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# THE NEW TIMES

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VOL. II. No. 19.

MELBOURNE, FRIDAY, MAY 8, 1936.

Every Friday, 3d

## Public Enemies of Australia

Just how much, one may ask, will the people of Australia really stand? Just how much needlessly suffering will they endure before they assert themselves sufficiently to take charge of their own affairs and to empty out the little gang of criminals or nincompoops whom they have allowed to exploit them for so long?

Last week we published figures showing what tremendous importance to the Australian woolgrower—and consequently, under our present financial dispensation, to Australians generally—attaches to the purchase of Australian wool by the Japanese. One can understand that this importance may not hitherto have been given its full value by those in the community who know very little about either the extent or the direction of our overseas trade. One can understand also how it might be deliberately minimised by those local manufacturers who, under a thieving system of private-bank-controlled money, are compelled to fight tooth and nail against imports of every description. But there is no excuse for woolgrowers themselves not realising the position, and still less for their leaders failing to take action to protect their interests.

On the very day on which our last issue was published two statements regarding wool and Japan appeared in the Melbourne *Herald*. One came from Mr. G. D. Kelly and the other from Mr. W. A. Gibson. We shall give these statements in a moment, and we shall leave it to our readers to judge whether they are not entitled to be called appalling, and whether, coming from such sources, the woolgrowers of Australia are not justified in proclaiming these men their public enemies. But first a word as to who the two gentlemen are.

### A BIOGRAPHICAL NOTE

Mr. George Dalziel Kelly, LL.B. (Melb.), is the 44-year-old son of a Toorak resident, and is a member of the Australian Club. Though admitted to the legal profession in Victoria in 1920, he is better known for his close connection with the wool business, having been associated with the management and ownership of station properties since shortly after the outbreak of the war. In 1924 Mr. Kelly became a member of the Graziers' Federal Council of Australia (of which he was subsequently made president); the following year he was elected to the presidency of the Graziers' Association of Victoria, and he is now chairman of the Australian Woolgrowers' Council. Mr. William Allan Gibson is a much older man, being in his 68th year. Born in Scotland, he served an apprenticeship of four years with the Commercial Bank of

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## Is the Financiers' Clique Pushing Australia Into War?

### Some Provocative Utterances that Should be Repudiated

Scotland, afterwards transferring to the staff of the Union Bank in London. Coming to Australia, he ultimately rose to the position of assistant manager of the same bank in Melbourne. From there Mr. Gibson transferred to still another bank, joining the Colonial (later absorbed by the National) as assistant general manager. His next transfer was to take over the Melbourne managership (in 1913) of Goldsbrough, Mort, of which great wool-broking company he is now general manager. Although he has kept up a link with his banking days—the chairman and vice-chairman of the National Bank are both on his present board—Mr. Gibson should surely, by virtue of 23 years of prominence in the wool business, be looked upon as one of the leading lights in that industry. (By way of rounding off this personal note, Mr. Gibson lives in Toorak and he is a member of both the Melbourne and Australian Clubs.)

The woolgrowers of Australia, seeing the positions occupied, by Messrs. Kelly and Gibson, would naturally look to them in this present crisis for a pronouncement in their interests. They got the pronounce-

ment, all right—but in whose interests?

#### WHAT MR. KELLY SAID

Here is the *Herald's* verbatim report of Mr. Kelly's words:—  
 "Until something definite is known, there is no need for growers to become hysterical. Australia has older customers than Japan on which she could rely, and Japan must have the quantity and quality of wool that only Australia can supply. It would be far better to sell to a number of competitive countries than to one, which dominates the market. If the duty is imposed it will make little difference to the grower. The burden of the duty would fall on the consumer."

Now, if Mr. Kelly knows anything at all about wool—and, if he does not, he is quite unfit for his various positions in association with it—then he must know that the above statements are untrue. In particular we publicly challenge as false his assertion that we have other customers for wool (whether older or younger) who are today more reliable than Japan; we challenge his declaration that Japan is unable to procure elsewhere at

least a considerable percentage of the wool she requires; and we challenge his insinuation that Japan dominates our wool market adversely—the facts being more like the direct contrary. As for his final remark, that a duty imposed by Japan on Australian wool would not affect the price to our growers, but would be passed on to consumers, which Mr. Kelly are we to believe—the one who says that, or the one who is so concerned over the competition of substitutes when the price of wool grows dear to the consumer?

If Mr. Kelly were deliberately out to ruin the Australian wool-grower, could he have made a more damaging statement?

#### AND WHAT MR. GIBSON SAID.

Turning to Mr. Gibson, the same issue of the *Herald* reports him thus:—

"Nothing could be better for the Australian industry. It is not good for Australia to be providing any one country, such as Japan, where the standard of living is so low, with the raw material to swamp the markets with cheap woollen

goods. Japan would injure only herself by imposing a duty."

If it were possible, we should say that that statement is even more mischievous than Mr. Kelly's. Read it again, you woolgrowers, and you people who depend on woolgrowers' orders. Nothing could be better than that the people who keep Mr. Gibson in his Toorak residence and his Melbourne Club membership should lose what is rapidly becoming their best customer! Is the man mad?

And the reason? Japan sells woollen goods too cheaply in the world's markets! So, according to Mr. Gibson, nothing could be better for Australia than that our wool producers should be hit at one end, and that the price of woollen products should be raised against consumers at the other.

In passing, we seriously question whether the real standard of living of the Japanese people is so low as this ex-banker would make out, and particularly when compared with the shocking figures of Australian living conditions revealed by our last census.

We leave our woolgrowers and such of our readers as incline to crossword puzzles to work out for themselves what possible motive could induce Mr. Kelly and Mr. Gibson to make their statements. We are not concerned with their particular motives, but we are concerned to warn the people of further significant and menacing moves, which are taking place in this anti-Japanese game.

### AUSTRALIA IN LEADING STRINGS

The attempt of Sir Geoffrey Whiskard, the new British High Commissioner in Australia, to dictate to the Federal Parliament on the comparatively trivial issue of cement duties has caused even the daily press to protest. Thus the same Melbourne *Herald*, in the self-same issue we have been quoting, published an editorial entitled, "Parliament Still Governs in Australia"—we wish it did—in the course of which it said: "For the first time within a period embracing Australia's colonial as well as Dominion status, the British Government has taken a hand in the direction of Australian legislation and attempted to influence Government and Parliament. . . . The communication submitted by the British High Commissioner suggests plainly that the Australian Parliament is a subordinate one—that after generations of self-government we are again to be put in leading strings."

That sounds fine and manly, doesn't it? But what of the secret interviews between the recent Lancashire Trade Delegation and the Federal Government? On the very day on which the *Herald* published its leader, this delegation, departing (Continued on page 2, col. 1.)

### WATCH REPAIRS.

**Mark Chapman**

Chronometer, Clock and Watch-maker

7th FLOOR CAPITOL HOUSE,  
 Swanston Street, Melbourne

Telephone; Central 7077

Mr. William Angus Leitch,  
 General Manager, Union Bank of Aus. Ltd.,  
 Melbourne Club.

Dear Sir,

Did you by any chance see a letter in the Melbourne "Age" last Saturday, signed by a gentleman who also bears the name of W. Leitch? For one hectic moment we thought it was yourself, until we noticed that the writer's Christian name was Walter—we presume this is Sir Walter. However, we think it is time the Leitch clan put their heads together.

The tenor of the "Age" letter was an appeal for funds to provide a cup of milk a day for the Melbourne children whose parents cannot afford to buy it for them, and of whom, it was stated, as many as 17,000 have been supplied daily. The letter went on: "The value and importance of providing those children who, through no fault of their own, are deprived of milk, the basic unit of the infant diet, is borne out by the health reports received from the benefiting institutions. These reports clearly indicate a great improvement in the general health and mental alertness of the children following the provision of the ample supply of fresh, wholesome milk supplied by the Milk Council."

See what your namesake says, Mr. Leitch—"through no fault of their own." That is perfectly true, but the letter, like most begging letters (they would not have to be written otherwise), made no attempt to place the fault.

Let us help Sir Walter Leitch. The fault is that of yourself, William Angus Leitch, of the institution you manage, and of its allied institutions, the private banks, whose monopoly over money is alone responsible for starving these little children, for robbing them of health and intelligence, and for forcing Sir Walter to write: "The extent of our work is governed by the amount of finance made available through the generosity of the public." Such finance should not be a matter for charity; it is a matter for justice.

Only a few weeks ago you yourself took up a truculent attitude before the Commission. which

is making at least some sort of a show of inquiring into such things as the needless starving of our children. On February 24, while having the colossal impudence to say to that Commission, on behalf of your bank, "I think you might almost take my personal assurance that we have not been making inordinate profits", you bluntly announced that your board in London had instructed you not to give the Commission any information as to your secret reserves. (We know your board changed its attitude afterwards, but that was not through virtue.) You may say that you are only the servant of the board. But you know the ramifications of that board. You know that Edmund Parker, your chairman, is also chairman of Dalgety's; you know that on Dalgety's board he sits alongside General Sir Herbert Lawrence, chairman of the Vickers armament interests. You know, or you should know, the whole evil racket perpetrated by these men and their associates. You know that while the bankers, for their own profit and power, are starving little children and their parents of life's necessities, their co-directors, the arms merchants, are starting war scares, whereupon the bankers come in with their loans, and the loans go back to the arms firms for guns—while children go without milk.

You know that nothing but shortage of money is responsible for our present appalling conditions. You know that the issuing of your bankers' money as national debt, while it may, be good for the Parkers and the Lawrences and their sort, is no good to the people. And you have consistently thrown in your lot with the people's enemies.

William Angus Leitch, you are not a young man. Within four years, if you live that long, you will have reached the allotted span of three score years and ten. Though the company, you manage is absentee owned you yourself are an Australian. Are you content to go down to the grave with the picture of the underfed and stunted bodies of your little fellow-Australians before your eyes, and with the maledictions of their parents in your ears?

Hadn't you better drop in for a yarn with Walter Leitch?

THE NEW TIMES

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### FITZROY.

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Kew Dry Cleaners. Haw. 3733.

B. McNAMARA, 113 High St. Haw.  
3785. Newsagents, Stationer and  
Library.

E. WHITE, 109 High St. Confectionery  
and Smokes.

## PUBLIC ENEMIES OF AUSTRALIA

(Continued from page 1.)

from Australia, issued the following message: "We have during our visit here explained fully the need for Lancashire to regain her former position as a predominant supplier of textiles to this market, and in doing so we have shown that the reduction of imports of our textiles and the abnormal growth of importation of textiles manufactured outside the Empire are too serious a matter to continue. . . . We have found complete approval of our suggestion that the needs of this market, after your secondary industries have been satisfied, should be purchased inside our Empire. . . . We leave Australia with a deep appreciation of the welcome extended to the representatives of Lancashire industry by your Prime Minister, the Federal Government," etc.

That message, as you will perceive, is neither more nor less than a blunt announcement that Japanese textiles are to be kept out of Australia. And while the *Herald* and other papers are all hot and bothered over the damage to the Australian cement industry, why have they been so silent over this attempted damage to our wool industry and this far more serious dictation to Parliament? Why?

### THE ATTEMPT TO "GET" JAPAN.

Do our readers have to be told that the real enemy of the financial gangsters who have the British people under their heel is Japan? Japan is the force, which they must crush. She is out of their financial ring, and she will not come in. As recently as a few months ago Japan's bankers dealt a nasty blow to the pride, prestige and profit of Mr. Montagu Norman when he

sent his representative, Sir F. Leith Ross, to counter their influence in Chinese finance. Ross failed, and Norman set up a Chinese Bondholders' Committee. But he has been unable, so far, to win a trick.

