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RAYON AND ROBBERY

The Mad Mix-up of Bankers' Taxation

Thanks mainly to information made available by the Japanese press, we Australians are now becoming aware that our trade relations with Japan are in the most serious state of crisis. Our paid servants, the members of the Federal Ministry, have so far given us practically no information beyond the usual sentence or two, to the usual effect, from Sir No-Treaty Gullett: "delicate" negotiations, etc.—you already know it by heart. Nevertheless, it now appears certain that the Government contemplates "helping" our trade with Japan by raising considerably the tariff against Japanese rayon, and that Japan naturally threatens a counter move.

The leader of that other section of our paid servants, the members of the Opposition, has also made his statement—and such a statement that his reputation for commonsense would have been much higher had he preserved a discreet silence. For Mr. Curtin, if last Friday's press reported him correctly, advocated, "a general restriction of imports... because no individual country could then reasonably feel itself flouted or slighted." The only thing Mr. Curtin omitted to explain was how these countries, their dignity duly preserved by their all being equally excluded from our markets, would then proceed to pay us for our exports. This, apparently, was too minor a matter for his consideration.

JAPAN AS OUR CUSTOMER

As our customer, Japan occupies a unique position, which was well expressed on Thursday of last week by Mr. J. E. Wardell, the Melbourne *Herald* wool expert, in that paper.

"The growth of Japan", he said, "as a wool buyer in Australia since the turn of the present century is one of the trade marvels of the world. She bought from us 8,000 bales in the season 1900-1901, while for the past four years her purchases from Australia have averaged more than 600,000 bales a year, and in the present season the indications are that she will establish a further record by topping the 700,000 bale mark.

"The Commonwealth export figures show that Japan is second only to the United Kingdom in direct importation of Australian wool. But the figures for the United Kingdom include a very large quantity of wool shipped direct to London for sale, which has not passed through Australian salerooms, plus wool which is shipped to British ports with the option of various Continental terminals, whereas the Japanese figures are net imports. It is therefore probable that in the present season Japan will prove to be the biggest individual buyer in the Australian market.

"Further, on two occasions since 1930 the great weight of Japanese

buying has saved the Australian market from disaster by compelling other countries to increase their limits in the endeavour to outbid the Japanese group. Indeed, the support of Japan is probably the most valuable individual factor in the Australian sale-rooms."

WHAT TRADE FIGURES SHOW.

By way of supplementing Mr. Wardell's review we may quote the 1935 trade figures made available by the Commonwealth Statistician on April 20. (The figures are in Australian currency and the years are calendar years.) These show that Japan's purchases of goods from us last year reached the total of £15.3 millions, as against £11.6 millions for 1934, representing an increase from 10.5 to 12.1 per cent (or, leaving out gold, from 11.7 to 13.4 per cent.) of our total exports, or more than half the combined total of what we sold to Belgium, France, Germany, Italy, New Zealand, Canada and the United States. At the same time we bought from Japan in 1935 only £6 millions' worth, leaving Japan a deficiency of £9.3 millions to make up elsewhere, as best she might. A similar disparity has prevailed for many years past.

The importance of our Japanese trade may perhaps be better illustrated by a comparative review of what has been happening since the establishment of the Commonwealth. In the figures below we quote to the nearest hundred thousand pounds (Australian).

YEARLY AVERAGE OF SALES BY AUSTRALIA Including bullion and specie.]

Years.	Britain i millions.	Japan £ millions.
1899-1903	23.42
1904-8	30.19
1909-13	34.0	1.2
1914/15-1918/19	45.8	3.3
Year.		
1919-20	80.8	7.2
Excluding bullion and specie.]		
1928-29	53.1	11.5
1930-31	39.5	9.5
1934	48.5	11.6
1935	55.7	15.3

But the above figures, significant as they are, convey but a fraction

of the whole story. Not only must it be remembered, as Mr. Wardell has indicated, that large quantities of the goods marked as exported to Britain are really for consignment to various other countries, whereas Japan's purchases are net imports; there is a far more important feature, which is that ever-increasing proportions of what appear as sales to Britain are not really sales at all, in the national sense, but only a payment of taxation—otherwise interest on debt or dividends on Australian properties and industries "acquired" by overseas financiers. This item has more

LEADERSHIP.

"Let me therefore state without equivocation that the British Government maintains its confidence in the League as the best instrument at present available to mankind for the preservation of international peace. It is this conviction, and this conviction alone, which has been and remains the motive for all its actions in the present dispute. It is prepared to act in accordance with that policy now, and in the future, as long as the other nations, AND NO LONGER—to the extent that other nations do, AND NO FURTHER."—Mr. Anthony Eden at Geneva (from the "Age," April 22).

than trebled since the beginning of the century and is now estimated at upwards of £35 millions (Australian) a year.

So, translating figures into facts, it comes to this, that our actual beneficial sales to Britain, as apart from our tributes of taxation to Britain's bankers and their friends, are, leaving out our sales of gold, not much larger than our net sales to Japan—and, under present financial conditions, gold is the one commodity for which there is a world market. These figures should be enlightening to those who, airily overlooking interest payments, would have us believe that it matters not how we treat non-British customers.

Yet the latest projected move is in the direction of blocking our

sales to Japan by making it more difficult for the Japanese to pay for Australia's wool and other products.

BANKERS' MADNESS

The whole position is only a further example of the madness, which prevails in a world ruled by the money monopolists.

On the one hand our Government gives millions of pounds a year in subsidies and bounties to primary producers. It provides this money because the producers cannot recover their costs from a public, which has not the money to pay those costs. And the Government obtains the money by taxing the same public.

On the other hand the Government, while expressing sympathy with the farmers for the poor prices they are getting abroad, taxes the people on everything that comes in from abroad, thus both giving the Australian people less goods in exchange for the goods exported and at the same time making it harder for the overseas customer to buy Australian exports. And the huge sums collected in this manner are allotted towards paying interest on the bank-created money which was borrowed by the sovereign nation simply because there was, and is, a shortage of nationally issued money.

We are now just about at the final deadlock. The people alike of Britain and of Japan are desirous both to buy from us the goods, which we produce and to sell to us the goods, which they produce. If you were to assemble a small committee of sensible businessmen from our three countries—from Australia, Britain and Japan—it is safe to say that within a few weeks they could draw up, if given a free hand, a programme satisfactory to each section, which would double or treble both our imports and our exports in a manner beneficial to the people of each country. Yet at the moment we have the British and the Japanese manufacturers at each other's throats, while there is a perpetual warfare between the

primary producers and the manufacturers of our own country. And all the time the public pays. We pay the Australian farmer through the flour and innumerable similar taxes and bounties. We pay the Australian manufacturer through the entire tariff, and the British manufacturer through the preferential tariff. And we pay the banker, who is the supreme cause of all, practically every time we make any financial transaction throughout our lives.

But, as our statistics also show, the net result is that the average member of the Australian public is steadily finding less and less money at his disposal with which to buy anything at all. Direct and indirect charges on bank-manufactured money have now reached such a colossal figure that even the bankers are at the end of their tether.

JAPAN AND THE U.S.A.

Hence we are driven to such absurdities as we witness at present, when the Federal Ministry at one moment talks of cutting off trade with the United States because that country will not buy sufficient from us to enable our American purchases to be paid for; and with the next breath it plans to impose such a tax on Japanese goods as will make it impossible for Japan to buy our goods. To make the position still more absurd, this is being done by a Government, which is publicly in favour of reduced duties.

What will the upshot be? It should surely be plain. A great deal of pernicious nonsense has been put forward by such papers as the Melbourne *Age*, to the effect that Japan must have our wool, and will therefore continue to buy it, irrespective of what duties we impose on Japanese goods—a childish (as well as an immoral) argument which willfully dodges the issue of how means of payment are to be found. But our woolgrowers do not want to live in any such fools' paradise. Mr. Wardell, in the article already quoted, pointed out that Japan can, for a start, secure at least 200,000 bales of South African merino wool which would suit her as well as our product, and that most of Japan's total purchases are in the merino class. And nothing is more certain than that, even apart from this, other alternatives will be found, any of which will spell disaster to the Australian grower. But the point is that this disaster to Australia is deliberately being caused by action within Australia.

THE ROOT OF THE TROUBLE.

Some people may say that the trouble is caused by influences brought to bear on behalf of the British manufacturer. There may be a certain measure of truth in this, particularly with regard to the

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The "Bulletin,"
Sydney.

Dear "Bulletin",

In your issue of last week, along with advertisements for four private banks, two banker-directed trustee companies, and a number of other institutions with similar monopolistic interests, you printed a further cheap and nasty sneer at Social Credit. As we pointed out on a similar occasion some months ago, the one might very easily serve to explain the other; at all events, a newspaper could hardly be expected to uphold in its editorial columns the people's rights over their own money issue and to retain in its advertising columns the patronage of those who have grown as bloated as Norman Lindsay's fat nudes by stealing the same rights.

Nevertheless, one would have thought that even the "Bulletin" of 1936 would not so far forget its past as completely to lose that sense of proportion which once distinguished it. Yet, turning over page after page of your issue, one finds an everlasting moan against taxation, government deficits, loans, national debt—against all the consequences, which must inevitably follow the system of monopolist finance, which you seem so anxious to uphold. And you will not have Social Credit, which would rapidly reduce taxation and

which ridicules the very idea of NATIONAL borrowing; in fact, you complain bitterly that our "very, cocksure fraternity even seems to be gathering recruits." (Fancy your discovering that!)

The present monopoly of finance, dear "Bulletin," is doomed. Neither your efforts, nor those of the "Sydney Morning Herald," nor those of the Melbourne "Argus" can stop the rot. Without staging a war, as even your perceptions must realise, it can't carry on much longer; and with a war it will pile up debt so fast that it will be one of the first things its own war will strangle. There is only one workable financial alternative to Social Credit, and that is Russia's way. Can it be, then, if we assume you to have some sort of an ideal, that the colour of your covers now denotes the secret trend of your mind? Or have you a mind at all? Are you just satisfied to fill your pages, week after week, with a jumble of snippets and contributed come-by-chances? Is your artistic sense so senile that you are content (shades of Low!) to dedicate full-page cartoons, as you did last week to the amative moonlight meanderings of broken-down racehorses?

What was the motto of the old "Bulletin"? "Australia for the White Man"! God save us.

THE NEW TIMES

preferential tariff. It may be quite true that the Federal Ministry, committed to Ottawa, and at the same time desperately in need of the revenue (to pay bankers' interest) derived from the tariff tax, is endeavouring to collect this at the expense of "the foreigner's" goods—though, it must be remembered, it is collected always from *our own people*. But such aspects do not go to the root of the matter. The fault does not lie with the people who make thread in Lancashire, but with the people who make plots in Threadneedle St.—with Montagu Norman and his subsidiaries in Australia.

As long as Australians are prepared to produce goods which other peoples want, and as long as those peoples are prepared to act similarly towards us, it should be possible to trade with all of them on a £ for £ basis, and still enable the Australian people to buy the output of their own farms and factories - - notwithstanding bunkum from the Age. It *should* be possible to do this, and it *would*, on one condition.

This condition is that a method be adopted whereby the whole of our saleable production is monetised nationally, so that we may buy either our own goods or goods to their full value in exchange. Today a portion of our production is monetised by the private bankers' issue of their interest-bearing money to producers. Another portion of it is monetised, indirectly, by the private bankers' issue of their interest-bearing money as national debt. Large portions are not monetised at all.

