I believe in preferring the sanctity of human rights to the sanctity of property rights.

I believe that the chief concern of government shall be for the poor, because, as it is witnessed, the rich have ample means of their own to care for themselves.

By these we stand. By these we fall. Our method of writing into legislation these points is not the method of the sell-out politician and his questionable organisation. Our method is wedded to the belief that we can bring the truth into your home by word and into your hand by pamphlet and book so that, when election day comes around one year from this November, we can marshal a peaceful and informed army to march to the polls and to remove from office the sleek, honey-tongued promissor, whose actions are not in harmony with social justice.

Labourer and farmer, small merchant and industrialist, black and white, Catholic, Protestant and Jew—all who love social justice and who are sensible enough to realise that doles cannot last forever are welcome to join in this crusade.

NINE MILLION MEMBERS

If among the nine million members of the National Union there are some who wish to withdraw their support from this organisation, they are not only welcome to do it, but invited to do it. If there are others in California or Washington or Oregon, or Utah or Colorado and these new States to which my voice for this first time is broadcast—if there are some in these States who wish to participate in our programme, they are welcome in our ranks. Once a voting citizen has subscribed to these sixteen points he is eligible to membership in the National Union, independent of his party affiliations.

I ask this audience if it is willing to join with me, not to divide the wealth of the past as desire the radical, but to establish a system of social justice whereby the wealth of the future will be more equitably distributed?

America can be saved by no President and by no Cabinet. Social justice cannot be secured by having recourse to Communistic remedies. The saving of America and the securing of social justice is the work of the sane voting American people whose members of Congress, avoiding the errors of both modern capitalism and Communism, will make this a government of the people, by the people and for the people!

Together we stand! Divided we will surely fall before the onslaught of the selfish politician and his plutocratic overlord.

The thoughts, which I have expressed, only indicate the general outline of this year's programme. We are opposed to squandering borrowing, to ruthless taxation, to unconstitutional legislation, which either minimises the importance of Statehood or foolishly stretches the inter-State commerce clause of the Constitution. This is a money crisis. Happily, the fathers of our country foresaw it and provided for it. Unhappily, this present Administration and its predecessors refuse to face it.

II.

THE INTERNATIONAL BANKERS

Now let us turn our attention to a grave question of immediate concern.

Whether you know it or not, the stage is being set for our entrance into another world war. Whether you know it or not, we are preparing to become the cats-paws for saving the international bankers of the British Empire, which Empire, unfortunately, is dominated by the privately-owned and controlled Bank of England. Our formal entrance into the next war may be postponed until 1937. But, today and tomorrow the manipulators of the international chess board are so arranging and planning their various moves that there will be nothing left for our nation to do except sound the call to arms and duplicate the horrors which stultified and disgraced us in 1916. We are being trapped by agreeing either directly or indirectly to the iniquitous sanctions devised by the League of Nations.

How history is repeating itself! In 1916 we Americans elected Woodrow Wilson on the pledge that he would keep us out of war. A few months following his reelection the best blood of America was supplying fertiliser for the fields of France; the best brains of America became warped and frenzied when, from pulpit and press, we believed that America was saving democracy for the world, whereas, in truth, it was participating in a horrible warfare of commercial greed.

I tell you this not to impugn the honour of a President but to impress upon you that Presidents' promises to keep us out of war can mean little. I would burn this thought into the substance of your soul for the purpose of arousing you to the truth that the President neither declares for war nor against war with any constitutional authority. Bear in mind that according to the Constitution of the United States of America, section 8, article 11 we read: "*Congress shall have power to declare war . . . and make rules concerning captures on land and water*"

Bear in mind that your representatives and Senators, and not your President, are charged with the responsibility of keeping us out of this war.

Once before, on Good Friday eve, 1916, your Congressmen betrayed you. I ask again shall history repeat itself? Shall your representatives represent you or the commercial interests, the British interests, the bondholding interests, rather than the interests of Christ, of peace and of humanity?

Rhetorical, say you? Perhaps so. Let us drop rhetoric and deal with plain facts.

A DYNAMITE CAP

The Italian-Ethiopian war, which is engaging the attention of the world, is nothing more than a dynamite cap, which is planned to blow up Western civilisation.

As far as the National Union is concerned its forcefulness played a major part in preventing this nation from entangling the destinies of American citizens with the iniquitous World Court and its League of Nations which were organised not to

protect the rights of minorities, as events prove, but to protect the dubious rights of those whose history is bloody for having desecrated the rights of minorities. The League of Nations is nothing more than a nameless, illegitimate child, which was cradled in the adulterous bed of the Treaty of Versailles—a treaty that unjustly partitioned Europe and Africa. After this partitioning, the League was generated to protect an injustice. It became the false front for British domination of the commercial world.

THE PEOPLES ARE INNOCENT.

You know that the World Court and its puppet, the League of Nations, are both dominated by England and France. On the other hand, you know that the English people and the French people are, for the most part, totally innocent of the depredations committed in their name by the international bankers and commercial interests who regulate the activities of these countries.

Therefore, emphasising that I am neither pro-British nor pro-Italian; emphasising that my purpose in speaking to you on this subject is to defend and to protect the best interests of the innocent American people whose billions of borrowed dollars have been repudiated; whose sons and daughters have shed their blood in vain only a few short years ago, I raise my voice to keep America out of war and free from the cruel sanctions devised by the League of Nations.

I glory in the fact that I may give expression to the inarticulate voice of America in serving notice upon these nations that in no sense whatsoever shall we comfort them or assist them in their efforts to bestir a world war under the hypocritical pretext of preserving world peace.

Why am I hostile to the League of Nations? Why do I call their sanctions iniquitous? - Sanctions, which mean starving the women and children; sanctions, which England and France formerly employed against the German innocents even during the negotiations for peace.

The answers are plain. Once you know them you will join with me in justified wrath to swear a solemn vow that we will have no participation in the filthy brawls devised by diabolical foreign diplomacy.

MANCHUKUO AND THE LEAGUE.

Have you forgotten the incident known as the Manchurian Expedition, when Japan was the military aggressor against the sovereign territory of China, just as Italy is supposed to be today against Ethiopia?

Refresh your memory. Recollect how three years ago England, which hypocritically poses as the divinely appointed guardian of weaker nations, betrayed our State Department and brought America to the very brink of war with the most formidable power of the Orient.

Secretary of State Stimson, under Mr. Hoover, was coached by England to declare officially that America would never recognise any Manchurian territory taken forcefully by the Japanese. Mr. Stimson had a right, in one sense, to make that statement because such was the major principle of the League of Nations, which was championed and dominated by Britain.

But what happened after the Stimson note was sent to Japan? When England saw that to support the position of the United States might be an appropriate occasion of war between her and Tokio, she wilted and backtracked by immediately issuing a contradictory statement declaring to the world that the possession of Manchuria by Japan would stabilise conditions and thus further the interest of trade. At

that time the great god of commerce was more important and sacred to England than was her agreement with the League of Nations.

On that day the League of Nations sacrificed its right to the respect of the rest of the world. Its articles of agreement became a scrap of paper.

ETHIOPIA.

Now compare the Manchurian incident with the Ethiopian crisis, which at this hour threatens peace and shakes the very foundations of European and American civilisation.

Japan was regarded as a gangster invading Chinese territory without any provocation and only for the sake of conquest and expansion.

Granted that Italy is desirous of expansion, she has at least some slight justification for her movement into Ethiopia. At least Italy could truthfully charge that her territory already existing in Africa has been invaded at least ninety times by the Ethiopians. At least she could point to the unwarranted Ethiopian attack on Ualual. The Italian reprisal for this invasion conceivably might have been avoided had the Ethiopian Emperor tendered an apology to Italy similar to the apology the United States tendered to Germany in the Bremen-Swastika case one month ago.

But that simple and direct method of preserving peace conflicted with the larger, if less worthy, plans of England. Thus, Haile Selassie was induced by England to appeal to the League of Nations to chastise Italy for what any intelligent person would consider to be nothing more than a necessary and justifiable punitive expedition.

AFGHANISTAN.

