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THE NEW TIMES

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VOL. II. No. 20.

MELBOURNE, FRIDAY, MAY 15, 1936.

Every Friday, 3d

Sir Geoffrey Whiskard and His Good Companions

Jingoism Runs Riot at the Chamber of Commerce and the Victoria League

An ancient saying has it that you may tell what a man is by the company he keeps, and as Sir Geoffrey Whiskard, the new British High Commissioner in Australia, elected to introduce himself to Melbourne and to make his first public utterances in association with the Chamber of Commerce and the Victoria League last Monday, a word about these two bodies may not be out of place.

The Melbourne Chamber of Commerce includes among its office-bearers:—

Sir Robert Knox, of Collins House, well known for his association with Vickers, the international kings of the bloody traffic in arms, and a director of the Commercial Banking Co. of Sydney;

Mr. H. G. Darling, a director of the National Bank;

Mr. G. D. Healy, Superintendent for Australasia of the overseas-owned Bank of Australasia;

Mr. W. H. Swanton, a director of the Commercial Bank; and

Sir Ernest Wreford, another director of the National Bank.

Along with these five private bankers, representing the principal creators of debt in the community, what is more natural than that we should find the head of a debt-collecting business (and, naturally, a great admirer of the debt creators) in the person of our old friend, Mr. R. B. Lemmon? Mr. Lemmon, you may remember, is also the gentleman who, in the true spirit of Australian hospitality, published in the Melbourne press large advertisements attacking Major Douglas just prior to his one-day visit when he was passing through here in 1934.

In association with Mr. Lemmon, again, what more natural than that we should find Colonel Stevenson, nominal head of that mysterious body, the League for the Maintenance of Sound Monetary Conditions, which duly played its appointed part in the press just before the last Federal elections?

And, finally, in association with Colonel Stevenson, who also occupies a seat on the Collins-House-directed Trufood of Australia Ltd., we naturally find a number of other gentlemen very intimately allied with the same group, of whom the best known is probably Sir Lennon Raws.

Such are the good companions with whom Sir Geoffrey Whiskard had his first luncheon on his first official visit to Melbourne. We shall go into what he said later.

THE VICTORIA LEAGUE

In the evening Sir Geoffrey chose for his platform the Victoria League.

You may not be familiar with the Victoria League, but, if you were one of those who took part in the "Obstinate Artist" competitions of the Melbourne Herald, it is quite likely that you may unwittingly have contributed to its funds.

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For the Victoria League is one of those deserving institutions to which the Herald disbursed the competition sixpences. (Incidentally, the greater part of the sum thus received went to swell the amount which the League has lying at fixed deposit with the National Bank—and hence the Obstinate Artist was a deflationary gentleman.)

What is the personnel of this League? Mainly, though not entirely, it is made up of women, and it might not unfairly be called the ladies' auxiliary of the Chamber of Commerce.

Its secretary is Mrs. Stanley Addison; the secretary of the League for the Maintenance of Sound Monetary Conditions, when it was last heard from, was Mr. Stanley Addison.

The League's list not only bristles with the feminine counterparts of the names, which decorate the Chamber of Commerce roster; it is even more extensive, particularly in its Collins House affiliations. Here one finds, in addition to such names as Darling and Raws, those equally well known ones of Robinson, Fraser, Templeton, Elder, Gillespie, Fairbairn, Fink, Latham, Masson, Brookes and Hordern, to say nothing of those families which rejoice in the ancient British names of Cohen, Benjamin, Levy, Sloman and Michaelis.

It was natural that the League should desire to entertain Sir

Geoffrey Whiskard; strengthening the overseas links in our well-riveted chains is its main objective. And in this connection one notices in the last annual report of its executive a modest pride at having attracted a visit from Sir Alan Anderson, director

BANK INQUIRY EARNINGS

Replying to the Opposition Leader (Mr. Curtin) in the House of Representatives today, Mr. Lyons said that Mr. E. Reynolds, of Melbourne, counsel assisting the Royal Commission on Banking, had been paid £918 7/6 for his services to date, and the question of retaining counsel was under consideration now.

The arrangements with Mr. Reynolds provided for payment of the following fees: Reading fee, 100 gns.; daily fee, 15 gns. a sitting day while the commission sits in Melbourne; 20 gns. a day for sittings out of Melbourne.

In the event of any adjournment, daily fees of 10 guineas to continue for 14 days after such adjournment; if counsel is out of Melbourne beyond the 14 days of adjournment, a fee of 15 guineas a day to be paid.

All fares to be paid for by counsel.

—The "Herald," May 13

of the Bank of England. One also notices that amongst the self-appointed duties of the League is that of "retrieving monies loaned from overseas" for immigrants' fares, which, according to the re-

port, "is a difficult matter."

"THE MORE WE ARE TOGETHER—"

Having thus set the stage to suit himself, what did Sir Geoffrey Whiskard have to say?

Sir Geoffrey began by talking the most blatant jingoism. Such talk may have pleased his immediate audiences. The Victoria League, in recounting its last Empire Day celebration, records that "the gathering concluded with the ceremony of saluting the flag, which was done with" (our italics) "much verve and precision." Isn't that wonderful? But, judging them by their own standards of "loyalty," how much verve or precision was displayed by those wealthy people most closely associated with the Victoria League and the Chamber of Commerce when it came to subscribing for the late King's memorial? Have a good look down the list of donations. What share did the banks contribute? Or the monopolies associated with Collins House?

Sir Geoffrey said that "Australia's strength and prosperity were eventually the strength and prosperity of the United Kingdom." What did he mean by that? Over and over again we have been told these last few months that we are prosperous. Are the people of Britain, then, prosperous? Are the 4½ millions prosperous who have only 4/- a week each for

food? Or the 9 millions who have only 6/- a week?

Did Sir Geoffrey really mean that the more goods Australia is capable of producing every year the better for that little clique of financiers (largely un-British in origin) who have ground our unhappy kinsmen in Britain beneath their heels?

"BRITAIN" AND "AUSTRALIA."

Sir Geoffrey, like most of those who exude jingoism, is careful always to say "Britain" and "Australia"—the purpose being to persuade the downtrodden masses of the British and Australian people that their interests are at one with the soulless exploiters who have robbed, and who continue to rob them.

Thus, again, he endeavoured to play upon the old Jew's harp that the British race are God's chosen people. (Had he said that they are becoming more and more dominated by those who once were God's chosen people he might have been nearer the truth.) "We are not," he said, "talking the same language as Germany and Italy." Certainly "we" are not. Germany is demanding the return of the colonies, which "we" snatched from her some years ago, and Italy is exercising the right to imitate "us" (Note—How much do you, stand to lose or gain?)

"But," proceeded Sir Geoffrey, speaking (as the Argus has it) with a vivid intensity that thrilled his audience, "although right and wrong seem to have double meanings, I believe passionately that we are right." Of course "we" are right. Weren't "we" right in imposing food sanctions upon Italian women and children? And weren't "we" passionately right in not imposing oil sanctions, while "our" leaders—the Jew, Samuel, and the Dutchman, Deterding—made fine profits by continuing to supply Mussolini with one of the most important sinews of modern war? How can you doubt it? "The voice of the British Empire," Sir Geoffrey tells you, "is the voice of humanity."

The only unfortunate part is that, as far as we are aware, the voice of the British Empire, or the voice of humanity, has never yet been allowed to make itself heard. It is drowned in the babel of the financier's press and the din of the financier's political puppets.

OTTAWA'S "GAINS."

Having thus created the right atmosphere, Sir Geoffrey turned his attention to the real purpose of his visit, which was to allay the nasty impression created by his attitude over the cement duties, and which has impelled even the Melbourne Herald to write a couple of fire-breathing editorials that have (Continued on page 2, column 1.)

WATCH REPAIRS.

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

choruses round the PIANO—and fontanelles!

There is no just reason why every mother in Australia should not have all these things. There is no just reason why they should not welcome as many little fontanelles (already, throbbing, etc.) as God may be pleased to send them. The vast majority of mothers in Australia are afraid to have larger families for one reason only—POVERTY. That poverty is just as unnatural as the abortions to which you refer. It is not imposed upon us by Divine Providence, but by the abortionists who control the monopoly of money. The strongest supporter of those who conspire to use their illegal instruments upon us is your own husband, Joseph Aloysius Lyons, whose slogan, "Hands Off The Banks," is, in your own words, "a stain that future generations will find it hard to overlook."

By taking your place in public alongside your husband, Mrs. Lyons, you have voluntarily elected to share his responsibilities and his liability to such criticisms as this. You do not hesitate to address public meetings, to broadcast, to write for the press—even to launch a ship of war. But we must confess we do not remember that you, have ever uttered one word of protest—at least since you switched over to the U.A.P.—against the hideous injustices being perpetrated on those unfortunate sisters whom you are so ready to condemn. As long as you continue this silence, your platitudes of high morality show you to be as great a hypocrite as Jubilee Joe.

THE NEW TIMES

P.S.—We suppose he'll soon be Coronation Joe. Have you started to make your plans for the next world tour? It should be a pleasant pastime these winter evenings—round your cosy fires, and apple pie, and...

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KIOSK, Equitable Place. Buy your
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KEW DRY CLEANERS. Agent,
A. I. Fraser, 182 High St. Haw. 3733.

M. J. MARTIN, 157 High St. Haw.

(Continued from page 1.)

almost tempted the unwary to ac-
cord it a spark of respect. Sir
Geoffrey, after assuring us that
there is really no desire overseas
to interfere with our secondary in-
dustries (but without quite explain-
ing why, in that case, we are ex-
pected to import more secondary
goods) proceeded to explain that
Ottawa's gains have been mutual.

Here is the proof, as expounded
by himself: British exports to
Australia increased from £21½ mil-
lions in 1932 to £33 millions in
1935—an increase of £11½ mil-
lions. During the same period
Australia's exports to Britain in-
creased from £44½ millions to £51½
millions—an increase of £7 mil-
lions.

What Sir Geoffrey did *not* ex-
plain is that this increase means
an adverse balance against us of
£4½ millions, with its correspond-
ing shortage of London funds and
the consequent alternative either of
increasing our indebtedness to the
bankers who rule his Government
or of undergoing more deflation at
the hands of the bankers who rule
our Government.

Sir Geoffrey had something to
say also about keeping a bargain.
Has not the whole history of Aus-
tralia's relations with the bankers
who rule the British people been
one of broken bargains—broken
always by them? Has it not been
almost an unending story of vain
endeavour on our part to meet our
commitments on the loans of these
same bankers? Has the difficulty
arisen from our being unable or
unwilling to supply *goods*, or from
our difficulty to obtain *sterling*—
that is, to sell our goods in
Britain? And whence has this
difficulty arisen? Has it arisen
because our kinsmen in Britain
refused to buy our wool and
wheat and meat and fruits and
dairy produce, or because they
were unable to afford as much as
they would have wished? What is
stopping the 4½ millions at 4/- a

week and the 9 millions at 6/- a
week from taking more of our
goods and from paying fair
prices for them? Only the
shortage of money in their
hands. Which means that the
bankers who made us the loans (in
so far as they were genuine loans
at all) have cornered the means
of repayment, and thereby placed
us in the position where we had
to accept more "overseas capital"
—in other words, to hand over
more of our capital assets in lieu
of interest.

There is no real quarrel between
the producers and consumers of
Australia and those of Britain.
There is no need for Sir Geoffrey
to tell us "that somehow or other
between us we have come to a
clear understanding that the more
we buy from one another the more
we can sell to one another." There
are two mechanisms, however, of
which one or the other must be
used if these mutual transactions
are to be profitable and unfettered.
The simplest one is the money
mechanism, which the banks con-
trol. The alternative, which is
more cumbersome, is direct barter
—and the banks, seeing a threat to
themselves in the recent growth of
this, have stepped in and blocked
it. Why is Sir Geoffrey, with all
his talk of trade, so silent about
these vital matters?

