

Tel.: Cent. 6693. Tel.: Cent. 6693

ARTHUR W. JONES
OPHTHALMIC OPTICIAN,
Same Address since 1908—
Greens Building, 4th Floor,
62 SWANSTON STREET,
MELBOURNE, C.I.
(Nine Doors from St. Paul's.)

THE NEW TIMES

BOOKS ----- BOOKS
CHEAP BOOKS CO.,

Will
SIMPLIFY YOUR CHRISTMAS
SHOPPING.
See for yourself our large
selection of Good, Light Novels,
Novels for Men, Books for Children,
Fascinating Cookery Books, Books
on Gardening, Important
Biographies, Illustrated Books of
Adventure and Travel. Send for
Special Christmas List,
and Make Your Christmas
Shopping Interesting.
4th Floor, Howey Court,
235 Collins Street, Melbourne.
Cent. 9004.

VOL. II. No. 9.

MELBOURNE, FRIDAY, FEBRUARY 28, 1936.

Every Friday, 3d

"Patches of Unemployment

Sir S. Argyle Beats the Prosperity Drum

BUT WHAT IS INSIDE IT?

The late Premier of Victoria, Sir S. Argyle, has been singularly quiet since he returned from his visit to London. Apart from the inevitable oration at one of Rev. Irving Benson's Unpleasant Sunday Afternoons at Wesley Church—and the subject matter even of that sounded suspiciously as though it had been taken from a guide book—Sir Stanley has had very little to say to the public. Possibly he may have felt that the handsome *douceur* of £250 allotted to him for "extras" on his trip by the present Premier (how these politicians love one another!) invited a temporary reticence from criticism of his successor. However that may be, Sir Stanley has at last sharpened up his cutlass and is into the fray once more, "trenchantly criticising," as the "Herald" put it—sane financiers always trenchantly criticise, while others only have petulant outbursts—the unemployment relief tax.

Sir Stanley does not suggest that the tax should be abolished. Oh dear, no! He recognises that it must be continued to meet interest and sinking fund payments on the unemployment loans of the past; that goes without saying. He also generously acknowledges that "what might be described as 'poor law' requirements"—toss the poor dog a bone—"demand that the tax shall be continued in some form," but "there is no justification whatever for the present heavy rate."

On this point we agree absolutely with Sir Stanley. Not only is there no present justification for taxing and borrowing, but there never was any, since provision for the unemployed should have been made by the national issue of money to make up the only thing of which there has been any shortage since the beginning of the "crisis."

This, however, is not Sir Stanley Argyle's reason for seeking a taxation cut. He bases it on our economic recovery, upon the depression being now in the past tense. "While there are patches of unemployment," he said last Friday, "there are more people at work today than ever before." Of course there are, since our population figures are not yet stationary. If you have a total of 100 people, of whom 20 are unemployed, and if you add to these another 100 persons, of whom all but one are unemployed, you will still have "more people at work than ever before." Sir Stanley probably made this remarkable discovery overseas, where the brilliant mathematicians have latterly taken to stressing employment, rather than unemployment, figures.

HOME BUILDING

If you contemplate building, our BOOK OF HOMES should be in your hands. Twenty-six illustrations, printed on art paper, tell you everything you should know in an easily understood way. The most liberal loan policy in Victoria. This Book is free if you call. By writing send 6d in stamps to cover the cost of distribution.
COLONIAL BUILDING CO. PTY. LTD. 465 Collins Street Melbourne. Phone: Cent. 9388

But his special pleading raises the issue: What is our real position in Australia as far as destitution, or virtual destitution, is concerned? Of what nature and extent are the "patches of unemployment" to which Sir Stanley refers?

FAKED FIGURES

To get at the real figures of unemployment is practically impossible, because, after the first shock of the depression, it has been the business of every Government, no matter of what party, to minimise the total, just as it has generally been the aim of the Opposition to exaggerate it. Our Victorian readers will remember an outstanding example of this in the charges made against Sir Stanley Argyle's own Government about a year ago, just before the last Victorian elections, when the leader of the then Opposition quoted figures that were a multiplication of, rather than an addition to Sir Stanley's published lists.

We are not concerned here so much with figures or percentages as with the real condition of our people. The trend of the Argyle argument, which is gradually being more boldly advanced in a section of the daily press, is that things have so far improved that the unemployed are practically back to pre-depression figures, from which it follows, presumably, that they may be left to shift for themselves pretty much as they did in those days—to pick up a living somehow, and sleep in the Domain, as the Melbourne "Argus" put it a little time ago, or, as it suggested for our un-

employed young men on Monday, "by giving" (military) "training with suitable remuneration to lads who had not yet found work." (One would like an "Argus" definition of that word "suitable.")

Four years ago, when the twin results of the bankers' deflation

YES, BUT WHY?

"Applying the Law of Averages we infer that the following will be true 40 years hence:—

Of every 100 healthy men now 25 years of age,

One only will be wealthy;

Four will be well-to-do;

Five will still be working for a living;

Thirty-six will be dead;

Fifty-four will be dependent on relatives or charity."

—A.M.P. Advertisement, Feb. 25.

and the banker-ordered Premiers' Plan of Government deflation had wrought their evil work, the consequences were so appalling that even bankers' Governments, in their moment of panic, were constrained to let us see something of the true position of the community. The figures of the ensuing census (often quoted here) tabulated those results, with their staggering exposure that almost our entire population was living on or below the bread line. Taking this as our low-water mark, what substantial improvement has occurred since?

THE UNEMPLOYED.

Beginning with those actually unemployed, their numbers have certainly diminished. But how?

Probably the greatest decrease has come about by the absorption of tens of thousands of men into stopgap jobs created main-

ly for the sake of providing "work" by governments or by semi-governmental or local government bodies. The carrying out of these works has been financed to some extent by increased taxation, and to a greater extent by loans; these latter leave us with a perpetual dead weight of increased taxation to face for the future. There has been such an outcry against this same taxation that—apart from the bankers' need for a further period of deflation—governments have been constrained temporarily to stop borrowing; the Loan Council at its recent meeting authorised no new loans. But some of the slack is to be taken up for the time by passing the buck to the second line of defences. A corporation loan has been authorised by Sydney; a similar loan is to be "raised" by the Melbourne City Council; and municipalities and shires are being encouraged to put themselves further into debt in order to give "employment." So that, if government taxation pauses for a moment before taking another header, local authorities' rates and taxes may be depended upon to take up the running.

Upon such devices depends the security of a big section of those "re-absorbed into industry." And their rate of pay, it goes without saying, will be the minimum, particularly if, as is indicated, and as is expressly desired by Sir Stanley Argyle, such works are carried out by the contract system.

"REVISING THE REGISTERS."

Another plan to reduce unemployment is being carried out so quietly that we get little more

than an occasional echo of its workings. This consists of an organised effort to cross as many names as possible off the registers.

The seamen's strike is a case in point, and it provided quite a turn-up for prosperity figures. As none of the strikers (or their wives and children) were eligible for sustenance, and as, presumably, a great many of those who took their places had previously been on the registers, it would seem to follow that the seamen really gave quite a fillip to our recovery. We suggest to our various governments that a few agents sent into various industries to stimulate the stoppage of work could get our official registrations down to zero.

Then there have been all sorts of clean-ups of the lists, with admirable results—admirable, that is, to everyone except the unfortunates cleaned up. There have been the men struck off because they would not leave their dependents unprotected while they were drafted to slave camps in distant parts of the States. There have been all sorts of cases similar to that mentioned in these columns last week, where it was alleged that a man of 66 had been struck off sustenance because he could not do the work demanded of him, only to find that he could not get the old age pension because he was unable to produce a birth certificate.

PERMISSIBLE INCOME

REGULATIONS

Perhaps the worst of all has been the working of "the Permissible Income regulations whereby, amongst other inhumanities, the aged pensioner's allowance, supposed to be sacrosanct against all outside levies, is included in family receipts for sustenance purposes. Almost daily the police courts provide evidence of a similar harriving of the destitute by the infliction of brutal fines for such heinous "false pretences" as failure to disclose a few shillings earned by boys selling newspapers after school, and the like.

Is it any wonder that destitute people are driven to such "crimes"? A few days ago, in a Melbourne court, an unemployed labourer was charged with "having fraudulently used electricity, the property of the State Electricity Commission." Evidence showed that the fraud consisted in his having permitted a neighbour (also charged) to let a flex through their party wall, the "criminal" having been disconnected by the same Commission. The supply went through the neighbour's meter, and so the Commission suffer-

WATCH REPAIRS.

Mark Chapman

Chronometer, Clock and Watch-maker
7th FLOOR CAPITOL HOUSE,
Swanston Street Melbourne
Telephone: Central 7077

To the Mayors, Shire Presidents and Councillors of Australia.

Dear Sirs,

It has long been fashionable to belittle the work done by you, and it has been equally fashionable to forget that your work is done in an honorary capacity. Yet, if one looks around without prejudice, one must be forcibly struck with the remarkable progress, conveniences and beautification for which you have been largely responsible in our cities, our suburbs and our shires. One cannot help thinking, too, what further improvements you would at once put in hand if it were not for the perpetual limitations of finance. For you have no shortage either of materials, of skilled engineers, or of local labour—latterly, in most districts, your trouble has rather been an embarrassing superabundance of labour seeking engagement.

We understand that, for the moment, finance is not so much an obstacle as it was a short time ago; that you are rather being encouraged to avail yourselves of funds which are offering. The catch is, of course, that these funds are interest-bearing and that interest is what your gardeners would call a gross feeder, so much so that it is choking the life out of your annual crop of rates—and literally sowing many of your public gardens with weeds.

We know that the matter is giving great numbers of you the gravest concern. We know that it is making many of you hesitate before swallowing a further dose of loan finance. We notice in the daily press

how often you insist that, if there is to be further borrowing, the ratepayers must get "value for their money."

Value for their money! We respect your conscientious trusteeship, but we should admire it a great deal more if you would cast your thoughts a little deeper into this question of values and money. Why not inquire what value you give the banker for HIS money? What does he part with when he grants you an overdraft? Why should your ratepayers be called upon to pay an everlasting toll of interest for the mere convenience of a record in figures of the real work done by your employees and of the improvement effected by them? If it were not for the work of the councils, your local bank building would have no road, no footpath, no municipal cleansing. In many cases, the banker would have to depend upon a well for his water, a kerosene lamp for his lighting, and still more primitive resources for some of his other daily needs. Yet, because he keeps the books, you give him a mortgage over everything. Did you ever hear of a station owner handing over most of the proceeds of his clip to his bookkeeper? Nevertheless, you are doing the same thing, without so much as a protest.

As the leading citizens of each district, don't you think you ought to inquire a little more closely into finance? It isn't really mysterious, and it won't bite.
THE NEW TIMES

ed no loss.

The prosecution stated that the flex was used for a lamp and a wireless set. You will note the suggestion of luxury in the latter item. The idea of an unemployed man having a wireless set!

By the defence, however (conducted in an honorary capacity through the Returned Soldiers' League), it was stated that the wireless set was home-constructed seven years ago at a cost of about ten shillings. It also transpired that this same unemployed returned soldier has a wife and ten children, the eldest of whom is only sixteen. The two eldest children between them earn £2/5/0, which is the total family income. And so this family is officially back to prosperity.

A land fit for heroes! Patches of unemployment!

"RECOVERY" THROUGH UNPAID DEBTS.

Where has there been any real recovery? And on what is it based?