Almost at the same moment we behold England engaged in sending her punitive expedition of 30,000 troops, with tanks, aeroplanes, machine guns and poison gas into Afghanistan in order to punish tribes for raids on British territory. In this latter case, the League of Nations is silent. In the former case, even before the League of Nations convened at Geneva to pass judgment, practically the entire British fleet mobilised in the Mediterranean as a hostile gesture, not only against Italy, but against the peacefulness of the world.

Oh, consistency, thou art a jewel!

In 1914, when German commercial activities were almost at the point of surpassing those of the British, a world war was brewed in the courts of Europe.

In 1936, when a young and vigorous nation is rising to commercial pre-eminence, an excuse is engineered to destroy her.

Forget not England's applauding the Japanese invasion of Manchuria. Forget not England's punitive expedition into Afghanistan. And finally, be not deceived when the perpetrator of both phases of this most stupendous hypocrisy in all the lurid history of diplomatic intrigue whips the puppet peoples in the League of Nations to join with her in sanctions against Italy to endanger the peace of the world.

COERCION OF LEAGUE MEMBERS.

The fifty-one members of the League of Nations who criminally acquiesced on England's junking the covenant a few years ago and who now servilely support her efforts to revive it for selfish motives do not sway the policies of the World Court or of the League of Nations. Their votes in the League Council and in the World Court are like the votes paid for and counted by guttersnipe politicians. England's Anthony Eden, like a ghost from Dante's "Inferno," flits about from capital to capital, threatening here and threatening there. If this nation will not sign the sanctions, British credit will

be withdrawn. If that nation refuses to join England against Italy, English commercial activities will be cancelled. If France refrains from siding in with the bulldozing activities of Downing Street, England openly confesses that she will withdraw her interests in Europe and permit France to become the prey of Germany. European chancelleries, like fourth grade school children, bow in submission before the Simon Legree lash of a remorseless schoolmaster.

What a tragic comedy it is to behold! England, who has shackled India and plundered South Africa; England, whose history is crimson with the blood of Ireland and small minorities, striking the pious attitude of defender of weak people!

Behold the present session of the League of Nations at Geneva! There stands England!

At the one moment she is the plaintiff, the judge and the jury, as she coerces the League to do her bidding. She is so sure of the outcome that she anticipates the judgment of the League of Nations, knowing full well what it will be as she marshals her soldiers and her sailors to oppose Italy.

U.S. PROPAGANDA.

Naturally she is vitally interested in the position which the United States will take. Thus, the old

(Continued on page 7.)

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FRIDAY, DECEMBER 20, 1935.

Government Should Clear Up Aviation Rumours

To say that public feeling is on tenterhooks over the position of aviation in Australia is to express it mildly. For years past those who were in touch with the practical side of flying have heard rumours of widespread dissatisfaction, if not worse, amongst Australian commercial aviators. The general public began to sit up and take notice when it was alleged that the conditions of the Melbourne Centenary air race had been so framed as to rig the result for a particular English firm, and to exclude, amongst others, Sir Charles Kingsford Smith's American machine. There may have been nothing in the allegation, but it is significant that the Dutchmen who came second were accorded a far warmer popular welcome than the winning fliers, although these latter were called upon to display far greater individual endurance.

Then there were all sorts of stories flying round in connection with the awarding of the Australia-London air mail contract, over which, again, a section of public opinion, rightly or wrongly, concluded that there had been unfair exclusion. The nasty stories then circulating were revived when Kingsford Smith and Pethybridge disappeared so tragically, and there are not wanting plenty who say that the death of such men on a flying stunt need never have taken place had the Government not been at the beck and call of outside influences.

These and other matters have been brought to a head by the tragedies attending the De Havilland planes in Australia, and especially by the recent loss of twenty-one lives in the Bass Strait service. In connection with the second of these tragedies particularly, rumours are rife

that a hush-hush policy has been observed, the more so in view of Premier Ogilvie's statement some days ago as to eye witnesses not being examined, and the lame reply of the Minister that the Air Accidents Investigation Committee "is still making the most exhaustive inquiries into the loss," and that "if Mr. Ogilvie will supply the names of the witnesses to whom he has referred, they will be examined."

Still more fuel has been added by the sequence of events following the crash of the third De Havilland on the Tasmanian run last week. It will be remembered that the actual message from the pilot before the crash stated definitely that the wing was crumpling in mid-air. Yet, a few days later, after rapid action on the part of De Havilland interests, we are told from this obviously interested source that "nothing whatever was radically wrong with the Lepena," and that "the looseness of the aluminium strip would have been immaterial to the safety of the machine." The De Havilland protestors then proceed to express indignation at the suspension of their certificates, which is sheer brazen effrontery, since, even if nothing was seriously wrong with the Lepena, the other fatal mishaps that yet remain to be accounted for would seem to have supplied quite good grounds for suspension.

Moreover, assuming it to be correct that the breakaway in mid-air was not as serious as the pilots thought, then the logical conclusion is that the two pilots on board, in popular parlance, had the wind up. This, in turn, would appear to bear out the story that more than one pilot, after personal experience of D.H. 86 planes, has declined to have anything further to do with them. From which it would seem that we are left with the choice of believing, according to our preference, either that the forced landing was the only thing which saved a third tragedy, or that the reputation of this brand of plane is so bad amongst pilots that they are ready for a crash on the least provocation—neither of which is very reassuring to prospective air passengers.

Then there was the sudden imposition and equally sudden lifting of the suspension of airworthiness certificates for the De Havillands. Most members of the public probably breathed a sigh of relief upon the instant action of Mr. Parkhill in imposing the suspension. Those, however, who thought they were "in the know" laughed and said: "Archie Parkhill is only getting square," and followed this up by references to the gentlemen who were supposed to have run R.G. Menzies over his head into the vice leadership of the party and to the domiciling of the

Australian end of the De Havilland interests in Collins House, Melbourne. The same knowing ones are laughing now as they tell fresh tales having to do with rapid aeroplane flights, the quick lifting of the suspension, and the remarkable rapidity with which the Air Accidents Investigation Committee, still leisurely "making the most exhaustive inquiries" into the previous loss, has galvanised itself into a hasty report that this last accident "supports the paradoxical view that the mishap was due to the extreme caution of the crew."

All these stories, all these suspicions are nasty and unpleasant. Certainly a government cannot be expected to investigate every baseless rumour or to give the lie to every canard. But these stories are being very widely told; these suspicions are being very generally entertained. They concern the lives of over a score of Australian citizens already lost, and the safety of every future passenger. If there be any truth in them, they impute worse than dishonour on the Federal Cabinet.

We do not suggest that there is a vestige of truth in them. But we certainly think that, for its own reputation, Cabinet should scotch, once and for all, stories that will otherwise continue to gain credence and to be added to in the re-telling. Here surely is a case where the Government would be justified in committing the country to the expense of a full and searching public inquiry.

A Step Up for Mr. Menzies

Saturday's press announced the appointment of R. G. Menzies, Federal Attorney-General, to the local board of the Commercial Union Assurance Co. Such appointments are quite usual for expoliticians of a certain type; in fact, they are to be looked for. But it is setting a new note in politics that these marks of approbation should be bestowed openly even while their recipients are still supposed to be of the people, by the people and for the people.

The Commercial Union directorship places Mr. Menzies in a position where business associations would naturally be expected to add fuel to the fire of his oft-expressed conviction that we should keep our hands off the banks. For, without going into their overseas ramifications, which had directly to the English "Big Five," and right to the very Bank of England itself, amongst the co-directors of Mr. Menzies on the Commercial Union are to be found gentlemen who are also directing such institutions nearer home as the Bank of Australasia, the E.S. & A., the National and the Commercial Banking Co. of Sydney (not to mention the National Bank of New Zealand).

Nor are these fellow directors of Mr. Menzies without interests in bank-affiliated enterprises very well known in this country, a few such being the Colonial Sugar Refining Co., New Zealand Loan and Mercantile, Zinc Corporation and The Standard Trust. To show in what nice (and restricted) little circles such directorships rotate, one has but to

look at the names on their boards. For instance, on the last three enumerated above appears the name of C. L. Baillieu, of Collins House and London. This gentleman is also a director of the E.S. & A. Bank, of Dunlop Perdriau, Austral Silk and Cotton Mills, Yarra Falls and Electrolytic Zinc.

