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MELBOURNE, C.1.
(Nine Doors from St. Paul's.)

THE NEW TIMES

GLACIARIUM

ICE SKATING
THE WORLD'S OLDEST
PASTIME

Two Sessions Daily,
3 and 8 p.m. Admission 2/2
Boots and Skates, 1/- pair

VOL. II. No. 21.

MELBOURNE, FRIDAY, MAY 22, 1936.

Every Friday, 3d

Hush Hush From R. G. Casey

In our issue of April 3 we published an article entitled "An Advertisement For Australia Who Is Responsible?" The article quoted in its entirety a half-page advertisement headed, "Australia - - Sound Financial Position," which appeared in the last yearly "Commercial History and Review" published by the London "Economist." By taking the advertisement sentence by sentence and by setting its statements alongside official figures published by Australia's statistical departments, we were able to show that the advertisement was shockingly dishonest.

Our article concluded: "We do not presume that the 'Economist' singled out Australia, of all countries in the world, for this glowing and fanciful description entirely as a goodwill gesture. We presume the space was paid for by someone. And we presume that the bill, in due course, will be forwarded to the taxpayers of Australia."

"Is any taxpayer sufficiently interested to forward this to his Federal member with the request that he ask in Parliament. —

"1. Who ordered the advertisement?"

"2. Who is responsible for its wording?"

"3. Who authorised such flagrant misstatements and for what purpose?"

"4. What similar advertisements have been issued abroad, and at what cost?"

ON NOTICE PAPER FOR A WEEK

We have this week inspected copies of the "Notices of Motion and Orders of the Day" for the House of Representatives. On Wednesday, May 6, there appeared (No. 5 on the list) certain questions from Mr. Maurice Blackburn. On Thursday, May 7, on Friday, May 8, and on Tuesday, May 12, the same questions remained on the notice paper, in each case as the first business for the day. After the last date they were removed from the notice paper altogether.

The questions were: —

"1. Mr. Blackburn: To ask the Prime Minister—

"(1) Has he read at page 63 of 'The Economist: Commercial History and Review of 1935' published on 15th February, 1936, an article headed 'Australia—Sound Financial Position'?"

"(2) Does he know by whom or on whose direction such article was (a) prepared, and (b) inserted in the Review?"

HOME BUILDING.

If you contemplate building, our BOOK OF HOMES should be in your hands. Twenty-six illustrations, printed on art paper, tell you everything you should know in an easily understood way. This Book is free if you call. By writing send 6d in stamps to cover the cost of distribution.

COLONIAL BUILDING CO.
PTY. LTD. 465 Collins Street
Melbourne. Phone Cent: 9388

Federal Treasurer's Extraordinary Attitude to Questions Suggested by "New Times"

"(3) Was any sum paid to the proprietors of the 'Economist' for its publication; if so, how much?"

"(4) Has the Commonwealth Government paid for the publication in any other paper of matter similar to or identical with the article referred to?"

MR. BLACKBURN AND
MR. R. G. CASEY.

In addition to these questions, we have also seen the copy of a letter from one of our readers who did happen to be sufficiently interested to get in touch with a Member of Parliament, as suggested in our original article. This reader wrote to Mr. Maurice Blackburn, and it was as a result that the questions in Mr. Blackburn's name stood on the parliamentary notice paper for some days. But on the 12th inst., the last day on which the unanswered questions appeared, Mr. Blackburn wrote our correspondent as follows: —

"Question No. 1 upon the enclosed notice paper has been there several days, and today the Treasurer spoke to me about it. He says:

"(a) That the Government is attempting to renew in Great Britain a S.A. loan.

"(b) That the position is very bad.

"(c) That, without the knowledge of the Government, this advertisement was inserted in the 'Economist' at the cost of £8/8/-, and that similar advertisements have been inserted in the 'Times'."

"(d) That they were prepared by the High Commissioner (Mr. Bruce) and inserted by him.

"(e) That they are not marked 'advertisement' and that the Government thinks that it would damage Australian credit and renewal possibilities if the fact that they are advertisements were publicly disclosed.

"(f) That, if an answer were given me in the House, it would be cabled to England and there damage Australian credit. Apparently the British investor is expected or asked to believe that this advertisement is the 'Economist's' own opinion."

"THE POSITION IS VERY
BAD."

Regarding the above letter, the first comment called for is that nobody in Australia who knows

SUCCESS!

South Australia, he (Mr. Butler, the Premier) says, has made greater sacrifices than any other State to carry out the principles of the Premiers' Plan, and it was the first to reach the objective of balanced budgets.

—The "Herald," May 18.

Adelaide, Thursday. —Sleeping in pig and sheep pens, and surrounded by mud and filth, nearly 200 men of all ages are living in deplorable conditions at Red Hill. As only a small proportion will secure employment on the new railway line, the district clerk fears that the demand for rations tickets, which is already heavy, will soon exceed his powers of supply. The more fortunate of the men are sleeping in fowl coops and old sheds. Most of them are inadequately clothed.

—The "Herald," May 14.

Mr. Blackburn would for one moment doubt that his letter gives an accurate summary of what Mr. Casey really told him.

Taking the contents in detail, it then appears from clauses (a) and (b) that all this recent U.A.P. talk of Australia's credit being so high in London is just moonshine, and that the Federal Treasurer in private is saying the very opposite to what he is saying in public.

It next appears from the letter

that Mr. Bruce is preparing misleading write-ups for the London "Times" and the "Economist" and having them inserted at advertisement rates, in the endeavour to persuade the investing public of England that the position of Australia is quite different from what it really is. Such action is hard to distinguish from that of the bogus company promoter, and very definitely calls for further investigation.

WHY NOT CALL AN AD. AN
AD.?

Regarding clauses (e) and (f), we can describe them only as appalling—and appalling from whatever aspect they are viewed. Why should "Australian credit and renewal possibilities" be damaged if British investors knew we were advertising our position? The purpose of an advertisement is, or should be, to bring facts to the notice of the public, and if, as a business proposition, we wish to sell our bonds in England, why should we not advertise them there just as we advertise our produce, and particularly in such investors' papers as the "Times" and the "Economist"? Or is the real fear that, if we openly took responsibility, it might be sheeted home that Australia's official representative in London was disseminating as a true prospectus what was really no better than a combination of half-truths, distortions and suppressions? Was the idea to let the "Times" and the "Economist" bear the brunt, if any? Or, even more horrible thought, did the High Commissioner hold the opinion that the investing public of Britain would set more value on the seal of the "Times" and the "Economist" than on that of the Commonwealth of Australia and its High Commissioner?

Read again Mr. Blackburn's questions. What is there in them

that any Government should object to answering, or fear to have cabled to London? We can understand that the questions as drafted by us might have been unpalatable, but Mr. Blackburn, with that urbanity for which (unfortunately) he is so noted, omitted altogether our reference to "flagrant misstatements." Were the Prime Minister and the Treasurer, nevertheless, afraid that some little discussion might have arisen in the House if the questions were answered there, and that other members, less gentlemanly than Mr. Blackburn, might have had a word or two to say?

WHAT THE POSITION IS
NOW.

The whole position—accepting, as we do without hesitation, Mr. Blackburn's letter—now comes to this: —

1. Our original detailed charges stand unanswered, that an advertisement designed to give an entirely fictitious impression of Australia's financial position was inserted in a British journal of high commercial standing.

2. It now appears that similar matter was inserted in more than one journal.

3. The person responsible is Australia's High Commissioner, Mr. Stanley M. Bruce.

4. The Prime Minister (to whom Mr. Blackburn addressed his questions) and the Federal Treasurer are endeavouring to hush up the whole affair, upon the plea of saving Australia's credit from damage.

5. Apparently none of these three gentlemen is in the least concerned over the idea of inducing unfortunate people in England to invest in our bonds under false persuasions.

We do not refer to the banks, insurance and trustee companies, or other large financial institutions, which, having access to Australia's official statistics, would not be likely to be misled by Mr. Bruce's efforts as a national company promoter. We refer to those who stand most in need of protection, to those with small sums, to those who, seeing statements in papers like the "Times" and the "Economist," would be prone to regard them as thoroughly reliable (especially with the word "advertisement" omitted).

6. Finally, from the point of view of Australian "democracy," we now reach the position where not only do Ministers wish to suppress information from their masters, the people, but they desire even to suppress questions.

Are you content to leave it at that?

WATCH REPAIRS.

Mark Chapman

Chronometer, Clock and Watchmaker
7th FLOOR CAPITOL HOUSE
Swanston Street, Melbourne.
Telephone: Central 7077

To Everyone Over 21 in Australia
Dear Voters,

In the grey dawn of last Saturday morning two young men concealed themselves in the shadows of the deserted railway station at Sunbury, in Victoria. Patiently they waited, shivering in the cold, until from the distance there gradually approached the noise of a train. Nearer and nearer, until glowing sparks and steam drew abreast, passed. Then the two motionless figures sprang into life, as they raced along the platform beside the lumbering trucks of the goods train, seeking a hold to clamber aboard. Bert and Dick Wilson, aged 23 and 21 years of age, were trying to "jump the rattler" back to Melbourne, after an unsuccessful tramp to Bendigo in search of work. They belonged to South Melbourne. Dick, the younger brother, had had no regular job for years, and had "jumped the rattler" in all parts of Australia—for, though unsuccessful, he was not afraid to travel the Commonwealth in search of that elusive thing, steady work. Bert, not having been so much out of employment, was less experienced as a train jumper.

Dick, seeing his chance swung himself aboard and cocked a cautious eye behind him on the lookout for his brother. There was no sign of him

train or on the platform. Jumping off, he ran back to search.

Dick Wilson found his brother. He found him on the rails under the train, bleeding to death, with both legs and one arm cut off. He had jumped the rattler for the last time.

The doctors said that the courage of the lad, who lived for a few hours, was marvellous. Dick, the survivor, said that his brother Bert's hands were probably too numb (they had had to sleep out all night) to get a proper hold on the truck, which accounted for his slipping underneath. "I have jumped the rattler in all States of Australia looking for work," he said, when asked about himself. "I've helped many, injured in this way without a quail, but, when it's your own brother..."

That was nearly a week ago, and the incident, having had its paragraph in the daily press, has duly been buried away and forgotten. Dick Wilson is probably again jumping the rattler looking for work, and a grave somewhere, has been found for THE BOY WHOM YOU MURDERED.

You did!

How? Think it out.

THE NEW TIMES

New Times SHOPPING GUIDE

PATRONISE THESE ADVERTISERS.

Their advertisement helps your paper. Say you saw it in the "New Times."

ABBOTSFORD.

HOLLINS, L. H., 405 Victoria St. Motor Repairs of All Kinds. J 2047.

CITY.

CAKES, PASTRY, etc. Home Made 'Clovelly,' The Block, Elizabeth St. Cent. 255.

DAVIS, 568 Bourke St. Royal Medal Milkery, Separators, Engines. **E. E. DAVIS,** Bookseller, 201 Bourke St. Latest Books on Current Politics, etc.

DRY CLEANING & REPAIRS. 'Saville,' Leonard House, Eliz. St., 5th Floor.

GINGER JAR CAFE, 238 Flinders Lane (4 doors from Swanston St.). Best 3-course meal in city.

JAS. JENNINGS, 211 Queen St., and 6 Regent Arc. Optician, 73 years est. Testing Free.

MAISON MERLIN, Flinders Way Arcade. Ladies' Hairdressers.

OPTICIAN, A. C. Gaddes, MU 1582. State Savings Bank Arcade, Eliz. St. **O.S. FLOCKS & Coats.** Mod. Prices. Kelleher's, Block Court, 3rd Floor.

QUICK SERVICE TOBACCO KIOSK, Equitable Place. Buy your Smokes here!

ELSTERNWICK.

H. L. SERCOMBE, Pty. Ltd., 70 Glenhenty Rd. Dairy Produce Specialists.

ELWOOD.

THE DUCHEY LIBRARY, 3 Ormond Road.