Apart from the expenditure of loan moneys, in secondary industry the chief factor has been a big programme of building, which has certainly promoted activity in everything associated with this industry. But there is no promise of stability or permanence in this. Banks, insurance companies, and similar bank-affiliated or bank-controlled enterprises have put up millions of pounds' worth of new edifices. Great blocks of flats, mostly financed from similar sources, have been run up. In some of the so-called "better class" suburbs there has been a good deal of construction—here again largely of the cottage-flat type. But how many average members of the community have been able to purchase new homes—the acid test of prosperity?

The immediate result has been that the latest city offices have been tenanted at the expense of those owning less up-to-date buildings. People have moved from flats without refrigerators and hot water ser-

vices into those with them, the older flats speeding downhill towards slumdom. And so on. There has been a reshuffle, but little of an addition.

And the significant point is: How much of this new construction has been sold and paid for? Money has been temporarily circulated through the community by means of this building programme, so making up for the moment a part of our general shortage. But with this money has come a trail of costs which have been charged into the buildings and which have yet to be recovered through rents, services, or consumable goods. Have the public still got that money? How are they going to find it?

There is no need to go here into the question of improved prices for our exports, the improvement being due either to nations abroad laying in war stocks, or to the increased spending power of their peoples through the circulation of wages from armament works, and all depending upon an increase in their own debts and taxes—not a very encouraging outlook for our debt-ridden farmers.

This is the basis of Sir Stanley Argyle's prosperity—bred in debt it will flower in death. What percentage of our people are more secure, what percentage are happier than they were two or three years ago? Can he point to the nation as a whole, or to its farmers, its factory owners, its shopkeepers and citizens rapidly getting out of debt? Can he point to a general raising of our living standards, to higher incomes without higher costs, to the wiping out of slums, and the housing of our people in decent homes? Can he indicate where the benefits of all our machinery are being passed along in a combination of more goods and more leisure? Of course he cannot, and he never will be able to as long as the gangsters in control of our money supply are left undisturbed. When Sir Stanley was Premier of Victoria, his everlasting petulant cry was: "Where is the money to come from?" But when has he ever

raised his voice against the money monopolists?

A few days ago the Melbourne "Argus," aiming at sectional propaganda, uttered an unconscious truth. We commend it to Sir Stanley's thoughtful consideration:

"It is useful for electors as a whole to have it again brought home to them that political lead-

ers who seek Parliamentary power can never be anything but the puppets of men in whom no responsibility has been reposed by the electors."

If Sir Stanley would only strike one blow for the restoration of power to Parliament he would do more for the people by this single act than he has done in the rest of his lifetime.

LABOR'S TASK IN NEW ZEALAND

An Editorial in "Why" Auckland

Those who work should have first claim on the fruits of their labour. If those fruits are to be given away, there should be the say-so, and they should say to whom the fruits should be given.

This was a firm principle in the days of Ananias and it is as sound today as ever. It is more blessed to give than to receive, but not to give what does not belong to one.

Under the existing system, the producers have no real "say" in the disposal of their wealth. They produce, and the banks distribute. Comparatively to the population, a mere handful of farmers produce wealth estimated at £55 millions, of a total of £83 millions produced in the Dominion. The £55 millions are based on prices in England. Bank action decides what values in New Zealand shall be.

By creating more credit, or less credit, the banks can control values. It is now generally admitted that, both by credit creation and by riveting the pound New Zealand to the pound British, or sterling, the banks have done this.

The £28 millions of wealth in New Zealand, which is not farmer-produced, is mostly regulated as to price in accord with local conditions, the costing in its production are largely influenced by local legislation, and customs-tariff protection prevents successful competition by imported goods. The £55 millions of goods, which are farmer-produced can only realise what the outside world will give. The outside world will give plenty, but New Zealand does not want goods of the £55 millions order, only those in the £28 millions category, and these are barred out as much as possible, to "protect" local industry.

Meanwhile, the farmers, whose wealth, if all available in consumable imports, would sell in New Zealand at present prices, for three times £55, are not able to obtain sufficient from the rest of the community to carry on their job. The new Minister of Lands (Mr. Langstone) has said that if farmers had to pay their way "half of them would be bankrupt." Not enough of what is taken from them is restored to them.

The remedy proposed is a guaranteed price to farmers, such as is paid in effect to manufacturers. When restored cuts and a forty-hour week were supported by Labor Ministers, Mr. J. C. Allum, speaking as a manufacturer, advised that these should be accepted, provided that increased protection was afforded the manufacturers. That means provided it was arranged that manufacturers could increase the prices of their products.

Guaranteed prices for farmers is another way of affording protection, not against the foreigner, but against local costs. This should not be necessary; it is an absurdity but absurdities create absurdities. Incidental to guaranteed prices are a guaranteed wage for farm workers and with this we heartily, indeed wildly, enthusiastically agree. The wages paid farm workers should be such as to draw labour equivalent to artisan labour, to the farms.

Despite denials, much skilled farm labour is available. Thousands of men "off" farms are filling other jobs. But it always has been, and, we fear, always will be the case, that the farmer and his family constitute and will constitute the principal labour on farms.

For the first time in New Zealand's history this most important part of New Zealand's national life is receiving attention. In the past production has received attention, paid farm labour has been subsidised—putting those able to pay wages in a better position than those who did their own work at the expense of the latter.

LETTERS TO THE EDITOR

THE YOUTH PROBLEM

Your sub-leader, "Migration—On Conditions" ("New Times," 21st inst.), should draw attention to the futility of expecting any solution of our economic problems from the present leaders of the Labor forces. Mr. Forgan Smith should be denounced by every democrat in Australia for his expression of the distinctly un-British desire to take children away from their parents in England and consign them to the solitude of the Australian back-blocks. Mr. Smith must know that the conditions outback are worse today than a few years ago, when he, as a Labor man, had to be opposed to migration.

British people and people of British stock like to feel that they are just in their treatment of their fellow creatures. How can they justify the drafting of city boys into the timber camps of the Australian bush, and the desolate wide spaces of Central Australia? The very press, which reported the horrors of such a system in Russia, is now proudly illustrating our Australian boys existing under similar conditions in this country.

For goodness sake let us drop this hypocrisy and do some thinking. Do our mothers and fathers want their children to be sent out into the "Never-Never" to work under unknown people for wages that would never permit even the most thrifty to be anything above a wage-slave?

The state of mind of Mr. Forgan Smith and the daily press proprietors who advocate migration of English and Australian city boys to our outback parts is certainly not British.

"JOHN BULL."

"BUY A DOZEN"

An important city businessman told me that he looked forward each Friday to getting "The New Times" as a weekend delight. I asked him what did he do to forward the fight against this money swindle? He said: "I'd like to do something, but, How? is my question." I suggested to him as I do to all other readers itching to "do something" to buy a current and a dozen back issues of "The New Times" and post them to anywhere and so spread "The Idea" of the "New Truth" about Money.

While we tide along doing nothing, the Money Swindle's glorified agents, like Anthony

Everything has been tinkered with but the one thing that mattered, a sufficient price to pay the man who really did the job. That price, be it distinctly understood is a New Zealand price, and if it is paid to cover a guaranteed wage, the working farmer will receive a wage according to his ability at long last.

Mr. Langstone's remarks about the farmers' position are true, but are not the whole truth. The farmers of today are mostly bankrupt, but looking back over a long vista of years, the present position of farming, bad as it is, has been built on a continual loss of equities. It was a common saying twenty years ago that it "took three farmers to make a bush farm and the first two walked off." This also the new Minister proposes to put a stop to. The State will break in the land and prepare it for farming. All these things cannot be done without money, but the means of doing them are all here, in New Zealand, and we await with interest the new Government's monetary proposals. These will show whether the tasks will be completed or only attempted. Nevertheless, to attempt to disentangle such a web of trouble as past mismanagement has produced in this Dominion is an honour in itself.

Eden, spout and spout, first this way and then that way, juggling the lot of human welfare to suit any move that the international financial forgers of credit deem expedient.

I wish to give your readers the slogan, "Buy a dozen and distribute." Back numbers contain wonderful new knowledge.

JOHN MULLENS.

East St. Kilda.

(It goes without saying that we are only too pleased to support this appeal.—Ed., "N.T.")

NATIONAL DISHONESTY.

In Melbourne it is an offence against the law to bet in the street, or a public place, on race-horses. It is legal, however, to gamble in any "wild-cat" gold mine, or other remote hazard. In Adelaide the betting shops are carried on as legally and openly as the Stock Exchange. Lotteries are barred by law in Melbourne, so those who want to indulge in a sweep obtain postal notes of the requisite denomination—printed in huge quantities to meet this demand—and mail their money to other capital cities in which lotteries are permitted. The Commonwealth Government declines to uphold the State of Victoria in the suppression of this class of gambling.

Hotels close at 6 o'clock, yet we know that most hotels could not meet expenses without after-hour trade. Clubs with liquor licences must carry on until midnight or so.

Every citizen of Melbourne who wants a bet on the racing, football and other "sports," has no difficulty in getting "set" any time he likes. Starting-price bookmakers exist in abundance. Likewise two-up and other forms of gambling are going on to such a degree that it seems impossible to believe that the police are unaware.

The main point is that most people subscribing to this democracy of ours are prepared to break the laws when it suits them—provided there is no undue risk of being prosecuted. We are already nationally corrupt in many directions, and the number increases in ratio to the application of restrictions made by law on the right of choice of the individual. The problem is an economic one, which can be diminished progressively as the national standard of living ascends. "TIN HARE"

There's a new modern way of cooking!

COOKING and baking with a choice salad oil... that's the very newest idea. And it has definite advantages, as well as being easy, convenient and accurate in use. Try Nutro Oil in all your cooking and baking... the things you bake will come to your table wholesome and truly delicious, for Nutro Oil has neither odour nor taste; it gives that light, delicate, fine-textured quality that good cooks desire. Send 3d. in stamps with your name and address, for excellent recipe book.

COMPARE THESE FIGURES

A small bottle of Nutro Oil holds 5 ounces and costs 8d. this is equal to 8 ounces of butter which costs 1/1-

Made by MAIZE PRODUCTS PTY. LTD. MARIBYRNONG ST., FOOTSCRAY, VICTORIA

NUTRO

SALAD OIL

(PATON)

THIS CREDIT BUSINESS The Swindle Admitted

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

At last the truth begins to shine here and there through the fog. The evidence given to the Monetary Commission by Messrs. McConnan, Gordon, and Leitch has confirmed what we have written and said regarding the source of money and the cause of the so-called depression. If the newspaper reports of this evidence are a fair representation of what took place, then it is amazing that it was allowed to go through unscathed by questions so obviously called for but unasked.

These "expert" witnesses were permitted to juggle the terms Money Market, Credit, Credit Worthy, Funds, Liquid Funds, Liquid Assets, Frozen Money, Cash, Flight of Capital, Floating Debt, Sinking Fund, Loans, Lending Power, and so on as they pleased, but never were they called upon to particularise or to say precisely what money consists of, who makes it, or who takes it to the "market." No one explained that even after it gets to the market (if it does get there) its makers never sell it. They only lend it as debt, and then have the hardihood to expect it to come back with additional money as Interest, although they know all the time that apart from themselves no one is allowed to manufacture the stuff. No mention did they make anywhere of the relation of money to Costs, Prices, or Production. Usury seemed to be the only motif of their symphony.

AN ADMISSION FROM THE "TIMES."

