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Finance Fills Our Empty Spaces—With War Propaganda

While Labor Dozes on the Door Mat

To those comparatively few people who, after reading any other than the racing or market columns of a newspaper, pause to make calculations, the last few weeks have provided a most interesting object lesson in successful propaganda. The propaganda itself has not been a bit clever. At least it has been of the type that any person who reasons could blow sky high. But skill has been displayed in the appeal to an emotion which over-rides reason—the emotion of brute terror.

In this particular case the fear to be stirred up is the old bogey of the Yellow Peril, the long since discredited idea that Japan is sharpening her tusks preparatory to swallowing Australia. It matters not that Japan, had she wished to do so, could have occupied this country towards the end of the last war, almost without firing a shot. It matters not that eminent military authorities have over and over again scouted the whole idea as ridiculous. It matters not that no one has yet attempted to prove that Japan would find it more economical to grow wool in Australia herself rather than to buy it at a price which for years has only got our farmers further into debt to the overseas banks and pastoral companies to whom our sheep men (like our other primary producers) are little better than serfs. It matters not that our utmost measures of defence against a Japanese invasion, if it really took place, would be childishly inadequate. And it matters not that Japan has for years shown her interest to lie in adjacent Asia rather than in distant Australia. In spite of all this, our people still shiver as readily at the cry of "Yellow Man" as they did years ago when as children they were threatened with Jimmy Governor or The Gypsies.

Have you attempted to analyse the press campaign of the last month or two? Here are some of its most recent outstanding topics:—

OUR EMPTY SPACES

Pretended storm over Phillip Gibbs's utterance—all intended to keep the subject in the foreground. British commission to investigate. Editorials in press. Comic relief provided by Billy Hughes on birth control—a matter that should have been handled by Joseph Aloysius Lyons, himself above reproach as a sire. Press maps to show Japan's expansion—and incidentally also illustrating that, except for the Pacific mandates, which she picked up for nothing at the end of the war, every step she has taken this century has been to the north or the west. Japanese issue kept before us by constant silly stories about sampans, varying from one tale, that every man aboard is an officer in disguise, to

another, that they are half-naked savages. This story might be told a hundred times more frequently and more truthfully about the half-naked young savages whose favourite hobby is stealing Yarra "sampans" (otherwise canoes) and raiding riverside properties within a few miles of Melbourne G.P.O. What is the Defence Department going to do about this?

IMMIGRATION.

All these scares inevitably pave the way for a renewal of immigration discussions. But what lopsided discussions they are. For a generation it has been drummed into us that, first, our cities are too big (see any issue of the *Bulletin* this century) and, second, that our risks lie in our sparsely settled backcountry.

In so far as settlers born overseas have developed our agricultural and grazing lands, whence have these come? North Queensland, the rich tropical country nearest to Japan, has mainly attracted immigrants from Italy. The dairying districts in the various States have been developed principally by the Germans and the Irish. The Scots have had a big say in the wool industry, and so on.

In so far as the English have gone on the land in recent years, their most noteworthy contribution has been to provide that band of disgusted settlers (rightly disgusted, too) who have given us quite a lot of questionable publicity with their sandwich boards in the vicinity of Australia House. And, with English farmers now protected, it is inevitable that further immigration from England to Australia should come from displaced industrialists—apart from the perennial influx of English finance "capital" which now effectively controls most enterprises worth having in the Commonwealth.

But, with all the newspaper furore about the necessity for filling our empty spaces, what steps

are being taken to attract the types of settlers who would really fill those spaces? Absolutely none. All the talk is of bringing out displaced English factory workers to resume in Australia their interrupted role of being sweated in the interests of the financiers who now own the factories from which the real industrial owners of a generation ago have been ousted.

What a mockery to call this filling our empty spaces!

THE REAL NIGGER

Emerging from these carefully constructed woodpiles at last comes the real nigger—the expenditure of bankers' interest-bearing money on armaments.

We have just seen how in England a people who were led to believe that they could not "afford" to do all sorts of urgent things for which both workers and materials were available—such as dealing properly with slums—have accepted without question the provision of about £300 millions more of national debt in the sacred name of defence—the defence of what Professor Soddy has satirised as "the Empire on which the sun never sets and the slums of London on which the sun never rises." And there is little doubt that a similar plot is afoot for Australia.

Already the shadow of a re-imposed conscription hangs over us, and, as noted on this page a fortnight ago, the political Labor party, which might have been expected to raise some sort of protest against the ramp, is tucked up in bed and sound asleep. It wants only a few months more of Labor's tacit admission that it no longer counts as a national force, and we may expect to see our sons once again preparing to be gassed and gutted in worse horrors than befell 60,000 of their uncles twenty years ago.

But the military training, though its sequel is likely to be torture and death to the trainees, is only a pawn in the financiers' game. The

real purpose of these wicked drones is to retain control of our money supply, which is the secret of their power and their profits. Owing to the displacement of men by machines they are no longer able to issue, as loans to industry, enough money to go anywhere near sufficing for the consumption of industry's output. Loans for new factories are too risky, as present factories are not working at anything near capacity. Loans for large-scale housing are similarly out of the question, since the people cannot afford to buy the houses, nor even, in most cases, to offer reasonable assurance of paying rent.

Hence the bankers have no alternative to issuing the money as national debt. But here again there is an obstacle. Government expenditure means increased taxation and, as we see by daily evidence on all sides, it has become increasingly unpopular. Protests are pouring in, not only from the unconsidered public, but from Big Business—as witness this week's deputation to the Prime Minister. So "defence" becomes the last resort. Defence, therefore, it must be.

DEFENCE AND BIG BUSINESS.

Defence expenditure is good strategy. It appeases Big Business. It means the spending of vast sums by governments in a way that does not compete with private business interests. It means big government contracts to many businesses, and the spending of money with all businesses. It is particularly acceptable to the almost all-powerful Metal Gang (so fearlessly exposed by Frank Anstey during the last war), who benefit very little by ordinary dole distributions, but who benefit enormously from armament orders.

It means, you will say, more taxation, like any other form of government borrowing? To be sure it does, but it provides better

opportunities, as the last war orgy showed, for profiteering, while at the same time there are more effective consumers in "work" to whom taxes may be passed on.

DRAGOONING THE PEOPLE.

And there is a final advantage. Expenditure on arms is "patriotic." It stirs up the people's passions; it lowers their reasoning capacity; it welds them into a mob to be driven as a mob. It tends to abrogate civil law and to substitute military law. It converts a strike into treason or mutiny, it justifies deportations or imprisonments without trial, it inflames "patriotic" juries, it suppresses free speech and the last remnants of a free press. Above all, it leaves High Finance enthroned without criticism; Big Business, for the time, does not want to criticise, and no one else dares.

This is the peril, which is imminent upon our people. The demand for monetary reform is growing so widespread and is becoming so insistent, the mockery of the present Monetary Commission is so patent to anyone who reads the press reports, that the powers that rule Australia are tottering in their seats. Monetary reform—the making available of sufficient national money, as distinct from bankers' interest-bearing money, to enable us to buy all our own goods or to exchange our surpluses for real goods rather than for "favourable" trade balances—monetary reform of this type would abolish the fear of war. It would like-wise abolish financier rule over producers, consumers and governments alike.

If the so-called leaders of Australian Labor only had the clear-sightedness or the resolution to come out (not just before the next elections, but NOW) with a policy of monetary reform similar to that put forward by New Zealand Labor (as also by Tasmanian Labor), they would be assured of strong support by vast numbers who have never voted Labor in their lives before—just as New Zealand Labor received similar support. They would also have the great majority of the farmers behind them, forcing the political Country party to endorse the demand for community control over the community's money supply.

Finance sees this, and Finance, while the Labor party is dozing on the doormat like an aged domestic pet, is already in the thick of its press propaganda for the counter move. Finance is out to side-step Australian Labor at the next elections in the same nimble way as it sidestepped English Labor at the last British elections. And, as things are at present, it looks odds on Finance, its Japanese sampans and its empty spaces.

Because the real empty spaces are where our brains ought to be.

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*The Editor of the "Argus,"
Melbourne,*

Dear Sir,

You really ought to pay a little more attention to the sub-editing of your paper.

Monday's issue contained this from your Sydney correspondent: "Suburban storekeepers complain that their trade has experienced a fall of the kind described in sensational drama as a dull, sickening thud." The cause is the cessation of Government relief works. Some of the suburbs for a time had a considerable sum of money every week to be reticulated through the channels of local trade, and now there is none. It does not appear that the condition will quickly alter." If this means anything, it surely means that prosperity depends upon Governments disbursing money, which they obtain from some source other than private industry. That source, in accordance with your beliefs, must of course be borrowing.

Yet on Tuesday your leader writer wrote: "There is certainly no indication whatever of returning prosperity in the fact that Governments are willing to borrow." What a doleful prospect your paper

holds out for us. On Monday we can't have prosperity without borrowing, and on Tuesday we can't have prosperity if we do borrow. Would you please tell us how in the name of goodness we are ever to reach this long promised goal—is it, perhaps, by drinking more milk?

The point that appears to have got you all hot and bothered is this question of money, to which your Tuesday editorial referred as a "commodity." As long as you believe that money is a commodity, then it logically follows that its supply is limited, that it is something to be competed for, that interest rates must rise if there are more people seeking it, and that if governments get it private industry must go without it—even to the extent of leaving the tower on the "Argus" building unfinished for another generation. But if money is a commodity you might care to explain this: The customers of our Australian banks are today holding receipts for about £550 millions of this "commodity"; in visible legal money (notes and coins) the banks are holding only a little over £20 millions, and there is in existence a total quantity of only about £55 millions. Who manufactured the rest of this "commodity," and at what cost? It wasn't the public! And it wasn't the Government!

THE NEW TIMES

MR. CHALK GOES TO THE BANK
A Lesson in Elementary Finance

By DOMINUS

Mr. Chalk knew little about money beyond the difficulty of getting enough of it and the ease with which it vanished. For thirty years he had received at regular intervals a handsome ticket for which he had received other beautiful tickets and tokens. He had initiated numberless juveniles into the intricacies of various operations in money. He had always thought of this money in terms of notes and coins; and it is certain that his pupils had done the same.

Recently he had taken charge of a larger school, and was now in the sacred precincts of the BANK for the purpose of opening an Official Account wherewith to pay his staff their portions of the salary represented by the ornamental ticket received that morning, a ticket signed and countersigned by officials of the Department.

It struck him that several hundreds of these attractive tickets had that day been received by his confreres throughout the State. He wondered vaguely at the mysterious process whereby the Department had acquired the right to broadcast these messages of cheer, inconsiderable so far as concerned the individual, yet of some magnitude when totalled.