FAIRFIELD.

BUTCHER, 93 Station St. A. Heath Solicits Your Patronage.

FITZROY.

FRISBY, T., 17 Smith St. Press Tool Maker. Jigs, Tools and Fixtures Stampings to the Trade.

KEW.

B. McNAMARA, 113 High St. Haw 3785. Newsagent, Stationer and Librarian.

C. KENNEDY, Grocer. Haw. 229 Opp. Cemetery Clock, Parkhill Rd

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

GIBSON'S, High St., opp. Rialto Hosiery, Underwear and Aprons.

KEW DRY CLEANERS, Agent, A. I. Fraser, 182 High St. Haw. 3733

M. J. MARTIN, 157 High St. Haw 3794. Shoe Store, Shoe Repairs.

MALVERN.

FROCKS & KNITWEAR To Order L. M. Fairbrother, 241 High St. (& 55 Koornang Rd., Carnegie).

NORTHCOTE.

GRAY & JOHNSON, Pty. Ltd. Leading Land and Estate Agents 742 High St., Thornbury.

WILLIAMSTOWN

DON B. FISKEN, Baker. 122 Douglas Parade.

VICTORIAN COUNTRY ORGANISING

In accordance with the itinerary previously announced in these columns, Mr. A. W. J. Fenn (Country Organiser) addressed meetings every evening during the past week in the Yallourn district. Good meetings were held in each centre, and numbers of new members were enrolled.

As a result of the meeting held in Morwell, it was decided to form a branch of the Social Credit Movement in that town.

Meetings are now being arranged for Hazelwood Flats, Thorpedale, Mirboo North, and other centres contiguous.

Mr. Fenn will be pleased to hear from any interested in the Social Credit Movement who desire meetings to be held in their districts. Address communications direct to Mr. A. W. J. Fenn, Country Organiser, Douglas Credit Movement Garfield Gippsland.

WHO ORDERED TANKS?

Some days ago it was announced that Australia's defences are to be strengthened by the addition to our equipment of six of the latest types of British tanks.

Tanks! Picture to yourself the mobile column ready to caterpillar its way off to Cape York or Broome or Darwin at the first hint of invasion. What a wonderful part tanks could be expected to play if Australia ever really were attacked! And yet the news was taken without apparently as much as a murmur by the Australian public. It appears that some £60,000 or so is to be spent on this first section of tanks; doubtless, there will be others. But why worry? What is £60,000, or even £600,000, out of the huge appropriations now annually voted without question in the patriotic name of defence?

Were similar sums to be expended on any other kind of public works, there would—even in the present way in which Parliament is debauched by all sorts of outside boards and authorities—be some pretence of criticism about prices and tenders and the necessity or otherwise of the goods ordered. But as long as the mysterious hush-hush of "defence," "not in the public interest," and all the rest of that happy smoke screen for villainy and corruption is raised, no one on any side of the House seems to have a tongue. Why?

It is not suggested here that, of the millions of pounds now annually sweated out of taxpayers for war materials, one single penny is being misappropriated. Certainly not. No more is it denied that the provision of these tanks is far more urgent than the milk and the blankets for underfed and insufficiently covered children which our tank-buying Government cannot afford, and for which our newspapers and State relief committees are now appealing daily.

We are not making any suggestions of graft, dishonesty or corruption. We have no right to do so. We have no proofs.

And so we propose, for this occasion, to turn back the pages twenty years, and to remind you of some of the things that did take place in those days, even if they don't happen any more. The authority for the statements, which follow, is that very distinguished American soldier, now retired, Major General Smedley D. Butler. General Butler last year published a little book "War Is A Racket," which contained some very enlivening incidents that recent inquiries have brought to light. These incidents are entirely concerned with the ways of United States suppliers of war materials; but as the U.S. supplied Britain, and Britain in turn supplied her allies and the Dominions, the link is not so distant—on top of which the U.S. suppliers were in many instances merely branches of

"TELL ME THE STORY SIMPLY," by Duggan.

12,000 of the original of this booklet have been sold. The new edition, just off the press, has been brought up to date, with parts rewritten, and fourteen pages of new material of interest; and it also contains an excellent summary for Douglas Credit speakers and teachers.

Illustrations, including a fine drawing of Major Douglas, by that clever cartoonist, Stan. Hunter.

Enthusiasts declare, "This book never fails to convert the reader."

Price Sixpence; posted, Seven pence. Obtainable from all Douglas Credit Headquarters, and from E. Paul-Clayton, Globe Chambers Victoria Square, Adelaide.

what were then, or have since become, world wide monopolies.

THE PROFITEERS.

"For a great many years, as a soldier," says General Butler, "I had a suspicion that war was a racket; not until I retired to civil life did I fully realise it. Now that I see the international

Germany is Heading for Bankruptcy.
Australia is Prosperous.
—Newspaper headlines almost any day.

The ultra low level of wages is worrying radical Nazis. Official returns show that more than 55 per cent, of work people earn less than 24 marks (about £2) a week, and only 23 per cent, more than 36 marks (about £3).

—The "Herald," May 15.

Two-thirds of the male breadwinners (of Australia) had no income or income under £3 per week, and three-fourths of the females had no income or incomes under £2 per week.
—The latest Commonwealth Year Book.

war clouds again gathering, as they are today, I must face it and speak out."

Here are a few profit figures given by the General:—

Firm	Average annual profit (in millions of dollars.)	
	1910-14	1914-18
Du Pont	6	58
Bethlehem Steel	6	49
U.S. Steel ..	105	240
Anaconda Copper	10	34
Utah Copper International		21
Nickel	4	73

After dealing with other interests which made war profits on a similar or even on a greater scale, General Butler says: "Let us not forget the bankers who financed this great war. If anyone had the cream of the profits it was the bankers. And their profits were as secret as they were immense . . . those little secrets never become public—even before a Senate investigatory body."

Here, however, are a few little secrets, which did become public:

35 million pairs of hobnailed service boots were sold to the U.S. for their 4 million soldiers. "My regiment," says the General, "during the war had only a pair to a soldier. But when the war was over Uncle Sam had a matter of 25 million pairs left over . . .

"There were still lots of leather left. So the leather people sold your Uncle Sam hundreds of thousands of McClellan saddles for the cavalry. But there wasn't any American cavalry overseas!

"Also somebody had a lot of mosquito netting. They sold your Uncle Sam 20-million mosquito nets for the use of the soldiers overseas . . . Not one of those mosquito nets ever got to France! Anyhow, these thoughtful manufacturers wanted to make sure that no soldier would be without his mosquito net, so 40 million additional yards of mosquito netting were sold to Uncle Sam. I suppose, if the war had lasted just a little longer, the enterprising mosquito netting manufacturers would have sold your Uncle Sam a couple of consignments of mosquitoes to plant in France so that more mosquito netting would be in order."

Another nice little order placed was for 1000 million dollars' worth of aeroplanes and aeroplane engines—not one dollar's worth of which even got into battle. And another was for 635 million dollars' worth of wooden ships that wouldn't float.

VERSATILITY

The war patriots were not wanting in imagination. General Butler relates, "One very versatile patriot sold

Uncle Sam twelve dozen 48-inch wrenches. Oh, they were very nice wrenches. The only trouble was that there was only one nut ever made that was large enough for these wrenches. That is the one that holds the turbines at Niagara Falls! Well, after Uncle Sam had bought them and the manufacturer had pocketed the profit, the wrenches were put on freight cars and shunted all round the United States in an effort to find a use for them. When the Armistice was signed it was indeed a sad blow for the wrench manufacturer. He was just about to make some nuts to fit the wrenches. Then he planned to sell these, too, to your Uncle Sam.

"Still another had the brilliant idea that Colonels shouldn't ride in automobiles, nor should they even ride horseback. One had probably seen a picture of Andy Jackson riding on a buckboard. Well, some 6000 buckboards were sold to Uncle Sam for the use of Colonels! Not one of them was used. But the buckboard manufacturer got his war profit."

Do you think these things amusing? Are they any more amusing than the idea that we are adding to Australia's safety by installing another six or another sixty tanks?

The 48-inch wrenches and the buckboards, to be sure, have not furnished much amusement to the unfortunate American taxpayers who have had to pay for them. On the same principle, neither should the tanks to us.

On top of which, all this purchasing of supplies from overseas is depleting London funds and is giving the bankers an excuse for inflicting further deflation on us.

Don't you think it is time some serious questions were asked—or will you put up with this sort of thing forever? Will you be made the laughing-stock of death-dealing profiteers who can pick up your papers and see, on the very same page (Melbourne "Herald," May 13, page 1) "6 New Tanks in Defence Plans" and "Not Enough Police"—the latter being an admission from Victoria's Chief Commissioner that it is impossible to protect even the inner suburbs of Melbourne from criminals while he is short of the money to engage more men?

Just one word for your further thought. Tanks might have another use. Idiotic as they would be against enemy planes in the air or enemy ships off the coast, they might be very useful against an infuriated but disarmed people, if ever those people grew desperate enough to threaten the enemy within their gates.

Letters to the Editor

THESE HANGING GOVERNMENTS

Helen McLeod's letter was most timely. If it is right for governments to murder by proxy of their hangman, then it must be right for anyone else to commit murder. Murder is either right or wrong all the time. If their excuse of an "eye for an eye" is to be accepted, then it should be a suicide for a suicide, and a bankrupt for a bankrupt.

That is, for every person driven to suicide or bankruptcy by Finance, one financier should be made to commit suicide or be despoiled of his possessions—i.e., be bankrupted.

If Government murder by hanging is to continue, the sentencing judge, the foreman of the jury, and the Premier or Minister for Justice should be made to do their own dirty work.

JOHN McINTYRE.

COUNTER PROPAGANDA.

I am grateful to O. W. Petschel (Yeppon, Qland) for supporting my suggestions in regard to "Counter Propaganda," which were published in the "New Times," April 24.

As no acknowledgment has forth- come from an executive body—and the suggestions were addressed to "executive workers"—I now suggest to Mr. Petschel, and to members in other States, that they instruct their executive bodies to call a Commonwealth Convention.

A Commonwealth Convention is urgently necessary. Events are fast happening. Is the Social Credit Movement in Australia prepared for any happening? As an ordinary uninformed "Douglas" member, I suspect that it is not. Is there a Commonwealth Secretariat with completed organisation - - every eventuality provided for—the right man for the right place in view - statistics and legalities in order? I know of no such body. Confusion lies ahead unless there is some authoritative body to act for Australia as a whole.

I assure Mr. Petschel that the subject matter of this letter will be taken up at the next meeting of the Douglas Movement in Victoria. KEITH CAMPBELL. Caulfield.

"Money and the Masses"

On Sunday, May 31, Mr. Leslie H. Hollins will be the speaker at the Melbourne Forum, held at the Unitarian Church, Grey-street, East Melbourne. The subject of Mr. Hollins's address, which will be given at 3.30 p.m., will be "Money and the Masses."

A musical programme will be in the hands of the Preston Tramways Workshop Choir.

Monetary reformers are requested to make this a good rally.

SECOND EDITION

The Story of Money And Its Management

How many times have you been asked for a short, simple explanation of Social Credit? How many times have you found your chief difficulty in your questioner's ignorance of the very elements of to-day's monetary system?

What is money? How many kinds are there? Who invented it, and why? How much of it is there, and how much should there be? Who makes money? How is it issued? Who destroys it? Why do banks pay interest? Why are we short of money? These and numerous other things you need to know about money are simply and fully explained.

Give "The Story of Money" to your friend and you will have no difficulty in making him understand Social Credit.

64 Pages-1/-; Posted 1/1

Obtainable from
NEW TIMES PTY. LTD.
Box 1226, G.P.O. Melbourne
Or through your Newsagent

THE PEOPLE'S MOVEMENT TO ABOLISH POVERTY

Major Douglas and Political Action An Appeal to All Social Crediters

THE OLD OUTLOOK

Tossed about on the tempestuous waves of the present vicious system, the peaceful harbour of Social Credit beckons irresistibly. The overwhelming desire to attain the objective of Social Credit is never absent from the hearts of those convinced of the great truths discovered by Major Douglas.

