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MELBOURNE, FRIDAY, FEBRUARY 14, 1936.

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Where is Australia's G.H.Q.?

The Premier of New South Wales, Mr. B. S. Stevens, has just appealed for a new influx of men and money into Australia. It is not proposed here to say anything about the men, except that, if we once fixed our financial difficulties, we should be in a position to welcome good men and their families to a land of sunshine and happiness. But the question of an "influx of money" certainly deserves looking into.

In the first place, to talk of importing money, in its literal sense, is a manifest absurdity, and Mr. Stevens, as a professional accountant, should know it. All the money used in Australia, whether notes, coins, or banks' book-entries, is locally made, and whatever money we require for Australian development could be quite well provided in our own country, even if the rest of the world disappeared off the map.

In spite of all the tommy-rot about the "flight of capital" with which the bankers' press so frequently entertains us, no such thing occurs. In the words of a very eminent and unusually frank banker, Mr. Reginald McKenna, Chairman of the great English Midland Bank (which is approximately the same size as all the trading banks in Australia put together), what happens is this:—

"People often talk of money going abroad or of foreign money coming here, but as a fact when gold is not in use money is incapable of migration. The title to money may change. An individual may sell his sterling to an American for dollars, but the American will then own the sterling in England and the Englishman dollars in the United States . . . The change of ownership does not remove the money, which necessarily remains and can only be expended where it was created. No exchange transaction, no purchase or sale of securities, no import of foreign goods or export of our own can take money out of the country or bring it here. Those who wish to be meticulous may say that British travellers sometimes carry currency notes and change them in foreign countries, but the total of such transactions is too trifling to be taken into account. Bank loans and their repayment, bank purchases and sales are in substance the sole causes of variation in the amount of our money." (Address to shareholders at annual meeting of Midland Bank, Jan. 25, 1924.)

At the same time we find, on looking about us, that a vast quantity of local assets is owned and controlled by a group of

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And Who are Our Masters?

WHAT "CAPITAL FROM ABROAD" HAS DONE

people overseas, very few of whom have ever seen this country, but who nevertheless continue to exploit it pretty thoroughly. No complete or satisfactory statement has ever been published to let the Australian people know what is their real position in this respect, and it is probable that very few of us have even the vaguest notion of where we stand.

Certain obvious things occur to us. For instance, we all know that the Australian petrol and oil business is in overseas hands, mainly divided between the Americans, headed by the Standard Oil offshoot, Vacuum, and the "English" Shell interests, built up by those two great Britishers, the Dutchman Deterding and the Jew Samuel (the latter name now hidden under the better sounding title of Lord Bearsted). We know that American film interests have more than a suggestion of influence over the screening of pictures in Australia—that Fox Films, for instance, has a substantial say in Hoyts Theatres. We know that the genuine Australian cattleman is a very small fry in the meat business compared with entrenched interests from abroad. But what of other enterprises which we accept almost without question?

THE BANKS.

Take the banks first. These are clearly the most important, since their policy of making money available to industry or acting contrariwise immediately affects us all.

Of the banks trading in Australia, the Australasia, the Union and the E.S. & A. make no pretence to be other than English institutions, domiciled in and controlled from London. But many people think that our other banking companies, even if influenced by overseas financial policy, are entirely local in their ownership. This, however, is far from the case. Of the rest of the great Australian banks, the Bank of Adelaide is the only one, which does not on the surface show a part ownership in England. All the others—the Bank of New South Wales, the Commercial Banking Co. of Sydney, the Commercial of Australia, the National and the Queensland National—have a share register in London as well as in Australia, and their shares are bought and sold on the London Stock Exchange.

THE INSURANCE COMPANIES.

Turning to the insurance companies, the first thing to strike us on looking over their directorates is that the boards are almost repetitions of bank boards, and therefore subject to the same external control. The second is that, while life business is mainly (though not altogether) in the hands of the local banker-controlled companies, in nearly all the other forms of insurance transacted by people in this country the fees go to overseas companies. Some idea of how well they do out of these fees may be gained by the table

below. The list given is far from a complete one of overseas insurance houses trading in Australia, but it should suffice. The dividends quoted are those paid for the trading year 1933, which is the last complete year available to us at the moment—and it might be remembered that 1933 was hardly a satisfactory year to the general run of those who paid insurance premiums in this country. Here are the figures:—

Company	Dividend for 1933 PerCent.
Alliance	40
Atlas	32
Eagle, Star and British	
Dominions	20
Employers' Liability Ass.	
Corporation	80
General Accident, Fire and	
Life Ass. Corp.	56
Guardian	100
Liverpool and London and	
Globe (controlled by	
Royal Ins. Co.)	67
London and Lancashire ..	50
London Assurance	45
Northern	85
Phoenix	60
Prudential . . . "A" shares	99
Do. "B" shares	37
Royal Exchange	28
Sun	53
Yorkshire	47

Only a fraction of the total of these dividends, of course, was earned from the business our people did with these companies, but it may be assumed that Australian clients provided their fair quota of profit percentages.

Of the companies above listed, everyone is owned outside Aus-

tralia, and their directorates, like those of our local bodies, furnish the same imposing lists of financiers. Thus on the board of the Alliance, at the top of the list, the first name on the directorate is Rothschild, and the next five are these very interesting B's: Baring, Barnett, Bearsted (late Samuel), Bentinck and Bernard. The general manager is named Levine, and the assistant general manager Barnett (not the same gentleman who is on the board). It would be wearisome to go through the full list of companies above, or through the many other foreign insurance companies drawing dividends from Australia, but the names on the Alliance are typical, and one is particularly struck by the constant recurrence of family names which comprise the Court of the Bank of England and the directorates of the English "Big Five" banks—names such as Goschen, Gilliat, Hambro, Kindersley and Grenfell. Alongside these, either on their London or their local boards, are to be found our lesser lights in banking and politics—Baillieu, Robinson, Menzies and the like.

THE PASTORAL COMPANIES.

Our great pastoral companies are still more remarkable for overseas ownership. Australian Estates and Mortgage; Australian Mercantile, Land and Finance; Dalgety's; New Zealand Loan and Mercantile—these are all English corporations; Goldsbrough, Mort is partly Australian, partly English. Then there are other great overseas property owners whose names are not so widely known to the general public but who have Australian ownerships running into vast sums, such as the Australian Pastoral Co.; Australian Sheep Farms; Australian Agricultural Co.; Scottish Australian Co.; New Zealand and Australian Land Co.; New South Wales Land and Agency (of which our old friend Mr. D. R. Jardine is a director, and which paid 12 per cent, in 1934—the last balance-sheet we have seen); North Queensland Mortgage and Investment Co.; Standard Trust and Melbourne City Properties. This last company—on which the well-known Bank of England name of Lubbock appears—holds 164,000 shares in Carlton and United Breweries, as well as various Melbourne freeholds. Originally a mortgagee over McCracken's Brewery, the failure of that company to pay interest on the mortgage in 1906 brought about its liquidation and merging in Carlton and United, with

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To The Strikers of Australia

Dear Fellow Workers,

Will you ever stop cutting off your own nose to spite your face? Our sympathies are entirely with you. With you, too, we have often felt that exasperation against injustice, which is closely akin to desperation. But what is to be gained by running amok? STRIKES NOWADAYS CANNOT POSSIBLY SUCCEED.

In the first place, machinery has you beaten. The number of actual men required for any industry is rapidly lessening each year, the number being thrown on the scrap heap is increasing, and—as you have seen in the seamen's case—there is little difficulty in replacing strikers with former workers now unemployed and destitute.

In the second place, you yourselves must always be the sufferers. In the rare case where you seem to score a point, to secure a shilling or two of extra wages, how long does it take the increased pay envelope to make up for the empty ones you have missed? You NEVER catch up, for your increase, being an increased cost in industrial production, is invariably included in prices and taken back from you again. It is the old story, of "Heads, I win; tails, you lose."

Destructive criticism, you will say, gets nowhere. It is better to go down fighting than to starve to death; what else can you do?

You can continue to fight, but why not fight intelligently?

The first thing is to determine who is your enemy. We know there are unjust owners and managements—too many of them—but your real enemy is not within your own factory or enterprise. The best and fairest employer is forced by circumstances to oppose your just claims for he, like you, is battling against scarcity; not a scarcity of

goods, but a scarcity of money, which attacks him on one side with unsatisfactory prices and on the other with ever-increasing taxation. The average employer is no more a profiteer at heart than the average workman. Both, given reasonable security, would be satisfied with a fair return for fair service. But both are deprived of any feeling of security through the operations of the financial monopolist, the owner of the money factory, the private banker. He it is who sets worker against worker, employer against employee, in the desperate scramble to gain enough of those figures in bank ledgers of which the shortage is almost the sole cause of industrial unrest and of human misery.

It may seem silly to you to say that you are only fighting ciphers (and the few men who now control them). But whence do you get your access to goods? Is it not from figures on a cheque, from figures on a piece of paper called a banknote, or from circular disks of metal with numerals on them which mean far more to you than the actual value of the metal does to you or anyone else? The same applies in the case of your employers, in the case of the State itself. All we are up against is a shortage of figures and of tokens.

Will you never wake up to this? Strikes certainly will get you nowhere. Neither will increases of pay (figures), that lead to increased prices (figures) on the goods you buy. Why not combine your forces and insist upon the State issuing, free from interest to bankers, sufficient figures of its own to make available to employees and to employers that fair return which abounding goods proclaim is easily attainable?

THE NEW TIMES

P. S. —Tell you Member of Parliament about it. If he won't carry out your instructions, you can beat him, too with figures—on your next ballot paper.

very satisfactory results to the Overseas mortgagees.

From this list we omit altogether such enterprises as Freehold Assets Co., partly Australian and partly English owned, and all that class of private overseas ownership such as the several times millionaire Howey estate in the heart of Melbourne.

In nearly all the above companies, again, you will find the banker very prominent, and particularly bankers associated with the Australasia, the Union and the E.S. & A.

TRANSPORT.

If we look at transport and its subsidiaries we find overseas ownership again very noticeable. We have already mentioned petrol and oil; but we might add that in C.O.R. a half interest—less one share—belongs to the Anglo-Iranian (late Anglo-Persian) Co., which is partly British Government and partly Shell. In overseas shipping to and from Australia we have, of course, no interest at all—except that we are asked to subsidise English-owned ships in their competition for supremacy over American-owned ships, just as we are asked to do the same thing in air transport.