NO NEED FOR TROUBLE OVER CEMENT.

Take this cement affair. Sup-
posing that our local companies
were working to capacity, could
we not make good use of their
whole output on buildings and
roads and garden paths and cow
yards and all sorts of things that
nearly everybody wants? If we
then allowed the British makers to
send us as much more, could we
not still use the lot and be glad
to have it? And could we not
offer in return all sorts of Aus-
tralian produce, which the under-
fed millions of Britain would, poor
souls almost seize upon ravenously?
Then why not do it?

There is only the one hindrance.
Whether you produce cement or
butter, you don't produce money.
That has been the banker's prerog-
ative. It should not be his. It
has been seized by him simply be-
cause the people were not aware
of it. But Sir Geoffrey Whiskard,
unless he is far more stupid than
we take him to be, must be aware
of it. Hence we can only put the
worst conclusion upon this, the last
of his statements, which we shall
quote (for the present): "We may
leave economics and politics to our
individual Governments, but some-
thing more than economics and
politics is needed. It is the spiritual
side that cannot be left to fend for
itself. . . . This is your work—to
endeavour to preserve the spiritual
side of the Imperial creed." In
other words, salute the flag with
verve and precision, and leave your
financial problems to the bankers.

Not quite, Sir Geoffrey.

"QUITE IMPRACTICABLE."

Mr. Holloway asked the Treas-
urer, upon notice—

1. Does he agree with the
recent statement made in
London by the Minister for
Commerce "Australia is the
safest country in the world for
investors to invest in, because it
is backed by the
Commonwealth Bank and the
assets of Australia"?

2. If so, would it be to the ad-
vantage of the nation if the Govern-
ment drew all its credit re-
quirements from that institution,
and thus paid the interest back
to the Treasury, rather than
continuing to pay it to private
financial institutions?

3. If the Treasurer is not of
this opinion, will he state the
reasons why such a policy would
not be an advantage to Australia?

Mr. Casey.—The answers to
the honourable member's
questions are as follows:—

1. I am not aware of the exact
terms of the statement of the
Minister for Commerce, and
am unable to comment on an
alleged statement, which is
quoted without its context.

2. and 3. Such a method of
finance would be quite
impracticable.

--Federal Hansard, May 5.

WHAT JOHN STRACHEY THINKS

By "G. E. K."

John Strachey, Communist and
author, joins forces with the financial
capitalist in attacking Social Credit.
In a little booklet, "Social Credit. An
Economic Analysis," he attempts
to prove that Social Credit is
impossible and uses the arguments
put forward by orthodox
economists. He has succeeded in
producing a mass of contradictions
and inconsistencies. As a
Communist we might expect him
to start his booklet as follows: "As a
matter of fact no Social Credit
programme ever will be put into
effect" (page 3), and to finish it
with the assertion that Socialism
and planned production is the only
way out of our trouble. As an
author and, presumably, a thinker
we should expect something better
than the arguments he advances.

He first states that the fallacy of
Social Credit lies in its analysis of
the existing economic system. "If
things were as Major Douglas
supposes them to be, then Social
Credit would work." (Page 3.) It
needs but a cursory examination
of the booklet to convince anyone
who knows anything about it that
Douglas's idea of the present system
is much more accurate than
Strachey's.

SHOULD PUBLIC BE ABLE TO BUY INDUSTRY'S TOTAL PRODUCT?

He attacks the A plus B Theo-
rem, as stated by Douglas in
"Credit Power and Democracy,"
and especially the dictum that the
public should be able to buy the
total product of industry, in this
way: "Let us admit at once that
Major Douglas proves conclusively
that we, the individual consumers,
do not get enough money to buy all
the commodities which are
produced at prices which will
cover their costs." (Page 8.) "The
truth of the matter is that there is
no need for us individual consum-
ers to have enough money distrib-
uted to us to buy all the goods
that are produced. All we need is
enough" money to buy all the con-
sumers' goods that are produced."
(Page 9.) "We see what a
tremendous difference is made by
this distinction between producers'
and consumers' goods. . . . Nine-
tenths of all the goods produced
and offered for sale at a given
moment consist of producers'
goods. . . . Hence we need only
enough money to buy one-tenth of
all the goods which are produced,
for these alone are any good to
us." (Page 9.) Then follow
some few ideas of what Mr.
Strachey envisages if the people
were able to buy all the goods pro-
duced - housewives struggling
home with lathes and locomotives,
houses filled with raw cotton and
unground wheat, etc.—after which
Mr. Strachey asks: "What is wrong
with an economic system which,
as Major Douglas himself shows,
distributes the money necessary to
buy these producers' goods, not to
individuals. . . but to organisations
which are in fact just the people
who need them?" (Page 10.) This
he describes as "a crushing
objection," and it is here that Mr.
Strachey shows how little he
knows of finance.

In the first place, Douglas does
not show that the money to buy
producers' goods is distributed to
organisations. On the contrary,
he points out that the greater part
of it is borrowed from banks on
overdrafts and is repaid to them
when the goods are sold. This
cost is then carried forward and
ultimately appears in the price of
the consumable goods. In other
words, although the housewife has
no use for a lathe or locomotive,
she pays part of their cost every
time she buys a rolling pin or
takes a ride in a train. Although
raw cotton and unground wheat
is useless to the consumer, he
has to pay for them in the price
of the material and bread he
buys. In the latter case he
actually gets the raw materials
transformed into things he can
use, but although he pays for the
lathe and locomotive he never

gets them. Though it may or
may not be true that only one-tenth
of the goods produced are
consumers' goods, it certainly is
true that the price of these goods
includes the cost of all the goods
which are produced, suitably ap-
portioned among them. As this
cost has to be paid, then it is ob-
vious that Douglas is right when
he says that the consumer should
have sufficient money to meet it.
The "crushing objection" thus
loses its weight and turns out to
be an error of omission.

MR. STRACHEY IS INCONSISTENT.

In his next line of argument Mr.
Strachey, rather inconsistently,
shows that these costs are carried
forward to appear in the price of
the consumers' goods. He in-
stances the making of a suit of
clothes in which the farmer, the
dyer, the weaver and the tailor each
receive £1 for their share in the pro-
duction. The price of the suit is
therefore £4. This argument is
familiar to Social Crediters and
does not require much criticism.
He attempts to disprove Social
Credit by stating that Douglas says
that the purchaser should have
sufficient money to buy the raw
wool, the prepared wool, the cloth
and the suit, which would amount
to £10. (See page 14.) Where he
found that statement he does not
say; it is an absurdity of his own
mind. What is said is that the
consumer should have sufficient to
buy all the goods on the market at
any time. In this case all the goods
consist of one suit of clothes. If
there has been further production
of wool and cloth at the same time
then the consumer should be in
a position to buy them, because
their cost will be part of the price
of his next suit. The remainder
of the argument is the old one that
B payments were A payments in
the past. He states: "Hence this
money often becomes the income
of individuals before the consum-
ers' goods, which the individuals
who receive it wish to spend it on,
have been produced." (Page 16.)
Possibly he does not know that the
majority of incomes are spent as
soon as received, and, consequently,
when the consumable goods do
appear the consumer has already
spent the money he received for
his share in their production.

WHAT MR. STRACHEY OMITS.

Mr. Strachey has nothing to say
about reinvestment of savings or
the premature cancellation of credit
as a cause of shortage of purchas-
ing power. Possibly he has not
heard of them or does not under-
stand their effects.

The rest of the booklet consists
of some general observations,

some of which are worth mention-
ing. On page 17 he admits that
every business distributes less pur-
chasing power by way of wages,
salaries and dividends than will
buy the product. He claims, how-
ever, that all these minus quan-
tities, when added up, will give
sufficient to buy the goods we
want, because businesses are buy-
ing from and selling to one an-
other. His ideas of the objects of
production under the present sys-
tem are, to say the least of them,
quaint. He says that the object is
the accumulation of capital, and
says of Douglas, "Unfortunately,
however, he more often suggests
that the object of capitalist pro-
duction is the provision of con-
sumers' goods." Have you ever
heard of a capitalist regarding with
joy his factory when it is not pro-
ducing? Can you think of any
factory making goods that will
never be bought? In truth, it is
only because the consumer will buy
that any production takes place at
all. On page 23, Mr. Strachey as-
serts, "You cannot fix prices so
long as you leave the means of
production, that is, the factories,
the mines and the fields, in private
hands to be worked for a profit."
Has he never heard of the price-
fixing schemes in operation here
and elsewhere? In any case New
Zealand will shortly show him how
it can be done.

STRACHEY ON WEEKLY BILLS

We cannot leave the booklet
without quoting this gem from
page 19. It shows how bias will
lead into absurdity. "The
quintessentially petit bourgeois
character of Social Credit is
amusingly revealed by certain of
Major Douglas's turns of phrase.
Thus, in 'These Present
Discontents and the Labor Party'
he writes, truly enough, that 'the
intellectual is apt to fail in
interpreting the great mass of
humanity engaged in a deadly
battle with the weekly household
bills.' Now 'the great mass of
humanity,' the 33-million non-
income-tax payers of Great
Britain, for example, have never
handled 'a weekly household bill'
in their lives. They have to pay
cash or run into uncontrolled debt
with the local tradesmen." What
a comment! Presumably in
neither of the alternatives
mentioned do the 33 millions
have a weekly struggle either.

The booklet repeats the usual
arguments put forward by ortho-
dox economics and orthodox
finance. The enemies are united.
What a slur it is on the Commu-
nist, who, it seems, has ideas set
like concrete and believes that the
progress of thought stopped with
Marx, and that no change has
taken place in our economic life
since his time. But what a vic-
tory it is for the finance capitalist
that he can keep the Communist
in ignorance of the real source of
his power!

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WOMEN AND FASHION

By LEONORA POLKINGHORNE

There is, perhaps, nothing more derogatory to human dignity than the way in which we have allowed ourselves to be made the sport of that curious tyranny called fashion, and the "female of the species" has always had the reputation of being more of a slave to this capricious deity than the male. Now, let no one say, "What has a thing like fashion got to do with a journal seriously devoted to finance and economics?" The answer is, "Everything in the world." For we harbour the strange delusion that we act according to our whims and desires, and do not realise that we are the puppets of forces we fail to recognise. As a wise man said recently to the writer, "We have not attained civilisation; only commercial barbarism." We may dimly wonder why we so seldom find on seeking clothes the shape, the colour, the style on which we have set our hearts, and why we are obliged in the end to resign ourselves to something we had not contemplated and do not like, but we grow philosophic, taking what comfort we may in the fact that other people are looking quite as grotesque as we are, and so beauty keeps away from the earth. It might be thought that in a matter so personal, so intimate, so private as the clothes we wear, we should be allowed to exercise the right of choice, but, as a matter of fact, it is not so. There is a faint possibility that it was once, but not for a long time. In ancient Greece, graceful drapings followed the line of beauty, but with commerce in the saddle, farewell to all that.

THE OLD FAMILY ALBUM

Since then we have meekly submitted to every sort of atrocity and absurdity that ingenuity can devise, and pretended to like it—ending, perhaps, by liking it—until another fashion came in, when lo! our eyes were opened, and we saw those modes just as they were. A good source of amusement was the old family album, with its photographs showing fashions of bygone days. What screams of hilarious mirth they always evoked, but as we laughed, did we not realise that the same mesmerism that caused our ancestors so to clothe themselves is just as active as ever, and that, like them, we dress, not by preference or choice, but in obedience to some hidden dictatorship? Yet we know very well that the laws of beauty are eternal and cannot change, but so enslaved are we by the ingenious devices of those tools of commerce, the fashion journals and the clothiers' advertisers, with their affected and hysterical gush, that we cease entirely to use our own judgment and are led by the nose wherever they choose to pull us.