So Mr. Menzies may feel he has taken a big step up from such a minor directorship as the County of Bourke Permanent Building and Investment Society, or even Were's Investment Trust. And just as he has shown that it is possible to be Attorney General and advocate for the Shell Co. at one and the same time, so he will doubtless continue to show that a man can defend the people's interests against those of the private financiers even while he is a co-director with the bankers. It has been said that you cannot touch pitch without becoming defiled; but did not the Apostle say something about going in by their door and bringing them out by yours? And our Brilliant Young Man of politics, sitting cheek by jowl with our oppressors, may have it in mind to become another David. Who knows?

Professor Hytten on Social Credit — and on Bank Credit

A few days ago the daily press, reporting the return to Australia of Professor Hytten, economic adviser to the Bank of New South Wales, gave due publicity to the weighty words of the Professor on the subject of Social Credit. The Melbourne "Herald" said: "Commenting on the Social Credit Party's election at Alberta, he said that the leader had had to take back all he said, for he had no hope of carrying it out."

If the "Herald" reported Professor Hytten correctly, then the only thing to be said about the economic adviser to the Bank of New South Wales is that he is an unblushing liar, as reference to the cable from Mr. Aberhart, published elsewhere in this issue, will show. One does not, however, expect to see Social Credit boosted by the paid adviser of a private bank, which enjoys the greater part of its power and profit (and its capacity to engage economic advisers) from its embezzlement of the national credit and its distortion of the same into national debt.

But Professor Hytten's remark about what can be carried out brings to mind another utterance of his, made shortly before his departure from Australia, and which was not reported in our daily press. The occasion was Professor Hytten's evidence before the Tasmanian Parliamentary Select Committee, whose report we are at present publishing.

We quote from the official report:—"Professor Hytten, in answer to a question as to how a general run on the banks in Australia would be met, said: 'I think they would go west then.' " So this same professor, who so easily lends himself to the bankers' lying propaganda against Social Credit, is constrained to admit, when cornered, that the bankers themselves have no hope of carrying out their promises. As the Chairman of the Tasmanian Committee said: "If all Australian

depositors tried to draw their money out at once they would get a few pence, plus a request to have confidence."

And, until the nation resumes control over its own money supplies, we shall never make honest men of our bankers—nor, it would seem, of their professorial advisers.

The Darkening Horizon and Our Interest Toll

"Because of the darkening international horizon," said Tuesday's cables, "the Australian High Commissioner (Mr. Bruce) has postponed conversion of £21,657,000 5 per cent. New South Wales stock until the New Year . . . The development emphasises that the Commonwealth is out of luck."

The Commonwealth is certainly out of luck. And not the least of its misfortunes is that it is represented (or, rather, woefully misrepresented) by a squad of nincompoops, to give them no worse name. For what in the name of Heaven has the darkening international horizon to do with the justice of Australia's claim for a lower rate of interest from the usurers who are bleeding her to death and callously demanding their pound of flesh, irrespective of how many of our people are thereby driven on to the dole or to equivalent destitution?

The darkening international horizon, otherwise the prospect of war, from a banker's point of view is a glorious sunrise; for it means a rapid upward movement of interest rates. Under the urgent necessities of war, nations have no time to stop and argue about the toll they will give to Shylock for making available to them his fountain-pen money. And it is upon this that the bankers are counting in putting Mr. Bruce off once more. No question arises of the security, which Australia can offer, or of the willingness to pay of her people, who are already devoting more than half their total Federal and State taxation to the everlasting tribute to Montagu Norman and his fellow-conspirators.

Australia is the best security in the world, and they know it. It is a better security in Britain than Britain itself, for Australia has continued to pay interest in the teeth of worldwide default, not excluding the default of Britain. We are not suggesting that there was anything particularly immoral in Britain's default to the American bankers who financed her war supplies, since she has steadily proclaimed her willingness to repay in goods a debt incurred for goods. But we do assert that the default was a flagrant breach of the banker's code, for Britain defaulted, and has continued to default in interest while having nearly £200 millions of gold available. Gold is always acceptable to bankers. But the British bankers would not surrender their gold. And it is these same bankers, who have no more regard for their own code than they have for the standards of ordinary decency or humanity, who now tell us "the Commonwealth is out of luck."

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THE BLIGHT OF THE WORLD

By BRUCE H BROWN

(By arrangement with the *Castlemaine Mail*.)

During the past few weeks we have been considering the "Blight of Our Empire" in the form of the Bank of England, and now it is necessary to pass on to the headquarters of the world-wide system of Central Banks, known officially as the Bank of International Settlements, located at Basle, in Switzerland. Hitherto we have heard very little of this particular development, but it is so ominous that unless the people at large can be roused from the state of mesmeric stupor into which they have fallen it will increasingly become a terrible blight on the whole world.

Before leaving the Bank of England, however, we should know that its establishment was associated with trickery. Without going into the details of history, it will be sufficient at this stage to say that in a period during which things were unsettled in England and Scotland between Catholics and Protestants, the international financiers, with headquarters in Holland, collaborated with Scottish businessmen in London and foisted a Dutchman on to the throne of England. The financiers then persuaded their nominee king to borrow approximately a million pounds from them and fight a war against France. In return for this, the financiers got a private charter for the establishment of the Bank of England, which still remains a private corporation. One of the Bishops in the House of Lords at the time saw the danger of this manoeuvre and warned the House that the bank would develop into blight and that the whole nation would become subject to its control. In the light of the facts given in these articles from week to week, would you say that the Bishop's warning was right or wrong? The facts show that he was right.

A POWER ABOVE ALL GOVERNMENTS

Now, if we wish to interpret the trend of the times correctly, we must have a clear understanding of the real nature and source of the power which controls political policy, and in order to gain that understanding we must look into the functions and powers of the Central Bank of the World. This bank, as we have already stated, is known as the Bank for International Settlements, and it constitutes a power greater than the Governments of the world, for it is outside the control of any Government. Befogging side issues are continually put forward by sycophantic press to make it more difficult for you to get a clear grasp of the facts, but there are increasing signs that the people are at last doing some thinking of their own account, and that consequently the hiring press is becoming more and more innocuous. So much so that, despite all the efforts of the panic-organisers, more than half the voters in the British Empire have already declared for monetary reform. At our own Federal elections, more than half the electors voted for it; in Canada last month the people voted for it overwhelmingly; in England itself the voting was almost 50/50 on the question (that

explains why £100,000,000 has since been made available to the Government at 1 per cent, interest !); and now in New Zealand the people, opposing it have been literally routed.

No Government can afford to ignore these significant facts, and our own Federal Government should realise the futility of any longer putting forward the plea of "shortage of money" for its failure to carry out necessary public works, to pay fair wages, or to show proper consideration for the aged and the infirm. As money is only a system of bookkeeping and tickets, it is obvious that a Government, which pleads shortage of money openly admits its surrender to private interests which are swindling the community. Ministers of the Crown who borrow privately manufactured money for Government purposes should be impeached and punished.

THE MEN IN THE SUPER SWINDLE.

Expressed in simple terms, the Bank for International Settlements is the super fort of High Finance, and on its directorate there are two agents of the American Money Trust and two of the Bank of England. Mr. E. Garrah of the Federal Reserve Board New York, is the president; Mr. L. Fraser, also of the Money Trust, New York, is the vice-president; and the representatives of the Bank of England are Montagu Norman and Sir Charles Addis.

The policy of this centralised control is "Produce More and Consume Less." It certainly does sound silly, but the financiers and their professional echoists advocate an expansion of the "means of production" without any corresponding expansion of the "means of consumption," i.e., of the means by which the individuals of the community may be given access to the fullest life, leisure and enjoyment. The result of this policy is the production of things which are denied the community because of the lack of purchasing power, whereas the sensible course is to increase consumption by individuals in proper relation to the expenditure of energy, irrespective of whether it be human energy we spend or solar energy. In other words, we should get and use more goods for less and less human effort, a policy which has not only been made possible but is obviously justified by modern mechanisation and science.