Under the six-column heading, "Mr. Norman's Help For Chinese Bondholders," the *London News Chronicle* of November 2 last published this:—

"The Governor of the Bank of England has decided—'arising out of the visit of Sir Frederick Leith Ross to China,' as the official statement puts it—to set up a Chinese Bondholders' Committee. The object of this step is to provide an organisation which will be able, when necessary, to negotiate on behalf of the bondholders of Chinese Government, railway and other loans, with a view to protecting their interests. The aggregate amount of sterling Chinese loans now outstanding appears to be about £25 millions, the interest on a large part of which is, of course, in default.

"The committee is a very strong one. It consists of Lord Alness, a distinguished Scottish judge, as chairman; Mr. O. J. Barnes, of the Hong Kong and Shanghai Bank; Mr. E. Allan Cameron, the well-known stockbroker; Mr. Maurice Hely-Hutchinson, of the Investment Trust Companies Association; and Mr. Charles Hendry, President of the Chartered Insurance Institute.

"The appointment of the committee does not arise out of anything in the immediate past, and, obviously, quick results from its formation are not to be expected. But, in view of the present state of China, not to mention the continuous encroachment of the Japanese on other foreign interests, the appointment of a committee to keep continued watch on the interests of the bondholders is obviously a highly desirable development."

In consideration of what we have often been told—that bonds are largely held by "widows, orphans and retired clergymen"—does not this action of Mr. Norman in *deciding to set up* so strong a committee (including "a distinguished Scottish judge") speak volumes for the kindness of his heart?

However, the fact remains that the international financiers have failed to get Japan into their meshes. And Japan, using the money instrument by way of subsidy far more skilfully than they have done, is beating their industrial monopolies all along the line. Therefore the gloves are coming off, and it seems that Australia, under the catch cry of "our Empire," is to be offered up as a sacrifice in the financiers' game.

### THE DOUBLE-HEADED PENNY

Norman and his pack, although they are undoubtedly scoundrels, are hardly simpletons, and so it is not likely that, in endeavouring to have us exclude Japanese textiles, they missed the obvious. The selection of a delegation whose members are quite possibly what they appear to be—decent British manufacturers, hard hit by Japanese competition—provided the opportunity to plead Empire sentiment. But do you think they overlooked the likelihood of Japan's resenting the exclusion of her goods from sale in a country, which already makes it hard for her to buy raw materials?

What follows? Japan either takes it lying down, in which case it becomes still harder for her to buy where she cannot sell; or she puts a tariff against imports from Australia, which, without helping her sales, adds to her difficulty in obtaining the raw material which she must have if she is to continue as a manufacturing rival of the industries controlled by Norman and his associates.

The prelude to open warfare against Japan is to deprive her of the opportunity either to buy or to sell, or both. It is to the interest of Australia to sell to Japan and to buy from Japan. She is our nearest big market, and there is every

## THE PEOPLE'S MOVEMENT TO ABOLISH POVERTY

### Security, Freedom and National Dividends for the Asking

Today is seen destitution, want, starvation even, existing side by side with the most wonderful progress in every sphere of human activity; the tremendous actual and potential productive capacity of industry, ready to deliver the goods; millions wanting, needing, crying out for these things, and not getting them. In a word, we see progress and poverty, privation amidst plenty.

Do electors of this country realise the true significance of this simple, vital fact—Poverty in the midst of plenty? Just ponder the situation. It is a fact that plenty exists; therefore poverty is unnecessary. If poverty is unnecessary then it is not inevitable. Why, then, do people continue to accept the unnecessary imposition of insecurity and privation?

There is an ever-growing realisation among people today that their miseries do not spring from a scarcity of material production.

A new giant excavator recently built in the U.S.A. removes 30 cubic yards of material at each cut—40-45 tons. The machine can dump material over two hundred feet from where it is digging, so that if placed in the middle of a full-size football field, it could dig 40 tons of material from one touch-line and dump it at the other up to a height equivalent to a seven-storey building. —"Overseas Engineer," March, 1936.

Pick up any newspaper from any part of the world, and daily you will find evidence of the unbelievable abundance of goods with which this earth is blessed. So abundant is our production of material wealth that producers are being *paid* to destroy it. At the same time we read of new inventions, new processes being discovered by which that wealth may be further multiplied.

### WHAT THE PRESIDENT OF THE BRITISH ASSOCIATION SAID.

Man's material requirements can be produced in abundance and, what is more, at an ever decreasing cost in human labour. Today the world has moved out of the Machine Age. We are definitely in

reason in the world why we should desire her friendship rather than her enmity.

Think these things over. Think them over in conjunction with the Singapore speeding-up. Think them over in conjunction with our own armament programme. See if you can find out what is becoming of all the munitions, which our government factories have been feverishly turning out for a long time past. Recall that Mr. Menzies said in London last week that "he did not desire at present to express an opinion whether conscription for overseas service could be legally enforced in Australia without a referendum." Ask yourself is this country, Unknown to its own citizens, being insidiously hurried along a course towards self destruction—and all for the sake of a few financiers' devilish schemes of world domination.

And when you have done so, turn back to last week's utterances of the chairman of the Australian Woolgrowers' Council, and the ex-banker general manager of the bank-directed Goldsbrough, Mort. Whatever motives impelled their speeches are not such men dangerous? And why does the Federal Ministry, which tried to suppress all comment on the subject of sanctions a few months ago, allow such lying attacks on a friendly neighbour and valued customer to pass without repudiation?

the Power Age. Men's intellect has harnessed forms of energy capable of doing a million-fold more work than his unaided hands. In his presidential address to the British Association for the Advancement of Science at Leicester, England, on September 6, 1933, Sir Frederick Gowland Hopkins, president of the Royal Society, said:

"There are two other great questions so much to the front just now that they tempt a final reference. I mean, of course, the paradox of poverty amidst plenty and the replacement of human labour by machinery. Applied science should take no blame for the former, but, indeed, claim credit unfairly lost. It is not within my capacity to say anything of value about the paradox and its cure; but I confess that I see more present danger in the case of 'Money versus Man' than danger present or future in that of 'Machine versus Man.'

"With regard to the latter, it is surely right that those in touch with science should insist that the replacement of human labour will continue. Those who doubt this cannot realise the meaning of that positive acceleration in science, pure and applied, which now continues. No one can say what kind of equilibrium the distribution of leisure is fated to reach. In any case an optimistic view as to the probable effects of its increase may be justified."

### THE ELECTOR'S JOB

People today suffer unnecessary privation and distress because they do not realise that they have in their hands the power to end their present miseries. That is the simple truth. It is a fact that in a democracy like this country, supreme powers are vested in the people. The people can use that power if they bestir themselves for their own benefit. Hitherto, at elections, they have used their power to benefit a few party cliques. They have allowed a few men—men who are their paid servants—to dictate to them what is deemed good for them. The people have been fooled into giving an expression of opinion on *methods* instead of on *results*. It is the elector's job—it is his right to *demand* and *insist upon* results. It is definitely not his job to indicate methods. Governments exist to make the people's will prevail. How can they make it prevail if they do not know it clearly? And that is the elector's duty—to give a clear expression of his will to his representative in Parliament. If we gave to Parliament such an expression of our will, our difficulties would vanish. The Government would call in experts, would tell them to set about devising methods to distribute the abundance that exists all around us. It can be done and the present experts would soon find the way of doing it if commanded to do so by the Government.

This way lies our salvation. The People's Movement to Abolish Poverty exists to obtain from the electors such a clear expression of their will that Parliament and the Government will be forced to act—forced to implement that will. Then we can say with truth that we have achieved both economic and political democracy, without both of which this civilisation is inevitably doomed.

This is the official weekly bulletin of—

### THE PEOPLE'S MOVEMENT TO ABOLISH POVERTY

Room 8, The Block,  
Elizabeth Street, Melbourne

## Vickers' Prosperity

In our last issue we gave some figures of the soaring prosperity of the armaments interests in Britain, gained at the expense of taxation, debt and the threatened destruction of the British people. We now append an analysis of the position of the Vickers' interests, as published in the *Economist* of March 28:—

"The main fact emerging from the Vickers report is that the net equity earnings have jumped from 6 per cent, to 16 per cent, although the dividend is only raised to 8 per cent. A secondary pointer is that the undistributed profits of the English Steel Corporation for 1935 amounted to £344,744, of which rather more than half can be regarded as 'undisclosed' earnings of Vickers-Armstrongs by virtue of that company's majority holding of English Steel deferred shares. The real earnings of the Vickers group, accruing directly or ultimately to Vickers ordinary shareholders, therefore, were probably distinctly greater than the 16 per cent, shown in the Vickers report. Vickers-Armstrong—now a wholly-owned subsidiary of Vickers—increased its profits from £357,534 to £609,374, and its increased dividend provided £275,764 out of the total rise of £314,844 in the latter's profits, of which a three-year comparison follows:—

	Years to December 31,		
	1933	1934	1936
Net trading profit	816,362	970,352	1,368,279
Tax and interest chgs	272,997	357,091	440,174
Preference dividends	418,190	418,190	418,190
Ordinary shares:—			
Earned	125,174	195,071	509,911
Paid	123,155	190,890	254,520
Earned (%)	4.1	6.1	16.0
Paid (%)	4	6	8
To reserve	..	..	242,009
Carried forward	..	224,041	228,222
	224,041	228,222	241,608

"Vickers still holds cash and British Government securities to the impressive amount of over £6½ millions, and it is, therefore, amply equipped for whatever further expansions of business the future may bring. A revaluation of the total assets has revealed that their present value is in excess of their book value, and the capital reserve of £2,000,000 has therefore been released. This amount practically covers the proposed writing up of the 6/8 ordinary shares to 10/-, and thanks to various other appropriations the company will still possess a reserve fund of £2,000,000 after the recapitalisation is effected."

Is it any wonder that Sir Charles Craven, Vickers' general manager, told the Arms Commission in Britain, "Once I nearly lost my eye with a Christmas cracker, but I never lost it with a gun"?

### SOCIAL CREDIT MOVE- MENT AT YALLOURN.

Great interest and enthusiasm were manifested at the meeting held in Yallourn on Thursday of last week, when Mr. A. W. J. Fenn spoke to a "full house" on the subject of "Why Poverty?" The address was followed with keen attention, and the speaker stressed the absurdity of the cry of poverty on the one hand, and the criminality of permitting unmitigated want and suffering in the midst of plenitude on the other. Mr. Fenn urged upon those present to raise their voices, united as one, and in righteous indignation to demand that poverty be abolished. Country Organising.

Mr. A. W. J. Fenn (Country Organiser) will speak at the following places in Gippsland:—  
Sunday, May 10: Moe.  
Monday, May 11: Western Camp (Yallourn).

Tuesday May 12: Brown Coal Camp (Yallourn).  
Wednesday, May 13: Haunted Hills.

Meetings are also being arranged for South Fumina and Hill End.

### READ

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## WOMEN AND MONEY

By LEONORA POLKINGHORNE

"I would never trust a woman with money." This statement is fairly commonly heard among men, and they make no bones about saying it in the presence of women. One is naturally constrained to ask, "Why?"

Man trusts woman with his happiness, his health, his life, his honour, his children—but money that is a different matter. If pressed for a reason for this distrust, I fancy he would be hard put to it to find one. He just feels that way. A woman known to the writer had an inherited income apart from her husband's, and he was one of those who spoke in this way: "No woman ought to be allowed to handle money." And there was something about the way she (the wife) sat at her desk and wrote out cheques that quite upset him. It seemed to be a jarring note in the harmony of the universe. He did not mean that he wished she had come to him penniless, for they kept up a good establishment (three maids and a man) and her money must have been very convenient, but in his opinion the world would have assumed a more normal aspect if he had had the handling of her money as well as his own. The fact that she managed it very efficiently made no difference whatever.