And until the nation takes charge of its own money system the position will grow rapidly worse. Each time a shortage of national money is supplemented by a fresh dose of national debt—we are just about to take another—the result is further taxation, including further levies on imports, with further restrictions on our sales abroad, and hence lower incomes for the people who have to pay the higher taxes.

There will be no escape from the vicious circle until the monopoly over our money supply is wrested from the banker.

COUNTRY PROPAGANDA

MESSRS. BRUCE BROWN AND L. H. HOLLINS VISIT CASTLEMAINE.

Organised by the propaganda committee of the Social Credit Movement of Victoria, assisted by a local resident, Mr. O. C. Smith, a well-attended public meeting was held in the Mechanics' Institute Hall, Castlemaine, last Sunday evening.

The Mayor of Castlemaine, Councillor T. Harris, presided.

Taking as the title of his address "The Real Trouble," Mr. Bruce H. Brown, well known to readers of the "New Times", outlined the present crisis and its causes, while Mr. Hollins followed with an explanation of the Social Credit proposals and appealed for support for the People's Movement to Abolish Poverty.

Both speakers held the close attention of the large audience, and, as a result of the meeting, there are excellent prospects for the formation of an active Social Credit group in Castlemaine.

THE PEOPLE'S MOVEMENT TO ABOLISH POVERTY

A National Dividend is Waiting to be Drawn

What It Is, and How to Get It

A dividend is the share of a sum of money to be divided up. Persons who have saved and invested their savings, and persons who have inherited the savings or accumulated wealth of their forbears, draw a dividend periodically. That is, they draw out a share of the profit on their investment or inheritance.

Dividends are not like wages or salaries, which are the direct reward of work. Nevertheless, no one who receives a dividend hesitates to accept it, or to spend it, if he needs to merely because he does not work for it.

THE SOURCE OF DIVIDENDS

The source of dividends is the wealth accumulated by past effort. During the past century or so the people of this country, and every other modern industrial nation, have accumulated vast wealth. It is to be seen in the form of cultivated fields, factories, workshops, railways, roads, airways, telegraphs, and all the thousand other things that go to make up our power to produce goods and services.

A hundred years ago there were scarcely any railways, very few and primitive factories, no means of rapid transport and communication. Countries then were, in fact, very poor in comparison with their present state of wealth.

OUR GREAT INHERITANCE

During the period between then and now the inventive genius, the research, and the co-operation of our people raised the present mighty structure of modern industry, with its enormous capacity to produce all the things desired by people for a full life.

Not just a few clever persons, not one or two particularly bright generations, but the whole population working together through many generations achieved this thing. They built up the great wealth, which is now ours to use.

This age of plenty, the fruit of our Western civilisation, is *our inheritance*.

What are we going to do with it? Where is the dividend we ought to be drawing on it? Why are we so sick and sorry when we should be happy and prosperous?

Our factories are producing a fraction of what they might produce; our transport is not working half as efficiently as it could; the means of production are only functioning at 20% of their full capacity, and even some of the goods which are produced are being destroyed.

Fish is being thrown back into the sea, milk poured down drains, shipyards and factories are being broken up. In U.S.A. farmers are being paid to destroy their crops.

What is the reason for all this restriction and destruction? It is not because we are all rich enough already, for most of us are very poor, and those who are not very poor live in the fear of poverty.

POOR, WHEN WE MIGHT BE RICH.

We are a poor people living in a world which could make us all rich—rich beyond the dreams of past generations which had not at their command the machines that are ready to work for us, that *do* the work for us.

And in working for us they give us leisure—no, that is the wrong word, they *throw us out of work!* But surely we invent and instal machines so that they shall work for us? "Nearly every tool which has ever been invented was invented for the purpose of doing a given piece of work in less time," Major Douglas has said, and said truly.

The purpose of the machine is to do work in less time than men alone, without their aid, would take to do it. Therefore it is futile

and foolish to have machinery and not to let it work for us. "The machine that takes our job *must* work for us!" We must be able to enjoy the fruits of its work.

Now, we have a great industrial system ready to work for us. It has been built up by our forefathers and improved and increased in capacity by ourselves. It is a great inheritance, but, unlike the ordinary inheritances to which a few fortunate individuals fall heir, we do not draw a dividend on it! We ought to draw a dividend on it. Every citizen is a rightful heir to the inheritance, and the only way in which he can benefit by it is through a dividend—a National Dividend.

A NATIONAL DIVIDEND FOR THE ASKING

That is what is meant by a National Dividend: a share for everyone in our common inheritance.

"You must tell your Members of Parliament that there are certain things you want done—and done first. Say to them: 'We say it can be done; we do not know exactly how, and we do not say you must put into operation the Douglas Credit System. All we want is results, and we will have results. If some people say it cannot be done, then try the people who say it can be done.'"—Major Douglas, at Bradford.

ance. Mark the fact particularly well that it is a share for *everyone*, and is not drawn at the expense of *anyone*.

The people of Australia can have this National Dividend just as soon as they decide that they want it. But unless they decide to have it, and to insist upon having it, they will not get it. That may seem a strange statement, but it is a perfectly true one.

In a democratic country like Australia the people can voice their demands through the Parliamentary vote. It follows, therefore, that if they use their Parliamentary votes to demand the issue of a National Dividend, they will get a National Dividend!

A National Dividend means simply the issue of money to buy goods, which are now destroyed and restricted. There is no doubt about its possibility since all authorities are agreed that we can issue money provided we know there exist goods to honour it.

The will of the people must prevail, but, in order to prevail, it must be clearly expressed as a demand to Parliament. Parliament cannot avoid doing the bidding of its masters, and its real masters are those who elect it. Remember that fact always: *The elector is the master — Parliament his servant.* The purpose of the People's Movement to Abolish Poverty is to make the electors realise that they have supreme power, **AND TO SHOW THEM HOW TO USE IT.** If this purpose be achieved, everyone will enjoy economic security and personal liberty, and the inheritance of Western civilisation will be saved from the imminent destruction that threatens it.

This is the official weekly bulletin of—

THE PEOPLE'S MOVEMENT TO ABOLISH POVERTY
Room 8, The Block,
Elizabeth Street, Melbourne

Sound Financial Sabotage
Thanks to the output restriction, which came into effect about the middle of last year the copper position has undergone a progressive improvement. Stocks have been reduced... *Financial Times*, March 16.

YOUR EMPIRE, I HEAR, NEEDS MEN

By YAFFLE, in Reynolds News

Britain is in danger. We are short of recruits for the fighting forces.

Lord Rothermere feels it so keenly that he has called upon the readers of the *Daily Mail* to apply their minds—

Their what?

Their minds. You heard. Apply their minds to this problem of paramount national importance, and offers a prize of £1000 for the best recruiting idea expressed in a letter of not more than 200 words.

I yield to none in my devotion to the national interest, whatever rate that interest may be. I, therefore, offer a prize of this high quality gents' umbrella—Pardon? Sorry, old man. I didn't know it was yours. I offer a prize of a handsome cuckoo clock for the best idea of what the war will be about if we have one.

Before the nation can answer the Call, the nation must have further particulars. You must tell the people who the enemy is and what he has done, or they might be rude to the wrong foreigners. Assuming, of course, that there are any foreigners that aren't wrong.

Meantime, the suggestions are rolling in. One *Daily Mail* reader says we should

"Abolish from the streets the great number of begging ex-Servicemen, wearing medals and giving, by their appearance, psychologically the worst impression of the results of an Army, career."

If that one doesn't get the prize, I shall send it a pair of vases. It connects up with Lord Rothermere's complaint that "young Britons of today are not showing the same readiness to serve their country under arms as did their fathers."

The only way to remedy that is to remove young Britons out of earshot of their fathers. Young men who have fathers who fought in the war and helped to make the Means Test safe for democracy should be encouraged to leave home. No one will blame them for disowning any filial duty to an anti-recruiting agency.

And the young men will pack their spare shirt and say, "Farewell, Mother. I cannot blame you if, in your innocence, you committed yourself to the lifelong company of a bad psychological impression; but I will never own it as Father."

Another *Daily Mail* reader suggests that we should "make a man feel that he is wanted, and introduce a more personal touch." That, too, is a pretty thought. Sergeants might introduce a more conversational tone into their commands, such as, "Well, boys, it's a fine

day, and now we're all here, what about forming a four or two?"

The Colonel should certainly invite each new recruit into his quarters, stand him a drink and ask him about his family. We must spare no pains to convince young Britons that army life is a constant round of pleasure limited only by standards of good, clean fun.

It is unfortunate that this recruiting campaign comes while we still retain visible results of the last one. Every effort must, therefore, be made to counteract the effect of those older men who are prone to allow their recollections to misinterpret the new recruiting posters. The old soldiers have not yet, unhappily, had time to fade away.

Before dealing drastically, therefore, with these bad psychological impressions, we might suggest to them that it is their duty, in the national interest, to parade the streets in top hats and white spats, remarking loudly that they would not have missed the war for worlds. If they refuse, or have no top hats, then we must hide them away in the coalmines.

So far, the best recruiting idea comes from Sir Alfred Knox. He says, "If we talked less about collective security and more about the vital defence of the Empire, we would get more recruits."

That is undeniable. The British workingman never forgets what the Empire means to him. "How are things going?" I heard an unemployed glassblower say to a former blast-furnace man only yesterday. "Splendidly," replied the blast-furnace man. "The British Empire covers one-fifth of the total area of the globe."

"True," said the glass blower; "but, mind you, the dominant thought which that inspires in me is less of power than of responsibility," and he raised his hat.

"And in me," agreed the blast-furnace man. "I regard it not so much a means of political or economic prestige as of opportunities for the service of mankind." And standing for a moment at the salute, they resumed their search for fag ends.

"You think imperially, of course," I said to an unemployed engineer selling matches. "Indubitably," he replied. "When I have to go without my dinner, I have only to remember that the British Empire can feed a population twice its size, and my hunger vanishes." And, laughing for the sheer joy of overseas possessions, he went on his way.

"Aren't you rather overcrowded?" I asked a Glasgow man who lived in two rooms with a family of nine. "By no means he said. "Far as the breeze can bear, the billows foam, survey our Empire and behold our home."

Let us, therefore, concentrate on the Empire. Nothing so readily distracts a man's attention from the bad psychological impressions of his own back yard as to meditate upon the vastness of Britain's far-flung realm.

Sir Alfred, your cuckoo clock.

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WOMAN'S "SPHERE"

By LEONORA POLKINGHORNE.

We have heard so much from time to time about woman's "sphere" that it is about time that we came down to tin tacks and asked ourselves just what a "sphere" is. Well, it is a world, isn't it? In fact, the Adelaide "Advertiser"—South Australia's one and only daily paper—admits this when, shrewdly recognising that a woman's penny ha'penny is just as good as anyone else's, it devotes one whole page out of thirty-six to what it terms "The Woman's World." As we have never yet heard any reference to a "man's world," we may assume that his is the one we imagined we occupied, to wit, the other thirty-five pages.