No one seems to object to the Vanderbilts drawing millions of pounds without doing a hand's turn to earn it, but immediately it is suggested that out of the abundance of the Earth we might give something to other people there is a hue and cry about "work" and degeneracy. The same applies precisely to the society people of Toorak and other parts who have access to plenty of purchasing power without being required to "work" for it. Are they degenerate? Indeed, they regard themselves as the very "best" people!

CONTROL BY THE DRONES.

You see how silly it all is. The only reason why we are not getting and using more and more goods with less and less human effort is because the private monopoly, which controls the money supply, will not permit it. Money is the sole title and claim to production, and the issue of these titles and claims is at present under the direct control of the private banking system. You may produce more and more of the things, which constitute the real wealth of the nation (as the farmers have actually done), but someone else who has produced no wealth at all determines whether and to what extent your production shall be monetised. Under present control, money can only come into existence as debt to the private banks, and that is the secret of the whole trouble. When it does come into

existence it consists only of names and figures in bank ledgers, which are transferred from page to page according to the instructions written on cheques. Bookkeeping, pure and simple; and yet, because of inadequate bookkeeping arrangements, we tolerate stagnation and the imposition of personal hardship. More than that, when we want money figures for national purposes we go to private bookkeepers for them. All we get from these private bookkeepers is a cheque, and for this we agree to pay heavy annual tribute forever. Evidently our Treasury lacks the ability to do its own bookkeeping.

This money monopoly has been used by the banking system almost solely to multiply factories and plant, thus assuming for itself the ownership of the sources of the world's natural wealth, and at the same time holding the power to limit production to suit its own ends. This may be seen in the fact that the banking system advances financial credit for the purposes of production but never makes financial credit available for the purposes of consumption. No argument is needed to show that the end and aim of all production is consumption, for if people cannot have access to the things, which have been produced, what in the name of commonsense is the use of producing them? It is all a question of access, and access is all a question of finance, and finance is all a question of bookkeeping and tickets. *Nothing else!* But the books and the tickets are kept by a private monopoly.

As a natural result of this attitude on the part of the worldwide money monopoly, whose medicine men and magicians have cast a

I.W.W.ism, Sectarianism, Bolshevism, Russian Gold, Communism, and dozens of other "isms," but never the one and only real issue—*finance*.

THE POWER OVER PARLIAMENT

We have been thinking lately of the Empire's "Mother Bank," so it is fitting that we should have a look at the Empire's "Mother Parliament," which typifies all other Empire parliaments. The British Government has a "policy." The power over this policy, which is finance, emanates from the Bank of England (a private institution) in association with the "Big Five" private banks, and passes through the Treasury to the Chancellor of the Exchequer. The Chancellor, thus having been financially limited by the private banking system, immediately proceeds to limit and control the initiative of his Cabinet colleagues. In its turn, the Cabinet then decides the issues and problems, which are to be considered by parliamentary committees in preparation for discussion by the full House of Parliament. Parliament has no initiative. If it rejects an item which High Finance wishes to be passed it holds itself open to dissolution. As Montagu Norman is reported to have said in 1931 to the British Prime Minister, "If Snowden goes, the Government goes." Montagu had not obtained his power from the electorate. He had merely been sent to London in 1920 by the American Money Trust to take charge of the Bank of England, and by virtue of that he had power to dictate to the Government, which had been elected by the people through the wonderful power of the Vote!

In the face of all this, where do the power of the Vote and the benefits of Democracy come in? The power of the Vote stops at the House of Commons, a point far removed from the actual source of national and financial policy. The personnel of the banks, the Treasury and the Cabinet are not elected by the people. They are appointed by secret nomination. To a large extent this system of organisation has been adopted by the International Financiers, and we find that they have established Central banks in no less than 32 countries. The Central bank in each nation actually dominates the policy of that nation, and in dominating the national policy it is acting as an agent for the private banking trust as exemplified in the Bank for International Settlements.

From this you can see that the control of the policy of any nation is to be found *outside* the borders of that nation, its people being helpless ciphers bound by the chains of Finance. Any doubts you may have had on this score were surely removed by the report in the press of December 7, under the heading "Inglorious Ending of Session." In this report we were told that "the Parliament had been closed for 326 days of the year and important decisions had been made behind the back to Parliament."

The power of the Vote! Democracy!

(To be concluded.)

NEXT WEEK'S ISSUE

Owing to the Christmas holidays, our next week's issue (December 27) will be on sale in Melbourne and suburbs on the afternoon of Monday, December 23. Inter-State supplies will be despatched on Monday evening's trains from Melbourne.

The issue of January 3 will be despatched from Melbourne on January 2, as usual.

spell over people otherwise intelligent, each country has what is called an "exportable surplus," which in most cases simply means goods which its own people want, need, yet cannot buy. This inevitably leads to the struggle of each country to dump its "surplus" goods into another country supposedly to get "money," thus recognising money as an international commodity controlling all other commodities. While we accept this absurdity the money monopoly must, of course, remain supreme. Have you ever paused to consider what sort of money it is we are supposed to get from other countries?

OUR "DEMOCRACY"

Notwithstanding the foregoing, and the clear fact that we are all subject to those who control the financial system, the paid advocates and apologists for the money monopoly, led by its anti-national press, take special pains to tell us that we are a "democracy," and that we have the power of the Vote. Theoretically this is true; but the time of using the Vote, as well as the circumstances in which it may be used, are determined by people entirely unknown to us, elections being arranged to take place at times when politics are diverted to irrelevant issues confusing the community and dissipating the power of the franchise. A moment's thoughtful consideration will satisfy you as to the accuracy of this. Think of the "issues" which have been raised at most of the elections since the war—

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League of Democrats

CAMPAIGN NOTES.

With the Campaign to Abolish Poverty under way in three States, and contemplated in others, the necessity of an Electors' Demand and Pledge common to all has become apparent. Each State has adopted its own form of words, and if this is continued the resultant pressure on politicians will be more diffused and therefore less effective. In order to obviate this an attempt is being made to obtain general agreement on one form of words, and it is to be expected that the pledge form now in use in Victoria will be modified to some extent so as to make it more definite, and probably more concise. The wording, however, will not be altered to such an extent as to render void those signatures already obtained, and workers can continue their canvassing without fear of wasted efforts.

Reports from District Supervisors are very scarce, and this lack of news makes it difficult to publish any notes of progress. Will all who are canvassing please see that regular reports reach their team leaders, etc., and will the latter make it their business to collate and forward these without delay? Communications are the nerve force of an army—make them vibrate with progress reports that will persuade others into the fight.

Gold Is Our Salvation

The following extract is taken from a New Zealand paper: "As the train drew in, the combined Salvation Army bands struck up, 'Praise Gold From Whom All Blessings Flow.'"

We trust that the collection, which was taken subsequently, no doubt, was generously supported by the representatives of the banks. Is this, by the way, the new international anthem of the Bank of International Settlements, Basle?

—*Social Credit*.

TASMANIA

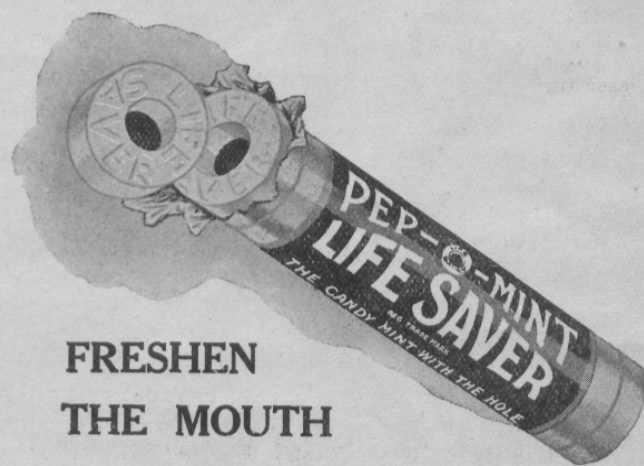
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Good Will Group and Monetary Reform

MELBOURNE BUSINESS MEN'S UNANIMOUS CONCLUSIONS

An excellent proof of the consolidation of Australian public opinion in favour of monetary reform is provided by a number of resolutions unanimously passed by the Goodwill Group and forwarded to us for publication. The Goodwill Group consists of a large body of Melbourne citizens, lay and clerical, drawn from a great variety of professions and occupations, and probably forming as representative a body of average public opinion as could be assembled. Its members meet monthly for the purpose of discussing current problems, each discussion being preceded by an address from some speaker well-known either in orthodox or unorthodox circles, whether of finance, politics or allied subjects.