### WHY THE DISTRUST?

Is this an inherited instinct from generations of lordship, or is there a rational reason for it? Are women in the mass incapable of managing money affairs? They so seldom have the chance that it is a little difficult to come to a right conclusion about it, but it seems fairly certain that we will never learn to swim until we are allowed to get into the water. Is this distrust due to the extravagance of women? Well, many years ago, there appeared in the *Nineteenth Century* an article headed, "The Extravagant Economy of Women," and the writer appeared to think that the natural penuriousness of women made them, or would make them, if they had a chance, unfit to spend public moneys on public

works. A woman, it was claimed, walks a section to save a tram-fare, wears out her shoes, catches cold from wet feet, and ends up financially worse off than if she had spent the tram-fare.

But I think that it is not a too great tendency to save that causes men to say that they would not trust women with money. They do not complain that she has not that contempt for small change, that fine, free, careless gesture in spending money that the male has. (Who ever complained that men in public life were niggardly in spending public money?)

For this very reason we have quite frequently heard it urged in recent years that it would be better to have women handling public money than these extravagant politicians of ours. Well, you can't have it both ways. If she is not to be trusted with money it can't be that she is both too extravagant and too cheese-paring—and, before we go any further, we may ask whether thrift is really a virtue. The common opinion is that it is; but the more we think about it, the more we realise that we judge it by its effect on society. A thrifty basic-wage earner wins our approval, a thrifty millionaire our detestation, and that is because the thrift of the former is likely to prevent his being a charge upon the community, while we require the man of means to spend and distribute to the utmost of his capacity. Similarly, a thrifty housewife is a bright jewel in her husband's crown, but a parsimonious Chancellor of the Exchequer would probably lose his seat at the next election.

As most people have very little money, however, the idea that thrift is a virtue positive, and not relative, seems pretty well rooted. As an example, lecturers on Social Credit, when explaining that our great wealth should be distributed, are liable to have the condemning query from some person in the audience. "What about thrift?"

To return to women. Are they too stingy or too extravagant? The answer is that they are mostly careful spenders, because they have had to be. Watch two people with the same sized piece of bread, but one with a very small amount of butter and the other with a more liberal allowance. Naturally, the former has to spread it more thinly. So it is with the spending of men and women. Beyond that, one may suppose that both sexes spend or save according to their means.

### THE BARGAIN SEEKERS

It must be admitted, however, that there are some ugly aspects of women's limited spending power, and one is the bargain-sale rush of which the comic papers make such capital. It is really not at all amusing, but very pathetic, and a clear proof that a small purchasing power tends to warp and twist the mind. It is still more pathetic to observe that they do not realise that the so-called bargains are just a confidence trick.

Thus, however much in theory we applaud the bargain-seekers and thrifty people, in our hearts we find these qualities not at all lovable, and Charles Surface, the gay spendthrift, will always be more popular than his prudent brother Joseph—even if the latter had not been a hypocrite, but all that he pretended to be.

### THE MARRIAGE SERVICE

In spite of his innate conviction that women are not to be trusted with money, the average man is quite decent in his money dealings with his own women. A man likes to see his wife well dressed, just as he likes to see his house well painted and his hedge well trimmed—it reflects credit on him. But it is curious to note that the higher one ascends in society, the more deeply-rooted the distrust. The labourer hands over all his wages to his wife, confident that she will dispense them to their mutual good, but we hear of a doctor whose wife is driven to borrow a tram fare from

the maid. It all goes to show that we must not take the marriage service too seriously, for that doctor, undoubtedly, once stood at the altar, and said, "With all my worldly goods I thee endow." Perhaps professional fees are not worldly goods! But, then, he also swore to love and cherish her in sickness and in health, and to cleave only to her, yet it has been quite seriously asked whether a man should be expected to be faithful to a wife who has become an invalid! On the other hand, we must confess that a woman promises to obey without the slightest intention of so doing, though, to do her justice, she must prefer to be honest, for she has been fighting this clause in the service for years, whereas man has made no attempt to eliminate those other passages to which we have referred.

### WOMEN AND THE NATIONAL DIVIDEND

Needless to say, the Age of Plenty, when operating as it should, will get this money bogey out of the way. No doubt, there will be for a time a few men who will find the sight of a woman collecting and spending her National Dividend hard to bear, but that will vanish with time. And, while speaking of that, let every woman beware of any attempt to alter the Douglas Proposals so as to cut out the National Dividend. Such at

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tempts have been made, but it will easily be seen that Social Credit without the Dividend will leave woman precisely where she is now, an economic dependent. We must remember that in the time of Great Britain's prosperity at the beginning of the Industrial Revolution, wealth did not flow into the pockets either of the labouring class or of women. Slums and misery in the lower strata were just as much the order of the day as in the times when the national income was smaller. As G. D. H. Cole points out, the idea that the more wealth the governing classes command the better it will be for everybody is "a moth-eaten idea." So let us stand by the National Dividend for all.

### THERE IS NO OTHER WAY.

Failing the National Dividend, we may ask are there any other ways of giving woman economic independence? One way, of course, is paying her adequately for services rendered, but that breaks down when she marries. It is true, as we have mentioned before, that there has been a movement on foot to demand "Wages for Wives," but it does not need much hard thinking to see where this breaks down. Can anyone imagine Mother, who so naturally refrains from taking her first serve of the family pudding until she is quite sure that her youngest has his third helping, grabbing and spending on herself her "wages" while Vera wants to learn music and Ted wants a new bicycle, or Dad's seams are getting shiny? No, indeed, the aspect of woman's economic dependence that is almost worse than her humiliation is seen in the furrowed brow and sagging shoulders of the father of the family, whose task resembles that of the lover who was told by a cruel father that his daughter was only to be won if the suitor carried her successfully to the top of a mountain.

It will be seen that all talk of improving the economic position of woman urged by feminists has hitherto come within the scope of the present financial system, and therefore is doomed to failure, as they work on the old fallacy of robbing Peter to pay Paul. Among

## ON MIXING WITH FOREIGNERS

By YAFFLE, in Reynolds News

The question before the British public is: Which side shall we take in the present international disputes—inside or outside?

Let us regard the various foreign nations with a dispassionate eye. Let us place them, so to speak, before us for inspection. Viewing them thus, so different, so un-English, so incurably alien, we shall find, I venture to say, that we cannot with profit have much to do with any of them.

The Germans are Nazis and therefore have no manners. The French are immoral, as may be judged by the fact that they have no closing hours and play games on Sundays. The Italians make war on smaller nations, which only we have the right to do. The Russians are Communists—I need say no more.

In my opinion there is only one condition on which we can intervene in European affairs, and that is as referee.

I do not see why the foreigners should object to that. Surely, it is generally acknowledged that the British are the only race with a sense of fair play. Moreover, we are further ahead of the others in moral development; the sins they are committing now, such as pinching black people's countries, and what not, we did a long time ago and are now forgiving ourselves for.

As a first step to this, I would suggest that there should be an international army, composed exclusively of British, along the frontiers between all the European countries.

Failing that, we must dissociate ourselves entirely from foreign affairs. After all, as a nation of gentlemen, must we be continually mixing with our inferiors?

You say we must trade with them. True; but that is no reason for recognising them socially. I trade with the grocer. I carry on transactions with him during which I maintain that unvarying courtesy which I always show to tradesmen, manual workers and the lesser vertebrae.

Nevertheless, I do not know him socially. If I met him in the street I should look right through him, as a gentleman must. I grant his establishment the prestige of my patronage; sometimes I even pay him cash. And that as all he asks. Each realises that pretence of social equality would only embarrass the other.

It should be the same between Britain and foreign nations. It is a sign of our decline in independence and self-respect that we are mixing in international affairs.

In the days of our greatness, Englishmen were experts at not noticing inferiors. My great-uncle, the fifth earl, once walked on to a football field while a match was in progress and began to practice putts. The players being common people, he thought he had the place to himself. It was a matter of birth and breeding rather than bad eyesight.

In those days Englishmen never noticed foreigners. When travelling, they maintained the same splendid isolation, and made it a point of honour never to know anything about the countries they visited except that the natives were all dirty and dishonest and did not know how to make tea.

Some Englishmen even died an honourable death in foreign cities because they could not recognise

these may be mentioned Family Endowment, so earnestly urged by Elinor Rathbone, M.P., of the British House of Commons, and attempted in New South Wales by Mr. Piddington. *Someone* has to furnish the funds necessary, whether employer, husband or the same poor old taxpayer. With the National Dividend however based on our real wealth accruing from our cultural heritage, payable direct and not through industry, all these difficulties and injustices disappear.

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the right of foreign traffic policemen to dictate their progress.

The most characteristic example of splendid isolation is the story I made up myself about a British Ambassador being sent to a foreign country, staying there for years and coming home without knowing which country he had been in.

Of late years, we have mixed more and more with the vulgar crowd. It started with the League of Nations. It is true that at the first meeting one British Minister, entering the hall and seeing it filled with strange and obviously inferior people, went up on to the platform by force of habit and announced the bazaar open. But he was the last of the old tradition.

I do not regret the attempt to form the League. Our intention was to mingle more freely with foreigners in the hope that a closer observation of our behaviour might induce them to improve their own morals and manners. As an extension of our work for Foreign Missions it was a laudable effort.

But the foreigners misinterpreted our intention, and took advantage of it to behave as if they were our equals. So the attempt failed.

It is therefore a waste of time to try and form more than a merely business relationship with those who live on the less respectable side of the Channel. As Dean Inge once said, when proving the futility of trying to educate the masses, "You cannot make a silk purse out of a sow's ear."

In the same way, you cannot make an English gentleman out of a foreigner.

## Social Credit Branch Formed at Shepparton

At a duly convened meeting held on Monday, April 27, a branch of the Douglas Credit Movement was formed at Shepparton, Vic. The meeting was held at the home of Mr. Bennett, Dookie-road, Shepparton. Mr. Lees, jun., occupied the chair, and the election of the first office bearers resulted as follows:—President, Mr. Lees, jun.; vice-presidents, Miss Dyson and Mr. Lees, sen.; secretary, Mr. H. Kennedy; treasurer, Mr. Bennett; committee, Mesdames Nelder and Dyson, and Messrs. Lilley and Cliff Foster.

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### Crime and Its Punishment

Because it is of a more spectacular nature than slow starvation, there has been considerable to-do over the sentence of death by hanging passed on two New South Wales youths convicted of capital offences. A great deal has been written for and against the moral right of the community to take life in punishment of crime, and we do not propose to say anything on this aspect of the matter—except to express our agreement with the suggestion put forward in the Melbourne *Herald* by Mr. Eugene Gorman, K.C., that those who are always to the fore in punitive righteousness might well examine the connection between such sentiments and sadism.

We do desire, however, to point but how carefully most of those involved in the discussion are avoiding the real issue, which is not the punishment of crime or the provision of fearful deterrents, but the removal of its major cause. A case in point is that of the New South Wales Minister of Justice, Mr. Martin, who told a deputation in Sydney on Monday that there must be an end to "this killing in the most reckless and wanton manner by young people." The Minister went on to say that it was the duty of the Government to keep the country safe for the people.

We agree with both of the Minister's statements, and we believe that it is precisely because the Government has failed to keep the country safe for the people that we are having this epidemic of killings and physical violence. But we differ from Mr. Martin in this—we believe that, generally speaking, the crimes are committed, not *against*, but *by* those to whom Governments have afforded the least protection. It is common knowledge that crimes of violence are rarely the work of first offenders. Some months ago we analysed in these

columns the latest British Governmental report on crime in England and Wales. That report showed beyond doubt that an overwhelming proportion of crime in Britain was directly traceable to poverty. And what is true of Britain is equally true of Australia.