Before considering the evidence as published, we would point out that a year ago the City Editor of the London "Times" said this: "If it is a fact that the banks can create money with no more trouble than the making of entries in books, it is hard to deny that the power should be taken out of private hands and transferred to the community." That money is created by the banking system is a well-established fact and it is also a fact, equally well established, that the bookkeeping called banking involves the automatic creation and destruction of money. The total amount of money in existence varies only with the actions of the banking system. Every bill discounted, every investment purchased, every overdraft allowed by a bank adds to the total volume of money; and, on the other hand, every maturity, repayment, or sale of a bank investment reduces the total amount of money correspondingly. In 1935 the Big Five Joint Stock Banks of England had 33 million pounds more deposits than the year before although they had 5 million pounds of cash less. They had more money but less cash and this is explained by the fact that the banks had lent more money and bought more investments, thus making an increase in the total amount of money by the act of spending it, and, at the same time, accumulating solid assets for themselves.

Coming closer home, we would call attention to the article in the Melbourne "Herald" of September 27 last, in which its Financial Editor explained where deposits come from. In the course

of the article we came across this admission: "Granting of advances is a means by which the total amount of money is increased, for the cheque debited to the borrower's account is deposited to someone else's credit, and is available for spending." We could go on to furnish yards of proof that the quantity of money is controlled absolutely by private business called Banking.

"THE STABILITY OF THE BANKS."

With the foregoing in mind, let us consider what the witnesses said. Mr. McConnan, chief manager of the National Bank, was the first, and he told the Commission that the bank had followed a "cautious" policy in 1928, which caused the demand for overdrafts to fall away, and that throughout the difficult period between 1928 and 1935 "the stability of the banks had remained unquestioned." He also declared that the banks had made their full measure of sacrifice; that they had played their part in meeting the "shock of the crisis" and in promoting recovery; and that they had taken no steps to prevent the depression because they did not have the power.

Now why was the 1928-1935 period so "difficult"? Every real thing in life has regularly been increased in availability, and there was no sign of a falling off in production. The depression was wholly in the ability of the people to secure goods, and it was brought about by something that happened in the Money Department. As no one outside the banks manufactures money, and as they alone exercise control of that department, they must have cast on them the responsibility for the difficulties referred to all of which arose from a dearth of consumer tickets. It would be a poor business, which, having a monopoly of the manufacture of the only claims to wealth, as well as almost unfettered access to the ear of the public through the Press, could not remain stable in conditions created by itself. That the stability of the banks did remain unquestioned is therefore hardly a circumstance to skate about. The nature and extent of their "sacrifice" is revealed by a look at the best corners of every city in Australia, on which new and palatial buildings are owned by banking and financial institutions; also by a look at the "Assets" side of their balance-sheets. How they met the shock of the crisis is shown by the Commonwealth Statistician in his figures relating to bankruptcies, unemployment and suicides, all of which are more or less familiar to you. Not only did the banks not take steps to prevent the depression, but all the steps they did take tended to make the depression more and more acute.

DISCUSSING THE "PREMIERS'" PLAN.

We were particularly interested in the admission from Mr. McConnan that "in conjunction with the remainder of the Australian trading banks, his bank joined in the discussions that led up to the formulation of the Premiers' Plan in June, 1931." Why it was ever called the Premiers' Plan instead of the Bankers' Plan has not been explained. Mr. H. A. Pitt, a member of the Commission, also joined in those discussions, and subsequently was a whole-hogger for the strictest application of that instrument of torture to deprive the people of money, that is to say, to prevent their having

access to the production which was available in abundance.

FLITTING FUNDS.

Mr. J. P. Abbott, representing the poor graziers who usually leave the largest estates when they die, put this simple question: "Is there any evidence of funds which flitted away during the depression tending to return?" Mr. McConnan replied: "In a general way, yes; but I cannot say the amount." One can almost see the notes, coin and cheques "flitting away" like fairies, until one remembers that the money referred to was cancelled out of existence altogether, as Mr. McConnan must well know. Wherever did the innocent Mr. Abbott think it had "flitted" to?

CASH RESERVES

A great fuss was made about "frozen funds" in the Commonwealth Bank. It was claimed, "if the amount were in the hands of the trading banks it would increase the cash ratio and enable them to extend their advances to the extent of that ratio." In evidence, Mr. McConnan said he liked to have at least £30 of cash in his till for every £100 of credit money he advances, so that if he could get three millions in cash he would feel safe in writing up (creating) and "lending" ten millions in credit-money. The question naturally arises: Why cannot the Commonwealth Treasury write up credit-money for the benefit of the nation instead of borrowing what has been written up privately?

When Mr. McConnan suggested that banks lend deposits, he spoke of money as fixed and limited in quantity, and as a commodity whose only function is usury; but then he went on to talk of "cash reserves" and "credit," thus admitting that money is not fixed in quantity, but that the volume of credit-money is influenced by the bank's cash reserves, which can and do vary. So when he said that at the end of 1928 "the bank's financial position was such that the demand for overdrafts . . . was less than the funds available for the purpose," he meant that the cash reserve was high enough for the bank, by a mere stroke of the pen, to increase the quantity of money by creating more, but businessmen had become so alarmed at the enforced financial poverty of the people that they did not ask for overdrafts. Of course, the official explanation for the falling off was "lack of confidence." The fact that people had no money to support the businessmen and their enterprises was not important enough to mention.

MR. GORDON AND THE PINT POT.

Mr. P. F. G. Gordon, general manager of the Commercial Bank of Australia, was the next witness, and he, too, confirmed what we have been telling you. He informed the Commission that "you can't get more out of a pint pot than there is in it," and Mr. Nixon, one of the Commissioners, then asked: "Therefore I suppose you don't subscribe to the popular cry that banks manufacture credit?" Mr. Gordon: "Certainly not." Mr. McConnan and all the others we have quoted must have known nothing about it. What the pint pot has to do with the manufacture of credit can be left to Mr. Nixon and Mr. Gordon, but if we must use the language of pots we would say that what concerns the community is the fact that, while the pot of production is full, thousands of people cannot get access to it because the money pot, whose contents alone give access to production, is in the control of a small clique who are mishandling it and intentionally preventing it from being filled.

THE TREASURY BILL SWINDLE

But Mr. Gordon must have been somewhat mixed, for when one of the Commissioners was more

than usually inquisitive regarding Treasury Bills and said that as they were convertible into notes they were new money, Mr. Gordon replied that they "increased the banks lending power." What a priceless admission that was. Lending power can only mean money to lend, and if Treasury Bills give that power, as they undoubtedly do, then they must as a fact increase the bank's money. The Government hands the bank a Treasury Bill, and from the Bank's point of view this is the equivalent of bank cash and gives it the power to lend the Government credit-money created by the bank on the strength of the Treasury Bill. What have you who object to my using the word "swindle" to say to that? Our National Government deposits money in the form of a Treasury Bill, pays the bank for holding it, and then "borrows" it back in the form of credit-money created by the bank as an interest-bearing debt, the interest to be met out of our pockets, through taxation. Is it any wonder that we are being taxed more today per head for interest alone than for the whole of the Government services at the end of the war? If "swindle" is not the appropriate word, what word should be used?

Commissioner Nixon then put this to the witness: "Treasury Bills did not create new money. They did not bring any real money into the system?" Mr. Gordon: "No. They enabled us to lend more at the time and to get notes from the Commonwealth Bank!" Presumably when Mr. Nixon referred to real money he meant legal money. Without all these confusing ideas it should be possible to get a simple explanation of what money is. It is merely authorised figures of purchase, and the figures appear in books or on bits of paper and metal. If the figures are authorised by the Government they are legal money, but if they are authorised by the banks they are credit-money. Money figures are the counterpart of price figures, the former functioning on the public or consumer side of a selling counter, and the latter on the industrial or productive side of the counter. Industry makes its own prices but the consumers do not make their own money. Mr. Nixon as a chartered accountant should know that real money is legal money, and that the Government alone can issue legal money. Notwithstanding this, the Government, representing the consolidated nation—i.e., the people and their benefits and disabilities, their man, land, and power resources that conjointly form the basis for all money figures—borrows Figures of Purchase from a bank! And Mr. Nixon has never protested. The Government should be the sole source and lender of money. It should never borrow. As

'Phone: F 1996.
GOODWAY
TYRE
RETREADS
514b ELIZABETH ST.
(Opp. Victoria Market).
G U A R A N T E E D
5 0 0 0 M I L E S.
Quick Service.

things are, however, every real benefit (new railways, new streets, new hospitals, and the like) is written up as a debt to the Banking and Investment system instead of being a real asset belonging to the people as a whole. The present position is that the banks hold roughly £25 millions of real (legal) money figures and more than £500 millions of bank-money (credit) figures. All that the people have in their pockets as their own possession is round about £25 millions of legal money. This shows at a glance the wholesale way in which Government and social rights have been usurped by the Banking System.

Mr. Gordon went on to advocate the funding of Treasury Bills, by which he meant converting them from temporary debt to permanent debt. He admitted that this would cause further deflation or limitation of credit—i.e., another depression, but did not see that that would matter much. This is in keeping with the circular issued previously on behalf of the bankers, openly admitting that where their policy was concerned unemployment is only a secondary consideration.

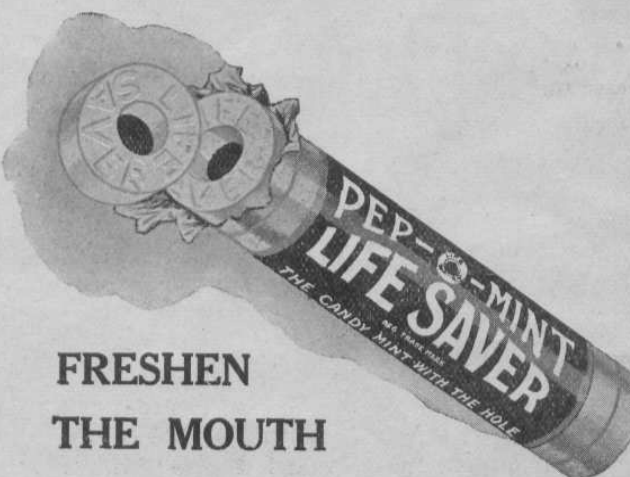
MR. LEITCH ON BRAKES.

Mr. Leitch then appeared in the name of the Union Bank. Like Mr. Gordon, he had no qualms: in suggesting that we should have another depression. "The recent era of good prices for primary products," he said, "has stimulated imports to an unwonted extent, and it may be again necessary to apply a brake upon any tendency to borrow during the coming season." When he says, "apply a brake," he means reduce the quantity of money. He apparently had something the same in mind when discussing the ratio of "advances" to "deposits." He said that when the ratio gets high they begin to "put the screws on." This, mark you, is a private monopoly, putting the screws on Industry.

He also said that "during the depression the banks went a long way to saving Australia," but made no attempt to explain what Australia was saved from. A great number of people have for years been short of food, clothes, and shelter, although
(Continued on page 6, column 1.)

ORGANISERS
PRINTING TELLS
THE STORY
See
ERNEST E. GUNN
FOR PRINTED PUBLICITY
Telephone: Cent. 6030 (Two Lines) Off 600 Lt. Bourke St. Melbourne

AFTER SMOKING



FRESHEN THE MOUTH
3d. PER PACKET



THE NEW TIMES

Published every Friday by New Times Pty. Ltd., Elizabeth House, Elizabeth and Little Collins Sts., Melbourne, C.I. Postal Address: Box 1226, G.P.O. Melbourne.

Telephone: M 5384.

Vol 2. No. 9.
FRIDAY, FEBRUARY 28, 1936.