UNIFORMITY TO KILL INDIVIDUALITY

Next to the crime against aesthetics and health, the charge can be levelled against fashion that it insists on a deadly uniformity. God knows that we are in danger enough of that without emphasising it in our clothes. As John Stuart Mill points out, we not only conform to standard ourselves, but persecute those who try to be different, or quite naturally are different. Thus, a man's will has often been disputed because in his

manners and habits he differed from those about him. He was eccentric, and, therefore, insane. As Mill insists, the more we differ, the more we ascend. So you see it is our own fault that we have these things put over us, for our slavish instinct to conform makes us easy victims. And here, of course, we must admit that both sexes are guilty. While it is true that fashions have been adopted by women that should have driven any self-respecting woman to join the nudists, it is a fact that men are far more cowardly in breaking away from the mob in this respect. In spite of the damage to the wool trade, women have broken away from the three-flannel-petticoats era, but men still swelter in padded tweed suits when the thermometer passes the century. And hats! If Madame La Mode decreed that women should wear tight felt hats right through a burning summer, would they do it? I think not. They are even capable of putting up a fight against Paris. During the war the very short skirt was the vogue, and after that the fashion dictators laid it down that very long ones should now be worn. There was so faint a response to this edict that it died a natural death. It is true that the comfortable short skirt has been wrested from us again, but we have at least escaped the horrors of high collars and squeezed waists with which we were also threatened. At the worst, there is a certain scope in the fashions of women that leaves a modicum of choice, but only one drab uniformity for men. The late lamented, and now almost entirely forgotten Marie Correlli referred, not inaptly, to men's nether garments as "elephant legs." Is it man's herd instinct, his modesty, his shrinking from notice that makes any departure from the recognised in dress so abhorrent to him? He dislikes even that anyone should see a photograph of him taken a few years ago, when a different sort of waistcoat was worn. And when he takes a woman out, he wants the assurance of some reliable authority that she is wearing the sort of clothes that everyone (of her sex) is wearing. The fault does not lie in his aesthetic perceptions, for witness his love of picturesque uniforms! And as Mark Twain says, "if he finds himself in fancy dress, if he is not watched, he will sneak off and get his photograph taken!" It is his natural human escape from the dull monotony of the unbeautiful clothes which fashion has imposed on him. And what an effect clothes must have psychologically! It was in the days of satin knee-breeches, flowing curls, elegant mustachios and gay waistcoats that young men were called "dashing." Could anyone call the owner of elephant legs and a hard-hitter over a close-cropped, shaven head and bare face "dashing"?

It is, perhaps, fortunate for us that men are such conformists, for if their judgment in these matters defied fashion, there are times when they would refuse to be seen out with us. Take make-up, for instance. One really did expect men to heap ridicule on that affront to nature, but no, it needed only enough women to do it, and it was accepted. It is now even possible that a man would hesitate to be seen out with a girl who had apparently forgotten her lipstick.

MASKS FOR ALL

As one who has a preference for a clean face, free from smears of any colour, I may be biased, but can anyone deny that even the most careful and skilful make-up (and how few there are!) tends to kill all expression and give a mask like effect? One has only to see two girls—one fresh from tennis or sea breezes, her colour and sparkle owing nothing to art; the other patently artificial and expressionless as a doll—to realise to the full how infinitely

better is that hue "by nature's sweet and cunning hand laid on" than all the pigments that ever came out of a chemist's shop. After all, like most good things, a complexion has to be earned, and can be, by right living. Nevertheless, we can hardly hope for a change in this fashion while the manufacturers of cosmetics are doing such a roaring trade. Even the daily papers are flooded with their subtle propaganda, and every encouragement is given to the idea that a woman neglecting this part of her toilet is more or less a blot on creation. Indeed, if all the instructions given were carried out, a woman would have very little time left for anything else. Side by side with this hidden advertisement one sees as well an open one recommending a special soap to save the user from "cosmetic skin"! How plainly are we the sport of commercial interests! Can anyone doubt it for a moment? "No, it doesn't really suit me, I suppose," we say sadly, "but then"—brightening up—"everyone is wearing them."

Ca suffit. What matter how we look, since everyone is suffering from the same disability? We cannot look as we should, but we have comrades in misfortune, so cheer up, and next season things might be better for us. Perhaps! Perhaps not! We shall have no say in it, anyway.

A REBEL.

There was a refreshing item in Monday's daily paper, headed, "Trousers woman causes stir at Covent Garden," and running thus: "A pretty, dark-haired woman caused a sensation among the Covent Garden Opera audience tonight. Her complete suit comprised a black satin three-quarter-length jacket, with a violet sash and pleated emerald trousers. The woman, who is well known in Mayfair, said that the dress was very comfortable. She expressed the hope that the starers would have the courage to emulate her." One hopes that she meant the courage to break away and be individual, and not necessarily to wear violet sashes and emerald trousers, for there we would have uniformity again. Well, it goes to prove that, in spite of the deplorable fact that large masses of women are wearing long skirts, short skirts, low waists, high waists, much sleeve, or no sleeve entirely by dictation, women are capable of asserting their right to dress as they please. This is the more easily done, as their choice, even under the worst dictation, is never so limited and rigid as that ruling the sartorial destinies of men. In Mrs. Bloomer's time, the courageous lady who started a dress reform when Queen Victoria was still young, it must have been harder.

FREEDOM FROM FINANCE WILL GIVE NEW VALUES.

There is no doubt whatever, when the dominance of finance and its complex commercial relations is a thing of the past, that both men and women (free for the first time) will get an entirely new sense of values and learn to express their individuality in innumerable ways. An amusing story appeared last year in an English magazine of a man who, for a bet, appeared in an exclusive London club without a tie. What followed was not worth the winning of the bet. Perhaps, with a greater diffusion of wealth, these tyrannies of "exclusiveness" will grow anaemic and fade away.

I dislike dictatorships, but if I were a dictator my first act would be to make a public bonfire of all fashion journals, with a strict prohibition of further publications of that nature. We might then agree with Ruskin that everyone should be beautifully dressed—a thing impossible with conformity over a vast number of varying types.

COLONEL COHEN JOINS THE WOLVES

It is reported from London that the decoration of Silver Wolf has been bestowed upon the president of the Boy Scouts' Association of Victoria, Colonel Harold Cohen, M.L.A.—also of Collins House.

Life Among the Hopeless II

By E.C.B.

"An extensive check-up by sustenance inspectors has resulted in the removal of many names from the sustenance lists."—Recent press report.

At first thought, this would seem a very fine effort on the part of an efficiently run Government department. But what happens to those whose names are "removed"? Do they automatically become self-supporting? What of those destitute ones who are not eligible for sustenance? Those who have not resided at the one address for three consecutive months—how do they fare?

Late at night, these men plod wearily down to the railway yards. They sneak over the fences, and crawl into the empty carriages to snatch a few brief hours of sleep on the cushioned, sheltered seats. Occasionally they are "raided" by police and railwaymen. What of it? Fourteen days' gaol means fourteen days of regular food and shelter.

During the day, a few overworked missions give the men a long religious service and a very brief meal.

What are these men? Drunkards? Wasters? Many of them have been out of work so long that their creative instincts lie dormant, and they no longer desire work. Others, through long periods of semi-starvation, no longer have the strength to work. Others again, thrown on the industrial scrap heap by a system that can no longer use them, have deteriorated physically, mentally and morally. Are they to blame?

A high percentage of these men are returned soldiers. What a reward for their sacrifices! Let me introduce you to one of them—Frank Brown, an "Old Contemptible" of 1914. He is now "useless" and tubercular from the effects of poison gas. He is entitled to, but scorns to draw a full Imperial pension of—seven shillings a week! A fine type of man, clean, sober, intelligent, but—bitter. He is known to the police as an agitator, and has been imprisoned as such. How dare he be dissatisfied?

We talk to him of Social Credit. His keen mind frames question after question for us. We answer, and leave him to ponder over what we have said. The seed is sown on fertile ground. There are Frank Browns in your district. Find them. Tell them of Social Credit! They have a vote!

Try This One

From the "Edmonton Bulletin."

If Canada should borrow two hundred million bushels of wheat from Great Britain, that would be front-page news, calling for large headlines. Since Canada has plenty of wheat, and Britain has not, the transaction would excite interest everywhere. Both Ottawa and London would be busy issuing explanations.

France is proposing to borrow two hundred million dollars in London. France has plenty of gold, which for generations has been proclaimed to be money, and the only kind of money worth anything. Britain has so little that its money has been dissociated from gold and is not redeemable in that metal. And—of all reasons—the reason advanced for this proposal is that France can borrow money in London at 3 per cent, but would have to pay 5 per cent, in Paris . . .

How comes it that France, with perhaps one-third of the world's gold supply on hand, finds it cheaper to borrow money in a country that divorced its money form gold because it did not have gold? Somebody ought to take time out and tell us how that happens. And—while he is at it—

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AUSTRALIAN COUNCIL FOR CIVIL LIBERTIES

First Annual Meeting

The first annual meeting of the Australian Council for Civil Liberties was held at the Centenary Hall, Melbourne, on Wednesday, May 6.

Mr. Eugene Gorman, K.C., took the chair. The secretary, Miss T. Lucas, read a letter from the English National Council for Civil Liberties, welcoming the Australian organisation as an affiliated society, and the meeting adopted a constitution closely modelled on that of the English council.

Mr. Herbert Burton, lecturer in economic history at the Melbourne University, and president of the Economic Society, was elected as the first president of the Australian council. Mr. Burton, who has recently returned from abroad, de-

A PAWNSHOP IS THE NATION.

She stands at the corner near the Royal Exchange, London—the old Grey Lady of Thread-needle Street. To her destiny is bound irretrievably the destiny of a nation—in fact she is the nation . . .

The first capital, subscribed by shareholders, was the sum of £1,200,000, and permission was given for the Bank to issue notes up to this amount. It was also allowed to deal in bullion and bills of exchange, and—shades of its present dignity!—to act as a pawnshop! —Murray Tonkin in "Rydge's", May, 1936.

scribed the extensive work done by the English council in defence of freedom of the press, speech and assembly.

The vice-presidents who were elected include Mr. E. Gorman, K.C.; Mr. J. V. Barry, Dr. John Dale (City Health Officer), Professor Woodruff and Professor Boyce Gibson, Mr. R. M. Nolan (Crown Prosecutor), Mrs. W. Thorn (president of the Lyceum Club), Mr. J. F. Hill (principal of the Melbourne Boys' High School), Mr. T. J. Moore, Mr. G. L. Dethridge, Mr. and Mrs. Vance Palmer and Mr. Ronald Kidd (secretary of the English National Council for Civil Liberties).

Mr. Gorman and Mr. Barry emphasised the need for an organisation, which would unite people of various shades of opinion who were prepared to resist attacks on democratic rights. The members of the council, unfortunately, were unable to feel that further attacks on our liberty were unlikely.

Mr. Brian Fitzpatrick outlined the general plan of the council. At any time it might become necessary to call a public meeting. Money would be required for the publication of a newsheet, such as the English council sends out to its supporters, and for the establishment of a central office.

The annual subscription for associate membership of the council is 1/-. Patron members pay an annual subscription of £1/1/-.

Communications should be addressed to the hon. secretary, Miss T. Lucas, 13 a'Beckett Street, Armadale. Telephone: Windsor 2925.

tell us what use gold is for monetary purposes if a country that has so much gold cannot supply itself with money.

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Tell the Truth, Mr. Lyons!