The president of the group is the Rev. J. T. Lawton, M.A., and the vice-presidents are Dr. John Dale, Health Officer of the City of Melbourne, and Mr. P. J. Clarey, President of the Trades Hall Council, with Mr. G. R. Trenoweth as hon. secretary. As a result of deliberations extending over about two years, and having heard speakers representative of all the well-known schools of thought, the group recently appointed a sub-committee, headed by Mr. Hamilton Lamb, M.L.A., to endeavour to draw up conclusions which should be acceptable to all the group's members. The recommendations of the sub-committee, formally and unanimously adopted last week, are as follows: Points of Agreement Arrived at by Select Committee of Goodwill Group.

1. We believe that any steps which need to be taken to attain reform must have for their aim economic justice, that is, must be directed towards what is right and just in economic relationships in the interests of the people of Australia as a whole.

2. We believe that the present system cannot distribute money equitably.

3. We believe that the people, through its representatives, must control the issue of money in all its forms.

4. We consider that our note issue does not require a gold backing.

5. We believe that Australia can devise and operate its own monetary system for its own needs without reference to or dictation from any outside authority.

6. We believe that the provision of public works, and of social services, etc., should not involve the community in interest-bearing debt.

7. We believe that every citizen, as a consumer, is entitled to an equitable monetary claim to consumption goods, to the end that no needed consumable wealth shall waste through lack of claimants.

8. We are in agreement that an equitable monetary claim will provide:—

- (a) Justice to families;
- (b) A basic wage, theoretically sound; and
- (c) For economic welfare, with total production substantially balanced by total consumption;

all of which points have been emphasised by the Commonwealth Arbitration Court Bench, which stated definitely that the balancing of production by consumption should be accomplished as promptly as possible.

9. Believing that poverty persists mainly because of artificial and arbitrary restrictions, not warranted by present day conditions, we give unqualified support to the demand by citizens for the abolition of poverty.

The group also resolved:—"That no limitation of production be applied until the needs of the people are fully supplied, and that we commend the action of the High Commissioner for Australia in his opposition at Geneva to any attempts by Governments to restrict production as a measure of economic recovery"; and

"That the Goodwill Group submits to the Commonwealth Royal Commission of enquiry into monetary and banking systems now operating in Australia the accompanying summary of points agreed upon, as being in the interest of the people of Australia as a whole."

HOW FINANCE SABOTAGES INDUSTRY

Our contemporary, "Social Credit," in its issue of November 1, gives the following reports of conditions in the British shipbuilding and locomotive industries:

Mechanical science is progressive, and in spite of the suggestions made in certain quarters, it is impossible to call a halt. We must, however, do our utmost in our endeavours to ensure that all the benefits derived from scientific investigation are properly used so that mankind will benefit . . . We find that production in many countries has far exceeded the immediate needs of the producer, and that he has not been able to dispose of his surplus products to other countries who are in great need of his goods . . . We thus find that the pro-

ducer, unable to dispose of his surplus has, in many instances, deliberately destroyed it—destroyed wealth—restricted trading between nations—and in consequence ships have lost the opportunity of carrying cargoes. . . . Meanwhile, the unprecedented amount of scrapping that is proceeding has caused a considerable reduction in laid-up tonnage. According to latest statistics only 29 per cent, of our building berths are occupied in spite of the fact that 149 berths have been scrapped by the shipbuilders' activities in their endeavour to rationalise their industry. The number of insured men in the shipbuilding industry has fallen from 204,500 in 1929 to about 150,000 in 1935, while the number of men unemployed is about 67,000. . . Many of these men have not done any work for from two to four years. In spite of the large unemployment figures, we must face the lamentable fact that should there, by some miracle, be a shipbuilding boom in this country today, we would not be able to cope with it because of our lack of skilled men. This position would be especially serious should any emergency arise demanding a large number of naval or mercantile vessels. The strength of our Navy has, I feel, been reduced beyond the minimum economical limit in our endeavours to set an example to other nations. —Dr. John T. Batey, Presidential Address to Northeast Institution of Engineers and Shipbuilders, October 18.

The capital represented in the locomotive-building industry is about £7,250,000, with a production capacity of 1900 modern locomotives per annum and an estimated employment capacity of 23,000 men. "Today only 9069 men are finding employment in privately owned locomotive-building firms. —"Manchester Guardian Commercial," October 25.

SHOT AND SHELL

From *Social Credit*
Robot booking clerks at Liverpool-street station issue tickets at the rate of 240 per minute, to any of 3040 stations. — *Daily Mirror*, May 2, 1935.

Mechanical egg-breaker handles 3600 eggs per hour, and separates yolks from whites, as against 640 eggs per hour by hand. — *Daily Mirror*, April 30, 1935.

Steel production in U.S.A. is now forty-seven per cent, of the capacity of the mills. — *Times*, April 29, 1935.

While there might be few cases of actual starvation, subnormal nutrition might be more prevalent than was generally admitted. — Medical Officer for Health for Sutton Coldfield, *Birmingham Post*, June 25, 1935.

Leach's Argentine Estates propose to double the quantity of citrus fruits marketed in the next few years. — *Daily Express*, October 12, 1935.

Rubber shows sharp advance on reports of further tightening up of restriction scheme in Dutch East Indies. — *Daily Express*, October 12, 1935.

"The bugbear of the dairy industry today was the milk surplus . . . hundreds of calves were being slaughtered every week."—Mr. G. H. Llewellyn, at the Central Council of Milk Recording Societies. *The Times*, October 23, 1935.

Glut of fruit and vegetables in Bulgaria. Every evening in Sofia, basketsful are tipped into the Danube. — *News Chronicle*.

Poland and "Sound Finance": --Government employees to have higher income tax, reduced pensions, and reductions, and reductions in staff. — *Financial Times*, October 28, 1935.

Surplus of herrings, despite restrictions at Yarmouth. Area

Committee further reduce number of nets per boat, and prohibit drifters from leaving port, except between 6 a.m. and 9.30 a.m.— *Eastern Daily Press*, October 24, 1935.

Unless the Milk Board can raise £3,000,000 overdraft from banks, farmers will have to wait more than two months for payment. — *Daily Express*, October 11, 1935.

Opponents to the Lancashire Cotton Surplus Spindles Bill have passed a resolution asking the Government to postpone passing Bill, and to set up a Commission to enquire into the degree of obsolescence prevailing. — *News Chronicle*, October 19, 1935.

Ministry of Health state that death rate of babies under one year of age has risen from 3500 to 3800 per week in the last month. "No special reason can be given for the increase."— *Sunday Express*, October 6, 1935.

The Only Way

In *The Observer* of November 3, Dr. Schacht, the German Finance Minister, and therefore the real dictator of Germany, is quoted as follows: "There is no re-employment except through re-employment." Here is a bald statement of fact which all those who talk of "curing" unemployment should take to heart.

"There is no re-employment except through re-employment," and one might add, through the inevitable outcome of re-employment—war. This must be the final result of all attempts to cure unemployment even though such attempts take the form of public works.

Italy tried both re-employment and public works for four years, but unemployment remained, and in so far as the public works increased productive capacity, they intensified the problem they were designed to solve. Italy has now taken the next logical step, which, while it proceeds, cures unemployment, and if it succeeds will alleviate it by providing a market for Italian capital equipment to "develop" Abyssinia. But it can be only a temporary alleviation at best, and like public works, by increasing productive capacity, it will eventually aggravate the problem.

There is no cure for unemployment; it must increase with increasing industrial efficiency. It is only a problem so long as work in the industrial system is the only claim to money for the majority. National Dividends for all is the only way to solve this problem. National Dividends would enable those displaced from industry to employ themselves, and, by making the fight for export markets unnecessary, would remove the main cause of war.

—*Social Credit*.