The Midland Railway of Western Australia is purely an English company (also banker directed) and a beneficiary from the W.A. Government to the extent of over three million acres. Its chairman is Sir G. A. Touche, head of two Anglo-American banking houses, wearer of a Serbian decoration—and one-time dabbler in electoral reform (!); while on the board with him is Andrew Williamson, chairman of the E.S. & A. Bank, and associated with many other overseas banking enterprises in Australia. The Emu Bay Railway of Tasmania is partly Australian and partly English. De Havillands have their own proprietary company here, so has Ford—both enterprises locally bankers directed. Then we have a large share of American ownership in

General Motors-Holden and Goodyear (bankers on both), and of English ownership in Dunlop Perdriau (banker directed) and Standard-Waygood Mt. Lyell's 25 miles of railway (like the whole Mt. Lyell enterprise) is partly English owned, Mt. Kembla Collieries is an outright English concern.

METALS AND CHEMICALS

The same story applies to metals and chemicals. We need not here discuss the enormous English ownership over our gold mines, nor the Australian establishments of the Vickers and Imperial Chemical Industries interests. These are well known to the public. But it is not so generally recognised that Sulphide Corporation, millionaire owner of Broken Hill Central and of the Cockle Creek works in N.S.W., is English owned and bank directed. Zinc Corporation, locally domiciled in Collins House, Melbourne—the bankers' house—is likewise an English enterprise. And English ownership is also concerned with such other companies as Amalgamated Zinc; Commonwealth Fertilisers (partly through Nobel's, that is, Imperial Chemical Industries); Broken Hill South; North Broken Hill; Electrolytic Zinc, and Australian Iron and Steel, now merging with Broken Hill Proprietary — Dorman, Long having 600,000 shares, and Baldwins Ltd. (the British Prime Minister's firm) 100,000.

GAS, LIGHT AND POWER.

In gas we find the overseas interests appearing alongside local ones in Metropolitan Gas, of Melbourne, and in the Australian-wide Colonial Gas; while the same interests share in Adelaide Electric Supply and in Melbourne Electric Supply (bought out by the Government of Victoria in 1930, and on which the British shareholders have since been drawing satisfactory dividends). The Kalgoorlie (W.A.) Electric Power and Lighting Corporation is purely a London

business (except for the users of its current).

MERCHANTS.

In general trade the story continues. D. and J. Fowler, of Adelaide, is English; so is E. Rich and Co., of Brisbane, and Thos. Brown and Sons, of Brisbane, Rockhampton and Townsville; so is Mr. Stanley Bruce's company, Paterson, Laing and Bruce; so is Hoffnung and Co. (on whose board appear those well known British names, Nathan, Davis and Barnett); so are D. and W. Murray and also Goode, Durrant and Murray; so is Millar's Timber and Trading Company. There are English interests in Robert Reid and Co., and in Farmer and Co., of Sydney, whose registered office is still in London. There is overseas capital in the Australian Distillery Co., in the British Tobacco Co. (Australia), in Carreras, in Nestle and Anglo-Swiss Milk (Australasia).

But why go on further? The list of absentee ownership might be continued indefinitely through public companies, proprietary companies, private holdings, until it becomes too great a tax to ask the reader to follow it. Enough has surely been said to establish the point we now wish to make.

SEEKERS FOR FOREIGN

"CAPITAL" ARE TRAITORS

Capital, genuine capital (other than the capital value of humanity) can be introduced into a country only in the form of commodities—whether of raw agricultural products, of metals (including gold), of manufactures, or the like—or in the form of a claim against the recipients of services, such as transport. But if we examine our international relations under these heads we find that we have given more than we have received, as is proved by official returns to the extent of hundreds of millions of pounds. Yet we are in debt to people overseas (mostly to people closely allied with the banks) to the tune of hundreds of millions more for national, municipal and similar debt, and we are alienating our assets to the further extent indicated by the long enumerations above. And while this indebtedness shows no signs of lessening, while it mulcts us grievously both in direct taxation and in the prices of all sorts of goods and services, we find alleged statesmen—like Mr. Stevens and all those others who are friends of the bankers—actually urging that this toll upon the Australian people should be made still more harsh. For that is what the suggestion means that we should "develop" this country by more overseas capital.

Space does not permit discussion here of the intricate and devious processes of finance by which the overseas banker has got so much of this country into pawn. As a simple illustration of the method, however, consider this case. An Australian company wants a machine from England. The English banker secures it by the simple process of paying the manufacturer for it with a cheque drawn upon himself. (He will thereby, of course, increase his liabilities to depositors in England, but no bank, in England or elsewhere, ever could meet these if a considerable proportion of depositors made their claims together.) The banker does not now take payment for the machine by accepting Australian goods to its value and selling them to the English public, thus getting back their deposits and reducing his liabilities. Instead, he "exports capital" to Australia, and takes shares in the Australian company, either in his own name or in the names of his friends.

The interest bearing debt now established, by a process

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How Montagu Norman's Bank Protects Its Gold

Sixty feet below the level of the busiest streets of the City of London (says the "Sunday Express") are the world's safest strong rooms. They house, or will house, all the gold of the Bank of England—more than £150,000,000.

Vaults, which have cost £6,000,000, can be flooded for security against invasion, fire, riot, or bombardment.

And two men hold the secrets of these vaults.

They alone hold the only two electrical switch keys, which operate the floodgates that surround the vaults.

This is one of the secrets of the rebuilding of the Bank of England premises.

The work has been proceeding steadily for ten years; it will be nearly five more years before it is finished.

It is the biggest, most secret and most expensive operation ever undertaken in the City of London. More than £20,000,000 is being spent on this work to convert the building in Threadneedle-street into the world's safest bullion fort.

An average of 750 picked workmen are continuously working.

Each one has instructions to carry on steadily. There are no time schedules. Time is no object.

No hammer blows must be heard during the daytime. Noisy work begins at 7 p.m. and ceases at 7 a.m.

The Bank of England will be the first important building in London with all-welded steel girders. This part of the contract will cost £130,000.

DEAFENING NOISE.

Dr. Oscar Faber, the Bank's consulting engineer, has chosen this system of framework because it has greater rigidity and eliminates deafening noise that would be caused by riveting.

Each welder, when this system was adopted, had to submit samples of his work, which were subjected to severe destruction

of pyramiding his dividends from the company in the purchase of further shares he soon controls this enterprise or others, and thus has a claim—on the good old bankers' principle of compound interest—to an enormous annual tribute, of which now a small part, realised in England, would pay off his liability incurred through the original purchase of the machine. Just by way of good measure he can at any time shorten the supply of money all round, hence bringing down prices and so multiplying the amount of real wealth which pours into his lap—the while an unfortunate people is told by his press and his politicians that they must toil harder than ever to avoid "repudiation." And then, to cap things off, he puts in a claim for tax-free dividends, under the threat of stopping the "flow of investment capital."

There is no form of capital coming from abroad, which this country cannot either provide within its own boundaries or pay for with its own produce. And any banker, politician, so called economist or newspaper writer who tells you the contrary is guilty of high treason to the people of this country, is working for their enslavement to foreigners, and deserves to be sent to a lunatic asylum or else to be put up against a wall and shot.

tests before work was allowed to start.

Twice a day, at 7 a.m. and 7 p.m., workmen are admitted to the bank premises and subjected to a roll call and scrutiny, carried out by bank officials.

Then they are conducted to their working places in different parts of the building.

Once inside, no night shift man can leave until the day shift comes in twelve hours later. Every workman is warned to keep to his work and not to wander about.

Additional material cannot be obtained without the consent of the general foreman.

He is the only one, other than the bank officials and guards, who knows the countersign. And this is changed every evening.

Only one hour is allowed for bringing in all necessary equipment for the night's work.

It is impossible to leave the building during this time because pre-arranged code locks, which open at set times, control the main gates of the bank.

Throughout the night the premises are guarded by firemen, watchmen, soldiers, and plain-clothed detectives, whose duties are arranged so as to create a continual guard, and the roof is patrolled by armed guards from 7 p.m. to 7 a.m. throughout the year.

CAREFULNESS.

"The reason for all this precaution is not so much a matter of secrecy as one of discretion," said an official to a "Sunday Express" representative.

"We have to be careful." This carefulness is extended even to the bank's directors.

Access to the vaults of concrete and armour plating cannot be gained by one director alone. Two must be present with their keys and codes before the massive steel doors can be opened.

The vaults, three floors below street level, range in size up to twenty feet by fifteen feet. They have reinforced concrete walls, two feet thick, with armour plating surrounding the inner walls and ceilings. They are surrounded by the waters of the subterranean river.

They have been likened to an iceberg—more concealed than meets the eye, and surrounded by water.

Each vault houses impregnable steel safes, which will safeguard the country's bullion and securities for hundreds of years to come.

The bank is almost self-supporting for all its water and electricity needs.

Water is secured from wells hundreds of feet below the foundations. One has been sunk a thousand feet.

During the next four or five years the bank's superstructure will have taken shape. Walking through parts of it today is like walking through long wooden tunnels.

* * *

And all for what? To keep mankind a slave to a useless metal—or, rather, to those who control it.

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MR. J. R. DARLING AND EDUCATION

Truth for Youth

By Bruce H Brown

(By arrangement with the "Castlemaine Mail.")

Mr. J. R. Darling is the headmaster of the Geelong Church of England Grammar School, and in the "Age" of January 25 he contributed an article entitled "The Education Problem." It was hard to believe that the controlling intelligence of one of our leading public schools would openly suggest that he understood nothing of the what and the whence of money, and that he looked upon it as some supernatural thing to which all else must be subject. In these circumstances it is not to be wondered at that the community is kept in a state of mesmerism about money while the controllers of finance commit their plunder.

Some days ago Dr. Duncan of the Sydney University said that the public school system accentuates class distinction and is hardly appropriate in a democracy like Australia. Mr. R. P. Franklin, headmaster of Melbourne Grammar, immediately replied that Dr. Duncan had talked nonsense and misinterpreted the term democracy. But whether Dr. Duncan was right or not, the existing dual system of education is the most suitable for the Finance Monopoly, whose motto "Divide et impera" means divide the people and keep them conquered. In fact, the greater the division the better for their purpose. As things are, the public school class is "superior" to the State school class, and even the high school class above the ordinary class. By a little investigation on your own account you can readily confirm that only certain schools, certain families, and certain picked men (picked in their boyhood!) seem ever destined to gain access to the innermost circles of the Money Power. If you will look through the professions and trace out the history of the persons usually put forward by the press as "representative citizens," you will find that most of them are the product of one or other of the public schools. Pride of place is held by the Melbourne Grammar and the Cambridge University. Other public schools and other universities provide the lesser rungs of the fighters-for-money ladder, including Economists, Knights, Ambassadors, etc., all of whom seem to have a deep-seated contempt for all sections of the community other than that to which they are directly attached.

"THE PROBLEMS OF OUR TIME."