A few weeks ago two youths, of about the same ages as the two referred to above, came before the Central Police Court in Sydney. Both had criminal records, ranging from opening gas meters for the pennies to breaking and entering. The crime with which they were charged in this instance was the theft of 230 newspapers. These boys had to sell the papers singly before their crime became profitable, and the evidence disclosed that they had no work and no place of abode, and that they were not eligible for the dole. The magistrate, considering their case, said: "I don't know what will happen to you."

Yet any one of us could have told the officer what will happen to them—or, if not to them personally, to the vast majority like them. Treated as outcasts by society, foodless, homeless, friendless and without occupation, these boys—(whose theft, mind you, was of no profit to them until they showed themselves prepared to sell newspapers—these outcasts of society will become enemies of society. Given the circumstances, they will degenerate into desperate criminals. And whose is the fault?

There may always be the exception—the lad who, although coming from a good home, for some mysterious reason turns to crime. We venture to suggest that even in such cases a high percentage could be traced to poverty, or disorders attending it, a generation or two back. But in the general run criminality is unquestionably the child of poverty. Hence when Mr. Martin and others like him speak of keeping the country safe for the people, their first step, if they are really sincere, is to deal with unnecessary poverty. And all poverty in Australia today is unnecessary. It persists only because of a shortage of money; there is no dearth of anything else. But, suggest this to Mr. Martin, and you will probably be given the Prime Minister's stock answer: Hands off the banks.

### Mr. Casey Fixes Things Up

"This will remedy 90 per cent, of the grievances ventilated, particularly in the last 12 months, in London, which have done a great deal to make it impossible for Australian companies to raise further debenture issues or other capital in London." Saying this, Mr. Casey, our Federal Treasurer, doubtless breathed a sigh of relief as he safely piloted through the Federal House on Tuesday a measure to lessen taxation on the overseas interests to which Australia is already bound hand and foot.

On the same evening the Melbourne press revealed that

## WHAT NEW ZEALAND IS DOING "Ready-to-Hand" Steps Being Taken

A spirited defence of the unemployed was made by the Prime Minister when speaking in the House of Representatives on the Employment Promotion Bill. "I have never yet met a man who needed to be put at chipping weeds in order to keep up his morale," said Mr. Savage. "I don't think there would be many volunteers if I were to suggest that a team of men from this House should offer their services to the Mayor of Wellington to chip weeds off the city streets over the weekend just to keep their morale good until we meet again on Tuesday. I am afraid it would be necessary to conscript them." The Government, he added, did not want a nation of navvies. It was a fine thing to be able to use a long-handled shovel but no one did it for their health's sake. So long as the machine was doing the work and he was receiving his fair share of the benefit it would not worry his morale.

The Leader of the Opposition had stated it was wrong for people to receive payment without working for it. A lot of people were receiving payment irrespective of whether they earned it or not. It seemed to him that the people who received the greatest pay often did the least to earn it. "At the same time I would not allow £10,000 a year to worry me," said Mr. Savage, amid laughter. "Perhaps I might be better without it, but I

"about 2000 people whose cases need surgical treatment have to wait indefinitely for admission to the public hospitals of Melbourne because of pressure on accommodation." On the same day also the secretary of the Boys' Employment Movement in Melbourne reported that new registrations of unemployed boys during April were double those of April last year, and were the highest of any April in the movement's history.

It is not suggested that there is any appreciable shortage either of doctors or of nurses. The hospital difficulties are almost entirely due to lack of beds and shelter. Hence one might ask why some of the unemployed youths—and their unemployed elder brothers and fathers—could not be given useful and remunerative employment in making beds and building shelters.

To which the answer is, according to Mr. Casey, that, although all the materials and the labour (and the patients) are available in Australia, we cannot proceed until we "raise further debenture issues or other capital in London."

And while Mr. Casey is saying this, his fellow-conspirator - - and we use the word "conspirator" in its ugliest and most opprobrious sense — his fellow-conspirator, W. M. Hughes, the Minister for Health, is writing syndicated articles in the press about the need for more population. And Dr. Page is in London, at your expense, discussing markets. And Mr. Menzies is in London, also at your expense, earning his 2,000-guinea brief, on the side. And Mr. Lyons is arranging for the capital and debentures subscribed in London to be spent, *on defence*, with the overseas armament racketeers.

And YOU are putting up with it!

### IT IS LIKELY—

That the bank rate of interest will go up again shortly.

That if the next loan is for £5 to £7 millions, another will follow right on its heels.

would take it and my morale would still keep up!"

There were roads to build and transport facilities of all kinds to provide, and the men employed to do the work would not be expected to labour under relief conditions. Mr. Savage continued. The Government was not going to have people living in slums, children huddled together in schools, or overcrowding in mental hospitals, while there were men capable of doing the work. Hospitals, post offices, and public institutions were needed, and anything the Government could build today would not last forever. "We will paint New Zealand some day, for it needs it badly enough," said Mr. Savage.

During the debate, when Mr. Savage said that they would never escape depressions until they had money to correspond with their production, the Leader of the Opposition (Mr. Forbes) interjected: "That is Douglas Credit."

"I don't care what kind of credit it is," replied the Prime Minister. "It is common sense."

"We can use the public credit," he said again, "without pledging ourselves to someone else, and if we have to be in debt let us be in debt to ourselves." The public credit, he added, was the foundation of the money system, which was kept going by the people's ability to produce.

\* \* \*

### HIGHER PAY FOR SUSTENANCE AND RELIEF.

Considerable increases, to operate from June 1, will come into force in the rates of pay for those on relief works and on sustenance. Details of the new scale of payment, compared with the rates ruling at present, are as follow:—

#### RELIEF WORKS.

Old Rate.	New Rate.	Old Rate.	New Rate.
s. d.	s. d.	s. d.	s. d.
Single man	17 0	21 0	
Married man	27 0	38 6	
Married and one child	31 0	42 6	
Married, two children	35 0	46 6	
Married, three children	39 0	50 6	
Married, four children	41 0	54 6	
Married, five children	43 0	58 6	
Married, six children	45 0	62 6	
Married, seven children	47 0	66 6	

#### SUSTENANCE.

Old Rate.	New Rate.	Old Rate.	New Rate.
s. d.	s. d.	s. d.	s. d.
Single man	14 0	17 0	
Married man	24 0	29 0	
Married, one child	28 0	33 0	
Married, two children	32 0	37 0	
Married, three children	36 0	41 0	
Married, four children	38 0	45 0	
Married, five children	40 0	49 0	
Married, six children	42 0	53 0	
Married, seven children	44 0	57 0	

In announcing the increases, the Minister of Labor, Mr. Armstrong, said that the new rates did not represent the Government's objective, but were merely "ready-to-hand" steps in that direction. Upon being asked a question as to "the cost" of such improvements in the condition of the unemployed, Mr. Armstrong replied sharply: "I am not concerned about how much it is going to cost. We have got to think of that sort of thing, of course, but the first consideration is the needs of the people. We can think about how it is going to be paid for afterward. While I am in charge of this department the people are going to be fed in any case."

The Minister also disclosed that the new rates would be universal, and would include Maoris.

An extension to the limit of private earnings which a relief worker may receive before his relief allocation is adversely affected was also announced by Mr. Armstrong. In future, married men will be allowed to have an income from all sources, including relief, on a scale, rising according to the size of their families, from £3 to £3/18/- a week.

The following classes of income, he said would be entirely ignored in calculating the total income of a relief recipient:—

The earnings of any child under 16 years of age.

The first 17/6 a week of combined income from war disability pension or any allowance granted under the War Veterans' Allowances Act.

Family allowances under the Family Allowances Act.

### WAR REGULATIONS REPEAL

Under the War Regulations Repeal Bill, all existing war regulations are to be withdrawn. The power to make war regulations was originally conferred by the War Regulations Act, 1914, and War Regulations Amendment Acts were passed in 1915 and 1916, but all provisions were consolidated into the War Regulations Continuance Act of 1920.

Actually, although this Act itself has never been repealed, many of its provisions have been voided by subsequent measures. But numbers of objectionable regulations are still in force, such as those, which enable a strike to be proclaimed "seditious" by Order-in-Council.

\* \* \*

### RESTORATION OF WAGE CUTS

The Prime Minister has announced a full restoration of wage cuts in the Civil Services. At the same time, he said, there would be a clause in a Finance Bill, which would make a general order restoring the 10 per cent, cut of 1931 to all workers who had not already received that restoration.

"We hold that in 1931 substantial reductions were made in wages and, as a result in the buying power of the people," Mr. Savage said. "Now we are setting out to restore the position, but we cannot even stop there. Our objective is to keep lifting the buying power as production increases. There is no earthly use in increasing production unless there is a corresponding increase in incomes."

### FURTHER SOCIAL LEGISLATION

Similar sentiments to the above were voiced by the Minister of Labor in moving the second reading of the Industrial Conciliation and Arbitration Amendment Bill. "This is an age of superabundance as far as our country is concerned," said Mr. Armstrong, "and whatever may have caused bad times in other parts of the world, there is no excuse for economic distress here. The depression was not brought about by causes over which we have no control. It was man-made, and the misadministration of past Governments was mainly responsible for the difficult period through which the Dominion has recently passed."

There was no justification, the Minister continued, for the wage-reduction policy of the last Government, or for robbing the workers of many of the conditions of employment they enjoyed in the past. As a result of the legislation passed by the last Government - thousands of workers had been left without protection from the unscrupulous section of the employing class. That state of affairs should not last another five minutes. Today thousands of people in New Zealand were living in semi-starvation, not because there was any scarcity of things they needed, but because they had not the means of procuring them.

"At one time the social legislation of New Zealand was the envy of the world," said Mr. Armstrong "but today it is lagging behind and there is more poverty than at any time I can remember. The purchasing power of the people of this country must be increased in proportion to the increased production; otherwise it is an economic impossibility for them to purchase the goods."

"This Bill not only restores the arbitration law to what it was a few years ago but lays down a system of arbitration superior to anything that has existed in the past. There is nothing in the legislation to be afraid of. The higher the standard of living maintained the better for the employers, whether they be manufacturers or farmers. The useful section of the community

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has everything to gain and nothing to lose by this legislation.

"If we are not going to give the unfettered right to the workers on the one hand and the employers on the other to go to the Arbitration Court, then we are going to finish up in chaos so far as this country is concerned," concluded Mr. Armstrong.

One of the important clauses of this Bill is that which directs the Arbitration Court to fix, where it is sought, a 40-hour week. This is to apply, where practicable, both to existing and to new awards, and is not to be accompanied by wage reductions.

\* \* \*

#### EDUCATION TO MAKE THE PEOPLE THINK.

A sensible talk on education has been given by Mr. Fraser, Minister of Education, before the Workers' Educational Association at Auckland. During the course of his address the Minister said: "May I say this, as Minister of Education—I would not like the people to attach too much importance to education. I hope that does not sound too much like heresy."

In further explaining his meaning, he recalled Tennyson's line, "Knowledge comes but wisdom lingers," and said nobody with a capacity for learning by their experience could be called uneducated. The great work for educationists in future was to endeavour to get the people to think. Talking education in its widest sense, it was not something that was superimposed from without, but something that had grown out of human needs and requirements.

"Education is not enough if it teaches us merely to earn a living," said the Minister. "Education must teach us to live. We must go forward and not back." Machines might make it possible for people to have shorter hours of mechanical work and longer hours of leisure in which they could express themselves if they knew how. That was where adult education was of such importance. He hoped to see before twelve months were over some scheme that would carry the benefits of adult education to every part of the country. Education should be a ministration of life and not a servitude to knowledge, and it was from that standpoint that the varied and complex educational problems of the day must be examined.