There was on his staff a young man whom he good-naturedly designated as something of a crank. He had listened to much talk about currency, distribution, incomes, purchasing power, inequality of wealth, the incubus of the Banks, the equating of income to production, under-consumption, and a mysterious theory called Social Credit. He knew that there were among his pupils a large number of children whose daily lives were closely concerned with these questions, and he whole-heartedly desired a social system whereby poverty

would be non-existent. Withal, he was beginning to wonder if the extraordinary ideas of his "crank" assistant had not some thing to recommend them.

And now behold him at the Counter. (Somehow it did not seem a mere counter—that was suggestive of a grocer's shop.) He handed over to the Prince-in-disguise his very handsome ticket, and marvelled at the nonchalance with which that dignitary blue-penciled it. For a few dizzy moments he had to his credit upwards of £100. But presently ten members of his staff would present for payment or pay into their private accounts other tickets, which he had distributed among them, and which would have the effect of lowering his credit to less than £20.

He now presented to Mr. Dignity another ticket, representing the balance that was his in his own right. For this he received sundry other tickets, even more ornate, and other money tokens, which would presently be transferred to divers trades people up the street. He timidly asked the Prince what was the effect of the zigzag blue line he had carelessly inscribed on the ticket bearing his signature.

Prince: "Cancelled."
Chalk: "Cancelled?"
Prince: "That's what I said."
Chalk: "Er—do you mean cancelled?"

Prince: "Exactly!"
Chalk: "Then it isn't money any longer?"

But the Prince, with a withering look, turned to the next Client, who had in his possession quite a large number of tickets.

Somewhat bewildered, Mr. Chalk was turning away when the door of the Manager's room opened, and Mr. Ledgers cordially asked him to come in and become acquainted. He entered

the inner sanctum with due respect, for he was aware that as a rule it was reserved for the Great Ones among the Bank's clients. Mr. Ledgers explained that he always liked to make himself known to his clients, and installed Mr. Chalk in a very comfortable chair.

Mr. Chalk was visibly affected by the geniality of his host, and was subconsciously contemplating the tentative mention of an Advance, when he remembered Mr. Ledgers was a representative of the Financial Interests which had some years before been the occasion of causing a shrinkage in his salary from which it had never recovered. At this stage, Mr. Ledgers came to the point by asking him whether he could see his way to give his private A/c. Current to his (Mr. Ledgers') Bank.

Now, Mr. Chalk's A/c. Current had, since the introduction of the Premier's Plan, undergone a change whereby the discouraging letters O/D appeared with monotonous regularity opposite the successive entries in his Passbook. This arrangement had given him some idea of the principles of the Financial World, for his only visible wealth, an Insurance Policy, had for some years reposed in the imposing building in Collins St. which had once been proudly hailed as the People's Bank.

However, not wishing to lessen the apparently good impression he had made, he deemed it politic to restrict his reply to the statement that he had had his Account in the Commonwealth Bank since its inception. Whereupon the following dialogue ensued:—

L.: "Do you believe in State banking?"
C.: "To some extent."

L.: "And would you wipe out the private banks?"

C.: "By no means; they serve a useful purpose in the community by keeping accounts." (He was reacting to the arguments of his assistant.)

L.: "But what about our other activities? Look at how we served the country during the Depression!"

(Mr. Chalk reflected that he and his fellow public servants had done their "bit" towards balancing the Budget by accepting "cuts" and paying unemployment and other taxes.)

C.: "Well, it seems to me that the Banks so act as to lessen the amount of money in circulation at the very time when an increase is most needed—witness the Premier's Plan, which reduced my spending capacity by £90 a year. By the way, what other activities do you refer to?"
L.: "Well—er—to advances made to our clients, including the Government."

C.: "What tangible wealth lies behind these advances?"

L.: "Why, sundry securities—title deeds, Government bonds, and so on."

C.: "But couldn't a national institution, established by the Federal Government and backed by the whole wealth of the Commonwealth, make similar advances?"

L. (showing signs of apoplexy): "Why, look at Lang! What a mess he made of a State Bank!"

C.: "But was not the trouble caused by a simultaneous demand made by the clients of the Bank for a return of their deposits?"

L.: "Yes; but he couldn't pay and had to close the Bank."

C.: "And wouldn't your Bank be in a similar position if all your clients simultaneously presented cheques against the deposits shown to their credit?"

L.: "Most certainly not!" (Producing a ponderous book.) "Look at our Government securities."

C.: "But if my modest Account had a credit of £10 and I presented a cheque for that amount I shouldn't be content with a Government Bond; I should want cash!

L.: "And you would get it."

C.: "But if this demand happened, how much could you pay in the £?"

L. (proudly): "Twenty shillings!"

Interval while Chalk recovered breath (for obviously either the Manager didn't know his business or the "crank" assistant was a romancer of the first order).

C.: "But I've been told that the total of notes and coin in the Commonwealth amounts only to about 55 millions, while Bank Deposits stand at about 550 millions. Are those figures correct?"

L. (looking somewhat thoughtful): "Well, now you mention it, I believe they are approximately correct."

C.: "So the Banks could pay only about two shillings in the £ in response to a simultaneous demand by their depositors—that is, assuming that they had all the currency in their possession?"

L.: "So it would seem."

C.: "Then you would be in the same position as Lang?"

L.: "Ah, but our Banks are so stable that there is no possibility of a panic to cause such a simultaneous demand. You surely don't object to the Banks issuing credit in excess of their cash holdings? And we must put some limit upon the amount."

C.: "That seems to me the crux of the situation. I recognise that the powers of the Banks are circumscribed by the need for observing a safe margin to meet demands for cash. But a National Credit institution would not be harassed by the same limit because it would have the backing of the sum total of the national wealth."

L.: "But Governments themselves need our credit accommodation."

C.: "Yes; under the present system. But why should they have to saddle the people with a heavy interest bill to Financial Institutions for a loan of credit which is backed by the people's own wealth?" (Mr. Chalk was now finding his "crank" assistant's arguments very useful.)

L.: "We have held the right to issue credit all these years; why should we be robbed of it?"

C.: "I recall the time when the "right" to issue notes was taken from the Banks, and the frenzied campaign of the dailies against 'Fisher's Flimsies'; yet the Government notes have saved the people a lot of interest. By the way, where did the Banks get this 'right' to issue credit?"

L.: "Er—well—you see, no one else was using it, and we were clever enough to adopt a way that helped to bring purchasing power a little nearer to the needs of the community to meet supply."

C.: "Well, it would seem that the Banks have had a pretty good innings, and I am beginning to think that those who are urging the adoption of Social Credit have hit upon the right solution."

L.: "Must you go?" (This with a clear diminution of his former cordiality.) "Well, come in again some day and we'll continue the discussion. By the way, I have some very interesting and enlightening books on banking, which I should be delighted to lend you."

C.: "I'm afraid they would be similar to the books I studied some years ago when doing a course of Economics at the Melbourne University, and I find they do not throw much light on present-day needs. Thanks, all the same."

Buoyed up with the pleasing thought that he had had a vic-

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On the Death of a Politician

By WILLIAM BLACKSTONE.

Note.—The reader may fill in at will the name of his State or Federal member or the name of any of the representatives of his State in the Senate.

Strange and incredible though it appear,
Our member has departed from
this earth;

Then let us shed the crocodile's fond tear,
In tribute to his worth.

How sweetly did he speak of days long dim,
And tell of insults at our fathers hurled,
And indicated that a vote for him
Might one day save the world.

The Labor Party saw him newly fledged;
The Liberals brought his genius to the fore;

Unto the Nationalists his troth he pledged,
And thereby won the war.

His life was gentle and the qualities
Of every pirate, on or off the main,
From Morgan to our surgeons after fees

In him were born again.
How gladly did he dock his humble pay,
And bear privations with a manly air;

But when the cut was lifted, on that day
You would have found him there.

Gone is the champion of the brave and free,
The nitwit's pride, the lunatic's fond hope;

How fervently we wished his end would be
A well-greased hempen rope.

Let us remember what he might have been—
The glory and the credit of our race;

For after next election will be seen
A worse one in his place.

tory that did not often come his way, Mr. Chalk stepped a little more jauntily than usual as he went back to seek some further light on Sane Finance from his assistant. His honest soul was cheered by the thought that perhaps some day soon children would no longer come to school hungry and ill clothed. And perhaps future generations of Chalks would not go in fear of spectres such as Premier's Plans. Altogether the world looked a much more genial place, and people he passed wondered at the unusually cheerful face of the Village Schoolmaster.

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THE PEARL SWORD

By BRUCE H BROWN

(By arrangement with the "Castlemaine Mail.")

Those of you who read the article entitled "Two Great Kings" will probably recall the brief reference to the arrest of his Majesty the King at the entrance to "The City," and also our promise to say more about it on another occasion.

Within twelve months we have had the spectacle of the King of the British race being arrested twice. On the 6th May, 1935, King George the Fifth was commanded to halt and he did halt. Again, last month, King Edward the Eighth was commanded to halt at the same point, and he, too, did halt. The former was during the passage of the King from Buckingham Palace to St. Paul's Cathedral in connection with the Jubilee celebrations, and the latter was during the journey of the then Prince of Wales to Westminster to be proclaimed King.

On both occasions, when the King's coach and cavalcade reached Temple Bar, opposite the effigy of a Griffin which marks the boundary of the City of London, they encountered the Lord Mayor with his mace and sword bearers decked out in gold, ermine and crimson, representing Money Power, Legal Power and Military Power. Their progress was definitely blocked. The City Marshal pranced in front of the Lord Mayor and was there to impose on the King an act of obeisance to "the City." Sir Stephen Killik took a Pearl Sword, and, advancing to the Royal Coach, held the hilt to the King, who lightly touched it. Thereupon the city dignitaries and their carriages ceased to block the King's progress and he was graciously allowed to continue.

"Quite a simple little ceremony in accordance with custom," you may say, but listen to the significance of it as given in the "Daily Express," London, on the 7th May, 1935, as follows:—

"No King of England may enter the City of London without first having that sword presented to him, hilt foremost, in token that the City Courts are agreeable to his entry."

If the City Courts are not agreeable then presumably he does not enter!

THE DICTATORSHIP OF FINANCE

This was a visible demonstration of the super-control to which even the King is subservient. It was a reminder that neither the King's Ministers nor the King himself should tamper with the instruments of the financiers of London—i.e., specie, securities, bullion, bonds, and the power to manufacture and control the people's money. It shows the supremacy of the dictatorship of Finance. This comes as a rude shock to the hundreds of thousands who thought that the King represented the people and was the head of the power of the Empire, acting only subject to the advice of his publicly elected ministers. Nothing was further from the truth. The King reigns, but he does not rule. Parliament assembles but it does not control. Governments are appointed but they do not govern. It is finance that rules, controls and governs, and Britain has become its mere vassal.