The Prime Minister, lamenting on Tuesday the refusal of the Social Credit Movement of New South Wales to give evidence before the Royal Commission on the Banking and Monetary Systems, said: "I wish to point out that the Government, in deciding upon the personnel of the Commission, was at great pains to appoint men whose views on banking and monetary matters were not preconceived. . . . No one is justified in suggesting that the members of the Commission are not impartial, and I should think that any group representing a school of economic thought would welcome the opportunity to put its views before it for calm consideration."

We have previously published in these columns a good deal about the personnel of the Commission, but we would now, in order to illustrate the worth of the Prime Minister's statement, cite again the specific case of Professor R. C. Mills, who has throughout its proceedings played a leading part on the Commission.

Professor Mills is definitely a man with preconceived ideas. He is definitely a man who is not impartial. He is definitely a man who will not give calm consideration to an examination of Social Credit. He is Social Credit's avowed enemy.

On the night of January 26, 1934, the night after Major Douglas had addressed a huge assemblage in Sydney, Professor Mills launched a broadcast attack on Social Credit over station 2UW, Sydney. In the course of that address Mr. Mills said (see the *Sydney Morning Herald* of January 27, 1934) "the Douglas theory was based on unsound principles, and the remedies it proposed would merely lead to

uncontrolled inflation." He also said "the scheme had the lure of something for nothing, but it merely meant piling inflation on inflation."

And Mr. Lyons has the assurance to declare that the Government was at great pains to appoint men whose views on banking and monetary matters were not preconceived!

We could bring forward other instances, embracing other members of the Commission. But is it necessary? Does not Professor Mills himself give the lie to the Prime Minister?

Cheap 'Phones or Gum Trees?

"People must decide whether they prefer cheap and efficient telephonic communication or a row of gum trees. They cannot have both." So said Mr. H. P. Brown, Director of Postal Services, on Tuesday, in reply to well-justified protests against the action of the Postal Department in cutting down still further trees along the Hume Highway to make way for telephone posts.

There are two alternatives to the wholesale disfiguring of our national highways upon which Mr. Brown has embarked. One is to divert the lines through farmers' paddocks — and the Victorian Minister for Lands says that the owners' permission would readily be granted for this. The other is to make the service thoroughly efficient and to remove the unsightly transmission mechanism by putting the wires underground. Mr. Brown says that such alternatives are impracticable. Why?

It is not suggested that we are short of the materials or the labour for construction or maintenance. On the contrary, those who have either materials or labour to offer would welcome the orders. And so would the suppliers of the consumable goods who would, in turn, do business with the men to whom the P.M.G.'s additional orders or employment mean larger incomes.

There is only one obstacle in the way, the everlasting obstacle of finance, of book entries. Mr. Brown, with his present allocation of book-entry finance, is doubtless doing his best. But why not say so? Why say, as he does, that Australia cannot "afford" to support an underground cable system? Why not, instead, protest against an idiotic bar that blocks us financially from doing the things, which can so readily be performed physically?

"This Conference objects to the constant reference to the inefficiency of the wheatgrowers of the South-west area and considers the cause lies in the inefficient monetary system."

--Motion passed at the annual Conference of the Wheatgrowers' Union of New South Wales, March 1936.

MAKING THINGS BETTER IN NEW ZEALAND

Guaranteed Prices for Farmers; Homes for the People

"If the farmer stays on his farm and is competent we will give him a guaranteed price for the produce he creates and free him from worry from a monetary point of view." In these words New Zealand's Minister of Finance, the Hon. W. Nash, summarised the purpose of the Primary Products Marketing Bill when moving its second reading in the House of Representatives at Wellington.

The Bill provides that all dairy produce for export and, if necessary, for home consumption, will be purchased by the Government at a guaranteed price as soon as it reaches shipboard. On the question of price, the Bill reads: "The prices fixed in respect of any dairy produce exported after the thirty-first day of July, 1937, shall be such that any efficient producer engaged in the dairy industry under usual conditions and in normal conditions should be assured of a sufficient net return from his business

destroy a fox terrier and canary because food for them would probably cost 2/6 a week. If the pets were not destroyed her husband's relief pay would be docked by that amount.

"The means test was one of the worst forms of home invasion," Mr. Semple added. "Under the present Bill there is no intention of allowing trade union secretaries to invade the homes of the people."

Dr. D. G. McMillan, another Government member, discussing the relationship between the family budget and the birth rate, said that deaths from septic abortion had shown an alarming increase during the depression years, and that many of those who died from that cause were married women with any number up to six children, thus showing that it was not in attempting to evade rightful responsibilities that death had been brought about. In the year 1934-35 there had been 146 deaths from that cause, and there had been included in that number 109 married women, who had left behind 338 children.

"Those women died partly because their resistance was weakened by lack of nourishment," Dr. McMillan added. "They died in a vain endeavour to prevent the entry into the world of children for whom the family budget made no provision. They were driven to fatal lengths because they were not provided for by an economic wage. This Bill is a first step toward the reduction of our maternal death rate."

* * *

£3,000,000 FOR HOUSING.

Not less than £3,000,000 is to be spent by the Government in the launching of its Dominion-wide housing scheme, states the Prime Minister. Mr. Savage added that his Parliamentary Under-Secretary, Mr. J. A. Lee, was chairman of a committee, which was preparing a full scheme. Good progress was being made, according to reports submitted to Cabinet by Mr. Lee, and the scheme would be put into effect by the introduction of a Bill in the House of Representatives this session.

"The number of houses required to relieve the present housing shortage has not been ascertained," Mr. Savage said. "We may be able to make use of the Housing Survey Act, passed at the request of the last Government, but, in addition, the census returns will provide us with much valuable information. The problem is Dominion-wide, and is to be tackled on that basis, although the most congested areas will naturally be dealt with first."

The Government might pay some attention to the question of building blocks of communal flats in the cities, Mr. Savage continued, but the principal aim was to see that every family where possible had its own home and its own piece of land.

The question of rents also required attention, and legislative action might be necessary in that regard, too. In house property, as in matters of trade and marketing, the Government would take complete steps to restrict the activities of speculators.

SOCIAL CREDIT MOVEMENT ON THE RESERVE BANK ACT.

An interesting review of the Reserve Bank Amendment Act reaches us from the Douglas Social Credit Movement of New Zealand, which says: —

"This legislation, which is now written in the Statute Book, gives effect to wide powers which may be taken, and after carefully studying the Bill it will be found: (1) That the Bank is entirely a State institute controlled by the Government with Directors removable at the pleasure of the

Cabinet. (2) The Bank's powers are extended to advance to the Government on overdraft for the purchase and marketing of any New Zealand products. (3) The Bank has also power to advance to the Government long-term loans to an unlimited amount. The rate of interest would not matter, since all the profits go to the State. In other words, the people lend to themselves. (4) Formerly, the Reserve Bank could advance on Treasury bills half the amount of the estimated revenue for the year, i.e., about £12½ millions. Under the new Act, it can advance to the full amount of the revenue.

"It will be clear that the above provisions allow great scope for very extensive issues of money, and for possible inflation. However, this possibility is guarded against by certain machinery provisions in the Act; for example, the Bank is directed to control the transfer of money to and from New Zealand, while all proceeds of our exports must be paid into the Reserve Bank, and all demands for funds for importing of debt payments must go through the Bank. This gives the Government a complete monopoly and absolute control of our foreign exchanges, and any manipulation of our overseas credit to the detriment of the country. Power is also given to prevent anybody automatically acquiring sterling for Reserve Bank Notes. If the Bank is to finance the Government to the extent of many millions, these millions in the hands of the public could be presented to the Bank for exchange into English money, thus depleting the essential resources of the country. The above power will prevent this, so that any persons disposed to try and engineer a flight of capital will be frustrated in their efforts. Further power to prevent inflation internally is taken by giving the Government power to demand that the trading banks shall lodge 27 per cent, of their deposits with the Reserve Bank, instead of 7 per cent, as provided by the original Act. This is probably the most powerful weapon ever devised in the history of banking, for it can quickly tie up the assets of the trading banks and make them entirely dependent on the Reserve Bank for funds. On the other hand, it enables the Reserve Bank or Government to bring chaos into the financial system of New Zealand. With power there goes responsibility, but there is no reason whatsoever why this should ever happen. No Government in the world has hitherto demanded its trading banks to disclose their unused overdraft facilities, but this is to be insisted upon. The Government will be able to watch the overdraft policy of each of the banks, and be always one move ahead of the game."

This last reference to "unused overdraft facilities" deals with a section in the Act under which the trading banks are obliged to inform the Government, not only of the total of actual overdrafts allowed their customers, but also of the unused margins between actual and approved overdrafts, thus enabling the Government at any time to be aware of any tendency to restrict credit.

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STABILISATION RESERVE FUND

By "AQUARIUS."

The *Argus* financial leader of April 30 dealt with the problem of exchange stabilisation. The following passages are of interest:—

"Suggestions that have been made in London for the establishment of a stabilisation reserve fund, similar to the British Exchange Equalisation Account, to mitigate the effect of excessive fluctuations in Australian sterling reserves, are in keeping with policies followed by most of the trading nations of the world since the suspension of the gold standard by Britain in 1931.

"If the trade and commerce of the world are again to be conducted on a 'normal' basis, which generally means on a basis similar to that observed before the international dislocation after the Great War, it is essential that some measure of currency stabilisation be achieved. If currencies are subject to violent fluctuations in value, as measured by variations in rates of exchange, trade between nations on a rational basis is impossible. The repercussions affect not only the trade between nations, but, as has been pointed out by Professor T. E. G. Gregory, professor of banking and currency, University of London, any change in the price level produces a most profound change in the distribution of the social income of mankind. In doing this it completely upsets the equilibrium of social institutions.

"The year 1935 saw a remarkable growth of Government intervention in international exchange transfers. Underlying the many different forms of control is the fundamental desire to prevent sharp fluctuations on the exchange rates, consequent upon large transfers of currency, which result generally, although not always, from disequilibrium in external trade.

"The British Exchange Equalisation Account was established in 1932 as an expedient so long as sterling remained off gold. Under the gold standard any gold entering or leaving the country in settlement of international balances went into or came out of the gold reserves of the Bank of England. The bank, by conducting open-market operations—that is, by buying or selling assets in the market, was able to neutralise within limits the effect of movements of gold. But, if the bank made no effort to control the market, movements of gold had the effect of altering the size of bankers' deposits at the bank, this, in turn, affecting the internal supply of credit.

"The Exchange Equalisation Account operates to prevent undue expansion or contraction of credit-following movements of gold, and to maintain a reasonable stability of exchange rates. In brief, the 'control', as the Exchange Account is generally called, buys gold to offset an influx of funds from abroad, and sells it again to counterbalance an outflow to outside countries."

* * *

The *Argus* goes on to suggest that, as there is now no movement of gold between England and Australia to correct trade balances, the machinery of a stabilisation fund for Australia would necessarily differ from that in operation in England. The *Argus* suggests also that the only function of such a fund might be to "relieve the Australian Government of fears that

the Commonwealth might temporarily be unable to meet overseas debt commitments in any one year."

It would be more accurate to state that the move to set up such machinery has had its origin in London to allay the fears of London financial institutions that they might not be able to draw financial tribute from Australia in respect of existing indebtedness. The move is also closely bound up with the desire of the City of London to saddle Australia with further debt, and a move to have Australia's floating London debt funded so that it will carry a higher rate of interest, and payment, which is now impossible, will be held over for a period of years.

WHAT "NORMAL" MEANS.

The views of the financial editor of the *Argus* are interesting in that they supply some sort of definition of what is actually meant by the much-abused word "normal." There is an open admission that this state of affairs for which we are supposedly striving is merely that, which obtained before the war. It is pertinent to remark that the "normal" pre-war condition had sufficient of the explosive in its make-up to lead directly to the greatest catastrophe which the world had then seen, though to what greater catastrophes the continued operation of "sound finance" will lead the world can only be a matter of speculation. The "normal" of pre-war days led to a struggle of every nation to find markets for its goods, and employment for its subjects, with England predominant in the struggle, but sharply challenged by other nations. Even if it were desirable, the return to the "normal" of pre-war days is, in many respects, impossible owing to the vast increase of indebtedness to the world's bankers incurred during and after the war, and the enormous increase of mechanisation in every nation in the world. While the inane struggle of the nations has been intensified, the respective positions of the nations in that struggle have been irrevocably altered.