How to find refuge in the calmness of that harbour from the buffeting of the storm without; how to change over from the horrible nightmare of today to the splendid reality of tomorrow—this is the problem that has baffled the Social Credit Movement for years.

Realising more fully every day the almost impregnable position of the monopoly of credit, the task of overthrowing it appeared hopeless - - at all events, in our own lifetime. But how bitter the sense of helplessness! How dismal the future appeared—a future to which the Apostle's words might be aptly applied as "having no hope and without God in the world"!

THE NEW OUTLOOK

Now, however, the situation is completely changed. A wonderful hope has been enkindled since June 1934. The super-eminent genius who gave Social Credit to the world has shown us how we can make its objective an accomplished fact. Returning from a world tour, Major Douglas made his momentous pronouncement on the nature and functions of democracy. At Buxton, to a nation-wide conference of the Social Credit Movement of England, the author of Social Credit propounded a new truth as startling and original as Social Credit itself. With the same characteristics of genius, which distinguish his earlier discoveries in economics, Douglas analyses politics.

Let us follow him through that analysis. Douglas's latest contribution to human progress is concerned with the nature and functions of democracy. In a democracy the depository of supreme power resides in the people. Democracy is the expression of the will or policy of the majority. It is a fact that the Governments of Great Britain, the Dominions and the Irish Free State are democratic Governments. Government in these countries is carried on by elected representatives of the people.

The people—laymen—elect their own representatives—also laymen—to Parliament. The representatives of the people in their turn elect from among their number a body—the Cabinet—to which is delegated the powers of executive government.

It follows from the definition of democracy that Parliament and the whole machinery of government, including the armed forces of the Crown—the army, navy and air force—exist to make the will of the people prevail.

The foregoing being obvious fact, it behoves us to inquire why, in the present situation, the will of the people is not carried out. Their will is not hard to discover. Is it the will of the people that poverty shall continue to exist in the midst of plenty? Is it the will of the 70 per cent, of Australian bread-winners whose incomes do not exceed £2 per week that they continue to experience hardship, misery, insecurity and want? There is obviously only one answer to these questions. Why has democracy, so-called, failed? Why is Parliamentary government becoming a by-word and a mockery to numbers

of electors? Why has the privilege of exercising the power of the vote, for which our forefathers fought and bled, to be enforced under penalty of fine?

THE FLAW IN THE POLITICAL SYSTEM

Major Douglas, speaking at Buxton in 1934, has given the reason.

The flaw in democracy is that both electors and elected have forgotten, if they have ever been aware of, their proper functions. The party system of government, says Douglas, contains within itself a subtle perversion of the democratic idea. Hitherto, at elections, the electors have been presented with several party programmes and told to make their choice. The people have never been given the opportunity of determining their own policy. They have had cliques thrust upon them, they themselves being given little or no say in the matter.

Now, what is a party programme? It is essentially a method for obtaining this or that result. But, and here lies the reason of our failure to make Parliament reflect our will, it is not the function of electors to decide upon methods. Methods are not the responsibility of electors. The thing of primary importance is the result. This is the vital fact to remember. The elector's responsibility is to demand and insist upon having results. He elects his representative to Parliament, not for that man to formulate methods for carrying out his, the elector's, will, but to make that man his mouthpiece—to make his representative the agency for seeing that his will prevails.

If real democracy were practised today, unnecessary poverty would have disappeared long ago. Electors would have made their will clear to their elected representatives. Parliament, in its turn, would have compelled the government of the day to take action. Cabinet would have given its orders to experts in the financial system and elsewhere: "We have a clear mandate from our electorate. We are here to see that the people's will is carried out. And we intend to compel you to give effect to that will. It is your job to find the methods by which the results demanded of us may be implemented. It is your responsibility to formulate those methods, not ours. If you cannot discover

a method within a reasonable time we will get advice elsewhere. These are your orders from the sovereign government. Obey them or accept the penalty of flouting the supreme authority."

THE REMEDY.

Major Douglas indicated at Buxton the method by which politics may be rehabilitated. Speaking to the Social Credit Movement, he advised them to set on foot at once a systematic canvass of the whole of England. With the object of enabling electors to clearly express their will in the present situation, he advised that each elector be approached and asked if he wanted a higher personal income, via the National Dividend. It is not the purpose of this article to deal in detail with the electoral campaign, which was inaugurated shortly afterwards by the Secretariat, with Douglas at its head. Such description will appear later.

The purpose of this article is to call attention to the task that Douglas himself has laid upon the Social Credit Movement. In Major Douglas's judgment, a judgment so often vindicated that the utmost reliance can be placed upon it, the time for action, as opposed to mere propaganda, has arrived. He has laid down the form such action must take to be successful.

URGENT CALL TO ACTION

Douglas has torn aside the veil, which has masked the flaw in the political system, just as earlier, he exposed the flaw in the economic system. The responsibility of the Social Credit Movement to give serious heed to Douglas's latest discovery is great. Social Crediters know full well that if a change for the better is not brought about, one for the worse will ensue. It lies in their hands what form the change will take. It can be a change for the better if the Social Credit Movement makes the new politics its own. The urgency and importance of the matter may be gathered from the following words of Major Douglas:

"Just as economic democracy demands that economic initiative as to objectives shall be governed by consumer requirements, so political democracy, if it is to become an effective reality, requires that political initiative, not as to means, but as to objectives, shall be vested in the people, not as a concession, but as a dynamic right.

"Without these two, this civilisation is doomed.

"Is the matter worth your attention?"
Official bulletin of People's Movement to Abolish Poverty, Room 8, "The Block," Elizabeth Street, Melbourne.

ELECTORAL CAMPAIGN

BELOW is the form Parliamentary electors are being asked to sign. Please read it carefully, sign (if you have not done so already), and send it (1d. stamp) to: THE PEOPLE'S MOVEMENT TO ABOLISH POVERTY, Room 8, The Block, ELIZABETH STREET, MELBOURNE, C.1.

WE WILL ABOLISH POVERTY Electors Demand and Undertaking

1. I know that there are goods in plenty, so that poverty is quite unnecessary.
2. I want, before anything else, poverty abolished.
3. I want, too, national dividends distributed to me and every Australian so that we can buy all we want of the goods that are now destroyed and the production that is restricted.
4. These dividends must not increase prices or taxes or deprive owners of their property or decrease its relative value.
5. In a democracy like Australia, Parliament exists to make the will of the people prevail.
6. So I pledge myself to vote for any candidate who will undertake to support the abolition of poverty and the issue of national dividends and to vote consistently against any party trying to put any other law-making before this.
7. If the present M.P. here won't undertake this I will vote for some other party and keep on changing until my policy has been achieved.

Signed.....
Address.....
(Signatures will be treated confidentially.)

FAMILIES MUST HAVE MONEY

Deprivation Means the Status of Slavery

By REV. F. H. DRINKWATER, in the "Catholic Times," London.

The little newspaper paragraph, which follows, is just an ordinary Means Test suicide such as happens every day, and nobody but a liturgical extremist would be struck by the date of its announcement, which was March 25. The only reason I choose it for a text is because its special circumstances may appeal to our Distributist friends, who are found chiefly in Catholic circles.

"Fearing that his unemployment benefit would be taken away because he had a cow and a few fowls, —, aged 59, an unemployed blacksmith, committed suicide. He drank poison and cut his throat outside his house in —. This was the evidence given by his daughter at the inquest today, when a verdict of suicide while of unsound mind was returned."

Apart from the above paragraph my information about the incident is nil, and I am not quoting it to prove anything or draw any moral; but merely to record its suggestion to my own mind, that a little bit of "property," and presumably of land also, is not much use in these days unless it is joined to a little money-income of some sort

FUTURE OF FARMING

It applies to things larger than a fowl-run. Two of the Catholic Land Association farms are still going strong, I am glad to hear; the others have closed down, one by one, and why? The reason, if I understand aright, is because there is no prospect of obtaining a Government grant. Subsistence farming, even if carried on by devoted pioneers who ask for no individual income, needs to have some money behind it somehow. Either it will be financially parasitic upon the town taxpayer, or it will have some share in the socialised community-credit.

Not long ago I was talking to an English-born couple who have come back from the United States and got work here. They had lived for many years in a great American city, and their children (still young) had all been born there; and for three years since the "depression" they had endured continuous unemployment. They were "on relief," and all their absolute needs were looked after by some agency or other. Food rations, secondhand clothing, medical attention, leather for boot repairs, were all provided by somebody; rent was suspended; cigarettes and even cinema tickets were served out occasionally. One thing only was never on any account given—never any money.

A DEGRADATION

For three years this family had lived without handling any money at all—never a cent for car fare, never a cent (ecclesiastics please note!) to put on the plate in church. Rightly or wrongly they felt this as degradation. It seemed like going on forever, so at last they remembered their British nationality and somehow got themselves repatriated to this country, where the father and one or two children immediately got jobs and have kept them. I forgot to ask what the jobs are—probably some early stage in the process of bombing human beings from the air.

Anyhow, you see the idea. For a family to be without a money income is unendurable degradation. Money is the symbol of choice, of freedom, of independence, of any security at all that is higher than slave-status. No symbol is not the right

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word—a money income is the reality of these things.

ASKING FOR WAR

If you decree that (for ordinary citizens) a money income shall only be obtainable through employment, you are degrading the unemployed below a human level. You are also demanding that employment shall be provided at all costs, which means (as all the European countries are now hastening to demonstrate) employment on armaments for armaments' sake. You are, therefore, asking (dear reader) for war; and you will get it, if you don't change your ideas very soon!

To our Distributist friends, then, I want to suggest that one form of "property" most suitable to modern circumstances is a small money income. I do not mean invested savings. There is little to be said for savings nowadays.

Savings (as a social institution) involve avarice almost inevitably; savings need "protecting" by class legislation; savings enable you to live in freedom by enslaving somebody else. No, but a small money income held as a right—not an income you earn by work, but an income which enables you to work; that social dividend, and nothing less than that, is what modern society needs if ever justice and peace are to be firmly established again.

"AN HOUR'S QUIET TELEPHONING"

And the War Machine is Working

Most of the major and some of the minor industrialised countries are already zoned for war production. Each zone has a military officer, usually a colonel, at its head, who is responsible for collecting information in the area and working out plans for the immediate conversion of all necessary factories into war production. These plans are tested as completely as possible in peacetime, and in the production of arms for small wars like the Gran Chaco War. A British high official has said:—

"I can pick up this telephone, call a certain code number which connects directly and immediately with the largest steel factory in our country, give the man who answers the 'phone at the end a certain code number, and the whole industrial plant is converted within six hours into a munitions plant making specified war articles. That code number controls the whole manufacture of guns, shot and shell castings, machine guns, etc. I can do the same to each of the key industries necessary for war production. Then I 'phone each of my district colonel-supervisors, give them exact instructions, and the manpower of the nation will be mobilised. It is all systematised down to the last woman. An hour's quiet telephoning and the huge war machine has been started."

So much and more of governmental control of industry has already been achieved.

—"Why" (N.Z.), May 5



THE NEW TIMES

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FRIDAY, MAY 22, 1936.

"Aren't We All?"

Well, you're going to be charged another £1000 a day in taxation, and we hope you'll like it. For that is about all you are likely to know about the new £9 million loan. And a little later in the year you are to be cheered up by having a further £1,000 a day added on to that £1,000, since it is announced that the bankers have graciously consented to allow the sovereign people to *borrow* a total of £19,910,000 for the coming year, as well as a few odd millions extra here and there in such names as those of Boards of Works, Water and Sewerage Boards, and the like.