We ask you to consider some of the statements made by Mr. Darling. The first is this: "We must . . . be appalled by our failure to keep pace with the problems of our time or to use to the best purpose even that amount of money which a jealous and hard-driven Treasury doles out in an unpopular cause." What real problems of our time have we failed to keep pace with? Have our engineers been unequal to any task set them? Has production failed? Are our surgeons and doctors incompetent? In point of fact has there been any failure at all on the physical side of things? The failure, as everyone must admit, is all on the symbolic side. As an accepted

authority on education he has told us that the immediate problem in his profession is the iniquity of large classes and understaffed schools. Why are there large classes? Are we short of building materials? Are we short of land to build on? Are we short of desks, blackboards, chalk, ink, and all the other things included in the term "school requisites"? Are we short of men to do the building? We all know that there is no shortage of these necessary things, and that it is only a question of using them. And wouldn't the producers be overjoyed if only we would use the materials? Where, then, is the "problem"? Although everything actually necessary to remove the iniquity of large classes is immediately available, the iniquity is allowed to continue and we tolerate the insanity. And can it really be true that schools are understaffed? Is it only a fairy story that in recent years thousands of bright youngsters have reached the school-leaving age only to face a seemingly hopeless future and, so we are told, to breed a "hobo" class? If it is true that schools are understaffed, then there must be an impelling reason for it, because there is no "problem" so far as getting teachers is concerned. They need only to be offered tickets of claim to the necessities of life to offer their services by the thousand. Why have headmasters hitherto been so silent about this understaffing? By this silence they have helped in the shameless robbery of the community since 1931, and lent their support to the maintenance and extension of sweating conditions in the teaching profession. Evidently they, too, have been mesmerised by the abracadabra of the professional economists and others of the same archaic school, for Mr. Darling admits that it is all a question of the amount of money made available, even though he does not appear to have inquired why the amount "doled out" by the Treasury is so limited.

HEADMASTERS WON'T INQUIRE INTO MONEY.

And money itself—that seemingly all-powerful thing, which must be mentioned in whispers. What is it? It wasn't very powerful in the case of the three fishermen who were recently shipwrecked and washed ashore at Cronulla, near Sydney. One of them had a £1 note in his pocket, but there was neither food, clothes, nor shelter on the coast at the point where they found themselves stranded. They were obliged to subsist on grass and the carcass of a dead bird, and even found the rocks more valuable than the £1 note! Despite the fact that they had money they would have died from starvation had they not been rescued in the nick of time. And yet the headmaster of Geelong Grammar says nothing about the farce by which this symbol of no value controls circumscribes and even prevents the practice of his profession to the detriment of the whole community. What a tragedy it is that the headmasters of our great public schools display such lack of concern on this, the most vital factor in the life of every one of us from the cradle to the grave.

THE OBJECTIVE OF EDUCATION

Mr. Darling also wrote this: "There are . . . four kinds of occupations for which the products of the schools have to be fitted—professional, clerical,

skilled, and unskilled labour." You will observe that he regards the provision of an industrial job as the objective of the education system. That is another tragedy. Humans should not be fitted to the system but the system should be fitted to the humans. Production is increasing by leaps and bounds with an ever-decreasing demand for human labour. It is difficult to believe that Mr. Darling is not aware of this, and unless education is aimed at increasing the social security and mental contentment of all our people then it is folly to go on with it. Only a small portion of teaching can be termed true education, and the knowledge of nature resulting from this is damning rather than benefiting the people, because science breeds overhead costs while it kills the wage costs. Overhead costs go to the banking system and wage costs go to the people. Consider the inevitable result of this. A hundred men are at work and receive wages. Science produces a machine, which requires only five men to operate, and yet gives a volume of goods far greater than was obtained from the 100 men. Ninety-five men are put off and their wages cease, which means that they starve side by side with more goods than were available even when they were all working and receiving wages! And the same process is going on in each and every industrial activity. A very great man who is increasingly commanding world-wide notice, but who at first was treated with contempt by the plunderers and subjected to ridicule from the ignorant, has gone thoroughly into the technicalities of this and exposed the basic error, but the schoolmasters still sleep on, and, like Maurice Blackburn, are still obsessed with the idea of a "job" for every person, even if it is shifting dirt from one hole to another! The purpose of Industry is the production of goods, not the provision of work.

LIVING IN COMPETITION.

A little further on we read: "Without the use of the best brains developed fully no modern State can hope to exist in competition with its neighbours." Did Jesus teach competition or did He emphasise co-operation? Is there even a spark of truth in the suggestion that we can only exist on the basis of competition with Japan? We say there is not and that such monstrous ideas come only from those who are ignorant as to the nature, origin, function and ownership of money. We do not get money from other countries, and yet it is only through the agency of money that we can have access to goods in Australia. Where precisely does Australian money come from? Who precisely manufactures it? And of what precisely is it manufactured? We all know that if a farmer plants a potato he will probably dig a dozen where he placed the one, but he will not dig the money he hopes to obtain for them. That comes from somewhere else. The question we put to Mr. Darling is: "Where does it come from? And does it come?"

GOVERNMENT CAN GIVE ONLY WHAT IT HAS.

"Money denied to the University," says Mr. Darling "may be the most wasteful of all economies." If the Government did not have the money it could not give it no matter how keenly it may have wished to do so. The annual statements of receipts and payments (wrongly referred to as the National Balance Sheet) show clearly that it is all a case of shortage of money, and in this respect Mr. Darling should be reminded that the great educational authorities are themselves largely responsible for the difficulties of which he speaks, for they helped to hood-

wink the community about the supposed "financial emergency" of 1931, and to institute measures deliberately calculated to "deny" money not only to educational institutions, but to all the other community interests as well. It was this "denial of money" (mere tickets) to the community that sent thousands to bankruptcy, hundreds to suicide, and increased the disempowered army to record dimensions, and it is only now that the real culprits are being found out.

NOTHING COSTS MONEY.

We would quote one other extract, as follows: "Inevitably any reorganisation will cost money. The attempt even to combat the iniquity of large classes and understaffed schools would add to the burdens of the taxpayers; but it is bad economy to allow inefficiencies to exist which could be some sacrifice greatly improve the return from the money already spent." Why "tax" and why "sacrifice"? How can anything cost money when money costs nothing? Official figures show that business transactions to the extent of more than forty-four thousand million pounds are settled annually in Great Britain by cheque. Cheques are bits of paper with names and figures written on them, and to ascertain the actual cost of all that money we calculate the quantity of paper, ink, and the clerk's time transferring the figures from one page of the bank ledger to another! And yet seriously minded men talk of education costing money! It costs what it consumes, and it certainly does not consume money. It is true that education is at present a burden on the taxpayer, but if the headmasters of schools told the public the true reason why it is such a burden it would not take the people long to relieve themselves of the burden. So long as governments use only privately-manufactured money, which costs the manufacturers practically nothing but which is written up against the community as solid debt to the full face value shown on the bits of paper, so long will education and every other public service be a burden on the taxpayer; but if the community insisted on regaining control of its own credit and issued its own money instead of borrowing morally counterfeit money, the burden would no longer exist.

"SACRIFICE" IN AN OVERFLOWING WORLD.

There is surely something incongruous in talking of "some sacrifice" in a world literally overflowing with the bounty of God. And to think that the only purpose of such a sacrifice is to improve the return from the money already spent! Mr. Darling speaks of money as he would speak of food in a time of famine. The stupidity of this becomes apparent when we re-

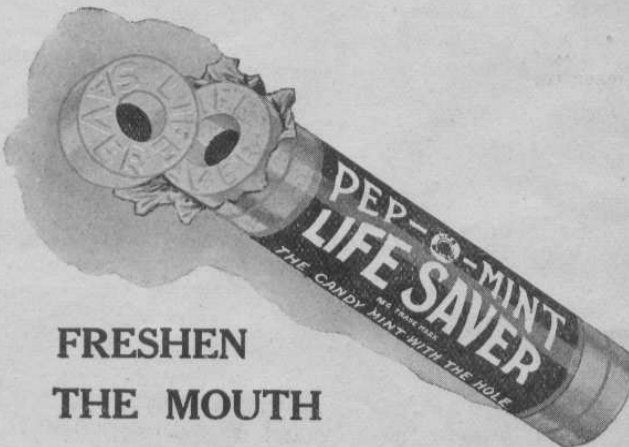
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flect that food will sustain life whether there is money or not, but money without food could not! Money has no value whatever until it is being used for the transfer of goods from one person to another, and even then its value is limited to its service as an accounting medium. In spite of this, our schoolmasters still give their blessing and support to the fraudulent practice, which not only regards money as a commodity like food, but actually allows this worthless thing to have control over all the valuable things. Really it is all too silly. God has never sacrificed us in regard to material things but we ourselves allow the private money monopoly to sacrifice us in regard to the symbols, which give access to the material things.

We understand that Mr. Darling, personally, is a charming and lovable gentleman, but this does not justify our overlooking the fact that the effects of his teaching mould the minds of many thousands of our future citizens and make it doubly necessary that on the vital question of money he should realise the fundamentals. Schoolmasters have great privileges, but so far they have not levelled up the corresponding responsibilities. If they tackled this money swindle they would immediately encounter powerful resistance, and even Mr. Darling, good schoolmaster though he may be, would probably find a change of air necessary if he insisted on teaching his scholars the true facts and functions of money. Nevertheless, teachers do hold the key position in this respect. They have the ear of the growing generation, and if teachers in general would teach youth the truth about the financial swindle, youth would soon find a way. As it is, however, money is the one subject omitted since all time from all educational syllabuses. We should get a clear realisation of that fact. The source and function of the accounting symbol, which controls every real thing, finds no place on the list of school subjects! It is not surprising therefore, that our Prime Minister, Mr. Lyons, should admit that he "knew very little about finance." A true education today, including a complete knowledge of the what and the whence of money, is the best basis for good government in the future.

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FRIDAY, FEBRUARY 14, 1936.

It's Going to be a Grand War—and We're Helping It Along

Britain is to spend another three hundred millions or so of bankers' interest-bearing book-entry money on war materials. This will be cheerful news for bankers, for armament makers (alias bankers) and for many of the destitute unemployed, who may now look forward to being fattened up before they are slaughtered to make a bankers' feast in the looming war. And what a war it will be!

The sides are beginning to take shape for the general public to see, with Japan and Germany, and probably Italy, the leaders of one team of suicides, while the bankers of Britain and France stand shoulder to shoulder to preserve their Versailles spoils, and invite Russia to pour out the life blood of its man power on their behalf. (Have you noticed the cordiality towards Russia displayed by the Melbourne "Argus" of late?)

The groupings may not turn out this way. We make no pretence to any insight into the secret schemes and alliances of the international bankers—and we need no apologies for not understanding moves which are dictated neither by reason nor by humanity, but which are directly opposed to both.

