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Must More Money Mean Rising Prices?

There are two main classes of propagandists who strenuously assert that the issue of more money to the people must necessarily cause inflation. The first of these is the private banker, who is obviously an interested party, and whose propaganda, therefore, no longer carries the weight it did in the days when he was looked up to by the public as something of an oracle. The second, who, by what may be regarded as a singular coincidence, is now being given quite unusual publicity in the bankers' press and over the air, is the Socialist. To be sure, the Socialist gets only halfway publicity. His complete case is that community control of credit, to be effective, must be accompanied by the nationalising of industry. Without this latter, he agrees with the banker that Social Credit must be inflationary. And so the banker, up to a point, welcomes and uses this new ally in his losing fight for supremacy.

Of all the jests perpetrated by bankers on a hapless world, the inflation bogey is probably the most sardonic, for monetary reform has been delayed for years by the fear of inflation instilled into people suffering bitterly from deflation, and whose lack of money would hardly permit them to be aware of any greater discomfort under the most spectacular inflation. It would be conservative to state that ninety-five out of every hundred persons in Australia have suffered severely through the deflation that the bankers have imposed upon us these last six years. The older generation amongst us can remember similar sufferings in the past. We had the great deflation of 1893, and there have been similar, if not so extreme periods before and since. The majority of our people have never been anything but deflated. Yet they shy like wild horses at the first wily cry of inflation.

WHO SUFFERS?

Who suffers by inflation and who by deflation?

Deflation, as we have been seeing for years, hits the farmer, the manufacturer, the man whose wages leave him no margin for saving—nearly all producers and nearly all consumers. It crucifies the mortgagor and the debtor. In terms of politics, deflation is a scourge to the Labor party, to the Country party, and to the active businessman associated with the misnamed United Australia or bankers' party.

Inflation, on the other hand, injures principally non-producers, people who live on the income from their investments, the bondholders, the moneylenders, the mortgagees. It also takes its toll from those who have retired upon a fixed income, such as civil servants on pension—not old age pensioners, whose allowance, like the standard wage, is fixed (or is supposed to be) in accordance

with the commodity or exchange value of money, that is, its actual purchasing power from time to time.

To some extent, as we know from the periodic adjustments of wages in accordance with the statistician's cost-of-living figures, we are always experiencing either an inflationary or a deflationary trend. Inflationary movements, however, are generally so gradual and so well controlled by bankers as to save the money lender from hurting himself. Deflationary movements, on the other hand, are also so well controlled by the same gentlemen—and therefore so sudden—that the victims have no chance to get out, and so have to get under.

INFLATION SOUGHT BY THOSE WHO DENOUNCE IT.

In so far as the banker now warns us against the rise in prices which he asserts would inevitably follow the community's resuming control over its own money system, his words would be less grotesque had he not been openly proclaiming for several years his earnest desire for the very thing he warns us against—an all round rise in prices. Only in the bankers' case this is called deflation, or a restoration of the price level, or a process of rehabilitation—in short, recovery.

And the Socialist, while he is waiting for his millenium of nationalised production, strains every nerve for an increase in wages—which increase, being a cost in industry, is always passed along to the consumer, and so is definitely, invariably and immediately inflationary.

The same desire for inflation is apparent in the utterances and writings of every person of note in the community. For over twelve months Professor Copland (the deflationist of the Premiers' Plan) has been pleading for "mild" inflation—and incidentally arguing that inflation is quite controllable, at the same time as he has been forced to the conclusion that the deflation of his precious plan was not. Every newspaper leader-writer, every Stock Exchange notability, every

company director at annual meetings, and, last but not least, our own J. A. Lyons—all of them have been spurring us on with the hope of RISING PRICES.

Yet, say one word about issuing enough money to prevent another catastrophe like 1929, and all these people, who in their private lives often fight one another like Killenny cats, will immediately unite to yell at you, "Germany!"

GERMAN INFLATION.

What was the real crime of Germany's inflation after the war? It was this. You will remember that during the war, when Germany was blockaded, she was not able, like most of the Allied countries, to get loans from Britain's bankers, nor, like Britain, to get loans from the bankers of the United States. Had Germany been in Australia's position, she would have finished the war owing Britain over £1,000 millions sterling; had she been in Britain's, she would have owed the United States nearly £2,000 millions in gold. As it was, being unable to secure much in the way of supplies from abroad, she finished up the war with her debt owing to German bankers, and in marks. There was, of course, also the matter of reparations to foreigners like ourselves, who would take neither marks nor (thanks to our other erstwhile statesman, W. M. Hughes) goods, and who consequently were never paid, except a trifle on account.

As a result of Germany's inflation, or devaluation of the mark, she was able to carry out the greatest piece of financial poetic justice on record. Having borrowed marks which cost the bank issuers no more than pen, ink and paper, she repaid the debt with marks wind literally were not worth the paper they were written on.

That is the story of Germany's inflation. To a lesser extent France did the same thing, devaluing the franc to one-fifth of its former value; but France, having religiously fallen in with the policy of deflation in the depression, is not now held up to us as a horrible example—although, were we to imitate the

French pattern, we could wipe off nearly £500 millions of our internal debt.

These examples are not put forward by way of justification. Both inflation and deflation are evil. The injustice of the latter, which we have all bitterly experienced, is patent. And, as for the former, it must be remembered that, even in the case of national debt, though the bulk of it can be traced to the creation of credit by the banker which is both costless to himself and a usurpation of the national prerogative, at the same time there are large numbers of citizens who do subscribe to national loans out of their hard-earned savings, and who would be ruined by a course which is either outright or partial repudiation.

While it is evident, therefore, that a process is incessantly going on under our present monetary manipulation which veers either to inflation or to deflation, and that this process, as far as our money manipulators are concerned, is both conscious and deliberate, let us examine what would be the effect of the issue either of a direct national dividend or of money having a similar, if more restricted effect, as in the case of public works, family endowments, pensions and the like, financed by the national issue of new money. Would the result of this be, as is contended, an inevitable rise in prices, whether greater or less?

WHY NEW MONEY HAS MEANT RISING PRICES.

To begin with, it is a fact that considerable sudden increases in the issue of money in the past have generally been accompanied by rising prices. But these increases have been of two kinds. Either they represented producer credits or, if issued as consumer credits, they came out as interest-bearing national debt.

Since every extra penny lent to a producer means that he must repay the loan itself plus accrued interest, it follows that he is compelled to charge into the price of his goods the full amount of the

To The Business Men of Australia Gentlemen,

Will you ever wake up to the joke which finance is playing upon you, and which constitutes as pretty a piece of leg-pulling as history has seen? For years most of you have voted into office Ministries whose slogan has been Sound Finance, who have stressed their opposition to Socialism, and who have decoyed you into the belief that they stood, above all, for the fostering of private enterprise.

How their masters must have laughed as they watched you swallow the bait! For your position now is that, while you have all the disadvantages of private enterprise, while you carry all the risks and the anxieties and the losses, you are daily being deprived of more and more of the rewards. Taxation is eating so far into your profits that many of you are becoming little better than unpaid tax-gatherers.

Here is an instance, which comes to hand this week, At the annual meeting in London of the Australian Mercantile, Land and Finance Co. the chairman told shareholders that the calls upon the company for Federal and State income taxes, Federal and State land taxes, unemployment relief and family endowment taxes, and municipal and shire rates had amounted during the twelve months ended June 30, 1934 to £30,931, while during the twelve months ended

June 30, 1935, they had reached a total of £40,806. During the past five years total taxation averaged £45,000 per annum, while the dividends to shareholders had averaged £22,400—or 3.2 per cent, per annum to taxation, as against 1.6 per cent, to shareholders. You will find similar instances multiplying themselves daily, if you study the published reports of trading companies.

All this means only one thing—that you are being very effectively socialised, while at the same time the people are not getting the benefits of Socialism. For you must remember that more than fifty percent, of all taxation, direct and indirect, merely goes to pay interest on bank loans.

If you would only wake up to the necessity for socialising CREDIT (not INDUSTRY)—that is, to restoring to the nation its right to issue, free of interest, all the money required to enable its production of goods to be sold at a fair profit—you would find yourselves speedily out of your trouble. Sales would go up at the same time as taxation would come down, and everybody would be prosperous. If however, you carry on a little longer the way you are going, taxation will soon eat you out of house and home—and out of factory and shop. For, failing Social Credit, our national debt must forever go on increasing in the future as it has in the past.
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vices than on the lines where it has to meet rivals.

Profiteering, as would probably be shown by an examination of the sources whence wartime profit taxes were collected, is generally traceable, not to private individuals in trade, but to monopolistic corporations. The Metropolitan Gas Co. in Melbourne, for instance, is a conscienceless profiteer, as its scandalous dividends and colossal acknowledged reserves (not to speak of hidden reserves) clearly prove. But it is easily within the power of the State to control such abuses—witness what has already been done under the New South Wales Gas and Queensland Income Tax Acts in this particular respect. Apart from State control over the monopoly, whence does it derive its power of extortion? Is it not from the lack of competition? And is not this freedom from competition directly traceable to the intimate connections between our industrial monopolists and our financial monopolists? In the case of Metropolitan Gas, you could spend an enlightening half hour in tracing up its affiliations with Collins House and the banks. Withdraw from the private bankers their monopoly over finance, and at once you draw the teeth of their industrial monopolies; you don't harm them as well conducted or efficient businesses, which many of them are, but you ensure that they will remain efficient or be driven out by competition. (We commend this to Mr. W. A. Watt, of the Collins House Dunlop-Perdriau-Barnet Glass Merger.)

Moreover, the general experience of business, outside the bank-controlled monopolistic combines, does not show up the producer generally in the evil light in which Socialism regards him. It is probably rather the rule than the exception that the successful businessman, the man who forges ahead, is he who constantly aims at reducing his profit per article and at increasing his total profit by adding to his turnover.

DISTRIBUTION COSTS AND PRICES.

In innumerable cases this is quite evident to the public, and it would be vastly more evident but for the

huge distributive organisations which have sprung up of recent years to stand between the public and the manufacturer. These organisations, in turn, are directly sprung from a money system, which has made no proper provision for the labourer dispensed with by the machine. Hands are put off at the production end. The process of manufacture is cheapened. So is the wholesale price. But then the hands dispensed with climb on to the distribution wagon, become specialty salesmen, assistants in a great and expensive emporium, advertising demonstrators, time payment collectors, or the like, and up go charges again. All of which simply means that the public are paying what is virtually an unemployment tax in greatly increased prices.

A system which would automatically issue sufficient money tickets would dispense with all this unnecessary loading of distributive costs, and an immediate result would be such a downward trend in prices as would be an eye-opener to those who imagine the producer to be the natural enemy of the wage earner, and who have hitherto failed to see how large a proportion of present prices consists of this thinly veiled dole.

SUBSIDISED PRICES.

Finally, to protect the consumer from exploitation, if such protection is necessary when finance no longer has its arbitrary rule, the originator of the Social Credit proposals has advanced the suggestion that part of the existing monetary shortage might be supplemented by way of subsidising retail sales below cost. Douglas has repeatedly stressed that what might be called his machinery clauses are merely tentative; that he is not wedded to his "system," and his alone; that variations could be made to suit various times and places. With this proviso he has suggested that an effective curb on profiteering could be imposed by instituting something along the lines of what the Americans call codes; by fixing, through agreement, fair percentages of profit on turnover in different classes of industry; and by so subsidising those who ad-

hered to these codes as to enable them to sell retail at a price which would drive out of business those who were recalcitrant.