Now, just fancy that! We have a world all to ourselves. We do not live on this old brown earth with other human beings, no matter how much we may appear to. So let us see what, according to the "Advertiser," this "world" of ours offers us. Item 1: How to make rissoles out of yesterday's hash, or (a classic in stance recently appearing), how to contrive a delectable dish for supper from breakfast's leftover porridge. Item 2: How to make the toddler's rompers from mother's worn-out princess slip. Item 3: Who wore what at the races. Item 4: A vivacious account, under the title of "Round the Bridge Table," of the wholly uninteresting doings of persons unknown to fame except for the recorded fact that they went to returned from Mt. Brecon, Victor Harbour, or motored to Melbourne. (One wonders what kind of bridge is played with all this conversation going on.) You will view a slight improvement in Item 5, for this records the doings of women in the world, people who really are doing something. This section should be headed, "From My Kitchen Window." You will observe by this that we are not to know what men are doing, and as it is men who are doing all the exciting things—building empires, wrecking empires, fomenting wars, running gangster organisations, unmasking and running to earth the same—well, we are having a very mild view of things. For, of course, the things that women are doing are not at all exciting. They are meeting at Istanbul discussing social problems, founding crèches and kindergartens, evolving new schemes of education, making strenuous attempts to be friendly with women of other nations (vide Pan-Pacific Conference), in the pathetic hope that such friendships will ward off war, and just things like that. Not at all like the dynamic creatures who are having such a lively time in Europe. Let us pause to view those activities.

MEN'S ACTIVITIES

Here is Russia dancing about on the frontier, shaking her fist at Japan and saying: "You just try coming over that line! That's all. You just try!" And Japan puts its thumb to its flat nose in reply. France's Premiers, in the brief intervals of being tossed out of office, are becoming cross-eyed through making faces at Germany, imploring England to stand by France and she really will be good, while winking at Mussolini to say, "Go ahead. It's all right, really." Hitler, stand-

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ing on his dung-hill, shouts, "I'm the King of the Castle, and all you non-Aryans are dirty rascals," while Mussolini practises Caesar attitudes before the mirror and composes rude remarks for the benefit of the really charming Mr. Anthony Eden. America looks on and draws, "Well, get on with it, you guys. I'm not in the scam."

This, of course, is only the way it all appears to a woman, and she thinks that she can see the same thing any day in any boys' playground. Foolish of her, of course, for all these heroes are grave and reverend statesmen, to whose cabled activities solemn and weighty leading articles are devoted.

HOW WOMEN WOULD HANDLE THEM.

Now what would woman do in the European situation? Wouldn't she say, she *who* has been the mediator in innumerable boilings-up in the family circle between father and the boys, "Oh, now, do listen to reason, and let us settle this silly affair at once and be friends again. Let Germany have his colonies. (It will be seen that the feminine pronoun is out of place here.) They won't really be any good to him, as he can have them as markets as it is, but it will keep him quiet. And do, for goodness' sake tear up that stupid Treaty of Versailles—it has caused trouble enough. France, you just leave off doing provocative things like building that Maginot line—just asking for trouble. Russia, don't take any notice of Japan, he is just showing off, and will get tired of it if no one takes any notice of him. Here, Italy, we know you did not have a fair deal after the war, so let us have a new treaty, and a fairer one this time. England, take your ships out of the Mediterranean, and let us have an end of all this nonsense." Something like that.

But, apart from all these thrilling things, there are just the local problems of transport, taxation, etc. Naturally, women cannot be expected to take any interest in transport, as they do not ride in trams and trains, but just fly about their "world" spreading their wings over cradles and what not. (It is a mere detail that cradles are completely out of date and found only in museums.) And, as to taxation, it, of course, has no connection with whether one can buy a new hat or make do with last season's. No, what we are really thirsting to know is that the Duchess of Kent likes tinted tablecloths, while the Duchess of Gloucester prefers mats, and the Duchess of York likes white linen. (I apologise to these ladies if I have mixed up their preferences in these important matters—I can only remember that they were solemnly chronicled in the woman's "World.")

WHY A DIFFERENT WORLD AT ALL?

By what feat of magic and mystery we become thus separated from the human family is beyond me. Here is a man we live in the same house with, eat with him, sleep with him, own the same children, plant the same garden, are dependent on the same income, share the same cares, perplexities, anxieties and pleasures, tell our heart's secret to him and hear his in return, have a toothache in the same place as he has—but he does not occupy our world, nor we his. Funny isn't it?

Of course, it is true that some exciting things are recorded of women. But why do they really fly the Atlantic or swim the English Channel? Well, just to prove to men what they ought to know already—that women have courage and

endurance. As a matter of fact, these things do not rank very high when regarded as women's contribution to humanity.

If they undertook these feats to bring relief to a suffering person, or comfort to a child, it would be quite a different thing. For woman's job is civilising and humanising, bringing that compassion and tenderness, that wisdom of the heart that makes life possible in the best sense, not just a murderous scramble for material possessions. One has only to see life as it is in womanless communities, such as mining-camps, to understand what I mean. But our stupid, andocentric, lopsided imitation of civilisation discourages this.

BOYS TRAINED BY MEN.

We take young and tender boys from the wholesome influence of their homes and their female relations to herd them with other boys and male teachers, and think thereby to make good human beings of them, but there is plenty of evidence of the brutalising or maiming effects of this system. The bruised lives of many eminent men—such as R. D. Blackmore, author of "Lorna Doone"; Hugh Walpole and many others who have had life-long spiritual hurts as a result of public school life—are eloquent witness to this mistake. This sex-segregation is no part of the Creator's plan. If we read the biographies of prominent men of the last century, we find that boys were compelled to stand all day at their lessons, while for some trifling breach of discipline masters could, and did thrash them into insensibility, then kick their unconscious bodies. Picture the anguish of the mothers of these boys if they ever came to know of this! Needless to say, they would not have been allowed to interfere. This treatment was to make men of them, British soldiers and sailors; and brutal hazing on board ship and fiendish punishments in the army by officers were the perfectly natural fruit of this system of "education." But we

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.

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must not dwell on this theme—it makes us too hot.

OFFICIALDOM AND HUMANITY

Let us have a look at Scutari. The nurses rush to Florence and say, "Oh, Sister, the boats are in with all the things we need for the soldiers." "Good," says Florence, "we will get to work at once on them." But a high official forbids. "That," he sternly informs her, "is not the way things are done in the army. You must wait till the matter is out through the official departments." "But my soldiers are suffering for want of these things," she protests. "What is that," says the high official, "compared with the importance of doing things the correct way? Remember that you are a subordinate, and expected to obey." "You're telling me," says Florence, under her breath, and when his august back is turned, she says, "Come, girls; we have to get those things. Fetch the toolbox, Sadie." And off they go, board the ship, break open the cases, and bring the comforts to the suffering soldiers. I have not heard of any instance of the soldiers at Scutari kissing the shadow of any representative of high officialdom.

It is still with us. Man rushes along triumphantly to say to woman, "Look here, what I've done! I've made a brand-new material as good as silk and more durable, just out of nettles." "Fine!" she says. "How clever you are! Now Connie can have a new silk frock, and I can do with one myself."

"Oh, no," he says. "It is not so simple as that. I said I could make it, but that doesn't mean that you can have it."

"Come, now," she says impatiently. "There you are again. Just like you were over those tomatoes. When we had a good crop, you insisted on selling them to Jones, so as to get money to buy more tomatoes, instead of eating them ourselves. And then, again, when you had the house built, and I said that I wanted the pantry as near the dining-room as possible, you insisted on having it ever so far from it, with a lot of narrow underground passages in between, so that we couldn't bring the food through, and had to go without and let the food go bad. And all you could say in defence was that it was one of the rules of sane and sound architecture—but what I wanted was a short cut from the pantry to the dining room. What do you say to that?"

Well, what does he say to it? The children are hungry. Don't you think we ought to keep on asking him?

Jottings from British Hansard

The Chancellor of the Exchequer draws £400 a year from taxes at 5/- a time on petrol-driven bath chairs used by disabled ex-servicemen and other cripples.

The number of war pensioners in mental institutions is about 5990.

The average pair of army boots weighs 41b. 5oz. large sizes weigh nearly 51b.

Since 1900, 41,288 people have been killed in British mines. In the 23 years for which figures are available, 3,490,385 were injured with over three days' disablement.

The Under-Secretary of State for India denied that the Indian Government subsidises news agencies, but admitted that a news agency is paid "for transmitting overseas news of Government importance outside the scope of the ordinary service."

An order by the U.S.S.R. for 700 tons of tinplate from South Wales has been refused owing to the restrictive policy of an Anglo-American cartel.

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Council for Civil Liberties

First Annual Meeting on

May 6.

The first annual meeting of the Council for Civil Liberties will be held at the Centenary Hall, 110 Exhibition-street (at the corner of Little Collins-street), Melbourne, on Wednesday, May 6, at 8 p.m. Mr. Eugene Gorman, K.C., will take the chair.

The first steps to bring an Australian Council into being were taken at a meeting held on December 3 of last year, when Miss M. Bayne, Miss D. Davies, Miss T. Lucas, Mr. H. F. Allsop, Mr. J. V. Barry, Mr. J. Dwyer, Mr. Brian Fitzpatrick, Mr. F. Howden, Mr. Eugene Gorman, Mr. G. W. Leeper, and Mr. Max Meldrum were elected to an organising committee. Others who have since associated themselves with the movement, and who are taking part in the arrangements for the meeting on May 6, include Mr. H. Burton, Professor Woodruff, Professor Boyce Gibson, Dr. John Dale, Mr. J. F. Hill (who is the Principal of the Melbourne Boys' High School), Mrs. W. Thorn (who is the president of the Lyncem Club), and the Hon. W. Slater.

The organising committee has been fortunate in enlisting the help of Mr. and Mrs. Vance Palmer, who are at present in London. The Australian Council has become affiliated with the English National Council for Civil Liberties, which has done so much valuable work in defence of democratic rights. The correspondence with this body will be read at the meeting on May 6. Other business will include the formal adoption of a constitution and the election of office-bearers.

A discussion of attacks on civil liberties in recent Australian history will be a feature of the meeting. The speakers, among whom will be Mr. H. Burton (president of the Economic Society, who has recently returned from England) and Mr. Gorman, will describe the methods adopted by the English Council (which includes among its vice-presidents such distinguished people as the Dean of Canterbury, II. G. Wells, Professor Julian Huxley and Viscountess Rhondda), and will draw a parallel between the English Incitement to Disaffection Act and the political provisions of the Commonwealth Crimes Act.

All those who are in accord with the aims of the Council—briefly, the preservation of civil liberties and the organisation of an effective resistance to attacks on those liberties—are invited to attend the meeting. Such sympathisers may take part in the voting by enrolling at the hall. The minimum subscription is 1/-.

The honorary secretary of the organising committee is Miss T. Lucas, 13 aBeckett-street, Armadale, S.1. (Telephone, Windsor 2925).

SANDRINGHAM DOUGLAS SOCIAL CREDIT GROUP.

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in Sandringham Town Hall
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May 6—P. M. Ireland

June 3—L. H. Hollins

July 1—T. J. Moore



THE NEW TIMES

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Poor Mr. Holt

Mr. H. E. Holt, M.H.R. for Fawkner, Vic., has put forward the suggestion that Government loans should be made to young couples to enable them to marry. The suggestion does credit to Mr. Holt's heart and, to some extent, to his head, but it suffers from that incompleteness that is associated with most of the ideas coming from the Young Nationalists. For Mr. Holt is quite right in indicating that it is mainly lack of finance which prevents most young couples from marrying and having children in the normal way. But if his suggestion were accepted would the young borrowers be much better off? Would they, starting their married lives in debt to the State instead of to time payment furnishers, be able to look forward with any more security to an assured income in the future? Would the position of most of them be much better than that of those who begin by renting a furnished flat? And from a national point of view, if the scheme were carried out on a large scale, would not the consequences be further increases in the national debt and further increases in taxation forever, thus adding nothing but a fresh spiral to our history of running round in vicious circles?