Here in Australia we are getting ready to make our contribution to the hell's brew. Our own armament works are going at full pressure. The latest announcement indicates that we shall soon be making bombing planes locally; we may probably look forward to seeing General Motors' new works at Port Melbourne turning out Fokkers for the testing ground at Fishermen's Bend, and to similar signs

of progress and of increased national debt. And in due course we may look forward also to the shipping of these planes and their Australian crews to be destroyed abroad. Again we cannot pretend to indicate where. Perhaps to carry to a successful conclusion Montagu Norman's plans for "safeguarding" China from Japan, as recently indicated by Sir F. Leith Ross, his emissary to help the Chinese to a "sound" currency. Perhaps — but it is useless to speculate. The one salient fact is that we are all heading straight for destruction; all of us, with Australia playing as provocative a part as any.

We have often pointed out in these columns that nations have no longer the need to fight for territories; that scarcity has been overcome; that the battle now is to dispose of goods rather than to secure goods. This is quite true; and yet, thanks to our wickedly mismanaged money system, it seems that plenty is to beget an unnatural scarcity, and that countries like Japan, Germany and Italy may yet be forced into fighting once again the old battles for colonies—not colonies on which to place populations, but colonies from which to draw certain specialised raw materials.

Our Australian wool is a case in point. Neither Japan, Germany, Italy nor any other country has any real desire to send its people here to engage in wool growing. Our Australian graziers understand that business very well; they have both the skill and the experience. Nine-tenths of our wool, or thereabouts, is now available for export, and the quantity could be increased enormously at very short notice. Our producers are only too eager to dispose of their clips. They put no unreasonable price upon their products. And these other countries are just as anxious to obtain wool and prepared to pay for it—Germany indicated a few days ago that she is ready to deal for 400,000 bales right away.

But it is announced as part of our Government policy that we decline to do business in this manner. We are not prepared to sell wealth to foreign countries and to accept real wealth in exchange. Instead, we demand payment in money, and we give these countries no opportunity to get hold of our money. Thus we are frustrating their legitimate desire and need for our wool. Can we wonder, then, that, deprived through *OUR* shortage of money of their needed raw materials, they are feverishly preparing to seize colonies, which will produce them?

Let us not beguile ourselves with pretences that

we are peaceful people. By our actions we are deliberately making ourselves hated, and justly hated, both in Europe and in Asia. By our insanity we are at one and the same time provoking war and denying ourselves all those conveniences and comforts, which might be pouring into this country from nations who would sooner be our friends than our enemies.

Yet the cure is simple. We have only to instruct the Commonwealth Parliament to issue sufficient money for us to buy all our own production, and automatically we are able to exchange our exports for imports on a £1 for £1 basis without causing any dislocation to Australia's secondary industries. If we do this we can look forward to international friendships and to lasting peace and prosperity; if we don't, we are signing the death warrants of our sons.

The Railways Union Gazette and Major Douglas

A correspondent has brought to our notice the current issue of the "Railways' Union Gazette." For the benefit of those who may not be familiar with it, the "Gazette" is a monthly newspaper published in Melbourne by the A.R.U. Its policy, like that of the twice-around-the-world-in-a-year Premier of Queensland, is Socialism and Nothing But. And it is not, or does not purport to be a humorous paper, though readers of the two slogans, which conjointly decorate its front page, might be forgiven a little bewilderment. The first reads: "Work And Vote For Socialism." The second says: "The Union Must, Under the Rules, Refuse Assistance to an Unfinancial Member. BE FINANCIAL." From which one infers that the purpose of the "Gazette" is to make the best of the present world while working and voting for the happier hereafter—a conclusion strengthened by its onslaughts (in the editorial pages) upon the private control of production and industry, and its hundreds of laudatory advertisements (in the revenue pages) on behalf of the same despised private controllers.

In contrast with these apparent inconsistencies there is one uniform line permeating the "Gazette"—a line appearing at the bottom of every page and extolling the virtues of "Melbourne Bitter." For Melbourne bitter—very bitter—is the distinguishing note of a number of editorial remarks in the issue before us dealing with Major Douglas and his Social Credit proposals.

We do not expect immunity from criticism; we certainly do not give it in these columns. Still, though we may not always be successful, we do endeavour to base our criticism upon logical arguments and concrete instances rather than upon vague hysteria—but this is a sample of the "Gazette's" methods: -

In the course of a tirade against its own Salaried Officers' Federation (with the

merits, or otherwise, of which we are not concerned), the editor writes: "This claim has about as much substance as the strange phantasies of Major Douglas. . . . It is surprising that the Federation, which allegedly numbers amongst its membership a surplus of expert and trained minds . . . should father the economic nonsense of Douglas"—and a good deal more to the same effect. In its leading article, also, dealing with the Royal Commission on Banking (and it is unnecessary for us to say how completely we agree with the "Gazette" that this will be utterly futile) the "Gazette" quite gratuitously delivers itself of such witticisms as "the big-wigs of small movements to bring in the millenium by means of 'credits' ", "the incredible nonsense embalmed in various so-called 'credit' systems," and similar reasoned arguments.

All of which brings us to this: Why is it that many gentlemen who are the professional and paid advocates of Socialism are so bitter against Social Credit? Is it that they are afraid of Social Credit, and primarily fearful that under such a regime their own good jobs would disappear and their possible ambitions for better jobs as State bureaucrats would be frustrated? Are they fearful that if the people had sufficient incomes they would rather want to own goods from the factories than to place leading Socialists in charge of the factories themselves?

To the Socialist who is sincere and who is animated rather by sympathy for the oppressed than by the desire for revenge against "the boss" or for personal advancement under an all-embracing State, it should surely be obvious that a community which has regained control over its own money supply—over the means of distribution and exchange—is far nearer his objective of the common good than a community which has not done so. Our opinion, and we believe it to be well founded, is that community control over money would very rapidly remove whatever abuses exist in production, without any necessity to socialise industry. For are not these abuses almost entirely rooted in the monopoly idea? And is not the lifeblood of the industrial monopoly its monopoly over money? Are not the directors of industrial monopolies almost universally bankers?

In the most friendly way we commend these thoughts to the editor of the "Railways Union Gazette," and we suggest that he turn them over in his mind before he again trains his heavy batteries upon the "strange phantasies of Major Douglas." He might also note how prominent Socialist writers in England, such as Mr. G. D. H. Cole, are now publicly advocating Major Douglas's "phantasy" of a national dividend. Of one thing, at all events, we can assure him. If, after seeing Social Credit in operation, he still wants Socialism, he will at least be able to concentrate upon it; he will at least be relieved of the present distracting necessity to warn his members in big red type: "BE FINANCIAL."

Improving Our Railways

By J. K. LONG.

Admitting that new station buildings at Spencer-street were desirable, the Chief Commissioner, for Railways (Mr. Clapp) today declared that their erection was a matter for the people of Victoria. —Melbourne "Herald," Feb. 10.

The man, if any, who considers that it is Mr. Clapp's obstinacy, which prevents us from having a new Spencer-street, station building is a fool. Put yourself in his place. Would you not like to improve the very portal of your home? Would you not like to improve all your trains by air conditioning, streamlining, speeding up, and a host of other improvements, which are the result of man's inventive genius, to say nothing of a little padding of the second-class suburban trains? Of course you would, you say. So would Mr. Clapp; I have no doubt on that point.

All these things could be done, and no doubt would be if only Mr. Clapp had the money at his disposal. A lot of them could be done if Mr. Clapp did not have to pay out all his commercial profit and go into further debt in

N.S.W. LABOR AND SOCIAL CREDIT.

At the country conference of the New South Wales Labor party last week a resolution was adopted that no more loans be floated in Australia and that credits be made available through the Commonwealth Bank to finance all public works and social services, thus utilising the social credit of the nation.

order to pay the interest on a debt of £76 millions, £30 millions of which represents plain "junk."

The suggestion that £30 millions should be transferred to the public debt is a good one so far as Mr. Clapp and his railways are concerned, but the only result this would have on the community would be to spread taxation a little and to make everybody pay a portion, whether he or she travelled by train or not.

Had our Victorian railways been financed as was the building of the Transcontinental Railway —by an issue of interest-free credit by the Commonwealth Treasury—they would have been paid for upon their completion, and would not have left a trail of debt upon which millions of pounds have been paid away as interest, and this interest would not have been charged into freights and fares.

If the railways of Australia are to be allowed to serve the people as they should, the whole of their debts should be paid off by an issue of credit by the Commonwealth Treasury, and all future capital outlay for new construction and new plant should be financed by interest-free issues of credit as required.

The only item, which should be added to running costs and charged into freights and fares, is capital depreciation.

Running costs (wages, etc.), and capital costs (construction, plant, etc.) are the only two which have been paid out to the public; therefore they are the only two items which the railways should need to, and be allowed to, collect from the public. Interest charges have never been paid out to the public by the railways, therefore the Commissioners should not have to collect such charges.

DOUGLAS SOCIAL CREDIT MOVEMENT. Garfield Branch.

A DEBATE is to be held in the Mechanics' Hall, Bunyip, Thursday, February 20, at 8.30 p.m. Subject: - That Douglas Credit offers the only way out of the world's present position. Affirm: Arthur W. J. Fenn Neg. Mr. J. M. Atkinson (State Secretary, Henry George League)

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NEW ZEALAND NOTES

By LUX

Everybody is on tiptoe here wanting to know what the Government's proposals are for the first session of Parliament, which meets in a few weeks' time. So far nothing of major importance has been disclosed, though members of the Cabinet have freely intimated that the measures to be brought down are of great importance and of a far-reaching nature. Of course, we are glad to be reassured in this way; glad to know, too, that on no account will the Government allow these proposals to be frustrated, and that if anybody seeks to stand in the way of their accomplishment he will be brushed aside. All this is good to hear. Nevertheless a pardonable anxiety about those proposals fills our minds. Will the Government go straight ahead with its pre-election pledge to take over the control of the Dominion's credit? Or, will it fiddle about with a "forty-hour week," "standard wages," "extending public works activities to absorb the unemployed," etc., and then, at last, succumb to the bait of the financiers to borrow money at a mere nominal rate of interest to pay for these blessings? This is what the Social Crediters of the Dominion are anxious about, and we think justly anxious, too. For, unless the Government obtains the money necessary to carry out such a programme by itself issuing that money costlessly, then it must fall into the hands of the financial gang and New Zealand will have lost an opportunity to deliver itself from a cruel and ruinous bondage, which may not again present itself for many and many a long day. There is no denying the fatefulness of the present moment for New Zealand, and the mental tension is increasing.