There is nothing in this suggestion which is revolutionary to our present practice, at least as far as primary production is concerned, where (as in wheat, for instance) governments have fixed a home price for producers and subsidised them by bounties equal to the difference between the guaranteed and the realised prices. Under the Social Credit proposals, however, the fund for the subsidy would not, as at present, be derived from taxation or from bankers' loans. It would simply be a portion of the money, which the nation must issue if present and future production is to be disposed of without financial loss to producers and the material deprivation of consumers.

THE OBJECTIVE IS RESULTS.

While bankers and some Socialists enter into an alliance—not, mind you, that there is anything essentially incongruous in that, since both aspire to an absolute and centralised control—while these enter into a conspiracy to call Social Credit inflationary, there are many others who consider Douglas's anti-inflationary machinery too detailed and complex. "A maze of figures," said one well-known M.P. not so long ago.

Douglas, it must be repeated, is not primarily interested in his own suggested technique. What he is interested in is *results*. The two results he demands are, first, that the unnecessary poverty of today should be abolished—obviously a thing which is easily possible; and, secondly, that individual freedom, instead of being further restricted, should be extended. This, again, in view of the increasing ease with which it becomes possible to produce all the goods we require, should likewise be readily obtainable.

The first step to this is for the community to reassert its sovereign right of control over its own money system—the lifeblood of our community existence. Without this, as the failures of governments of every complexion all over the world have demonstrated, you can get nowhere. Once this is achieved, you can adapt your machinery and your safeguards to suit local conditions. This is the stage when you really can call in the experts to regulate your pumping systems and your safety valves.

You call in a doctor to deal with high blood pressure or low blood pressure, but if you allow an executioner to stand over you ready to apply his axe at will to your entire blood pressure, then you might as well call in the undertaker.

Obituary

The Garfield branch of the Social Credit Movement has suffered irreparable loss by the tragic death of Mr. Paul Jungholm, who was drowned whilst bathing in the Snowy River a few days ago.

The first to join the branch upon its inception a few months ago, Mr. Jungholm has since then been indefatigable in his efforts to spread a knowledge of Social Credit amongst all with whom he came into contact. A singular personality having a bright and cheerful disposition, Paul—as he was known throughout the district—was ever an un-failing source of inspiration to his fellow members.

On one occasion he rode over a hundred miles on his cycle selling the Farmer's Issue of the "New Era," and, by his own effort, disposed of more than twelve dozen copies.

Fulling appreciating his sterling quality and worth, every member of the branch is saddened by his early and premature demise.

GROWING UP TO CHRISTIANITY

By Clarence P. Seccombe.

When the disciples of a Great Teacher came to their Master and said: "The people are hungry," His first question was a practical one: "Have ye any bread?"

History repeats itself. The people are hungry—physically hungry, heart hungry, soul hungry. Have ye any bread?

We have made a practice of attacking particular social evils as if these evils stood alone, unrelated in any essential way to each other. But we begin to realise that health in the body politic means health in every part and that one septic focus can poison the whole system.

Our business is to find and deal with this focus, but not to waste time in attacking symptoms only.

We are coming to see that the symptoms of social disorder—slums, malnutrition, disease, poverty, crime—arise in the main from one deep-seated trouble; whichever of these evils we attack, we are met by the same difficulty; we find that the community is too poor to provide the means to fight them effectively.

Yet we have the means in plenty; bricks and timber to rebuild slums, hand and machine power wasting in idleness, wonderful scientific discoveries and equipment to fight disease, food in plenty for the hungry, teachers for the unlearned.

These are our material weapons, effective against the evils we fight; but they hang beyond our reach.

The thing that prevents us abolishing slums is the thing that keeps millions of people in unnecessary poverty; that turns our hospitals into places where the first question asked is not, "What is your trouble?" but, "What can you pay?" that starves and restricts and frustrates every move we make toward a civilised and Christian society.

We have to find that thing. As our Society is constituted, everything we need for social services must be taken from people who, as a whole, have barely enough for their own requirements. Any attempted reform along these lines means raising one class by depressing another, the general level remaining unchanged. There is no solution here.

THE OLD BASIS

Before propounding what I believe to be the only practical solution, may I submit one proposition for your serious consideration? Throughout recorded history, a man's work has been the basis of his material life. He bought his bread by his toil. There were many inequalities, many injustices in the system, but as a whole the thing worked. And that fundamental idea has become the basis of our economic life.

We have believed that if all men are working they can buy all their production. In other words, we assume as a fundamental truth that the work of the world balances the production of the world in terms of price.

That proposition, roughly true in the past, is not true of the Power Age we are now entering.

The balance has been upset. Production—food, clothing, shelter and all else—is in ever-increasing abundance, work in an ever-greater scarcity.

All efforts at so-called recovery aim at restoring the balance. At one end we restrict and destroy production to bring the quantity of goods down to what the people can buy by their work; at the other end, we try by every possible means to increase work without increasing production, to bring work up to balance the production.

At both ends of this attempt to restore balance we are

failing and must fail. The developments of machinery and of human knowledge are destroying the balance faster than we can restore it.

So the old basis of our economic life, work for bread, has been destroyed; it is out-dated by the Power Age.

We must find a new basis.

THE NEW BASIS

Now, this position is not one to be afraid of. It is a perfectly natural result of human progress. The race is growing up.

And as we grow we find that we do not grow away from the principles given to us two thousand years ago; we grow up to them. For the only practical solution of present world problems lies in practical Christianity.

We must accept that every human soul is entitled to a share of our super-abundant production, not in payment for work, but as a right of birth. Accepting this, we must accept as a consequence that men can no longer be compelled to work by economic need.

Compulsion, forced labour, has been the lot of almost all the race in past ages. But the best work of the world has never been done by compulsion.

The solution of our problem, then, does not lie in putting men back to work. It lies in setting them free to work. It means replacing the old economic basis, toil by compulsion, by the greater conception, co-operation by free will.

The realisation that we can no longer regard work as the only claim to the super-production of the Power Age has led to a growing demand for a national dividend, which simply means the distribution of the means of life, actual and potential, which today we are restricting and destroying.

If we could visualise that dividend issuing in direct abolition of poverty, in decent housing in place of slums, in the best possible equipment for our hospitals, and in all the other things we have wanted but could not get, we would realise that the solution of most of our social problems lies ready to our hands.

Unemployed Blackcoats

According to a report of the International Labor Office, in almost every country the professions are overcrowded and unemployment is general among the black-coated classes all over the world.

As compared with the output of qualified men from the universities, the vacant posts are hopelessly insufficient. In Germany, 10,000 university students are needed each year to fill vacant posts, but from 1925 to 1933 the average number leaving the universities was 25,000 a year. The number of unemployed graduates in Germany is reckoned as high as 50,000 in 1933.

The number of posts offered to engineers with university diplomas in Germany was 7307 in 1928, but by 1930 it was 2508 and by 1933 it was only 1776. Yet all this time the number of graduates continued to increase.

As to doctors, Germany needs from 1800 to 2000 new doctors every year, but the universities turn out a steady 4000 to 5000 medical graduates. Not less than 1000 young dentists compete each year for the 250 possible appointments.

In the United States, some 5000 young doctors, leaving medical schools in 1932 competed for about 3000 posts. Between 1913 and 1933 in Italy, the number of doctors rose by 119 percent while the population increased by only 17 percent.

The report sums up by saying that in the majority of countries unemployment is rife among professional workers. —*Social Credit*.

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THE MONETARY COMMISSION

By BRUCE H BROWN

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January 15 is the date appointed for the commencement of the inquiry by the Monetary and Banking Commission, and it is fitting that we should refresh our minds as to the task of the Commission and the identity of the men to whom the task has been committed. The task itself has been officially set out in these words:—

"To inquire into the monetary and banking systems in Australia, and to report whether any, and if so what, alterations are desirable in the interests of the people of Australia, and the manner in which any such alterations should be effected."

The men appointed to the Commission are:—

Mr. Justice J. M. Napier, of Adelaide, chairman;

Mr. E. V. Nixon, of Melbourne; Professor R. C. Mills, of Sydney;

Mr. J. B. Chifley, of Sydney;

Mr. H. A. Pitt, of Melbourne; and

Mr. J. P. Abbott, of Sydney.

In making the foregoing announcement, the Prime Minister told the House of Representatives on October 3 that the *Ministry* had been fortunate in securing the services of these men, that they would command the confidence of the public, and that they would ensure an impartial inquiry. We strongly disagreed with the Prime Minister in these assertions, and, in an article, which appeared in the *New Times* of October 11, gave a general review of the position and indicated some of our reasons for this disagreement. One of the six gentlemen referred to took the strongest exception to our review, and claimed that he had been done a serious injury, but did not show how, and in what direction the review had been more injurious to him than his actions and public utterances have been to you and to us, especially since the notorious money swindle of 1929.

However, as we have no desire to do anything that might even wrongly be construed as injury to persons as individuals, and are concerned only with the spreading of the truth about the financial system and its responsibility for the distress of our people and the difficulties of our governments, we propose to refrain from repeating that particular review.

At the same time, it is essential that we keep two important facts prominently in mind. The first is that the Commission was not appointed by the people's Parliament, but by the Ministry, whose members have frequently made it their business to glorify the existing monetary arrangements and to praise what they have been pleased to call "Sane and Sound Finance." The second is that, in view of their past interests and associations, the men selected will probably have difficulty in detaching their minds from the viewpoint of vested interests, and the greatest natural reluctance to agree with conclusions directly at variance with the opinions they have hitherto expressed and the practices they have hitherto thought proper.

THE COMMISSIONERS' RECORDS

Without expressing any personal opinions at all, we set out the following particulars:—

Mr. Justice Napier: Member of the Supreme Court Bench in South Australia and stated to have been formerly a partner in business with Senator A. J. McLachlan, a member of the Ministry which selected the commissioners and director of several financial institutions whose existence depends largely on the continuance of the present financial arrangements.

Mr. E. V. Nixon: Chartered accountant, Melbourne, associated at the Melbourne University with Professor Copland, who was so closely connected with the imposition of the Premiers' Plan and all that it implied; connected with the Taxpayers' Association which advocates cuts and economy despite increasing actual wealth; financially interested in companies directed from Collins House, the headquarters of important financial groups operating the existing monetary system; employed by members of the Collins House group as auditor; obtains business support from banking and financial institutions; and generally moves in the circle directly interested in the maintenance of the system as we now have it.

Professor R. C. Mills: Dean of the Faculty of Economics and chairman of the Professorial Board at the Sydney University; member of the "Committee of Experts" appointed by the Commonwealth Government in 1932 to examine the economic problem, and recommended further cuts in wages and the postponement of public works until costs had been brought low enough to make it possible for such works to earn interest; publicly advocated and recommended to the Government a general lowering of Australia's living standards so that "costs" will be brought into harmony with "export prices"; publicly identified himself with the policy of the privately-owned Bank of England; signed his name to the inferential lie that we must depend for our financial incomes on the sale of goods in other countries; publicly opposed the Social Credit principle that the nation's credit should not be usurped and misappropriated by a small group of private individuals; arid although publicly admitting that the activities of our governments in our interests are controlled by finance, has continued to support the control of this all-important finance by a private monopoly.