Secret Reserves of the Banks

The disinclination of W. A. Leitch, general manager of the Union Bank, to disclose to the Banking Commission his company's secret reserves was not unexpected. This item, which enables bankers to manipulate their balance sheets at their own sweet will, has always been a jealously guarded secret.

Discussing the point two years ago (in its issue of January 13, 1934), the leading financial journal of Britain, the "Economist," made this frank comment: "It is common knowledge that before striking its profit each bank makes from the year's earnings part at least of the necessary appropriations for contingencies, bad and doubtful debts, and other internal reserves. Thus the disclosed net profit depends not only upon actual earnings but upon the size of these undisclosed appropriations . . . Investors have learned not to split hairs over the profits which the bank managements may or may not deem it expedient to declare."

And, again, in its issue of January 11 this year, the "Economist" said: "In the matter of contingency accounts, no bank discloses the exact canons by which annual appropriations are determined. . . . The final size of a bank's net profits depends in part upon the way in which the Board and the Management have exercised their judgment."

Mr. Leitch, in his evidence on Monday, suggested to the Commissioners that they should "take my definite assurance that we have not been making inordinate profits." This is in keeping with his remarks on Wednesday of last week: "There will be no exploitation of the public. We'll see to that. The poor old banks—getting two per cent, on their capital. Trading

concerns are making 10 to 15 per cent, and not a word is said." Without going into the virginality of Mr. Leitch's innocence or the strict accuracy of his plaintive utterances, we should very much like to see the Commissioners ask for a satisfactory explanation of a banking anomaly that has been puzzling us for some time.

The principal trading banks in England, commonly known as the Big Five, have shown very little difference in their dividends during the depression. Barclays has consistently paid 14 per cent, from 1929 onwards; Lloyds, which paid 16½rd per cent, in 1929, came to 13½rd in 1931, and thereafter has regularly distributed 12 per cent; the Midland paid 18 per cent, in 1929, and since then has never gone below 16 per cent, having just declared 18 per cent, (including a 2 per cent, centenary bonus) for 1935; the National Provincial, which distributed 18 per cent, in 1929, touched bedrock at 15; and the Westminster's dividend of 20 per cent, in 1929 has since then remained at 18 (plus a 2 per cent, bonus just now declared, also in honour of its centenary). A similar story can be told of lesser British banks.

The English banks in Australia, on the other hand, have cut their dividends, and their disclosed profits, to ribbons. Mr. Leitch's bank, the Union, paid 15 per cent, in 1929; 12½ in 1930; 7 in 1931; 4 in 1932; and 5 since. The Bank of Australasia came down from 14 per cent, in 1929 to 7 per cent, in 1932, and now stands at 7¾ per cent. The E.S. and A. has come down from 12½ per cent, to 5 per cent. And similar figures apply to the banks nominally domiciled in Australia—the Commercial of Australia, for instance, declined from 15 per cent, in 1929 to 5, and is now paying less than 6.

We should particularly like an explanation of this. In what way has the depression hit banks trading in Australia more severely than banks trading in England? Or is it that, fearing a somewhat more enlightened public opinion in Australia, the statements of bankers operating in this country have been better cooked?

"Drink and Eat More Milk"

In a day or two the Victorian Milk Board will formally launch a campaign to persuade the citizens of this State to "drink and eat more milk." The preliminaries are already under way and for some days past the residents of Collingwood, and of other districts which don't drink as much milk as they might, have observed their railway stations placarded with posters reminding

them that milk is good for their health.

The accommodating Mr. Ned Hogan, Minister for Agriculture, has given the campaign his blessing (as, when wearing his former livery of Labor, he did to the equally brilliant Premiers' Plan); and Dr. Robertson, chairman of the Health Commission, has stressed that it is as necessary to cleanse and pasteurise milk as beer.

Needless to say, the Melbourne "Argus" is also adding its weight to the campaign. "March," it said in an editorial a week ago, "is happily chosen as 'milk month'; it is the beginning of autumn. The most ardent advocate of milk drinking would hardly recommend the fluid as a beverage at, say, noon on such days as we have had this week; but as winter comes on, and a food-drink is agreeable, milk, let us hope, will be very largely consumed by an instructed public." Let us hope! During those warm days last week the residents of Collingwood, Brunswick, Fitzroy, Carlton, and other areas where potential milk drinkers are most numerous—and where milk consumption is lowest—were doubtless tickling their jaded noonday palates with cold gin slings or iced lager. But in March this "instructed public" may be expected to turn to milk, "as winter comes on."

Reference to winter recalls the regular winter campaign of the Melbourne "Herald," which endeavours to raise from the public £1000 annually to provide a glass of milk a day for the thousands of school children in Melbourne whose parents cannot afford to buy it for them, and of whom our doctors assure us that great numbers never otherwise know its taste. Here is a fruitful field for the Milk Board's campaign. Could not some arrangement be made to include the virtues of milk in those school text books which the children cannot afford to buy either—thus killing two birds, as it were, with the one stone?

The suggestion, you will say, is idiotic? Is it any more so than the rubbish put forward by the "Argus," or, indeed, the whole campaign? The average consumption of milk in Melbourne, we are told, is half a pint a head per day for all purposes. And the Milk Board "is anxious to persuade citizens to increase this to a pint a day." ("Star," 21st inst.). What manner of persuasion do most of the people need except the where-withal to buy more milk?

March, before its new distinction as "milk month," has long had another association. And it may well be asked whether those formulating and those endorsing a campaign, which deliberately ignores the main reason why more milk is not used are not as mad as March hares.

National Safety—From the Bankers' Viewpoint

"Borrowing for expenditure of this class" (national defence) "is always regrettable, for the outlay adds nothing to a country's earning power to help pay the interest on the borrowed money." So says the Westminster Bank in

its latest Review, discussing Britain's new re-armament programme.

We are not concerned here with the necessity, or otherwise, of the huge re-armament scheme, but only with the banker's angle on what is, and what is not justified for a nation. Assuming that re-armament is necessary or desirable, of what essentials is Britain short? Are there not factories, plant, raw materials, skilled engineers and technicians, and workmen aplenty? Is there not a sufficiency readily accessible of food, clothing and other essentials for those who will be engaged in turning out ships, guns and gases?

The banker's test of justification is whether an enterprise will add to a country's earning power to pay him interest. But what enterprise, no matter what its "earning power," can of itself produce interest? If a man pays out £100 in producing a crop, how can he get back £105 through the sale of it? How can interest be created except by the same private bankers who created the principal? If you bury a potato in the ground, you will in course of time find a lot of other new potatoes around its roots. But if you bury a pound note will you find ten-shilling notes clinging to it? Certainly not; although if you go away and forget your bank overdraft for a while (if the bank lets you) you will find on your return that it has successfully bred some extra ciphers.

The Fable of the Harbour Bridge and the Martian

By Montague Grover.

Once upon a time a distinguished visitor from Mars was given a civic reception by the Lord Mayor of Sydney.

"Have you seen our harbour?" asked the Lord Mayor.

"Too right I have," replied the visitor, using the Martian idiom.

"And the bridge?" persisted the First Gentleman of the City.

"My blooming oath," courteously returned the stranger, once again in the phraseology of his native planet. "I suppose you built it by issuing notes to the workmen?"

"Nothing doing," explained the Lord Mayor. "We are sound in our methods of finance. We borrowed the money from overseas."

"But that was gross inflation of the currency," protested the Martian.

"No fear; it isn't inflation when you have to pay interest. We're stung for half a million a year for eternity. That's sound finance."

"But you brought ten millions into the country and inflated prices just the same."

"Um," said the Lord Mayor, "let's talk of something pleasant."

"But wouldn't you ever issue ten millions of notes?" asked the inquisitive foreigner.

"I dare say if we had had a gold backing we would—if we had, say, three million sovereigns in the bank vaults, we might issue ten million notes."

"But not on a bridge?"

"Not on your life."

"Then you reckon three million useless pieces of gold in a hole in the ground better security for ten millions of money than a ten million, useful bridge?"

"It's sound finance," remarked the Lord Mayor, thus clinching the argument and leaving the Martian pondering over the unsoundness of his own planet.

Moral: Nothing is to be gained by giving helpful hints to the ignorant.

The Church and the Moneychangers

(From the "Manchester Guardian Weekly," of June 24.)

[An effort is being made to have All Hallows Church, Lombard-street, London, pulled down, to make way for a bank. —Ed. "N.T."]

After their defeat some ten years ago, when public opinion was so strong that the Church authorities had to give up their effort to deprive the City of London of nineteen city churches which they had marked for destruction, they have naturally moved with more subtlety and skill in their new effort to pull down All Hallows, Lombard-street, and sell the site to the bankers.

All their meetings were held in private, and it was only after strong representations that the Bishop could be induced to make public his plans. In their previous effort it was described in the "Manchester Guardian" as "driving the Church out of the money-changers." The Church, of course, can display a fairly good case for the operation. There is only a small residential population in the city. There are teeming millions outside. The banks want more space. The carvings and ironwork of the church can be preserved in a suburban church, and so on. The reply at the time of their last defeat was that the city churches, "the silent witnesses," are in a square mile that has a day population of over a million—has the Church nothing to say to them, and will it never have anything to say to them in the centuries through which London will live! Should the churchmen in the suburbs not provide money to build their own churches as their forefathers did? Should Streatham, for instance, be considered as a missionary church, like a church in Uganda, that has to be paid for through funds in the city? The City Church Preservation Society, a powerful body, is holding meetings and organising strenuous opposition to the scheme to destroy All Hallows, Lombard-street. It is felt that that church occupies a key position, and once one of the remaining Wren City churches has been sacrificed no Wren church—the Wren churches are the glories of London—will be safe. And after all, if the only logic is a population logic, why should St. Paul's Cathedral itself remain in the city with its residential population of 11,000? Its woodwork and ironwork removed to a nice new church in Lewisham or Hendon would be much appreciated.

On the same topic, *Social Credit* (January 17) has this to say: "Money hallows all—even the pulling down of All Hallows Church in the City of London to build a bank, for such is the proposal reported in the *Evening News* of January 11. Times have changed. Once the money-changers were cast out of the temple; today they pull the temple down to build a better, in which to worship the golden calf. The Church of England, under a plan for the union of benefices, proposes to unite the benefice of All Hallows with that of an adjacent church, and, with the money paid for the site, build new churches in a growing suburb. Were there a shortage of labour, or building materials, this course might be justified, for it may be that churches are more needed in the suburbs, and the material of the old church could be used for one or more new ones. But there is no such shortage; there is only a shortage of money with which to pay the labour waiting to be hired and the materials ready to be bought.

Should this scheme go through—we are glad to report that it is arousing opposition—it will be more than just another example of the trickery by which the banks obtain real wealth by writing in books figures representing credit they have filched from the people. It will be, in fact, the replacement of a house of God by a "den of thieves."

THE PRINTED WORD

in Pamphlets, Booklets, Leaflets, Weeklies, Monthlies, Annuals, Newspapers, Magazines, or Books

EXCELLENTLY AND ECONOMICALLY PRODUCED

By

THE ADVOCATE PRESS
309-319 LONSDALE PLACE
MELBOURNE
Phone 6831 (3 lines)

Paying Off Our Overseas Debts

A correspondent has asked us to indicate how our overseas indebtedness, at present hanging like a millstone around our necks, could or should be paid off.

This, to sensible people would provide little difficulty.