* * *

One thing is certain. Social Crediters do not wish the Government to fail or fall, and are leaving no stone unturned to assure them of their moral and active support. At present the most complete understanding exists between the Movement and the Labor party, a spirit of harmony and goodwill. We sincerely hope nothing will eventuate to destroy or even impair this desirable state of affairs, but it must be clearly understood by the Government that we are with them only so long as they act in accordance with their election pledges, viz., "to take over the control of the country's credit," for we are determined on one thing—to deliver ourselves and our children from the clutches of the Pirates of Finance.

In the meantime, as stated above, Cabinet Ministers are speaking very plainly. At Wellington a few days ago the Hons. R. Semple and P. C. Webb unburdened themselves in no uncertain fashion as to how "ob-

structionists" would fare if they attempted to stand in the way of the Government. "We have fought Life's battle long enough to know the magnitude of the task that lies ahead of us," said Mr. Semple. "We have the courage to do the job and no obstacle will stop us . . . As I have said before, if there is an obstacle it will be removed; there is no force that will stop our getting through with our work." This is delightfully clear cut and emphatic. 'Tis good to hear spirited talk like that. In similar fashion did Mr. Webb speak?

* * *

According to Professor Copland, who is once more on a jaunt to this charming country and who was "on the air" one night last week, Australia, following the sound (!) lead of the Mother Country, is well out of the depression, and is heading in no uncertain fashion for a glorious era of prosperity. I gathered from his address that the implication was that we over here should be good children and go and do likewise. It's funny to note how the advocates of orthodox finance endeavour to play off Australia against New Zealand and vice versa. The Australians were told that New Zealand was in great heart, and very prosperous because of the "sound" leadership of Mr. Coates. That Mr. Lyons was doing for Australia what Mr. Coates had so admirably done for New Zealand and, given time, all the economic ills of the Commonwealth would evaporate as they had done over here. Don't the Americans say "Oh yeah?" on occasions like this? In like fashion the New Zealand stalwarts of "High" Finance begin to trumpet forth the glorious prosperity of Australia and how "honest Joe" has successfully led the Commonwealth through the depression morass by sticking doggedly, in the face of fearful temptations, to the canons of "sound" finance, and we are exhorted to be patient and law-abiding and hopeful and all that and all will be well with us too. This playing off of one country against the other is astute enough, but we are getting wise to all that sort of thing. "You can fool some of the people all the time, but..." We know too much about Australia's debts and our own sad state to be deceived by that kind of talk. Nevertheless, to show we can be generous, we wish the professor a pleasant holiday in this land of wonder and beauty.

* * *

Mt. Savage promises us the rare delight of hearing the parliamentary debates—on all-important measures—over the air! "The people cannot get to Parliament," says he, "so we will bring Parliament to them"—Mohammed and Mecca over again. Well, it will be interesting, and something will have to be done to counteract the Opposition publicity of the press. There is no question as to who controls it, and it is necessary to counter its propaganda in every way possible, and the "mike" in the House will help. But why not use the air more widely for such purposes than we do now? Over the air here nothing controversial may be said. The regulations are fairly stringent on the matter. It was only by the raising of a widespread clamour that "G.B.S." was allowed to speak through the "mike" when he was in N.Z.—he is controversial, evidently! The Government would be well advised to make some relaxations so that the monopoly of the press should be nullified.

AMONG THE NEWS

(Short paragraphs from our readers suitable for insertion under this heading will be welcomed. —Ed.,

THE WEEK'S GEM!

Whitehall considers that neither Japan nor Germany will benefit economically from possessing colonies, and that their colonial aspirations are not due to economic reasons but to their desire for added prestige. — "Herald," Feb. 11.

"Things That The Rest Of The World Do Not Want."

"I cannot see any good purpose being served by bringing people here to grow and make things that the rest of the world do not want."—The Earl of Strafford, in Adelaide, Feb. 10.

"Both the Earl and Countess of Strafford are ardent travellers, and have seen most of the world." — Melbourne "Star," Feb. 11.

Apparently the Earl's cultured travels have not taken him to those regions in his native country where over two millions of unemployed are at present dwelling, or where upwards of four millions are existing on four shillings a week, or to where the eleven millions of United States' unemployed are on the dole, or to where the 393,000 New York families are in receipt of emergency relief—or to plenty of other places we could name.

—R.N.

* * *

The Foundation Principle

"... is the foundation principle of our economic system. We supply our own elementary food and clothing needs in the first place; the products not required are sold abroad; and the proceeds enable us to enjoy a greater number of commodities, including not a few luxuries."—Leading article, "Argus," Feb. 5.

Exactly as our economic system should be. The writer can be complimented on the clearness of his definition. But, unfortunately, it is all that our economic system is not. Presumably his belly is well filled and his body well clothed, and his cigarettes made of finest American leaf; but that doesn't excuse him from thinking he is the only person in Australia.

The same article tells us this: "No provision, however, has been made to meet a situation which has arisen in recent years by the disturbance of the monetary systems."

Towards the end, the same article has the following (no doubt to substantiate the previous quotation):

"So long as commonsense reform is avoided, so long, it is certain, will men with clouded minds think that the real reform lies in the obscure recesses of the monetary system of Australia. They will turn their minds, also, to unknown financial magnates, moving in devious ways against the well being of Australia."

One may suspect the writer to be a professional economist.

—K.C.D.

* * *

The Price of Gold

Gold is quoted in London at £7/0/8 an ounce fine, compared with £7/0/7½ yesterday. Adding exchange and allowing for realisation charges, the price is equal to approximately £8 13/4½ in Australian currency. — Melbourne "Argus," Feb. 10.

Is this the true value of gold? Certainly not; it is the false value set upon it as a mythical backing for currency. The true value of gold is its value as a metal (for stopping teeth, etc.) Were we using gold as currency today instead of germ laden bank notes, we could recall all these (golden) sovereigns and replace them with sovereigns made of some much cheaper metal or alloy, stamped and

milled in the same way as the present sovereign. The new sovereign would purchase 20/- worth of goods. We could then make some use of the gold.

—J.K.L.

* * *

Mission Work in Sudan

"The natives are an agricultural people . . . Now they are being encouraged in the growing of cotton, which is being bought from them by Government officials, and a new economic existence is promised them. The Government is anxious that, side by side with the material progress, their latent intelligence shall be trained along lines that will keep pace with their commercial development, along lines that are based on a spiritual conception that will give them a true standard of values."—"Argus" interview with Rev. and Mrs. Mills, of the Anglo-Egyptian Sudan.

Contributors to Foreign Missions will be glad to know that their self-denial is being applied to educate and train the pagans to become useful implements in the profit making of "foreign investments." The "lines" adopted are those that have so successfully destroyed Christianity in what is known as Western Civilisation (which includes Australia) and handed it over to the domination and worship of Mammon.

—E.B.

* * *

"Persuading" Us To Eat.

GENEVA, Monday

"Restore public health and you will restore world trade," said Lord Astor, chairman, at the opening session of the committee of experts appointed by the League to study Mr. Bruce's nutrition scheme.

Tactful skill would be required, he said, to persuade people that specific diseases could be avoided by improved dietary, that physique could be improved, robustness replace weakness, and contentment and well being replace disharmony and discontentment. — Melbourne "Herald," Feb. 11.

Tactful skill! What about a little money, too?

—W.R.

* * *

"A Taste of Prison."

"You are just lads, but you have a very improper knowledge of how to break into shops and houses and how to open safes, so I am going to give you a taste of prison . . .", said Judge Magennis in the Court of General Sessions yesterday in sentencing two youths to terms of imprisonment with hard labour. — "Argus," Feb. 7.

The Judge exposes his kindness of heart by assisting these lads with their education, in introducing them to men experienced in the "profession."

In the same Court, Judge Magennis dealt with 14 other cases, all of them concerned with obtaining necessities of subsistence, or the equivalent of procuring them. Reliable authorities have stated that 90 percent, of all crime is directly traceable to economic need. Think of it! Ninety per cent, of crime could be abolished by the scientific distribution of the existing abundance. But then numerous judges, lawyers, policemen, gaol-keepers, and whatnots would become unemployed; and WORK is the consideration before all things.

—N.L.

The British Government Believes—

"The British Government clearly believes that public opinion will not tolerate con-

ceding a square inch of British territories to Powers demanding colonies." — Melbourne "Herald," Feb. 11.

Translation: "The bankers who govern the British Government have given instructions to their kept press to stir up ill-against Jingoistic sentiment against 'ceding a square inch,' etc.

Questions: (1) Who are the owners and exploiters of the so-called British colonies and protectorates—say in tropical Africa or in the oilfields of Asia Minor? (2) What do the great masses of the poor, suffering British people (public opinion), who will shortly be asked to fight for these "possessions", get out of them?

—A.P.

Compound Interest

Professor Soddy, Oxford's world-famous professor of chemistry, thus describes its operations:—

"Let us turn to the modern passport to gentility, the ownership of, say, £20,000, a ball of gold some 9 inches in diameter. As a possession it obeys the laws of conservation of matter and energy. As money in its original sense, something to be exchanged for wealth, it possesses no powers of self-reproduction. As a hoard or store used to buy goods it would diminish in quantity, like soap when you wash with it. But lent to someone else, and buried out of sight in the vaults of some bank, like a seed in the earth or a fowl laying eggs, it reproduces its kind. If the rate is 5 per cent, per annum, it becomes capable of supporting in gentility and perpetual motion a whole family and their heirs and successors after them on £1000 a year. It may buy a farm or some other source of revenue, and the labour of the farmer and his labourers, out of the increment of which they and our family together may be supported forever after. It rises superior to the laws of physics and now energizes even an entirely idle owner.

"If its owner has sufficient independent income to do without it, he may lend the interest, so that the rate of increment changes from simple to compound. The revenue of the hypothetical farm is now hypothetically sold for more gold and more farms. In six hundred years out of our 9-inch ball of gold disposed of in this way there would arise legal claims to a golden ball equal in size to the earth, and weighing four times as much.

"Or, if we are to get the best out of both possible worlds, let us maintain our chosen family in the state of the somewhat shabby gentility and diminished perpetual motion possible on £500 a year, 'putting by' half the income to 'accumulate.' After enduring this for four centuries, our family would be in a position to supply a world population of 2,000,000,000 million souls each with the same principal as itself it started with.

"This is the celebrated fallacy of compound interest" ("Wealth, Virtual Wealth and Debt," pp. 106-7).

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THE TOWNSEND PLAN

By Fr. CHAS. E. COUGHLIN.

As Broadcast throughout the U.S.A. on December 22, 1935.

"What is your attitude towards the Townsend Plan?" is a question, which synopsis thousands of letters, which come to my office. I shall answer this question briefly and honestly.