STABILISATION NO SOLUTION.

Exchange stabilisation and manipulation and what not are merely some of the devices used by nations in that struggle, and can in no way assist in the solution of the real problem facing mankind. The real problem is the provision in each country of sufficient purchasing power to buy the whole of its production at prices remunerative to the producers. Income distributed to the community must be made sufficient to meet the costs charged against the community. With such a system in operation the accumulation of debt will be impossible and the scramble for export markets will cease. International trade will become a mutually beneficial exchange of wanted commodities and services, with every nation making sure that it receives back in real wealth the equivalent of what it has exported. The emphasis on the capturing of export markets and the provision of employment will cease, and thus will disappear the underlying cause of modern warfare.

The rate of exchange will be fixed, as it is now in theory (but not in fact) fixed, by the relative domestic purchasing power of the various units of money—dollars, pounds, etc. There will be no further howls for devaluation, stabilisation and what not.

SNEAKING DOWN TO THE FIRST FLOOR.

The present position has been well likened by Arthur Brenton, in the *New Age*, to that of several men on the second floor of a building, whose food supply is brought to them on a lift. The supply is inadequate for their needs and they scramble for it as

best they can. One man suddenly hits on the bright idea of sneaking down to the first floor and helping himself to a larger share as the lift goes past. By devaluation of currency he has procured a larger share of export trade. The other countries gradually follow suit and all end up on the first floor. The scramble goes on as before. The bankers, armed with control of credit and exchange, are the handicappers in the scramble. (As soon as a nation thinks of monetary reform the bankers look to its handicap with alacrity.)

Absolutely nothing has been done to cure the inadequacy of the supply of food on the lift.

DISCUSSION TO CONFUSE THE REAL ISSUE

Questions of exchange stabilisation, manipulation and control are wholly and damnably irrelevant to the true economic and monetary problem. It is precisely for this reason that such unending discussion is allowed to take place in orthodox circles. These discussions serve only to confuse the issue, and to lend colour to the bankers' oft-repeated claim that matters are so complicated and delicate that they must be left in charge.

Professor Theodor Emmanuel Guggenheim (Gregory), the sneaking little Spolletta of the London School of Economics, who accompanied Sir Otto Niemeyer to Australia to tell us that we were living beyond our means, is correct in pointing out that exchange manipulation can alter the distribution of the community income. His inference that this is the cause of the uprooting of social institutions is without justification. The truth is that social institutions are being thrown out of equilibrium by the creeping error in our industrial cost-accountancy system, whereby more in costs is charged to the community than income is distributed to meet those costs. There is an ever-growing gap between incomes and costs. It is the inadequacy of the flow of social income as a whole, which is throwing social institutions out of gear—not the mere question of faults in the apportionment of that income as between class and class.

"Making World a Better Place for All"

AIM OF SOCIAL CREDIT

A Crusader in Albury

MR. JOHN HOGAN PAINTS BRIGHT PICTURE.

"Control of Money Must be in People's Hands."

Under the above headings, the *Border Mail* (Albury) begins a two-column article from John Hogan by saying:—

"Mr. John Hogan, who describes himself as a Social Credit crusader, has spent several days in Albury speaking to various organisations, such as the Rotary Club, Apex Club and University Tutorial class on the subject of Douglas Social Credit. For a man in his twenties he displayed remarkable ability as a speaker, and at yesterday's luncheon of the Rotary Club, as elsewhere, retained the close attention and interest of his audience."

* * *

Arriving at Albury on the 6th inst., Mr. Hogan has, in addition to the activities recorded by the *Border Mail*, addressed meetings in the following Victorian towns: Yackandandah, Tawonga, Rutherglen, Wodonga, Chiltern, Beechworth, Wangaratta and Benalla.

He is expected to be at Shepparton this (Friday) and Saturday nights, Tatura and Rushworth on Sunday, Nagambie and Seymour on Monday, Bradford and Killmore on Tuesday, Lancefield on Wednesday, and to

reach Melbourne on next Thursday, the 21st inst.

He will remain in Melbourne for about ten or eleven days before starting on a tour of the Western District.

A full programme of city and suburban meetings is being arranged for Mr. Hogan, and he will be the guest of honour at the social which is being arranged by the women's section of the Movement, to be held in the rooms of the English Speaking Union, Elizabeth House, Melbourne, on Thursday, the 28th inst.

An appeal is made to branches and members of the Movement to assist the Propaganda Committee to make the young crusader's Victorian campaign a magnificent success. And an especial appeal is made to members and supporters to forward to the propaganda secretary, Mr. G. R. Trenoweth, 123 Rennie-street, Coburg, N.13, the names and addresses of people in country districts who may be able and willing to assist in organising meetings and otherwise helping Mr. Hogan.

Biography of an Englishman

John Montgomery Ronald Grey Worked on a ledger all the day, Entering figures with his pen, And his weekly value was two pounds ten.

John Montgomery couldn't afford Anything much but his bed and board,

A weekly "flick," an occasional "show,"

A pint or two, and a kiss or so,

But he showed no signs of discontent

As the years went by and his youth was spent,

With never a chance of child or wife; earning his living was his life.

Alas! the upstart firm next door Ruined the game for evermore By investing in one of those machines

Which enable a typist in her teens To make more entries in a day Than forty clerks, the good old way.

Then up spoke Ronald's honest boss, "Although we're running at a loss And we can't compete with these low-down cads, I'll play the game by you, my lads! I'll do my duty as I must And keep you in work until we bust!"

And so, according to expectation, The firm went into liquidation; And Ronald found such small enjoyment

In the state of life called Unemployment That, seeing he couldn't be a worker,

He wouldn't live as an idle shirker, He turned on the gas, and duly died,

And of course the verdict was "suicide."

The parson talked, as parsons must, Of "ashes to ashes," and "dust to dust,"—

But what they buried beneath the clay,

Under a stone marked "Ronald Gray",

Was really (could they but have seen)

One-fortieth of a ledger machine.

"C.G.D.," in *Social Credit*.

DOUGLAS SOCIAL CREDIT BOOK SHOP has been opened at 166 LITTLE COLLINS ST. (near Russell Street), MELBOURNE. By the Social Credit Press. All Douglas S.C. Books and Literature may be purchased and advice as to suitable literature will be gladly given to any person desirous of studying Social Credit. All Major Douglas's own publications in stock.

The Fable of the Zamaathites

By MONTAGUE GROVER



Beyond a Joke.

Two score and ten years after Joseph of Canaan went to rest, the news of his silo policy percolated into

Zamaathia, a land abutting on one of the billabongs of the Euphrates, and was enthusiastically taken up by the politicians of the day. Two score and ten years later, that policy was carried out, and, during the seven fat years that followed, the Zamaathite silos were gradually filled with unconsumed wheat.

Then the Zamaathites sat down and awaited the seven years' drought and brought every square inch of soil under cultivation, lest it should last longer. But the rainfall records were up to the average, the summer was warm and damp and the crops were so luxuriant that, after providing for domestic consumption, there remained one hundred thousand googas of f.a.q. wheat. The problem was what to do with it.

The world's parity was only three kyboshes a googa, which meant that the farmer would be producing it at a loss. But as wheat growing was the only thing he knew, he went on producing what was unsaleable. Worse still, Zamaathia lived largely on wheat production and, when the farmers couldn't get any money, the potters and the goat herds and the city dwellers couldn't sell their own products. The food supply ran low and the situation became desperate. Starving, the citizens gathered each night and wailed against the walls of the huge silos where the wheat was stored awaiting a favourable report.

At last the depression reached the palace itself, and, when the Lord High Chief announced to the Grand Satrap that the larder was empty, things had got beyond a joke.

The Satrap, who had been advising his subjects to be Calm, Firm, Courageous and to exhibit the Old Spirit and other virtues they had displayed on the battlefield, realised for the first time in his life that it was up to him to do a Little Thinking. He spent some hours in this strange diversion. Then he delivered a pronouncement: that each farmer was to be paid four kyboshes for each googa he had delivered.

"But we have no money, High and Holy One," protested the Grand Goob. "We have long since reached the limit of our taxation."

"You are to pay them with receipts, certificates, vouchers, coupons. Call them anything you like as long as you don't call them money."

"Thy will shall he done, Holy One," murmured the Goob.

"Next," continued the Satrap, "every citizen who delivers to the palace goods to the value of four kyboshes or toils for the State to the value of four kyboshes is to receive a googa of wheat from the silo."

The assembled Zamaathites rose as one man and cheered. Then they stood bareheaded and sang lustily, "God Save Our Glorious Satrap."

"But, Holy One," protested the Goob, "we've got wheat enough in our silos to keep the whole population for seven years. That's why they were all starving. And this season's lot'll be on us in a few days."

"Carry on," observed the Satrap. "But what'll I do with what's over?" cried the Goob, desperately.

"Sell it for what it'll fetch in Mark Lane."

"After we've paid the farmers four kyboshes?"

"Precisely," explained the Satrap. "It's not a loss; its clear profit—it's bunce. You can use it to pay off some of those millions we borrowed from the Amalekites."

DOUGLAS CREDIT WOMEN'S MOVEMENT

The usual Monday Night meeting Will be addressed on MAY 18 By Mr. W. B. Reddaway

SOME PRESS VIEWS ON ABERHART'S BREAK WITH DOUGLAS

The *Economist* (London), April 4:—

"Mr. Aberhart, the 'Social Credit' Premier of Alberta, seems to be getting into ever deeper water. An inexorable dilemma has for months been looming before him. Either he had to break with the Federal Government, and so lose all hope of gaining the financial assistance necessary to save Alberta from default; or else he must break with Major C. H. Douglas, the founder and inspirer of the movement, which his Government was supposed to represent. In this situation Mr. Aberhart has, apparently, adopted the curious expedient of breaking with both parties at once. It was announced last week that Major Douglas would not go to Alberta, since Mr. Aberhart had rejected his demand that the province should refuse to accept any financial adviser appointed by the Federal Government or the Bank of Canada. Instead, Mr. Aberhart went so far as to describe Major Douglas as 'more a theorist than a practical idealist.' This week, however, he has intimated his refusal to accept the Loan Council supervision of Alberta's finances, which was the condition of further Federal advances. Alberta accordingly defaulted on Wednesday on the 3,200,000 dollars of bonds, which fell due for redemption on that day. This is the first time a Canadian Province has failed to redeem its bonds. Mean while, two Bills have been introduced into the Legislature. The first provides for the compulsory conversion of the whole provincial debt on to a 2½ to 3 per cent. basis; and the second authorises the Government to appoint 'such persons as it may deem fit, to examine, consider, investigate and formulate proposals having for their object the increase of the purchasing power of the consumer by means of social dividends or other means, and payment to producers of a just price.' Mr. Aberhart does not seem to have made much progress since August in arriving at a clear conception of practical Social Credit. Where his simultaneous repudiation of Major Douglas and the Loan Council will lead him next, we should not care to surmise."

* * *

SHODDY TREATMENT.

Under the above heading, the *People's Weekly* (Edmonton, Alberta) says:—

"The *People's Weekly* holds no brief for Major Douglas. But we suggest that in reading to his radio audience scurrilous anonymous letters attacking the Britisher, the Prime Minister of the province violated all the rules of courtesy and decency in public affairs. Even if the letters were genuine; even if they were written by 'a lady in Calgary' and 'four Calgary business men who didn't sign their

names,' was it necessary for the Premier to read them? Could he have had any motive in reading them except that he wanted to say to his audience the things the letters contained, but preferred to do it by quotation rather than directly and honestly? It was a shoddy bit of business.