Mr. J. B. Chifley: Formerly a member of Cabinet in the Labor Government, and strongly opposed State Labor in New South Wales, which had attacked the private money monopoly and advocated monetary reform.

Mr. H. A. Pitt: Director of Government finance in Victoria; member of the Committee of Treasury officers who submitted a report in 1931 "preserving much of the deflationary tone of Sir Otto Niemeyer's statement and strongly urging the curtailment of Government expenditure"; member of the "Committee of economists and Treasury officers" whose report formed the basis of the Premiers' Plan (Professor Copland and the Chairman of the Associated Banks were also members of that committee); a year later he reaffirmed his support of the Premiers' Plan and called for strict adherence to its deflationary provisions; for many years has attended the deliberations of the Loan Council through which the load of public debt is perpetuated and intensified; member of the National Debt Commission; and in 1934 told the Arbitration Court that "the quickest way to financial recovery is to cut down expenditure of all kinds."

Mr. J. P. Abbott: President of the Graziers' Association of New South Wales; publicly advocated that Australian price levels should be made to balance more closely with price levels of other countries; associated with Sir Frederick Tout, his predecessor in office, who is a member of the bank-owning Sugar and Tobacco monopoly and a director of Associated Newspapers Ltd., also associated with Sir Norman Kater, another ex-president of the Graziers' Association, who is a leading member of the same monopoly with Sir Frederick Tout.

THE COMMISSION'S IMPORTANCE

We cannot too strongly emphasise the immense importance of this Commission so far as the people's future is concerned. Not one of the members of it has so far shown any public appreciation of the fundamental error in the financial system or any desire for reform in that respect; yet they have been clothed with the opportunity to do incalculable good or incalculable ill. They have the opportunity to free us from the false bondage of the private money monopoly, but they have also the opportunity to forge a weapon with which the monopoly could still flail us. Every one of us should be keenly alert and take note of all that transpires. Stripped of all embroidery, the Commission will have only one problem before it, and that is to show us how our system of finance can be made the community's servant instead of its master. The essence of the answer to this question is the source and origin of money. In proof of this, let us call a few witnesses.

SIR STANLEY ARGYLE.

Sir Stanley Argyle is the first. In November 1934, when he was Premier of Victoria, a man who had suffered a compound fracture of the leg was crowded out of the hospitals. This led to strong public criticism, and Sir Stanley sought to excuse the Government's failure with this explanation: "It is difficult to know how to provide an immediate remedy. Finance is the great difficulty." Again, in March, 1935, when he was twitted about the slave conditions under which relief work was being performed in Victoria, he said: "I will pay award wages to men on relief works if someone will find me the money." Firstly, you see, he could not meet the needs of the community and treat men fairly because his Government was short of money, and secondly he was admitting that the Government had no say in the control of this thing called money which actually controls every other thing.

THE PRIME MINISTER

Next we call the Prime Minister. At Burnie last October he said: "Of the many problems which arise in the working of the Federal Constitution none is so difficult and so intractable as the adjustment of financial relations between the Central Government and the various State Governments." That is the clearest admission that finance has got them beaten, but Mr. Lyons apparently refuses to see that this ridiculous position arises wholly because the Commonwealth Government has

allowed money to control the Government instead of the Government controlling money as expressly provided for in the very Constitution about which he speaks. All this bores between the Governments centres around argument as to the movement of money instead of the origin and ownership of it. The fact of the matter is that if the Commonwealth issued money according to the production and needs of the people instead of compressing the people's comfort and progress within an altogether inadequate amount made available by the private money monopoly, the "problem" referred to by Mr. Lyons and the friction with the States would disappear. As things are, however, all finance issues from the private banking system as *debt* instead of from the National Government as *credit*.

MR. R. G. CASEY.

Now the Commonwealth Treasurer, Mr. R. G. Casey. Soon after the last Federal elections, and despite the fact that much was made of it in the campaign as an avenue for providing employment, Mr. Casey announced that the uniform railway gauge proposal had been shelved. He said: "It will be difficult, if not impossible, to provide the necessary funds for the uniform gauge proposal during the present and possibly the next financial year." There was no question of any shortage of labour, rails, sleepers, ballast, or any of the other material things required for the job, but these mysterious "funds" stood in the way. Seeing that our assets are worth more than £5,000,000,000 and the total of our money is only one-tenth of that figure, it is surely the height of silliness to say that an expansion of the latter is "impossible."

VICTORIAN MINISTERS.

We now hear the Premier of Victoria and his Minister for Education. In July a deputation asked the Premier for an increased grant to the hospitals. Mr. Dunstan expressed his sympathy with the request and thoroughly understood the justification for it, but, like his predecessor, Sir Stanley Argyle, had to confess that his difficulties were wholly financial.

On October 16, Dr. Harris told two deputations (one from Coburg and one from Prahran) that there was no money available for building schools, and a few days later gave us this further evidence of the "sovereignty" of our governments: "I find it impossible to get money to go on with the school building programme of this department. I am up against a brick wall, and I might just as well go and bump my head as try to get money."

If these politicians only knew what money really is and whence it comes they would adopt quite a different attitude and make a more lasting impression in the community. We do not blame them for not knowing of this money swindle which renders them so utterly helpless, but we do blame them for not learning about it. Even the Teachers' Union admits that its members as a body know little of the nature and origin of money, because money is not, and never has been, part of the school curriculum. They suffer salary injustices, promotion injustices, accommodation injustices, and working injustices because they and their government know so little about finance that they are being swindled without realising it.

MEN FROM THE UNIVERSITY.

And what are we to say of Sir James Barrett and Dr. Priestley, of the Melbourne University, both of whom are moaning about the appalling conditions at that institution because of shortage of money? If any institution in Australia deserves to suffer because of lack of "funds" it is the Melbourne University, for the actions of its own professors have been largely responsible for its embarrassment. Let Sir James and his vice-chancellor take their money grievances to Professors Copland and Giblin, and, after giving these two "experts" the rounds of the kitchen, tell the Monetary Commission just how the University is situated financially and what a

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Quick Service.

Maligned By Enemies and Forsaken by Friends

Here is the foundation of the press story that Premier Aberhart, of Alberta, had abandoned his national dividend proposals.

Speaking at Calgary on December 1, Mr. Aberhart outlined to his hearers his Government's proposals regarding the Dominion-Provincial conference of Premiers to be held in Ottawa on December 9.

The "Edmonton Journal," reporting the speech, continues:—

"The Premier emphasised that at present the Government was concentrating on the conference and 'was not talking of Social Credit or the 25-dollars-a-month dividend.' Mr. Aberhart said he was building on a solid foundation and was involved in no race to apply Social Credit to Alberta before any other country had it. He was building so it would last. When the Government began to adopt Social Credit theories, the people would be fully informed, Mr. Aberhart declared. 'Isn't that fair and above board?'"

"We shall send for Major Douglas and discuss the whole matter in detail when the time comes," the Premier stated.

"Many people had told him, Mr. Aberhart continued, they did not care for dividends as long as Alberta had an honest Government, but he was going to see 'Social Credit and everything through.' He asked for support.

"I expect to be maligned and attacked by enemies and forsaken by friends," he said. "I have the welfare of the people at heart and, God helping me, I shall see this thing through."

On December 19 Mr. Aberhart, after his return from Ottawa, announced that Major Douglas, at his invitation, would be leaving England for Alberta not later than January 6.

It is estimated that since 1929 the number of "push bikes" in Britain has increased from six millions to 10 millions. At the same time the number of motorcycles has fallen from 731,000 to 500,000.

sorry pass has been reached by taking the advice of these men. It is necessary to do that, because some of the commissioners do not believe in spending money, and if we may judge from their public utterances they would seem to regard it more as an ornament to be looked at. Paper is so difficult to get and figures are so difficult to enter in books!

THE MELBOURNE "ARGUS."

One more witness. The Melbourne "Argus." This truth-telling journal has admitted editorially "slums are inhabited because poor people have no means to live in better houses." The words "no means" are just another way of saying insufficient money, and so in the case of the slums, as in all other cases, the "problem" is wholly finance, i.e., *bookkeeping*. Should production and the distribution thereof subserve money, or should money subserve production and the distribution thereof? That is the only question before the Commission, and much depends upon the manner in which the question is answered.

To New Readers of the "New Times"

At a moment when the world is gorged with unsaleable goods and human bodies are crying out for food; at a moment when most of the press is gorged with items of undigested news and human minds are crying out for information, the "New Times" is endeavouring to put before you, without regard to whom it may offend, the truth of what is happening.

At the same time the policy of this paper is not mere destructive criticism; that, in view of what is happening on all sides, requires no effort at all—the facts alone provide it. The policy of the "New Times" is one of hope in the midst of despair. It is one that would lay the foundations of a happier civilisation without disturbing anything that is good in what we have. It spells prosperity alike for the producer and the consumer without upsetting private enterprise and with a minimum of government interference or control.

If the "New Times" meets with your approval you can best help its campaign by making it known to your friends and by yourself placing an order with your newsagent for regular weekly delivery or by sending your direct subscription to New Times Pty. Ltd., Box 1226, G.P.O. Melbourne.



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Roosevelt and/or Ruin?

Once again the world's eyes are turned on America, where the final blow, as expected, has been dealt by the Supreme Court to Roosevelt's "recovery" legislation.

When President Roosevelt announced his National Recovery programme, millions of Americans adopted the slogan, "Roosevelt or Ruin." For some time now, unfortunately, many of these same people have had to ask themselves, "Is it Roosevelt and Ruin?"

The Roosevelt administration has tried all sorts of remedies—except one. It has had its adventures towards Communism. Its Public Works Emergency Corporation, for example, specifically set itself up as having the legal right "to furnish, equip, operate, manage and maintain projects and structures of every kind, nature or description"; also "to acquire personal property of every kind, nature or description—to acquire in any manner, to hold, use or dispose of any franchises . . . trade names . . . or inventions."

The administration also brought gentlemen with Communist tendencies into its "brain trust," as the following extract from the Los Angeles Examiner of November 9 last shows: "Two former presidents of the communistically inclined Commonwealth College of Arkansas are members of the Roosevelt 'brain trust,' it was revealed today. Both figured prominently in a sweeping investigation made of the college, known as the 'Communist University,' by a joint committee of the Arkansas Legislature. The investigations revealed atheism, communistic teaching, free-love practice, nudist bathing parties and that the students are taught to join left-wing labour movements and stir trouble between employers and employees. The Roosevelt administration appointed one of the college heads, Dr. W. E. Zeuch, to be chief of the planning division of subsistence homesteads of the Interior

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Department. The other, Dr. Lucien Koch, also a former director of Commonwealth College, is now an assistant chief of the consumers' division of NRA, which is advising the President on consumer problems."

At the same time as it was flirting with Communists and Communism, the Roosevelt administration was acting in a way eminently agreeable to uncontrolled financial capitalism.

Its attitude to the American farmer was not to put him out of debt and to ensure him production at a profit—at a very temporary profit, until the bankers' interest-bearing bonds should come home to roost in his thinned-out fowl houses. While production on farms was limited or destroyed, millions upon millions of people were starving in the cities, and even in the country itself.