The overseas public debt of Australia at present stands at £546 millions (sterling) in London, and £45 millions (in dollars) in New York—roughly £600 millions in overseas currencies, or £750 millions in our present Australian money. The annual interest bill on this, also expressed in Australian money, comes to about £26 millions (excluding £4 millions' sterling of suspended interest on the "War Debt" to the British Government.)

If these debts are truly owing, they can be owing only in respect either of goods supplied or of services rendered to us. Similarly they can be repaid only by goods or services. The principal payments, of course, must be in goods, since we are unable to offer any substantial services (such as shipping), which would be acceptable to overseas bondholders.

Hence the business-like way to approach the problem would be to draw up a list of the goods, which Australia is in a position to supply for export. With this list in hand, the Australian representative should call a meeting of creditors, starting in London, where the bulk of our debts are domiciled. He should ask these creditors to appoint a committee who would agree as to what goods should be taken in payment and in what annual quantities. It seems reasonable to suggest that the total debt, plus interest payments, should be extinguished in, say, 25 years. This would mean that our first year's goods payments to London would be valued at about £27 millions (Australian) for principal, plus £25 millions for interest—a total of £52 millions. The New York payments would be about £5 millions, making a grand total of £57 millions Australian. Does anyone in Australia seriously suggest that we would have any trouble in supplying goods to this extent? If he does, let him look at the financial figures of our excess of exports over imports even as recently as from 1931-32 onwards; and let him also bear in mind the ruinous prices received for our commodities during those years. Would there be any serious difficulty, given a little notice, in greatly adding to, or even multiplying our exports of beef, mutton, wool, wheat, butter, cheese, bacon, fresh and dried fruits, base metals, and numerous other items?

If the bondholders wanted manufactures, we could supply these also; if they wanted gold, we could gladly give them as much as our mines produced (less what we needed for wed-

ding rings and tooth fillings); if they wanted other things which we could, but do not produce, we could easily turn to new forms of production—poison gases and weapons, for instance.

In taking up this stand we should, for the first time, be adopting a realistic attitude towards our debt problem. Our present method (so called) is—not only in England, but in such other countries as Japan, Germany, France, Italy and Belgium—to sell more goods than we buy, and thus to establish financial credits which we hand over to the bondholders. This should not be our worry at all; it is a matter for the bondholders themselves. Since we have no ownership or control over London money, it is absolutely inequitable that we should be expected to pay in London money. If the bondholders want money, then we can offer to pay them in our own Australian money—and they can come out here to spend it as they choose.

By adopting this practical method of debt settlement we could also afford to treat our creditors generously. There need be no haggling over interest rates, and very little argument about the price that would be put upon each bale of wool, or bushel of wheat, or pound of butter. Would our farmers be complaining today if they were allowed to pay their taxes in goods? Does not their major complaint arise from the difficulty involved in exchanging the goods they produce for the money they don't produce, and in response to uncertain orders in a market they cannot control?

In arranging payment our list of goods could be revised from time to time—say at five-year periods—to suit the changing needs and desires of our creditors and their home markets.

If we do not pay our debts in this way we shall never pay them; that is a safe forecast. Foreign countries are definitely warning us that they will no longer tolerate our idea of "favourable" trade balances, since we thereby deprive them of the means of paying us, just as we ourselves are being deprived of the power to pay. Britain has scarcely ever absorbed enough of our goods (over and above our purchases of British goods) to enable us to establish the necessary credits; New York has never done so. Hence our only other alternative is default.

And we shall default in good company. Britain herself has now for years been in default to America. And she has taken up the same logical attitude, which is here recommended. She has told her creditor quite bluntly that she is prepared at any time to pay her debts in commodities, that otherwise it is impossible to pay, and that she does not propose to discuss the matter any further.

Britain, however, has made one reservation. The Bank of England, which controls British policy, has refused to hand over in part payment a trifle of £200 millions or so of gold in its vaults. And gold is a commodity, which any creditor will always accept. We in Australia have handed over all our gold in the past. We continue to hand over each fresh supply as it is discovered. And we should be happy to continue doing so.

ENTER WITHOUT KNOCKING.

There are only two men in the world who may approach Hitler unannounced. One is Ribbentrop, his foreign adviser; the other Schacht, the economics dictator.

--From a new book, "Inside Europe," by John Gunter.

AMONG THE NEWS

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

THE WEEK'S GEM!

Amongst the organisations to be represented in a deputation, which will wait upon the Prime Minister next week to plead for taxation reductions will be the Associated Banks.

(Interest alone now entails more taxation than our entire taxes at the end of the war.)

"CAUGHT UNAWARES."

The Victorian Employment Council has suggested to the Premier that a system of social insurance should be investigated to guard against being caught unawares by future depressions. —Daily press report, Feb. 22.

In this respect, at least, the bankers have made no endeavour to beguile us. A war to end wars, certainly; but never a depression to end depressions. For these are in accordance with stern economic laws—of banking.

—O.G.

ROUND THE CORNER.

"On the first stage of a tour of Heytesbury and Otway, which will occupy the remainder of the week, the Minister of Lands (Mr. Lind) and Mr. Bailey, an Honorary Member, . . . visited Colac today. Mr. Lind said: ". . . the State was around the corner to prosperity. Unemployment figures were again at the pre-depression level."—"Argus," Feb. 20.

Mr. Lind, while enjoying a tour, at the country's expense of some of Victoria's finest scenic beauty, uses the opportunity to spread the gospel of "confidence." It is a pity that time was limited, otherwise Mr. Lind might have been able to explain to his listeners that the "improvement" in the unemployment position is due to the men being placed compulsorily on "relief" work, and paid a miserable pittance, which is extracted through taxation from their fellow citizens, many of whom are in destitution almost equal to their own.

—K.C.D.

BARTER AND THE BANKS

1. "The South African-German barter system was established on an unsound basis and was doomed to failure."

—Sir H. Gullett, Feb. 25.

2. South Africa's experience has confirmed Sir Henry's view that all future negotiations with Germany for a trade treaty must be based on the normal system of trade and FINANCE.

—Melbourne "Herald," Feb. 25

3. The REICHSBANK decreed today that all applications for permission to conduct privately the barter of German goods for Australian and New Zealand wool must be refused.

—"Herald" Berlin cable, Feb. 25.

Comment is hardly needed. Any attempt at trading that denies the banker his fees and his right of veto is not likely to be permitted a long life.

—Montagu Skinner.

MACHINERY AND POLICEMEN

The "Stop-Go" traffic signs have displaced 400 London policemen. A further reduction of 300 is expected. Policemen are not being dismissed, but fewer recruits are being taken on. The net annual saving is expected to be £160,000. —London "Sunday Express."

But will the traffic signs spend £160,000 a year on the goods, which the "saved" policemen used to buy?

--P.C.

LOOKING FOR BURDENS.

Speaking at Ballarat, the Minister for Electrical Undertakings (Mr. Old) said that favourable consideration must be given . . . to reduction in unemployment relief taxation". (Pending) "recovery to normal conditions . . . the people generally wanted to accept the burden of making provision for their less fortunate fellows."

—"Argus," Feb. 20.

Very nice of Mr. Old to think so. But the rumblings and grumbings at taxation don't bear out his contention. Evidently Mr. Old believes in "trying the pleasant way fust."

—K.C.D.

COLOUR—OR CONDITIONS?

"I see that black labour is advocated for Australia by Mr. F. A. McQuisten, K.C., who arrived in Brisbane yesterday. I am strongly in favour of the white Australia policy and I pray to God that we never have to forsake it." —Sir Walter Leitch, former Agent-General for Victoria, Feb. 22.

Why should we have to? Would black labour be expected to be obtained for less than work-for-sustenance rates?

"A Long List of Incomplete Works"

By J. K. LONG.

"A long list of uncompleted works await the attention of the State Government, the Board of Works, the Railways Department and the Harbour Trust.

"Known in departmental circles as the 'unfinished jobs,' a majority of these works are either progressing at imperceptible speed, are awaiting Government approval, or have reached what those concerned frankly confess is 'deadlock.'" —Melbourne "Herald," 18th inst.

Why does this long list of uncompleted, and an ever so much longer list of unstarted, but none the less necessary works await the attention of the various bodies?

This is a question, which should cause us a deal of mental exercise, and is one which concerns us all.

Are any of these jobs held up because we cannot produce the necessary raw materials, the brains, or the brawn required for their completion?

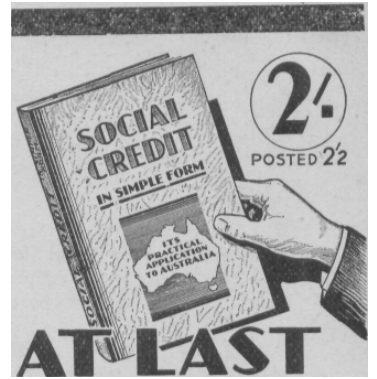
The answer is, emphatically NO. I know of no job, even to the entire erosion of all our slum dwellings—about which we have heard a lot of talk but nothing more—and their replacement with decent, healthy houses, which is held up because we lack either the men or the materials with which to carry it out. Was not the Sydney Harbour Bridge, one of the world's great engineering feats, built by Australians from Australian materials?

There is only one thing necessary for the successful completion of even the most ambitious plans of our architects and engineers, many of which lie covered with dust in almost forgotten places, and that is money.

Since, as you must agree, this is the only thing necessary for the completion of all these jobs, let us endeavour to find out why that money or credit is not available.

There are two methods at present in operation by which money is procured for the financing of public works—direct taxation or borrowing.

The first method must be ruled out, for the time being at least, because it is freely admitted by all sections of the community that we cannot stand further taxation. The second method is even worse than the first, for it is



THE BOOK YOU HAVE WAITED FOR.

NOW READY.

Written by H. V. Bondeson.

Published by and Obtainable From
The Social Credit Movement of N.S.W.,
250 Pitt Street, Sydney.
And Branches.

Those who have not previously studied Social Credit, and have been told that it is highly technical and abstruse, will immediately find that it is not so. SOCIAL CREDIT IN SIMPLE FORM proves that the Social Credit objective and the means whereby that objective can be obtained—AS SOON AS THE PEOPLE DEMAND IT—is set forth clearly, simply and with irrefutable logic.

No Book More Fraught with Possibilities for the Good of the People of Australia has Ever Been Published. Well printed on a heavy matte paper. Social Credit in Simple Form is certain to be in very great demand. No Royalties Paid. All Profits to Social Credit Movement

this very method of financing our public works which is responsible for our high rates of taxation and our huge National debt.

Let us then search for some other source from which we may obtain the necessary money.

What of the mysterious "flight of capital?" Could not some of it come to rest on our shores? That theory was well exploded in these columns some time ago, and is about as mythical as the flight of the "stork."

What of the "influx of British capital" about which we have heard so much of late? This bubble was also pricked in these columns on 14th inst.

Whence, then, are we to get the necessary credit to finance these undertakings?

Let us turn back to borrowing and ascertain where the money comes from when we do borrow. It is issued as costless credit by a private money monopoly against the security of the real wealth of the community—the old story that it represents the savings of thousands of widows and orphans, etc., has been worn threadbare; it does not even make a decent camouflage—and the community has to pay interest on it while it remains in existence. Naturally, you will ask why does the community not issue its own credit, since it is issued against its own real wealth?

That is exactly what Social Crediters throughout Australia are endeavouring to get their nominal Government to do in order to wrest the control of the nation's credit, and, incidentally, the control of the nation, from the hands of that bunch of Shylocks now known as private bankers.

Little Man—What Now?

Along tattered gaudiness of Strand wander man with bundle clutched to breast, woman-pushing skeleton of pram.