What will happen to the money? Here is a fairly complete answer in a nutshell, taken from the Melbourne *Herald* of Wednesday: "All Government spending departments will be asked shortly to prepare new relief works programmes for next financial year. This is being done so that an early start can be made by the Employment Council in allocating the loan money which the Loan Council has agreed to make available to Victoria." As with Victoria, so with the other States; Government departments everywhere are preparing programmes to absorb the loan money which has been granted—never, you will note, is there even mention of anything so heretical as that *money* should be prepared to absorb the *works programmes* which have been decided upon. Perish the thought!

These twenty-odd millions a year are the measure of the minimum amount which must annually be infused into the community, either by governmental spending or in some other way which does not cause goods to be offered for sale,

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if we are to preserve even the coolie standard of living which now prevails in the Commonwealth. No political party, or its leaders in office, whatever their complexion, dare for one moment to suggest that they are prepared to carry on without these infusions of money. The greatest seeker after them is the staunchest supporter of "sane" finance, B. S. B. Stevens, of N.S.W. So we may take it that, in the prosperous years, which are now officially back amongst us again, the same policy of increasing our national debt is to be followed that caused prosperity to fly out the window about 1929.

As to where the money is to come from—the U.A.P. insists that it must proceed from loans. Therefore, under U.A.P. administration, you may look forward to the time speedily arriving—as arrive it must—when the whole of everyone's income, if any, will first be surrendered in taxation, after which certain portions will be handed back in doles or subsidies. The U.A.P., in other words, under the guise of unfettered private enterprise, is racing along the road to complete Socialism.

The other two political parties are not quite so clear. They know governments must have the money, but they are not so sure that it should be borrowed. The rank and file members, in fact, are growing more and more pointed in telling their leaders—and a pretty sorry bunch most of these latter have proved themselves—that Governments, instead of coming as supplicants to bankers; should themselves issue the extra money which is needed.

You would not guess this from the daily press, which is too busy explaining that the gentlemanly arms dealers of Britain would not wittingly deal in dum dum bullets against humans—as though it matters, when bombs and poison gas are within the rules.

Meantime, for want of decisive action by the people—which means US—the borrowing farce goes on, and with it the taxation tragedy.

Aren't we all?

BOOKS ON MONETARY REFORM

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Poverty Amidst Plenty. By C. J. Galloway 10d.
The Douglas Manual

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

MAKING A CASE OR MAKING A NOISE?

The "Australasian Manufacturer" on "Intoxicated Rhetoricians"

In its issue of May 16 the "Australasian Manufacturer" sets out to make a case (a very emphatic case, too) against the 40-hour week. It ends by making itself sublimely ridiculous, both for the things it says and for the things it omits to say.

Starting out thus: "The recent preposterous conduct of the Federal Labor Party shows the utter folly of sending some men to Parliament who, while generously endowed with the gift of speech making, are evidently totally unaware of even the existence of the science of economics," this authority on economics goes on to set them a superb example.

The substance of its argument is apparently intended to be this: Shorter hours would mean increased costs. Increased costs would have to be countered by manufacturers resorting to "more and more labour-saving machinery, with the inevitable consequence of fewer workers and more unemployment." And the "Manufacturer's" conclusion is: "So long as there is international competition, a reduction of the hours of labour is a matter for international agreement, and those who, in the face of these facts, seek to impose a 40-hour week on Australia only are intoxicated rhetoricians who imagine they are making a case when they are only making a noise." To which it adds that, even in the case of an international agreement, "the present state of the world gives no guarantee that such an agreement would be honoured."

"AN ECONOMIC ERROR."

Having thus demolished, to its own entire satisfaction, any chance of a shorter week until all these nasty foreigners get such a change of heart that their word will become as reliable as a good old Britishers bond, the "Manufacturer", puffing a little, but still full of fire, looks around for any other red rag in sight. And, hearing someone say, "mechanisation," it starts off again, head down: "It is really an economic error of the most serious kind to imagine that mechanisation has increased unemployment, except temporarily."

Poor "Manufacturer"! And in the previous paragraph it had written: "Manufacturers would be compelled to resort to more and more labour-saving machinery, with the inevitable consequence of fewer workers and more unemployment. In support of this contention we quote Mr. James, the Labor member for Hunter. He is an unwilling witness, but that makes his evidence the more valuable. Speaking recently in the House of Representatives he said: 'A machine had been ordered from the United States for one of the Northern mines which was capable of raising 360 tons of coal an hour, operated by seven or eight men, and doing the work of 300.' To what extent in this specific instance would the 40-hour week increase employment? Perhaps nine men would do the work now being done by eight! But what about jobs for the other 291—and for the others throughout the Commonwealth similarly displaced by labour saving machinery?"

Isn't that beautiful? But there is better to follow. Off we go again:

"Take England as an example. At the beginning of the 19th century her population was roughly 10,000,000 and many of her people were unemployed. Yet at the end of that century, a century which saw the introduction of more machinery than ever before in the history of the world, England's population

had increased more than threefold and tens of millions more workers were employed. How in the name of sanity could it be said, in face of these facts that machinery permanently throws men out of employment? It is truer to say that it throws men into employment."

We are not quite sure whether the "Australasian Manufacturer" gives the machine the whole credit of increasing England's population more than threefold, but it is certainly getting a trifle mixed when it says that "tens of millions more workers were employed." The latest detailed figures of employment and unemployment in England, which we have noticed, are those of February 24 last, at which date the official returns show:

Insured persons unemployed	2,025,021
Insured persons employed	10,475,000

Where are these "tens of millions" more employed?

"MONEY IN HAND."

But now comes the climax. The "Manufacturer" proceeds to explain how the machine creates employment. "The reason," it says, "is plain. The introduction of new machines reduces the price of commodities, thus leaving consumers, after buying all the things they bought before, money in hand to buy other things. The demand for these 'other things' called into existence new industries which gave employment to the men displaced from the old ones."

Was there ever a finer example of muddled thinking than that last quotation of a paper which, on the very same page, declared: "Seriously, politicians should remember they are—well, politicians. In the opinion of this paper, politicians, be they Ministers or humble members of Parliament should confine themselves to politics. There is ample scope there for serving the people and promoting the welfare of the nation. As for business, it is best left to business men."

And this businessmen's paper actually believes that if new machines reduce the prices of commodities, the result is to leave consumers "money in hand to buy other things." What brings "about the cheapening of machine-made goods? In the physical sense the answer is the saving of labour in production. In the financial, or price sense, the answer is the saving of wages which goes with the saving of labour. Hence in a general, or community sense (though there may be specific exceptions in the case of particular individuals), as goods are cheapened in price the power to buy goods decreases at least as rapidly. In practice, the power to buy what is produced will probably decrease at a faster rate than prices, and for two reasons. The first of these is that, since price will include other charges besides those represented by wages or salaries, the saving of the latter by machinery will merely reduce that part of price, which is represented by immediate buying power (wages, salaries, etc.) in the hands of the public. And, secondly, as wages, etc., go down, so will such overhead costs as depreciation of plant, reserves, and the like, go up. (For you must always remember that no financial reserves are required to be kept in hand to replace labour, as is the case with machinery. When the human machine is worn out it can be scrapped and a new one installed with no capital cost involved at all.)

MONEY—WHENCE AND WHITHER?

We could say a great deal more about the attitude of the "Australasian Manufacturer" to the problems it is discussing. But we believe we might give it a helpful hint for the present if we point out that—

1. Since it does not even hint that we might have any physical difficulty in supplying every thing that Australia requires for a very high standard of living under a forty-hour week, the "Manufacturer" would be well advised to find out where and why there would be financial difficulty.

2. For a start, it might with advantage take the present retail price of any article it cares to select, dissect the items which make up that price, and then start the pleasant game of tracking down how and when each item gets into the pocket (or bank account) of a consumer somewhere, who obviously should be holding the sum already if it is to be realised. The "Manufacturer" will be surprised to find how many items, firmly pinned into price at one end, dissolve into thin air at the other. And when it reaches that conclusion, and others which must accompany it, it will be on the way to writing something that really matters, and to solving all sorts of problems connected with international competition, the 40-hour week, finance, politics and business generally.

BATTLEFIELDS AND WAR MEMORIAL PILGRIMAGE

Coronation Year Tour, Under Auspices of Melbourne Branch, R.S.S.I.L.A.

A Battlefields and War Memorials' Pilgrimage has been organised by the Melbourne sub-branch of the Returned Sailors' and Soldiers' League to tour Egypt, Palestine, Gallipoli, France and Belgium, arriving in London in time for the Coronation of King Edward VIII.

Leaving by the "Orontes" on March 16, 1937, the party will disembark at Suez and proceed to Cairo. After several days' sight-seeing, the journey will be continued to Alexandria, thence by steamer to Port Said, where ample time will be allowed to visit the Australian Memorial. From Jaffa a tour will be made through Palestine and Syria. En route to Jerusalem, Tel Arar and Ramleh Cemetery will be visited. At Jerusalem all places of interest will be included! Leaving Jerusalem for Damascus, the Dead Sea, River Jordan, Jericho, Nazareth, Tiberias and Capernaum will be visited.

From Damascus a visit will be made to the wonderful ruins at Baal-Beck. On arrival at Beyruth the party will join the steamer, disembarking at Kelia Bay (Dardenelles), and proceeding by motor car across the narrow peninsula to Anzac, Lone Pine, Suvla Bay, and other places that will be forever linked with Australian nationhood.

Constantinople (Istanbul) will be visited. On the run through from Istanbul, time will be allowed for a visit to Athens. At Venice the party will disembark and proceed to Paris by the Simplon Orient route, visiting Milan and Lausanne. Several days will be spent in Paris before commencing a comprehensive tour of the battlefields of France and Flanders, including the field of Waterloo. London will be reached in time for the Coronation.

Participation in the tour is not confined to any organisation, but is open to everybody. Full particulars may be obtained from Mr. S. E. Denslow, J.P., Anzac House, Melbourne, or the Booking Agents, Messrs William Heale Pty, Ltd. 524 Collins St. Melbourne.

THE ARGENTINE AND RECOVERY

By "AQUARIUS."

THE LAWS OF SOUND FINANCE

"Sound finance" has only one basic law, namely, that monopolistic control of the issue and recall of money must remain with the banking system, untrammelled either by political control or by responsibility to God, man or beast. With this basic law unchallenged, any variations in technique or administration are allowed and forms of government may vary from dictatorship to pseudo-democracy without concern to the financial monopoly.

The instrument of the bankers' power is debt. "Sound finance" provides for the recall of money before the costs arising from its issue have been met, and a defective system of cost-accountancy and money-cancellation renders inevitable an enormous and growing accumulation of debt charges against the various communities of the world. Communities, which accept banker finance, can never escape debt. The only money available to them is bank-created money, which is issued to them as a debt. The refusal of the bankers at any time to provide debt-money will at once make default inevitable - unless governments recapture sovereignty over their monetary systems and introduce a scientific system of money issue and recall.

In these circumstances the so-called solvency of governments and peoples is licensed by the bankers. Licenses (in the form of fresh funds) are made available to those governments, which profess slavish adherence to the fundamental law of sound finance.

Only those who challenge the supremacy of finance over mankind are counted heretics and labelled defaulters.

FINANCIAL MORALITY.

While perusing a pretty piece of financial moralising by Mr. Relph, president of the Melbourne Chamber of Commerce, which appeared in the *Argus* of April 29, it is necessary to bear in mind the foregoing remarks relative to sound finance and its laws.

The substance of Mr. Relph's argument is as follows:

1. There is a similarity of trade and financial difficulties as between Australia and Argentina, and accordingly, the measures of Argentina to promote economic recovery are of interest to Australians.

2. The Argentine Government has triumphed by the application of "orthodox financial remedies in preference to experiments in new economics." In 1930 she returned a National Government, which has since grappled energetically and capably with her problems.

3. This Government has asked no favours of external creditors. As a result of the "high standing of its credit" it has been able to conduct successful conversion operations with respect to past debts. There has been no difficulty in arranging new loans.