MONTAGU THE NORMAN

Finance must of course have its headquarters. From the point of view of world finance the headquarters are at Basle, in Switzerland, but from the point of view of Empire finance the headquarters are in the City of London, with Montagu Norman as the conqueror, the Bank of England as the Citadel, and the Mansion House as the Palace. It naturally follows that the Lord Mayor of the City speaks and acts as would be desired by the Money Monopoly whose professional residences are within the boundary of his territory; and it is in keeping with other things that Griffins should be used to indicate that boundary. The following description of a Griffin is more than interesting: "In appearance it is partly lion and partly eagle, and it is generally supposed to signify strength and watchfulness; the Persians have frequently shown it in sculpture as a guardian of treasure. Griffins appear prominently on the armorial crest of the City of London." The Pearl Sword is thus no idle symbol, for as we have told you before, it is on public record that in 1931 the Governor of the Bank of England (Montagu Norman) told the Prime Minister that "If Snowden goes, the Government goes." That meant that if the King's Government did not do as the Bankers desired then the Government would be dismissed. And Montagu was in earnest when he said it, as we shall see later.

Now, as far as the British Empire is concerned, it is necessary to emphasise the grave fact that the Financial Initiative and the Financial Veto of the City of London are law, actually overriding parliamentary institutions. The City of London has as one of its objectives the control of Economic Initiative and Direction in every part of the Empire by the method of suppressing private initiative, whether on the part of individuals or small corporations, and it does this by the use of the Pearl Sword known as taxation. All governments have to set and enforce their financial or fiscal policies according to the dictates of "The City." If they fail to do so, they are promptly denied access to what is called "Financial Resources," without which it is not possible for their Budgets to be balanced or for the administration even to function. In England, these "resources" are known as the "Ways and Means Account," a name which for generations has disguised the fact that the resources are neither more nor less than bank-created credit, the granting of which, under present conditions, depends on the whim of "The City"—i.e., the Bankers.

GOVERNORS OVER PARLIAMENTS.

"The City" is represented in the Government by the Treasury, and the Treasury is represented throughout the Empire by Governors-General and Governors who have power to veto any legislation which may get through Parliaments without the approval of the money monopolists. A classical example of this was provided when Sir Philip Game dismissed the Government of New South Wales, and it has been stated that some pseudo-British person made a special visit to the Governor's quarters in Sydney to tell him what to do and how to do it. The significance of that action becomes more apparent when the circumstances of the time are analysed, for it is found that Mr. Lang and his Government were not the scoundrels we had been asked to believe. History, if written by truthful men, will have a lot to say in Mr. Lang's favour. So you can see how the

Pearl Sword of finance in London swings over our heads in Australia, a land that is being bled white in the interests of "The City" thousands of miles away. If you doubt this, just give yourself the pastime of adding up the value of the total exports we have sent to Great Britain in the last 100 years and the value of the total imports we have received from Great Britain in the same period. Subtract the latter from the former and you will find that we have sent away goods to the value of hundreds of millions of pounds in excess of the value of the goods we have received. But despite this, "The City" says we are still in debt to them to the tune of nearly £600,000,000. Figure that out.

"NO COUNTRY AND NO CONSCIENCE."

Although the City of London has got us where it wants us, and even gets public obeisance from our King, it should not be assumed that it represents the interests of "British" capitalism. Whether we like to think so or not, it represents the combined policy of the world's banking oligarchy, whose members know no national boundaries where economic activity and opportunities are concerned. The Melbourne "Age" realises this, as will be seen from the following extract from its editorial of 5th February last:

"There has developed a new technique which has produced a more formidable and more objectionable scheme of private monopolisation. The international cartel has no country and no conscience, but it has tremendous power."

That's good for the "Age," and we are glad to see it waking up. No country and no conscience! It is represented by the Pearl Sword which overawes the King and which is the symbol of a sort of cosmopolitan lodge of bankers and financiers whose only allegiance is to High Finance and the worldwide control of the creation of money. Evidence already given before the Monetary Commission proves what we have written in this respect and shows how Australia is under the same control.

It is therefore becoming increasingly urgent for us to realise the unholy relationship between the ownership of money by the private banking system and the unsound economic conditions we see round about us. The latter have been imposed on us because our responsible Governments have been ignorant on the subject of money, and have thus allowed themselves to be rendered powerless to meet the needs of those who elected them.

FINANCE BEHEADS THE KING.

For 300 years this financial oligarchy has been overlaying the peoples of the world with grossness and manifesting ideas of greed and power. The process started in 1649 when an English military oligarchy, backed by the financial power of the international financiers of Lombard Street, beheaded England's King. You will be aware that they also dealt with Napoleon. It was not a coincidence that at about the same time the "Goldsmiths" changed their title to "Bankers." It was a significant development, the re-christening of the Money Terror as the wolf it is in sheep's clothing.

Since then the title "Bank" has come to be associated with palatial premises specially built to take care of people's money and savings; also as a place where money deposited by the public might be obtained on loan. Even now, comparatively few people have the faintest idea of the facts and do not realise that banks do not lend money that has been deposited with them. **What they lend they create, and what is paid back to them they destroy.**

This is how they control the volume of money available to the community. The Bank of England, for example, did not come into being because William of Orange (the King established by High Finance) or his Government wished to have somewhere to deposit money. Oh, no. It was because they were short of money and were induced to borrow it instead of issuing it. In the face of this, the man who said that the banking system was born in illegitimacy, was reared in illegality, and exists today on illusionism was not far wrong. It was founded in debt, it lives and thrives on debt, and it derives its power from debt, all of which it creates by writing figures in its ledgers. In fact, it sucks the lifeblood and the security of humanity. The depositors' part in the scheme is to provide the smokescreen of respectability to hide the swindling aspect and to conceal the fact that the system is actually a private mint.

THE CODLIN MOTH IN THE APPLE

What a pity it was that the King did not kick the Pearl-swordman in the pants or put the sword into him and say something like this: "Away with you and your cosmopolitan money-mongers who are destituting my subjects throughout the Empire. I am their King and they are inheritors of the widest and wealthiest empire the world has ever seen. It is neither necessary nor justifiable that any one of them should be deprived of that which would make them economically secure and mentally content. I am determined in their name to resume control of British money and to release them from debt and distress." These cosmopolitan money-mongers, who have no country and no conscience, have their hive in the City of London, away from the Power of the Realm, like a codlin moth in the heart of an apple.

Australia, like other countries, is suffering from two diseases. They are taxes and debt, and both are the product of the private Money Monopoly. Money power is based on taxes, and this power is reflected in debt. Government "loans" are talked about because that sounds better than Government "debt," and this is why we hear so much of the Loan Council and borrowing, and so little of the resulting debt and taxation. All the blether about the banks protecting "Australia's Credit" is intentionally directed towards securing the continuance of the existing swindle by which a private monopoly creates public debts and obtains payment of interest on them through excessive taxation. From this you can see that politicians who advocate public loans should be ticked off at once as thoroughly hopeless in securing relief from the burdens, which oppress the people.

Today the dominant question is how to secure the effective distribution of the great abundance of physical resources and general production of this country, all of which have been made available to the nation by knowledge and science with a decreasing need for human employment in the ordinary acceptance of the word "work." Money is the distributing instrument, and it is obvious to thinking people that the efficiency of our distributive organisation depends absolutely on the control of this instrument, combined with a knowledge of how to make it function so that the people may get the benefit of the natural resources and obtain the production referred to, instead of being locked out from them through the absence of money. To rectify this, the first necessity is for the National Parliament to exercise its sovereign power over the manufacture and control of money, as with out this all else is futile and the money monopolists will continue to arrest the King and to suppress his people.

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W.M.H.-A Tribute

By L.W.M.

Billy Hughes is on the ramp again.

Birth Control, this time. Military Training and Baby Welfare not so long ago—but that's like Billy Hughes, whose infinite variety out-pats the notorious Cleo.

Well, how much does Billy Hughes know about this modern problem? Judging by his comments in Saturday's evening press—nothing. But you can't judge politicians by what they say.

With typical political sapience he tells us "our need for more people is at once imperative and urgent." That's rich! Thousands of workers on sustenance and foundlings crying aloud for homes! And "our need for more people is imperative..."

But before you impatiently kick the cat out of the way and stride into the kitchen to tell the wife that he is talking out of his hat, remember the warning. Billy is a politician after all.

"In Australia economic conditions are not the principal cause of the use of contraceptives and the widespread unwillingness to accept parental responsibility." This from the one-time giant whose broad knowledge of human nature, whose love of justice impelled him to fight so strenuously against the ignominy of the death penalty in the Australian forces!

Do you think he is losing his punch? I admit it seems very much like it. If he were just a plain social reformer instead of a politician—and an astute politician at that—I'd be convinced of it.

"Surely," he goes on, "we must create conditions economic, social, and moral, which will correct this ever-increasing tendency to reduce the flow of life." Spoken with typical political regard to the value of generalisation. No, William Morris Hughes is not losing his punch. "Insofar as government action can encourage people to bear children by lessening the economic deterrents it is essential that action should be taken." What politician has ever said more—or less? "Anything which discourages child-bearing, whether it is the burden of taxation, the cost of hospital nursing and medical attention or the limitations on the payment of maternity allowance will have to be thoroughly examined with a view to its alteration."

There you are. Now then, all you economic Blondins balancing yourselves selfishly on the bread-line go to! Take the plunge. All shall be well. And you, denizens of our festering slums, put forth a nobler effort. All shall be provided for—by taxation allowances or free medical attention or a bigger baby bonus or a miracle or something. Let's have a bigger and better "flow of life."

It will be noticed that Billy Hughes says nothing about a *better flow of money*. He apparently does not connect our falling birth rate with a restricted currency controlled by a monopoly of private individuals for their own power and gain. He does not say: "Let us give to the people what is rightfully theirs—the credit of the nation. Let us destroy this fear that is ruining the lives of countless thousands and compelling the best of our population to forego the natural joys of parenthood." Of course he doesn't. Nor does he say anything about a National Dividend, because Billy Hughes is not a social reformer, but a politician who, as such, certainly knows his stuff.



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Mimic Warfare on the Bankster Front

The March madness is now in evidence on all sides. The Drink More Milk campaign is in full swing, with nobody inquiring how the people are to get the money to pay for it. And a further exhibition of insanity is provided by the attitude of public men and daily press writers towards the latest banking ramps. Only from one source, and that an unexpected one (we shall refer to it directly) have we seen a single sensible protest.

We are not concerned here to examine the alleged reasons—such as our "excessive" rate of "recovery"—behind the Commonwealth Bank's selling Treasury Bills to the public and the "defensive" action led by the Bank of New South Wales in raising interest rates. These gestures come very opportunely to give an appearance of substance to the "competition" of the banks, as paraded before the present Royal Commission—but our readers have had salt on their tails before.