The one thing which Mr. Holt and those who think with him—or, what is not quite the same, those who agree with him—cannot bring themselves to contemplate is that the Government should make a *subsidy* by the grant of new national money, instead of making an *advance* by the loan of new bankers' money. Payment of a National Dividend, which is justified both by the abundance of production and by the scarcity of money, would remove the impediments to marriage and to

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the rearing of children, as well as to the attainment of most other desirable things which we are now told we cannot afford.

One of the most interesting results of Mr. Holt's proposal has been the reaction of orthodox U.A.P. opinion, as expressed by the Melbourne *Argus*, which devoted a sub-leader on Wednesday to soundly berating his "fatuous suggestion." The *Argus* finished by saying: "A constituency such as his may curiously inquire whether he is a suitable candidate for selection next year." That ought to be a plain enough warning to Mr. Holt, and to Young Nationalists in general.

There is, of course, the possibility that Young Nationalists, having once begun to think, may continue thinking. If they do, they might give a little consideration to this further comment of the cold-blooded bankers' organ: "The loans would be rushed by those classes who now breed freely, producing unfit as well as fit offspring."

Was there ever a better example of the devilish condition to which finance is reducing humanity? "Breed," forsooth! Is this wretched journal speaking of human beings or of animals at the stud? Does it, and do its masters, the moneylenders who are temporarily saving it from the extinction it richly deserves, regard those poor people whom they have robbed of their rights as anything better than beasts of burden?

Winter Works

Programmes are being arranged for winter works for the unemployed, and the public is being carefully prepared for the publication of figures showing big increases in the numbers of the destitute, now that finance has ordered the "slowing-up of recovery." There is the usual seasonal wrangle as to where and how the so-called relief moneys are to be spent.

Here again the *Argus*, true to type, is advocating that as much as possible should be devoted to country works. We do not for a moment suggest that there is not a crying need for the doing of a great deal of useful work in the country, but we certainly do object to the idea that such work should be executed by the forced labour of men dragged from their families in the city and put into slave camps on slave wages.

The *Argus*, making a false show of sympathy with the farmer, said a couple of days ago: "For many years those who are actually in occupation of the land had to fight a losing battle, and it would be absurd to prescribe for men on relief works a rate of wages in excess of the remuneration which the

average producer can earn for himself." The *Argus* thus admits that the average farmer, after a lifetime of effort, is not obtaining for himself even the paltry basic wage. But the one thing it does not concern itself about is *why* those who are producing so much wealth from the land should for many years have had to fight a losing battle. They have not lost their battle against nature, but only their struggle against the banker.

Again, the *Argus* declared: "Wages are governed in the long run by the returns from production." But likewise it made no inquiry as to what governs the returns—that is, the prices realised—from production. This also would imply too close a prying into the personnel of those who govern the amount of money which we are allowed to have wherewith to purchase production.

There is no just reason why, since materials and men are available all over Australia, the money should not be available, without bankers' loans, to employ in their own localities all our married and most of our single men on works profitable to the nation. Here in Melbourne vast sums have been spent on the so-called Yarra Boulevard, the main result of which has been to destroy some of the most beautiful reaches of the river by the cutting down of timber and the erection of hideous retaining walls in its place. A little more of such work and the Yarra will be like a ship canal. When that time arrives, presumably, there will no longer be serious opposition to the erection of more monopolists' factories along its banks, or to the injection into the stream of the filthy scum which can now constantly be found in an area which until recently was beautiful.

Apart from its desecration, the irony of the Boulevard lies in this, that those who are fortunate enough to own a motor car will shortly be able, speeding along a road which has entailed the work of thousands of men and the expenditure of hundreds of thousands of pounds of bankers' interest-bearing money, to obtain fine vistas of the outlet of the Riley Street drain while they get a bird's-eye view of the slums of Collingwood. At the same time they may, if they wish, reflect upon the mysteries of a financial system which could employ the workers of Collingwood on the destruction of nature's beauties, but which could not employ one man from amongst them in demolishing the slums and adding to domestic beauty and to human happiness.

Perhaps, however, now that the Victorian Ministry has scandalously decided to alienate from the people a large portion of the grounds of Kew Mental Hospital (which is at long last to be transferred) it may have in mind to make some measure of reparation by building thereon dwellings for the people from the slums.

Perhaps.

FASCISM'S WAY OUT
Mussolini—
Encourages increase in
population
To be slaughtered in a war of
expansion
To find room for surplus
population.

THE UNDERFED MILLIONS OF BRITAIN

News That Made the Press Take Notice

English papers just to hand contain lengthy comments on the shocking revelations reported in our cables some weeks ago, in which it was disclosed that millions of the unfortunate people of Britain are living in a state of semi-starvation. We reprint two selections by way of emphasising what truth there is in the stories coming from our ambassadors, such as R. G. Menzies, who tell us fanciful tales of "almost unbelievable prosperity." The figures quoted also show what a real opportunity there is for that expansion of our markets which Dr. Page is now concerning himself with—and how vain must be any search for markets until the monetary issue is first dealt with.

In its issue of March 21 the London *Economist* deals with the "Report on a Survey of Diet in Relation to Income" just issued, above the name of Sir John Orr. The *Economist* says (the emphasis in each case is ours):—

FOOD AND INCOME

"There is certainly something ironical about a world in which it has needed the discovery of vitamins and calories and protein (whose existence most of us must take on trust) to convince the well-fed minority in our modern civilisation that the remaining majority are hungry. That an understanding of the facts is now beginning to spread, however, was shown, among other evidences, by an encouraging debate on Wednesday in the House of Lords. Yet in the past it has often been denied that there was serious malnutrition, or disease due to malnutrition, among the poorer classes. And official reports have complacently maintained before now that the little malnutrition that existed was due, not to poverty, but to carelessness, laziness or ignorance. "Such contentions will not be made again, now that Sir John Orr's long-awaited report has been published. The investigation on which the report is based was made by the staff of the Rowett Institute in co-operation with the staff of the Market Supply Committee; and special assistance was given by various experts, including Dr. Leitch, Mr. Colin Clark, Mr. H. W. Macrosty and Mr. E. M. H. Lloyd. A great deal of new and highly illuminating statistics is contained in the report; but it is simply and clearly argued, and its conclusions are all the more convincing for their conspicuously dispassionate moderation. The report is accurately described by Sir John Orr as 'the first attempt, which has been made to get a picture of the food position of the country, showing the relationship of income, food and health.'"

"Sir John Orr starts by taking as his criterion not the minimum standard of nutrition which might be regarded as compatible with good health, but the optimum beyond which no physical improvement can be obtained by better diet. This optimum is taken to be that enjoyed by those classes of the population who can choose their diet independently of economic obstacles. The total food supply of the nation is first analysed by volume and retail value, and found to have been equal (in 1934) to £1,075,000,000 (of which meat totalled £294,500,000). This total expenditure is equal to about 9/- per head per week. The population is then divided into six income groups, the lowest of which consists of 4,500,000 persons, has an income of 10/- per week per head, and spends 4/- a week per head on food. "The highest group also contains 4,500,000 people, has an income of over 45/- per head, and spends 14/- per head on food. These groups do not exactly correspond to rich and poor, as measured by the income per head is greatly affected by the number of persons in the family. "In fact, it is estimated that half the persons in the lowest

group are children under 14, and that between 20 and 25 per cent, of the children in the country are in the lowest group.

"The consumption of bread and potatoes is practically uniform throughout the different income groups. Consumption, however, of milk, eggs, fruit, vegetables, meat and fish rise more or less rapidly with income.

"In the poorer group average consumption of milk, including tinned milk, is equivalent to 1.8 pints per head per week; in the wealthiest group it is 5.5 pints. Consumption of eggs in the poorest group is 1.5 per head per week, and in the wealthiest 4.5; while the poorest group spends 2/4 on fruit, and the wealthiest 1/8.

"Further examination of the various diets shows that all except those in the three wealthiest groups are deficient in one or another of the physical constituents necessary to good health. The diet of the poorest group (consisting of 4,500,000 persons) is deficient in every constituent. The diet of the second group (consisting of 9,000,000 people) is adequate in protein, fat and carbohydrates, but deficient in all the vitamins and minerals considered. The third group, comprising another 9,000,000, lacks several of the more important vitamins and minerals. Complete adequacy of diet is practically attained in Group IV; and the two higher groups have a surplus.

"The conclusion therefore emerges that exactly half of our population is suffering from an insufficiency of food caused by poverty.

"Evidence is then given that malnutrition has a serious effect on health and strength. The rate of growth of children, for instance, is markedly different in the different groups.

"At thirteen years of age boys at Christ's Hospital are on an average 2.4 inches taller than those at council schools; and at 17 they are 3.8 inches taller than 'employed males' who may be regarded as adult council school boys.

"Diseases caused by malnutrition's, and, in particular, rickets bad teeth and anaemia, have been found to be much more prevalent among the poorer groups. These diseases are particularly due to lack of milk; and remarkable improvements have been obtained by increasing milk consumption. "Sir John Orr concludes that in order to make the diet of the poorer groups equal to that of Group IV, whose diet is just adequate for full health, it would be necessary to increase the community's total consumption of the more expensive foodstuffs—i.e., milk, eggs, butter, fruit, vegetables and meat, by amounts varying from 12 to 25 per cent. In a paper read to the British Association last September, Sir John Orr estimated that the total increase in consumption necessary to bring the whole population up to the standard of diet necessary for health was about £200 millions a year. This illustrates the magnitude of the problem.

Even if 1,000,000 of the present unemployed were given work, the increase in incomes of the working classes as a whole, allowing for loss of unemployment benefit, would unquestionably be far less than £200 millions.

"It is clear, then, that if a real national food policy is to be undertaken, and the problems of nutrition and agriculture are to be simultaneously solved,

the buying power of certain classes of the community must be increased—by economic policies which will affect both those in work and those out of work.

"The distribution of the national income must also to some extent be altered or be changed by such means as family allowances. But even when this has been done, there will probably remain a need for the State to make special provision for the supply of free or cheap food to necessitous persons. Sir John Orr, who very clearly sees that food policy must be a supplement to, and not a substitute for other social reforms such as slum clearance, finishes by commending the problem to the 'economic statesmanship' of practical men. It is to be hoped that it will be widely examined in an honest and disinterested spirit. For there is no wizardry by which the surplus foodstuffs of the world can be conveyed to necessitous men and women, and there is no magical cogitation of experts by which the problems of agriculture and nutrition can be automatically solved.

"The suggestion, already made, for example, that the grant of milk to mothers and children should be financed out of duties on other food imports would be no more than a fraud on the consumer and a betrayal of the whole cause for which Sir John Orr stands.

"For imported food is preponderantly bought by those in the poorest groups.

"How much can be done at one time to supplement our present meagre food policy must, of course, depend on the financial circumstances of the State. For this reason it is distressing to consider what could have been achieved in the interests of nutrition and agriculture with the money that is now to be spent on armaments. In so far as some further advance can be made, however, Sir John Orr's report leaves little doubt that the next step should be an increase in the grant of fresh milk to mothers and children. The same conclusion emerged from Wednesday's debate in the Lords. The diet of the poorest groups shows the greatest deficiency in milk; and a deficiency of milk is the most injurious to health.

"It also happens that the milk trade is acutely embarrassed by an unsaleable 'surplus' of fresh milk.

"The authors of the recent programme, 'The Next Five Years,' suggested the expenditure out of the Budget of £5,000,000 a year, particularly on milk, as the beginning of a national food policy. We believe that this would be an admirable first step towards the removal of the evils laid bare in Sir John Orr's report."