Bundle is sickly child, dough-faced; woman's stockings cluster round feet, remnants of boa encircle neck. Both pause irresolutely now and then for alms. Push pram quickly when policeman comes in sight. Woman has matches. Seems hard on the baby keeping parents at its age.

Furtive couple. No sympathy wasted on them. But they stare up at Christmas trees lit on St. Martin's steps. And in their faces—wistful, puzzled—is that which makes you shrug your shoulders, shake your head. Something wrong with a world spawning beggars like that. Not fair. —Gordon Beckles in "Daily Express," January 1, 1936.

A Suit That Keeps New for a Year

Unique Service at No Extra Cost.

This is what it means to you. After delivery of your new suit, you are entitled to have it

Dry Cleaned, Pressed and Repaired Absolutely Free of Charge Every Eight Weeks for 12 Months.

The cut of Saville Clothes embodies the Traditions, Style and Finish of London.

The Fit We Guarantee.

Hand Made Suits and Costumes from £6/6/-.

SAVILLE

Leonard House

44 ELIZABETH STREET

Take Lift in Arcade to 5th Floor.

THIS CREDIT BUSINESS
(Continued from page 3.)

these things are available in Australia in abundance. What were the poor, the destitute, and the unemployed saved from, and for what should they be thanking the banks?

All three witnesses declared their opposition to further amalgamations because they would lead to lack of competition, but each admitted that a "gentlemen's agreement" is already observed to prevent competition! In any case, what is it they are competing for?

THE MATTERS THAT WERE NOT DISCUSSED

All the talk and questioning about exchange rates, interest, competition, and the like deal with minor administrative details between the several units of the Money Controllers, and are merely incidental items of the money-lending business. These bankers avoid all reference to the primary aspect—what is lent? Who makes it before it can be lent? And should it be "lent" at all? All their arguments and opinions are but inter-departmental squabbles, and do not affect the power or policy of the central directors of the Money Monopoly. On the contrary, they serve to obscure public attention from the core of the swindle.

Money is the only cog in the economic machine which is not working to the satisfaction of humanity, and since the focal point of the evidence is "money-lending" it is essential that the Commission should quickly satisfy itself as to the origin and place of manufacture of money, as without this they will never discover where the error in the economic system lies.

Having settled the origin and manufacture aspect, the bank witnesses could be examined as to the relation of money to costs, prices, and the ability of the public to buy what has been produced for sale. The real function of money comes at the retail counter where production and consumption meet, and should be equally balanced. This equal balancing is the all-important point in economics. Nothing else really matters. At present we have on one side a small section in almighty power because they manufacture all the tickets, which give claim to goods, and on the other side a great army of low-paid wage-slave workers. Between these, acting as a buffer, we have a small group of high-paid wage-slaves, consisting of professional economists, business managers, heads of Government departments, etc. Are we to continue on this basis or are we to realise that the object of Production and Industry

is to provide things for all the people, and that the real function of money is to act as the accounting ticket or servant in getting the things over from Industry to the people? If we regard the object of Industry as the provision of "work" for a low-paid wage-slave community, then the system cannot function. In an era when machines and robots are making "work" unnecessary, are we to stick fanatically to the fetish that industrial work is to be the only title to money for the masses? High Society and its beneficiaries are not required to "work" for money, but a leading churchman apologetically said to me a few days ago that they do do good work of a charitable nature. To which I replied: "Then perhaps we should make certain that poverty and distress are not only continued but even extended so that the rich may have the opportunity to dispense charity and thus have something to do as otherwise presumably they would become degenerate."

SYDNEY MANUFACTURERS' SECRETARY ON "CONTROVERSIAL QUESTION."

Since the fact that the banking system is a private mint and controls the quantity of money in the hands of the community can no longer be hidden we have the suggestion from the secretary of the Sydney Chamber of Manufacturers (Mr. L. Witnall) That the State would not do the job any better. In a broadcast address he said: "But should this power of creating or destroying money be in the hands of private institutions, or should it be reserved to the State? That was a controversial question which citizens might well discuss themselves. In particular, they might ask themselves if the job would be done any better by the State than it is done at present by the banks."

There you have a further admission that a private business is actually manufacturing the claims, which carry ownership of the production of every other business. Gee, what a business that is!

We hope the swindle has been so completely exposed to the members of the Commission that they will feel obliged, both as Commissioners and as citizens, to express the strongest resentment against its practice in the past, and to demand its immediate discontinuance by reversion to the Crown of control of the national credit through the medium of a statutory authority whose duty would be to see that the contents of the money pot are equal to the contents of the production pot.

THE SCHOOLMASTER AND MONEY

(By "D. O. Minus.")

The "New Times" has recently paid a flattering amount of attention to the teaching profession, albeit some of its comment is not so flattering to the teachers. Mr. Bruce H. Brown, whose contributions are among the brightest features of your journal, wants teachers to tell their pupils the true story of "money." Now, there are among teachers probably a larger percentage of money "reformers" than in most callings; we have emerged from the financial fog in which a course of "Political Economy" (more recently "Economics") at the Melbourne University had encompassed us. We would be delighted if the conditions of our work would enable us to pass on the knowledge that the public has long been hoodwinked in this vital matter.

In the first place, however, the matter is too urgent in point of time to allow us to wait for emancipation till the present generation of school children reach the voting age; we must first spread the gospel among adults, in whom the immediate voting power exists; otherwise the reform when it comes eventually will be too late for many people and some "peoples."

Again, the earliest stage at which an intelligent appreciation of money control (as it is, and as it should be) would be possible is among students for the leaving examination. Here, teachers would find themselves hedged round by restrictions. The textbooks prescribed must be followed if students are to hope for a pass in Economics. To attempt to teach them the fallacies of the Melbourne University type of Economics, at the same time as they are required to imbibe its doctrines to secure a pass, would inevitably result in confusion. It would thus seem that first a sufficient number of

"real" money. The "gold" fetish was disposed of; the note issue had shrunk to its true proportion—viz., that of being the small change of commerce. Was gold necessary at all? What was the backing of the national note issue? Only the wealth of the nation. What was the backing of the Banks' cheque issue? Only the wealth of the Banks and their clients—if even that. Yet the paper tokens—whether notes or cheques—passed muster as a medium of exchange. Thus the way was opened for the conception of the illuminating idea that the cheque portion could be made a still more acceptable medium of exchange if it too had the backing of the national wealth, and that without the necessity of paying tribute in the form of interest to private moneylenders. Further inquiry led to the discovery that the financial institutions lent in the form of credit (which emerged as cheques) about twenty shillings for every two shillings they held. The logical remedy was Social Credit.

The teachers, who are spreading these ideas among the public, are not few in number. Many of them are working in elementary schools, and are thus prevented by an already over-full curriculum and the immaturity of their pupils' minds from giving their charges a knowledge of what money really is. But their heart-breaking experiences with under-fed and poorly clothed children dispose them to become leading apostles of any proffered remedy for the present disastrous position.

I would suggest that the "New Times" publish a handy table showing such as the following:—

(a) The totals of various tokens regarded by the ordinary man as "money"—i.e., notes, silver, bronze, and gold (?) in circulation;

(b) The totals of Bank Deposits as disclosed by the latest returns;

(c) The total national income as shown by the last census;

(d) The total Commonwealth note issue and its percentage of gold backing in the Treasury.

Perhaps there could be included the accumulated funds of other financial institutions such as insurance companies, wool-brokers, etc.

Such figures would enable those of us who are doing what offers in the way of propaganda to quote authentic figures to make the dark way clear.

THE DAMNING FIGURES

The answers requested by our contributor are:—

(a) Legal money in Australia.	£ millions (approx.)
Australian notes....	47
Silver and bronze coins.....	8
Gold coins....	Nil
Total:	£55 millions.
Of this, on the last figures available, the public was holding about £33 millions and the banks about £22 millions.	
(b) Bank deposits. Figures at Dec. 31, 1935 (each item to nearest million):—	
Trading Banks:	
Current Accounts	110
Fixed Deposits	180
Commonwealth Bank (General Branch):	
Current Accounts	11
Fixed Deposits	31
	332
Savings Banks (including Commonwealth Savings Bank)	221

(c) National Income. There has never been a satisfactory estimate of this, and the calculations made by officials in the past are admittedly rough and ready, and largely guess work—so much so that the Commonwealth Statistician refuses to give them official endorsement. For what the figures are worth, however, it was estimated by the Conference which met to recommend the adoption of the Premiers' Plan that our national income was £650 millions in 1927-28, £560 millions in 1929-30 and £450 millions in 1931-

SHAREHOLDERS IN LONDON: WOOD AND WATER JOEYS HERE.

The directors and, in the main, the shareholders were in London. The shareholding in Australia was so small as to be almost negligible.

—Major-General Sir. C. B. B. White, chairman of the local board of New Zealand Loan and Mercantile Agency, in evidence before the banking Commission, Feb. 25.

32. Today's figure, we understand, would on the same basis be somewhere around £500 millions.

A better idea of the incomes of Australians may be gained from figures supplied by individuals in the 1933 census, which are as follow:—

Incomes.	Persons.
No income.....	3,648,037
Under £1 per week .	1,012,514
£1 and under £2 . .	617,167
£2 and under £3 . .	393,099
£3 and under £4 . .	314,755
£4 and under £5 . .	244,605
£5 and over	340,492
Not stated.....	59,170
Total	6,629,839

(d) The total Commonwealth note issue is at present £47 millions. Up to June 19, 1931, the gold reserve was fixed at a minimum of 25 per cent, of the total notes in circulation. From that date, in order that gold might be shipped to meet London commitments, the reserve was reduced to 15 per cent, to be restored by degrees to 25 per cent, over a period not exceeding five years. At the same time it was provided that the reserve could be held in England in gold and/or sterling securities. The latter comprise (a) Commonwealth Bank balances in London, (b) bills of exchange, British Treasury bills, or other United Kingdom securities maturing in not more than three months.

This reserve at present stands at about £16 millions. The Commonwealth Bank gives no information as to the amount held in gold, but it is understood to be negligible.

Refunds of other institutions. Their "cash" holdings are naturally included either in moneys held by the public—in (a) above—or in bank deposits—in (b) above. Their other assets, such as undistributed profits, reserves, holdings of securities, etc., are not money.

BOOKS ON MONETARY REFORM

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

ALL POST FREE
 Obtainable from The Douglas Social Credit Movement, Room 8, The Block Melbourne.

TO OUR READERS—

You may obtain your copy of "THE NEW TIMES" from any authorised newsagent. Should your agent not have supplies, please ask him to communicate direct with New Times Pty. Ltd., Box 1226, G.P.O., Melbourne, C.1. (Phone M 5384).

If you wish to have your copy posted direct from this office, please complete the form below and mail it, accompanied by remittance payable to New Times Pty. Ltd.

SUBSCRIPTION FORM.

To New Times Pty. Ltd.,
 Box 1226, G.P.O., Melbourne C.1
 Please forward me "The New Times" for

months, beginning with issue dated....., 193....
 cheque
 I enclose postal note for the sum of.....
 money order

Name

Full Postal Address.....

Date.....

The subscription rate to THE NEW TIMES is 15/- for one year; 7/6 for six months; 3/9 for 3 months post-free.

adults must be reached before conditions permitting children to be trained in the need for reform can be attained.