The Roosevelt administration initiated a huge programme of public works. In these works it paid the full prices to the manufacturers who supplied the materials; it paid the full price for interest to the bankers who supplied the money; and its legislation enacted less than the living wage for those who toiled on the works themselves.

Its attitude has been thus summed up by a great American orator: "While its golden head enunciates the splendid programme of Christian justice, its feet of sordid clay are mired, one in the red mud of Soviet Communism, and the other in the stinking cesspool of pagan plutocracy."

One course of action the Roosevelt administration has never, thus far, looked like embarking upon. That course is the freeing of the people from the domination of finance, the restoring of the balance between production and consumption by the national issue of money. For all its huge programmes it has borrowed, at interest, from those very bankers whom, in its early acts, it had to save from the consequences of their own dishonesty. Even here it obeyed the crack of the bankers' whip. Some weeks ago a vice-president of the American Bankers' Association declared before his fellows: "As long as the Federal Government can get money without limit, it will spend without limit. . . . It is up to us to declare an embargo. We must decline to make further purchases of government securities."

What was Roosevelt's answer? How did he reply to this impudent challenge? He brought down a New Year estimate promising a balanced budget!

The highest legal tribunal in the United States has now rejected as unconstitutional the last of the special legislation passed by Congress in an attempt to safeguard the people. Once more the masses are to be handed over to the wolves of Wall Street. But there is a power higher than the Constitution, the power of the people who can alter

"Gentlemen— We Toast the Prince of Confidence Men"

By M.M.N.

Newspapers are applauding the genius of Mr. Bruce. The wizard of finance has made another onslaught upon the London money market. His masterstroke was perfectly timed. Continuous practice upon Continental links has enabled him to have the ball at his feet whenever desirable. True salesmanship consists in persuading people that they are receiving a gift or a bargain. Mr. Bruce appeared to financiers in the role of Santa Claus. The festive season has never been better exploited. Herein lies the secret of Mr. Bruce's genius. He confers blessings upon Australia in such a way that those from whom he extracts favours are the loudest in approbation.

The Melbourne "Star" (January 4) flouts a fitting eulogy:

"Australia's Stability.

"London's View. "Anglo-

Australian financial opinion welcomed the announcement of the Australian conversion loan of £21,657,000 with an interest rate of 3 per cent, an issue price of £95/10/- and a currency of 19 to 22 years, giving an

ANOTHER BANK SCALP FOR THE COLLINS HOUSE WIGWAM.

It is announced this week that L. B. Robinson has been elevated to the board of Lloyd's Bank, one of the Big Five banks in England. Acclaimed at 30 as the youngest director of any of the Big Five, L. B. Robinson is the son of W. S. Robinson and nephew of Sir Arthur Robinson, two of the most prominent members of the Collins House banking-industrial Cabinet.

The last member of this group to have banking honours thrust upon him was Sir Robert Knox (of Knox, Schlapp & Co., Australian agents for Vickers Armstrongs) who was recently appointed to the board of the Commercial Banking Co., of Sydney.

It has been suggested that the bankers' clearing house might now suitably be located in the Collins House boardroom.

effective interest yield of £3/6/- per cent."

Details are vague. The loan issued at £95/10/-, repayable at par, represents a discount of £4 10/- in every £100, or, roughly, £1 million in all as a present to underwriters and financiers. As Sir Edmund Barton once said, "What's a million?" Perhaps we may pass hurriedly over this phase of the transaction. We know that in some unseen way Mr. Bruce is helping us by agreeing to repay a million pounds more than we have borrowed. High finance is not for us to puzzle our brains over.

INTEREST REDUCTIONS.

The main point is that the interest rate has been reduced to 3 per cent (effective rate £3/6/-). Vague rumours say that Canada was compelled to pay 2 per cent, upon her American loan conversion. Other nations have compounded their debts at 1 per cent, and less. We must congratulate Mr. Bruce and ourselves. Our reduced interest rate is merely 50 to 200 per cent, higher than less fortunate nations have agreed to pay. The less fortunate nations are, of

a Constitution to suit their own needs. And Franklin Delano Roosevelt, unless he bows before a popular demand which, in America as in Australia, is hourly growing apace and is clamorous in its demand that the money changers be driven out of the Temple, will be driven out with them in dishonour and execration.

course, bereft of national pride. They were so shameless as to tell creditors that they could not pay more. It is one of the essentials of sound finance that you must pretend to be wealthier than you are in reality. The deception deceives nobody but, like the disguised shabbiness of impoverished aristocracy, it gives genteel satisfaction.

£15 1/2 MILLIONS INTEREST ON £21 MILLIONS.

This conversion means that at the end of twenty-two years we shall have paid £15 1/2 millions as interest upon £21 millions. The principal sum will still be unpaid, but it can remain so and can in turn be converted to a lower or higher rate of interest, if Mr. Bruce's successor is prepared to give another Christmas present (called discount in sound finance) of a million or so to foreign financiers.

Australians, as a nation, are quite prepared to allow this position to continue. Businessmen accept the inevitable. We can never repay the principal sums, so why worry so long as prompt interest payments will prevent the increase of foreign debts? Foreign debts, however, have a habit of increasing automatically. This statement may be clarified by making an examination of trading figures from the inception of the Commonwealth until 1930. Towards the end of this period Mr. Bruce set the seal upon his financial record by issuing an Australian loan in New York at 9 1/2%. This transaction meant a gift of £7/10/- in every £100 to foreign investors and although Australians were not informed of the details they, as electors, decided shortly afterwards to dispense with Mr. Bruce's services.

THE GROWTH OF OUR FOREIGN DEBT

Australian foreign indebtedness was recorded at £175 millions in 1900. In 1930 it had grown beyond £574 millions. We were told that the increase of £399 millions was caused by our high standards, by our extravagance, and a national tendency to import goods beyond our ability to pay for them. Although this explanation has been accepted, it is not reconcilable with facts and figures. It is unfortunate that such plausible explanations are founded upon deliberate falsehood, as the trading figures will show:—

BALANCE OF INTERNATIONAL TRADE AUSTRALIA, 1900-1930

	£ millions
Imports.....	2,415
Exports.....	2,832
Excess of Exports	417

There is, therefore, a leakage of £816 millions in our national accounts (£417 millions favourable trade balance, plus £399 millions added debt). A great portion of this leakage can be explained arithmetically, if not satisfactorily. (Public interest payments upon foreign debts, £384 millions; income drawn by foreigners having investments in Australia, £219 millions; cost of war, etc.). After these deductions have been made there is still a discrepancy of £117 millions, with which Australia has been debited abroad, but for which economists cannot give a satisfactory explanation. Mysterious "movements of capital" have occurred to baffle the most scientific analysis.

DISCOUNTS ON LOANS

Part of the discrepancy is undoubtedly due to the payment of a premium or the giving of a discount upon loans raised overseas. By these means Australia takes responsibility for the full face value of loans,

but receives credit only for the actual amount subscribed.

An extreme example (occurring before the period under review) illustrates this point. During a financial stringency in the 'sixties a N.S.W. 5 per cent, loan had to be placed on the London market at 70, redeemable at par. The Government, in this instance, would undertake a liability for £100 (upon which sum interest would be calculated), and yet only £70 would be credited to the State. This would enable £70 worth of goods to be imported for which £100 would ultimately be paid, or owed, by the community.

The case quoted is exceptional, but discounts are allowed on nearly every loan subscription. When loans are converted a second discount is given, which incidentally negatives for a period any reduction in interest rate. Other charges for financing and refinancing do not appear as items in our international balance sheet, but their effect as "unseen imports" is considerable. Mr. Bruce is reviving the fashion of giving large discounts upon loan subscriptions. His difficulties in converting the N.S.W. loan have been accentuated. The phosphorescent ghost of Mr. Lang lurks in the background to terrify investors. Mr. Lang certainly was not born in the 'sixties, when a premium of £30 per hundred was demanded for financing N.S.W.; but financiers have uncanny prescience. Even in the 'sixties they had a foreboding that Mr. Lang's spirit would one day inhabit the earth.

Mr. Bruce has restored confidence despite the difficulties in his path; therefore we raise our glasses and toast "The Prince of Confidence Men."

LABOR PARTY BRANCH WANTS SOCIAL CREDIT.

For the N.S.W. Labor Party Conference, to commence in Sydney on February 15, the Manly electorate council has given notice of motion that the next Federal Labor Government should be instructed to institute a scientific system of national accountancy, which would show that every citizen, excluding lunatics and criminals, represented an asset to the nation, with a nominal capital value of not less than £1000. Another motion from Manly suggests that the party should adopt the principle of a national dividend, payable from a national credit account, to every citizen irrespective of his or her income or possessions.

Broadcasts at £3000 Apiece

The regular Sunday broadcasts of Fr. Chas. E. Coughlin, founder of the American National Union for Social Justice, used to cost 11,000 dollars each last year. This year, owing to a still wider hook-up, each address costs, in broadcasting fees, 15,000 dollars. The nation-wide chain of stations over which Fr. Coughlin speaks extends from New York to San Francisco.

A NEW SERVICE AT A JUST PRICE

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10 per cent, discount to Readers of the "New Times." Suits, Overcoats, Costumes, Frocks, Dry Cleaned and Hand-pressed, 4/6.

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Have your trouser cuffs become worn and frayed? Let Saville repair them from 1/9 each. Have you lost keys or money through worn pocket lining? Let Saville recap the ends of your pockets for 1/6 each. Coat Buttons sewn on, 3d each; 6d for 3. Coat Buttonholes re-paired, 9d each; 2/- for 3.

New Trousers made to Match Your Coat and Vest
SAVILLE
Leonard House
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(Take lift in Arcade to 5th floor.)
Pick Up and Delivery Service City Radius.

PARENT GAOLED BECAUSE SCHOOL REFUSED HIS CHILD

Education Director Tells One Story: Chief Inspector Another

Would you believe that, in this enlightened democracy of Australia, Fascism has already advanced so far that parents can be sent to gaol if they do not accept departmental dictation as to where their children must attend school—even if this means separating little girls of the same family? Read what happened to a Melbourne resident who fell foul of the arbitrarily imposed and arbitrarily interpreted orders of petty Hitlers in the Victorian Education Department.

At the beginning of last year Beryl, the elder daughter of John Sincock, of Elsternwick, qualified to attend Elwood Central School, and accordingly transferred there from the Elsternwick State School which she had been attending. She has a sister three years younger, Coral, then aged 8, and the parents naturally desired that the two should continue to go to the same school. Apart from the obvious and natural grounds making it desirable that little sisters should attend the same establishment, there was in this case the added reason of a dangerous traffic crossing between the Sincock home and the Elsternwick School. Though always a source of anxiety to the parents, they had hitherto felt some measure of reassurance in the knowledge that the younger child was under the guardianship of the elder. With this withdrawn, they had a further incentive for seeking to have little Coral transferred along with her sister Beryl.

When the headmaster of Elwood Central School was approached, he agreed to this very reasonable request, provided the transfer was authorised by the head of Elsternwick. The latter, however, gave a point black refusal on the ground that a zoning system had been instituted and that he had no power to grant the desired transfer. Under pressure, he agreed to give a transfer if a senior officer of the Education Department took the responsibility.

On the following day Mr. Sincock called upon Mr. Saxton, Chief Inspector. Mr. Saxton agreed that the case was reasonable. He telephoned the headmaster at Elwood and, upon being informed that the latter school was not overcrowded, instructed him to admit the child Coral. He then told Mr. Sincock that everything would be all right, and that if there were any more trouble to let him know.