4. The budgetary position has steadily improved, and last year a surplus was achieved.

5. A Central Bank has been established, and new banking laws passed. A committee of "practical experts, representing various trading and financial activities," has been formed to "advise the Government and the banks on matters relating to the co-ordinated plan of action embraced by the financial and monetary re-construction." The Central Bank is "free from direct political influence" and divorced from participation in commercial banking.

6. A law has been passed where by taxes have been unified and collection centralised. Dual taxation, which had caused the erection of a number of interprovincial trade barriers, had been abolished. The Federal Government has been made responsible for the collection of all taxes, the proceeds of which are distributed to the provinces on the basis of their previous income from taxation and their population.

7. "Having achieved a budget surplus, the Government is deter-

mined that rather than increase its expenditure it will reduce the burden of taxation." Several emergency taxes have been abolished and others reduced.

Of Mr. Relph's points, that designated No. 7 in our paraphrase is the text from which the sermon is taken. The Australian Federal Government, Mr. Relph alleges, "seems to find difficulty in arranging for the reduction of emergency taxation despite excess receipts of Federal revenue of £7 millions in the last four years, and the saving of £16 millions in interest on war debt and loan conversions." The moral is that the Federal Government should follow the example of Argentina in the way Argentina has emerged from the depression and reduced taxes.

THE BURDEN OF TAXATION

With reference to the reduction, or rather the abolition, of taxation as known at present, the policy and views of the *New Times* are sufficiently well known to make repetition unnecessary. Before proceeding to examine the emptiness of Mr. Relph's claims anent Argentinean recovery, however, it is pertinent to draw attention to the manner in which bankers and their publicity agents habitually heap odium on governments for the results of financial policy, and yet are the first to howl if governments show any sign of asserting their sovereignty in money matters and taking any real control of financial policy. The prostitution of our governments has proceeded to such an extent that not even this sort of treatment from their financial masters will stir them to action.

Taxation is not burdensome merely because it is high. If all money recovered by the Government by taxation were redistributed to individuals in a form in which it would be available as purchasing power. (e.g., as salaries for public servants, or interest on consols) taxation by itself would not give rise to any deficiency of purchasing power. The whole point about taxation is that such money is not so redistributed to the community. A large and growing proportion of it is hypothecated to payment of interest on the public debt. Individual citizens own only a small proportion of the public debt. Ownership lies mainly with the banks, assurance companies and other financial institutions. These concerns most emphatically do not redistribute by way of salaries and dividends the whole of the money they receive as interest on their debt holdings. They put it to reserves (acknowledged and hidden), and thus immobilise it as purchasing power. This explains why taxation is burdensome. The Government is merely a tool, and not the villain of the piece.

WHAT IS RECOVERY?

With reference to "recovery" in the Argentine, Mr. Relph's article must surely come as a shock to Australians. For it is only a very few months ago that Professor Douglas Copland, C.M.G., M.A., D.Sc., and the Rt. Hon. Joseph Lyons lectured in America on Australia's recovery from the depression; and, after all, it would surely have been cheaper for Wall Street to have imported two distinguished Argentineans for the purpose. It would perhaps be unkind to suggest that in the matter of recovery distant fields appear greenest, and that the average Australian is never likely to visit Argentina anyway to check up on the actual condition of the country.

It is obvious from perusal of Mr. Relph's article that he has been reading the supplement to the *Economist* of February 8 last. Many of his phrases are taken bodily from the pages of this City of London publication. The *Economist* is an orthodox weekly paper, and as such is valuable not for the opinions it expresses, but for the facts which it

records. The rule of evidence that admissions against a party's interest are weighty, whereas admissions in favour of a party's interest are not, should be applied by readers who delve into the pages of such orthodox publications, which are in the main devoted to banking propaganda.

The *Economist* discloses both in its supplement and in a separate article on page 293, that whatever may be the position with respect to other interests, the bankers have had a regular picnic in the Argentine in the years of the depression.

The following matters conducive to furtherance of the power of the international banking ring have been achieved:

1. Late in 1930 a revolution was engineered (almost bloodless) which threw out of power a Government which refused to impose taxes and enforce economies. A National Government (cf. procedure in Australia and England) was foisted on the country, and disaffected elements deprived even of the right to vote. Supporters of the Irigoyen party might have the vote restored to them next year.

The *Economist* has it that "the crash had to come sooner or later. Despite the very serious position with which the country was faced, the Government adopted a passive attitude. By the end of 1930 there was both an adverse balance of trade and also a large deficit in the Budget. In the latter part of 1930 the inevitable political crisis came to a head" (our emphasis). Mr. Will Dyson has it that the bankers produce crises like rabbits out of a hat, and perhaps Mr. Lang, Mr. Aberhart, and apparently Senor Irigoyen also, will ruefully agree with him.

2. The new Government proceeded to impose taxes (such as income tax), which had never been imposed before. It was forced to do this "as further substantial reduction in expenditure was not at the moment feasible owing to the heavy fixed charges in the form of debt services." Such economies as were effected were at the expense of individuals, and not those financial institutions who own the public debt.

3. Under the Roca-Runciman Agreement of 1933 (to be dealt with later in another respect) provision was made for preferential treatment for the English investor (Threadneedle Street) by making debt service a first charge on the proceeds of exports.

4. The provinces have been deprived of financial autonomy. The Federal Government now is sole tax collector, and doles out money to the provinces, first keeping back sufficient to cover service on provincial debt. This master stroke of financial policy compares with the infliction on Australia of the Financial Agreements, whereby the whole of Australia became security for the debt of any Australian Government, State or Federal. Readers will recollect the use to which this was put to effect Mr. Lang's dismissal from power.

5. Several private banks have been amalgamated by The Institute for the Mobilisation of Frozen Credits—a further instance of the policy of centralisation.

6. Last, but not least, Argentina has been fitted up with a brand new Central Bank, free from political control and with a preponderance of banking interests in its constitution. Before constituting this Bank Argentina, so we are naively assured by the *Economist*, "turned" to Britain for advice. The architect of the Central Bank was none other than Sir Otto Niemeyer himself. Since the war the banking ring has been able to establish twenty-eight Central Banks in unsuspecting countries, and the copingstone of the arch is the Bank of International Settlements at Geneva. The ring is surely digging in. In Argentina there is also a committee of "experts" to advise the Government (cf. our Premiers' Plan).

If readers have grasped the true significance of the monopoly of credit, namely, that the only money

in existence is debt money, they will not be surprised if Mr. Relph's claims that Argentina has achieved a balanced budget and has not had to ask favours of external creditors will not bear analysis. Since 1930 the Argentine (Federal) Public Debt has risen by 120 million pesos, which means that the Government has received from revenues 120 million pesos less than its expenditure. This disposes finally of any talk of a balanced budget. The Government has been licensed to carry on because it has not challenged the financial monopoly.

An interesting parallel is to be found in the State of New South Wales. Mr. Lang was forced to default when bank loans were refused to him. Mr. Stevens has been allowed to borrow some £10 millions per annum because he does lip service to sound finance. Whatever Mr. Lang's defects, he at any rate did throw out a challenge to the bankers.

With respect to debt service and payment of investors, it is necessary to point out that whatever the position with respect to the Federal Argentine Government, the Provincial Governments have defaulted heavily. Moreover, some £500 millions of "British Capital" is invested in Argentina, more than half of it in railways, and no interest is being received by investors in respect of £275 millions of it. In a self-liquidating monetary system this position could not arise. The whole trouble is that money paid out when the railways and other capital works were constructed has long since been cancelled out of existence by the bankers. The costs attendant on the construction of these assets remain.

From 1930 onwards the Argentine has found it impossible to obtain sufficient foreign credits to meet her oversea commitments. To all intents and purposes she has been faced with default. To avoid public recognition of the position the Roca-Runciman Agreement was concluded in 1933. Peso balances unremitted in respect of imports, dividends and debt service were exchanged for 20-year bonds, and a scheme adopted whereby proceeds of the sale of Argentinian produce to Britain were hypothecated first to debt service, then to payment of dividends and for imports. This is a handsome example of how immediate insolvency can be averted by the incurring of a bigger and better debt.

Under the Roca Agreement Britain, hot from Ottawa, granted export concessions to Argentina. The *Economist* points out that maintenance of Argentine exports to Great Britain is necessary to ensure service of Argentine Debt. It is of interest to guess whether Dr. Page is fully aware of this position.

Perusal of the *Economist* further makes it clear that although Argentina has benefited by loan conversions, debt service is no cheaper than heretofore, because of the increase in the debt. The Federal debt is now just short of 3½ billions of pesos (pesos are fifteen to the £ sterling). Service of this debt already mops up one-third of the Government's revenue. This debt, moreover, has grown up in peacetime, under the uninterrupted influence of sound finance. This surely disposes of the red-herring catch-cry that the war is responsible for monetary disorders.

Careful perusal of the *Economist's* survey of the position in Argentina can lead only to the conclusions that Mr. Relph has not attached the proper weight to the facts of the situation, and that if "recovery" aptly describes what has taken place in Argentina, Australians might very well be excused if they direct their Governments to pursue some other objective. First and foremost we wish to have a self-liquidating cost accountancy system, which will render debt accumulation impossible.

DOUGLAS CREDIT PARTY OF AUSTRALIA (Queensland Section)

Report of Statewide Activities

In accord with its policy of contesting every election, the D.C.P. has endorsed the candidature of Mr. H. I. Madden for the Bowen seat. The candidate has secured the services of Mr. Raold Gresham as campaign director. The campaign is already in full swing and the electors are beginning to appreciate the necessity for obtaining the control and ownership of their own credit.

At Carmila the farmers are showing keen interest in economic problems and the local branch held a jolly and successful entertainment last Saturday night. Any attempt to beat the Carmila farmers back into the straitjacket of "sound finance" seems doomed to failure; they have had too much already.

Up near Pomona, the Ringtail branch has combined with the Pinbarren and Pomona branches in making a decided effort to arouse local interest. Thorough organisation of the district is now ensured.

The Bauple branch is one of the "progressives." Officered by able enthusiasts, its membership is rapidly increasing. The social side is being attended to and an enjoyable dance has recently been held.

The East Brisbane branch held its bi-monthly meeting last Friday at Mrs. Streeter's residence. The secretary, P. K. Cameron, gave a twenty minutes' talk on the Analysis to the members and visitors. It was decided to form a library at once, and to assist Mr. H. I. Madden in his contest at Bowen. The membership is increasing. Visitors will be welcome at the next meeting on Friday, May 22, when the State President (Dr. Streeter) will give the address.

New places are taking up the brief of realism; Upper Ulam, Don River and Baree have formed branches. On the 6th inst., the Moggil branch entertained over 200 people at a dance and euchre party. A delightful evening was spent and the funds of the branch benefited considerably. The result of the raffle of the boxes of chocolates was as follows: 1st prize, G. Stanley; 2nd prize, Miss Raffery. The case of pineapples, which was "snowballed," went to Mrs. Piton, and the case of tomatoes to Mr. Nevele. The Monte Carlo was won by Mr. and Mrs. Williams. This branch has shown wonderful energy and activity, and its officials say that they have hardly made a start.

The Acting Premier's warning against the Douglas Proposals has rocked the Movement with laughter; it has been suggested that he write a book against Douglas Credit and that the party make it a "best seller."

The State Secretary's address to the Ascot branch drew a good crowd, and the membership was doubled at the close of the meeting. Mr. Gray showed how the State could transform her internal finance so that her enormous capacity for production could be used neither for foreign markets nor for assisting the Bank of England, but for adding to the Queensland people's enjoyment of life.

The party has decided not to offer evidence before the "white-washing" Banking Commission, which monetary reformers everywhere regard with undisguised contempt.

JOHN HOGAN-A SKETCH OF HIS CRUSADE

John Hogan, Social Credit's young crusader, has arrived in Melbourne after a week of successful meetings as he proceeded from the North-East. On Sunday afternoon John addressed about 500 people at Shepparton. On Monday night he was at Seymour, on Tuesday at Kilmore, on Wednesday he casually announced himself in the Social Credit Rooms in Melbourne.