It may not be out of place, however, to remark on the suggestion that the raising of interest rates is caused by the attempt of the banks to keep their deposits from "flitting away," as Royal Commissioner Abbott would say. Actually, of course, the ideal position for a private banker, if it were possible, would be for him to have *no deposits at all*. Deposits are the banker's bugbear arising from his granting of overdrafts. These latter give him a perpetual income from usury secured by a mortgage over the people's real wealth; and, were it not for the deposits which they cause to flow back to him, they could be extended indefinitely, since they cost him no more than paper and ink (his employees' salaries and his office buildings being paid for simil-

arly). But the deposits, unfortunately for him, are also *claims to legal tender money*, which constitutes the crux of banking problems. For the banker has never more than the merest fraction of the legal tender needed to meet his depositors' legal claims for it. Hence he is driven to part with a portion of his usurious profits and to allow interest to depositors who agree to defer their claims, that is, to transfer their current account balances to fixed deposits. And experience has shown him that his swindling business becomes in grave danger of exposure unless he can steer about two-thirds of the claims against him into the fixed deposit pen.

For over a year our bankers have been disturbed at their failure to do this. Whereas in September 1934, non-interest-bearing deposits (or immediate claims to legal tender) in the trading banks in Australia were £97 millions, and fixed deposits (or deferred claims) were £192 millions, the position had, from a banker's point of view, so far degenerated last December that the proportions were respectively £109 millions and £179 millions.

It will be noted that this position has no necessary bearing on the real wealth, which a country is producing. Or, in so far as it is affected by genuine wealth production, the usual thing is for people, when they have a little extra money (even if they only get it from increased national debt) to leave more lying in current accounts or to carry more legal tender about in their pockets. Hence it happens that prosperity, real or fictitious, always tends to cause a banking crisis.

This brings us to the one sensible protest we have already referred to. Strangely enough, it comes from our old friend, Professor Copland, in whom we seem to see twinges of conscience for the part he played in the degrading of our fellow-countrymen when the last bankers' depression was engineered. Discussing the latest move in Tuesday's *Herald*, the Professor said that it would be a great pity if "certain technical aspects of the banking position" were to result in "moderating too greatly the rate of recovery." We can forgive that last phrase for the sake of the first, for Professor Copland is indicating, probably as plainly as is prudent for him, that further deflation is being forced upon our unfortunate people merely to extricate the banks from a show-down.

But who else, of our speakers or financial writers, has displayed the least intelligence or asked a single pertinent question in handling the subject? Just consider this from the Melbourne Star's editorial of Monday: "That interest rates are rising proves that those best qualified to judge believe that the time has arrived to damp down the

tendency in some directions towards boom like conditions." What a masterpiece!

Similarly, the action of the Commonwealth Bank in selling Treasury Bills to the public, and thereby extinguishing bank deposits, will serve to damp down the tendency to boom like conditions. By lessening bankers' deposits ("bank cash") in the Commonwealth Bank, it will also bring about still further deflation.

Leaving aside, therefore, all the current talk about the Bank of New South Wales "torpedoing" the Commonwealth Bank, the main features which emerge are that the trading banks need further deflation on account of "certain technical aspects" (as they did in 1929); that the Commonwealth Bank, in selling securities to the public, is embarking on this course of deflation; and that the Bank of New South Wales, by taking the lead in raising interest rates, is both attempting to block the cash resources of the community and inevitably paving the way for higher taxation and higher all-round costs—which presumably are to be met from the diminished cash available.

For months past, while the rest of the press was babbling about recovery, we have been warning the community that further deflation was impending. We now invite our readers (as is indicated in our front page article in this issue) to watch out for the next boomlet, and to see whether it will not be through bank loans for war preparations (if not for war itself)—interest rates, of course, being higher, so that the banksters may play their patriotic part.

DOCTORS CAN NOW SEND HEART BEATS BY POST TO SPECIALISTS

New Invention to Revolutionise Sound Reproduction

Thanks to a remarkable invention, which is likely to make the gramophone obsolete, says "Reynolds's Illustrated News," paper records of patients' heartbeats can now be sent to specialists for consultation by post. It is believed that the device will revolutionise the entire system of sound recording and reproduction.

In the new invention, a "needle of light" takes the place of the ordinary gramophone needle. The recording is made on paper—any kind will do, even a sheet of newsprint—and the sound is amplified through an ordinary radio loudspeaker.

M. Georges A. Rubissow, of Paris, European agent for Senor Fernando Crudo, an Argentine engineer who invented the device (known as the "Fotoliptofono") is at present in London.

He has the patent rights in his pocket, and experts who have examined the device are impressed by its possibilities.

RECORDING LAW CASES

"Senor Crudo has been working on the invention for six or seven years," said M. Rubissow, "and has now overcome all the major difficulties.

"The 'Fotoliptofono' is now a decided improvement on the gramophone for recording sound all scratching being eliminated owing to the absence of metallic transference, as with the gramophone needle.

"The making of the 'records'

is absurdly cheap, and there is, of course, little wear and tear, except in the handling of the paper. The reproducing machine will cost between £6 and £10, though later it may be possible to market it more cheaply.

"An advantage of the paper records is not only their cheapness, but their convenience. They can be used for business and telephone conversations, and there is no reason why they should not later be used for recording law-court decisions and Parliamentary speeches."

M. Rubissow demonstrated the "Fotoliptofono." A film of photographic sensitized material, about 17in. by 20in., is wrapped round a revolving cylinder. This is rotated, and while one speaks a fluctuating beam of light, controlled by a microphone, slowly moves over it.

This forms a negative, from which a block is made, as in ordinary newspaper illustration work.

The block is then printed on the paper, and it does not matter if the paper has been printed on already. A sheet of newspaper is quite satisfactory, although good quality paper is obviously advisable.

Ordinary printing ink is used and the impression is a series of parallel lines of irregular width. They are, in fact, printed "waves."

To reproduce the sound, the (Continued on page 8 column 5)

TROUBLE IN JAPAN

By N.B.

According to the newspapers, the incidents, which have recently occurred in Japan, were the result of the over-eager energy of the younger officers and soldiers, indicating a growth of the warlike spirit. The press also shed tears of sorrow that these headstrong young fellows had tried to break away from the control of the charming "moderates" and the "peace-desiring" old men.

We do not believe it. The military authorities of Japan are fully aware of the secret of the money swindle, and in this respect they show more intelligence than the military leaders of other countries. They also know that Russia is controlled by the same international Financial Power that runs Britain and France; that under the present state of this monopolistic, world-wide control of money, natural resources are necessary for the life of any nation; that Japan needs these raw materials and must secure them in China; and that these so-called "moderates" of the banking, financial and commercial crowd have no objection to "a little bit of war" but live in dread of a really big one.

Most of you will have noticed that of the men assassinated the leading one was a banker who had been robbing the nation of its credit, and also that the "moderates" have arranged for him to be succeeded as Finance Minister by the president of the same bank. Takahashi was one of the three Japanese banker-millionaires whose method of making money is well

known to the military. Of the other two, Mitsui, probably the wealthiest man in all Japan, is intensely hated because his banking and commercial organisations ruthlessly prevent other individuals from establishing or building up commercial interests. He can be compared with the united banking and commercial monopolies like the metal, pastoral, sugar, gas and tobacco in Australia.

From an authentic source last year we learnt that a military instruction was issued to "big business" that if the national credit of Japan was used against the interests of the Japanese nation action would be taken to prevent it. In view of this, our reading of the occurrences is that the younger military authorities, whom we believe are cognisant of the money swindle, wanted armaments to extend Japan's territory by conquest, such territory being necessary as a source of raw materials and a protection for the Japanese nation. They did not want armament manufacture merely to be a money-accumulating procedure for the commercial monopolistic interests.

Geographically, Russia dominates the world, and, as we have already said, Russia is controlled through finance by the same power that controls Britain and France. The "Oriental Economist," published in Tokio, disseminates much the same dope as we get in the British "Economist," published in London. Most of its advertising space is taken up by pictures of palatial Japanese banks and financial houses. All the Western jargon about paid-up capital and reserves, reserves to advances, etc., is included in the banking reviews. Honourable mention is made of the First National Bank (Dai Giuko), and the Bank of Japan (Nippon Giuko), Takahashi having been the head of the latter as well as the controller of the Government. He held both political and money power, and we have shown from time to time that bankers know no race, no nation and no person. The Bank of Japan is to Japan and Manchuria what the Bank of England is to the British Empire—viz., its dictator, and the general trend of its policy to consider Japan as a secondary thing where the interests of the international money monopoly are concerned would naturally occasion alarm to loyal Japanese who can read between the lines. The Oriental "Economist's" surveys of trade, commerce and banking give out ideas, which are the equivalent of the banker's economic magazines in the capitals of Europe. They all incline at the same angle in regard to money.

And now we are told that our very own Professor Copland has been invited to lecture to the Japanese people in Japan a development, which seems to confirm the accuracy of the foregoing. This great Australian, who supports the falsehood that money can come into existence only as debt to a private monopoly, and has almost walked on air since he joined with the bankers in the discussions which led up to the enforcement of the "Premiers' Plan on an innocent and long-suffering public, has in the meantime toured the world without expense to himself and consulted the giants of the international financial ramp. Apparently there is a deep-seated and well-thought-out scheme afoot to bring Japan to heel in this matter of finance, and it will be more than interesting to watch developments.

With Mr. Reddaway, the brilliant boy direct from the Bank of England, on hand to keep his eye on the work at the Melbourne University, the professor can go away secure in the knowledge that the interests of the Money Monopoly will not suffer by his absence.

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IS ANYONE INTERESTED? Public Debts and Family Budgets

By M.M.N.

The following quotation is taken from the *English Review* (Dec., 1930):—

"Sir Ernest Benn's new book, *Account Rendered*, should be read by everyone interested in politics. Unfortunately, no one is interested in politics, not even the politicians. I make an exception of Mr. Snowden and Mr. Winston Churchill, who are keenly interested in the principles which they profess, who think it matters if they are ignored, and who earn the jocular contempt of the vast majority of all parties in the House of Commons by their seriousness. For the rest, the silly prattle about 'world causes' seems a sufficient excuse for dismissing all serious argument about domestic politics as a waste of time. As for the public, any newspaper, which gave the space today to politics, which every newspaper gave fifty years ago, would be bankrupt in a year. Why this should be so is hard to understand, but it is a fact. I cannot therefore anticipate a large sale for Sir Ernest Benn's book. People have got a deep-rooted feeling today that politics do not matter, and, with the logic characteristic of our age, they allow this feeling to dominate them to the extent of being willing to allow the politicians to interfere in every detail of their business and their private lives. When faced with the results, the politicians talk about world causes and the people yawn. 'At any rate', they seem to say, 'we are not responsible.... but let us try the effect of a few more laws and see what happens then. What has happened is that we are hurrying, very fast, towards bankruptcy. Sir Josiah Stamp estimated the total capital assets of this nation, acquired by centuries of effort and imagination, at about £23,000 millions. Sir Ernest Benn, on a very conservative estimate, estimates the capital liabilities piled up by successive governments since 1914 at over £20,000 millions. Is anyone interested?"