It will be noted that the whole crux of the position, according to the *Economist* lies in "the financial circumstances of the State." Hence, to reasonably minded persons, it would appear that the first point of attack should be those financial circumstances—the more particularly as they are merely a matter of bookkeeping entries.

MAJOR DOUGLAS'S LETTER TO MR. ABERHART

Major Douglas (says *Social Credit* of March 20) in an interview to the press in London on Friday, March 13, made public a letter, which he was dispatching to Mr. Aberhart. He expressed a strong desire to assist Mr. Aberhart in every possible way to achieve the ends of the Social Credit Government, of which Mr. Aberhart is the head, and stated that he had already sent various technical directions to this end, and that he was of the opinion that, in view of the fact that close and continuous attention to the situation in connection with these was necessary, it would be highly desirable that Major Douglas should arrange for the presence of a qualified technical colleague in Edmonton for a longer period than it would be feasible for Major Douglas himself to stay in the first place, such arrangements to be followed by a visit from Major Douglas himself as the situation develops. Major Douglas also expressed his opinion that by an extension of methods already suggested, the difficulties with which Alberta is faced in connection with the Budget could be met without recourse to increased taxation and without further strengthening the grip of financial institutions upon the province.

"DIET AND NUTRITION."

Here is another view, as put forth by the well-known writer, "Beachcomber," in the London "Daily Express":—

"Every time a new pamphlet, brochure, or whatnot appears, dealing with the subject of the nation's health, I jot down one or two of its main conclusions before I have looked at it. These conclusions are always the same.

"They always tell the reader in many thousands of words that the destitute are not getting enough to eat. But surely this staggering discovery has never been put so startlingly as in the latest production on the subject of health and food—which is nowadays always called 'diet' or 'nutrition.' Now read this carefully and ask yourself if it could be beaten.

"The important aspect of the survey is the inadequacy of the diets of the lower income groups and the markedly lower standard of health of the people, and especially of the children in these groups, compared with that of the higher income groups."

"Sublime!

"To arrive at this conclusion, committees sit for years, knee-deep in figures. In the days before compulsory education, any one by the roadside could have told you that the rich have more food than the poor.

"Those who are interested in social hugaboo might do better than read my own little book entitled, 'The Effect of Artificial Heating on the Body Corporate.' On page 234 appears this challenging statement:—

"Examination of 234,898 cases has shown that prolonged exposure to cold, brought about by lack of means to procure the requisite fuelling for artificial heat, is more incident in winter than in summer; and, further, that those with large settled incomes, living in sound houses, are on the whole, less prone to suffer from this form of discomfort than those of lower status, who cannot command incomes of such magnitude."

ancial institutions upon the province.

MAJOR DOUGLAS'S LETTER Dear Mr. Aberhart,

In order to avoid any possible misunderstanding, may I again make clear to you the nature of the problem confronting Alberta and the world, as I see it? In order to emphasise the consistency of the view that I am putting forward, I would refer you to page 7, paragraph 1 of my First Interim Report.

Since your election, you have taken the view that my function in connection with the Government of Alberta was to provide a "Social Credit Plan." The only meaning that I can attach to this attitude may be illustrated by a homely simile. You appear to consider that the problem in Alberta may be compared to the provision of an improved automobile, while I have consistently endeavoured to make it clear that there is a monopoly of gasoline and that the problem is to get sufficient gasoline before worrying about improvements to the automobile.

As I have been compelled, by the prevalence of this misconception, to make public, my original contract with the Alberta Government was concerned, primarily, with the existing economic system in its relation to credit supply, and only by implication with what is referred to as a "Social Credit Plan."

In pursuance of your conception of the position, you have deemed it desirable to appoint an adviser to deal with all questions (pursuing the above simile) concerning the control of the gasoline, with the result that by taxation and otherwise it is proposed still fur-

When we measure the "national income" by the physical output of goods, our calculation means little or nothing unless the goods produced are in fact those that are necessary to advance the well-being of the people. An increase in Europe's steel output, necessitated by European re-armament, is a matter not for exultation but contrition and regret. —The "Economist," Feb. 29.

ther to restrict the supply, and, although I have from time to time made you specific and important recommendations in regard to this matter, you have suggested that they are matters of detail and in any case have not taken any action with a view to accepting the advice I have felt it necessary to offer. I can only assume, therefore, that in the matter, which is of primary importance, you prefer other advice to my own.

I feel bound, again, to make it clear, in the words of my First Interim Report, in the paragraph to which reference is made above, that "Plans for dealing with the public credit are wholly premature while the power to deal with it has not been obtained."

I am fully conscious of the difficulties of your position, all of which were considered in the same report, but I am equally conscious of the absurdity of supposing that you are going to win a war of the nature of that with which you are confronted and to which by your mandate you are committed, without fighting a battle. In my opinion, the advice I have already given you is still the best, which can be applied to the situation, and I suggest that if you do not wish to challenge Financial Dictatorship, the matter may be made as clear as possible to the public of Alberta by the publication of the whole of the correspondence both mailed and cabled, which has passed between us from the date of your election to the present time, in order that your constituents may judge which of the two policies considered in my First Interim Report they wish to pursue, instead of, as at present, pursuing

under a misconception, the policy of capitulation to orthodox finance under the label of a Social Credit Government.

Until actual steps are taken to carry out the advice I have already given to you, I feel that further advice would be useless and even presumptuous. As you quite specifically warn me with complete propriety in your letter of January 24, the responsibility for any action taken or not taken is yours, and I am merely concerned to see that so far as is possible the situation is widely understood.

Yours faithfully,

(Signed) C. H. DOUGLAS.

RELIGION UP-TO-DATE

By D. IZZIE

Have you heard of the world-wide movement for gingering up the Church? So far it has only got three members—Messrs. A. Hitler, D. Cooper and D. Izzie. The movement was founded some years ago by Mr. Hitler, who urged the Germans to adopt a more virile religion. If necessary, they were to abandon Christianity and adopt Odin as their god. It is said that all Vikings in Germany have been ordered to wear tooth-brush moustaches as their emblem. Mr. Hitler has had to carry on the fight alone, and, indeed, almost abandoned it; but now he has got another recruit in the person of Mr. Duff Cooper, the British Secretary for war. Mr. D. Izzie was then enrolled as propaganda leader-writer and secretary, and so here we are—a movement in what the scientists call "the dispersed phase," but still worldwide.

Our newspapers of April 22 reported the opening of Mr. Cooper's English campaign, as follows:—

"In the whole history of Christianity there have been no finer Christian heroes than soldiers," declared the Secretary for War (Mr. Duff Cooper) in a speech at Manchester, in which he attacked those spreading abroad the theory that it was contrary to Christian religion to fight for anything for which he could find no authority in the Scriptures. "It is directly contrary to the whole history of the Church of England. The time has come when the preachers of such doctrines should be denounced for heresy and themselves reprovved. Church leaders should say boldly that it is a man's duty to defend his country."

He's a great chap, this Cooper. After all, what's the use of being Secretary for War if there's no war on? We've got to get a war started to test our theories. (By the way, we want three new members to take charge of Asia, Africa and America. Apply to the secretary.)

Being the latest recruit to the movement, I am not well versed in all its theories. It appears as though some clergymen have been going about England telling the people that it is wrong to fight. Mr. Duff Cooper says he has searched the Scriptures for their authority. I have been told that there is a law called a commandment, which says, "Thou shalt not kill," but, as Mr. Cooper could not find it in the Bible, I must take his word for it that it is not there. I admit that I always thought it was, but loyalty to my leader compels me to reject the belief. If anyone does find it in his Bible, he can bet that it has been maliciously interpolated by some enemy of the Empire.

MITRE FOR MUSKET AND GAITERS FOR GAS

Mr. Cooper is a sound student of history. He knows that the monks of Old England fought in the Crusades, and points out that the present generation of clergymen has become soft and altogether too Christian. Men must fight and their Ministers must egg 'em on. The clergy, too, might buckle on their gas masks and grab a bomb or two and get in the van. Duff and I, as secretaries, will have first pick of bombproof shelters, etc., so we

The Fable of the Island and the Cash

By MONTAGUE GROVER



Once upon a time, there was an island to which came one hundred men with £1 each. They lived on kangaroos and snakes and grubs and yams, and after feeding themselves and clothing themselves with skins, found that they had sufficient time over to build huts and provide themselves with some of the elementary comforts. As time progressed, they split into specialised occupations, and their £100 took the place of barter. Then there happened what we have been told by our pastors and our masters is inevitable: the more capable organisers rose to the top. They planned industries and caused factories to be built, and generally entered upon the Great Work of Production.

The island boomed. The work people enjoyed good wages. The three captains of industry grew rich. All seemed rosy.

Then, one day, the three captains of industry awoke to the fact that, as well as owning the factories and the houses they rented to their work people, and the places of amusement and everything else, they owned the whole of the £100 which constituted the currency of the island. They gave themselves a dinner and made speeches congratulating themselves.

Next day, the heads of their sales departments reported that no orders were forthcoming for the contents of their stores. So the work people were put off and the factories ceased to produce.

Next day, the estate agents reported that there were no rents forthcoming, for the tenants had not the money to pay.

The next day the work people began to grow offensive because they had no food. The kangaroos had long been killed off, the rocks stripped of shellfish, and the yams all eaten.

So the three wise men decided to give each of the work people a tin of potted kangaroo a day until times got better.

The work people had no money; the captains of industry had plenty of capital, but no incomes. According to the latest information from the island, they were still waiting for times to get better.

The name of that land is Civilization.

We plough the fields and scatter
The good seed on the land;
And it is fed and watered
By God's Almighty Hand.
But, when the harvest ripens,
There's such a frightful lot
That—as there is no Money—
We leave it all to rot.
W. L. BAIN, in *Social Credit*.

should be safe enough. Let the clergy swop mitre for musket and gaiters for gas, and tell the world that it must defend its country. Wars are always defensive, irrespective of what side you are on, so that part of our teaching is sound. Any clergyman who does not expound our message will be denounced for impure doctrine and dealt with.

I am rather at a loss to know what Duff will do with the Dean of Canterbury. Undoubtedly he is a fighter, but he won't fight men. He insists on fighting poverty, and what he calls an unjust financial system, which leads to war. If Duff's job is to be made safe, I'm afraid he will have to be dealt with.

It is only a few weeks since Duff told us that poison gas is a legitimate weapon of war. I'm told that he has also written a new hymn. It starts, "Suffer the little children, and let everyone else suffer, too."

WAR—An Aspect of the Social Credit Problem

AN ADDRESS GIVEN AT THE AUTHORS' CLUB, LONDON, ON FEBRUARY 24 BY MAJOR C. H. DOUGLAS

Many of us are beginning to recognise certain aspects of the money problem in every modern difficulty—that the money system is the main root of most evils.

War, I think we should all agree, is a major evil, and it is to the relation between finance and war that I wish now to direct your attention.

It is a commonplace in Continental criticism of British diplomacy that we are a hypocritical nation. I believe this misconception is important, and I think I understand from what it arises, and I should like to begin my suggestions by stating what I think is that explanation.

We detest theories, even when we render lip service to them. For this reason we, on the one hand, place almost excessive reliance upon precedent, because we think that precedent shows that a device has been successfully tried, since, at any rate, it has been tried and we are still alive, and we venerate what we call the "practical man," even though his practice has landed us in a devil of a mess, because he does not ask us to think, and we detest and distrust thinking.