We give below, in answer to many requests, a sketch that does no more than sketch the barest outlines of John's vivid campaign to date.

A summary of John Hogan's Crusade before arriving in Victoria this month will be of interest to many who have wondered at the results achieved by this youth, whose twentieth birthday practically coincided with the commencement of his Victorian campaign.

A Sydney lad, his introduction to Social Credit literature was through the Mosman Debating Society early in 1932, and subsequent to the State elections of that year, and the loss of his position with a shipping firm at the height of the depression, Sydney headquarters acquired, with a certain amount of amusement at his audacity, a new and very enthusiastic volunteer office boy. In the next few months, John, as he soon became known, addressed a few suburban meetings, more or less as a stop-gap, and acquired a reputation for often over-exuberant attempts at organising Youth Movements and similar projects off his own initiative. These proving occasionally unpopular with the official executives, quite naturally, John subsequently transferred his sphere of activity to our contemporary, the "New Era," and for over a year managed to persuade Mr. Barclay Smith, an unusually tolerant managing editor, that his efforts as an amateur accountant and occasional journalist were of practical value.

A PUSHBIKE PROPAGANDIST

This, he finally decided, was too slow. A fortnight's holiday being due, he set out on his push-bike through seasonal rains down the South Coast, and arrived back a month later with reports of propaganda work accomplished and audiences addressed, which probably surprised no one more than himself, even though his occasional appearances in the Sydney Domain had been very popular with the Sunday afternoon crowds. Amidst sighs of relief from all who had tried to keep pace with his often erratic, but certainly determined efforts in a more sedentary capacity, John decided that far more effective work towards achieving Social Credit could be accomplished by awakening public opinion in the terrific virgin territories outside the city, and with glorious fervour, a military pack, and a bike groaning beneath a load comprising far more literature than personal conveniences, he set off across the Blue Mountains, Westward Ho! Official amusement began to change to wonder as reports of enthusiastic meetings and popular favour began to trickle in, and he returned after another month's more definite

crusading, triumphant over obstacles ranging from punctures, camping-out, and complete financial insolvency, to exhilarating opposition by two gentlemen, one now a Federal member, the other a University lecturer, who mistakenly supposed that touring after him addressing meetings on "The Fallacies of Social Credit" would stoush his effect.

Meeting Brisbane executives in Sydney on the occasion of Major Douglas' great meeting there, he had promised to visit Queensland, and with only a day or so in Sydney, he again set off on the long trip to the Northern State, leaving behind a further trail of new branches, rather bewildered press reports, and general enthusiasm. His arrival in Brisbane in July 1934, after some really big meetings in different centres, completed an epic 3000 miles' tour by pushbike.

STATE SECRETARY AND ORGANISER AT 18.

Apparently overwhelmed by this effort, the State Conference, which happened to be held next day, unanimously appointed him—at 18—State honorary secretary and organiser for the newly-formed Douglas Credit Party to contest the Federal elections, and, with equally joyous faith that nothing was impossible, he let himself in for all the kicks and scanty ha'pence that accompany a secretaryship.

Then he really started! Money came from nowhere. Candidates were appointed to contest six out of the ten seats that comprise the colossal State of Queensland. Like a little dynamo, he found helpers and more experienced assistants where none existed before, got out hundreds of thousands of pieces of propaganda, ran a headquarters, and squeezed in a few more thousand miles of campaigning in Southern Queensland, mostly by motor-bike, besides addressing some scores of meetings in the six weeks preceding the poll. Then came three months of work consolidating the new organisation, and all the extra strength enlisted during the campaign, and off again—to the Far North.

JOHN BRINGS 3000 TO HEAR HIM DEBATE.

Retaining his position as State organiser, and with practically nothing but youthful confidence, he worked every town, large and small, from the farthest north down to Brisbane, addressed hundreds of public meetings in stormy Communist centres and apathetic conservative districts, put Social Credit into the headlines of practically

every country newspaper in the State, and built up his audiences from a few hundreds until on several occasions over 2000 came from dozens of miles around to hear the young crusader's message. Nothing like it had been known before. An audacious debate with Queensland's leading exponent of Communism, a practising barrister and Rhodes scholar, packed out the Olympia Theatre, Townsville (North Queensland), with over 3000 people, and was heard over the air by thousands more.

And then came the State elections, and the decision, wise or unwise, to contest them also. In spite of months of ceaseless campaigning, he seemed to develop into a tornado, and actually travelled, in every conceivable way, night and day; was responsible for the nomination of four northern candidates, and in three weeks covered the whole of Queensland, altogether nearly 8000 miles passing under him in that short period. A meeting of 2000 at Bundaberg was followed by another some nights later of 3000—in a country town!

As the "New Era" put it: "When the history of the campaign for Social Credit comes to be written, it is doubtful whether anything will even nearly approach John Hogan's aeroplane campaign, in which a lad of eighteen financed and organised himself through a ten-days' flight, covering 4000 miles, sixteen meetings, and audiences totalling nearly 12,000 in all the principal towns of a vast State."

BACK TO N.S.W. AND VICTORIA.

A three weeks' busman's holiday on the glorious Atherton Tableland (North Queensland), followed this piece of history, and then he continued southwards, after the election of frenzy had subsided, consolidating and building through to Brisbane, some two months in southern Queensland and Northern N.S.W., a motor-cycle tour through to Sydney and back to Brisbane, on which he nearly broke his neck—Providence alone intervened more than once—and then a final farewell to Queensland, now with many permanent paid district organisers capitalising in detail the great spade-work.

Through to Sydney again, covering the North Coast and New England Tableland, this time in a sturdy touring car, made possible by his own collections and the subscriptions of enthusiasts. Then, two months in the great North-West of New South Wales, many big meetings, solid, determined groundwork most of it, embracing up to 800 miles and twelve meetings a week, and altogether a third of the State covered with a new enthusiasm. A few more weeks at home, in and around Sydney, including a tour of the Southern Tablelands and Goulburn district, and then he commenced a trip through to Melbourne which, although not so wildly publicised as in the warmer atmosphere of Queensland, none the less constitutes one of his most successful to date. Right through the Mid-West, and South through the Riverina, again 800 miles and over a dozen meetings a week, five solidly based new branches in large centres in one week, so through to Albury and the commencement of his Victorian campaign, his "little bus" with 15,000 miles of crusading to its credit in six months, and 40,000 miles of Australia behind the young crusader himself.

1000 PUBLIC MEETINGS

Besides organising and addressing nearly 1000 public meetings (more than the average politician in his life time), organising and establishing groups, branches and districts, pages of press matter and articles have flowed from his pen—or rather, typewriter. Dozens of radio broadcasts over country stations in each State, speeches to public bodies of all kinds, and the distribution of untold thousands of leaflets and pamphlets on Social Credit, in addition to the establishment of agencies for Social Credit papers and literature, all these have been conscientiously attended to.

And recognition from London followed in his appointment as

BANK OFFICERS ON "FREEDOM"

Is It to be Defended—or Still to be Won?

The article below is reprinted from the issue of May 5 of "Savings Weekly," the organ of the State Savings Bank Officers' Association of Victoria, which extracts it from its contemporary, the English "Bank Officer," and gives it pride of place. Well-informed persons assert that there are few quarters in which Social Credit is more rapidly gaining ground than amongst bank officials, both in Australia and overseas.

A speaker at the annual meeting of the Foreign Banks Branch of the (English) Guild referred to "our heritage of freedom," and called on us to protect it.

I very much question (writes L. Kaye in the "Bank Officer"), whether we really have any such heritage. Rather would I assert that *freedom* has yet to be won. Whatever has been the case in the past, the position today is that no one has any real freedom.

Some would say that we have only the freedom to "starve or work," but today, for many millions, even that peculiar thing, "the right to work," is denied them.

Glance back into our island history and we find that the "heritage of freedom" is a complete myth; a myth, that is, for the masses of the people, of whom bank clerks are a part, even although in the social-economic pyramid they are not quite at the bottom (which is now reserved for the unemployed of the "working class").

Far from any "heritage of freedom" that has now to be protected as if it were suddenly assailed, our history—and, no doubt, that of other nations—has been one of less and less freedom; that is, of less and less economic freedom. The mind that talks so glibly about this "freedom has accepted the mythology of the subject, as taught by the propaganda machine of the pundit, press and pulpit.

There was a time when a man's weekly wage would keep him in comfort for much longer than a week. Today the wages of a week, in all too many cases, are grossly insufficient for the needs of a week. Sir John Orr has stated that 20 millions in this country (of freedom) are living below normal health standards. They cannot buy what they need.

What does their freedom come to? Have they to defend it? Or have they to obtain it?

These people would like to live decently. All human beings have a strong desire to live. But these millions are not free to do so.

Those who are not working today do not endanger the freedom of others because, without their help, all the goods and services that the community *can buy* are being produced by those who remain in industry, helped by the modern power machine.

Yet those who are out of work are not free, because, in spite of their enforced "idleness," they cannot do what they would like.

Imagine *yourself* to be thrown

Australian Travelling Correspondent to the Social Credit Secretariat on the recommendation of Major Douglas some weeks ago.

JOHN HOGAN'S

IMMEDIATE PROGRAMME
Friday, May 22. — Camberwell Junction, 8 o'clock.
Saturday, May 23. —Black Rock.
Sunday, May 24. —Sandringham Town Hall; Pleasant Sunday Afternoon.
Tuesday, May 26. —Newport Mechanics' Institute.
Thursday, May 28. —Social, at E.-S.U. Rooms, Elizabeth House, Melbourne.
Sunday, May 31. —Ivanhoe Pleasant Sunday Afternoon.
Monday, June 1. —Kew.
Tuesday, June 2. —Box Hill Town.
A series of lunch-hour factory gate meetings has been arranged for the week.

out of work tomorrow (as a bank clerk you might be—a position that did *not* obtain a few years back). Make a list of the things you would like to do in your newfound "freedom." You will be surprised to find how few things you will be able to do. The cause of your inability will be the restriction placed upon you by the fact of your not having the money that alone can enable you to do some things today. Without money you are barred from the materials of life. The abstraction—the ticket—stands between you and real things: the veil that cannot be pierced.

The only freedom of any worth is *economic freedom*. The primitive man on a fertile island, able to take his needs from the trees, or the kindly earth, is economically free; while the "civilised" man is cut off from the trees of modern production, with its greater diversity and abundance.

Today we are all slaves, whether we be employers or employees. By and large, there is no real freedom for the individual; all are slaves, forced still to carry out the motions known as "earning a living" when, physically, it is no longer necessary for the majority to go on doing it for such long hours.

Modern conditions of power production can give every individual in the land that freedom for which all crave.

Travelling in the morning train, I see men and women who are obviously not fully awake, who have not had the full sleep that their bodies need. Coming home in the evening I see them again, looking fagged out with the daily toil, *forced upon them*, and with the worry of not knowing what the morrow brings, economically.

I find, when I put the details of my own daily life on paper, that when I have done with work, sleep, and preparation for work, I have about five hours of the 24 hours in which to live my own life.

The Stone-age man could not have spent a larger part of his time getting his necessities. To be really free, I maintain that the figures should be reversed: the minimum number of hours on daily toil and the maximum on personal leisure and the pleasures of culture. It cannot be argued that such a reversal is impossible today. The aim of man has been to become released from daily drudgery; and today that much-striven-for leisure is possible—*physically*.

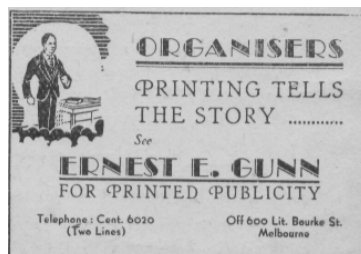
Let us not talk again of our "heritage of freedom," but strive more to obtain what for those who come after will be their heritage. Nay, let us strive for freedom NOW.