I should apologise for quoting at such length; but the eminent combination, Douglas Jerrold reviewing Sir Ernest Benn, cannot be pruned with impunity. Time, the taskmaster, may make you choose between understanding the quotation and reading the following article. By all means study the quotation. Understand it. One phrase alone, "*capital assets acquired by centuries of effort and imagination*", should burn itself into every Australian brain. Farmers can tell you that *imagination* has been more productive than *effort* in the accumulation of capital. Douglas Jerrold said that England was "hurrying very fast towards bankruptcy." If repudiation of interest payments to America constitutes bankruptcy, Jerrold's prophecy has been fulfilled.

What of Australia?

WE HASTEN TOWARDS BANKRUPTCY.

"Since June, 1935, the regular mid-monthly sales by the trading banks to the Commonwealth Bank for the purpose of meeting the

overseas interest bill have fallen short of interest payments amounting to £ stg. 15 millions up to 6th Jan., 1936" (Bank of N.S.W. circular, Feb. 10, 1936).

Australia is hurrying towards bankruptcy and repudiation. Is anyone interested? I am afraid not. A speaker steps down from a public platform. A bystander asks his neighbour: "Did he say the national debt was a million or a thousand million?" The first feeling of irritation is followed by a realisation that the bystander's remark was very pertinent. National statistics have no plain connection with individual poverty or prosperity. By quoting favourable figures and suppressing all others financiers can prove, to their own satisfaction that the depression is over. By quoting other figures, the ones that matter in my opinion, I can prove that Australia is in a worse position than in 1929, and that default is becoming inevitable.

The Prime Minister says: "The Commonwealth finances are in a very sound condition"; and yet ninety percent, of Australians are struggling for an existence. What is the Commonwealth? President F. D. Roosevelt said, "No country can be half bankrupt and half sound." (Interview - *Liberty Magazine*, June, 1932.) Can Australia be nine-tenths bankrupt and one-tenth sound? Is it possible by means of figures to reconcile every economic paradox?

"IN TERMS OF FOUR OR FIVE POUNDS A WEEK."

Genuine prosperity must be widespread. It is not a matter of statistics. An array of figures has no general significance. The man in the street is not interested whilst discussion is centred upon national income and expenditure, budgetary deficits, incidence of tariff imposts, exchange rates, foreign investments, or other innumerable things savouring of academic and intangible terms. Citizens ask not to be confused by a recital of millions. "Talk to me in terms of four or five pounds a week and I will understand you." It is impossible to grant this demand absolutely. The millions must be reckoned, because they represent an aggregate of all the "four or five pounds a week"; but an average can be taken, so that citizens can see the effect of millions upon themselves.

Australians adopt a casual attitude towards public debt. "If people are foolish enough to lend the money, why should we worry?" We must learn, however, that, even if we have not a very great share of the national wealth, we are not escaping our liability under the national debt.

SEVEN-TENTHS OF TAXATION GOES TO DEBT CHARGES.

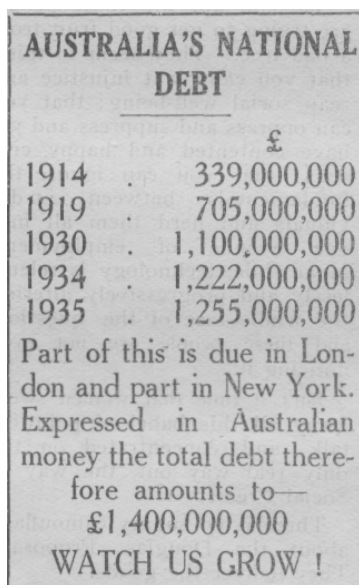
We have seen in previous articles that public debt charges absorb seven-tenths of Federal and States' taxation (14/- in every £1). Examination will show that the various imposts are spread evenly over the community. Particular or class taxation has little significance in the total. Indirect taxes form such a large proportion of Australian revenue that taxation has become inseparable from the cost of living. Retailers are blamed for the exactions of the tax-gatherer.

The major part of direct taxation is also passed on to the community. Dividend taxes, wherever possible, are allowed for in the calculation of net investment returns, and thereby costed into prices and rents. Income tax, directly, indirectly or under the guise of unemployment relief tax, affects the humblest incomes, and so it is with nearly every form of taxation.

It can be traced down until it reaches bedrock in the family budget. With the usual warning that generalities must not be tested by application to particular cases, the individual contribution to loan charges can be assessed.

THE AVERAGE FAMILY PAYS 18/9d PER WEEK Taxation throughout Australia is computed at £13/19/6 per head (Compendium of Statistics, October, 1935). This charge is not calculated upon wage earners only, but includes every man, woman and child, even to the infant wailing its protest from the cradle. Public debt charges absorb seven-tenths of taxation. The average individual contribution to public debt will equal £9/15/-. Calculated on a basis of £9/15/- per head (or per stomach, because we are mainly taxed on the necessities of life), the standard family unit of five is contributing £48/15/- per year, or 18/9 per week, towards interest payments and other charges accruing from our national, indebtedness.

You may think that you are escaping because the Income Tax Commissioner does not send you an annual account. Do you wear clothes? Ask your draper what is the duty upon your garments. Do you drink tea? Your grocer can tell you the impost upon your



favourite beverage. Your butcher may tell you the influence of the petrol tax upon costs of delivery. Your medical adviser should be requested to ascertain the incidence of interest charges upon hospital facilities and the cost of medicine.

It may be argued that public interest payments are not an irredeemable drain upon purchasing power. Some benefits accrue to resident Australian bondholders; but the income from many loans is exempt from tax. This will cause an aggravation of taxation upon those who do not hold Australia in pawn. It is a strange anomaly that bank deposits have not been diminished by public loan subscriptions. There has been no general shrinkage in the financiers' income. Financial capitalism, built up by centuries of imagination, remains unimpaired; it has, in fact, been cultivated by droughts, depressions, wars and calamities. Those who stand in awe at its omnipotence have found that their margin of comfort is disappearing.

LIABILITIES GROWING FASTER THAN ASSETS

Capitalisation must increase to permit the advance of civilisation; but increasing capitalisation has been strangled by capital liabilities. We recall the words of Mr. A. C. Davidson. We must see that the Commonwealth Bank "is well conducted to fill national needs, and we must fight to our utmost to maintain its absolute independence at all times."

Can we free the Commonwealth Bank from overseas domination?

Politically, Australia is all-powerful within her own boundaries. "Unfortunately, no one is interested in politics, not even the politicians—the silly prattle about world causes seems a

SOLVING THE UNEMPLOYMENT PROBLEM

By "EXPERT."

(Economic adviser to the Governments of Alice Springs and Daly Waters.)

The Thursday edition of Melbourne's "Herald" is always delivered, by aeroplane in Central Australia. It is intended to establish a mental home for broken down shoplifters at Oodnadatta. Thursday's "Herald" is regarded as the best means of keeping patients in touch with their trade. The issue of February 20 has arrived. After scanning page upon page of scanties, undies and nighties (in which I never take more than an optical interest), I found an article, on page 13, which proves that the "Herald" is still capable of direct-herald public opinion. Economic subjects always intrigue me; although handicapped by the fact that I have not sufficient intelligence to perpetrate the distortions, exaggerations, specious arguments and palpable falsehoods of modern journalism. Between ourselves, I invented the Premiers' Plan, which, as everyone knows, is going to restore Australia to prosperity before June, 1934. By the way, what's the date? Joe Lyons pensioned me off until another Plan will be wanted. He said that it would take a lot of sand to put the same thing across again. There is plenty of sand hereabouts, and there is also a lot of dust to throw in people's eyes. A cloud of it has just blown out of the "Herald" office. They say unemployment relief tax can be reduced. We must admire the cool contradictions of the proposals, but it is necessary to alter their order if we must examine them.

THE PROPOSALS.

No. 1. — "Reduce present sustenance rates."

No objection can be made to this suggestion. We can safely assume that the unemployed are living extravagantly. It is not necessary to know facts in order to ignore them. The writer of the article, and those who permitted its publication, will not be required to live in a sustenance house, without credit and with no income except the dole. They will probably tell us later that the unemployed have placed the country in pawn by using their savings to underwrite Treasury Bills.

No. 3. — "Rigorously reduce the sustenance list to proved employable people."

This is a good suggestion. Let the unemployables starve. They can't subscribe to obstinate artist and tipping competitions, and are really superfluous to our social needs.

No. 2. — "Scrap the present economic relief work system and revert to contract work."

This proposal is economically sound. Jungle law must be applied. "Survival of the fittest" is the only rule of life. We have a great admiration for that rule in these parts, because, they say, it helped to put Darwin on the map.

sufficient excuse for dismissing all serious argument about domestic politics as a waste of time."

Australian public debts, interest charges, and taxation have all been quadrupled in twenty years. Has the real income from your job or business even doubled in the same period?

Whether you realise the fact or not, YOU pay taxation and public debt charges. The major part of your taxation is charged against merchants and retailers. Consequently it is costed into the price of commodities without the ordinary citizen realising that he is being taxed. Your family, as an average Australian unit, is paying 18/9 per week towards public debt charges. Part of this amount is included in your bills for food and clothing. Interest upon debts is threatening to wreck civilisation.

IS ANYONE INTERESTED?

Contractors can't afford to employ men merely to save women and children from starvation; "so far, men have been put on works without regard to their suitability and heeding only the date of their registration and the extent of their want." Construction works need men who can use a pick and shovel untiringly. We must scrap sentiment and engage those who are young and strong. Those whose only claim to employment is "the extent of their want," must be classed as unemployable, and can be condemned to starve accordingly. Most of the unemployables, unlike the proprietors of the "Herald," are Christians. They can give a practical demonstration of their faith by denying themselves food during the Lenten season. Medical men say that starvation will ultimately cause death. If we must regard the unemployables as superfluous, why not pray for a good old plague? That would wipe them out. Of course it will be awkward to have them dying in the streets. Corpses are a nuisance, particularly in hot weather. It might be a better idea to pack them off to the Central Australia desert. When they die the sand will cover them and save burial expenses. Whilst waiting to die they could catch rabbits. They might be permitted to eat the flesh, providing the skins are sent to the "Herald" office. This would help to pay their share of the national debt (£184/14/- per head), and partly save unemployables from the taunt of dying to repudiate their sacred obligations. However, we can leave questions of euthanasia to moralists and philanthropists.

TWISTING THE FIGURES.