"Mr. Aberhart has treated Major Douglas very shabbily. The Premier rode into power on the Douglas chariot and gave the people to understand that he would call in the Social Credit founder as his advisor. Instead of doing so he accepted as financial dictator of the province the Chairman of the Committee on Sound Finance in Government of the Canadian Chamber of Commerce, and under such dictation has travelled as rapidly as possible in a direction completely opposite from that in which Major Douglas wishes to go. Now he has the consummate effrontery to demand, that the Social Credit founder come to Alberta and try to get a clean crop from a field, which has already been sowed with the weeds of financial orthodoxy. And when Douglas insists on certain conditions being fulfilled, the Premier and his newspaper heap public insults on him. It's not cricket, sir!"

* * *

LETTERS TO THE EDITOR

OUR HANGING GOVERNMENTS

It's a pity that the "Hanging Governments" of Victoria and N.S.W., do not realise that besides these few unfortunate incidents of murder there must be some big factors as the root cause.

We see a strong nation, having just committed wholesale murder, getting off scot free, together with a new empire as profit. We see every nation, and Australia, buying and manufacturing more and more instruments of murder. Yet the Governments of N.S.W., and Victoria seem to pass this by as quite all right, while venting a sadistic fear complex on mentally diseased men and youths of 17 years and thereabouts; youths whose minds, under good conditions, would not yet be mature, let alone blasted from birth by the same unholy conditions which are fomenting empire murders of thousands upon thousands of human beings.

When these Governments get the honesty and guts to tackle the worldwide money swindle which has created soul and mind destroying conditions for people from the cradle to the grave, and when these Governments have created honest and peaceable

The *Western Producer*, another Canadian paper, says:—

"In spite of all explanations, the engagement of Mr. Magor at the same time that Major Douglas was allowed to twiddle his thumbs in England was something that has not been satisfactorily explained. For Mr. Magor stands for everything that is the very opposite of the monetary change—he is the personification of 'sound' money. That he made his advice and his ideas stick, the budget brought down last week is ample and irrefutable evidence. Mr. Aberhart has from time to time offered reasons for engaging Mr. Magor that, at least, in our opinion, entirely failed to justify that course. It is conceivable that on rare occasions the best way to reach an objective is by heading full pelt in the opposite direction. In hiring Mr. Magor that is precisely what the Alberta Government did—they headed directly away from Social Credit and everything it stands for. No argument has yet been adduced which can justify it.

"Premier Aberhart has suggested that, failing Douglas, he will engage some other Social Credit expert. It is unlikely that he can do so. The conditions, which forced the withdrawal of Major Douglas, would certainly defeat anybody else who was foolish enough to step in where he had feared to tread.

"In the final resort Mr. Aberhart says that he will undertake the task himself. We wish him luck."

conditions into which people can be born, then, and then alone are they, perhaps, justified in tackling individual murder problems by their hanging methods.

HELEN McLEOD.

WHY NOT MONTY?

I note in your last issue a letter to W. A. Leitch, general manager of the Union Bank, in which you made an appeal to his humanity. Twenty-four hours after your paper appeared the daily press announced that Mr. Leitch was turning in his job with the bank. Why not try a letter to Montagu Norman?

"ENCORE."

COUNTER PROPAGANDA.

I endorse the views of Keith Campbell in your issue of April 24, and I ask every one of your readers to back him up.

The D.S.C. movement is now recognised by the electors of Australia as a monetary reform movement. There is no longer need to explain what it is all about. Our main object now is to convince the Australian electors that the "Douglas Credit Proposals" must replace the "High Finance Debit Proposals."

We are gaining ground fast, but the gains are not always solid. One edition by the press of "High Finance" can create doubt among thousands. It will take many years to teach everyone all about Douglas Credit.

Decidedly, our most effective weapon is counter propaganda. If all the electors of Keppel (Qland) recently had known about the political affairs of N.Z. there would have been no need to count either Mr. Daniel's or Mr. Pascoe's preference votes.

The public does not view D.C. with hostility. They are naturally bewildered with all the technical arguments flying around and are inclined to look for something tangible. In bringing to their notice all interesting Social Credit news we are naturally going to excite their interest, and an interested nation of electors is just what we want.

Let us quit accusing the people of apathy. We have splendid propaganda material to work on. Let us utilise every possible means of collecting and transmitting news. Once a month we could run a leaflet campaign with the

THE PEOPLE'S MOVEMENT TO ABOLISH POVERTY

The Electors' Opportunity

A National Dividend and Economic Security if You Assert Yourselves.

It is a fact, long obvious to a few, and now recognised by many that the industrial nations suffer poverty and insecurity, in a world of enormous physical wealth, simply because the *incomes of individuals are too small*.

Modern power production *could* supply all the wants of everyone. Indeed, the producer today is being strangled simply because he cannot sell his goods—the very goods, mark you, that the people would buy if they had incomes large enough.

These are the outstanding facts of the present situation throughout the world, and the question is rising on all sides: What is to be done about it?

Now Major Douglas discovered and, sixteen years ago, explained to an unbelieving world that there was a flaw in the price system which accounted for this state of affairs. He observed that, under the present finance-accountancy system, the prices of goods and services for sale grew faster than the incomes of the people who wanted to buy these goods and services. *And because of that fact the people have to go short of the things they want, and the producers have to restrict or destroy or export these very things—simply because the money incomes issued*

in a word, money *in itself* is worthless, and derives its value only from real things. If, therefore, there are no real things for sale that people want, money would actually be worthless. If, on the other hand, there is an abundance of real things that people want money has just the value of tickets entitling their holders to that real wealth, and should be sufficient to buy it.

What we want, then, is higher money incomes, and it is obviously *possible to have higher incomes, because money costs nothing to create*.

Now comes the question: *What can we do about it?* And it is here that the Social Credit Movement comes in with the answer.

Major Douglas made the great discovery of why it was that incomes cannot, under the present faulty arrangements, be issued fast enough to enable people to pay the prices of all the things for sale. He has made *another great discovery* without which the first would be futile, but which, if it is acted upon, makes the remedy possible.

Like (all great discoveries this one was so simple that people cannot believe it to be true. But that does not matter, for *it can be put to the test and its truth proved*.

It is simply that *whatever the people want they can have if they demand it—always granted that it is physically, possible*.

This is the official weekly bulletin of—

THE PEOPLE'S MOVEMENT TO ABOLISH POVERTY

Room 8, The Block,
Elizabeth Street, Melbourne

ACKNOWLEDGMENTS.

The People's Movement to Abolish Poverty, Room 8, Block Arcade, Elizabeth Street, Melbourne, acknowledges the receipt of the under mentioned sums which have been donated towards the conduct of the electoral campaign. Everyone is invited to share, with the persons listed below, the privilege of assisting to conduct the campaign to abolish poverty:

H. Keir, 15/-; C. Gardiner, 2/-; Mr. Lacey, 2/-; Mrs. Gray, 2/-; L. Bynan, 7/-; B. Woollard, 2/-; B. Barrett, 1/-; Mr. Anderson, £2/2/-; C. Foley, £1/5/-; D.C. Movement, Clifton Hill Branch, £1; Mr. a.B., 1/-; D. McInnes, 6/-; E.W., 1/-; G.B., 1/-; N.B., 1/-; W. Bleazby, 1/-; Proceeds of Fancy Work, 8/6; Mr. Simcox, 12/-; Mr. Ward, 1/-; E. W. Knott, 10/-; A. V. Knott, 10/-; B. Alderton, 2/- Total, £8/12/6.

Welcome to John Hogan

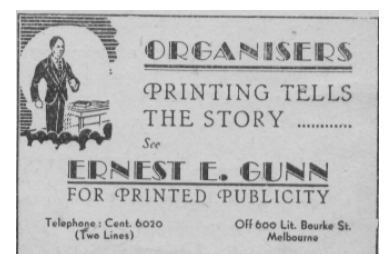
A SOCIAL EVENING

will be held at
**E.S.U. Rooms, Elizabeth House,
on May 28.**

The following artists are taking part:—Miss Edith Harry, Madam Lorton-Campbell, Miss Peggy Campbell.

Mr. John Hogan will also be present.

Admission, 1/6, including supper



TO OUR READERS—

You may obtain your copy of "THE NEW TIMES" from any authorised newsagent. Should your agent not have supplies, please ask him to communicate direct with New Times Pty. Ltd., Box 1226, G.P.O., Melbourne, C.I. (Phone M5384).

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to people in the process of production are too small.

Now, if that is true—and do not all the facts of life today tend to prove that it is true?—if it is true that our incomes are so small that we cannot buy the things we want, although the shopkeepers beseech us to buy them, surely the obvious cure is to *increase our incomes*—to increase them effectively, so that they can overtake prices.

Why, then, is this not done?

Most of us know now that the money, in which our inadequate incomes are paid to us, is not a *real* thing. That is, money *in itself* is of no use. On a desert island money would be quite useless. We cannot eat it or clothe or shelter ourselves with it. Bread and butter, houses, roads, railways, clothes—these are *real* things, and in order to produce them effort is necessary, though less and less human effort is needed as the use of machinery is developed.

But money does not require effort to produce it. Money can be anything so long as it is recognised as money and universally accepted by those who have goods and services to sell.

Money is in fact merely a sort of ticket entitling its holder to any kind of thing he chooses up to the value of the figure marked on it. It may be coin or banknotes; or it may be simply special papercheques—upon which figures can be written by the holder to correspond with figures in bank ledgers.

juiciest news since the previous month. We must be sure of our news.

Keith Campbell's first suggestion is a Commonwealth convention to formulate a Propaganda Campaign. I say, yes; as soon as possible. In the meantime let us carry on with the material to hand.

O. W. PETSCHEL
Yeppoon, Queensland.

TAXATION

By BRUCE H BROWN

5. —The Commonwealth Bank—"An Instrument of Oppression."

To call the Commonwealth Bank an instrument of oppression seems almost sacrilegious and absurd, but that, in fact, is what it is. It was not intended to be so, of course, but even before the private banks used the Commonwealth Government in 1924 to strangle it, it was increasing the millstone of debt round the people's neck.

For example, our public debt in 1914 was only £339 millions, but in 1919 it had increased to £705 millions. Physically, of course, the war was paid for as it was fought, but financially it was to be a burden on the people forever. This increase in the debt merely reflected the amount incurred as "costs" which could not be met out of current income, proving conclusively that industry does not distribute sufficient income to meet the current costs. It also shows that when production is speeded up, as in wartime, the discrepancy between total incomes and total prices becomes particularly glaring, for in the war period the Commonwealth portion of the public debt was increased from £19 millions to £307 millions.

At the same time, however, the Commonwealth Bank did serve Australia well in other directions, and it is important that we should understand what took place and why. To do that we must divide its history into two periods—the first from 1911 to 1923 when it was controlled by a governor; and the second from 1924 onwards, when it has been controlled by a board of directors.

WHAT THE BANK DID IN ITS EARLY DAYS

In the first period we derived many important benefits. Between 1910 and 1917 the profit on the "Australian Notes Account" was sufficient to enable the bank to contribute £5¼ millions towards the cost of the East-West Railway. Instead of paying 3 per cent. to the private banks for the flotation of loans in London the bank did it for a quarter of 1 per cent. The bank also saved the Australian producers from ruin by financing the several wartime "pools," such as wheat, wool, meat, butter, etc., and by enabling the Government to purchase the Commonwealth Shipping Line. In addition, it facilitated the payment of Australian soldiers abroad.