On the question of homework, for instance, he received many letters from parents asking him to abolish it, and he confessed he had a good deal of sympathy with that point of view. It was a question whether it was more important for the children to mop up knowledge or to have plenty of sleep so that they could grow up properly equipped.

Speaking of intelligence tests and mental ages, the Minister said he had got a friend to test him, and he had found that his mental age was less than one; his intelligence was a minus quantity. A previous Minister of Education who had advocated these tests had also come out minus when he tried the questions.

#### SOCIAL CREDIT SPEAKERS' CLASS

A Speakers' Class will be held every Tuesday night at 8 o'clock, commencing May 26.

Location: Douglas Credit Rooms, Room 8, 1st Floor, The Block, Elizabeth Street.

Mr. John Reid will conduct the class.

If you wish to become a public speaker for Social Credit and the Electoral Campaign, register by sending in your name without delay to H. ALLSOP, Hon. Sec. Speakers Class, c/o the above address.

## STRONG CRITICISM OF ROYAL COMMISSIONER BY MP WITNESS

### Mr. G. S. Carruthers, M.H.A., and Professor Mills

A feature of the evidence of Mr. G. S. Carruthers, Member of the Tasmanian House of Assembly, before the Monetary and Banking Royal Commission at Hobart on Friday, April 24, was his criticism of the public utterances and writings of Professor R. C. Mills, a member of the Commission. The Chairman of the Commission (Mr. Justice Napier) took exception to Mr. Carruthers' references as being rather a personal attack upon opponents than arguments for the merits of the Douglas proposals. To which Mr. Carruthers replied that he deprecated anything of that nature, though he wished he could feel that the attacks against Major Douglas and those who advocated his proposals were more free from personal animus.

As most of the Australian daily press does not appear to have heard of Mr. Carruthers or his evidence, we give here a summary of it.

In opening his evidence, Mr. Carruthers outlined the principles which should govern the amount of money in a community, stressing that whatever is physically possible should be financially possible.

"Compare this," he proceeded, "with the conditions now prevailing in Tasmania. Thousands of men are unemployed, and vast quantities of materials are available, which they could use in producing food, homes, furniture, and many other necessities and luxuries for themselves. Why is it that they could do this if they were on an island with no money, but cannot do it here? The hindering factor is undoubtedly our money system, or the laws, which govern our money system, or the policy, which directs it.

"For example, suppose a new water supply should be desired and that there are plenty of unemployed men to do the work, and all the required materials are available in the State, or can be imported in exchange for surplus goods; and also suppose that the men now employed in productive industries are capable of providing all the food, clothing, and other necessities and amenities which the unemployed men would require if they were drawing the basic wage. What would happen under our present system? Money would be borrowed. Workers would be paid and materials bought with this money. The workers would buy food, clothing, etc., with their wages. After a time the work would be completed. Almost all the money distributed, as wages would have been spent on general living expenses. A new asset would exist. Those who had built it would have been paid. The remainder of the community, having supplied food, clothing, etc., would in their turn have been paid, but an interest-bearing debt would exist, and the whole of the community would be taxed, and many times the amount which the asset cost would be collected from the public in order to pay for it. Is that necessary?"

Mr. Carruthers then went on to point out that the right of issuing financial credit belonged, not to the private banks, who treated this function as one which entitles them to a perpetual interest toll, but to the community itself, in the same way as the right to issue notes and coin belongs to the community.

#### PROFESSOR MILLS ON BANK LOANS.

"Your Commission," continued Mr. Carruthers, "is fortunate in that Professor R. C. Mills and Mr. F. C. Benham, then respectively Professor and Lecturer of Economics of Sydney University, have published a series of lectures explaining Credit. They lay themselves out to show that a bank does not lend more than it borrows. On page 60 they say: 'The banker has lent £50,000 to promising young men and others. They owe him that amount and pay him interest on it. Nevertheless the banker only began with £10,000. Whence came the other £40,000? Surely in this case the banker has lent more than he has borrowed! But has he?'"

Suppose the bank fails, and cannot pay one penny in the pound. Who loses? The persons who happened to be holding his notes. Nobody would accept them in payment now, for they are "promises to pay" made by a banker who clearly cannot pay. They are worthless paper. The holder of every £5 note is £5 out of pocket, and why? Because he has been lending £5 to the bank. He has been keeping the promise of the bank to pay £5 on demand, instead of going to the bank and getting the money. In effect, he has been lending the bank £5 of purchasing power, although he may not realise this until the bank fails. Suppose the bank fails and eventually pays 10/- in the £, after those of its borrowers who can repay their loans have done so. To whom

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does it pay this 10/- in the £? To the note-holders from whom it has borrowed. This is why I used the phrase "purchasing power." The bank has not borrowed actual money from the public; it has simply induced them to keep its promises to pay without presenting them. None the less it has borrowed from them just as though they had lent it actual money.

"Before continuing with Messrs. Mills and Benham," said Mr. Carruthers, "let me remind you of Mr. McKenna's statement that 'every loan creates a deposit.' A bank authorises an overdraft to X, who draws a cheque in favour of Y, who deposits it, and therefore Y's deposit is the result of the overdraft to X, which is based on the securities, which X has pledged with the bank. The loan is new money. It is a financial reflection of X's real credit, and it is questionable, as Mr. Gaitskell has recently pointed out, if the banks have any more right to the profits arising out of this new credit money than they would have to the profits arising out of coin and notes. The Marquis of Tavistock, son and heir of the Duke of Bedford, calls this issue of credit 'the world's greatest confidence trick.'

"Now let us return to Messrs. Mills and Benham. They said the banker has lent £50,000 to promising young men, who pay him interest for it. Later on they say that 'none the less it (the bank) has borrowed from them just as though they had lent it actual money.' Is not that beautifully clear?"

"The promising young men,

setting out on their lives' career, which they hope will be of value to the nation and profitable to themselves, go to the banker, and when they leave him they believe that they have borrowed £50,000 from him, and have definitely made themselves liable to repay that £50,000, and to pay interest on it, and yet the actual facts, as stated by Messrs. Mills and Benham, are that the men have been completely fooled by this system of credit creation, and have themselves lent to the bank just as though they had lent it actual money.

#### THE BANKER'S POLICY

"What are the principles or policy governing credit issue? Is the banker's object the greatest amount of general prosperity, which can be brought about by maximum production and distribution of real wealth, or is it the greatest financial profit for his own institution?"

"There can be little doubt that the State, if issuing money, would consider general prosperity before anything else. But the banker's business is to issue money for private profit, though not too obviously, or the public would object. Production obviously depends on credit issue, and though the banker naturally wishes to issue the largest amount of credit within safety limits, yet those limits depend on the fact of making production financially profitable, instead of its usefulness being the foremost condition of production.

"For any undertaking to be financially profitable more money must be recovered than has been paid out. Obviously this can't take place with respect to production as a whole. Either some industry must fail financially, so that the money, which it does not recover, may be divided among other industries, or new money must appear. In this way we get a definite conflict between finance and industry in their relations to prosperity."

#### INDUSTRY CARRIED ON BY UNREPAYABLE DEBT.

Pointing out that industry had of recent times been able to carry on only by such devices as so-called "favourable" trade balances abroad and by the ever increasing infusion of money for the production of capital goods and public works—all meaning the increase of unrepayable debt—Mr. Carruthers illustrated his case by references to Major Douglas's statements and Professor Copland's attempt to reply to them. He also reminded the Commission that Professor Hytten, in evidence before the recent Tasmanian inquiry, had admitted that workers in any one industry could not collectively buy their collective output.

"Do we find in the conditions existing around us today," asked Mr. Carruthers, "support or condemnation of the lines of argument that I am placing before you? The United States of America is one of the best examples we can take of a self-contained country, and they possess gold backing sufficient for a very large amount of financial credit. In the past their own people have been by far the greatest market for their own goods. But the depression—the problem of having enormous productive powers and very limited purchasing power among the people—hit them in their turn. Several years ago a great attempt was made to increase their purchasing power. A leading article in the Hobart Mercury on 12th February last shows the results. Five thousand million pounds were spent in three years on public and relief works and in an effort to assist the productive side of industry. Any real increase in purchasing power distributed to the people was expected to result in more employment, in providing the goods, which this purchasing power would absorb. The facts are, that there are now two hundred and forty thousand

(Continued on page 6 col. 1)

## The Fable of the Selector Who Became Rich

By MONTAGUE GROVER



The Addict.

Ozymandias Brown was one of a prosperous group of selectors. He and his fellows did not make much money, but they worked their smallholdings and fed well on their own chooks and eggs and butter and milk and vegetables, and had sufficient over to trade with the nearest storekeeper for clothes and other necessities of life.

With the rest, Ozymandias Brown worked hard and was content until, one day, attracted by an advertisement at the local station, he was tempted to subscribe to a correspondence course in "How to Get Rich in Seven Lessons." He became a Correspondence School Addict, and joined the red-blooded he-men who took courses in Personality and Will Power. In other words, Ozy became a Perfect Nuisance in the township. His fellow selectors decided that he was a Dead Nark.

But Ozymandias had become impervious to criticism. He entered with vim, pep and other qualities stressed by his teachers upon the Great Work of becoming rich.

He laid the foundations of a new barn, and let his cabbages go hang. He applied himself with so much energy to clearing his scrublands that he had no time to trap the dingoes, which reduced his small flock of sheep to a Bare Dozen. In the frenzied determination to complete the fencing of the paddock he had no time to feed his chooks, and they expired in large numbers through malnutrition.

But Ozymandias Brown gave few thoughts to cabbages or sheep or chooks. He was Growing Rich.

All the time he was graduating out of the caste of the Struggling Farmer into that of the Wealthy Agriculturalist Ozy. Brown had been living on the survivors of his cabbages and his sheep and his chooks.

But at last the day came when there were no more. Ozymandias Brown was a Rich Man, as witness his barn and his cleared land and his fencing, but he was a hungry man. As his hunger became more intense, he forgot all about being a Rich Man, and went over to Bill, his nearest neighbour, losing all that remained of his Personality and Will Power as he dragged himself through the scrub.

"Git work," retorted Bill brutally, as he put his case. "You with yer noo barn tryin' ter pole on a pore cow like me. Move off or I'll make yer."

When the trooper found Ozymandias Brown he had circled on his tracks seventeen times, but he bucked up wonderfully in the Reception House. Now he entertains his fellow patients at Kew with stones of his riches, and the Department treats him well, for it realised a fine round sum from the sale of his farm.

Moral: The person who can't distinguish capital from income is almost as dangerous as the person who can't distinguish income from capital.

#### DOUGLAS SOCIAL CREDIT BOOK SHOP

has been opened at  
166 LITTLE COLLINS ST.  
(near Russell Street),

#### MELBOURNE

All Major Douglas's own publications in stock.

more people being assisted by relief organisations, making a total unemployed list of eleven million four hundred thousand, and in addition to this the country is faced with the payment of interest and the repayment of the five thousand million borrowed.

"Maurice Colbourne, in his book, 'Economic Nationalism,' refers to Roosevelt's New Deal. He points out that the President was trying to increase consumption by pumping some three billion dollars into production. He then gives reasons for showing why the experiment will fail. Three years ago, I remember clearly that the Hobart Douglas Credit Association expected Roosevelt's failure for similar reasons. I have already referred to the recent failure of that 'Deal' for the reasons we expected.

"In Britain, several years ago, Mr. Ramsay MacDonald spoke of a permanent body of approximately two million people without work. The *Mercury* leader concluded, 'Incurring debt as a solution has been tried in U.S.A., and the end seems to be in sight. The leaders of industry and the Government have now before them the original problem calling for different methods.'