The "Herald" is starting a special "Mathematical" department. Figures can be twisted to suit any purpose. Here is an example:

"Some authorities point to the fact that the present Government, by its increase in sustenance rates, has caused an average rise in the amount payable from 22/- a week to 30/- a week. Even on the present sustenance figures of a little over 17,000, this increase of 8/- represented a rise of more than £350,000 a year. The estimated yield from the unemployment tax for 1935-36 is £1,750,000, and the expenditure on sustenance at present rates about £1,700,000."

If a sum were being set for children it would run thus:

17,000 (on sustenance) x 30/- (weekly allowance) x 52 (weeks) = £1,326,000. Add 28 per cent, for good measure, and you get "about £1,700,000." Some people may think that it is dishonest for a newspaper to twist figures in this way; but we must be fair. The "Herald" is trying to build up a case to show that present relief tax is excessive. Therefore, it must inflate the dole to its utmost and make it appear that all payments from unemployment relief tax are distributed in actual sustenance. On the other hand, it must justify its contention that "unemployment figures had practically reached pre-depression proportions." A few omissions of fact, a little slurring of truth, and the required impression is made. In any case, who cares? Someone remarked that the "Sun" is for those who can't read, and the "Herald" for those who can't think. Why do we need to think when we are racing over the pages to find tips or starting prices? When I see the "Sun" pictures of bathing girls they remind me of star bargains in the "Herald." That's what the people here get it for; so everybody is satisfied. The artists who design fashion plates are the only people associated with the "Herald" who need to be particular about figures.

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WOMEN AND SOCIAL CREDIT

By LEONORA POLKINGHORNE.

In a recent issue of *Scribner's*, one reads this: "Are women bored with emancipation?" And evidently someone thought this worth discussing. To the ordinary person it seems just a little difficult to understand how one can be bored by what one has never had; but, of course, the daily press has for some time now been telling the world that women have taken possession of everything—"invaded" all provinces, I think is the word—the idea being that this isn't a woman's world really, but that owing to momentary negligence on the part of the keeper, "Woman" has escaped from her safe place as dumb inspirer and got down to the job herself. This, we are given to understand, is the reason of the Great Depression. Now we know. How many of us, in our simple way, have wondered how such a thing happened as a direct consequence of a surplus of production, but *this* explanation had not occurred to us.

"LET THE GIRLS MARRY THE BOYS."

Every now and then we see in the correspondence columns of our daily press and elsewhere, indignant letters asking that this abuse be set right. "Let the boys get the jobs, and the girls marry the boys" was the most recent, in the *Advertiser* (S.A.). Unfortunately, like most alluringly simple solutions, this, on inspection, has several cracks in it. For instance, even in Australia there is a preponderance of females over males, and much more so in Great Britain and other countries. Owing to the necessity (under existing financial conditions) of having a war every now and again, this inequality must increase. Now, what are we going to do with the surplus girls? There is the simple Oriental way, of course, of destroying them at birth by dropping them in the Ganges, etc., but we of the Occident seem to prefer more involved and roundabout methods of meeting our difficulties.

Then, even if the numbers were equal, there remain those fastidious people of either sex, who just won't take any man or woman for the general good but prefer to wait for the one they want, which might easily mean celibacy for life. We could, of course, knock the nonsense out of them by heavily taxing them, and if that failed to make them realise their national responsibilities, we might deal with them under the Crimes Act. That is broad enough for anything. Even then, we would have to reckon with (a) those who do not wish to marry anyone, and (b) those

whom no one wants to marry. Then again, what man would be willing to take the laundress and charwoman's job at 5/- or 6/- a day? Certainly, if the bankers decide that we must have another depression, men might be driven to it, but in that case, who is going to keep the washerwoman's husband? So you see it bristles with difficulties.

EQUAL PAY FOR EQUAL WORK

One way would be to pay work by quality and not by sex. That would at least have the primal justice of the survival of the fittest, but the very people who wail most loudly about women's "invasion" into industry are the first to protest against their earning a living wage on equal terms. Having a sneaking suspicion that even then a distressing number of women would still hold their positions, they see the sacred foundations of our sexuo-economic system threatened. Openly and frequently they say it. We have all heard it, "If women earned enough to be independent, they would not marry." A plain admission that once women tasted the sweets of economic independence, they could no longer be lured into economic servitude.

That marriage as an institution has nothing to offer women is the only other explanation, which, as Euclid says, is absurd. In fact, the way that this most sacred and important relation has been messed up with finance is one of the worst aspects of our social dis-order. As a sample, the question has been asked, "Should shop-assistants marry?"

Marriage is, of course, eminently desirable for both men and women, but it should be removed entirely from the low level of economic necessity.

THE "BREADWINNER."

It might be interesting here to note how this unequal payment works out under the present financial system. There is no injustice in it, we are told, because man is the "breadwinner." I spell this with a capital letter to distinguish him from the female breadwinner, who is of no consequence. An anonymous article in *Harper's* some months ago, called "Man at the Hearth", gave the experience of a woman who, owing to the financial stringency in God's Own Country, was obliged to keep her unemployed husband. This situation, the writer asserted, was becoming pretty general in America because hard-pressed employers were engaging the cheaper worker in preference to the dearer. In this particular in-

stance the breadwinner, in order to "save her husband's pride", did the domestic job as well, but this state of things could not continue indefinitely, as the woman showed signs of collapse, which is a serious thing even when the breadwinner is only spelt with a small "b." So the man accepted the inevitable, and took on the domestic job. Only the woman's supreme patience and tact saved that marriage from wreckage.

But we must not lose sight of the fact that woman is the cause of the depression. She always is. They told us that when she wore her skirts short and abandoned stockings. Now she is taking the jobs. A correspondent to the *Bulletin*, a paper that has a new cure every week for the depression, suggests in forthright fashion that the only cure is to take women out of every paid job. "Men," he said, "could soon learn to do them all"—midwifery nursing, for instance?—"And the women could earn their keep by making all the clothes for their families." The author of this amiable suggestion did not explain what was to happen to the tailors, nor how the situation would look to a man with no son and six daughters.

GOOD FRUIT FROM A BAD TREE.

To sum up, all these people are trying to get good fruit from a bad tree. They seem to think that you can plant injustice and reap social well being; that you can oppress and suppress and yet have contented and happy citizens; that you can ignore the fundamentals between individuals and herd them all into one avenue of employment. Meanwhile, technology is relentlessly and progressively altering the whole face of the question, and these people are not even noticing it.

Isn't it time that women swept away all this babel of pointless talk and concentrated on the only real way out, the way of Social Credit?

There is no sugary camouflage about the Douglas Proposals. They deliver the goods.

The Manufacturers and the Banking Commission

The "Australian Manufacturer" had some pointed remarks to make about the Banking Commission in its leading article of February 15.

"Because an important section of the community," it said, "now numbering some hundreds of thousands of electors throughout the Commonwealth, think that there is something radically wrong with our national finances and the methods of handling currency, exchange, credits, etc., the Federal Government has seen fit to appoint a Commission of Enquiry comprised of men whom we fondly believed were experts in the business for which they were so carefully chosen. There are men on the personnel of that body who are supposed to have had a lifetime's association with the problems on which they are now retained to deliberate. One would naturally think, therefore that they would face the task before them with some notions of what they were to do, whither the enquiry would trend; that they would sense the lines of enquiry that would provide matter for them to get their teeth into, that, at mere mention of a topic they could pronounce it to be good corn or worthless chaff.

"Any such notions born of respect for the Government which did the choosing of the bunch, have been rudely dissipated, however, by the Commission's recent issue of a 'Questionnaire to Consumers of Credit—e.g. Chambers of Manu-

AMONG THE NEWS

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

THIS WEEK'S GEM!

"To me the recovery is far more complete than is generally admitted, and it is time we forgot the bogey of the depression and realised that Australia today is in an extraordinarily prosperous condition."

—Sir Henry Gullett, March 2.

TWO EDITIONS OF THE ADELAIDE "ADVERTISER."

In the Adelaide *Advertiser* report (Friday, Feb. 14, page 7) of the proceedings of the South Australian Council of the A.L.P. (held the previous evening), over which the State President (Hon. R. Richards, M.P.) presided, and at which Messrs. Lacey (Opposition Leader) and Howard, M.P.'s. were present, the following resolution was printed in full, but was withdrawn from the report in the second edition of the paper:—

"It was decided to place the following resolutions, received from the Tramways Employees' Association, on the agenda of the annual State Labor Conference in September:—

"That efforts be made to secure the restoration of effective control over money in all its forms; the establishment by the Commonwealth Parliament of machinery which would secure a regular equation between the community's production and its purchasing power; the establishment of machinery to provide a price for all our products, both primary and secondary, including all costs of production, plus an agreed amount of profit; the provision of a basic wage for everyone, to take the place of all pensions, doles and allowances, and to do away with the necessity for a national insurance scheme; and that the foregoing be achieved without increasing the national debt, taxation or prices."

—C. D. BROCK.

BEGGING DEPUTATIONS.

The need for "begging deputations" from hospitals was deplored by Cr. Redapple (Brighton). Cr. Redapple said that councils should not make contributions to hospitals from revenue, which had been collected from taxpayers for entirely different purposes. The maintenance of hospitals was a national obligation. The imposition of a charity tax would be preferable to undignified efforts to which hospitals had to resort. —"Argus," Feb. 26.

factures, etc. The average man who reads this questionnaire will decide that he doesn't know much about it. Very likely not; nor, we should say, does the body of experts and quasi experts responsible for its issue.

"For the edification, or mystification of our readers, we reproduce the document."

The journal then proceeded to give the Commission's questionnaire, earnestly seeking information on such issues as internal bill markets, forward exchange, and whether or not the Commonwealth Bank should collect and disseminate information "for guidance upon financial and economic problems of industry and commerce in Australia."

Discussing that section of the questions dealing with the exchange rate, the "Manufacturer" proceeded:

"In all seriousness, it will be noted, the questionnaire splits its enquiries on this head into five separate questions, the competent and complete answer to which is surely the Commission's job; otherwise why have the Commission? As well as looking like a confession of incompetence, the question

Cr. Redapple's remarks will be endorsed by most people, excepting the last sentences. Even the last sentence can be conceded under the existing social system; but if some Brighton Social Crediters were to wait on Cr. Redapple, it is probable that he could be shown where finance for hospitals can, and should come from.

—K.C.D.

* * *

"UNEMPLOYMENT DECREASING."

While the sustenance lists were decreasing, the Benevolent Society lists were increasing. At present it was becoming very difficult for a single man or woman to get sustenance, with the result that the Benevolent Societies had to come to their assistance.

—President of the Central Council of Benevolent Societies, Melbourne Town Hall, February 28.

Daily papers, every day: "Unemployment figures decreasing."

—K.C.D.

WHICH PAGE IS TRUE?

On March 2 the "Herald" prints:—

Page 6. —"The move to make money dearer is premature. Recovery is not yet sufficient."