Teachers who studied Political Economy as taught by the University School of Economists found that their "knowledge" of the subject did not help them to find a remedy for the misery around them during the "depression"; and probably none has come into closer intimacy with the appalling condition of children, due to the lack of purchasing power in the home, than the teachers. The disappearance of the gold reserve was probably the first illuminating factor that enabled them to see the forest as well as the trees. Here was a note issue, completely fiduciary, and accepted with complete confidence in the commercial world; whereas the people had been told that a fiduciary issue of 18 millions over a course of years would inevitably spell disaster. The next revelation was that the cheque money, a gigantic fiduciary issue backed by only a portion of the national wealth (that of the comparatively few clients of the Banks) was greatly in excess of what the man in the street had hitherto regarded as

POVERTY AND THE "WHITE LADY"

By NEIL SMITH

"Father, O father! what do we here
In this land of unbelief and fear?
The land of dreams is better far,
Above the light of the morning star."
—William Blake.

Otherwise Christian and sensitively-minded gentlemen have told me that depressions and their almost universal infliction of poverty are moral forces whipping man to virtue because he cannot afford vice. They have argued that flagellation by the economic system, though unfortunate in its frequent occurrence, is nonetheless necessary to the maintenance of behaving people. This theory faced with the real facts is proved a horrible and inexcusable fallacy. The key to heaven is not starvation. The paths of virtue are not those of want, misery and fear.

A Brisbane paper recently gave much prominence to the dangerous increase during the last few years in the number of drinkers of methylated spirits in the community. The article in question was not based on assumption, but on the cold logic of the police court. The police state that "metho" drinking has become a more serious evil than the drug habit, and that large numbers of young men who are inmates of charity hostels are addicts, seeking this way of escape from the hopeless search for non-existent employment, the shame of broken shoes, and the bitterness of broken hearts. Their destiny becomes slow mental, moral and physical suicide in the corrosive arms of the "White Lady", as this poisonous composition of alcohol, methyl alcohol and pyridine is commonly known.

The "Sunday Mail", in its report, found highlights of drama in this human misery . . .

"Lock me up, sergeant," he pleaded between his moans. "I'm broke and sick. Arrest me. Charge me with anything! I

want a sleep, a blanket, somewhere to camp out of the rain." "In the ranks of this legion of 'metho' drinkers are a number of women, human jetsam, who drift hopelessly from park hovel to park hovel, cadging a nip out of the poison cup, screaming obscenities when refused, and participating in a disgusting drunken orgy when welcomed to the bag shelters."

Following this with unusual daring, the paper admits the root cause of all this cavalcade of misery:

"It has been estimated by responsible officers in the police force that 50 per cent of the young men in hostels are at times, WHEN MONEY IS SCARCER THAN USUAL, imbibers of methylated spirit.

We would expect to find this followed by a blazing indictment of those whose policy it is to keep money scarce. Instead, the article changes into a bitter denunciation of the morals of these poor derelicts, and with miserly rubbing of dry and scaly hands concludes with an estimate of their cost to the State. There is no attention save the hint above to the cause of such conditions, no challenge thrown at those incompetent legislators who are guilty of wholesale murder to save a damnable financial system.

"When they are arrested," says this cultured journal, "they are taken to the watch house in taxicabs, at a cost of about 2/- a time. . . While in gaol they might also be given medical treatment—just a little more expense."

Returned soldiers, broken by war, dying in cold, wind-swept parks, here is your epitaph "He lived to be a burden on the State." Broken woman, sons and husband killed in war, driven to the streets in poverty—having given all, driven downwards to this, here is your epitaph: "She

lived to be a burden on the State." Unwanted youth, you who set your foot so bravely and hopefully on the bottom rung of life's ladder, and studied in the night schools, preparing yourself for endeavour and service, here is your epitaph, written for you at twenty-one: "He lived to be a burden on the State."

They have bled you, and beaten you; they have driven you downward with the lash of poverty; and now they despise you and taunt you because you cannot pay your way.

They excuse themselves by saying, "There is a scarcity of money." Not a scarcity of goods. Oh, no; goods to burn! Not a scarcity of machinery. Oh, no; machinery to scrap! Not a scarcity of human labour. Oh, no; men to gas, men to immolate with liquid fires, men to starve, and even then—too many men! Just a scarcity of tickets, paper chits to facilitate the exchange of these goods, machines and services.

Reader, does not your heart cry out in horror at such infamy? Does not your pulse leap with desire to end this ghastly imposition, and to take from the hands of a few power-hungry barbarians the control of your country's credit, so that the remnants of lovely youth may be saved from the cruel embrace of the "White Lady"? I think it does!

Answers to Correspondents

MONTAGU NORMAN'S INTELLIGENCE DEPARTMENT.

Question. —The local press has repeatedly stated that a new and distinguished lecturer to economic students at the Melbourne University was for some time employed in the intelligence department of the Bank of England. Would you kindly inform readers of "The New Times" what function the Intelligence Department of the Bank of England actually carries out?

Answer. —Bluffing the people through their lack of intelligence. The principal Intelligence Officer of the Bank in most countries is the head of the local Central Bank, who is paid by the people of that country to inflict upon them the policy of the Bank of England. This applies in Australia as well as elsewhere, though the Commonwealth Bank Board only admits to "consultation" with Mr. Norman's institution. In view, however, of the memory of our visit from Otto Niemeyer (another Intelligence Officer), and of what the Commonwealth Bank did subsequently, this pretence cannot hold water. Incidentally, the chairman of our Bank Board is about to take a trip abroad for "consultation."

The actual duties of the Bank's paid staff of intelligence officers, we should say, range from those of the ordinary spy down to the emissary who comes heralded as a financial adviser. In other words, the Bank, as a super government, maintains the usual procedure of State diplomacy. We cannot say whether it is a case of, once an Intelligence Officer, always an Intelligence Officer, but it is significant that the Bank's cadet, Reddaway, who will now adorn Melbourne's University life, is appropriately being paid from Commonwealth Bank funds (per Professor Giblin). He has recently returned from an investigation of Russia, on whose financial system he has just written a booklet of 106pages (Robertson & Mullens, 7/6) which we have, but have not yet had time to read.

OVER THE TOP

Debt Charges Against the State

By M.M.N.

We have become accustomed to appeals for reduced taxation. Various analyses of governmental expenditure, constantly before us, make no attempt to differentiate between net taxation and gross revenue. Taxpayers receive the impression that public business undertakings are conducted at an immense loss. State Treasurers complain that revenues are insufficient to meet costs of government. The daily press flaunts a perpetual sneer against public extravagance; but reference to the main item of expenditure is sedulously avoided. Public accounts are so involved that ordinary citizens do not realise the destination of moneys paid to the tax gatherer. Analysis shows that the whole taxation of the States is swallowed by one single item of expenditure. States' debt charges absorb more than the combined taxation revenue of the six Australian State Governments.

INTEREST TAKES MORE THAN ALL TAXATION.

A calculation from the Compendium of Australian Statistics (issued October, 1935) shows the following position:—

Revenue:	
From States' taxation.....	£34,900,000
Expenditure:	
Interest on States loans	32,661,000
Exchange (estimated)	4,341,000
	£37,002,000

In addition to interest and exchange Treasurers must budget for contributions to sinking funds. A portion of the debt charges absorbed £37 millions as against a total States' taxation revenue of £35 millions. We must refer to the last official year Book to find a complete statement.

Combined States revenue from taxation:	
Total collections, 1932-33	£37,325,609
Expenditure:	
States' debt charges (interest, sinking fund, etc.)	£42,462,821

Debt charges therefore exceeded taxation by £5 millions.

WHO GETS THE MILK?
During the South African flag controversy the following emblem was suggested:

"Reproduction of a cow with an Englishman at the head, a Dutchman at the tail and a Jew extracting the milk." This anti-Semitic suggestion was inspired by the ownership of the diamond mines. We have no racial prejudice against the financiers who are draining the milk, and everything else, from all the silly cows in Australia. Our own State Governments might design a suitable banner by substituting a goat for the cow and representing a titled financier on the milking stool.

HOW SOCIAL SERVICES ARE PAID FOR.

States' Governments have no margin over debt charges to pay for necessary social services. A per capita selection of annual States' accounts reads as follows:

Revenue:	Per head
State taxation	£5 13 3
Expenditure:	
Debt charges	£6 8 11
Education.....	£1 8 6
Police	£0 9 11
Justice.....	£ 0 3 1

As debt charges absorb the whole of States' taxation money for necessary services must be secured from new loans and by hypothecating the surplus from governmental business undertakings. We can appreciate the difficulties of States' Treasurers when we consider that revenue from State business undertakings dropped from £65.7 millions in 1928-29 to

£51.2 millions in 1932-33. Debt charges, conversion loans notwithstanding, have shown a slight increase. Despite the fresh impost of unemployment relief tax (returning £10½ millions in 1932-33) States' taxation increased by less than £5 millions during the same period. (The returns for 1934 and the estimates for 1935 showed that this increase had been almost eliminated, although the unemployment relief tax remains. This tax was really a means of abolishing the exemptions whereby small incomes were freed from direct taxation.)

WHY STATES CANNOT REDUCE TAXATION.

During the past five years the States have faced the impossible task of paying fixed or increasing overhead debt charges from seriously diminished revenues. The Victorian Premier has been pressed to reduce taxation. Mr. Dunstan replied that it was "too dangerous" to make any promise at the present time. We are able to sympathise with this declaration and to appreciate its candour.

The prosperity boom has been exploited by making Federal figures the criterion of all public accounts. Arguments built upon that basis give a lop-sided view of governmental difficulties. State Treasurers, constitutionally circumscribed, are powerless to initiate financial re-adjustments except through the Loan Council. The Federal Government, in its own right, has two votes and a casting vote at Loan Council meetings. Aided by political brothers from New South Wales and South Australia, the Commonwealth Treasurer (Mr. Casey) has been able to stifle discussion and so prevent any forward move by the combined representation of Victoria, Queensland, Western Australia, and Tasmania.

The Usual.

Following investigations, he was amazed to learn that along Bridge Road, one of the main thoroughfares of the city, few homes had a bath or even a wash copper. Rents were being increased everywhere because of the serious shortage of houses. —A Richmond (Vic.) councillor, Feb. 24.

"Jury Room Complaint. Improvement Demanded. The retiring room is certainly in a bad state . . . On the ground of economy, no carpets are provided in the jury rooms. The 'furnishings' comprise a long table and 12 chairs . . . Jurors must climb 63 steep steps to reach the dormitories." —"Herald," Feb. 25.

"The mother of a five-days-old child, who is in hospital, is in urgent need of clothing for her child. The other members of the family without clothing are three boys, four, nine and ten, and a girl, eight." —Appeal by Victorian State Relief Committee, Feb. 21.

Slums, of course, do not exist in Australia. Any politician will tell you that. It is therefore interesting to note that, as revealed at one Sydney suburban council meeting last week, just the bare 179 people were living in five houses, while in the same neighbourhood eight families shared the one roof.

"Australian Women's Weekly," Feb. 22.

Did anyone say there was a shortage of baths, wash coppers, building materials, carpets or children's clothing?

AUSTRALIAN WOMEN ARE GOOD COOKS SAY MANY VISITORS FROM OVERSEAS



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

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

MAIZE PRODUCTS PTY. LTD.
Marlborough Street, Footscray, Victoria

Maize has arranged a Book of 93 Tested Recipes, covering a wonderful variety of dishes. Send 2d. in stamps and we will gladly post it to you. . . . Listen to the Leo Murray Players, 3A.W., Sunday, 7.30 p.m.