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.
Admission, 1/6, including supper



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TAXATION

By BRUCE H BROWN

6. — The Delusion of National Insurance

Of all taxation, the Unemployment Tax is perhaps the most irksome, and this particular tax is becoming so obnoxious that politicians of all parties are anxious to get rid of it. That is why we are hearing so much about the need for a system of national insurance. Sir Frederick Stewart has recommended it; the A.L.P. has decided to adopt it; the U.A.P. and the U.C.P. are both favourable to it; the finance-controlled press is unanimously supporting it; and the bankers' Federal Government is actually formulating a plan to give effect to it. On top of all this, the chairman of the Monetary and Banking Commission has described the idea as "good, sound commonsense."

We have been officially informed that the plan will be modelled on the scheme now in operation in England, even though it is admitted that that scheme is hopelessly insolvent. Quite regardless of this admission, however, the sponsors of the plan shamelessly claim that the scheme in England has been a great success, suppressing the fact that elderly people receive only 10/- per week after having contributed regularly for very many years. No wonder Sir Frederick warned us "a much higher scale of contributions would be necessary in Australia."

If the thing has been a success in England, what conditions would be described as a failure? One person in every four is on the breadline. Seventy percent, of the population is undernourished. There are 2 million unemployed. Nearly 5 million have only 4/- per week to spend on food and millions more have only 6/- per week. Even Dr. Page felt called upon to tell the people in London that "the decrease in the consumption of nutritive foodstuffs was leading to the creation of a C3 population, which would not be able to bear arms." From this, by the way, one would conclude that the bearing of arms is the purpose of our life. As the *New Era* so truthfully says, national insurance is actually a scheme for sharing poverty, whereas everyone should be demanding a scheme for sharing our increasing wealth.

How would you yourself be placed under such a scheme? It is to be financed under the existing swindle, which keeps the community chronically short of purchasing power. That is to say, money will continue to come into existence only as debt to the private money monopoly, and the amount of money circulating in the community will be the amount decided upon by that private monopoly. The money required for the insurance scheme will be obtained from a re-shuffle of the existing inadequate supply, and will come ostensibly from the employers, and employees, and the Government, but, in point of fact, the employee will ultimately bear the lot.

EMPLOYEES PAY EVERYTHING.

The employer will pass his share into the price of his goods, and will thus collect it from the workers. The employee cannot pass his share to someone else, and so must surrender a portion of his purchasing power, and thus lessen his effective capacity as a breadwinner and consumer. The government share will be in addition to its existing commitments and can come only from taxation and loans. It will come from taxation, as the government has already stated that the States will transfer the Unemployment Tax to the Commonwealth, and, consequently, the employee must pay again through the wage tax. He will pay his own share direct; he will pay his employers' share through prices, and he will pay the government's share through taxation.

That would be bad enough if wages were constant and plentiful, but as things are the number of contributors is seriously limited and must become fewer and fewer with the development of machinery. Obviously, therefore, if present tendencies are any indication, and our national insanity continues, in a few years we shall reach the position where only a mere handful of people will be receiving incomes while machines pour out the goods. Concurrently with this, unemployment will increase and the number drawing insurance benefits must also increase correspondingly, so that there would be increasing liabilities with a diminishing number of contributors.

And what sort of benefits could such a scheme provide? Can we calmly envisage an organisation, which regiments all of us down to a standard of, say, a £1 money ticket per week? It can mean little else because unemployment is permanent. It must be permanent, for it is the evidence of the success of our scientists and engineers in their efforts to relieve humanity of grinding toil, and unless we scrap the machines (which, of course, is unthinkable) we must face the fact that millions of people in the world will never find "work" in the industrial sense. This being so, they will automatically become a permanent charge on the national insurance fund, and if they are paid full benefits throughout their lives they will get sufficient to provide only the barest subsistence. What an outlook! Wealth increasing by leaps and bounds while ever-expanding sections of our fellow Australians are deliberately prevented from having any access to it. No wonder Sir Frederick Stewart admitted that we would still need the help of the friendly societies as well!

FURTHER KICKS FOR THE EMPLOYEE

Another important aspect is the effect it will have on purchasing power generally. The proposals will not increase the quantity of money in circulation, but will merely redistribute it by taking it from those in work to give to those out of work. The employee gets the kick every time. He sees his mates displaced by the machines and then has to shoulder the burden of sharing his all too few money tickets with them. Neither the worker nor the community has yet obtained any advantage from the mechanisation of industry. All the advantages have accrued to the few who manufacture the finance for the introduction of machines, but up to now they have not been required to stand up to the disadvantages. The people who have retained their jobs are receiving insufficient for their own needs, but under this insane insurance idea they would receive even less.

Nothing is said about the distribution of the wages of the machine. The espousers of the insurance scheme know that machines not only cut off the work, which, hitherto, has been the employee's only means of securing income, but make no contribution towards the purchase and consumption of what they produce. The production of the machine must be monetised, and the monetisation must be carried out by a statutory Commonwealth authority on behalf of all citizens. This necessitates an increase of purchasing power, not a mere distribution of a totally inadequate quantity, if the people of Australia submit to this insurance idiocy they will load themselves with an intolerable burden and condemn the unemployed to live for the rest of their lives on the basis of poor-house conditions.

We have idle factories, idle fields, idle workshops and idle men. This means one of two things—either our production, with the limited equipment and labour employed, is equal to all our needs and there is no poverty, or some peculiar madness is preventing our utilising the full power to supply the needs of everyone, and thus deliberately causing poverty.

SAFEGUARDING THE "WORKERS."

It is represented to us that humanitarianism demands a system to safeguard the "workers" against unemployment, sickness, etc., and that national insurance is the only way. Who are the "workers"? With few exceptions they are machines, and machines are not worried about unemployment and sickness. Have we not a system that already safeguards a lot of non-workers against unemployment and sickness? We have, and it is known as the Dividend System. These favoured people do not find unemployment a curse, and they are not required to forego what they need today so that they may have it tomorrow. They receive regular incomes and no questions are asked as to whether they have "earned" those incomes. Until recently, those dividends were obtained by exploiting the labour of other persons, but it is now possible for the "other persons" to receive dividends by the nation exploiting the labour of machinery. The only thing necessary to bring this about is for the community to fully monetise the product of the machine so that it can be distributed to those persons.

Insurance has only to do with a shortage. The only purpose of the scheme is to provide that the wage earner shall forego part of the money he needs today so that he might make use of it on some other occasion. In other words, it is a scheme to keep people continually short of money. When they are working they will surrender portion of their wages, and when they are not working they will receive less than their normal wages. There will be no shortage of the things they need to eat, to wear, or to use for shelter, and there will be no shortage of men to do everything in the nature of services required by the community. Oh no; it is all against the shortage of money—mere tickets giving claim to the things mentioned. There will be a glut of wealth, but the people who privately control the issue of the claims to that wealth are determined that the supply of claims shall be kept short, and that these tickets of claim shall be more valuable than the wealth itself!

All these insurance advocates assume a permanent shortage of money tickets, so much so that they say the tickets we should be using today must be put aside for use at some other time. The fact that the tickets in themselves have no value whatever, and that those that are issued today are meant to be used in purchasing the things available today, is quite overlooked. The money distributed to us today is included in the price of the things for sale today, and obviously if we put some of it aside and refrain from using it, the cost of the things as shown by the prices cannot be recovered. This putting of money aside, or saving the tickets, is injurious to the community, and is one of the main causes of financial worry, leading to bankruptcies, crimes, suicides and everything evil.

As goods will be available for all future time in abundance, being provided by nature, machines and the individuals of the community, there is no need whatever for anyone to be deprived today of his portion of the money supply which is already far too short to cover the costs of the goods available today. When tickets of claim do need replenishing the National Government is vested with full power to supply them, and the counterfeit production of the claims by anyone else is a crime. It is equally criminal to impose a scheme of national insurance on the community, for its only justification is to patch up the existing financial swindle and allow the counterfeiters to retain control of it.

DEAD BRAINS.

How remarkable it is that a fallacy, long even sustained, will embed itself in the brain of even the erudite. Take the University. It is short of money, but its leaders take no action at all to investigate the cause of the shortage. Indeed, instead of this, they actually use all the resources of the University to prevent such an investigation, and to foster the continuance of the very swindle, which keeps them short. The same with the members of the medical profession. They know that we are seriously short of money for medical research, surgical apparatus and hospital accommodation, but we hardly hear a word from them against the murderous financial system, which alone causes the shortage. Are the brains of these men dead to analytical thinking about the absurdity of it? Every Pooh Bah in some high or low degree of authority is howling for national insurance, giving no thought to the why or the wherefore, or to its deflationary effects.

To the doctor, a pain in the back or the puffing breath is usually a symptom of trouble—the kidneys or the heart, but to the patient the symptom is frequently mistaken for the disease. Unfortunately, most of our politicians, professional economists, slum-clearers and clergymen are mistaking the symptoms of society's illness for the disease itself; slums and taxation being merely symptoms of that illness.

National insurance is only symptom treatment of the chronic and increasing insecurity—i.e., lack of money because of unemployment, sickness and old age. The money monopoly will stand strongly behind all advocates of this symptom treatment because it will strengthen the monopoly's power over the people through its deflationary effects, while at the same time it will give the people the false impression that they are being relieved of the money shortage and insecurity. If we kill this money power, give access to money as an individual right, and account our own money and prices of goods by an accurate method, we shall eliminate the need and desire for exploitation of individuals and go most of the way towards remedying the ills of the community.

PERPETUAL SLAVERY.

What is the foundation of this national insurance idea? Is it not that men and women are born to do economic work all their lives, and that if they do no work they should get no pay? If they get no pay, they have no money, and if they have no money, they can get no goods. You see, no matter how efficient our production system may be, it is all useless if the people are not given access to the production. The purpose of an Industrial system is to provide what the community needs, not to find work, and the industrial system has not only succeeded in meeting every physical need, but is actually doing it with less and less human energy.

In the face of this, what crass stupidity it is to maintain the attitude that if a man doesn't keep working all his virile and active lifetime and save sufficient "tickets" for the day when he physically can't work, he must go on the scrap heap. The present system compels practically everyone of us to spend the whole of our active lives trying to provide security for the time when we shall become physically inactive. To do this, we are not required to save up the food we must eat, the clothes we will need, and the like, but only pen and ink figures on tickets called money, the one thing the Great Architect had nothing to do with! Through a false accounting system and an inequitable distribution of the tickets of claim, we are insulting the Creator of the universe, and yet the professions and the clergy harp for a system of national insurance, whose only purpose is the manipulation of tickets!

TODAY'S TICKETS FOR TODAY'S GOODS

The whole point is this. Right now we have plenty of goods with millions unemployed, and we shall have plenty of goods in future with an even greater number unemployed. The only thing we have to do is to give the people orderly access to the goods, and they get that access through money, which is a costless ticket. Today's tickets are for today's goods, and there is neither rhyme nor reason in saving today's tickets for tomorrow's goods. If we have insufficient goods and do not employ our people to produce what we are short of, then we are not sane. The truth is that there are plenty of goods but they are not being distributed, and they are not being distributed because the private banking system withholds the means.

Strange as it may seem, the more "prosperous" we become (in the manner praised so highly by Sir Geoffrey Whiskard) the more we pawn ourselves to the moneylenders. In the year 1927-28 (prosperity) the increase in the public debt was £51 millions, but in the year 1929-30 (depression) it was nil. Under existing arrangements, production can only be monetised as and to the extent the banks think fit, for it is by them that money is created and cancelled. The harder we work the more we owe!

JUSTICE NAPIER'S IDEAS

On of the witnesses before the Monetary Commission advocated the creation of a national unemployment reserve fund, to be built up in times of prosperity and used by governments to maintain full employment in times of depression. The chairman of the Commission (formerly a partner with Senator McLachlan, who is finically interested in

insurance) described the suggestion as "good, sound commonsense." We call it arrant nonsense. Here, in an age of mechanisation and absolute plenty, is a man who has been elevated to the position of a judge, seriously declaring that it is commonsense to talk of a "fund" to ensure "employment" in "times of depression," and to think that a man with such a mental approach to the facts of the day is actually chairman of the "Monetary" Commission!