Our diplomacy, however, is nominally based upon and is supported in public by reference to high moral principles, "the Rules of the Game," which are deductive in nature rather than inductive. We flatter ourselves that we are a games-playing nation, but it is quite possible that many of our troubles arise from the easy way we submit to unnecessary bunkers placed in the way of getting the ball into the hole.

THE PATH TO WAR

In point of fact, an inductive action must have an objective, whether that objective is defined or not, and I am profoundly convinced that the undefined objective of Great Britain, in common with that of other nations and of individuals, is, primarily, *unconditioned* economic security, no matter under what grandiloquent phrases this policy may be pursued and, further, that because we are merely pursuing precedent in this matter we assume, without too much investigation, that economic security is unobtainable for everybody, and that it is merely a question of who gets it.

It becomes evident, once this perfectly simple proposition is accepted, that we are committed to a competitive system, which must end in war. That, in fact, our whole social system under this conception is essentially war-like, and that the transfer from the modified strife we dignify by the name of "Peace," and which we pretend to conduct under certain rules, to the mass-murder to which we are trending as its logical extension, in which we abandon all rules, is in no sense a difference of kind, but is merely a difference of method.

THE PATH TO PEACE

Now the first thing, I think, on which to be quite clear in this matter is that *unconditioned* economic security, either for nations or individuals, is a perfectly legitimate ideal, and the second point, which I believe to be reasonably beyond discussion also, is that it is quite impossible to have anything but diminishing and *conditioned* economic security if we proceed on the assumption that it can be gained only at the expense of somebody else.

May I, at this point, put forward two further propositions for your consideration? The first of these is that if, as I have suggested, unconditional economic security is a legitimate ideal, a sentimental appeal to either any particular class, or to nations in general, to sacrifice any economic security that they have attained, in order that somebody else may progress to that end, is neither logical nor practical. Neither persons nor nations have ever done it willingly, and I do not think there is the slightest chance that they are going to begin, and there is every evidence that both individuals and nations are, in fact, moving in the opposite direction, towards control of their own destiny by economic Nationalism.

There is, therefore, no hope whatever, in my opinion, in an appeal to sentimentalism, and, as I hope to suggest to you, that appeal is the most dangerous in its possibilities which can conceivably be made.

Neither, in my opinion, is there any hope whatever in so-called "internationalism," with its linked idea of a super-State. It is about as sensible to say that you solve a problem by making it larger

as it is to say that you abolish disagreement between individuals by abolishing individuals.

THE CRUMBS—IF YOU ARE GOOD

The idea of internationalism is in many people's minds linked up with a hazy conception of equality both amongst nations and individuals. I venture to say that that is not the idea of those who are working, both openly and secretly, for the abolition of sovereign nations and free individuals, and the substitution of a super-State with an all-pervasive financial control through the Bank of International Settlements. On the contrary, what these gentry have in mind is the provision of a Praetorian Guard and the disarming of everyone else, so that those who control the Praetorian Guard may make what they consider the correct distribution of the amenities and necessities provided by this planet. Needless to say, those who acquire this control are going to have what they want, and the rest of the inhabitants of the planet are going to have what is left, *if it is "good for them."*

The whole of this, the prevalent chain of argument, rests on the assumption that security is obtainable only by force, since there must be economic inequality, and those who have less will always attack those who have more. Perhaps an example of a condition of affairs in which such a proposition would obviously be

THIS WEEK'S GEM!

London, April 25. —The "Economist," in pointing out that the first signs of depression after recovery have appeared in the Commonwealth, . . . —Melbourne, "Argus," April 27.

absurd will serve to expose this fallacy. Imagine ten men crossing the Sahara Desert, and carrying with them a supply of water for the journey. It is obviously practical and necessary that the water should be rationed, and that the rationing should be enforced if necessary. But imagine the same ten men to be crossing the fresh-water Lake Superior in a boat, with 250 miles of drinkable water all around them. The rationing of water or the competition on the part of one of the ten men to get more water than somebody else, or any objection on the part of the other nine men if he does, obviously verges upon insanity, probably in the form of a "Power Complex."

BASIS OF FIRST PROPOSITION OF SOCIAL CREDIT

Now the first proposition on which the theory of Social Credit is based is that we passed out of a condition of more or less modified economic scarcity into one of either actual or immediate potential abundance when we passed out of the era of economic production by hand labour into the age of economic production by solar energy. Please notice that I do not say production by machines. Machines are not the point. The point is that we have obtained control of the transforming mechanism of the universe and we can change practically any form of matter into any other form of matter by applying energy to it. The machine is only an incident. If this postulate of potential economic abundance is not true, then nothing that I, or anyone else, can have to say about monetary reform is of any serious consequence.

FINANCIAL SABOTAGE.

You may have noticed that Sir Josiah Stamp, speaking recently to a brief for the Bank of England—of which he is a director and which quite naturally does not want the money system changed, since the controllers of it are the chief powers in the modern world—made no mistake in identifying the core of the attack upon existing monetary practice and devoted his address to suggesting skil-

fully, but ineffectively, that the idea of poverty amidst plenty was a myth, and that there was no plenty.

Amongst the many things, which he omitted to state was that actual plenty was deferred by economic sabotage and useless and wasteful production consciously and specifically fostered by the banking system. The United States, in organising both destruction and restriction of production, have been more obvious than we have, but our own cotton and shipbuilding industries are not bad monuments to financial sabotage.

Now if you accept the proposition that, given indefinitely large supplies of power, we can have indefinitely large production with indefinitely small amounts of human labour, you will see what I mean by saying that we have, metaphorically, been transferred out of the Sahara Desert on to the Lake Superior, and the idea that we have to compete for water, as symbolising economic security, is a myth, a bad dream, which has, or ought to have disappeared with the rising of the sun of Power.

BANKING CONTROL OF INDUSTRIAL POLICY.

Why, then, does this idea of scarcity persist? The answer is quite easy, and is that although goods and services are plentiful they cannot be obtained except with money, and that the money system is defective. Now, I feel sure that at this point somebody will want to stun me with statistics about idle money in the banks, and other matters of a similar nature. If I may say so, I know all about that. I also know all about the exact reason that so-called "prosperity" seems, at the moment, to be returning to this country. It is because a colossal sum in wages and salaries is now being distributed in respect of the production of articles which, fundamentally, are of no use to anyone, and are not, in fact, bought by the population of this country, together with a smaller, but still large sum in wages and salaries which is being distributed for the production of capital goods which may be of some use to the people of this country but are not being bought by them at the present time, although they will be paid for later in the form of interest upon debts. To the investing classes the banks are releasing money by buying up industrial shares under cover of fixed trusts and thus acquiring final control of industrial policy.

To put the matter as shortly as it can be put, and to use the words of the late Dr. Walter Leaf when he was chairman of the Westminster Bank, "Banks are the arbiters of commerce," to which must be added a statement of another bank chairman, Mr. Reginald McKenna, "The amount of money varies only with the action of the banks."

The meaning of this seems to me to be plain enough. Money, of course, is a bookkeeping and ticket system, purely artificial, purely man-made, and not subject to any physical limitations. It is completely controlled by what we refer to as "the monopoly of credit," which may be roughly defined as the organisation comprising the international acceptance houses, the central banks, which for the most part they control, the joint stock and other subsidiary banks, the colossal insurance institutions, which are their offshoots, together with the highly developed devices such as the discounting houses, and, to a much less degree, the stock exchanges of the world.

THE ILLUSION OF SCARCITY

Money, instead of being regarded, as it should be—as a device to insure smooth distribution—has become a commodity. Following the law

of all commodities, under a regime of scarcity its value increases if it is kept in short supply. We are, therefore, living in a world in which, essentially, the only difficult thing to obtain is money, and that difficulty is not inherent, but is man-made and can be man-remedied, just as quickly as any bookkeeping system can be modified. Just so long as it is allowed to be based upon a theory of scarcity and at the same time exercise the control that it does exercise upon the production system, so will the production system present to the uninitiated a picture of scarcity, modified here and there by gluts of plenty where the control of money is ineffective in restraining its capacity.

The remedy for war, which is a scarcity phenomenon, is a monetary remedy, and, curiously enough, such a remedy will reconcile the two schools of thought, which are constantly wrangling as to whether war is a psychological or an economic phenomenon. It is both, but by taking action upon something which fundamentally is neither economic nor psychological, strenuously as it is represented to be one or the other, but is, in fact, nothing but a bookkeeping system, we shall reduce war to the insanity of a struggle for fresh water in the middle of Lake Superior, and, if I may be dogmatic upon the matter, I do not believe that there is any other way in which we shall do it.

I do not believe, however, that we shall do this until we cease to assume that we have to negotiate with bankers as if the monetary system was their private property, but instead take up the attitude that the money system is something which concerns everybody and that the banker, if he is to persist, must take orders, and not give them, exactly like any other bookkeeper.

Tax on Italian Bachelors

The Italian Government believes that the best time to marry is between 30 and 55, and so, according to a recent Reuter message, all Italian bachelors between the ages of 30 and 55 will in future have to pay a tax to the State of 155 lire (rather more than £2/10/-) for the privilege of remaining single. Younger bachelors—between 25 and 30—will pay £2, and those between 55 and 65 a little less than £1/10/-.

It would be hard to find a better example of the exact opposite of what SOCIAL CREDIT stands for.

First of all, we believe that the money system should not be used as a moral or governmental system. A man is just as good a customer for industry, whether married or single.

Secondly, we regard taxation as an outworn device, relic of an age of scarcity, productive of bureaucrats and costly red tape, and a fomentor of class hatred.

In an age of plenty, a falling birth rate might be the excuse for giving a special dividend to married men. But we doubt whether the question would arise if the money system really reflected facts. What is the principal impediment to marriage today?

— Social Credit.

SECOND EDITION

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THE VULTURES FATTEN

"The most spectacular rise in British production figures over the last three months must be attributed largely to the launching of the Government's £300 millions rearmament programme."

So said the Melbourne *Herald* in its issue of last Monday, a day or two after we paid our tribute to the memory of those amongst us who gave up their lives to end war.

Here are some quotations from the London Stock Exchange:—

the world," cried Sir Philip from his padded seat, "there is no doubt that Zaharoff is regarded as a very sinister figure walking through the courts of Europe as agent for the sale of munitions. . . . Was he not your general agent?"

"I really don't know," replied Vickers' board chairman, "He brought a vast amount of business to Vickers for 20 years. Since 1924 he has taken no part in the activities of Vickers or our

seize documents, put witnesses under oath or hold them in contempt if they refused to answer questions. All documents of a possibly incriminating nature produced last week had been obtained from Washington as a result of last year's high-pressure U.S. Senate probe of the so-called "International Munitions Ring."

Declared Vickers Accountant J. Reid Young before the Royal Commission: "It is desired to state now that Vickers Ltd., its subsidiaries and associates, are not members of an international armament ring; neither do they control any foreign companies whatsoever by share holdings, by the nomination of directors or by agreements."

Sir Charles Craven said that

NO HANGINGS, SO STARVING HANGMAN HANGS HIMSELF. The overseas press reports that Poland's public hangman has hanged himself, leaving a note in which he said: "Since there are no more hangings, life has no more interest for me, and I cannot stand hunger."

Vickers own 25% of a Japanese ordnance and shipbuilding firm, 21% and 22% respectively of a pair of Spanish armament firms, and 13½% of a similar Roumanian establishment. "We have no control of these companies in any way," he said. "It is merely an investment."

"VERY NASTY MIND."