Page 2. —"Australia is as prosperous today as it has ever been," Sir Henry Gullett says. "We should wipe the depression bogey from our minds and realise that Australia is extremely prosperous."

Page 3. —The States can no longer find money for development. Dr. Harris, Minister for Education, says:—"Victorian Technical School equipment is inadequate and out of date, and he was at his wit's end to provide the finance needed."

—L.

"ACCIDENTAL" DEATH

"I concluded that tetanus had developed. I telephoned all the known hospitals, but I was unable to obtain admittance for Fraser."

—Evidence of Dr. Costello at Coroner's inquest in Melbourne on February 28.

The Coroner's finding was accidental death. It should have been one of murder against the financiers, whose money monopoly is the only thing preventing the proper accommodation, equipment and staffing of our hospitals.

—H.M.

smacks of a desire to 'pass the buck' in the hope of being able to record the concerted opinion of public bodies."

And the conclusion of the article was: "Anyhow, the whole business does not betoken a very helpful report from the Commission."

So the "New Times" is not alone in decrying the whole business as a farce to hoodwink the public.

But perhaps the "Australasian Manufacturer," like us, may be suspect for its unorthodox views, for it is also raising its voice against the wicked restriction of money. "Give us the credit," it says in a later article, "and there are ten thousand worth while things to be done with it in undeveloped Australia. With those in hand, then truly would our unemployment problems solve themselves and the recommencement of a vigorous migration policy become an urgent necessity. But those thoughts are such stuff as dreams are made of."

Nevertheless, this particular dream can be made to come true by a little intelligent action on the part of Australian electors.

TO OUR READERS—

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ECONOMIC DEMOCRACY

By Cr. B. A. LONGFIELD, J.P.,

Fellow of the Royal Economic Society (London), Fellow of the Institute of Commerce (England), and Incorporated Accountant (Australia).

Until recently, Economics was regarded as a dismal science (if it could rightly be called a science). As dry as sawdust. With no interest for the masses. Merely the plaything of professional economists.

The existing world crisis, however, is changing that attitude. There is now a growing interest in economic affairs. Groups of thinking men and women, both inside and outside the existing political parties, are investigating orthodox economics and seeking a solution of the world economic crisis, which has eclipsed all other problems.

As thinking people we cannot fail to be impressed with what I regard as the two most outstanding features of the world economic crisis:—

(a) *World-wide poverty* co-exists with *worldwide plenty*. It is estimated that in the more advanced civilised countries there are 50 millions unemployed and 150 millions in absolute poverty, to say nothing of the tens of millions living from hand to mouth. Yet there is a superabundance of everything necessary to supply human need, which the poverty-stricken millions are prevented from consuming. We hear of over-production, so-called; the destruction of cotton and coffee crops; restriction of wheat and other primary production—until we are led to question if this planet is not the lunatic asylum of the universe, to which the other worlds consign their lunatics.

(b) The other startling feature of the world economic crisis is the *universal failure of governments to bridge the gap between abundant production on the one side and consumption on the other side*—thus enabling the destitute millions of human beings to consume the goods and services which science, allied with nature, can produce with such plenitude.

POPULAR DELUSIONS.

I will now refer to some popular delusions as to the cause of the world economic crisis.

(a) The employee, subjected to wage reductions, rationing and worsened conditions generally, resulting in a lower standard of living for himself and his dependents, sees the cause of his troubles in the greed and tyranny of the "capitalistic" employer.

(b) The employer whose business is melting away, and with bankruptcy confronting him, sees in high wages, short hours, strikes, Trade Unions, Arbitration Courts and Wages Boards the cause of his troubles.

(c) The exporter contends that prosperity depends upon exports. We must secure foreign markets for our "surplus" production, and bring down our costs, including wage costs, to do so. He overlooks the fact that every other country is also striving to unload its so-called surplus production on the others, while hundreds of thousands or millions of its own citizens are destitute.

(d) The manufacturer finds economic salvation behind

tariff walls, and demands that these shall be raised higher and higher to keep out the so-called "surplus" production of other countries.

(e) The gentleman of leisure chimes in, and asserts that our economic troubles are due to the extravagance of the working classes, who think of nothing but sport and the talkies. Any honest man, he says, who wants work, will eventually get it. The trouble is that most of them don't want work.

(f) The taxpayer asserts that the extravagance of governments, municipalities, and other public bodies is responsible, and demands drastic reduction in public expenditure and wholesale dismissal of public servants as the remedy.

(g) The depths of absurdity are reached when we are told by another type of adviser, this time the statesman, that we must *work harder, produce more, and spend less*, as the grand remedy for our economic ills. How the increased production will be consumed by spending less is not explained!

(h) Then the banker of the Niemeyer type affirms that the first essential to restore confidence and prosperity is that governments must balance their budgets and live within their incomes.

(i) And last, but not least, the professional economist holds that the mal-distribution or insufficiency of gold is the cause of the economic crisis. If only we could discover a rich gold mine the millennium would be ushered in! So obsessed by the gold complex are these professional economists that they cannot see the absurdity of restricting production and consumption in accordance with the quantity held of a yellow metal called gold.

Such are some of the popular delusions as to the cause and cure of worldwide unemployment and destitution. Is it any wonder that there is widespread bewilderment and confusion, and that men's hearts are failing them because of fear—fear that the problem is incapable of solution, and that worse is yet to come?

FIRST PRINCIPLES.

Let us turn from the old economics as represented by these popular delusions, with all their absurdities and contradictions, and go right to first principles.

When stripped of all professional jargon, *economics is found to be merely applied common sense*.

The three fundamental functions of our economic life are:— (1) Consumption, (2) production, (3) distribution.

To function efficiently, an economic system must be able to produce the goods and services needed and to distribute them as, when, and where required.

That the mechanism of the existing economic system has failed, with disastrous and tragic consequences unparalleled in human history, is apparent to all who have given any consideration to the problem.

First we must discover the cause of the breakdown of the economic machine, and then have the courage to apply the remedy.

To return to the three fundamentals of our economic system:

(1) *Consumption*.—To live we must consume. The higher the civilisation the higher the standard of consumption of goods and social services in particular. It is obvious that consumption is the reason for production.

(2) *Production*.—No consumption means no production. A reduced standard of consumption means a reduced standard of production; conversely, increased consumption will cause increased production.

Mechanical and chemical science, allied with nature, have increased production by leaps and bounds, so that all the principal producing countries have a large surplus production for which they are ever seeking foreign markets. Yet it is estimated by industrial engineers that, with our existing equipment, we could increase production at least fourfold!

There is no doubt, therefore, that modern mechanised production is able to supply the needs of the world's hundreds of millions of consumers.

No serious defect: is discoverable in either of the fundamental functions of consumption or production.

(3) *Distribution*.—The ability of scientific mechanised production to meet the demands of consumption is undoubted. Yet we find today a plethora of goods and services co-existing with human destitution, want and misery on a scale unprecedented.

The failure is not with consumption or production but with distribution.

NOT ENOUGH MONEY.

Ask the tens of millions living in destitution why they cannot obtain the goods and services, which can be produced in abundance. They will answer either, "We have no money," or, "We have not enough money."

Money.—What is it, and from where does it come? We have located the serious defect in the economic machine. It is the *shortage of money in the hands of the consumers*. No money, no consumption; no consumption, no production.

But where is the money to come from? you ask. To most people money is a mystery. They have a delusion that it is something, which is rare, exceedingly costly and very hard to get—like the manna, which fell down from heaven at rare intervals. That if we have no money as a State, all we can do is to wait until the next fall of this heavenly manna.

Money is no mystery. *Money is "manufactured"* like any other commodity. It is about the cheapest and easiest thing to produce, and *there is no real reason why we should not, as a Commonwealth, "manufacture" as much money as we require to enable the goods and services which can be produced in abundance to be distributed to the consumers who stand in need of them.*

COMPOSITION AND ORIGIN OF MONEY

The composition and origin of money are no mystery, and are readily ascertainable.

(a) *Composition of Money*.—It may come as a rude shock to many to know that money is comprised of *paper and ink*.

There are two kinds of money:

(1) *Legal tender*, consisting (apart from about £8 millions in silver and bronze tokens) of Commonwealth notes, issued under the authority of the Commonwealth. The quantity of notes is about 47 millions—*all paper and ink*, which cost very little to print. About three-fifths (33 millions) of our legal tender money is in circulation, the other two-fifths (22 millions) is held by the banks.

(2) The second kind of money, which is the more important, is *non-legal tender, or cheque money—also paper and ink*—issued, not by the authority of the State, but by the authority of the *banking system*.

The value of cheque money, which passes through the clearinghouses of the banks, is in the vicinity of £2,000,000,000 per annum.

It will be seen, therefore, that the legal tender money issued by the State is a mere bagatelle when contrasted with the cheque money issued under the authority of the banking system.

The popular notion that the banking system merely accepts deposits from clients, which it loans out again in not even a half-truth.

The banking system *manufactures* credit or cheque money by making advances or overdrafts, *which have no deposits behind them at all*. The bank's client uses the advance by drawing cheques to the limit of the advance to pay his creditors. The creditors in nine cases out of ten will not cash these cheques, but will pay them into their banking account *as deposits*. Thus the advance made by one bank becomes a deposit (or money) in another bank, or, it may be in the same bank.

This cheque money which comes into existence as bank overdrafts, *merely book entries*, is the *money of modern production, industry and commerce, and is created, controlled, increased and decreased solely at the fiat of the banking system, and not the State*.

THE BANKS CONTROL THE STATE.

As the State cannot carry on for a month without money, and as neither production nor consumption can proceed without money, it is apparent that the banking system exercises absolute control of the modern State in all its ramifications.

Real democracy does not exist. Political democracy as we know it, is a sham, a delusion and a futility. Under political democracy, so called, millions of human beings are starving amidst plenty, and millions more are living from hand to mouth, with abundance of real wealth (goods and services) on every side—because of the *deficiency of money*, which is comprised *merely of paper and ink*, and is almost costless.

As long as we are obsessed with the false concept that we are a real democracy, so long will we remain in economic bondage and misery.

The only solution is the *establishment of an economic democracy of producers and consumers, creating, issuing and controlling their own credit or money*, to enable the economic system to

function efficiently by producing the goods and services needed, and distributing them as, when and where required, to the consumers who stand in need of them.

To New Readers of the "New Times"

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

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

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Answers to Correspondents

COULD AN AUSTRALIAN STATE START SOCIAL CREDIT?

Question. —The Commonwealth Constitution gives the Federal Government the right to control currency, coinage and legal tender. Would it be possible for a State Government to start a State bank and issue financial credit for public works, etc.? In other words, could a State institute Social Credit on its own?

