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THE NEW TIMES

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Sir James Elder's Speech from the Throne

National Bank Puts the Brake on Recovery

The address of Sir James Elder, chairman of the National Bank, at the annual meeting of that firm last week recalls to mind two characteristics of the private banks that have previously been noticed in these columns. One is that, just as public houses have a fancy for linking themselves with the names of the blood royal, so the banks like to tie themselves up with the nation. Hence we have the *National Bank*, the *Bank of Australasia*, the still more ambitious *English, Scottish and Australian Bank*, and similar titles arrogantly assumed by those who, after all, are only private traders and whose occupation (according to themselves) is of the nature of pawn-broking. The second characteristic is the impudent assumption by the persons directing these firms of a special call to review, and generally to castigate the behaviour of the nation. A Speech from the Throne has nothing on the annual address of a bank director.

It may be, however, that there is some justification in fact, if not in morals, for this latter attitude, since the bankers are unquestionably *above* the Throne—a position they have held in British countries ever since they put the King into second place by the establishment of the Bank of England and the national debt.

And so Sir James Elder, following bankers' practice and his own precedents of previous years, told us how we should run our country. Taxation, public revenue and expenditure, defence, old age pensions, unemployment, debt adjustment legislation, exports and imports—on these and other matters he delivered his weighty judgments. Summing up, he came to the conclusion that our greatest national danger was lest we might recover too rapidly, "and a too rapid recovery would only exhaust itself under its own momentum and inflict harm on the whole community".

Some weeks ago (on April 17 to be precise) we criticised on this page Sir James's annual address to the shareholders in the Union Trustee Co., of which he is also chairman. And the burden of our criticism on that occasion applies now—that Sir James Elder's speech consisted for the most part of phrases carefully strung together in such a way that he could fire shot after shot from behind a hedge without once coming out into the open.

RECOVERY FROM WHAT?

Take his talk of recovery. Could you imagine a more nonsensical term than "a too rapid recovery"? If you have anything to recover from, should not your object be to do so as rapidly as possible? Would you complain of a too rapid recovery from a fright, or the measles, or a broken leg, or a drought, or a run of backing losers? And what is this disease from which the bank's chairman thinks we should beware of recovering too fast? Why, the seven-year-old depression. But what was—or rather, is—the depression? To some it has meant the loss of their job to others the loss of their property, to nearly all the inability to sell their goods or their labour at a fair price—in brief; the mark of a depression is a *shortage of money*. Do you see now why Sir James Elder, the banker, feeds you with such nonsense? *The banks by a series*

of book entries, manufacture (and can likewise destroy) nine-tenths of our total supply of money. The banks, therefore, for their own purposes inoculated you with your disease. And so Sir James Elder could hardly be expected to say, explicitly: "You must not recover too rapidly from the genus with which we deliberately infected you." Hence his vagueness.

PRICES—AND THEIR REGULATORS

In the same way the preamble of Sir James's address was devoted to quite a lengthy discussion of our primary producers' financial position. "The general rise in values of export commodities" . . . "the rise in wool prices and the sustained strength of the market" . . . "wheat also has improved in price, and in the last few months values have been better"—these and similar pious texts oozed benevolently from his lips. But did Sir James even drop a hint that the rise and fall in prices depend upon the money supply in the community, and that this in turn depends upon whether banks are in creasing or calling up overdrafts, upon whether they are adding to the community's funds by buying securities or lessening the community's funds by selling them?

Oh, no! On the contrary, the National Bank's chairman deliberately set out to deceive you. Discussing the present deflationary policy of the banks—a policy which the *New Times* forecasted and warned you about months ago—Sir James said this: "The decrease in holdings of securities in Australia indicates the extent to which the banks endeavoured to meet the situation." Do you need to be told what a decrease in a bank's

holdings of securities means? It means that every time a bank sells securities the bank is paid by a cheque which is drawn on some person's or some company's bank account, so that every bank sale of securities lessens the community's bank deposits by the amount of the sale—in other words, *it destroys money*.

And after thus pointing out how they "endeavoured to meet the situation," Sir James coolly continued: "It became apparent that some slowing down of new lend-

substantial surpluses, . . . largely the outcome of *buoyant* customs and excise revenue and the *compensating factor* of sales tax receipts replacing decreased revenue from income tax." The ordinary taxpayer would find it difficult to see any compensating factor in sales tax or in any other tax; while the buoyancy of tariff taxes means merely further immersion for him. But the banker, naturally, sees things from a different angle. More than fifty per cent, of total Commonwealth and States' taxation goes to pay interest on the national debt, of which by far the greater part is owed either to the banks or to their subsidiary financial institutions, and every penny of which is due to the bankers' control over our money supplies. Hence national safety and prosperity are very different things from bankers' safety and prosperity. Do you remember our bankers' boast of how they weathered the depression, proceeding, as one of their fervent admirers put it, "from strength to strength"?