Upon leaving Mr. Saxton's office Mr. Sincock rang the headmaster at Elsternwick, informed him of what had taken place, and told him that the child would thenceforth attend at Elwood.

PERMISSION WITHDRAWN.

For some weeks all went well, till in April Mr. Sincock received a departmental notice to explain, under threat of summons, why his child Coral was absent from a State school. In reply he stated what had occurred, and that his child, then attending Elwood, should not have been marked absent from Elsternwick at all.

This was followed by a note from the Elwood headmaster to the effect that he had received departmental instructions to transfer the child Coral back to El-

sternwick. The transfer form was enclosed.

Then began a long correspondence, involving Mr. Sincock, his solicitors, Mr. Saxton, the secretary to the Education Department, the Director of Education (Mr. McRae)—and the transfer, which journeyed backwards and forwards time and again.

Little Coral in the meantime was definitely excluded from Elwood, and just as regularly presented there by her parents for admittance at least once a week.

MR. McRAE VERSUS MR. SAXTON.

In this correspondence the attitude of the Education Department's officers is rather surprising. Under date August 28 last, Mr. McRae personally signed, as Director, the following statement to Mrs. Sincock:

"I have received your letter concerning the transfer of your daughter from Elwood School to Elsternwick. This is a matter which is decided by the Chief Inspector in consultation with the District Inspector, and is, therefore, one in which it is neither expedient nor advisable for me to intervene . . . I understand that you have already interviewed the Chief Inspector, Mr. Saxton, on the matter. Therefore, I shall pass your letter on to him, so that he may take it into consideration in any review of the position which he may make."

Against that set the following letter to Mr. Sincock from Mr. Saxton:

"In your case I presented the facts exactly as Mrs. Sincock gave them to me to the Director . . . Of course I cannot give a decision in the matter at all . . . Please understand that the decision in this case is that of the Director himself. What I would decide if asked to do so is another matter."

Mr. Saxton's kindly and considerate attitude, and his decision when first seen (which was subsequently overruled) make it quite clear where he stands in the matter. But what was Mr. McRae's purpose in trying to shelter behind his subordinate? And what was the influence at work, which caused Mr. Saxton's first admission of the child to Elwood to be overruled?

THE QUESTION OF ZONING

It is understandable that there may at times be a case for zoning, or compelling parents to send their children to the nearest school, but within reason. And it would certainly not seem to be within reason that departmental officers should split up the children of one family and of one sex, as in the case of the Sincocks.

In the course of one of the Education Department's letters to Mr. Sincock, this was said: "In view of the fact that the Minister has approved of the zoning of the Elwood and Elsternwick schools, and that you are resident in the Elsternwick zone, it is necessary that the child should attend there."

This seems to be definite enough, and would surely indicate that the Department was determined to compel attendance at Elsternwick, and at Elsternwick only. When, however, Mr. Sincock indicated that he was in a position to prove exception after exception, made to more favoured children—he has supplied the

"New Times" with a lengthy list—the Department surprisingly climbed down, at least in so far as Elsternwick was concerned, and a subsequent communication advised him that "permission will be granted for your daughter to attend at School No. 3897, Garden Vale, or School No. 773, Caulfield (Glenhuntingly Road)." But not, you will observe, at Elwood, whose headmaster had allowed her to attend until stopped by a letter from the Department which said: ". . . The head teacher is informed that Coral Sincock must be excluded from the school. He must not allow her to attend." Is this, or is it not the pettiest form of bureaucratic persecution? Is it, or is it not on a par with the attitude of the totalitarian State?

BROUGHT TO COURT.

Finally, on November 22, Mr. Sincock appeared at Brighton Court to answer two summonses in respect of two weeks' non-attendance of Coral at school. He was fined two shillings, in default three hours' imprisonment, on each charge. Under protest, he paid the fines.

A little later he received four more summonses, in respect of four more weeks. This time the cases came on at Caulfield Court on December 10. Again he was fined two shillings on each count, the alternative being increased to six hours' imprisonment on each charge. He asked and received permission to address the Court, and stated that, as a protest against what he considered to be the improper actions of officers of the Education Department, he would refuse to pay the fines.

The alternative was gaol, and Mr. Sincock went to gaol, spending a night in the cells between two criminals.

THE ISSUE.

The questions we now submit to members of Parliament on his behalf and on that of others who may be similarly circumstanced, are:—

1. Did Mr. Sincock go to gaol for transgressing a law of the country, enacted by the people's Parliament, or was he sentenced by the makers of a bureaucratic regulation unknown to our legislators, and which, so far as we are aware, was not even authorised by the Minister, as provided by the Education Act? During the conduct of the case at the Caulfield Court the point was raised on Mr. Sincock's behalf that no attempt was made by the Department to prove that the zoning regulation had received the authority of the Minister for Education, who alone has power to authorise such a regulation.

2. Is it the will of Parliament and is it the will of the people that the autocratic separation of young girls in the one family should take place in the name of free education? Does the State stand for the threat made to Mr. Sincock by one of the Departmental attendance officers that the Department could take the child from him?

A Land Fit For Heroes

Ex-Sergeant J. Clarke, V.C., charged at Marlborough Street Police Court with obstruction with a barrel organ, said: "I am an ex-sergeant-major and holder of the V.C. I have 2½d in my pocket and have had no breakfast. I am supposed to be one of Lloyd George's heroes."

Draft regulations for a Bacon Development Scheme to be discussed in Parliament. The main object is said to be licensing of factories to prevent redundancy and over-production of bacon. Surplus factories would be closed and compensation paid. There should be little fear of a burdensome surplus of bacon coming on to our breakfast tables in future, and the V.C. should save his 2½d till Parliament has succeeded in raising prices—*Social Credit*.

A Bank of England Director on Financial Dictatorship

[We are indebted to the *New Age* for the publication of the following letter, written to a candidate who advocated Social Credit at the recent British elections. The writer, Mr. V. C. Vickers, is a director of the London Assurance Corporation, Deputy Lieutenant of the City of London, and from 1910 to 1919 was a director of the Bank of England. He should know. —Ed. N.T.]
Wilfred Townend, Esq., B.A.,
11 Beeston-road, Leeds, 11.

Dear Mr. Townend,
As you know, I am NOT a supporter of the "Douglas Plan," and yet I cannot refrain from expressing to you my admiration for the bold stand you are making against the iniquity and inhumanity of the existing monetary system.

Most sincerely I hope that the electors of South Leeds will realise the fundamental necessity for reform, and will make full use of the opportunity you are giving them of recording their determined opposition to the present Financial Dictatorship, which makes it not only possible but "necessary" that many thousands of our people should go on living in utter poverty and want, so that "The Money Industry of the City of London" may continue to flourish, unmolested and unchanged.

We are told, "Confidence has been restored"! This is no doubt very consoling for Throgmorton Street, and the witch doctors of Lombard Street; but it is cold comfort for the cottages of the country, where there is no confidence, but only mistrust and despair. This is an impossible situation, for it is dishonest and un-Christian; and quite unnecessary.

Having such convictions (and with knowledge of the economic principles you are supporting) I wish you the greatest possible success, for you are fighting not only for the benefit of your own constituency, but for the economic freedom of the country. —Yours sincerely,
(Signed)

VINCENT C VICKERS

Pixton,
Forest Row, Sussex.
November 3, 1935.

PROFESSOR SODDY, TOO

Dear Mr. Townend, —I endorse Mr. V. C. Vickers's letter to you and wish you success. I am not a supporter of the details of the Douglas Plan, but every honest monetary reformer will be with you in your effort to terminate the wicked monetary system, which has us all in a trap and which perverts all the benefits of progress. That is the Public Enemy, and I think almost the only one it is necessary to destroy to secure peace and happiness again.

It is a secret conspiracy with the

DOUGLAS CREDIT MOVEMENT OF VICTORIA
In honour of visitors from South Australia.
A SOCIAL EVENING
will be held at
Headquarters, The Block,
on Monday, January 13, at 8 p.m.

ostensible Government, whatever the Party label, to hamstring democracy and keep the nation enslaved to a gang of counterfeiters pretending to lend but, in fact, minting money in order to perpetuate poverty in the midst of abundance.—
Yours sincerely,

FREDERICK SODDY.
131 Banbury-road, Oxford.
November 13, 1935.

Who Wins What For What?

It is a curious twist of idiom that exhibits itself in election reporting to say that: Mr. So-and-So wins Some Place for Socialism or Conservatism, and so on. It ought to be: Socialists win Some Place for Mr. So-and-So. Successful candidates do pay some tribute to the realities behind their success when they thank their constituents for services rendered, but this does not bring the truth into sufficient prominence. The deeper truth never appears—namely, that the Banks win All Places for the mouth-pieces of political orthodoxy. The all-in political advertising of the League of Nations, Peace, Armistice memories, and all that, is the same in principle as the commercial advertising "Eat more This or That," and so on. Both mean at bottom something like: "Swallow more dope," and bring business to all sorts and conditions of dope-merchants, whether Conservative, Liberal, or Socialist. —
"The New Age."

Religion in Queer Street

In the Middle Ages, when religion ranked high in men's estimation, nothing was too good for the churches. In every sense of the word the churches were rich. The nation gave of its best to support and equip them. But today, when our national wealth is incomparably greater, the churches are like poor relations. Not being able to make commercial profits, they are scorned by finance. What banker would feel justified in granting credit to a church at even the present low rate of interest?

So we find the Church Assembly at Westminster anxiously debating whether the meagre sums available should be spent on the parson or the church. Many new churches are needed in the spiritual deserts of the new housing areas. On the other hand, half the clergy earn less than £400 a year, although the cost of living is twice as high as before the war.

The Archdeacon of Oakham could hardly contain himself. "There is evidence that England is becoming more and more pagan," he cried. "A church building is the nucleus of ecclesiastical and social life. There are souls to be saved."

While credit is monopolised by the banks so that the centre of gravity of our thoughts and feelings is in finance, we shall no doubt continue growing pagan. —*Social Credit*.

READ

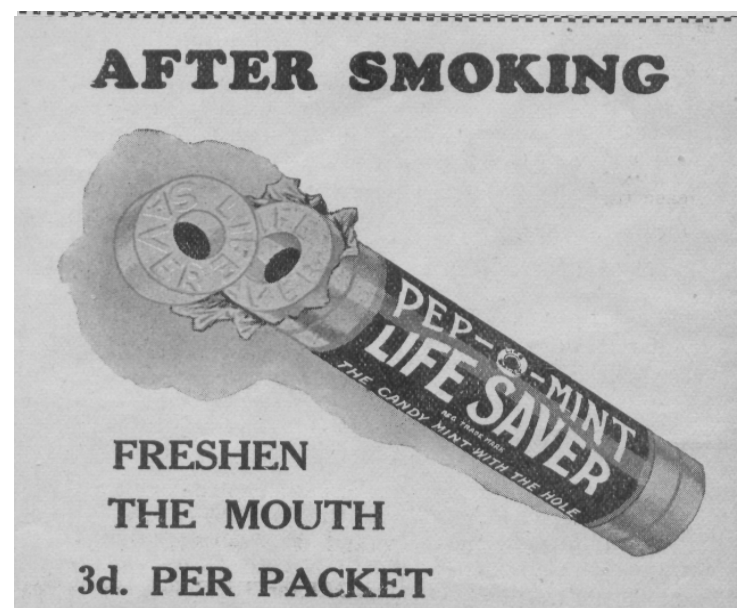
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THE PREVENTION OF WARFARE

By G. S. MALTBY.