Dealing with Professor Hytten's statement, that "the ideal thing is to put by in good times for the times we need it", Mr. Carruthers dryly commented: "Douglas Credit followers have at times been charged with being Utopian idealists, but I do not know of any who have given sufficient rein to their enthusiasm as to think that we can get ourselves out of a problem caused by having more goods than we can distribute, by refraining from using some of these goods. I assert that, so long as our minds are clogged by thoughts of this nature, we are not in a fit condition to deal with the present problem, which is the distribution of an ever-growing plenty.

#### THE "FALLACY" OF PLENTY

"There is undoubtedly a great increase in the real wealth of the country, and the late and the present King and many others agree that, to all intents and purposes, the problem of production has been solved, though three years ago Professor Mills regarded this 'a common fallacy.' We may fairly ask, who are the rightful owners of the great appreciation, which has resulted from the combined efforts of so many members of the community? The followers of Karl Marx claim that this appreciation belongs to Labour, the banks contend it belongs to Capital, and they get a hold on most of it by the issue of financial credit. Major Douglas contends that it belongs to the community, and Professor G. D. H. Cole agrees with him, and appears to agree also that it should be distributed to the community increasingly as a dividend, to everyone prepared to play his proper part in social operations when required, and decreasingly through the wage system. Engineers and scientists are endeavouring to make a reality of the novelist's dream of a hundred per cent, robot. If and when this appears, it is obvious there will be no more wages, and therefore distribution will have to be one hundred per cent, by dividend. It is equally clear that if a twenty-five per cent, robot should displace twenty-five per cent, of the workers, then twenty-five per cent, of the products of industry must be distributed by dividend, if they are to be distributed at all. It is surely fair to say that we have already reached the 25 per cent, robot stage, and that therefore the dividend is essential. Australia now has something like three-quarters of a million people receiving pensions or doles or relief work; that is, these are receiving a national

dividend, but they are receiving it in the form of a charity which carries with it a feeling of inferiority, and at the same time the money which reaches them is raised either by taxation or by fresh loans."

Mr. Carruthers then quoted recent writings, not coming from the Douglas School, but in which the principle of the necessity of a National Dividend is gradually being accepted in place of the old idea of pledging everything to the banker.

#### "WHAT DOES THAT MATTER?"

"During the recent Tasmanian Inquiry", he continued, "when I was examining Dr. Mauldon, who was supporting present banking practice, I pointed out to him that it is only possible to obtain money to pay bank interest by pledging still more securities to the financial system. Dr. Mauldon's reply was: 'What does that matter?'"

"Am I to regard that as representing the general view of highly placed economists? The inference of it seems to be that all is well with the world as long as more of it is becoming bankers' property.

#### PROFESSOR MILLS ON SOCIAL CREDIT.

"I would call your attention to an extract from the *Sydney Morning Herald* of the 27th January, 1934, Page 16: 'Professor R. C. Mills, in an address broadcast from Station 2UW, criticised the Douglas Social Credit System. He said the Douglas theory was based on unsound principles, and the remedy it proposed would merely lead to uncontrolled inflation.' I trust at a later stage to know the Professor's ideas of the principles on which it is based. Whether, for instance, he will dispute that what is physically possible is financially possible, or that nearly every civilised country in the world, except, possibly, Japan and Russia, is able to produce far more than its people can purchase? Also, I hope to hear from him why its proposed remedy would lead to uncontrolled inflation.

"The Professor said that Major Douglas had guaranteed 'he could put everyone in Australia to work within three months. He said such a statement was lamentably cruel because of the baseless expectations which it raised.' Would not a distribution of purchasing power sufficient to buy within three months the consumable goods now resting in shops and stores, immediately cause a great renewal and increase in productive industry, especially if the producers knew that as long as they produced goods of a nature desired by the public, the public would have the purchasing power to buy them? The Professor continued that 'Major Douglas's analysis of the working of the economic system was nothing but theory, and those whose life work had been the study of economic theory were almost universally hostile both to his analysis and his remedies.' This charge is surely nothing but a platitude constantly brought forward by upholders of any established custom or procedure against any reformer.

"The Professor said that too much was made out of the contrast between want and unemployment on the one hand, and restriction of production on the other.' May I ask the Professor if he has tried to view this contrast through the eyes of those who are suffering from want because of unemployment?

"The Professor continued that 'it was a common fallacy that the problem of production was solved, and that all that remains was to solve the problem of distribution.' May I suggest that the Professor might now withdraw this statement out of loyalty to the statements of 'his Majesty the King? A study of technocracy might also be helpful.

"The Professor also challenged reasons given in support of Major Douglas's contention that the way in which modern industry was carried on meant a chronic shortage of purchasing power. The Report of the Tasmanian Inquiry specially urges your Commission to pay the greatest possible attention to the statements in

the Journal of the London Chamber of Commerce concerning this gap, and the closely related fact that credit is created and issued by the banks as a debt to the community, and that the money to pay interest is not issued except as a further debt. It also considered that the inquiries of your Commission should not be confined to superficial aspects of the present monetary system, but should be directed firstly to the basic principles on which money, and especially credit, is at present issued and controlled, with particular attention to the manner in which it functions in industrial operations in the creation and liquidation of costs and debts.

"The Tasmanian Report shows that during the years 1934-35 the Commonwealth Government, apart from the assistance given to sugar, was paying over £5,000,000 in subsidies. The wheat growers were receiving over £4,000,000 of this. I have not heard of any economist or banker pointing to the dangerous inflation of wheat. Some peo-

and therefore we might have expected tremendous inflation in the United States on account of the spending of five thousand million pounds during the past three years. And the same inflation should have occurred in Australia because of the amount spent on doles and public works, after being borrowed from, and created by financiers. Where has this money gone, if not to meet a deficiency? There has during the past year or two been a tendency towards rising prices in Australia, but this is not decried by the bankers as dangerous inflation; on the contrary, it is hailed with joy as a sign of returning prosperity. Bankers and their friends must not expect to have it both ways.

"Next, the Professor said: 'Nothing was more dangerous to the economic system than the itch which beset many amateur economists to indulge in the wholesale creation of money.' The Douglas Proposals do not suggest wholesale creation of money, but only the amount of credit necessary for dis-

that prices would immediately rise above the previous rise caused by the application of the Just Price Factor. The scheme had the lure of something for nothing, but it merely meant piling inflation upon inflation.'

"Professor Mills, by stating that the Dividend would be issued without any corresponding increase in production, appears to show himself unacquainted, not only with Major Douglas's suggestion, but with what may be regarded as one of the most elementary principles of everyday economics, namely, that effective demand tends to produce supplies. It should be clearly understood that the amount of the Dividend would be based on the supplies actually and potentially available during the period for which the Dividend would operate. The fact of goods selling more quickly because of increased demand would immediately, as I have previously remarked, cause greater production and greater employment.

"After his previous criticisms it may be taken as inevitable that the Professor should introduce 'the lure of something for nothing.' I can hardly expect that he will agree with G. D. H. Cole and me and a few others that the greatest example in history of getting something for nothing is the profit now obtained by the private banks for their unauthorised creation of credit."

## JOHN HOGAN IN VICTORIA

The long-looked-for visit to Victoria of Australia's youngest and most famous orator, John Hogan, begins today.

Writing from Junee, New South Wales, on the 1st inst.—after holding a very successful meeting in that town—Mr. Hogan says: "I have had twenty-one meetings, and covered 1300 miles since leaving Sydney twelve days ago, and you ask me whether I work on Sundays! Generally speaking it is my busiest day, offering opportunities for up to five meetings, especially in small centres after church."

Working to schedule, Mr. Hogan should have reached Albury on the 6th or 7th inst, and will visit and address meetings at the following Victorian towns: — Yarrowonga, Wahgunyah, Rutherglen, Yackandandah, Beechworth, Wangaratta, Benalla, Shepparton, Euroa; reaching Seymour for a meeting on Monday, the 18th inst.

After leaving Seymour, the following centres will also be visited: Broadford, Kilmore, Lancefield, Romsey, Woodend, Macedon; arriving in Melbourne probably on Wednesday, the 20th inst.

Mr. Hogan is in direct contact with Social Crediters and interested people in all the centres up to and including Seymour. These good folk have undertaken to organise and assist in the campaign.

Further assistance, however, will be welcomed and an earnest appeal is made to all Social Credit supporters and friends interested in arranging meetings for Mr. Hogan in any of the above-mentioned towns, and particularly in Kilmore, Lancefield, Woodend and Macedon, to write at once to the propaganda secretary, Mr. G. R. Trenoweth, Douglas Credit Movement of Victoria, Room 8, Block Arcade, Elizabeth-street Melbourne.

Arrangements are being made for Mr. Hogan to address a big Social Credit rally during his brief stay in Melbourne before he sets out on a further tour of country districts.

Suburban branches desirous of arranging meetings in their districts for Mr. Hogan are requested to communicate with the propaganda secretary.

## WHERE THE AUSTRALIAN FARMER STANDS IN 1936

An editorial in the *Countryman*, the official organ of the U.C.P., of May 1:—

The review of the work of the Farm Debts Adjustment Board by the chairman, Mr. Don, as published in the *Countryman* last week, provides a startling realisation of fact, which previously was mere assumption, regarding the deplorable position of the man on the land.

The 872 applications for relief to date show liabilities exceeding £1,100,000. Some farmers are virtually on sustenance, their affairs controlled by their creditors, on whom they are absolutely dependent for their working expenses and personal maintenance. In a larger number of cases than was anticipated, the farmers' mortgages greatly exceed the present value of the land asset; one is carrying a mortgage of £10,000 on a property now valued at £6000.

Those are not extracts from "Alice in Wonderland," but from the chairman's review. And that is not half the story. It is believed that a large percentage of the farmers of this State who have not applied for relief are in practically the same position and that the condition of some is so desperately hopeless that they will not apply to the Board. As well, hundreds have left their holdings rather than remain in a state of serfdom, or worse. And the position in this State is claimed to be equally as serious in all the States of the Commonwealth.

Last year it was stated in the Federal Parliament that the total debt of the Australian farmers was estimated at approximately £500,000,000. Last year also the Federal Government found it necessary to advance £12,000,000 of borrowed money to ease the terrific financial burden on the farmers.

That, roughly, but not fully, outlines the position of the primary producers of the Commonwealth.

ple have even suggested that the reason the wheat growers have received this assistance is that a large amount of their debt was owed to the banks, and that, if we knew the inner workings of the reason for the subsidy, we might find that it was to help the banks to recover their debts, rather than to help the wheat growers.

#### WHY NO INFLATION IN THE U.S.A.?

"The Professor continued that the analysis on which the Just Price Factor was based was worthless, and the adoption of the scheme of issuing credit to producers, or consumers, to make up a deficiency which was not there, would lead to tremendous inflation. I hope the Professor will inform us what he considers to be the analysis upon which the Just Price Factor is based. Does he consider it incorrect to say that the real cost of production is the cost of the assets consumed on account of that production? If there is no deficiency, any extra issue of money would lead to tremendous inflation,

tributing increasing production. The real sting of the proposals, from the bankers' viewpoint, is not the amount of proposed new money, but it is the fact of proposing to create the new money outside, instead of inside their own walls.

#### ASSISTANCE FROM THE BANKS

"Various supporters of the present system point to the great assistance which Australia has received from the banks. May I ask what means of comparison are available to them? If they consider the present condition of Australia a satisfactory testimonial to the banking system, how can they know that we should not have been many times better off under a nationally controlled credit system? Their argument almost seems to be that a judge should commend and reward a defendant for committing assault and battery because he might have committed murder, and did not.