As I understand it, the plan sponsored by Dr. Townsend proposes to utilise the aged citizens of this nation as circulators of money by making each person sixty years old and over the recipient of 200 dollars a month, and obligating all of them to spend that entire amount within the month. About eight million persons would be directly benefited by this plan, which will require an expenditure on the part of the Government of 1600 million dollars each month. The plan proposes that this enormous sum will be raised by a 2 per cent business transaction tax.

PRINCIPLE ENDORSED.

Leaving aside the technique evolved by Dr. Townsend, I heartily endorse the principle of social security, which his philosophy advocates. The aged must be cared for decently when, through no fault of their own, they are unable to care for themselves.

Is it not true that the majority of our citizens are ceasing to be wage earners once they have passed their fiftieth birthday? Is it not also true that, under our present economic system, the vast majority of these citizens have little or nothing of saved wealth to guarantee their economic security throughout the evening of life? For the most part, in their productive years, they were thrifty men and women. In their non-productive years economic circumstances forced them to become dependents upon their children or upon the State. In one word, they are the victims of a financial system, which is cruel, harsh and exploitive as it concentrates the wealth of the nation in the hands of a few. I repeat, it is sound philosophy for a nation to arrange for the economic security of the aged who no longer are able to follow the plough or to bend over a lathe in a factory. That is the theoretic phase of my answer.

IS IT PRACTICABLE?

To my mind, however, social security for the aged under the Townsend Plan, or any other plan, is impractical and idealistic as long as we retain the present economic system known as modern capitalism. I support that statement with the two following major reasons.

First: Modern capitalism does not pay a living, annual wage to the men and women of our nation who are engaged in agriculture and industry. Granted that the Townsend Plan could be put into operation under the system of modern capitalism, those actually engaged in producing wealth, be they farmers or labourers, would be dependent upon their parents and not upon agriculture and industry for a great portion of their livelihood. Neither modern industry nor agriculture pays a decent, annual wage. Must the parents and grandparents make up the deficit?

It seems to me, while on this point, that clear thinking and honest endeavour should be expended upon organising the nation to demand a just share in the profits derived from both agriculture and industry so that a living, decent, annual wage can be established for those who actively participate in the creation of wealth. In this group there are at least 40 million citizens. Let us not put the cart before the horse. If a just share of the profits had been paid the farmer and labourer, at least one-half of our aged, now facing poverty in their last years of life, would possess financial security. Why, then, insist that the parents and grandparents support their producing offspring, unless we first insist that industry and agriculture pay a living, annual wage? Why permit industry and agriculture to continue depriving the labourer and the farmer of their just share in the profits since, through this exploiting practice, so many of our aged and near-aged are forced into the ranks of the socially insecure?

Second: While I agree with the philosophic principle which constitutes the foundation of the Townsend Plan, it is my opinion, take it for what it is worth, that under modern capitalism, which is wedded to the private coinage and regulation of money by a group of a few thousand men who own the entire capital stock of the Federal Reserve Banking System and to whom all the profits derived from the activities of the Federal Reserve Banking System belong, it is impossible for the Government to secure 1600 million dollars a month to distribute 200 dollars to each of the aged citizens in our nation.

THE CART BEFORE THE HORSE.

You can't use what you do not control. You can't give what you have not got. Therefore while the Townsend Plan is

sound philosophically insofar as it proposes, first, to care decently for the security of the aged of the nation, and, secondly, to use the aged of the nation in our economic life as helpers in circulating money or purchasing power—while it is sound philosophically in these two aspects it is not workable nor can it be workable until the 130 million American people rescue from the hands of a few thousand American plutocrats the right to coin and regulate the value of our sovereign money. First things must come first. The horse must be placed before the cart. We must capture the control of money before we can use it.

Social security is impossible therefore, until the two gravest errors in modern capitalism will have been destroyed. These errors, I repeat, are related to the private control of money and to the destruction of "pay-while-you-workism" with its slave wages.

THE RIGHTS OF THE UNEMPLOYED

Modern capitalistic industry is non-Christian in its attitude towards wages and labour. It does not practise the doctrine of Jesus Christ as exemplified in the parable of the vineyard. Did He not advocate paying the labourers who were engaged at the eleventh hour just as much as the labourers who were hired at the first hour?

Was it not specifically stated in this same parable that the reason why the labourers stood idle in the market place was because "no man hath hired us"? These labourers were willing and capable of working. It was not their fault for being idle. "No man hath hired us," are the words of the gospel. "The last shall be paid even as the first," are the words of Jesus Christ. In the philosophy of Christ the argument, therefore, that "no man hath hired us" constitutes no solid reason for social insecurity and for starvation wages on the basis of pay-while-you-work.

THE FIRST STEP TO SECURITY

But even this just share in the profits or in the created wealth of the great vineyard of America is impossible just as long as industry, together with the industrial labourers and the politicians who represent them at Washington, are controlled body and soul by those who control the credit of the nation, so holding it in the grasp of their hands that no one dare breathe against their will. In other words, the private control of credit first must be abandoned. This means that the privately owned Federal Reserve Banks must be nationalised. This means that the privately controlled politicians who support those barons of wealth who own the Federal Reserve Banks must be driven from the halls of Congress. To my mind, this is the logical procedure to be adopted.

The Townsend Plan, while Christian in its philosophic conception, will ever remain impractical until those whose voices are raised to heaven on behalf of the aged and the dispossessed of our nation shall begin at the beginning and recapture the right of coining and regulating the value of money from those who, having stolen it by trickery and subterfuge, have perverted a democratic minded nation into a plutocratically controlled wilderness of despair.

That is my honest opinion of the Townsend Plan.

THE WOOLGATHERERS

By D. IZZIE

We take off our hats to Lord Barnby, described in our press as "one of the most able businessmen that the English wool industry has produced." He is at present a visitor to our country, and has succeeded in kidding our woolgrowers to ask for a compulsory levy on all wool grown. The money will be used for scientific research to lower production costs, to improve manufacture, and to advertise the benefits of wool.

Truly it is an able businessman who can persuade someone else to pay for increasing his own business. However, that is a matter for the woolgrowers, or woolgatherers, whichever you prefer to call them. If they choose to grow wool over their eyes as well as on their sheep's backs that is their affair. All we can do is prophesy that when this new wool is clipped an able businessman will reap the reward. Naturally the noble lord is interested in selling woollen goods, and if he can get his raw material cheaper so much the better, whilst if he can get the producers to pay to find out how they can supply him cheaper, well, what more could a businessman want?

Supporting his case for cheap wool, he said: "It all boils down to the two requirements of the light-hearted purchasers of today— attractiveness and cheapness. Real value or fundamental worth, whichever one chooses to call it, is a poor last in the modern race for popularity." Woolgrowers, of course, apply this to everyone but themselves and light-headedly agree to tax themselves so that they can get less for their wool. Having had a pretty thin time of it over the last few years they have not been purchasers to any great extent, which accounts for their light-headedness in following the able businessman, like so many of their own flock. For the same reason they probably have never seen a star bargain sale at any of our larger emporiums.

THE "RACE FOR POPULARITY."

Consider the procedure of a light-hearted city housewife who intends to be a purchaser at a Friday sale. The first expenditure is on Thursday evening's sheaf of advertisements, miscalled a newspaper. Having cleared away the evening meal and spent a few moments counting the contents of the family safe and hubby's pockets, she mentally deducts fares and tackles the half-ton of paper. This is a game of skill. Her object is to discover where she can get the most for her few shillings. Light-heartedly she scorns the possibility of the ads being untrue, or of the advertised bargains being of only sufficient quantity to supply the first lucky half dozen. At last, when the midnight oil has burned away, she has decided on her itinerary.

The great day dawns, and she is up in time to see it do so. Packing the kids off to school an hour earlier than usual and leaving hubby to wash up and see himself off to work (if he has any), she catches the 8 o'clock tram to the city and joins the multitude outside the store of her choice. At the zero hour, when the doors open, she flings herself into the fray with the joyous abandon of a champion ruck man in a football final. Naturally, Grecian dances and carol singing are part of the treat. Without a care (for her own or anyone else's safety) she fights her way to the things she wants. The so-called bargain lines fly in all directions as the happy shoppers strive and strain to make their choice. Socks are pulled in half and garments torn, but not one of these carefree Amazons minds, for as yet they have not paid for them. The job of shop assistant is an ideal training ground for referees of professional wrestling matches, and any lesser mettle, if not overwhelmed in the first frolicsome rush, are forced to seek the shelter of a counter and

join in the fun from that less favoured spot. At last, after a good morning's solid exercise, the happy housewife returns home with underclothing costing a few pence, which she knows will hardly survive the first wash, a suit for the youngest, which she knows is made of shoddy material by sweated labour, and such like.

WHY REAL VALUE IS A POOR LAST.

Have the woolgatherers troubled to find out why quality is hardly considered by the housewife spending her husband's dole or basic wage? Do they think people enjoy wearing, eating and using inferior stuff when the best of our produce goes overseas to pay interest to and to feed astute businessmen? Have they ever thought that it would be a good idea to increase the incomes of Australians so that they could not only buy the wool but pay a fair price for it? After all, the wool is grown in Australia, and the money that the grower gets for it is all made in Australia, but by the most able of businessmen—the bankers. Every Australian recognises wool when he sees it and knows of its advantages, just as he knows what to do with a lamb chop. Why advertise a thing, which everyone knows and wants?

Lord Barnby said that it would not do to advertise, indiscriminately, champagne, because most people could not afford to buy it. It seems that they cannot afford to buy wool either. When the people of Australia stop woolgathering and put in a little research on that "commodity" which controls all other commodities, then they will demand a monetary system which will enable Australians to buy and use what is made in Australia, or its exchange equivalent in foreign goods. Then we will see truly light-hearted shoppers who will demand quality and value as well as attractiveness, and the obvious advantages of wool will not be overlooked. We hope that the next wool clip will include that which has been pulled over the woolgrowers' eyes.

Truth Will Out!

We reprint the following just as it appeared in the Melbourne *Herald* (Late City edition) of Tuesday, 11th inst:—

Northcote Court was told today of a house in Andrew Street, Northcote, of four bedrooms, kitchen and living room in which 28 people lived.

Far-reaching plans have been laid for the campaign. Poison depots have been established throughout the State. Government inspectors will assist landowners with poisoning. Tons of mixture prepared from pollard, molasses and phosphorus have been transported to the country.

On Crown lands vermin will be lured with poison lines of sweet windfall apples and carrots, which have been obtained by the ton. Fumigation of burrows will follow. If that fails there remains "digging out" and direct man-handling.

The campaign, which will continue through the warm weather for some months, begins in February because there is much grass in the country at this time and breeding is active. This also is the best time of the year for the "offensive."