After the war it continued to provide finance as required by the Government, and found £1½ millions for jam and fruit pools, £4 millions for Australian homes, £9 millions for Local Government bodies, and paid £3 millions to the Commonwealth revenue from the profits of its Note Issue Department, as well as £4½ millions for debt redemption. In 1921 the governor of the bank admitted that he had provided war finance to the extent of £350 millions and that a similar amount could be provided for productive purposes.

A BULWARK AGAINST THE INTERNATIONAL FINANCIERS

But perhaps the most significant and important action of the bank in the whole of its existence was its refusal in 1920 to sacrifice the people of Australia to the international financiers. These men had decided to impose a policy of deflation in all countries with the object of forcing them back to the gold standard, and following a conference of private bankers in Brussels, early in that year, Montagu Norman was sent from the United States as "Wall Street's deflation agent" to take charge of the Bank of England and restrict credit throughout the British Empire. He quickly made his presence felt in England, but struck a snag in Australia. Mr. D. J. Amos, F.A.I.S. in his "Story of the Commonwealth Bank" (which everyone should possess), explains what happened, thus:—

"In the latter half of 1920, the banks in other parts of the world started their policy of deflation in order to raise the value of currency to such high levels that they who possessed the monopoly of it could secure the real wealth of the nation for themselves," and in the winter of 1920-21 the price levels were falling alarmingly. "The private banks in Australia commenced to follow the example set by the banks abroad, but Sir Denison Miller brought the Commonwealth Bank with a rush to the rescue of the threatened people. Partly by purchasing Commonwealth and other Government securities, and partly by increasing his advances, he released between June and December, 1920, £23 millions of additional currency as a slight hint as to what he would do if necessary, and deflation in Australia was deferred." This was the clearest proof that Australia is not obliged to follow the banking policy of other countries, and shows why "the private banks must have watched the progress of the Commonwealth Bank with ill-concealed rage and fear."

When Sir Denison Miller died in June 1923, the private banks were thus freed of their most formidable adversary, and with a bankers' government in office they immediately prepared to get the nation again by the throat. They took the offensive, through their agents in Parliament, the following year.

THE BRUCE-PAGE "AMENDMENT."

In June, 1924, Dr. Earle Page introduced a bill to amend the Commonwealth Bank Act by taking the control of the bank out of the hands of its governor and placing it in the hands of a directorate consisting of six persons "actively

engaged in agriculture, commerce, finance and industry." The Governor of the Bank and the Secretary of the Treasury were also to be on the directorate, but the bill provided that the Governor was merely to be the directorate's chief executive officer. When he brought in the bill, Dr. Page referred to the conferences, which members of the Cabinet had had with representatives of the *private banks*.

Now, these private banks are owned by the three monopolies known as the Sugar-Tobacco-Gas Monopoly, the Metal Monopoly and the Overseas Group, respectively.

The Bank of New South Wales, the Queensland National Bank and the Commercial Banking Company of Sydney are owned by the Sugar-Tobacco-Gas Monopoly; the Commercial Bank of Australia, the National Bank of Australia, and the Bank of Adelaide are owned by the Metal Monopoly; and the Bank of Australasia, the E.S. & A. Bank, and the Union Bank are owned by the Overseas Group.

THE DIRECTORATE.

The six directors originally appointed to the Commonwealth Bank Board were these:—

JOHN J. GARVAN: Pastoralist and managing director of the Mutual Life and Citizens Assurance Co. Ltd. (the company which pays its privileged shareholders a dividend of 80 per cent., and whose present chairman is a director of the Commercial Banking Company of Sydney).

SIR ROBERT GIBSON: Vice-president of the Associated Chambers of Manufacturers; Victorian representative on the Central Coal Board; director of the National Mutual Insurance Co.; director of the Union Trustee Co. of the Metal Monopoly, and director of Robert Harper and Co. Ltd. (Alex. F. Bell, a former director of the National Bank, now represents that company on the board!).

SIR SAMUEL HORDERN: Director of Anthony Horden and Sons; director of the A.M.P. Society, and director of the Royal Insurance Co., and several other companies of the Sugar-Tobacco-Gas Monopoly. (Family also connected by marriage with the Baillieus. of Collins House and the Metal Monopoly.)

ROBERT B. W. McCOMAS: President of various wool buyers' associations, and proprietor of the wool broking firm of Wm. Haughton and Co.

JOHN MCKENZIE LEES: General manager of the Bank of North Queensland, 1898-1917; general manager of the Bank of Queensland, 1917-1922; ex-chairman of the associated banks in Queensland, and Fellow of the Institute of Bankers in London!

The other member was RICHARD S. DRUMMOND.

Four, at least, of them came from the magic realm of finance, and were recruited directly from the private banks and their associated financial institutions. It cannot be emphasised too strongly that the "people's" bank was thus improperly surrendered to the control of men representing institutions which were themselves creators and lenders of money at interest on a large scale, and whose very existence depended upon the continuance of the fraudulent system of finance under which money is regarded as a commodity instead of a mere medium for the *exchange* of commodities.

ANTI-SOCIAL ACTIONS OF THE NEW BOARD

The Commonwealth Bank immediately became an appendage and convenience of the private banks, to be run for their special benefit. The rates charged for financing primary produce began at once to rise, and were soon more than doubled, and the producers of the 1924-25 season had to pay £7 millions in bank charges, compared with only £3 millions the previous year. When the farmers of Western Australia formed a voluntary pool they applied confidently to the Commonwealth Bank to finance it, as the bank had done for similar pools in previous years, but it was no longer the same bank, and both it and the private banks alike imposed conditions, which were intolerable. Finally, when the farmers, unable to secure the necessary money in Australia, obtained it from the Co-operative Wholesale Society in England, the concerted action of the private banks and their new ally, the "people's" bank, frustrated the scheme! And to know that the measure handing over control to the interests, which had attempted to ruin the farmers in 1920, was actually introduced by the man who was supposed to be the leader of the farmers in Parliament!

A CENTRAL BANK

Soon afterwards Mr. Bruce himself paid a visit to London, and at a bankers' banquet explained how the Commonwealth Bank had been transferred by his Government to the control of "a board of directors charged with the duties of central banking." According to the *London Times* he also said this:—

"The intention is that the board shall *credit in Australia* as the Bank of England regulates it in this country, and advice is now being sought from officials of the Bank of England as to the *exact steps necessary* to bring about a fully effective central banking system."

At the same time the late Sir Robert Gibson, also connected with the Metal Monopoly and just appointed Chairman of the Commonwealth Bank Board, was expressing himself *in Australia* as follows:

"The Board of Directors of the Commonwealth Bank has given consideration to the advisability of conferring with the *mother bank of the Empire*, the Bank of England, on matters connected with central banking. In this connection, the late chairman had important discussions with Mr. Norman, the Governor of the Bank of England, by whose courtesy it has been arranged that Sir Ernest

Harvey shall pay a visit to Australia with a view to investigating . . . and making recommendations that . . . the central banking system of Australia may be co-ordinated with that of the Bank of England and other Central Banks of the Empire."

The Bank of England, which controls credit in England, was, and still is a private company, and in the Bank Charter Act of 1844 under which it operates it is laid down that in all its dealings with the public the Bank of England is to carry out its transactions with regard to its own interests alone, and *not with any view to the public advantage!* The agent of this private concern, Sir Ernest Harvey, actually travelled to Australia with Mr. Bruce, and subsequent events, which are now history, prove how completely we have become its slave.

And what effrontery it was to speak of the Bank of England as the "Mother Bank of the Empire"! We say it is a vampire bank, and even the *Melbourne Herald*, as late as the 1st May, describes it as "a private money-making concern."

In 1927 Sir Ernest Harvey gave the final directions for making the Commonwealth Bank, which was supposed to be a national bank operating for the good of the people, a central bank operating for the benefit of the private bankers, and the Bruce-Page Government obediently brought in a Bill to deprive the bank of its Savings Bank business. This Act "took away the bank's cash reserves, which had enabled it to compete with private banks, terminated its trading operations, and reduced it to a banker's bank—not a 'reserve' bank, because no bank was compelled to keep its reserves there—so that it became neither a trading bank nor a savings bank, nor yet a reserve bank, but a thing of shreds and patches, at the mercy of private institutions."—(*Hansard*.)

The Bill became law in December 1927, and made the bank the final arbiter of the issue of debt money. It was now one of the 28 "central" banks established in the world since the war, at the Original instigation of Paul Warburg, "to secure banking hegemony of the world," and conditions had at last been fixed in Australia for the application of the policy of deflation, which the banking system had already inaugurated abroad.

THE FINANCIAL AGREEMENT

To seal the issue and make the private money monopoly supreme in Australia, Mr. Bruce got the Financial Agreement incorporated as part of the Constitution. This "Agreement" provided for the establishment of a Loan Council to control all government "borrowings," and since then a group of beggars have regularly met round this Loan Council table to beg for "funds." These meetings have gradually become more and more turbulent, until now they resemble a bear garden. The truth-telling *Argus* has described them as "unprecedentedly bitter," "long and acrimonious," etc. The beggars round the table were supposed to be the representatives of sovereign governments, all of whom have plenty of work to offer, plenty of materials to use, and plenty of idle labour, but all of them are chronically short of money. In the name of "sovereign" governments they had come to borrow what they alone had the legal power to create.

THE SECRET DICTATORS

In a room adjoining the Loan Council there is always a small group of men who receive little publicity but make all the decisions. This small group does not argue with the sovereign governments; it merely gives them orders, and, strangely enough, it gives them through the gentleman who, from 1924 to 1931, was the Commonwealth's political "liaison officer" in London. He has now become the liaison officer between the Loan Council and the secret dictators.

Seeing that these "sovereign" governments, although elected by the people, are subservient to a super-government *not* elected by the people, and seeing also that this super-government wields absolute power over us *without any responsibility to us*, we are surely entitled to inquire who they are, where they came from, and how they got there?

THE PRESENT BOARD OF THE COMMONWEALTH BANK

Who are they? They are the members or representatives of the Board of the Commonwealth Bank. The present members of the Board are: Sir Claude Reading, Alex. F. Bell, L. F. Giblin, P. Tait, R. S. Drummond, M. B. Duffy, H. J. Sheehan, and Sir Ernest Riddle.

Where did they come from? Sir Claude Reading is from the Sugar-Tobacco-Gas Monopoly, being a director of the British Tobacco Co. (Aust.) Ltd., W. D. and H. O. Wills, and the States Tobacco Co. He is a member of the Sydney Stock Exchange and the Commonwealth Board of Trade, and for six years was employed by the Union Bank. As chairman of the Board he has two votes. Mr. Bell is from the Metal Monopoly, being a director of Robt. Harper and Co. Ltd., the A.M.P. Society, and the National Bank (until "transferred" to the Commonwealth Bank). Mr. Giblin is a Professor of Economics at the Melbourne University. He is the genius who wrote the "Letters to John Smith" for the *Melbourne Herald* (of the Metal Monopoly) in 1931 and said in effect that the only way to provide people with food, clothes and shelter was to deprive them of their incomes. In other words, the only way to stimulate business is to spend less money. He has proved one of the best deflation agents for the private money monopoly and thus earned his place with the monopoly's other representatives on the Commonwealth Bank Board.

Mr. Tait is the controlling partner of the firm of Clarke and Tait, owners of the most extensive grazing properties in Queensland (graziers are the people who have a lot to do with the Overseas Group and who usually leave very large estates when they die). These four men have the majority of votes. Messrs. Drummond and Duffy were political appointments.

It therefore seems clear that this *non-elected* body represents:—

- The private banks;
- The insurance companies;
- The three controlling monopolies; and
- The big pastoralists.