#### "SOMETHING FOR NOTHING."

"The Professor," said Mr. Carruthers, in conclusion, "ends by saying: 'perhaps the most attractive part of the Douglas Proposals was the project of a National Dividend. This would be given to every person in the community because of the aggregate wealth, which had been created by the labours of the people in the past. This dividend would be issued to people without any corresponding increase in production of goods, so

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# TAXATION

By BRUCE H BROWN

## 4. —Colonel Cohen and Sir Otto Niemeyer

(Continued.)

Whether we have any sympathy with the German attitude towards the Jews or not, we cannot help noticing the frequency with which Jewish names are prominently associated with finance. And when we reflect further that finance, and finance alone, has brought the world to such a sorry plight, we can hardly avoid connecting them with the swindle which is so sorely oppressing humanity in general. Bishop Dwyer, of New South Wales, is recently reported to have said: "Mammon is the ruler. The Jewish bankers in London rule England and rule Australia. They may even depose governments if they wish." That he had good grounds for saying this may be confirmed abundantly by reference to "The Truth About the Slump" (A. N. Field). We also have the admission of one of the members of the British Labor Cabinet in 1931 that the Government was directly threatened by the Governor of the Bank of England. Dissatisfaction was growing in the party with the attitude of Philip Snowden regarding finance, and Montagu Norman (a man, we are told, with Jewish blood in his veins) called upon Ramsay MacDonald and said: "If Snowden goes, the Government goes." Think on that quietly all you who for years have deluded yourselves that we, the people, have elected our governments! Disraeli knew what he was talking about when he told the British Parliament "the world is governed by very different persons from what is imagined by those who are not behind the scenes."

It is appropriate also to invite particular attention to similar utterances from Gladstone. Read the following statement from his own lips:—

"From the time I took office as Chancellor of the Exchequer, I began to learn that in the face of The Bank and The City the State had an essentially false position as to finance . . . The hinge of the whole situation was this: The Government itself was not to be a substantive power in matters of finance, but was to leave the Money Power supreme and unquestioned. In the conditions of that situation I was reluctant to acquiesce, and I began to fight against it by financial self-assertion from the first. . . I was tenaciously opposed by the Governor and the Deputy-Governor of the Bank, and I had The City for an antagonist on almost every occasion."

Notwithstanding this, Dr. Earle Page, who is now in London, has had the temerity to suggest to this selfsame "City" that Australia will place more of her assets in pawn to the international financiers for some additional "capital." It is only Dr. Page's apparent ignorance of the true nature and origin of this capital that saves him from a charge of high treason.

### FOREGATHERING OF COLONEL COHEN AND THE TAXPAYERS' ASSOCIATION

In the *Argus* of April 2, we were given a lengthy report of the speech given by Colonel Cohen at the luncheon arranged by the Taxpayers' Association at Scott's Hotel the previous day. The guests included Sir Ernest Wreford (a bank director and Chamber of Commerce representative) and Mr. Michaelis. It is interesting to note that Colonel Cohen and the Taxpayers' Association both have the same address—viz., Collins House, Melbourne, which is also the Victorian headquarters of the private banking monopoly.

Colonel Cohen's address was a fulsome eulogy of Sir Otto Niemeyer, and the newspaper report was specially emphasised with the following headlines:—"Planned State Economy." "Lessons of 1931." "Politicians Forget." The gallant Colonel said: "We must face up to our problems as we did in 1931, the year of the Premiers' Plan," but never a word of protest did he utter against the murderous financial system, which alone creates our problems and causes them to persist. Indeed, the "planned State economy" he advocated was a scheme for retarding our progress and degrading our standard of living to a set of financial figures dictated by the private controllers of the money system.

Our financial system is a swindle, and swindling is a crime. Even though Colonel Cohen may not realise it, he is advising Australian Governments to adopt a course whose only object is to secure the continuance of the swindle with which he is closely associated, and which can only lead to the imposition of further unnecessary hardships on hundreds of thousands of Australian citizens. Furthermore, while advocating this under the auspices of the Taxpayers' Association, and ostensibly for the purpose of securing a reduction of taxation, he must surely know that it can only lead to an *increase* of taxation. A man who sells a State secret to an enemy military power is tried for high treason, but a man who sells the bodies and souls of his fellow citizens to an enemy financial power is regarded as being worthy of the highest honours.

### THE ADVICE

Speaking at the luncheon, Colonel Cohen advocated that we should follow the advice of one of his own kin, in the person of Sir Otto Niemeyer, as follows:—

- (i) Secure the balancing of Government budgets;
- (ii) Increase our productivity per head of population if we desired a higher standard of living;

(iii.) Public works are legitimate only if they provide a return sufficient to cover interest and sinking fund;

(iv.) No overlapping of State and Federal finances.

### NIEMEYER'S RECORD

This programme would place finance over all, which is clearly the purpose of all agents of the money power. Some idea of Sir Otto's position in this regard may be gathered from the fact that, besides being the direct agent of Montagu Norman, the present dictator of the British Empire, he is a director of the National Bank of Egypt, a director of Vickers Armstrong Ltd. (the armament makers), a director of the Bank of Europe, a director of the Anglo-Continental Bank, a director of the Bank for International Settlements, and a member of the Financial Committee of the League of Nations, having been succeeded as chairman of that committee by Dr. Melchior—a partner in Warburg's Bank of Hamburg. It was Paul Warburg, of Hamburg, who became the dominating force on the Federal Reserve Board in New York, and who was the originator of the "Central Bank" idea. This same Warburg was a personal friend of Montagu Norman, and they knew each other in New York before Montagu was sent over to London to take charge of the Bank of England and impose the banking policy of deflation throughout the Empire. It was also through the Central Bank scheme that the depression, deliberately engineered in New York, spread so rapidly throughout the world. Even the League of Nations had its origin in the realms of international finance, and public records in my possession suggest that here again the Jewish banker was all pervading.

Space is not available to give the full story of Sir Otto, but it will be sufficient at this stage to say that he and the late Lord Reading (better known as Rufus Isaacs) collaborated in "fixing" Britain's debt to America. In 1923 Sir Otto arranged the funding of this debt so that Britain was to pay an annuity for sixty-two years, commencing at £33 millions and subsequently rising to a much higher annual figure. A prominent American body commented on this piece of business as follows:—

"When, by a strange combination of eagerness and financial or political ineptitude, the American so-called debt was suddenly funded on terms which astounded the astute United States' Treasury officials themselves, this extraordinary *faux pas* of the British Government, acting through its representatives, not only fastened a colossal burden upon the English taxpayer for this generation and two or three more to come, but also made the lot of every allied nation much harder."

Good old Sir Otto! And still regarded by some as the prince of financial advisers! At present he is busy bringing India more and more within the tentacles of the financial octopus.

### OUR "LESSON" OF 1930-31

Before commenting on the four-point programme recommended by Colonel Cohen on the advice of Sir Otto, we should inquire what the gallant Colonel and patron of the Boy Scout Movement meant by the following statement:—

"The trouble about public finance at present is caused by the fact that, with prospects of a continuance of improved economic conditions, the men in control of public spending are forgetting the lesson that we tried to learn in 1930 and 1931."

He carefully avoided telling what the lesson was or referring at all to the Government's method of *obtaining* the money to spend. What is more, the bankers, in evidence before the whitewashing Commission, have told us that we have recovered too quickly and that "the improved economic conditions" must be checked; consequently, "prospects of a continuance" of those wonderful improvements (which have been purchased at the price of an increase of £150,000,000 in our public debt and the addition of the annual burden of interest arising from it) are baseless, and the governments will shortly find themselves faced with another "financial emergency" and a further ultimatum from the secret dictators.

### THE MEANING OF BALANCED BUDGETS

Looking at the four points of Sir Otto's "advice," we find that the balancing of budgets simply means that governments will spend only what they can collect from the people, whose incomes are determined and *limited* by the private controllers of the money supplies. Governments, like individuals, are helpless without money, and by sticking rigidly to the balancing of budgets under existing conditions the governments obviously surrender themselves completely to the control of the private manufacturers of money.

### INCREASING PRODUCTIVITY.

The second point was that if we wish to raise the standard of living we must increase our productivity per head of the population. Official statistics prove conclusively that our productivity per head *has* been increased, but that the standard of living is *lower*. It is even lower than it was in 1907. This comes about because the "value" of the productivity is fixed by the same people who control the money supplies. This clique has imposed the policy of deflation on us, a policy, which means less and less money for more and more production. Colonel Cohen, in giving utterance to this plank of his adopted platform, facetiously remarked: "You may reconcile that with a shorter working week—if you can." Evidently he never studies official reports. The

League of Nations informs us that while population has increased by 10 per cent. production of foodstuffs has increased by 16 per cent.! Our own Statistician tells us that with many thousands less working on the land, our primary production has increased by leaps and bounds. Technocrats declare that the manual work of the world is now only sufficient to occupy able-bodied men between the ages of 25 and 45, working 16 hours a week! The only thing that prevents the community from getting the benefit of these things is finance, and Colonel Cohen knows it. What he says is nothing short of political humbug.

### COLONEL COHEN'S ATTITUDE TO PUBLIC WORKS

As to his third plank—i.e., that public works are only legitimate when they earn interest, he himself admitted the following: "While I have been associated with public finance, I cannot remember one public work which fulfilled those requirements." Therefore, if his attitude is to be given even the semblance of logic, he is actually saying that we should have no public works at all. This assumes a sinister and callous aspect when we realise that if we do shut down on public works we will deliberately cause a terrible increase in bankruptcies, unemployment and suicides. And yet we calmly sit down and allow a politician to openly advocate such a dastardly course merely to fit in with the ideas of counterfeiters and pretenders who have usurped the powers of government. I realise that this is strong criticism, but the impudence of the man is so outrageous that he should be told straight that no decent Australian will stand for such infamy, and that it is time he gave more thought to the fitness of things regarding his own position in relation to the affairs of this community.

Between 1929 and 1932 Government spending of loan money was reduced from fifty millions a year to *nil*. During the same period—

Bankruptcies increased from 2145 to 4645.

Unemployment from 9 per cent, to 30 per cent; and

Suicides from 785 to 943.

The effect on marriages was equally serious, the rate dropping from 7.43 per thousand to 5.96 per thousand. That's the "lesson" of 1931, which gives the Colonel so much glee! When Government spending on public works was resumed in 1932-33, however, there was an immediate improvement. The fact of the matter is that the private money controllers do not issue sufficient money to enable goods to be sold at a fair price, and that, consequently, industry can only remain solvent so long as *new money* is being regularly placed into circulation. The national debt is further proof of this, and it is the duty of every loyal Australian to insist that this new money is brought into existence and issued as the *property* of the people, instead of as debt against them.

### FEDERAL AND STATE FINANCES

The fourth and final plank of the Cohen platform is that there should be no overlapping of Federal and State finances. This is what Mr. Casey has been saying so much about lately. These men (whose families are, or have been, directly connected with bank-owning monopolies) do not want any inquiry into the origin, ownership and control of *money itself*, but only into the subdivision of the field over which it circulates. They are fighting like demons for the maintenance of the fraudulent system of Government finance through taxation and loans in which they have been so beneficially interested.

Colonel Cohen, and his friends who put forward similar ideas, regard money, which is merely the means to the end of distribution and consumption, as a thing desirable in itself and as the controller of all other things; whereas it is merely an accounting ticket or token having value *only* when it is being used as a distributing and accounting medium. Without production it is absolutely worthless, and obviously it should be regulated to meet the demands of production—certainly not to control those demands.