All the depressions we have are financial depressions, and they are deliberately engineered by the people who privately control finance. The "fund" referred to is also a financial fund to suit the purposes of these selfsame finance controllers. The idea of this fund is to divert attention from the guilty financiers during the periods of distress, which they inflict on the nation. What hope is there for the rank and file when their own representatives deliver them into the hands of their enemies, and when men of the type of Mr. Justice Napier are selected for the highest and most influential positions? These men have the idea that there cannot possibly be such a thing as "prosperity" when there is unemployment, whereas with an extension of mechanisation, unemployment is inevitable and desirable.

The only trouble about unemployment is that under the existing murderous conditions it means for the great mass of the people *no money*—i.e., no tickets of claim to the goods, and, therefore, no opportunity to enjoy the real prosperity made available to the nation by the increasing utilisation of solar energy. Mr. Justice Napier openly admits that he sees prosperity as *money*, and money as prosperity. The silliness of this is apparent when we realise that if every man had his house full of money he would have no prosperity at all unless he could secure goods with it. The goods themselves, without which prosperity is impossible, do not appear even to have entered into his calculations, and so far he has not wakened to the fact that under the present financial rules an increase of goods does not, as a matter of course, mean an increase in the money supply.

And when he says that in times of prosperity governments should spend less, he utters an absurdity, because without spending it is impossible to enjoy prosperity. In any case, it is only tickets that governments "spend," and these tickets are quite useless unless they *are* being spent. The "prosperity" this chairman (a man, we are told, with no preconceived ideas!) is thinking of is the bounding increase in the national debt, for it is only when governments are spending freely that the community can obtain access to the real prosperity, and when governments do spend freely our debt to the banking system increases at the same rate. When Governments are "prosperous" in money it simply means that a greater quantity has been taken from the people, and if this additional quantity is not spent it becomes amortized or frozen, and goods to that extent cannot be distributed by industry.

What the chairman should be told is that Australia has, and, apparently, always will have, prosperity in the true meaning of the word—i.e., plenty of the things the people need. Every year the recurring bounty of nature in wool, wheat, meat, milk, etc., is pouring upon us in unstinted quantities, and yet this man, who is said to have been picked out because of his open-mindedness, talks of prosperity solely as bankers' tickets!

Another witness before the Monetary Commission attacked bank profits, but said nothing as to how the banks manufacture money. He suggested that bank shareholders should be bought out, and that this could be done for £80,000,000. Would a Government buy out a smuggling or sheep-stealing company? Of course, it would not. Then why buy out a credit-stealing company? The government should deal with the shareholders and directors of the credit-forging banks like it would deal with any other thief—accuse them, try them, and take restitution!

MONEY MONOPOLY STILL SUPREME

Put briefly, national insurance would simply be another form of taxation. It will supplant the wage tax and take more from the wage earners' pockets. The heavy unemployment tax plus a huge yearly increase in the nation's debt have not been sufficient to provide even the barest necessities of life for the unemployed, and yet the number of these must increase. Every 5/- raised by the unemployment tax has had to be supplemented by 15/- from loans, so that if the employee is to receive "assistance" even on the existing inadequate scale, his wage tax payments would be increased under national insurance to four times the present amount. That will secure sufficient for the landlord but nothing for food and clothes. It will be a severe tax on industry, but still leave industry more than ever at the mercy of the private money monopoly.

National insurance cannot turn an insufficiency of money into a sufficiency, and it is only a waste of time, cruelly fostering false hopes, trying to ameliorate effects if we ignore the causes. Insurance cannot get the goods from the producer to the consumer. That is the function of *money*, and money does not grow on trees. The only possible way to do it, is to monetise production and distribute the *money* to the people. What is needed is national control over the issue and cancellation of money; without that all efforts are doomed to failure.

(To be concluded.)

MR. TAXPAYER, WHAT NEXT?

The announcement by the Federal Treasurer some days ago that he must positively refuse to receive any further deputations is hardly surprising. We are not referring to reported misunderstandings as to what was or was not said by Mr. Casey to a recent deputation; nor are we concerned as to how genuine is the Treasurer's "resentment" against those who, after all, represent the interests which have always been his own. The real movers behind bodies which term themselves taxpayers' associations have been exposed in these columns already, and it should be pretty clear to the ordinary businessman and the ordinary citizen that they can hardly expect much from bodies with which the bankers—who are the cause of most of our taxation—are so prominently associated.

But it is about time that the same businessman and the same citizen realised that the fight against taxation is absolutely hopeless without monetary reform, and that it is equally hopeless no matter what political party may be in office.

The merest glance at the figures of what our Federal and State Treasurers receive from taxation and how they spend it is enough to show the impossibility of any worthwhile reductions.

WHAT WE PAY IN TAXES. Here are the Commonwealth Statistician's figures of combined Commonwealth and State taxation for the last financial year, covering the period from July 1, 1934, to June 30, 1935:—

	£ millions (to nearest £100,000).
Customs and Excise	37.9
Income and Dividend Tax ..	18.8
Land Tax	2.8
Probate and Succession Duties	5.2
Other Stamp Duties	3.0
Unemployment and Relief Tax	10.1
Motor Taxes	4.9
All Other Taxes	12.6

The actual grand total for the year amounted to £95,189,244. This represented an average of £14/4/- per head of our population, made up of £5/8/11 average in States' taxes and £8/15/4 average in collections by the Commonwealth. Moreover, in spite of the Prime Minister's deceitful utterances to the contrary, taxation is still mounting. In 1932, under the Scullin-Lyons and the Lyons-Bankers' Ministries, the average of total taxation was £13/4/8 per head, and the total collected £86.7 millions; in 1934, under the Lyons-Bankers' Ministry, the figures were £13/12/11 and £90.8 millions; and in 1935, under the same Ministry, as shown above, £14/4/- and £95.1 millions. This year it appears that the figures will be still higher.

Where do these huge sums go?

WHERE THE MONEY GOES.

The accounts of expenditure by our governments are so carefully disguised, overlapped and confused generally that it is almost impossible, from a study of what is made available to the public, to present a simple statement.

As far as routine government spending goes, however, it can hardly be suggested that those employed in the civil services are overpaid. On the contrary, the general story of government remuneration, whether in the ordinary executive departments, in the police services, the teachers, or others, is one of shocking underpayment. The rank and file though they may have security of tenure, get a bare subsistence, while those in more responsible positions (including members of Parliament) get only a fraction of what equally responsible posts would receive in private industry. This is beyond dispute, and it

is also quite a substantial reason for such inefficiency as may exist in government services.

The only government department, as far as we can see, where considerable savings could be effected is that of defence. This is because we believe that there is not the slightest fear of Australia being attacked by anything worse than grasshoppers unless we allow ourselves to become involved in another war to uphold the rights of bankers. If, however, there were no expenditure on defence at all, this would involve a saving of only £1 per head out of our present £14. We must therefore look further afield.

PROVISIONS FOR THE DESTITUTE

We do not propose to go into what is spent on unemployment relief, whether by way of doles or of payments for sustenance works. Many, if not most of the latter schemes are foolishly conceived and badly executed, but will anyone dare to suggest that the dole or sustenance rates are excessive? Are they not, on the contrary, the most terrible indictment of a people lost to all sense of justice and Christianity? Is it not a scandal crying to heaven for vengeance that practically the whole of those in responsible positions, including, with very few exceptions, the clergy of the various denominations, have brought eternal shame to themselves by their cowardice or callousness in abandoning the unemployed to semi-starvation in the face of the bounteous providence of that God Whom they publicly profess to serve?

The next big items of last year's expenditure were:—

	£ millions (to nearest £100,000).
Invalid and Old Age Pensions	11.8
War Pensions	7.4
Relief to Primary Producers	4.3

Here, again, will anyone suggest that payments were excessive? Are not the grudging pittances flung to our destitute aged and sick a further disgrace to this community? Are we over-generous to our maimed ex-soldiers or to their widowed wives or orphaned children? Are our farmers, with their £500,000,000 millstone of debt, able to carry on without assistance? And, in any case, is not this last item of "relief" little more than a measure to enable them to continue as serfs to the moneylender—to the banker and to the institutions he controls?

THE BIG ITEM

We come now to the biggest item of government expenditure, to an item, which absorbs more than 10/- in every £1 of Federal and State taxation. Last year, out of £95 millions extracted from us in taxes, just over £50 millions went to pay interest on our public debt.

This public debt is seven times what it was in 1901, and twice what it was in 1919. There is no suggestion that it will ever be reduced; there is an absolute certainty that, until monetary reform is brought about, it must continue its nightmare growth. To those of us who came of age in 1901 our fathers bequeathed a debt of £200 millions. Those who came of age in 1919 inherited a debt of £700 millions. Those who are now coming of age have to accept an obligation to pay (in Australian money) £1400 millions. And what of the future?

Is this the best Australia's parents can do for their children? Is not the removal of this intolerable and ever-growing burden an urgent matter of conscience for every father and mother in the Commonwealth?

A RESPONSIBILITY FOR EVERYONE

You may say that you as an individual are helpless. That is only the lie of a lazy mind. No

one is too helpless to raise the voice of protest. No one is excused from the obligation to work for justice. Nor is anyone who has a vote entitled to evade the responsibilities of that vote.

Practically everyone in Australia can be placed in one of two classes, and be called either a supplier of goods or a supplier of services. Those who supply services—whether teachers, doctors, lawyers, clergymen, nurses, policemen, or otherwise—expect in return to obtain their share of goods by receiving portion of the income "of those who take part in the production of goods. Hence all are vitally concerned in the business of producing and distributing goods, and hence no man, whether his occupation be termed spiritual or temporal, is entitled to say, "Economics are not my affair."

What, then, is the problem of the ordinary person associated with this business of the national housekeeping, or the producing and distributing of goods?

Our businessman, so called, looks to two things—to produce or obtain goods and to sell them. Speaking generally, there is only one bar to production, primary or secondary. That bar is money. Money to buy stocks generally depends on money being recovered from the sale of stocks. To this, again, the main obstacle is money in the hands of buyers.

So, from the point of view of the individual businessman, there are two cardinal essentials. The first is that every member of the public, every consumer, must have an income. This applies to all consumers, whether or not they be what we term "employed." The second is that the total money in the hands of consumers must be sufficient to buy the total goods.

TAX OR ISSUE

Now, the contention of those who support our present monetary arrangements is that our total of money is sufficient. Very well; if this be so they can have no complaint against taxation. Taxation, where justified, is simply a redistribution of money, and, in practice, a redistribution that makes for quicker spending and a quicker turnover of goods. But we find that more than half our taxes go in paying interest on money borrowed by governments, and borrowed mainly to provide for those who would otherwise starve—this is now candidly admitted to be the main motive behind most government works. There is no justification for this borrowing. If total money supplies are sufficient, government revenue should come from taxation. If they are insufficient, the government, representing the community, should issue what is required to make up the shortage.

The logical conclusion is this. If you oppose monetary reform, you must advocate higher taxation. You must press for taxation to be increased by the amounts we now borrow annually. You must press for taxation to be increased by the amounts necessary to provide a decent living standard for all who cannot work in industry and for all whose services are not required in productive industry. You cannot deny that sufficient goods are available, or could easily be made available, to provide this standard. You are therefore bound in justice to advocate that taxation be doubled, trebled or quadrupled.

If you will not accept that this is practicable—and we say it is not—then you are bound in conscience (if you have one) to press for monetary reform. You are bound to insist that the man you send to Parliament must make it his first business to see that the nation issues, without borrowing, whatever money is required to make up the shortage which is keeping people who produce goods from selling them and people who need goods from buying them.