Please bear in mind also that a list published in 1921 gave the name of R. G. Casey as one of the men in control of the Metal Monopoly, which includes three of the nine trading banks. Colonel Cohen is also an active participant and beneficiary in the same bank-owning monopoly, and, as has already been shown, what the Bank Board recently set out to do—i.e., to curtail the people's purchasing power—is finding a good apologist and echoist in the cosmopolitan Cohen—connected as he is with the military, financial and political "leaders."

THE GREAT BETRAYAL

How did they get there? This question brings us back to the greatest betrayal in Australia's history, and I for one am of the opinion that Mr. S. M. Bruce, Dr. Earle Page and Sir John Latham should be called upon to show why they should not be regarded as public enemies and traitors for what they did to the Commonwealth Bank. If they can show that it was the work of less prominent members of the Government, then we should have their names also, so that they, too, might be brought to account.

It should be noted that Mr. Bruce's political successor in the Federal Parliament (Mr. Fairbairn) is also identified with the bank-owning Overseas Group, which includes the firm of Paterson, Laing and Bruce!

On the 31st May 1931, Sir Robert Gibson, in a national broadcast, told us "the Commonwealth Bank has control over the Note Issue and can command resources in the form of currency to any extent which, *in the opinion of the Bank Board*, is deemed necessary." The quantity of currency, therefore, depends on the opinion of the Bank Board, and the opinion of the Bank Board is the opinion of the private banks!

How completely the Commonwealth Bank was made the pawn of the private banks was admitted by Mr. Lyons in Western Australia during the secession campaign, when he publicly stated that "had it not been for the help of the Commonwealth Bank the private trading banks would have been obliged to close their doors in the present crisis." Dr. Page evidently did not believe this, for soon afterwards he told us "the Australian banks have been our sheet anchor in the crisis," while Sir Ernest Riddle did his part in a farewell message on leaving recently for his world tour, when he suggested that it was the *private* banks, which had saved Australia. It does seem funny that, if the Commonwealth Bank did have the power referred to by Sir Robert Gibson, Australia should have been allowed to suffer as it did because of a *shortage* of currency.

THE BANK'S "GREAT HONOUR."

It would seem that for some unexplained reason the Board deliberately refrained from exercising its power to benefit the people, and we, apparently, get the clue to it in the statements Sir Robert gave to the Senate in June 1931. He told the members of Parliament that—

"The Commonwealth Bank . . . has the great honour of being looked upon by the Bank of England as an institution of good standing," and that it was in regular communication with that bank. After that, what else could matter? A great honour for the publicly owned "people's" bank of the Commonwealth to be regarded favourably by a privately owned bank in England! Some of the directors of the "Australian" banks, which are controlled from London, are also directors of the Bank of England! And it was these "Australian" banks, which supplied the bankers' representatives for the conferences, which led up to the Premiers' Plan.

PUBLICLY OWNED—BUT PRIVATELY CONTROLLED.

On the 1st June 1934, there was a public meeting at St. Kilda. Colonel Cohen, of the Metal Monopoly, was chairman and Mr. Lyons was the speaker. Mr. Lyons delivered himself thus:—

"The Australian banking system, more than any other in the world, is controlled by a publicly-owned institution in the form of the Commonwealth Bank, acting as a Central Bank. The Ministry proposes to leave the bank with freedom to continue its policy, unfettered by the fact or fear of political interference."

It may be true that the Commonwealth Bank is publicly-owned, but Mr. Lyons omitted to say anything about the fact that it is privately-controlled, and that those who control it are in no way answerable to those who own it. He also said nothing about the disgraceful fact that when the Government needs finance and in the name of the owners goes to the Commonwealth Bank for it, that bank, instead of creating the money as the property of the people, issues IOU's to the private banks, and asks them to manufacture it as debt against the people, thus piling up the interest bill and increasing our burden of taxation.

There never was a greater swindle, and Colonel Cohen must have listened to the words and assurances of the Prime Minister with the greatest

satisfaction, for, as one having considerable financial interest in the private banks and their interlocking institutions which control the "publicly-owned" bank, he would feel that he could continue to benefit from the usurpation of the people's credit. (Until recently Mr. Cohen was also a member of the Loan Council!)

THE MASTERS OF AUSTRALIA

We therefore have the position that, through the actions of Messrs. Bruce, Page and Latham, the men who control the three private monopolies referred to, are the masters of Australia. They control the Banking System; the Life, Fire and Marine Insurances; the savings of the people; all Mercantile Loan Agencies; the principal industries; and nine-tenths of the institutions that receive deposits and negotiate advances. "They can say who shall have credit and who shall not. They can boom or paralyse. They can inflate or restrict. They are the economic masters of the country."

Every citizen should realise the following:—

(1) The Commonwealth Bank is *not* the people's bank, as otherwise the Government, representing the people, would not need to borrow from its own money factory and thus increase the people's burden through taxation.

(2) As private banks have the right to convert Treasury Bills into notes at the Commonwealth Bank on demand, the Commonwealth Bank is simply a reserve fort for the private banks against any rush on the part of the public to convert their cheques into notes.

(3) As a central bank, so arranged at the instigation of international finance, the Commonwealth Bank is admittedly a "bankers' bank" and not the people's bank. This is important when it is remembered that a bank is a money factory.

We assert that the Commonwealth Bank should not only belong to the people, but that its board of managers should be the servants of the people through their constitutional government, not dictators to them. Moreover, we also assert that, even if the Board were the Government's servant, things would still go wrong unless the system of money issue and cost accounting were put on an arithmetically correct basis. But that is the second obstacle. The first is to remove the hooks of the private banks from the public credit and restore control to the Crown. The two focal points of trouble in the present money system are the power of credit issue and the price-making mechanism, and consequently the people at large must fight to get the first thing first—i.e., community control of credit.

(To be concluded.)

EXCHANGE

By J. T. H.

National currency depends for its validity on the fact that, if tendered inside the country of origin, goods will be delivered in exchange for it. Exchange value of the currencies of two countries is decided by the relative exchange value of goods in the respective countries. If, for example, wheat in Australia is 3/- per bushel, and in England a similar bushel sells for 2/-, then, if exchange were decided by wheat value, the exchange value of Australian and English currencies would be inversely proportional to the relative price level of the commodity. To put the matter simply, it could be said that 2/- of English money would be equal to 3/- of Australian money. The lower the price level the higher the exchange value of the currency.

Suppose wool in Canada is worth 14 dollars a bale, and 60 shillings in Australia, with a freight of 4/- to Canada, then 14 dollars equal 64 shillings, or 4.37 dollars to the Australian £1. If under Social Credit internal prices were reduced by one half, then 8.74 dollars would equal an Australian £1. Canada could exchange with us 8.74 dollars worth of wool pulp for an Australian £1's worth of wool. Then normally a given unit of our currency would find a purchaser in a foreign country at a higher price than before, because an Australian £1 would deliver more goods than before.

Assume exchange was rigged against us, and the unit of our money depreciated. Then, a unit of our money bought at less than its true exchange value would, in terms of the foreign currency, deliver still more goods than previously. This would result in an increased export trade, against which competitors would have no effective weapon. Also the money brokers would be caught short of Australian currency and could only buy to cover at a loss. The ultimate result would be that exchange would rise above par. This matter has been dealt with more fully by Major Douglas in "Warning Democracy," Chapter V. Normal exchange in relation to overseas loans and interest payments has been simply explained in the brochure, "Capital and Income," which will shortly be published.

It would appear that Japan has manipulated her exchange in relation to exported goods in a way, which provides her exporters with what amounts to an export subsidy. Consequently, Japan can sell her exported goods in the world's markets at a price, which defies competition. Japan is probably using National Credit for the direct benefit of a section of her people, and benefitting indirectly the rest of her people by building up her industries and providing extra employment. The latter benefit is probably offset by some relative rise in internal prices without the compensation of Social Credit—i.e. consumer credit.

New Zealand proposes to pay her primary producers a remunerative price for products. Suppose this is wheat costing 3/- per bushel to

produce, and suppose this wheat sells in England at 2/- per bushel, establishing 2/-'s worth of credit in England. When New Zealand importers or the New Zealand Government need to buy credit in England, they will pay 3/- of New Zealand money for 2/-'s worth of English credit, this credit being represented by a credit instrument held by the Government Reserve Bank of New Zealand. Adjustment thus becomes a matter of normal economy. Normally, the position brings about a rise of internal prices, and the next logical step is to reduce prices by the Price Discount, which is a transfer of cancelable credit through industry to redeem the outstanding debts of industry. With this rational and effective mechanism there will need to be issued the National Dividend to provide for the displacement of workers by the increased mechanisation of industry. It is for Social Creditors to ceaselessly watch the progress of New Zealand reform and to constantly urge the logical conclusion of New Zealand's trend of thought.

Comfort in Your Old Age

By D. IZZIE

Come on, people—come and insure yourselves for something. It doesn't matter what you're afraid of, you can get insured against it. You can insure against a wet day, death, an increase in taxes or the possibility of getting married. Everyone insures for something or other. The "Evening Standard," England, reported a case where an old lady of 70 was found guilty of stealing milk. She was receiving the old age pension, and spent 6/- on rent, 2/9 on food, and 1/3 on insurance per week. The press, as usual, omits to print the most important part of the news. It doesn't tell us what she was insured for or against, whatever it is. Probably it was for old age, sickness or the possibility of having twins. It just shows the grim determination of the Britisher. Rather than miss a payment, he will pinch milk or carry out any other revolting crime to keep body and soul together, so that those lesser pillars of society, the insurance companies, will not go broke. That is one thing about insurance—once you start, you can't stop it. That old lady, more than likely, when she was about 20 decided to provide for her old age, and fixed on 1/3 a week as a handy sum to put by, and here she is still waiting for the policy to fall due.

THE ODDS.

Our A.M.P. Society advertises that, 40 years hence, out of every 100 healthy 25-year-old men, one will be wealthy, four will be well-to-do, five will still be working, thirty-six will be dead, and fifty-four will be dependent on charity or relatives.

This prediction is made at the height of our present prosperity, which, of course, everyone knows is all about us. Had it been made during a depression, the last two sets of figures would probably have been reversed and those in the first two would be bankrupt. However, we now know the best that is in store for us if we continue to do nothing about it.

But old age insurance has been invented to ensure our comfort at 65. Here's how it works. Suppose you've managed to live till you're 25, and calculate that at 65 you can be comfortable on £1 a week. That sum is reasonable, because, having not much longer to live, you shouldn't want much at that age. For the remarkably low sum of 2/7 per week, the A.M.P. will provide you with an income of £1 a week for life after you've turned 65 (if ever). It might be a few pence a week more or less, but what's a copper to a chap of 25? He'd spend that on his girl without a blink. Of course, the five who are well off would scorn to draw their quids, and the thirty-six corpses won't want theirs, so their shares could go to the reduction of our National Debt. Then, probably in a few thousand years, our National Debt will be finally paid off, providing it doesn't get any bigger in the meantime (see the "Herald" of recent date). No more old age pensions to pay, so we'll have our taxes reduced and State and people will be happy and contented. Of course, the insurance company will get a bit out of it. They have to pay big dividends and so need a big income.

UNEMPLOYMENT INSURANCE.

The latest thing in insurance is unemployment insurance. It seems a pity that a great number of our people are debarred from having a bob or so a week in this. If you are already unemployed you can't enter, for the same reason that you can't insure your life after you are dead. That's what the companies call a bad risk. Anyhow, the rest of the community can have a shot at it. This is not so simple as old age insurance. It is easy to find out when a man is 65, but he might be unemployed at any time. That's why the first British scheme went broke. If you pay a few pence per week for some years, then you can draw a few bob a week for some months if unemployed. The main thing is that you mustn't lose your job too soon. When you do, you can still pay your old age insurance whilst your unemployed insurance lasts. When that gives out you'd better decide to join the happy 36 underground. It's a great scheme, and all it needs is everyone to get a permanent job for a couple of months, so we can get it started.