It has today become axiomatic, when writing of war, to say that no one wants war and yet no one has devised means to prevent it. If this is correct it shows one of two things—either that mankind is incapable of solving a fairly easy problem, or that the writers of such statements have not bothered to go very deeply into the question.

It is a curious fact that we do not apply to questions of war and crime the same methods of investigation that we apply to, say, a railway accident or an aeroplane crash. In the latter cases we hold inquiries to find the cause of the disaster, whether it be due to carelessness, mechanical defects or act of God, and if it is found to be due to preventable causes we scrap the faulty equipment or find ways to eliminate the faulty human factor. Do we do this with war and crime (i.e., private war)? Unfortunately not. The nearest we have got to it has been the innumerable Peace Conferences, and in them any inquiry as to causes has been conspicuous by its absence.

The subject of discussion has been almost wholly confined to disarmament as a means of prevention, with a little treaty making to discourage those who would not participate in limitation of armaments. Such discussion is futile and imparts an air of foolish impracticability to any schemes that may result from the solemn deliberations—an air that is fully borne out by the utter failure of these conferences to achieve their avowed object of "outlawing war."

THE CHANGE OF HEART THEORY

There is another school of thought that ascribes war to the wickedness of men's hearts. They are far more near the truth than the armament school, but they fail to differentiate between the hearts of those who cause war and the unfortunates who wage it. While it is true that greed and selfishness are at the root of the matter, it is just as apparent that it is not the greed and selfishness of the common people, they who bear the brunt and sacrifice of war, and who are overwhelmingly opposed to it. Not at all—and to demand from them a change of heart is to add insult to injury.

Is it then possible to work a change of heart in those who cause war—in the munition makers, the international financiers, and the manipulators of international trade and exchange? It seems unlikely that these men change in such a way as to overthrow the very system by which they have risen to power;

that they will completely obliterate those outstanding qualities of acquisitiveness and ruthlessness that have enabled them to become supreme. This would, indeed, be a miracle, and one we must not build our hopes on. As a matter of fact it is not essential, for even if it occurred this change of heart would need to become operative in a change of the economic system before any benefit could accrue to the people, and in a democracy, as supreme power is vested in the people, these have the undoubted constitutional right to alter this system, with or without the consent of those individuals who at present administer it.

THE STRUGGLE FOR MARKETS

It is admitted on all sides that the causes of war are economic, and that they are to be found in the struggle for markets in which every nation is forced at present to join. Applying, then, our everyday process of inquiry we should try to learn if this struggle is inevitably the result of causes over which we have no control, if it is due to natural causes not subject to alteration by man, or if it is not merely the result of foolishly pursuing methods which are demonstrably wrong and easily susceptible of amendment.

To take the case of Australia: We are told that a favourable trade balance is essential to our prosperity. This is equivalent to a sentence of hard labour in that struggle for markets of which we said before that it leads inevitably to war. If, therefore, this favourable trade balance is really essential, then so is war, and the sooner we stop wasting time in futile peace gestures and get down to business and equip every household with a tank and an aeroplane, the better.

But is the thing so inevitable? Cannot Australia be prosperous without this balance? Supposing all the rest of the world was to sink beneath the seas overnight—what of Australia? Deprived of our markets, would we be unable to eat our own wheat, wear our own wool, dig our own coal, and smelt our own iron? Apart from a few luxuries like silk and paper, what would we be short of, or being temporarily short of could we not grow or manufacture for ourselves? Practically nothing! We have, in fact, here in our own continent all the raw materials necessary for a standard of living for all far in excess of that enjoyed by all but a very fortunate minority of between 10 and 15 per cent, of the population.

There is a widespread confusion of thought between the ideas

of wealth and money, and, as we can plainly see when it is put to us simply, Australia is packed with real wealth, and yet we are told that we must give away more than we receive, so that we may be even as prosperous as the dreary, picture of today portrays, and that even that poor apology for prosperity cannot continue unless we drag in a war as its inevitable accompaniment! What a prospect for a so-called civilised people! How well deserved is the name of the species "homo sapiens"! How apt the "sap"! Can it be that we have less sense than the apple maggot? He surely would not starve because the apple was too large!

WHAT WE MUST DEMAND.

Now that we see prosperity is so simple a matter, let us bend our energies to seeing that these necessary alterations are made to our economic system. We do not need to know how to do them, but we must be prepared to demand the abolition of poverty and to see that Parliament fulfils our demand. The technique of the reform is a matter for experts, and I for one am quite confident that a definite order to our present Treasury officials would immediately produce a quite workable basis of reform. If I am wrong, and they confessed themselves incapable of producing a plan to distribute the existing plenty, then I feel sure that you

WHAT ABOUT THEIR WIVES AND CHILDREN?

Seamen resident in Victoria who go on strike are not eligible for sustenance. The regulations of the Sustenance branch provide that no person shall receive sustenance who, without reasonable excuse, fails to offer for employment in any trade to which any wages board determination or decision of the Court of Industrial Appeal applies. The ban also applies to any industry governed by a Commonwealth Arbitration award. — Melbourne "Star," Jan. 7.

will all agree that they are not worth their salaries and should be dismissed at once to make room for others who would be appointed from the ranks of those who profess to be able to solve the problem. What would be the effect of this reform on the peace of the world?

It would place Australia in a position where she did not have to engage in economic warfare in order to keep her people alive, and what is true of Australia is true of every other nation in the world. Some would be short of this or that commodity, and have a surplus over their requirements of other forms of wealth, and the process of exchange of surpluses would take place in an atmosphere undisturbed by the need to export one's unemployment problem. Not being forced to economic warfare, the bellicose rulers of nations would find themselves unable to persuade their peoples into expansionist schemes to alleviate a non-existent poverty, and we would be relieved by a considerable diminution of sabre-rattling and pompous braggadocio. This, then, is the commonsense way to tackle the problem of war. To look at its causes and alter them as they can be so easily altered. Not to allow our judgment to be misled by parrot-cries of "war is inevitable," "founded on base human nature," and the like. Let us remember that we are made in the image of God, not of Mars, and that if we assert the divinity of goodwill and commonsense that lies within us, we can, as the Prince of Wales reminded us, convert this world into a place of peace and prosperity beyond the rosier dreams of reformers.

OH, OH, OH! IT'S A LOVELY WAR!

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

The Italian author, Marinetti, has published a manifesto called "Futurist Aesthetics of War." Its purpose is to show that "War has a beauty of its own."

Among the arguments in support of his thesis are: That war "assures the supremacy of mechanised man"; that it completes the beauty of a flowery meadow with its "passionate orchids"—machine guns; that it "genially remoulds the scenery" with its artillery; that it creates new architecture, such as a heavy tank; that it rejuvenates the male body and renders the female one more desirable. Other reasons also ran, but those are the fruitiest.

LATEST SONG HITS

A sound, as of the crackling of thorns under a pot, suggests that this latest Fascist song-hit got a laugh. Nevertheless, you are not in a position to contradict his definitions of beauty, for there are no settled rules on the subject.

Throughout the ages, philosophers have endeavoured to establish principles for the guidance of aesthetic judgment, so that, when you contemplate an object, such as a picture, statue, movie-star, gasworks, rice pudding or bowler hat, you will know, by referring to the book of words, whether to yelp with ecstasy or hand it the onion.

Aristotle, for instance, said that the beautiful is that which is neither too large nor too small, a mean between extremes. But that, while affording a convenient standard for choosing a wife or a pair of socks, does not help us to see the beauty of war.

Burke, in his Treatise on the Sublime, says that all things are beautiful which have the power of producing a peculiar relaxation of our nerves and fibres. But that, if I remember the advertisement rightly, also applies to Mopplewick's Malted Milk, which I do not find beautiful at all.

To come down to modern times, I may quote Professor Gink, Art Director of the Snoopville Conservatoire, Wisc., who said that Beauty is that which reduces the beholder to a state of ga-ga, and convinces him that he stands in the presence of the Alligator's Adam's apple.

Many reasons have been given for war. The last one was advertised to perform three functions: (a) to defend our homes; (b) to save democracy; (c) to end militarism. Reading from left to right, the actual results were: (a) Public Assistance marks; (b) a record crop of Dictators; (c) wars on four Continents and bodyline bowling on the fifth.

No such awkward contradictory facts, however, can be brought against the assertion that war beautifies the earth. For beauty, as I have shown, remains a matter of opinion. Further, judging by current popular taste, the sights and sounds of war would by no means offend the aesthetic standards of this generation.

THOSE EYEBROWS

Our dance-music becomes daily more suggestive of men and beasts in pain, yet the public eat it. In beauty-culture, our women appear to aim at results comparable to those of a heavy bombardment. They remove their eyebrows and substitute smudges of grease in odd places; they work such havoc with their front and side elevations that you cannot tell whether the figure before you is a lady or a broken spar from the wreck of the Hesperus. Their lips—but the subject pains me. There is no sickening sight nor intestine twisting sound that this generation would not regard as beautiful.

Therefore, I see no reason why they should not regard war as an improvement of the landscape.

Editor: Are you not laying undue stress upon a passing phase?

It is not the passing phase that concerns me so much as the passing face. Last night I went to meet my girl and found she had obliterated her features and fixed on an entirely new set. Like war, she had hidden the face of nature under a beauty of her own. But unlike war, she had not rendered the female more desirable.

Editor: I trust you were not so tactless as to criticise the result?

Not intentionally. But seeing her by the kerb I drew up my car and shouted: "Two gallons, please!" I had mistaken her for a petrol pump.

Can anyone direct me to Abyssinia?

Shot and Shell

(From *Social Credit*.)

China goes off silver. Banks believed to be exporting defaced coins as bullion, at a profit of over thirty per cent. — *Daily Telegraph*, November 8, 1935.

Tea stocks down 65,000,000 lb. this year, and production cut by 40,000,000 lb. under restriction scheme. — *Daily Express*, October 29, 1935.

Arable land in Scotland in 1934 totalled 38,502 acres fewer than in 1933—the smallest area since 1866. — *Daily Express*, October 19, 1935.

British private claims against Soviet Russia total approximately £262 million sterling, plus about 983 million roubles. The Association of British Creditors of Russia protests against the "insidious campaign" to obtain long-term credits for Russia, in the face of the repudiation of the above liabilities. — *Financial Times*, October 28, 1935.

British investors have sunk £277,000,000 in Argentine railways. Market value today shows a depreciation of £181,000,000 on this amount. — *Daily Express*, October 31, 1935.

Soya bean crop, grown in Lincolnshire, has proved one hundred per cent pure. Bean has seventy uses, including manufacture of bread, glycerine, soap, linoleum, enamels, paint, printing ink, oil, celluloid, and even milk. (One pound of beans yields five to six pints of milk.) — *Daily Telegraph*, November 8, 1935.

When tariffs imposed on foreign fruit, traders predicted short supplies and soaring prices. Today markets are swamped with ever increasing supplies of Empire fruit; thousands of tons of apples, oranges, lemons, grapefruit, etc., are arriving weekly. — *Daily Telegraph*, November 8, 1935.