Direct Action

A manufacturer of bricks near Lens, in despair at the insistence of the tax collector, has sent him 1500 bricks in part settlement of his unpaid taxes.

Early this morning, escorted by forty of his workmen, each carrying a hodload of bricks, this determined taxpayer made his way to the tax collector's office and dumped 1500 bricks at its entrance. Threading his way carefully past the bricks, he then walked into the office and asked for a receipt for 135f., which, he said, was the value of 1500 bricks. The tax collector laughed heartily at what he thought was a good joke, and said that he bought bricks only when they were delivered in a plain van. But the brick maker was serious. He went to the Mairie and had all his workmen registered as unemployed, with the consequent right to apply for relief. Unless the authorities revise their attitude towards him, he intends to go out of business. — *The Times*, September 26.

Gold Diggers of Collins House

(Continued from page 1.)

enterprises—and its mining ventures. Under these circumstances Collins House would sink or swim on its merits. In many cases it would probably swim strongly, and good luck to it—the more so as there would then no longer be the suspicion in the public mind which is always associated with the lone arrival on shore of the man who has the control of the lifebelt issue, otherwise bank credit.

But, as things are at present, with Collins House a miniature Bank for International Settlements, as it were, do you realise the full beauty of Sir Colin Fraser's desire to stimulate the finding of gold through assistance from the taxpayers? The benefits to be derived by Gold Mines of Australia and other Collins House shows would doubtless be considerable in the direct sense. But what would happen to the gold when found and when its finders (or, rather those who financed its finding) had been suitably rewarded?

The gold bullion would find its way, as usual, into bank vaults, where its presence would be deemed to justify the issue of more bank notes on the basis of anything up to five or six to one. This is the original notes-for-gold trick, far surpassing the imagination of the modern con man.

But, you will say, this does not any longer benefit the private banks, since our notes are now nationally issued. Does it not? What forms the bankers' basis of the issue of hundreds of millions of pounds of overdrafts, mostly secured by tangible assets of borrowers, and all bearing interest to the bankers? What but the bank's holding of sufficient cash to meet such portion of claims as must be met by cash?

Go out and dig up the amount of gold equal to a sovereign. Take it along to the Commonwealth Bank and get its equivalent value in notes today—say, £2 Australian. You will bank your £2 or else spend it; in either case it will ultimately find its way to one of our banks. Whereupon, although you got only £2 for your gold and your work, the bank can now, with this additional cash reserve, issue further bank loans up to £20 or more. That is to say, where you got only £2 for your efforts, the bank will, by way of interest on its "loan", forever get an income of £1 per year, secured by its control over real assets, and in return for nothing more than a couple of ledger entries.

Is it not a grand racket? And can you wonder that a gentleman with Collins House associations should be pleading for government assistance to gold mining? Sir Colin Fraser is not himself a bank director, and so it is quite possible that, in taking this course, he may not have had any ulterior object in view beyond the immediate profit of his company. It is quite possible; but it is extremely unlikely that his banking associates would be so innocent of cause and effect. At any rate, the stampede after gold with which Collins House seems to be becoming more and more closely identified is eminently beneficial to the banks, while it is of no real benefit at all to the community at large. And the mere suggestion that the people should be taxed still further to subsidise this, banker's hunt is a prostitution of the function of government.

But, then, elected governments no longer function except as bankers' policemen, nor will they ever again be real governments until voters compel their members of Parliament to restore to the nation the control over its own money, and to divorce that money forever from gold.

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Letters to the Editor

PLEA FOR MALLEE SETTLERS

The decision of the Government to close the marginal areas has given rise to a very serious position for the settlers in the Carwarp-Yatpool area. The latest reports are that a number of leases have been declared void and that at the time of writing a number of settlers have received no sustenance allowance for December.

The plight of these settlers and their families during the coming holiday season can be imagined. The case of those who are to be dispossessed has not yet been finalised. Certainly the Government has given a decision, but until the settlers' case is heard, if necessary through the courts, sustenance for these people should be continued. The case has not yet been ventilated in the House, and settlers were given to understand that sustenance would continue until this was done.

It appears that the latest move of the Commission was calculated, that the settlers were to be dispossessed and starved off their holdings at a time when most organisations had gone into recess, and when the action would arouse least protest and publicity. It will be remembered that the wives of these settlers sent a deputation to Melbourne six months ago seeking redress from the Government. Now their pleas are answered by starvation for Christmastide. In view of this the Mallee Settlers' Protection Committee appeals to all organisations and to all humane people to protest to the Government against this unjust action, and to demand the continuity of sustenance until their cases are finalised. Meanwhile, persons interested in seeing justice done and requiring further information are requested to get in touch with the Secretary, The Mallee Women's Association, Yatpool.

The spirit of Christmas is not for these unfortunate settlers, who have become the victims of mismanaged land settlement schemes, unless support from the general public is forthcoming immediately.

D. DUNCAN, Secretary.
Douglas Credit Movement
Rooms, Room 8, 2nd Floor,
The Block, Melbourne, C.I.

THE TWENTY-NINTH

"The world is given today a memorable reminder that amid all her internal difficulties, which to many must have seemed chronic, China is yet capable of evolving great constructive plans for a better ordered future. The Chinese Government's decision to conform in all respects with the best Western practice is a fact of which every well wisher will take appreciative note. That the country has been given advice of late by a British expert does not alter the fact that the significant departures now announced are the outcome of its own good judgment."

China has suffered, and she is to suffer further; that is the meaning of this panegyric from a leader in the *Financial Times* of November 4. Revolution, invasion, flood, famine, partition and now the banker. China is to have a central bank, independent of government control, and a new financial system which, again according to the *Financial Times*: "... will conform broadly with that which is serving this country so well." Her worst enemy could hardly wish her a greater evil.

China is the twenty-ninth country to have imposed upon it such a bank, and, to the disgrace of Britain, those who call themselves British have had much to do with such activities. Only the success of the Electoral Campaign, which will make it clear to the world that the British electorate have also been the thrills of finance, can remove the disgrace of such impositions on helpless people. —*Social Credit*.

Keep Your Eye on New Zealand

"You cannot bring prosperity back without increasing people's purchasing power. Our object is to build up living standards. We shall have to get in touch with those controlling the financial system, including the Reserve Bank, to make available the country's real resources."

"We are not going to follow the old ideas of continually borrowing abroad and adding to the public debt."

"The money system of the country must be associated with our efforts. We do not want someone in London telling us what we are going to do."

—Mr. M. J. Savage, Prime Minister of New Zealand, December 6.

The Minister for Public Works (Mr. Semple), while visiting Napier, said New Zealand's monetary system must receive the serious consideration of the Government in the near future. The people would have to receive the benefit of the credit of the nation.

That was a big job, and would make for a revolutionary change in the existing monetary system. It would be tackled as soon as possible, and those who had suffered in the past few years would receive the benefit.

—Melbourne "Herald," December 16.

Election returns to hand from New Zealand show the following comparison between the majorities of Captain Rushworth and Mr. H. Atmore, the Social Credit Movement leaders, and those of Messrs. Forbes and Coates, leaders of the late Government: —

| Majorities | This | Last | Incrd. Vote This | Elctn. This | Elctn. Last | Elctn. Elctn. |
|-----------------|-------------------------------|------|------------------|-------------|-------------|---------------|
| Capt. Rushworth | 1962 | 1209 | 753 | 1209 | 995 | 214 |
| Mr. Atmore | 2473 | 100 | 2373 | 100 | 1426 | 1373 |
| Mr. Forbes | 1154 | 3963 | -2809 | 3963 | -1510 | 5473 |
| Mr. Coates | 203 | 2084 | -1881 | 2084 | -1881 | 3965 |
| | (173 absentee votes to come.) | | | | | |

"I am one of those who believe that the present depression is the work of man. We have ample production on all sides. It only comes to a matter of distribution. That is the main problem that will face the new Government, I have gone up and down this country promising that, if given a majority in the House of Representatives, the programme that I have been speaking about, and that my colleagues have been speaking about, would be implemented. It can only be done with your co-operation, and I have no doubt as to what your reply will be to that."

—Mr. Savage's broadcast in returning thanks for the electors' decision, as reported in N.Z. "Herald," November 28.