Newspapers have recently made reference to the tablets, which give evidence of taxation 4500 years ago. The purpose of the reference is not clear, but the fact that taxation was in vogue then is no justification whatever for its practice today. As far as we can ascertain, taxation was levied in those days only on subject peoples. It was round about the same period, we have read, that the leading ancestors of Mr. Cohen, Sir Otto and others established the Jehovah cult with its laws of rewards and punishments legally limiting, coercing, and exacting obedience of their people in general. It was the law of the Jewish leaders, not the law of Nature. We see from this that the two swindles, *taxes* and *usury*, had their inception at that time. We have also pointed out that it was not so much for His religious utterances that Jesus was attacked by these same lineal leaders as for the economic reforms He demanded. Jesus, you will be aware, preached the natural law of personal freedom and the inalienable birthright of all people to the use and enjoyment of nature's bounty. That He was against usury is supported by the fact that the early Christian Fathers strongly denounced it and suffered persecution by the money controllers for having done so. Today Mr. Cohen would have nothing whatever done unless it could first satisfy the demands of the Usurers, of whom he is one. Unfortunately, our churches, with a few notable exceptions are quiescent about Usury, Taxes and Money, and, in consequence, are not greatly troubled by the Money Power. No. By keeping the mob quiet with promises of every good thing in

the *next* life they make the way easier for the swindlers during this *present* life, and to that extent may be regarded as an ally of the private money controllers.

#### EXTENDING CHURCH WORK BY INTEREST.

From Wesley Church on Sunday, April 26, the Rev. C. Irving Benson announced that, as a centenary effort, the Methodist Church was asking its people for £100,000 and that the interest from this sum would be used for the extension of the work of the Church. It has not occurred to Mr. Benson that under existing conditions interest can be obtained only at the expense of someone else's loss or suffering, and that his Church is proposing to adopt the practice of usury which the very Master Whom he claims to serve, so definitely condemned. To the thief He gave pardon, to the adulteress He was all forgiving, but to the usurer He gave the whip. But the financiers approve of usury, and, apparently, the favour of these is more important than the approval of God.

#### BURGLARY AND TAXATION

How many of us have endeavoured to analyse the real basis of crime and behaviour of an anti-social character? We suggest that it is this very "Reward and Punishment" basis of law, combined with the denial of personal freedom and economic security to the rising manhood of the nation, that leads their overflowing energy to evolve as "crime." Our lack of interest in this important aspect of our social experience is due largely to the way in which the swindlers have divided us. Those who are employed and comfortably off have a grouch and even hatred against those who are unemployed and insecure because of having to pay the Unemployment Tax to assist them. Unemployment is due to the mechanisation of industry and the private control of finance. Any benefits from machinery have gone to the owners of it, and the community obtained no benefit at all. The same applies to the financial system, and yet the people who have obtained none of the benefits are required to carry the burden of all the disabilities. It is simply another swindle, but our minds are so full of other things that we never think of the real culprits.

Another division of the people is brought about by making the comfortably placed antagonistic to burglars and robbers. I do not, of course, uphold robbery, but fundamentally there is little difference between Robbery and Taxation. In the former case, individuals threaten a householder unless he pays over a tax arbitrarily demanded; in the latter case, the taxation office does it first by letter, later on by threat, and then by confiscation. The unfortunate part is that the people become very angry against the burglars, but never look into the circumstances, which give rise to the robbery motive, nor into the forces, which make taxation necessary. Mr. Cohen and Sir Otto Niemeyer hope they will continue thus, but if only they would do some investigating for themselves they would find that the cause of both forms of confiscation is the fraudulent and erroneous financial system as now in operation. We inconsistently cry out against robbery by individuals, but accept robbery by taxation for the benefit of a small and really useless clique.

(To be continued.)

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## LETTERS TO THE EDITOR

### MR. HOGAN PRESSES THE BUTTON.

On May 1 the "Argus" published an Engineering Supplement full of illustrations and advertisements pertaining to the remarkable development that has taken place in our capacity to produce more goods with less human effort. It was a nice publication, on green paper, and just the size and colour of the deceased "Star."

It seems appropriate that in the days of economy the "Argus" should use up the old stock, but it is certainly unexpected to find the grandmother of free trade blowing her trumpet about our secondary industries. Everyone thought the "Argus" wanted us to be the market gardeners of the Empire—exchanging our cabbages for British machinery.

The front cover of this Supplement gives a fine picture of a huge dredge, the largest in the Southern Hemisphere. Operated by a few men, it can shift up to 2½ million cubic yards of soil, to a depth of 90 feet, in a year; 2000 men with shovels could not do that much.

This dredge will be used for digging up gold in the silvan glades near Wangaratta. The fact that it will do irreparable damage to the countryside and pollute the beautiful stream does not seem to matter. Everything must be laid waste in the mad search for gold.

Minister for Mines Hogan, who represents in Parliament the potato growers of Bungaree district, officially pressed the button that set the dredge in operation. In doing so, he spoke of it as though it were a great national asset. It would dig up gold.

Employed in Mr. Hogan's electorate at digging up potatoes the dredge would — under present financial arrangements—be a national catastrophe. It would put the electors out of work, and deprive them of their wages with which to buy potatoes or the necessities of life for which the farmers swap their potatoes. The potato diggers would then have to go on to sustenance and build Boulevards, or other unnecessary things, to qualify for a few of the potatoes until prosperity returns.

But let, us not worry about that. Let us realise, rather, that the dredge will dig up gold, which will be sent to the Bank of England—to Uncle Monty—and he will send us in exchange sterling certificates printed on paper. Uncle will then lock up the gold in his vaults. It will be more securely hidden away than Nature could hide it. Then, if we send enough gold, confidence will be restored, proving that Mr. Lyons is the greatest Prime Minister Australia ever had, and that Jack Lang is a scoundrel. If we don't send enough gold, then we shall need Mr. Lyons more than ever to steer us through the crisis, to the prosperity which is just around the corner—the prosperity we can never really enjoy until we drive Jack Lang out of politics, or get enough gold to fill Uncle Monty's vaults right up.

The vaults are large enough to hold many times the potential gold stocks of the world. They were built over-size in case the world ever decided to adopt the lead or copper standard. They are also very handy to hide in during air raids and gas attacks. They cost a lot of money to build—paper money, credit, not gold. We must not spend the gold, because that would cause a shortage of sterling certificates, which, in turn, would contract the note issue, causing a shrinkage of credits. Then such a money shortage would render it impossible for us to buy potatoes and other essentials of life. There before us we could see the abundance of everything

mankind wants, but not a bit could we buy unless Uncle Monty kept us supplied with sterling certificates. Australia would then starve to death. So you can see what an important act Mr. Hogan performed when he pressed the button. Surely he should rank amongst the great men of this age of plenty—or is it starvation?

"PINK EYE."

### TAXATION ON ABSENTEES

I notice in this evening's paper (April 29) that representatives of the Taxpayers' Association of Australia have gone to Canberra to request the Government of Australia to reduce taxation on the profits made in Australia by absentee British investors.

Probably they will argue that if our Government receives instructions from overseas as to what Customs duty is to be levied on imports of British cement (as admitted by Mr. Lyons at Canberra today) the Government will also be simple and foolish enough to take instructions as to what tax should be charged British capitalists on profits made in Australia.

However, good luck to British or foreign investors or anybody else if they can avoid taxation. But why is the *Australian* Taxpayers' Association sponsoring their case? Cannot Australians see that the Government must have money, and the greater the reduction in taxation paid by absentee investors, the greater must be the taxation levied on Australian industries and investors?

I notice Mr. Pettigrove is *honorary* secretary of the Taxpayers' Association of Australia, so I presume he is paid no salary by this association. Why not pay him a salary and demand that he work in Australian taxpayers' interests, and let the British taxpayers form their own association to do their own work?

"L."

### WHAT THE RETURNED SOLDIERS THINK OF MR. MENZIES

Apropos the recent statement in London of Mr. Menzies that he could not conceive of the King of England being at war while the King of Australia was at peace, *The Duckboard* (official organ of the Melbourne branch of the Returned Soldiers' League) reminds us that the uncrowned king of Australia was at peace in 1914 when the King of England was at war.

In an editorial, "Menzies the Magnificent," *The Duckboard* says: "The martial spirit, that left Mr. Menzies so suddenly in 1914, has become newly inoculated with fearful life in 1936, and that gentleman has assured his English friends that England's war is our war, and all the usual last man and last shilling business. Just as the stone that the builders rejected may become the head of the corner, so may the peaceful lawyer of 1914 become a trumpeter today. 'Trumpeter! What are you sounding now?' God bless my soul, it's Menzies. 'Never came reformation in such a flood,' says Shakespeare of Henry V., when he ascended the throne. But what of the Attorney General? It is certainly a somewhat tardy change, but perhaps the admiring crowds of the U.A.P. will hear those stentorian tones in the clarion call of Henry V.:

"Once more into the breach, dear friends, once more,  
Or close the wall up with our Aussie dead."

Or, with Henry IV of France: Tress where ye see my white plume shine amid the ranks of war,

And be oriflamme today the helmet of Navarre."

## A Look Round

(From a New South Wales Correspondent.)

Who will do the dirty work under Social Credit?

This poser is often put to Social Crediters by those who may fear that the dirty work now done by certain daily newspapers will remain undone.

One by one the facts of the world situation are inevitably driving the daily press to recognition of the fact that "Sound Finance" is a misnomer.

Mr. W. M. Hughes, Minister for Health, recently wrote a series of articles for the *Sydney Morning Herald* (syndicated? —Ed. N.T.) in which the following discoveries were set forth: "We must increase our population. There are two ways of doing this, and they are complementary. One way is by increasing the birth rate; the other is by encouraging migration. The way to increase the birth-rate is to create conditions that will encourage people to have children; and a policy that will do that will also ensure a steady stream of desirable immigrants." Better housing for the workers, lighter taxation and appropriate family allowances were recommended by Mr. Hughes.

The State Conference of the U.A.P. was recently held in Sydney, and Mr. Spooner, State Treasurer, addressed the delegates, who were in a particularly critical mood. Mr. Spooner had to listen to very derogatory remarks about the work of the Stevens Government in dealing with the unemployment and other problems. The Minister was told to "stop his claptrap" and "get out." We may wonder if this sort of talk had anything to do with Mr. Hughes's recent discoveries.

\* \* \*

*The Alert* is one of the largest weeklies circulating in the near suburbs of Sydney, and for some years has been devoting a fair amount of space to the Social Credit cause. The editor frequently takes a useful hand in the discussion, and shows that he has a sound grip of the question. He recently concluded a front-page article on "Australia's Debts" with the following remarks: —

"The Douglas Social Crediters believe they can benefit mankind by the issue of a national dividend to all, based upon the accumulated national wealth and the wealth annually produced, and that the nation's credit belongs to the nation and must be taken from those privileged few who have gradually and stealthily assumed control of it; and to the latter doctrine *The Alert*, after long study, pins its faith."

#### ON TRUTH

Truth, they say, lies in a well,  
But that can never be;  
It's likely 'neath an alp of lies,  
Built by Monopoly. —*The Alert*.

\* \* \*

The Dean of Sydney (the Very Rev. A. E. Talbot), preaching at St. Andrew's Cathedral, Sydney, on Sunday, April 26, said: "The command of Jesus to Peter: 'Feed My sheep,' was generally understood in a figurative way by spiritual nourishment, but the literal sense should not be excluded. The Church was called to meet the physical as well as the spiritual needs of the people. It must insist on the recognition of a social justice that would involve such a distribution of the rewards of industry as would make for the commonweal. Only then should we be a Commonwealth worthy of the name." The Dean often gives the congregation something worth thinking about.

#### TOO TRUE

Haille Selsie bears the title of "Lion of Judah." The Lion now knows what it is like to be thrown to the Christians.

(Paraphrased from *The World's News*, April 29.)