Purchase of stock of Royal Bank of Scotland recommended as best means of participating in improved Lancashire trade.

Why? Because William Deacon's Bank (controlled by Royal Bank) holds over £1,300,000 Debenture Stock of the Lancashire Cotton Corporation. — *Daily Express*, Oct. 30, 1935.

TO OUR READERS—

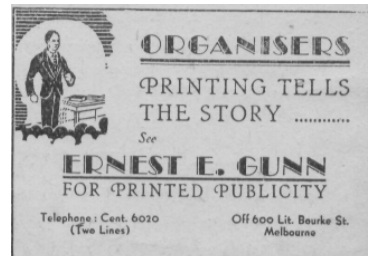
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DICTATORSHIP OR NO DICTATORSHIP, THE RESULT IS THE SAME

Every Country is Heading for Bankruptcy

Reading the overseas press to hand by this week's mail, one cannot fail to be struck forcibly by the hollow mockery of "recovery," in face of the cold figures of debts, debts, debts, which are everywhere becoming more and more obtrusive.

G. W. L. Day, discussing in "Social Credit" "The Cost of Dictatorships," has this to say: "Mr. Wickham Steed, writing in the 'Contemporary Review,' gives some extraordinary figures of debt for Italy and Germany, which clearly show the bankruptcy of dictatorships.

"The Fascist Government, he says, has been financing its public works and agricultural schemes and paying its vast subsidies to shipping and other enterprises by issuing certificates for 'deferred payments'—that is, undertakings to pay by yearly instalments up to fifty years hence.

"These liabilities are not mentioned in the Italian budget. But the Finance Minister calculated that from 1922, when Fascism was introduced in Italy, up to 1935, the capital value of these deferred payments had increased from 4000 to 24,000 million lire—that is, from just over £40,000,000 to more than £242,000,000. The National Debt has risen by about £120,000,000 in the same period.

BANKRUPT FASCISM.

"But these figures take no account of war preparation, which had already cost more than £10,000,000 sterling by the end of April, 1935. Since then the war bill has been quintupled at the very least, and according to some estimates it is already as high as £100,000,000 sterling. So in every sense of the word Fascism is bankrupt.

"As to the German finances, 'Des Neue Tage-Buch,' pub-

lished in Paris on September 6, shows that from Hitler's advent at the end of January, 1933, to the end of May, 1935, the total German internal floating debt rose from £425,000,000 to £1,340,000,000 (par), or nearly double in sterling. By the end of August the debt had risen to £1,470,000,000 (par).

"So, Germany, too, is heading for bankruptcy. Mr. Steed suggests that Hitler, as well as Mussolini, is perhaps planning to escape from disaster by some foreign adventure, or the threat of it."

FRANCE'S DILEMMA

Under the above heading, the "Economist" discusses editorially France's position.

"There are signs," it says, "that a far-reaching change has taken place in France's economic situation during the last few months. Up to the early autumn of this year, the crisis was of an easily recognisable nature. Deflation and persistently high interest rates . . . inevitably resulted in lower production and falling Budget revenues. Successive instalments of Budget economies merely deepened the depression and curtailed the revenue still further. The Budget was 'balanced' by cuts in the summer of 1932; in May 1933; in February 1934; in December 1934, and finally by M. Laval's drastic surgery of last July. Meanwhile, the bank rate was being periodically raised—apart from an interlude of 'cheap money' policy under M. Flandin—to stem gold losses; and the industrial production index (1928 equals 100) fell from 88.2 in July 1933, to 73.2 in July 1935. The official figure of unemployment rose in the same period from 239,692 to 380,559.

"Despite the high bank rate and Budget cuts of June and

July, however, a change seems to have come over the situation in the early autumn. The index of industrial production, which had fallen uninterruptedly for two years, remained stagnant after July and actually rose a point in October. The figures of unemployment and prices also began to suggest stagnation rather than further decline. Were these developments purely fortuitous, or was there some reflationary factor strong enough to offset the deflationary measures of July? This question at once directs attention to the volume of loan expenditure in which the French Government has been indulging in the last few months. An 'Extraordinary Loan Budget,' providing for an annual expenditure of 6000 million francs, to finance public works and re-armament, was passed in the summer, almost simultaneously with the cuts. Meanwhile, owing to the persistent fall in revenues, the Ordinary Budget continued to show a deficit amounting in October to over 500 millions. Total Government expenditure out of loans, therefore, not including the railway deficit, the Algeria deficit and the post office, is at the moment running at the rate of 12,000 million francs, or well over £150 millions a year."

Discussing other countries, the "Economist" goes on to say, "The recoveries now proceeding in the United States, Japan, Germany and Italy are largely the effect of Government expendi-

ture financed by credit inflation"—which means that the Governments of those countries are using new moneys to make up the chronic shortage in the hands of the people; not moneys issued by the governments themselves, but moneys borrowed at interest from private bankers, who claim for themselves the right to issue and control money as though it were their own possession.

AUSTRALIA'S POSITION

We are reminded that Australia's "recovery" is being stage-managed in a similar manner by the following remarks in the chairman's speech at the annual meeting of the E.S. and A. Bank, reported in the same issue of the "Economist":—

"The internal debt, which had been contracted by Mr. Lyons's first Government, stood in June of last year at £54,012,000. Just before the close of the Government's financial year a further loan of £12,506,000 was issued, bringing up the total addition to the internal funded debt created by Mr. Lyons's two Governments to £66,564,000, from the proceeds of which £16,496,000 had been devoted to funding a similar amount of Treasury bills, and cabled advices informed them that a new internal loan of £7,500,000 3¼ per cent, stock would shortly be issued at 99¾. The last financial year of the Government had closed with a surplus of £711,205, against an estimated surplus of only £13,810, and the combined result of all the States for the last year, without Tasmania, showed a combined deficit of £3,164,787."

There is the "truth of Australia's 'prosperity.'" The Prime Minister boasts of a Federal surplus while the States show a deficit of millions, and while his Ministry, prating of Sane Finance, runs up our national debt to the bankers by a trifle of £74 millions. How much longer, one wonders, will taxpayers stand it?

"CONTROL OF CREDIT BY AND FOR THE PEOPLE"

Tasmanian Premier's Address in Sydney

Mr. Ogilvie Gives His Impressions of World's Financial Leaders

The Premier of Tasmania (Mr. A. G. Ogilvie, K.C.) was the guest of honour at a luncheon given by the Social Credit Movement of New South Wales in Sydney on Thursday of last week. He afterwards gave a very interesting address on his experiences in the movement for monetary reform, during the course of which he recalled his impressions in meeting political and financial leaders during his recent visit to Britain and Europe.

For 12 months prior to the last Tasmanian elections, said Mr. Ogilvie, he had spoken over the air each Sunday night, stressing the necessity for the community's credit being controlled by the people and for the people. At the elections he had told the people that this was the vital issue. Then recently, at an all Tasmanian Labor Movement Conference comprised of 89 delegates, he moved that this issue be made the first plank of the party's platform, taking priority over all others. This motion was carried by 89 votes to nil.

In his recent tour through Europe he had succeeded in meeting every statesman whom he had set out to meet, and of them all he found the president of Czechoslovakia the most enlightened and the clearest thinker on the question of financial reform.

Mr. Ogilvie said that he met Signer Mussolini, who impressed him as a man of courage and resource—an able man, but the Dictator absolutely refused to be drawn into any discussion on finance during the whole of the 30 minutes' interview.

"MY GREAT FRIEND, MR. MONTAGU NORMAN."

Mr. Ogilvie then passed over to Germany, where he met Dr. Schacht without doubt the real dictator of Germany. He is the Governor of the Reichsbank, besides holding several other positions of power and influence. The whole trend of this gentleman's conversations was to assure Mr. Ogilvie of the absolute necessity of pursuing orthodox and conservative financial principles, and he constantly referred to his "great friend, Mr. Montagu Norman," during the course of his remarks. Dr. Schacht spoke of resigning from certain positions if his advice were not followed, and generally gave the impression that he did not expect to be seriously challenged.

From Germany, Mr. Ogilvie crossed the border into Russia, where he was to witness a vast social experiment in course of development—great buildings in course of erection, one of which was crowned with a statue of Lenin, itself 90 feet in height; excellently equipped recreation parks, of which tens of thousands of young men and women could and did avail themselves. He met many of the Soviet officials, including the Minister for Finance. In Leningrad he attended a theatre crowded to its several thousands' capacity and witnessed a most high-class performance. Compared with the leading lady artist Grace Moore appeared third-rate. Before leaving Russia he inspected the Museum, wherein were housed many of the crown jewels and riches of the previous regime. He saw there sufficient gold plate and golden carriages to pay off the Tasmanian National Debt.

ENGLISH LABOR AND NATIONALIST BOTH CONSERVATIVE

Continuing his tour, Mr. Ogilvie went to England, and upon visiting the headquarters of both the Nationalist and Labor parties assessed them as being equally conservative. This was after having several conversations with

Mr. Stanley Baldwin, Mr. Lansbury, Major Atlee, and other leaders of the parties. He found the London Trades Hall quite a sumptuous place, with a titled gentleman for a secretary.

Mr. Ogilvie twice met Major Douglas, and had the pleasure of attending, along with at least 1000 other people of similar type to those he himself was now addressing, a welcome back dinner to Major Douglas upon his return from Alberta. Major Douglas's speech had been most inspiring and at that dinner, he (Mr. Ogilvie) had also spoken, declaring himself on the side of credit reform along the lines of the motion he had recently had carried at the Tasmanian Labor Conference. As a result of this speech he had received congratulations from all parts of the world, but not without considerable opprobrium, which he both expected and ignored.

TASMANIA'S REPRESENTATIVE COMMITTEE

Turning his thoughts homeward again, the Premier of Tasmania made reference to the recent select committee set up by his Government to inquire into the monetary system. On this committee all points of view had been fairly represented, and their report unanimously supported the need for control of the community's credit by the people and for the people. Three thousand copies of this report had been published, and the satisfaction of cabled orders, some for hundreds of copies, from all parts of the world would rapidly exhaust supplies.

If he might pass on a word of advice to the Douglas Movement, it would be that he regretted and doubted the wisdom of its appearance into the political arena. The Labor Movement held the splendid efforts of the Douglas Movement in high regard, but he feared that this political action had lost the Douglas Movement many supporters and closed many ears to its message.

Mr. Ogilvie concluded on the note that, so long as the condition persisted where there was intolerable growth of debt and unnecessary poverty and misery amidst abundance, he would not waver from his conviction that the first essential task of any responsible government was to see that the community's credit was controlled by and for the people.

War—And Peace

A verdict of suicide while temporarily insane was returned at an inquest on Lieut. -Colonel A. J. Cowan, D.S.O., found shot dead. Mr. Walsh, an army pensioner, found hanged, had been unemployed a long time. A jury returned a verdict of murder and suicide while of unsound mind at inquest on Colonel Holloway, and an inspector stated that the colonel's financial position was desperate. Captain Stewart was found dead on the line, and Lieut. Barry said he had been financially worried. Colonel Fairholme was found shot dead. He had been depressed lately by financial worry, but otherwise was a strong and healthy man.

Just a few British soldiers, but according to statistics of fifty leading States, 2,000,000 people died of starvation in 1934, and 1,000,000 committed suicide in consequence of poverty. War killed the surplus populations at rate of 2,500,000 per year, but Peace kills them at rate of 3,000,000 per annum. —Social Credit.