Nor was any obstruction anticipated from the Legislative Council, Mr. Savage added. Actually the Council would not be allowed to obstruct any of the Labor Government's legislation, but its value as an advisory body would not be overlooked. If the necessity arose the whole question of the Legislative Council and its future could be dealt with by the Government of the day. —N.Z. "Herald," November 29.

Fr. COUGHLIN SAYS: "KEEP OUT OF WAR!"

(Continued from page 3.)

racket of propaganda is grinding out its ludicrous lies. Our papers are reprinting the same falsehoods, which worked our country up to war hysteria in 1916 and 1917. In those years the Germans were pictured as barbarian Huns, bombing hospitals, killing nurses, firing dum dum bullets, and committing unspeakable atrocities.

Today the Italian army is charged with bombing Red Cross hospitals in Ethiopia, when, at the moment, it was proven that there was not one such hospital existing in that land. The Italian troops were charged with using dum dum bullets although the only dum dum bullets found in all Ethiopia were those manufactured by England and in the possession of the Ethiopians themselves.

MAKING THE WORLD SAFE FOR THE BANK OF ENGLAND.

Why is this propaganda being centralised in the United States? The answer is simple. We must become entangled in their dirty European brawls and make the world safe for the Bank of England. We must participate either directly or indirectly in sanctions against Italy.

What has this to do with America and Americans? Only

NOW WE KNOW.

"If Australia's exports were interrupted by enemy warships the Commonwealth's economic strength would at once disappear."

—Melbourne "Star," December 4.

Why would it disappear? The "Star" tells us: "... Exports must be maintained to pay interest on the external debt"—not, you will notice, to pay off the debt. And so the "Star" gives the show away: "This is the answer to those who have criticised the participation of an Australian cruiser in the present concentration of British warships in the Mediterranean."

this: We must not enter either directly or indirectly into the sanctions which inevitably lead to war. And yet there is imminent danger of our doing so.

I say this because I have real reason to suspect that the United States secretly, though unofficially, has condoned the sanctions of Great Britain. Nay, I further suspect (unless the Prime Minister of Great Britain is devoid of reason) that the United States appears to have made some tentative plans to co-operate in the sanctions.

Let me read for you the astounding and startling statement made by Stanley Baldwin, the Prime Minister of England, on October 25. He states: "If sanctions of the severest kind are imposed

This Fecundity Must Cease!

"Unless disease arrives," writes a special correspondent to the *Cape Argus*, or disaster occurs, this will be a bad year for the wheat farmer... There is every chance of a record crop of grain in the Transvaal, Free State and Western Province."

After describing how this time last year the welcome signs of "rust" were in evidence everywhere, he says: "If there are people who would welcome the appearance of rust to save the Union from the dilemma of a wheat surplus, they should pray for northeasters to bring the disease and for damp rains and mists to nourish it."

But there is a snag. The Stellenbosch-Elsenburg College, he says, has succeeded in producing practically rustproof wheats. So "the very experts who have been devoting their lives to producing a stalwart and prolific variety of South African wheat are the first to recognise that if success crowns their efforts the Union will produce more grain than its inhabitants are in the habit of consuming."

Why not issue them with enough money to buy the wheat, which is now being wasted?

--Social Credit.

that will lead inevitably to blockade... I would never sanction this country (England) going into a blockade unless I was sure beforehand of the attitude of the United States of America."

ATTITUDE OF THE NATIONAL UNION

Now the National Union stands for prosperity and peace—not for a false prosperity bred by war.

The fifteenth point of the National Union, as I developed it in former months, subscribes to these principles:

First, no entanglements with foreign nations. If that be heresy I stand condemned as a heretic with Washington. Two, no participation in sanctions against either England or Ethiopia or Italy—sanctions which do not make war upon women and little children by starving them to death. Bombing hospitals and shooting men with dum dum bullets is virtue compared to that kind of warfare. Three, no credit to warring nations, because credit has been abused and our debts have been repudiated. Four, the National Union believes in the conscription of wealth as well as in the conscription of men if another war for the defence of America must be declared.

Once more I recall for you, my fellow citizens, that it is the business of Congress and not of the President to keep this nation out of war; the business of Congress to declare war and to make rules regarding captures on land and water. Shall we elect a Congress without knowing its positive position on this point?

The National Union intends to insist that this coming Congress shall make such rules that the entire American nation shall not be sacrificed because some privately owned ship will be sunk as it attempts to gain bloody profits for the munition manufacturers.

More than that, we stand for an

uncompromising and permanent declaration of our neutrality. We stand for the policies advocated by the Nye committee, which has made the most searching investigation ever instituted into the causes and remedies for war.

In brief summary let there be no question as to the motives of the National Union when it impugns the honesty and the decency of the League of Nations. Its policy is America for the Americans. Its stand is neither for England nor Italy. And its programme for this year and next year is to secure social justice for the inarticulate masses of our people whose representatives failed to represent.

Peace and prosperity—social justice for all. If you are in accord with these principles and with the method of writing them into law, I invite your support. Let us keep America for the Americans, independent of entanglements with foreigners and rescued from the hands of domestic exploiters.

"SOMETHING BIG"

O what more fully can afford
The AAA elation
Than to regard the porcine horde
And their regeneration!

When forth the order went to cut
The porkers' population,
Our pigs were living in a rut
Of sordid propagation.

Undreamed, the sweet, serener lives
That celibacy brings,
All they knew was to be wives,
Nor hoped for higher things.

They could not sit and contemplate
(Though pigs are noble sitters)
The thoughts that soar to heaven's gate,
All they had was litters.

So if we cannot now afford
Either ham or bacon,
Still we are in full accord
With the way they've taken.
We know we have done something big.

For the morals of the pig.
—K.K., in *Controversy*, San Francisco.

AUSTRALIAN WOMEN ARE GOOD COOKS SAY MANY VISITORS FROM OVERSEAS

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

In these PINK PACKETS is Australia's choicest Maize product—KREAM Brand CORNFLOUR. That is the open secret of success in making many soups, stews, sauces, cakes, puddings and blanc-manges so delicious.

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In the Pink Packet

The Tasmanian Monetary Inquiry

(Continued from our last issue.)

BANKS AND LENDING

One of the witnesses, *Alderman Harvey*, stated in evidence that he had given a series of broadcast talks on banking in November, 1934, with the object of informing the public concerning banking practice and checking erroneous ideas. In para. 7 of his submitted evidence this witness stated: "The banks' principal source of profits is interest. To obtain interest the bank must lend money—it borrows and it lends—a quite simple and a straightforward transaction." And in para. 13, "Nevertheless, it must be remembered that a bank borrows before it lends." These views were, until recently, widely held among bankers and economic advisers, and also among some politicians.

Yet for the last forty years the contrary opinion has been clearly expressed by such authorities as McLeod and more recently Hawtrey and others.

It clearly suits the interest of the bankers to persuade the public to believe this.

EXAMINATION OF MR.

DAVID ROBERTSON

Mr. Robertson said he had forty years' business experience in Melbourne and had offered to come and give evidence because so many businessmen dared not do so.

Mr. Robertson said that, if a product is sold, there is included in the price a proportion of the cost of the machinery and the building.

He then read his written evidence and handed it in:

D. Robertson, Melbourne. — Outline of Evidence.

"The inherent fault in the present economic system, which embraces the credit system, is that the total prices charged by all firms individually and collectively are greater than the total incomes of all firms individually and collectively. This is true of all firms individually and collectively—so it is true to say of the whole nation, and of every nation that the total income cannot buy the total products, hence the continued cry to export.

"There is ample proof of these statements when the national debt is examined.

"The national debt of Australia in 1913, in round figures, was £313,000,000; in 1934 the amount is £1,204,000,000—even with this increase of 287 per cent, in the nation's debt in a period of 21 years, it is becoming impossible to sell all the consumers' goods that are now

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 five issues*

being produced, without taking into consideration Australia's potential productive capacity.