(To save our readers from undue anxiety we are glad to announce that apparently the far reaching plans were modified later in the day, and the tenant of the house, instead of being dug out or manhandled, was let off with a fine of £2, and £2/7/- costs.)

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"REDUCE TAXATION" Mimic Warfare on Foreign Front

By M. M. N.

The big guns are going into action.

"A meeting of Melbourne business organisations, held at the Melbourne Chamber of Commerce yesterday, decided to form a deputation to wait upon the Prime Minister in Melbourne later in the month, with the request that the Government give immediate consideration to a reduction in taxation. The deputation will be led by the president of the Chamber (Mr. A. W. Relph). The meeting was attended by 29 members, representing many spheres of business activities, including banking, financial, insurance, transport, legal, merchants' and retailers' organisations."—*The Age*, Melbourne, February 6.

The proposed deputation will be weakened by the absence of accredited representation from the great body of purchasers and consumers who, during the past half-year, contributed 91 per cent, of Federal taxation collections. The exclusion of pensioners, salary and wage earners and like taxpayers from the Chamber of Commerce meeting was deliberate. The committees recommended further onslaughts upon purchasing power.

EXEMPTIONS, NOT DEDUCTIONS

(1) "A reduction in Federal income tax is sought by means of the abolition of the special tax. A reduction of the number of exemptions is also desired so that, as in the case of unemployment relief tax, the field of taxation may be greatly widened."

This is merely a plea that a greater amount should be collected from those less able to pay. It is not a suggestion to reduce taxation.

(2) "The special or super tax is unfair and confiscatory in its incidence."

This tax is levied upon income from property over and above the exemption of £250 annually. We know from the Federal census that more than 90 per cent, of Australians have less than that amount of income from all sources, and will not therefore be harassed by continuance of the impost. The number whom it affects will make a fraction of one per cent, of the population, but the influence of this fractional percentage is strengthened by rentiers domiciled abroad.

(3) "That the Federal (land) tax be levied at a flat rate of one penny in the pound."

This clause is partly directed at the Federal land tax provision, whereby landowners who are not resident in Australia are assessed at one penny in the pound more than resident Australian landowners. Past Commonwealth Governments have possibly regarded it as some compensation for the fact that super-taxpayers do not contribute

to revenue by means of customs or excise. The Chamber of Commerce would be ill advised to make a catch-cry of this particular issue, because Australians may resent concessions to those who regard their country as a means of income but not as a desirable home.

LAND TAX RELATIVELY SMALL.

Federal land tax, however, has been exaggerated far beyond its financial importance. Figures from Official Year Book No. 27 (the latest so far published) will enable public accounts to be gauged in perspective.

FEDERAL TAX REVENUE, 1932-33

Customs	£21,313,793
Excise	11,678,650
Sales Tax.....	9,369,276
LAND TAX....	1,650,311
Income Tax.....	10,878,718
Estate Duties....	1,126,996
Entertainments Tax	134,042

Land tax contributes less than 2.94 per cent, of Federal taxation, and a proportion of this small percentage is subtracted from remittances to many who have never seen Australia.

So far the Chamber of Commerce has been presenting an excellent case on behalf of absentee owners and foreign investors. The "campaign", instead of seeking to reduce the volume of taxation, is insisting upon exemptions and concessions to outsiders. The campaigners are marching under false colours in the hope of again deceiving the simple-minded "colonials." Their viewpoint resembles the attitude of Lord North before the Boston tea riots. Contempt for our reasoning would be less disguised were it not for our voting power.

Some concessions are necessary to delude democracy. One clause of the committees' report was devoted to sales tax. All will agree with Mr. A. W. Relph upon this point.

A SOP TO THE PUBLIC

"There was one thing that, in his opinion, stood out more prominently than anything else in regard to the campaign, and that was the intense desire in almost all quarters for the speedy reduction or abolition of the sales tax. He felt that if the organisations were to get the full support of the public and of business people generally in their campaign they must place sales tax in the forefront in their demand for tax reduction."

The committees, afraid that Mr. Relph's remarks may be taken as a sincere expression of their desires, have hastened to qualify his statement.

"There is no form of taxation so obnoxious or which is causing so much resentment as the sales tax." ("Hear, hear! But did you know about the flour tax?" says the housewife.) "Since it is realised that the total abolition at the present time is out of the question, a progressive reduction is sought of at least 1 per cent, annually in the rate of tax."

The one Australian-wide proposal was speedily modified. It was inserted "to get the full support of the public and of business men generally." It is a gesture, something to catch the eye of the mob.

REDUCTION IN EXPENDITURE

The Chamber of Commerce made one notable statement.

"The committees in their reports are unanimous that any demand for relief in regard to taxation must hinge upon the paramount necessity for a corresponding reduction in expenditure."

The deputation will undoubtedly place before the Prime Minister specific recommendations for reduced governmental expenditure.

Their advice will need to be tactful and well considered. Any suggestion for the reduction of public service salaries, signifying, as it would, the advent of another depression, would have grave repercussions. Action in that direction may entail a Cabinet less sympathetic to foreign schemers.

Public extravagance must be discovered, pointed out and checked. In order to guide Mr. Relph in his task as leader of the deputation we shall make an examination of governmental accounts from the latest complete figures available. If the discussions are sought to be confined to expenditure, which is strictly Federal, the Prime Minister will claim that Cabinet is obliged, by precedent and agreement, to regard the whole field of public disbursements. Under the "Financial Agreement, 1928," the Commonwealth has indemnified the creditors of States. Clarity can be attained if we consider payments made by all governmental bodies to which Australian taxpayers are subject.

REVENUE AND EXPENDITURE

The total combined revenue and expenditure of the Commonwealth and States (excluding redundant receipts and payments) appeared as follows for the financial year ended June 30, 1933:

Expenditure.....	£173,583,904
Revenue.....	169,175,652

Deficits. £4,408,252

Payments were greater than receipts by nearly £4½ millions. This is not an augury for reduced taxation.

Dissection of accounts is necessary to discover predominating expenses. The revenue shown is not entirely taxation. Government business undertakings (post office, railways, etc., which made a profit of £16 millions over working expenses during the year), comprehend the provision of and payment for services, and their accounts do not come within the scope of true taxation.

GOVERNMENT BUSINESS UNDERTAKINGS, 1932-33

Revenue.....	£64,000,000
Working expenses.	48,000,000

Surplus of revenue over working expenses	£16,000,000
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THE INTEREST BURDEN

After various other necessary deductions have been made from gross revenue the total Commonwealth and States taxation was shown at £93,471,645. In ascertaining how this amount was spent we notice that the major portion was allocated to the public debt account.

DEBT CHARGES, 1932-33

Interest on Commonwealth and States debts....	£50,435,458
Sinking fund (estimated)	5,500,000
Exchange (estimated)	7,000,000
Interest on short term debt (estimated)	1,660,000
Total	£64,595,458

NOTE.—The short-term debt (London and Australia), which is mainly an overdraft from banks and financial houses, stood at £83 millions on June 30, 1933. Interest rates varied from 4½ to 2 per cent. The above calculation has been made at an over-all minimum rate of 2 per cent, which is a manifest understatement.)

In round figures the governmental debt account absorbed £64½ millions from the total true taxation of £93½ millions. Therefore seven-tenths of present true taxation must

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be earmarked as a penalty for past borrowing. From every £1 collected 14/- was already spent.

The Chamber of Commerce is unlikely to contemplate any alteration of the established system of governmental loan finance and interest payment. We must look to the remaining 6/- in the £1 as a field for curbing extravagance. Particular attention will possibly be concentrated upon pensions and bounties. A list is therefore appended of selected public disbursements, which were guaranteed or paid by the Commonwealth Government during 1932-33:—

Debt charges.....	£64,595,458
Invalid and old age pensions.....	10,643,196
War and Repatriation Services (including war pensions)	9,392,728
Naval	1,470,126
Military.....	1,111,740
Maternity allowances	320,986
Wine bounty....	178,491
Wheat bounty....	132,807
Development of civil aviation.....	99,472
Cotton bounty....	56,182
Bounty on traction engines	894
Bounty on spices.....	17s. 2d.

LOWERING IMPORT DUTY.

Reverting to taxation, the last published clause of the committees' report recommends, "that primage duty on foreign imports be progressively reduced." This clause was adopted without sufficient consideration of relevant facts or with scant regard for Australia's honour. The flood of imports during the past four years has overtaxed our credit. Any increase in the volume will precipitate disaster. The Federal Government must already be regretting its generous gestures to overseas manufacturers. Our trade balance taken in consideration with interest payments, is in a bankrupt condition. It is an open secret that the drain upon London funds is so severe that we are again sliding towards default. Internationally we are definitely in a worse position than at the beginning of the crisis in 1929. The Chamber cannot be

Letter to the Editor

FATHER WILLIAM.

I have always regarded "Alice in Wonderland" as comparing more than favourably with the treatises on political economy produced in Australia. But in view of the spectacular disappearance of Mr. William Hughes through the back door of the Cabinet and his prompt re-entry through the front, it would seem that Lewis Carroll was something of a prophet as well when he wrote the following:—

"You are old, Father William," the young man said,
"And your hair has become very white;
And yet you incessantly stand on your head—
Do you think, at your age, it is right?"
"In my youth," Father William replied to his son,
"I feared it might injure the brain;
But, now that I'm perfectly sure I have none,
Why, I do it again and again."
—Xerxes Q. Schweinhundwascher.

ignorant of these facts. It is apparently reckless concerning Australia's honour and solvency. The whole report of its meeting savours of hypocrisy. A pretended effort is made to assist Australian businessmen, but the real purpose is to secure exemptions from the meagre payments made by foreigners for their privilege of exploiting Australia.

The Chamber of Commerce has no desire to embarrass the Prime Minister. Its flourish of trumpets heralds a mimic warfare. There will be an array of force upon a wide front to conceal the real manoeuvre. What can be gained? They have already taken away our gold. Our land is mortgaged to foreign financiers. The main objective is to steal a little more butter, meat, and bread from Australia's commissariat. What does it matter if we starve, or even bleed to death, so long as Shylock receives his pound of flesh?

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. 6/10
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.
An Outline of Social Credit By H.M.M.
Poverty Amidst Plenty By C.J. Galloway.
Democracy at the Cross Roads By L. H. Hollins.
The Douglas Manual
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PATON

"RENDER UNTO CAESAR _____"

A Meditation on the Nature and Purpose of Money

By FR. F. H. DRINKWATER, in the "Catholic Times," London.

Somehow even an ardent money-reformer, grateful as he may be for what he finds in the encyclicals of the Vicar of Christ, hardly expects to find any detailed guidance on that subject in the words of Christ Our Lord Himself.