A letter which shocked the U.S. Senate and went a long way toward shocking the House of Commons into having the Royal Commission appointed was that of Sir Charles Craven to the Electric Boat Co. of Groton, Conn., in which he mentioned "my friend at the Admiralty." Boomed Sir Charles last week: "I never intended to discredit the impartiality of an Admiralty official!" He then produced a letter written to himself by the present First Lord of the British Admiralty, Viscount Monsell, as follows: "I am glad to have your apology for your unfortunately worded reference to a director of contracts at the Admiralty. I share your regret that it was mentioned (by the U.S. Senate), for it was capable of interpretation utterly at variance with the truth."

Heaviest U.S. Senate ammunition fired in London last week was the reading of a letter sent by Sir Charles Craven to Electric Boat Co. about Admiral Sir Percy Addison, today British Admiralty Dockyards Director.

"I wonder whether you have heard," wrote Sir Charles, "that Percy Addison is now the director of dockyards. I helped him all I could to get the job, and I think he should be the ideal fellow. As he has no private means worth talking about, you will appreciate what it means to him. . . . I suggest we have a party and thoroughly wet his appointment."

Sir Charles Craven said last week that there was "nothing sinister" in this letter, and that only a person "with a very nasty mind" could think so.

"In your letters you sometimes say what you mean," tartly observed the only female Royal Commissioner, Dame Rachel Crowdy.

"Yes," agreed Sir Charles, "and hope that the other person puts it into the fire!"

"CAN GIFT MONEY BE CANCELLED?"

Few people can any longer pretend that, except by such devices as increasing the national debt, any community is able to buy the whole of what it produces.

Hence those whose interest it is to oppose monetary reform are now contending that, if new money be issued by governments to make up the shortage, this must continue mounting up until it causes extreme inflation.

"Can Gift Money Be Cancelled?" deals with this assertion. It explains why, where and how new money must be issued, and how it may also be withdrawn as goods are sold, so that the money supply will always be kept in proper relation with the supply of goods for sale.

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MELBOURNE

LETTERS TO THE EDITOR

SOCIAL CREDIT PARTY IN QUEENSLAND

There still seems to be some doubt as to whether or not Social Credit could be implemented in any one State.

I pointed out in my last letter that Section 57 of the Commonwealth Constitution says that the Commonwealth shall have power to legislate regarding banking other than State Banking, which, as anyone will agree, leaves the States absolutely free to establish their own Banks, if they so desire. There is no question of the introduction of new currency; the present money is quite good enough, and if the Federal Government withdrew their money from a State, would they not be breaking their own Constitution, as they have undertaken to supply legal tender to the people of every State?

We do not for one moment imagine that all we have to do is to shake the tree and the fruit will fall into our laps; we are well aware that the established powers of finance will fight and we are quite prepared for, and expect that many difficulties will be thrown in our way, but nothing worth while has ever been secured without a struggle. It has been said that difficulties are only opportunities that enable us to show what we are made of.

The fact that the party in Queensland is in the State political field is no indication that we depreciate the Federal sphere; we are just as keen in that direction as anyone else, but there is a possibility that we may succeed first in Queensland, and we are not letting any opportunity go by. Federally, we are organised now to contest every seat. What other State is in that position?

Our two recent efforts in the by-elections showed the following result:—Brisbane: 1934, 148 votes; 1936, 773 votes, an increase of 422 per cent, in eighteen months. Keppel: 1934, 418 votes; 1935, 1392 votes; 1936, 1917 votes. These figures show definite progress and all results are in three-cornered fights. In Brisbane in 1935 we had a straight fight with Labor, and secured 1118 votes, but that total contains a large number of Nationalist votes and is no indication of our strength at that time. Twelve months ago in Bundaberg the general election gave the following results in a three-cornered contest:—Labor, 4738; Douglas Credit, 3029; Nationalist, 1279. There is not the slightest doubt but that we are the rising power in Queensland politics.

Conditions may be different in Queensland; we have no Upper House, but an election is a wonderful opportunity for carrying out propaganda work, and members in a State House can do no harm. Our motto is, never let your followers vote anything else but Social Credit.

Just in case anyone may get

BOOKS ON MONETARY REFORM

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

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

the idea that we are running up a blind alley with State political action, we might mention that our State President, Dr. J. E. Streeter, has secured the personal assurance of Major Douglas himself that he will come to Queensland and guide us in the introduction of Social Credit, if we can secure the majority in the House.

GEO. H. GRAY,
Acting State Secretary.
Douglas Credit Party of Australia, Queensland Section, Albert House, Brisbane.

LIFE AMONG THE HOPELESS

"Two-fifths of Australia's breadwinners receive less than £1 per week."—Commonwealth Census Report.

Our press gives us detailed accounts of the life of our "Upper Ten." Come with me, and visit some of our Lower Four-Tenths in South Melbourne. Let me take you to a little narrow street, half a chain wide. The houses are close—terribly, oppressively close together. In the gutters in front, little children, dozens of them, play in the dirt. Many of them sit alone against their front gates—big eyed, thin bodied, listless—too weak to romp with the others. Dad is on the "Susso."

We go in and visit Dad. The house is small—but three families share it. Dad has two small rooms to shelter Mum and their brood of four little Australians. He tells us with pride that he served his country for fourteen years in the navy. "Right through the war, Jutland, too," he says proudly. But Dad is no longer the fine type of man he was in those days. Anxiety, want and unemployment have taken their toll. He looks undernourished—still, a man hasn't much of an appetite when four hungry kiddies and a wife have to share a meagre meal.

Mum is a quiet, gentle, patient woman, with steady, courageous eyes shining out from a very thin face. Perhaps Mum has a poor appetite, too.

We look around the room. It is spotlessly clean, but cramped. The furnishings consist of a bed, a sofa (only one blanket on each, right through the winter), a table, two chairs, and some kerosene cases. Dad, as we said before, is on the "Susso."

We talk of Social Credit. Dad and Mum listen intently. We see their faces light up with hope as they realise the truth of what we say. "Maybe not for us, Mum, but the kiddies," says Dad. "For us, too—why not?" Mum replies eagerly. "Everyone could really LIVE!"

Dad and Mum live in your district too. Find them! Tell them of Social Credit! They too have a vote!

ORDINARY SHARES

Re-armament Company	Denomination	Price on Interests	Price on April 1,	Feb. 26,
1935	1936			
Vickers	Every branch	6/8	9/9	25/6
John Brown	Ships, armaments	6/-	5/1	22/6
Cammell Laird	Ships, armaments	5/-	2/7	10/6
Hadfields	Projectiles	10/-	9/-	23/-
Hawthorn Leslie	Cruisers, destroyers, Marine engines	10/-	13/6	27/6
Yarrow	Destroyers, marine engines	20/-	39/6	80/-
John Thornycroft	Destroyers	20/-	10/3	19/4
Fairey Aviation	Heavy bombers	10/-	23/6	37/6
Hawker	Aircraft Fighters, day bombers	5/-	25/3	32/-
Hawker-Siddeley	Parts of bombers	5/-	(Comp. formed since)	30/-
Bristol Aeroplane	Bombers & engines	10/-	(Private Comp. at this date)	75/-
Rolls-Royce	Aero-engines	20/-	110/-	180/-

Now that the process of enriching the gentlemen who supply arms (and still more the bankers who supply the fountain-pen finance to purchase them) is in full swing again, we may recall a little more of the evidence given earlier this year before the British Royal Commission on the arms trade.

ADMISSIONS OF ARMAMENT FIRMS

What follows is taken from the report in *Time*, the well-known New York weekly:—

Britain's foremost armament firms, Vickers Ltd. and Vickers-Armstrong Ltd., sent their joint Board Chairman, sleek, tall General Sir Herbert A. Lawrence, once Chief of Staff of the B.E.F. in France, and their bland, trim, assured General Manager Sir Charles Craven, famed in Mayfair for his mannerism of "talking down to the ruling class." The Chairman of the Royal Commission asked if in Vickers' experience bribery is necessary to obtain armament orders outside of Britain.

"It is a difficult question to answer," replied Sir Charles, "but I should say that roughly the farther you get from here the looser the morals are." (*Explosions of loud laughter.*)

"When you say that the farther away from this country the looser the morals become," cried Professor Harold Cooke Gutteridge, a member of the Commission, "did you mean the looser the morals of the briber or the bribed?" (*Laughter.*)

"I can't say," replied Sir Charles. Interjected Chairman Bankes: "It is useless to be a briber unless the bribed will accept." (*Laughter.*)

"Is it quite clear," pressed Professor Gutteridge, "that if any of your agents do this kind of thing they pay it out of their own commissions?"

"No," answered Sir Charles, "they pay it out of the 3.4%, which is our average selling expense."

"I don't suppose you issue instructions one way or the other?" ventured Professor Gutteridge.

"No, we don't," said Sir Charles Craven.

ZAHAROFF.

One member of the Royal Commission is a practising journalist-novelist, Sir Philip Gibbs. He itched to ask questions about Journalism's famed "Mystery Man of Europe," Sir Basil Zaharoff. "In the popular imagination of

associates except as one of our agents in regard to the Spanish business."

SANCTITY.

Board Chairman General Sir Herbert Lawrence was not really drawn in until the Royal Commission asked if he thought armament firms were antagonistic to world peace and the sanctity of human life. Take a long breath, Sir Herbert replied: "Most decidedly armaments firms are not. Quite obviously, the principal interest of Vickers is in making warships and instruments of war, but to carry from that to the idea that Vickers is anxious to see them used in wars is going too far. I think that the question of the sanctity of human life, which is one that appeals to every human being, has sometimes been exaggerated to the disadvantage of certain other facts of public life."

At this Journalist Sir Philip Gibbs exclaimed: "Do you think

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you could exaggerate the iniquity of war?"

"Yes," replied the General. "There are certain people for whom I have a great respect who in no circumstances whatever would go to war or defend themselves. That is a very high ideal, but it is not one with which I am in sympathy."

SUGAR CANDY.

An opinion from Vickers Manager Sir Charles Craven that "I think the League of Nations is the most wonderful ideal that has happened in our time," made the Royal Commission quake with mirth on its padded seats next day.

"You do not think your wares are any more noxious or dangerous than boxes of chocolates or sugar candy?" asked Sir Philip.

"—Or novels!" the Vickers manager quipped at the journalist-novelist.

Persisted Sir Philip Gibbs: "You do not think them more dangerous than children's crackers?"

"Well," replied Sir Charles, "Once I nearly lost my eye with a Christmas cracker, but I never lost it with a gun."

"ARMAMENT RING?"

Obviously the nature of proceedings before the Royal Commission was affected last week by the fact that His Majesty was not asked by Mr. MacDonald to empower it to search for or

TAXATION

By BRUCE H BROWN

3. —Mr. R. G. Casey, Federal Treasurer, Tax Apologist, and Defender of the Private Money Monopoly.

Dr. Jekyll and Mr. Hyde had nothing on our Federal Treasurer. At one and the same time he acts as Parliamentary spokesman for the private money monopoly, which alone is responsible for Australia's difficulties, and sympathises with deputations, which wait upon him to ask for relief from the burdensome taxation made necessary by the very monopoly, which he defends and serves. In addition to this, he writes plausible letters to the press explaining why it is "not possible" to reduce taxation. He runs with the hares and hunts with the hounds.

Fortunately, however, our best citizens, in increasing numbers, are realising that taxation is levied for the express purpose of maintaining the swindling rule of the private minters and are openly revolting against it. If money were manufactured and issued by the National Government there would be no necessity to put the country in pawn to bondholders, and we could commence the job of abolishing taxation altogether. The Government would then be in the position to provide its own finance for all works and services, which could not be paid for out of current revenue. The catch in this is that the people would be freed from financial bondage, and it must be recognised that that would be no good to the Pooh Bahs of the private money monopoly.