KREAM BRAND CORNFLOUR

In the Pink Packet

FR. COUGHLIN'S NON-PARTY ELECTORAL CAMPAIGN

Amazing Results Follow Priest's Broadcast Appeal

Last December Fr. Chas. Coughlin, America's Radio Priest and founder of the National Union for Social Justice, launched over the air a campaign to organise the Union for the purpose of bringing pressure to bear on Parliamentary representatives in every State and congressional district of the United States. The first objective is to elect only members who are pledged to restore to the nation its complete control over its own money supplies.

In each congressional district there are about 70,000 voters, who elect one Congressman or Representative, of whom there are 435 in all. (The Senators, of whom there are 96, are elected two from each State.)

"It is of paramount importance," said Fr. Coughlin in his broadcast on December 15, "to realise that these 435 Representatives and 96 Senators actually make the laws which govern us. The President's function is to put these laws into practice. He is the executive. The nation can afford to have a mediocre President. But it is fatal to our liberties, to our progress and prosperity, to be subjected to the misrepresentations of a blundering and venal Congress.

"Therefore, if we Americans desire social justice; if we demand that the money changers be driven from the temple; if we insist that decent legislation be passed which will permit a living, annual wage for every person willing and capable of working, there is only one American way to accomplish these things.

BANISH RUBBER STAMP REPRESENTATIVES.

"That way lies in concentrating our attention upon Congressmen. Before you can drive the moneychangers and the industrial exploiters from the temple of America you must drive from the congressional halls at Washington those rubber stamp Representatives who misrepresent the people by protecting the racketeers of high finance and the profiteering plutocrats of manufacturing corporations.

"These Congressmen must be attacked democratically, each in his own congressional district. These men must be replaced by real representatives of the people whom we send to Washington

to legislate decent laws and not to bargain away our liberties for a handful of dirty patronage or a pocketful of appropriation money. "Since the establishment of our Federal Government we have had seventy-four Congresses. What have the last ten or twelve Congresses done for the people of America? They voted us into a bloody commercial war for the preservation, not of democracy, but of a grasping, greedy, grabbing group of international bankers who controlled the policies of both political parties. They enacted laws to permit the wealth of the nation to organise in corporations while they obstructed the formation of labour unions for the poor. They have been consistent in borrowing us out of the debt of one depression into another by printing tax-bearing bonds for the profit of bankers. At all times they have refused to outlaw the protected brigandry of a small group of men who manufacture our credit money to such an extent that the more they loan our government, the more they have. As an example, this present Congress borrowed 18 billion dollars from the privately owned Federal Reserve Banks. Paradoxical as it may sound, these bankers had more money the day after they loaned this credit than they had before the loans were made. Why? Because they manufactured the credit.

NO REAL DIFFERENCES IN PARTIES.

"Who is so ignorant as not to know that those who concentrate the wealth of the nation and exploit the people have been so powerfully organised as to secure the nomination either of a Republican or of a Democrat representative to do their bidding? The Democrat may differ from the Republican on questions of tariff, child labour or public works. But he never differs from his political opponent on the question of keeping the moneychangers safe in their present position. He never differs on preserving intact the Federal Reserve Banking System, which, contrary to the Constitution, permits a small group of citizens to coin and regulate the value of money in this nation

to the detriment of the great mass of citizens.

"It is necessary to sketch this sordid history for you. It is imperative that before we can drive the moneychangers from the temple of America, first we must drive the moneychangers' servants from the halls of Congress . . .

"Why should we tolerate the continuance of a system of finance that exacts a graft of 50 cents on every dollar earned by the American public, when Congress can print its non-interest-bearing bonds to do the same work of building roads, feeding the poor and every other public activity at half the cost? The billions of dollars to be paid the bankers in interest is the difference between prosperity and depression.

THE ONLY SCARCITY

"Be alert to the situation which confronted our parents and which confronts us. Our parents failed to understand it. We do know about it. Thus, there is only one scarce thing in this nation. It is money. In its final analysis, the amount of money in the nation depends not upon industry nor upon manufacturers. It depends upon the policies of the Federal Reserve Banking System which are designed to keep it scarce because the owners of

BELIEVE IT OR NOT----

If every person in Australia were to carry in his or her pocket an extra £3, the banks would have no money at all, and they couldn't pay anyone.

these banks design to grow fat on tax-exempt bonds which they buy with no other money than that of an ordinary cheque behind which there is no real money. These bankers are the nation's privileged manufacturers of money, and through this privilege they have reduced our nation to financial bondage.

"First things come first. This reform must be accomplished before a living, annual wage, an adequate supply of money, a halt to disastrous taxation and a stable prosperity can be contemplated.

"The wealth of this nation cannot be distributed equitably if the highway over which it must pass is guarded at the toll gate of the Federal Reserve Bank—a toll gate which has been built on the public highway of prosperity, contrary to justice and to our Constitution.

"The history of the past twenty years with its depressions, its sorrows, its wants in the midst of plenty is too eloquent a witness to permit of a contrary judgment. We know that 3 billion dollars has been the annual profit for all Americans combined in our best year. This year it will be less than 2 billion dollars. This year more than 1 billion dollars—more than one-half our profit—must be paid in interest to the bankers because Congress has failed and still fails to perform its duty of coining our money. Shall we continue paying tribute to these legalised counterfeiters?

"Briefly, my friends, that is the reason why the National Union for Social Justice is organising in congressional districts."

NOT A POLITICAL PARTY.

Fr. Coughlin does not plan to form a new political party.

"If we planned to be a political party," he said in the same broadcast, "we would plan to place candidates in the field for congressional office. This is foreign to the concept of the National Union. If we were a political party we would be opposed to both the Republican and Democratic parties and to every other party in public life.

"As a matter of fact, we seek no candidate for political office. Candidates must seek us. Be they Republican or Democrat, we care not. They

are pleasing to the National Union not because they are partisan in some political group but because they openly and vigorously uphold the principles of social justice and support the policy of restoring to Congress its constitutional right of coining and regulating the value of money; the policy of financial freedom.

"We believe in perfecting the two main political parties in this nation. We believe in rescuing them from the ward heelers of the financial world. We do not believe in attempting to establish a third or a fourth party, which will only succeed in adding confusion to confusion.

"Who denies that these already existing parties require purging?"

"Have they not both fallen under the pomp and power of financial and industrial interests?"

"Have they not both succeeded in nominating candidates who, generally speaking, proved to be subservient to the vested interests of wealth and affluence?"

"Have they not both written a record of betrayal of the people simply because the people were indifferent and disorganised; simply because the small minority of unseen overlords were well organised to control the press, and the elections?"

NECESSITY FOR INTEREST IN POLITICS

"We gladly confess, however, that the National Union is keenly interested in politics because, in a democratic country, politicians make or unmake laws which touch intimately the lives and the very souls of our people. We are interested in the selection of lawmakers upon whom our welfare depends and without whom the social injustices, so prevalent today, cannot be wiped out. The derelict aged whose sunset of life is clouded by the despair of insecurity, the labourer who has been denied a just share of industry's profits, the farmer who has been forced by an iniquitous economic system to follow his plough at a loss, the small industrialist who has been crushed to earth by the cruel heel of unjust competition—all cry to heaven for redress—a redress which can be had in America, under God, only through the political instrumentality of Congressmen who will heed their cry! . . .

"Personally, I have faith in many men who offer themselves for congressional office. With foreknowledge of your support, men of high principle, of sterling character, men whose hearts are filled with a love of their people rather than with a love of their party, will offer themselves for nomination at the primary elections. These men must be supported because of their advertised principles.

"In this struggle, therefore, the members of the National Union have a double battle to fight. The main issue common to all of us is to drive the moneychangers from the temple. Before this can be accomplished, however, we must drive from public offices those Representatives and Senators behind whose skirts the moneychangers hide.

"The National Union is concentrating upon this battle. Will you help keep America for the Americans or are you satisfied to go to the polls on election day and be forced to vote for either Mr. Tweedle-dum or Mr. Tweedle-dee, both secretly pledged to serve the moneychangers?"

"Upon this basis I ask you to volunteer in your community to organise your neighbours, your fellow labourers, your friends, irrespective of race, creed or political party in the most glorious crusade of our age!"

METHOD OF ORGANISATION

The method of organising the National Union outlined by Fr. Coughlin was the formation of small units, numbering not less than 100 and not more than 250

voters, and he made his first appeal for voluntary organisers from amongst members of the Union. "If each unit of the National Union for Social Justice is limited to 250 members," he said, "there is a possibility to organise 280 groups in each congressional district. With several or 100 groups in existence, we avoid the probability of a clever politician gaining control of the congressional district. Moreover, with small groups, there is the advantage of knowing one's fellow group members and of each member's having an opportunity to discuss his problems with the group or unit. There is the further advantage of actually knowing the men or women whom you will elect to act as your group president, vice-president, secretary and treasurer. The small unit is the democratic method of organising . . .

"There will be several groups or units in the same congressional district. By the end of February 1936, the names of these group or unit presidents will be listed at our central office. These units presidents, together with all the officers of every group in one congressional district, will be notified to meet for the purpose of electing Congressional district officers who, in a democratic manner, will be responsible for the solidified, harmonious, unanimous activities of all members living within that congressional district for the election of your Representative to Washington."

RUSH TO ENROL.

Three weeks after speaking thus, Fr. Coughlin, on Sunday, January 5, was able to make the following announcement, dealing with developments from December 17 to January 3, covering a period of twelve working days:

"Undoubtedly you are desirous of knowing, how the various States are progressing in registering formal memberships in the National Union. Our office has compiled for me the accurate report of the number of units in process of organisation in 25 of the 48 States. These States represent 302 of the 435 congressional districts in the entire United States."

(Then followed a list of States, numbers of units, and numbers of congressional districts, headed by the State of New York, with no less than 8945 units already in process of formation.)

"To summarise these statistics," Fr. Coughlin proceeded, "52,677 units of the National Union are already either formed or in the process of formation in these 25 States over a period of twelve working days. The ladies and gentlemen engaged in this crusade have not been personally solicited. In every case they have volunteered their services and have pledged their determination to labour until success crowns their efforts.

"If we grant a minimum of 100 members registered in each unit, the National Union potentially has listed at least 5,267,700 members" (voters) "before it is one month in the field."

READ

"SOCIAL CREDIT"

OFFICIAL ORGAN OF THE
SOCIAL CREDIT SECRETARIAT.

163a Strand, London (Chairman,
Major C. H. Douglas).

Authoritative News and Views of the
World Movement for
Social Credit.

Subscription Rate, 11/- (sterling)
for One Year. Single Copies 4d post
free may be obtained from the
Douglas Credit Movement, Block
Arcade, Elizabeth Street
Melbourne.

Printed by H. E. Kuntzen, 309-319
Lonsdale Place, Melbourne for the New
Times Pty. Ltd. Elizabeth House
Melbourne.

NOW ON SALE

The Story of Money

And Its Management

(Reprinted from early issues of "The New Times.")

64 Pages —1/-; Posted, 1/1

"The Story of Money" will be an invaluable handbook to all students of money and all advocates of monetary reform. Entirely free from technicalities and economists' jargon, it sets out how our present money system has grown from its earliest beginnings to its present state. It explains the shortcomings in today's monetary workings, why we have destitution amidst surroundings of plenty, why individuals are driven to bankruptcy and nations to war. It sets out the simple principles of monetary reform.

This will be an excellent work to put into the hands of any businessman who vaguely knows that something is wrong, but does not know what or why.

Order your copy from
NEW TIMES PTY. LTD.
Box 1226 G.P.O. Melbourne.