Answer. —The Commonwealth of Australia Constitution Act (Chapter I, Part V, Section 51) reads:—

"The Parliament shall, subject to this Constitution, have power to make laws for the peace, order, and good government of the Commonwealth with respect to—

"(xii) Currency, coinage, and legal tender;

"(xiii) Banking, other than State banking; also State banking extending beyond the limits of the State concerned, the incorporation of banks, and the issue of paper money;

"(xvi) Bills of exchange and promissory notes;

"(xx) Foreign corporations, and trading or financial corporations formed within the limits of the Commonwealth."

And the same Act (Chapter V, Section 115) reads:—

"A State shall not coin money, nor make anything but gold and silver coin a legal tender in payment of debts."

In view of these provisions, it is difficult to see what effective action could be taken by any Australian State in the direction indicated in the question. With the power to control currency, coinage and legal tender expressly reserved to the Commonwealth Parliament, and with the power either of coining money or of substituting any other form of legal tender explicitly denied the States, what could any State do?

We do not pretend to know just how far the restraining powers of the Commonwealth Parliament might be exercised under the headings above of "the incorporation of banks" and "financial corporations formed within the limits of the Commonwealth." But assuming that a State bank got so far as to issue cheques upon itself in payment, say, for public works, what would happen? The vast majority of such cheques would naturally find their way into the pos-

session of the other banks. These could be relied on to refuse to extend to the State bank (or to any new banking competitor—see evidence given before the present Royal Commission and already reproduced in these columns) the facilities of the bankers' clearinghouse for the mutual interchange of cheques. The receivers of such cheques would therefore have to present them at the State bank for payment in legal tender, which would mean that the bank would not be creating financial credit at all, but merely issuing cheques against its own actual holdings of legal tender.

If a State bank, despite both the open and the whispering propaganda of the private bankers and their press, could attract and retain the banking accounts of a sufficient number of the people, so that their transactions as between one another were conducted through it, and so that the cheques on other banks received by it outnumbered in value the cheques on it offered

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to other banks, then it might begin to function as an issuer of financial credit. But the contingency seems too remote for practical consideration. Remember what happened to the N.S.W. State Savings Bank when the financiers set out after J. T. Lang's scalp—and got it.

The only alternative, which we can see at present, is something on the lines of a ration ticket system superimposed on the monetary system. We have an idea that a scheme might be worked out on these lines, which, while rather cumbersome and dependent on voluntary acceptance, would nevertheless considerably mitigate present conditions. We fancy that such a coupon system, with the coupons acceptable in payment of State taxes, etc., might be worked with a relatively small backing of legal tender. But would this be Social Credit?

We are not dogmatic about the whole question, nor as well informed as we should wish, but we incline to think that, as a practical proposition, it is a case of all the States (i.e., the Commonwealth Parliament) or none. We would welcome any further enlightenment from better informed readers.

LETTERS TO THE EDITOR

THE MONEY POWER IN JAPAN

It is significant that in Japan the money swindle still holds power. The President of the Bank of Japan (a private bank) holds the money power, and also, as Prime Minister, the political power. First we had Takahashi (now gone) and now Fukai; Takahashi means High Bridge and Fukai means Depth, i.e., the Japanese are crushed between the upper and nether millstones. The military know the swindle so again trouble may brew.

The Bank of Japan, like the Bank of England, the Bank of Australasia, the National Bank, or the Bank of New South Wales—note the names, although the banks are private companies—suggests "the lie in advertising."

W.S.

MR. DUNSTAN AND THE MALLEE SETTLERS.

In the press of Feb. 27 there was a report of Mr. Dunstan's reply to the deputation from the Soldier Settlement Committee of the R.S.S.I.L.A., which makes us realise that neither Mr. Dunstan nor the delegates who represented the soldier settlers understand the position in the Carwarp-Yatpool area.

Mr. Dunstan told the delegates that conditions in Carwarp-Yatpool area and in Gippsland were similar.

The delegates should have told Mr. Dunstan that this was not so. The settlers in the Carwarp-Yatpool area never could produce a living, whereas the settlers in Gippsland could. In Gippsland the trouble is that those who sold the land, on which the soldier settlers are now settled, got the benefits of repatriation; they got inflated prices for their land, and the soldier settlers are being forced to pay for it now. Their troubles could be solved by cancelling their debts.

In Carwarp-Yatpool the area never was suitable for economic wheat production, as the Government has acknowledged by declaring the area marginal. Even if their debts were wiped off, settlers could not make a living. Their troubles could be solved by transfer to other areas, or minimum compensation of £500.

These settlers have sunk all they had in their selections; their capital, and the labour of the best years of their lives. They were never able to enjoy a decent standard of life. Mr. Dunstan says that if he gave the men £250 each he would be regarded as a good fellow, and would be establishing a precedent. Has he forgotten the overseas settlers in the adjacent settlement of Willah? Were they more entitled to decent compensation than the Australian settlers? They got up to £500, and were only a few years on their blocks. Have we not got a precedent in them?

For misrepresentation, the settlers in the Carwarp-Yatpool area are, at least, entitled to a transfer to areas where they could make a living of £150 per annum, or minimum compensation of £500, so that they might transfer themselves. And their living allowance should be continued till their cases are satisfactorily finalised, as the Government is responsible for their plight. They are being forced to evict themselves by starvation.

The present policy of rural evictions, forcing the producers to poverty in the cities, intensifies hardship in the slums, deprives country towns of their population, and is of no benefit to a country.

K. McColley, Hon. Secretary, Mallee Women's and Settlers' Association, Yatpool, Vic.

POLITICIANS AND THE ELECTORAL CAMPAIGN

In canvassing for signatures in connection with the "Abolish Poverty" campaign recently. I was very often met with the remark, "Why should we bother our heads about this sort of thing? Have we not men in Parliament to watch the interests of the people?" It occurred to me that perhaps the most important job on hand for Social Crediters is to convince the people that they are being betrayed by the men they are trusting to look after their interests, and until this is demonstrated very clearly, it is useless to expect the simple-minded elector to wake up and realise the terrible conspiracy that is on foot to sell him completely into the bondage of financial slavery. Would it not be possible to get this proof in black and white, "straight from the horse's mouth", so to speak?

I would suggest that the campaign director prepare a letter to be sent to all Federal members, couched in such a manner that the member must either admit his ignorance of, or connivance in the exploitation of the community's credit, which the campaign director will have no difficulty in proving beyond all doubt is taking place. From past experience, the politician can be relied on to make some evasive reply, but if his reply is printed with the original letter, and circulated in his electorate, it would advertise the fact that he is either careless of the rights of the people whom he is representing, or else deliberately conniving in the robbery. This seems to me a definite line of action, which might be put in hand now or after the "Abolish Poverty" campaign is finished.

F.L.G.

THE NATIONAL INCOME

Your correspondent, "D. O. Minus," asks for the total national income. You rightly reply that there has never been a satisfactory estimate of this, and that calculations are largely guesswork. W. H. Rhys, in his bright, instructive little book, "Real Wealth and Financial Poverty," explains the difficulty in arriving at a correct estimate of the national income.

Under the heading of "National Income," or "Dividend," he writes: "There is, however, an idea relating to incomes which first deserves some comment. Talk of the 'national income' or 'dividend,' is becoming common knowledge nowadays. But the users of these terms quite erroneously assume that a tabulation of the money incomes of a community will give us the sum of the community's purchasing power! Mr. Sutcliffe, lately of the Commonwealth Statistician's office, in his book, 'The National Dividend,' falls into the same error. The word 'dividend' means (in economics) a division of a company's profits. For one thing, then, as pointing its misuse, how can the word apply to Australia, which has certainly not yet become a 'company' in which all breadwinners are treated as shareholders and entitled to a dividend? The word 'income,' as generally used, and as applied by the term 'national income,' means that the 'national income' is a measure or estimate of the total purchasing power of the country. But this idea is quite wrong. A very large percentage of that 'income' is only one person's income transferred to another and counted twice. "For instance, suppose Mr. Sutcliffe gets £1000 a year. That sum then is counted as income in the 'national income.' Now, if he pays his housekeeper, say, £500 a year, behold, the 'national income' now is £1500, or increased by £500! And if Mr. Sutcliffe should, for reasons of 'economy' decide to marry his

housekeeper, and thus have no 'housekeeper' to pay, again the magic wand is waved and the 'national income' is decreased by £500! Mr. Sutcliffe's income of £1000 alone counts then, because the late housekeeper has no 'income.'

"Such is the method used in calculating the miscalled 'national income,' or, as Mr. Sutcliffe calls it, 'The National Dividend!' The Douglas dividend is certainly something quite different from that. What Mr. Sutcliffe should tell us, and what we want to know is, the sum total of purchasing power as represented by the sum of wages, salaries, and dividends paid by industry; and which are paid with money derived directly from the banks as loans or overdrafts, and not transferred incomes of other people. Then we should know something worth knowing."

T.M.S.

Yallourn.

AESTHETICS AND FINANCE, OR BEAUTY AND THE BEAST

What to Douglas adherents seems a diverting situation has arisen in Adelaide with regard to the Centenary celebrations. Adelaide people are very proud of their hill scenery, almost as proud as they are of their alleged "culture", and the Premier, Mr. Butler, is very zealous, and rightly so, to remove all eyesores from the landscape before Centenary visitors arrive. He has accordingly made a move to abolish a number of advertising hoardings on motor routes. Seems simple, doesn't it? These advertisements, ranging from huge whisky bottles to unattractive reminders of laundry soap, have about the same effect on the sensitive eye as the sudden and discordant scream of a motor-horn in the midst of a Beethoven symphony would have on a sensitive ear. Practically everyone is agreed that they are frightful, but what do we find? The press is deluged with letters—first, naturally, from the Russell Ad. Co., and then from other citizens, wailing about the unemployment that will be created if Mr. Butler persists in his course. So it seems that beauty, even scenic beauty, is a thing that we cannot afford. There are so many things that we cannot afford in this age of plenty—good housing, decent education, enough class-room in schools, honesty in public life—that it seems a pity we must also find we must do without civic pride, even when the occasion is a Centenary. But it is painfully apparent that no one outside Social Credit circles seems to see the shrieking absurdity of it.

L.E.P.

DOCTORS CAN NOW SEND HEARTBEATS BY POST TO SPECIALISTS.

(Continued from page 4.)

process is reversed, exactly as with the gramophone, a beam or "needle" of light taking the place of the steel needle. M. Rubissow actually took the "record" which he intended to reproduce and crumpled it in his hand.

ABSENCE OF "SCRATCH."

He then straightened it out and wound it round a metal cylinder in the reproducing instrument, which was attached to an ordinary wireless loudspeaker. The cylinder was rotated, and the sounds were perfectly reproduced by the "needle" travelling slowly over the course of the printing. Already M. Rubissow said Argentine doctors have taken records of the heartbeats of patients.

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