"I do not think anyone will contend that the national debt will ever be reduced. As a matter of fact, every-day events show that, to enable industry to carry on (haltingly as it is at the present time), the national debt will have to be considerably increased, the method adopted being to borrow more of the nation's credit (which acts as money) from the banks; whether from Government or private banks the effect is the same, inasmuch as it means an increase in the national debt; and while the rate of interest has been considerably reduced, the aggregate amount of interest has and must continue to increase, which means a further burden on industry, together with the banks securing a still greater lien on Australian assets.

"Industry, no matter how energetically it functions, cannot create money—it can only distribute the amount of money (credit) which private or Government banks care to loan to industry.

"Assuming the banks loan to Australian industries, say, to £300,000,000 for a year, and assuming this amount to be sufficient to carry on Australia's industries for that period, the banks will require, say, 3 per cent, interest at the end of the year, which amounts to £9,000,000.

"Industry being only a distributor of the amount of £300,000,000 loaned by the banks, it is apparent that industry cannot meet the charge for interest, hence the continual increase in the national debt.

"If the policy of the banking system was amended and the banks permitted to charge a fair rate, including a reasonable profit for administering the nation's credit (which the banks at present loan and so create debt which never can and never will be paid) and this credit was utilised to create sufficient purchasing power (which is money) to equate incomes with prices, it would speedily end the paradox of poverty in the midst of plenty and stop the absurd wail of over-production when there are so many human beings who cannot secure a reasonably comfortable living. Many nations have de-

stroyed and are suggesting further destruction of consumable goods in preference to adopting a sane distribution of the goods and services available to enable every human being to live in economic security.

The New Zealand Committee, *Mr. Robertson* said, was rushed, and the report is a whitewashing affair. He believed the Commonwealth Royal Commission will be the same. They will have the right of saying whom they will call, and he said it is pretty certain they will not call him.

He continued.—"Major Douglas says: 'Credit must be controlled by the people who own it.'

"Every time you increase credit at the present time you increase prices. Douglas uses credit so as to reduce the prices.

"The subsidy to the wheat-grower is taking it out of one pocket and putting it in another."

He agreed with the Chairman that the real meaning of using national credit is taking some of the waste surplus, which we should regard as a national asset, and turning it into another national asset.

"We have never paid interest in any other way than by goods. An excess of exports over imports, which is generally called a favourable trade balance, is in actual fact an unfavourable one, because it means exchanging real goods for receipts."

Mr. Robertson continued.—"In the case of an isolated bank in America, if there is a run on it it has no chance at all. A bank (Australian) can now go to the Commonwealth Bank, and the Government would have to give the Commonwealth Bank instructions to issue more notes."

Mr. Robertson continued.—"With regard to the Douglas Just Price Formula, it is not necessary to know the relation between production and consumption until the end of the present period. We have surely heard of rebates and discounts. Well, all Douglas proposes giving is to give to final consumers a rebate or discount on their purchases. Every co-operative society does it every quarter. During the quarter they collect too much in prices from their members, and at the end each member gets back his due share of the surplus. He said; having more money does not necessarily mean you would have more purchasing power. The difficulty is to be able to understand the difference between more money and more purchasing power." "Douglas says it too. He sets out to reduce prices; then when you have more money you will have more purchasing power, because for every £100 you will have £125 worth of purchasing power."

Mr. Robertson said.—"All that a thing costs to produce is what is consumed during production; the wearing out of human beings, machinery, and buildings, etc." He said that, if the creation and control of credit was taken from the banks under the Douglas System, shareholders would get their incomes just the same in the national dividend.

He did not think the present system ever worked satisfactorily. Four years ago we were called by economists to "cut the cost of everything down and economise": now the cry is, "We have to get prices up."

Capt. Rushworth told him he did not want to go on with the New Zealand Inquiry, as the terms were so restricted and it was practically useless.

The Chairman said.—"Quite recently there has been a movement by the united Bishops of Australia, and they have put it that it is the duty of the Government to find work for everybody even if it means extra taxation."

Mr. Robertson.—"I think it is a ridiculous suggestion. Oranges at 1/6 a case in Australia, and they go to the assistance of the growers by giving 1/- a case subsidy."

Mr. Robertson said.—"There is not enough money in the world today to buy everything that could be produced, because the banks destroy credit." He read the following statement by Mr. McKenna.—"Let us look now at the instances of bank deposits since 1914 and see to what extent this increase is due respectively to payments in of additional currency and to bank loans. In June 1914, the banks in England held £75,000,000 of currency. Last month (December, 1919) this figure stood at £191,000,000. The banks therefore held more currency to the amount of £116,000,000, and to this extent the increase in the aggregate bank deposits is accounted for by payments in of currency. But it is estimated that since June 1914, bank deposits have risen by £1,230,000,000. If £116,000,000 of this amount are accounted for by payments of currency into the banks, there remains £1,114,000,000, which, if the previous analysis be accepted as correct, we must attribute to bank loans."

Mr. Robertson said.—"When the Savings Bank of New South Wales was closed, they had £29,000,000 worth of Commonwealth bonds. Mr. Lang had nothing to do with the closing of the bank, which had to close because the Commonwealth Bank refused to let it have cash for its assets."

Mr. Robertson agreed that, during the past three or four years of the depression, the only section of the community that has not made a loss is the section that has shares in the banks, trustee companies, and insurance companies. He then read extracts from the constructive recommendation of the Southampton Chamber of Commerce as follows: "In our highly-complicated economic structure, a monetary system is essential, and just as civilisation is dependent upon its economic foundation, so in turn the economic system is bound together by its monetary machinery.

"If money is to function as an efficient token system to enable goods and services to be exchanged, the monetary system should be adjusted to reflect the facts of production and distribution. If the economic system is to provide the community with the goods and services they require, the amount of money to effect this distribution must be regulated by the goods produced for the benefit of the community to furnish itself with goods and services. It is this knowledge, amounting to a certainty—this credit—that gives money its value. Money is therefore a vehicle of this credit, and need have no value apart from the credit attaching to its possession, which makes it acceptable in return for goods or services.

"We should, therefore, expect to find any monetary system based upon the ability of the community to furnish itself with goods and services, that is, upon the credit existing inseparably from the community. In order that it should function smoothly, the quantity of money should always be sufficient to provide the community with purchasing power to have access to the goods and services available.

Thus we should expect to find the monetary system reflecting any increase in the well-being of the community through its ability to produce more for its use."

Mr. Robertson quoted a recent statement by Mr. R. G. Menzies Attorney-General: ". . . 'Financial policy of the State is governed by the Loan Council. Money cannot be borrowed without the permission of the Council, which is the governing body of Australia today.'

Mr. Robertson said.—"You have jealously guarded the right to create coins. If anyone suggested today that you hand over that right to the bank, you would have the public up in arms. And that is only 1 per cent, of the sum involved: you jealously guard the 1 per cent, and let the banks have the other."

Mr. Robertson said.—"You could knock out any such cry as 'They are after my money' if you take these people (the private banks) at their own word; that is, according to their balance-sheets, they are making certain profits. I am still agreeable to them making those profits. The feeling is getting stronger in favour of the change. Medical and professional men are waking up to find that their financial securities are not secure. A movement is beginning in the class that counts."

Mr. Robertson then read a quotation from Major Douglas (evidence given by him in Canada), which will be found on pp. 67-68 of the evidence.

Mr. Robertson handed in the following quotations:—

FIGURES FROM RECENT AUSTRALIAN CENSUS *Tribune*, January 3, 1935.

"These figures classified the financial incomes, as disclosed under pledge of privilege, of the entire population. And what did they disclose? Read them, as applied to the 881,926 breadwinners of Victoria:

| Income | Percentage of Total Breadwinners |
|-------------------|----------------------------------|
| Nil | 10.6 |
| Under £1 per week | 29.8 |
| £1-£2 | 18.4 |
| £2-£3 | 12.2 |
| £3-£4 | 10.2 |
| £4-£5 | 7.9 |
| Over £5 | 10.9 |

Mr. R. G. Hawtrey, of the British Treasury, in the "Art of Central Banking," says: "When a bank lends, it creates credit. Against the advance, which it enters amongst its assets, there is a deposit entered in its liabilities. *But other lenders have not this mystical power of creating the means of payment out of nothing. What they lend must be money that they have acquired through their economic activities.*"

(To be continued.)

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