During His brief teaching-period Our Lord had to concentrate on the central heart of His good news, and could say little of its applications in the everyday life of the human family, except when a definite point was raised by some questioner.

But we live and learn, and while I was reading the Sunday gospel in church the other week, about paying tribute to Caesar, I suddenly realised that in those half-dozen words there is room for a whole doctrine on the nature and purpose of money. Once again, as so often appears, a reply of Our Lord's is filled with implications that answer other questions going far beyond the mind of the original inquirer.

"Render unto Caesar the things that are Caesar's." To the Pharisees and Herodians this was equivalent to saying, "Your use of this Roman money is an acknowledgment of Roman sovereignty; so you must pay the taxes of Caesar and obey his laws."

THE SOURCE OF MONEY

Of the many assumptions implied in Our Lord's words, we are concerned here to notice two.

The first assumption is that the issue of money is a function of sovereignty. It is taken for granted that the ruler of a region is the one responsible for providing the money in that region, nor indeed has this obvious truth ever been questioned by the conscience of mankind.

It is for the ruler to originate the money; to originate it, not to borrow it. Whether it is paper or silver or gold makes no difference. If precious metals are the material used for money, then the precious metals in the earth ought to belong to the ruler, as newly mined gold and silver did in Catholic times.

(Note. —Even in Australia today, as in most other countries, the citizen's title to land does not extend to the ownership of precious metals underground. —Ed. "N.T.")

It was not until two or three centuries ago that the gold-

hoarding usurers cleverly arranged that gold should be the universal money, and then tricked and bribed the kings into borrowing everything they needed—gold and paper too—from the usurers themselves. Thus they got their own hands upon the collective credit of the nation, and have it still—and the whole thing is a shameful violation of social justice however legalised it may be by bad laws made by the usurers themselves.

THE USE OF MONEY

The second assumption in Our Lord's words is less obvious, but no less interesting to the money-reformer: it is the assumption that money must naturally return into the hands of the one who issues it. Money is not, strictly speaking, a commodity, still less a consumable commodity, nor can it, strictly speaking, become personal property.

Its true purpose is to be a medium of exchange, nothing less than the economic lifeblood of the community; it bears Caesar's inscription because Caesar sends it out, has the right to call it back when its recall is for the general good, and is the true owner of it all the time it is in circulation.

Imagine a mediaeval king, who has just melted down some captured gold and coined it into a hundred thousand gold pieces. He puts them all into circulation, probably by paying his servants and soldiers, or building some roads and bridges and castles. But as soon as he has parted with his gold pieces, he has to start getting them back, not simply in order to pay his soldiers next year (if that were all, he could, perhaps, do without an army), but in order to send the money out circulating again.

There is only one way for the king to get his gold pieces back, and that is to watch the points where they tend to accumulate—the taverns perhaps, the over-clever merchants, the avaricious land-owners—and put on the kind of taxes which will make the gold pieces flow back to him in a steady stream. Then he puts them in circulation again. If he carries on this process conscientiously and wisely, taking care that the money gets into the hands of those that need it, and that there is plenty of

money about, yet not so much that it loses its buying-power, then his kingdom will be happy and prosperous. If, on the contrary, he lets people "save" as much money as they can and do what they like with it, most of his subjects will soon be reduced to poverty, and he himself will soon be having a financial crisis in the State Treasury.

THE CREATION OF MONEY.

If all this is true when money consists of a precious metal, it is just as true of money which consists of paper or brass tokens such as the French Government seems to use nowadays; and these non-precious kinds of money are better, both because they are easier to issue in exactly sufficient quantity, and because they are not so likely to disappear from circulation into the hoarder's stocking.

Quae sunt Caesaris Caesari. Whoever sends out the money must somehow get it back so that he can send it out again. This applies just as much to that kind of money called cheque-money or bank-credit, which is sent out by the banks when they grant a loan-overdraft to a client, and returns to them when the overdraft is paid off. Money is a stream that must ever return to its source. And that source ought to be the ruler as representing the whole community and its natural resources: in short, the National Credit.

If that is indeed the gospel truth about money, it must be admitted that our own country has wandered a long way from it. The only money we have now bearing the image and inscription of the King of England is a few millions of pounds of copper and silver, which is not even legal tender, except for amounts below £2. The rest of our legal-tender money consists of paper notes, bearing the image and superscription of the so-called Bank of England, which is a private syndicate formed by the moneylenders of the City of London, and naturally consults their interests first. The Bank of England can reduce the note-issue as it pleases; and can also (since 1928) increase it to any given extent on the authority of a simple Treasury minute, which must afterwards be laid before Parliament.

MONEY AND THE BANKS
All the rest of what we use for money—the £2,000,000,000 or so of what is essentially bank-overdraft—makes no pretence of being the nation's money at all. It belongs to the banks, is issued by them and goes back to them, and the total amount of it can be regulated in various ways by the Bank of England almost as completely as it regulates the amount of the note-issue.

It is literally true, therefore, to say that in this country Sovereign power is exercised, not by the King or his Government, but by the Bank of England. The Government indeed (as ex-Cabinet-Minister Mr. Amery has pointed out in his recent book) is a group of departments which carry on their work without much correlation, and sometimes even follow opposite policies to one another; and the Treasury, which has its own policy, always has the last word.

How far the Treasury policy is identified with the Bank of England policy, who shall be able to prove? All one can say is that in personnel the two institutions interlock to a considerable extent, officials transferring their services naturally from one to the other; that Governments do not even claim to exercise control over the Bank, but only to "consult" on policy; that bankers have openly boasted that they could wreck any Government by selling (or refusing to buy) Government securities; and that events prove over and over again that Governments dare

not disobey the "advice" tendered by the Bank of England, however disastrous it has sometimes been in the past.

CONSUMER CREDIT.

Even if the Government of England should resume its power over the money-issue, this would still be only a beginning. In the new conditions, in which a fifth of the population is permanently affected by unemployment, there is no real solution without consumer credit. That is to say, if all God's family is to be honourably fed, whoever issues the money must begin by giving some out freely to everyone on some excuse or other; and the best excuse is to give it as a dividend—as a family right.

The necessity of consumer credit is now undeniable—at least it is deniable only by the callous or sluggish-minded, both of whom are numerous enough.

Necessary as it is, however, I would not claim to deduce consumer credit from those words of Our Lord about rendering to Caesar. No that comes under the other clause: "AND TO GOD THE THINGS THAT ARE GOD'S!"

Help for Abyssinian Red Cross

The recently formed Ethiopian Relief Committee held its first public meeting in the Melbourne Town Hall on Wednesday, February 5. Mr. J. M. Atkinson, of the United Peace Committee, was in the chair, and Miss Helen Baillie, honorary secretary of the committee, gave a brief report of the work done and proposed. Mr. Noel Monks, who has recently returned from Abyssinia, was the chief speaker, supported by Mr. Maurice Blackburn, M.H.R.; Miss Eleanor Moore, secretary of the Women's International League; Dr. Arthur Sherwin, and Miss P. D. Robertson, of the Red Cross Council, and the Rev. Huey Steele, Moderator of the Presbyterian Church.

"When first I went to Addis Ababa," said Mr. Monks, "a young journalist was dying. We were standing round his bed. He was unconscious. A little dark man came in and said a brief prayer in Amharic. Then he turned to us and said: 'I will cable the British Minister tomorrow and I will have an aeroplane sent down for this man's wife.' From that moment, the journalists pledged themselves to help him. Haile Selassie asked me to do what I could to further sympathy for the Abyssinian Red Cross. That is why I am here now."

Describing the Abyssinians' dreadful lack of medical supplies, Mr. Monks related how Dr. Robert Hockman, an American missionary (since killed), took charge. "On the day hostilities began, he said to me: 'These poor devils have been forced into a war, and there are not enough medical supplies to last two days.' He went down to Ogaden. A fortnight later he was back. I met him at the station. He was dressed in shorts. 'Where's your gear?' I asked. 'I have none,' he said. 'Everything has been used for bandages. Four hundred of them down there are dying of wounds and sickness.'

"After a month of hostilities, the first mule train reached Addis Ababa, bearing sick and wounded. I remember one young Abyssinian officer who had been wounded at the first battle of Adowa. He had 15 machine gun bullets in him. He had been lying in the sun for four days in a temperature up to 160 degrees. There was no one to bring him even a drink of water. Imagine hundreds of wounded men who had been brought through what the Italians have since found to be impenetrable country. It had taken a month and they had

had absolutely no attention.

"Five thousand Abyssinians went to Wal Wal. Soon a young officer was to show me the graves of 1200, who, within a fortnight, had died of every disease under the sun. 'Is the world going to help us with Red Cross supplies?' he asked. He had 3000 armed men and women with him and was pushing on to the front. There was not even a bandage among them."

Supporting Mr. Blackburn's appeal for financial contributions, Miss Eleanor Moore pointed out that this was a more practical form of sympathy than expressions of moral indignation, and Rev. Huey Steele reminded the audience that, bad as the Great War was, the wounded were brought in as quickly as possible; in Abyssinia they are not brought in.

Miss P. D. Robertson outlined the Red Cross work already under way, and read a letter from the Director-General of the British Red Cross, stressing the need of further donations.

Two days after the meeting Miss Baillie was able to report having sent £25 to the Australian Red Cross to be transmitted to the International Red Cross working in Addis Ababa.

The relief committee is being supported by prominent members of the Y.M.C.A., Y.W.C.A., the Peace Society, United Peace Committee, Women's International League, Henry George League, the International Labor Defence, and a number of teachers and University students.

All persons interested in humanitarian work are invited to communicate with Miss Helen Baillie, 103 Wattle Valley Road, Camberwell (W 5106).

Answer to Correspondents

DO BANKERS SUFFER THROUGH DEPRESSION?

Question. —Do not bankers hurt themselves by restricting credit, both in their banking profits and in the profits of other industries, which, you say, they largely control?

Answer. —When the bankers own everything but our souls—and they are rapidly acquiring an interest even in that direction by their control over the finances of the churches (note how few clergymen dare publicly to oppose their usury, their lying propaganda and their inhuman callousness towards God's poor)—when the bankers control all industry, a very interesting position will arise. Meantime the banker, during his restriction of credit, suffers no actual loss of possessions. His profits from interest may be nominally less (though payable in money whose value he enhances); the dividends from his own industries may be lowered or suspended—but what a harvest he reaps by extending his ownership or control over other industries from which he withdraws finance! Look around you and see what the banks have grabbed since 1929.

As far as actual banking profits go, it is highly probable that banks trading in Australia, where the public outcry against them is stronger than elsewhere, are deliberately faking their balance-sheets—more so than usual, that is—these recent years, for the English, Irish and Scottish banking houses show little difference in their figures. We intend to take this up more fully later.

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