THE "NEW TIMES"
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AT ALL AUTHORISED
NEWSAGENTS.

AUSTRALIAN WOMEN ARE GOOD COOKS SAY MANY VISITORS FROM OVERSEAS



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

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PATON

In the Pink Packet

The Tasmanian Monetary Inquiry

(Continued from last issue.)

Professor Hytten pointed out the need for better direction of production over large areas. The needs of the community should be known some years beforehand so that unnecessary production of certain articles could be checked.

Mr. O'Keefe. — "What articles are being produced in excess of demand? Is it not rather a shortage of purchasing power again?"

Mr. Turner. — "It seems to me that the whole trend of the Chairman's attitude is to have a perfect distribution of goods."

Witness. — "No one will fail to admit that our distribution of wealth is not ideal and that it could be a great deal better."

Mr. Turner asked if public works were the only palliative.

The Chairman said Mr. Paterson, Minister for the Interior, commenting on a cable from Geneva, said, "he had never regarded public works as the solution, and he wished to ensure that industry should be reasonably productive."

This would tend to add to the goods to be distributed by already insufficient purchasing power.

The cable stated that the League of Nations had published the result of a questionnaire, which it had addressed to the nations on the subject of relief work. The British Government had replied "public works were a part of the normal activities of the government and local authorities, but an experiment in large-scale public works as a method of dealing with unemployment had been tried and had failed, and it was not intended to repeat it." (Jan. 9, 1935.)

Witness. — "The ideal thing is to put by in good times for the times when we need it."

Some people have a curious idea that financial saving has a physical counterpart—that, when we save "claims on goods," we automatically save the goods themselves.

Did the witness mean that in times of plenty we should put aside meat, fruit, &c., as in the Fat Years in Egypt?

Putting by money is obviously no solution. It increases debt, since its distribution has meant the creation of costs of production, which can only be recovered through prices of goods sold. The result of saving is thus increased poverty. The confusion existing between theories of finance and facts of experience is shown here.

NEED FOR MONETARY REFORM

The need for monetary reform is being recognised by responsible bodies in England and elsewhere. This is exemplified by the following extracts from Chamber of Commerce Journals and the London "Times."

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 eight issues*

Mr. Maurice Weston, Solicitor, of Launceston, handed in a letter from the Secretary of the London Chamber of Commerce in which these words appeared:—

"The reports of the Committee of the London Chamber of Commerce, from which the following extracts are taken, are authentic."

This letter appeared in the London "Times" of 4th April 1934:

"We, the undersigned, in common with a large and rapidly growing body of citizens who are genuinely concerned at existing conditions, have come to the conclusion that gold is not essential as a basis for the issue of national money . . . A system must, in our view, be established under which the issue and recall of currency and credit will be regulated on a rational, national and scientific basis, so that the correct number of money tokens shall be available to consumers to enable them to enjoy the output of production."

Among the ten who signed were—

Lord Semphill—Chairman of the Council of the London Chamber of Commerce; Member of the Advisory Council of Scientific and Industrial Research.

Sir Geoffrey Clarke—Managing Director of British Telegraph Construction and Maintenance Co. Ltd.; Director P. and O. Company; President of the Associated Chambers of Commerce of Great Britain.

Sir Maurice Jenks—Lord Mayor of London (1931-32); member of the Council of the Institute of Chartered Accountants; member of the Court of the University of London.

The "Times" of 4th April, 1934, in its leading article stated: "The widespread and growing interest in the question of monetary policy is reflected in the letter printed on another page today appealing for the immediate investigation by Parliament of the fundamental principles which should govern our monetary system with a view to its reform in the interest of both producers and consumers. It is not long since all such questions were considered so abstruse that discussions of them were left to professional economists, treasury officials, and dealers in international exchange . . . In fact, there was a tendency to dismiss as a crank anyone who ventured to criticise the orthodox gold standard. In a period of unrest, when the fundamental bases of economic, political and social life

are being examined afresh, it is inevitable that the traditional money system should be brought into the discussion. Our correspondents, indeed, regard it as already obsolete, as having become a hindrance to the effective distribution of goods, and they regard it as responsible for the continued existence of poverty and unemployment at a time when scientific invention has made it possible to meet practically without limit all the requirements of mankind . . . Our correspondents are representative men of affairs, they have signed the present letter in their individual capacities, and their appeal derives force from the variety of their own experiences and interests."

The London Chamber of Commerce Journal, March, 1934, stated: "With approximately 90 million destitute people . . . hungrily awaiting the almost unlimited production, either actually or potentially available, it is evident that the failure of the one to reach the other is due to something being radically wrong with finance . . . From the foregoing it will be evident there is nothing whatever to prevent the country, for example, rehousing its people. Houses are built with bricks, cement, sanitary fittings, pipes, wood, &c., and there is no shortage of these things. They are built by men who will require in return food, clothes, and other necessities and amenities of life, and there is no shortage of these. The tokens necessary to effect the exchanges have, since September, 1931, consisted of paper notes and book entries, convertible into goods and services."

"The creation of these tokens presents no difficulty whatever. It is quite evident that this cannot be done by the old method of asking the banks to create new money by the not very arduous activity of writing figures in a ledger, the State then borrowing the result from them at interest."

"In order to repay the capital and interest, more money must be recovered from the community by taxation than has been issued to it, since the banks do not lend the interest, so that the last state of that community is worse than the first."

"This is particularly evident in the Canadian banking system, which only issues £95 of a £100 loan at 5 per cent., so that, from the start of the loan, there is never enough issued to repay it."

BANK CONSIDERATION.

"The original theory by which it was held that the banks gave some consideration to the rest of the community in return for these privileges was that they were under the obligation to the borrowers to pay them gold on demand. It was physically and mathematically impossible for the banks to fulfill their contracts if all those who were entitled to fulfilment demanded it, since there only existed a small part of the gold which the banks had contracted to hand over 'on demand,' in consideration of which undertaking every borrower was paying interest."

"Whenever the banks were called upon to fulfill their contracts the nation was obliged to come to their rescue, and moratoria were declared in 1848, 1857, 1866, 1914 and 1931."

"The only risks the banks now run is that all those who have borrowed book-entry money from them should at the same moment demand paper pounds. "These the banks are under the obligation to supply on demand and once more there are not enough of these in existence for them to fulfill their contracts. The Bank of England could only come to their rescue by printing more notes, provided once more the State, by means of a Treasury minute, authorises the Bank of England to print additional notes. . .

They could, in fact, fulfill their obligation only if the State would itself authorise a printing of notes, which it would then receive from the banks."

CHAMBER OF COMMERCE AND MONETARY REFORM.

Mr. Weston further submitted extracts from the report by a special committee put forward by the Council of the London Chamber of Commerce on the reform of the monetary system and as a basis for discussion at Ottawa on the subject of monetary policy. A special meeting of the Council of the Chamber, on 20th June, called to consider this report, unanimously adopted the following resolutions:—

"That in the opinion of the Council monetary reform is of outstanding importance. The arrest of progressive deflation is, in their view, a condition precedent to a restoration of world prosperity, and no other measures, which may be taken can prove effective substitutes. This Council cannot too strongly urge upon His Majesty's Government that the opportunity which will be afforded by the Ottawa Conference should be seized . . . So that the Empire, having itself agreed upon a constructive monetary policy, may be in a position to give a lead to the other nations and invite their co-operation."

Further extract from the Chamber of Commerce Journal Supplement, July 1932, showing among

other things the immense increase in producing power and the comparative shortage of purchasing power:—

"Three times as much in commodities is now required to pay a debt contracted in 1920."

The above statements may be summarised by saying that the existing money system fails to facilitate the utilisation of the resources of the community, such as power and materials, in such a way that the community might obtain and enjoy to a very much greater extent the facilities—goods and services—which such resources could otherwise be employed to make available.

DOUGLAS CREDIT PROPOSALS

The President of the Hobart Douglas Credit Association, Mr. J. C. Foley, B.Sc., made the following statement:—"These proposals are the result of observations and studies made by Major Douglas of the manner in which industry is financed. His analysis of the present system showed that there were certain defects, which must inevitably lead to its breakdown. It may be shown that insufficient money reaches consumers to enable them to purchase all that industry is capable of producing. As a consequence, output is restricted and the people are prevented from enjoying the potential wealth of the country and are in many cases reduced to poverty, while goods which they require are being destroyed."

He then outlined the defects in the present monetary system. Evidence which has been submitted leads us to believe that the contentions outlined above are substantially true and we are of the opinion that an exhaustive study of the points raised is highly desirable.

(To be continued.)

LETTERS TO THE EDITOR

PORTRAITS OF MAJOR DOUGLAS

We have been advised by the Social Credit Secretariat that a photograph of Major Douglas, which appeared in "Social Credit" of November 29, is now available as postcards and cabinet productions. We feel sure that many of your readers would like to obtain these photos, so would ask them to send their orders to us as soon as possible to give us an idea of the number to import.

The prices will be approximately—Postcards, 4½ each; cabinet productions, 1/- unmounted; 1/9 mounted.

The Secretariat also has supplies of Medici prints of Augustus John's portrait of Major Douglas, which would cost approximately 2/6 each.

As soon as we have sufficient orders we will send for the pictures, which will arrive in about three months' time.

S. NEWMAN,

Hon. Secretary, The Douglas Credit Movement of Victoria, Block Arcade, Melbourne.

NEW ZEALAND'S EXAMPLE

If, as I believe will be so, the new Government in New Zealand implements some of the main proposals of Douglas, it would be a fine thing if people here in Australia could get in touch with friends in New Zealand and so get news of how things are going there. There would be a good deal of the personal touch about the news in that case, which I believe, would carry tremendous influence with all sections. Non-Douglas skeptics would probably have their ideas radically altered on

hearing, through personal letters, of real change to prosperous times in New Zealand, so greatly different from the bogus brand the Australian Governments are trying to make us swallow. Could you urge on people through the columns of the "New Times" to write to New Zealand friends; also New Zealand people might be asked to make a point of writing to friends here and elsewhere of the betterment of conditions under national credit control? I believe the New Zealand example will be worth so much more than columns of precept to the general average of "intelligence" that the demand created thereby will force the Federal Government to move. If they don't, they will probably be stamped flat by the rush.

G. S. McCOLL.

Upper Barren, Nth. Qld.

BOOKS ON MONETARY REFORM

Why Poverty In the Midst of Plenty? By the Dean of Canterbury . . . 8d.
ABC of Social Credit. By C. Barclay Smith . . . 7d.
Dividends for All By C. Barclay Smith . . . 7d.
Tell Me the Story Simply. By Will T. Duggan . . . 7d.
Modern Problems and Mental Attitudes. By Rev. J. T. Lawton . . . 1/1
Economic Democracy. By C. H. Douglas . . . 5/10
Credit Power and Democracy. By C. H. Douglas . . . 6/10
Social Credit. By C. H. Douglas . . . 6/4
The Breakdown of the Employment System. By C. H. Douglas . . . 4d.
Monopoly of Credit. By C. H. Douglas . . . 6/3
An Outline of Social Credit. By H.M.M. . . . 1/1
Poverty Amidst Plenty. By C. J. Galloway . . . 10d.
The Douglas Manual

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