WHAT IS STOPPING TAX REDUCTIONS?

All the tax-reduction agitation which has been going on at the instigation of men who are benefiting from the existing swindle, and which has been specially featured only because these self-same men are also in control of the press and have the Government bluffed, centres in the *incidence* of taxation. None of these agitators, most of whom move in what are regarded as the "best" circles, has had a word to say about the fundamental aspect that, until the right of issuing and recalling money is vested solely in the Crown, reductions in taxation can only be temporary. So long as the manufacture and cancellation of money is permitted to remain a monopoly of the private banking system, so long must the financing of governments be carried on by taxation and loans, because in that case money will continue to come into existence only as debt to the monopoly and public indebtedness must mount higher and higher.

WHAT WE HAVE PAID IN TAXES FOR INTEREST.

An example of the debt business is given by the Rev. F. H. Drinkwater, who has pointed out that from 1920 to 1933 Britain paid £8,300,000,000 for interest and debt repayments, and yet at the end of 1933 the debt was three hundred millions *bigger* than it was when they started to pay it off! He went on to say: "It is all a huge swindle. There is nothing wrong with this poor old country except that it has foolishly let go its power over its own money, and is now completely in the hands of the moneylenders." Australia is in precisely the same position, and the power that controls England controls Australia. Today we are taxed more for interest alone than the total taxation levied at the end of the war. Since Federation we have paid more than £900,000,000 in interest and sinking fund, *but the debt today is a thousand millions greater!* There is only one way to check this madness, and that one way is to restore to the Crown the control of Australia's money system. Like the Prime Minister of New Zealand, we mean the *control* of it, not the *operation* of it.

MR. CASEY'S RECORD

Now, Mr. Casey, who for the time being is Treasurer of the Commonwealth, was himself directly and beneficially connected with the metal bank-owning monopoly for several years, and it would be interesting to know precisely to what extent he has maintained connection with the Collins House group since 1924, when he went straight from the monopoly to act as political liaison officer in London. We have told you before that Mr. Casey is a member of the Melbourne Club, where he may meet the bank directors, the Collins House highlights, and Mr. R. O. Blackwood, that influential though not much talked-of director of the bank-owning metal monopoly, and the Melbourne *Argus*. At one time Mr. Blackwood was also president of the Employers' Federation. It should be remembered that it was Mr. Bruce, the then Prime Minister, who selected Mr. Casey as political liaison officer to act as a sort of go-between with the British Government, and that Mr. Bruce was himself beneficially connected with one of the bank-owning monopolies and a devotee of the Melbourne Club. At about that time the same Mr. Bruce emasculated the Commonwealth Bank so as to bring its management and policy into line with the wishes of the international bankers, thus giving them complete control over the financial policy of the nation. Appropriately enough, all three were from Cambridge and would naturally be imbued with the "old school tie" atmosphere!

Mr. Casey, whose father was one of the magnates of the bank-owning metal monopoly, was quietly working in London with the representatives of International Finance during the period from 1924 to 1931, and returned to Australia in the latter year to enter the Commonwealth Parliament, where he

could help prevent the liberation of the people from the shackles of the counterfeiters and pretenders who manufacture the nation's money without cost to themselves. This counterfeit money, created costlessly, is charged up to the community as perpetual interest-bearing debt, and by this means the counterfeiters "and their friends are given permanent affluence without any personal effort and without rendering any benefit whatever to mankind. Those who actually make the goods and benefits for mankind are tossed out in their old age with a small soul-degrading pension, while the younger people who seek the opportunity to work and make goods today are on the scrap-heap with a character-breaking dole. It is, therefore, difficult not to believe that Mr. Casey is well aware of this, and that, consequently, by not publicly protesting against the fraudulent practice under which the Federal Government steals through taxation and borrows from counterfeiters what *it* alone has the legal power to *create*, he is knowingly allowing himself and his public office to be used in the perpetration of a crime against Australia.

"EXPLORING THE WHOLE FIELD."

A cartoon appeared in the Melbourne *Argus* of 17-4-'36 in which Mr. Casey was depicted throwing the lifebelt of taxation relief to the drowning taxpayer. This cartoon gave great prominence to the Federal surplus but made no reference at all to the State deficits. The only word for that is dishonesty. Mr. Casey did say something about "exploring the whole field" to see what could be done, but how he can calmly suggest the possibility of relief and immediately afterwards talk of the additional "loan" he intends to foist on us shortly at a higher charge is more than we can appreciate. More interest (which is the same thing as a lower issue price) *must* mean more taxation, and this variation in the charges is one of the direct results of the recent Treasury Hill comic opera.

Like all the other publicists about taxation, Mr. Casey deals only with its incidence. Not a word does he utter regarding the inherent theft of the taxation system, but writes and talks at length about the use to which, the money is put, and the unseemly fight for the division of the field as between the Commonwealth and the States. All this comes about because the functions of government have been usurped by a private monopoly and the elected governments spinelessly allow that usurpation to continue. With surpassing brazenness the Treasurer is squandering much time and energy in seeking to shift the incidence of the theft from one industry to another, and from one section to another, on the plea that such a re-allocation of the theft will be more equitable and make it more acceptable. He adopts the attitude that taxation is necessary, and that there is no other method by which government finance can be carried out. As governments need money to carry on and, with very few exceptions, the citizens of the country need every bit of income they are receiving; it is obvious that the Government should use *new* money to meet the requirements in excess of normal revenue. Not only should it use *new* money, but it should itself be the creator of that new money as the property of all the people. All these agitators for taxation relief should be required to face right up to that issue before any notice is taken of their vapourings about the incidence of the theft.

COMMONWEALTH V. STATES.

A great mouthful is being made of the claim that the States are starving because the Commonwealth has mopped up the most fruitful fields of taxation. The Commonwealth has replied by unconstitutional encroachment upon State activities—e.g., relief to States, relief to primary producers, etc. Argument about this becomes extensive and prolonged, and conveniently obscures the main issue, which is this: *Is there no other method of obtaining revenue except by taxation?* Do you remember what happened in the war period when the shipping monopoly failed to meet Australia's transport needs? Mr. Hughes, the then Prime Minister, went into the shipping business and up to the advent of Montagu Norman as Governor of the Bank of England he made a success of it, too. When Montagu Norman came across from America to put Wall Street's policy of deflation into effect throughout the British Empire, it was the beginning of a slump in international trade, which has continued to this day. Not only so, but two of the directors of the Bank of England were specially interested in forcing the Australian Government out of the shipping business, and the manner in which that was accomplished makes a discreditable story. The point about it, however, was that when private enterprise failed to meet the nation's needs, the nation went into the business. The same principle must apply now: If those who control our finance, which alone has fallen down on its job, will not or cannot control it to suit the requirements of the whole community, then the nation itself must go into the money-manufacturing business.

"A WELCOME IMPROVEMENT."

In the special article Mr. Casey wrote for the *Argus* (30-3-'36) he said in two places that Customs and Excise revenue have been exceptionally high and explained that it was "caused by a welcome and progressive increase in the purchasing power of the Australian community," and "is indicative of a welcome improvement in the economic condition of the country; but one unpleasant effect has been a gradually reducing credit balance in our external balance of payments." Can you see the essential stupidity of these two statements? Any sort of explanation will do for the ignorant and gullible, especially if it is couched in the mumbo-jumbo

language of the political economist.

"Purchasing power is the quantity of goods . . . which can be purchased with the amount of money available." If prices drop 50 per cent, a given quantity of money has an increase of 100 per cent, in its purchasing power (and vice versa, of course). Clearly, therefore, purchasing power is governed by *prices*, and prices have had nothing to do with the increase in the Customs revenue.

An increase in revenue from Customs and Excise means that more money is being spent in the purchase of goods upon which this form of taxation is levied, but in the absence of evidence to the contrary we must assume that there has been a corresponding decrease in the amount being spent on goods which are *not* subject to that form of taxation. Mr. Casey's statement attributing the higher revenue to an "increase in the purchasing power of the community," is not only unwarranted, but, coming from the Commonwealth Treasurer, is deplorably irresponsible. If the community spends £10,000 *less* on racing and other forms of gambling, and £10,000 *more* on beer, whisky, and cigarettes, our Customs and Excise revenue will increase, but there will be no improvement in the economic condition of the community, nor in the purchasing power of the people. What an advertisement the Treasurer is for Cambridge! Are all universities tarred with the same brush? The Archbishop of York has expressed himself in these remarkable terms: "I was taught some political economy at Oxford, including some propositions about money. What is perfectly plain is that money is not what they told me it was!" At one time money was created by governments only, and any person who tried to encroach on this prerogative of the King could be imprisoned and even hanged. With the introduction of the cheque system, however, the power of creating and cancelling money passed, without the public noticing what was happening, out of the hands of the King into the hands of the private bankers, and that is precisely why we are burdened with taxation.

REVENUE FROM NARCOTICS

Is it not a fact that under existing economic conditions there is a natural tendency for Customs and Excise revenue to rise because the community at large seeks solace in stimulants and narcotics? Statistics show a steady rise in the use of these things in practically every country for which figures are available, and we see an increasing number of advertisements emphasising how nerves may be soothed in that way. If only we were sensible enough to liberate the people from financial worry their nerves would not get into such a condition that recourse to drugs would become a refuge, but, unfortunately, Mr. Casey is working towards an intensification of this financial won for the individual.

On the very day on which the *Argus* appeared with a leading article entitled, "Better Times Ahead," the *Star* was forced to cease publication because it could not recover its financial costs. Strangely enough, the very last issue of the *Star* gave us the news that even the building trade was beginning to feel the pinch again, and that already there is a falling off in building activities. So the boom is petering out, and despite all the newspaper propaganda there is no appreciable improvement in business in Victoria. At the same time, there is a marked improvement in the quality and quantity of goods displayed in the clothing shops. Women will tell you that the autumn and winter displays at these places are the best for years, but whether the shops are *selling* is, of course, quite another matter. Duty has been paid on the imports, but the community has not yet purchased them. Would anyone with a clear mind say this means "a welcome improvement" in the economic condition of the country? Would it not be more truthful to say that it means either a forlorn hope on the part of the merchants or a premonition of war in the early future?

STOCKS FOR WAR

When the war broke out in 1914 there was an immediate expansion of credit-money, and the people had access to greater quantities of purchasing power than they had been accustomed to. This meant that the shops were faced with waiting buyers, but in sufficient stocks of the more expensive class and very limited opportunities for importing more. Is it not probable that the war talk of today has reminded the merchants of that experience, and indicated that if we are not involved in another war within a few months we *will* be within a few years? One thing they can be sure of is that there is to be a much heavier expenditure on defence by the Government immediately, and this gives them reasonable expectation of being able, eventually, to dispose of their imports. It is also reasonable to believe that they are determined next time to have good stocks on hand so that when war does come they will be able to reap a good harvest while the opportunity lasts, and this would naturally lead to heavy buying of the luxury lines of the kind likely to be unobtainable under war conditions. To an important extent this may account for the "exceptionally high" Customs revenue, but it has yet to be shown that the people *are* buying the goods or that they have more money to spend than they have had in recent years.

Instead of trying to excuse high taxation it is Mr. Casey's duty to expose the fraud and the sham of the monetary arrangements, which have hitherto forced the Government to be a repugnant taskmaster instead of a beneficent administrator.

(To be continued.)