BANKERS' SYMPATHY

The National Bank's chairman deplored the spending of taxation funds on old age pensions. "That funds for the aged and infirm have to be raised," he said, "is indisputable, but the method of their provision calls for drastic remedy." Read carefully the published reports of this banker's address, and see if you can find one syllable of protest against the similar method adopted for providing the annual interest on the national debt—a charge over four times as heavy as that for old age and invalid pensions. Nowhere will you discover him saying that

**Your National Debt
Goes Up This Week By
£9,000,000.
This Means a Further
£925 a Day
In Taxation
To Pay Interest Alone.
Social Credit Would
Not Increase Your Debt
But Pay It Off.**

ing was essential. That policy is in operation today." Having destroyed money by selling securities, the banks refused to create more by new lending—and all in the name of "considerations of national and banking safety."

"BUOYANCY" AND "COMPENSATING FACTORS."

To appraise the banker's relative view of "national" and of "banking" safety you have only to turn to some others of Sir James's inspired words. "In Commonwealth finance," he said, "there have been

this "calls for drastic remedy."

Just as Sir James made the pretence of being sympathetic with the aged and infirm, and in the next breath objected to the only way by which (under banker-controlled finance) any provision can be made for them, so also did he extend empty compassion to the farmer. "As to relief to primary producers," he said, "no one could cavil at reasonable and well-applied assistance to a section of the community which had borne the brunt of the depression." That sounds quite genuine until, reading on, you come to this: "The interference by third parties in contractual obligations between debtors and creditors is a matter for regret," and, "there is already evidence of uneasiness among some lenders, resulting, for the time being at least, in a disinclination on their part to grant further loans against broad-acre securities." But, in any case, of what did the farmers bear the brunt? Only of prices so low that, even with harder work and with greatly increased production, they were unable to pay their way and sank deeper into the mire of debt. What kept prices low? The shortage of money brought about by deliberate banking policy. And to whom did the farmers get into debt? Mainly to the banks or to the banker-directed pastoral or insurance companies. From which you may judge for yourself the genuineness of the National Bank's sympathy.

PATRIOTISM AND PROFIT

A banker's discourse would not be complete without a little dissertation on patriotism, and so, naturally, Sir James had his say about defence.

Expenditure upon defence, he declared, was a regrettable necessity, the need for which had become manifest in the recent months of international tension. Australia, as in the case of the mother country, had to face the unpleasant fact that world peace was as far off as it had ever been since the Great War. It would be apparent to all thinking people that in this matter security must precede comfort.

A number of other things will also be apparent to all thinking people. One is that the *peoples* of the world have no more desire for war now than they had either in 1914 or in 1918. Another is that the financing of war preparations is highly profitable to the banks, who provide the money for armaments by the simple process of making ledger entries, in return for which they receive a toll of interest forever. Another is that the profit in supplying armaments mostly goes to concerns very closely affiliated with the banks. Another is that the principal cause of modern war is not scarcity of goods to be contended for by rival nations, but scarcity of *markets*—that is, of customers with money to buy the goods. Therefore those who like Sir James Elder, direct banking policy both cause wars and profit by wars and by the policy of "preparedness" for war.

We have read over and over again the various newspaper reports of Sir James Elder's address. From the identical phrasing in each paper of those sections, which are summarised, the reports have every appearance of being advertisements supplied by the bank.

Chief Judge Dethridge,
Arbitration Court,
Melbourne.

Dear Judge,

We must congratulate you on the agility with which, in spite of your years, you hopped, skipped and jumped over the one issue that mattered when delivering your views in the Arbitration Court on Tuesday.

Rightly noting as "a common fallacy" the idea that the purchasing power of wage earners is increased by the mere adding to their money wages or subtracting from their working hours—since these additional costs in industry are, and generally must be passed on to consumers in prices—you went on to explain profoundly that purchasing power can be increased only "by, increasing the creation of articles and services for which there is a sale"—so one had to be very careful, etc.

Your argument would seem to us to proceed somewhat as follows:—

- (1) Increased wages, being increased costs in production, mean increased prices and therefore don't add to purchasing power.
- (2) Increased purchasing power can come only from increased goods, provided such are increasingly saleable.
- (3) Increased goods cannot be saleable without increased incomes, which means

which means no increase in real incomes at all.

(4) Therefore, what? Back to your kennels, you dogs!

For years, Judge, it has been your job to drive the dogs back to the kennels. We don't suggest that you derive any pleasure out of it. We believe that, as a benignant elderly gentleman with a leaning towards dignified judicial pleasantries and high-class literary magazines; you would rather help the under-dog than kick him. But we do think that in your position you should speak out more plainly. Sir John Latham, as Chief Justice, this week sent a cable to Japan in support of the Ministry's action about trade matters which in olden days would have been regarded as political partisanship rather than as judicial detachment. Why, then, should you hesitate to speak out on a matter, which is constitutional rather than political? From your utterance on Tuesday it distinctly follows that increased purchasing power can come only by increasing incomes in such a way as not to increase prices—that is, by the Government GIVING the people sufficient money to close up the existing gap between incomes and prices. You must know that such a course would be entirely constitutional. And, if you are really interested in your job, you must also know that it is inevitable. Why not help it along?

THE NEW TIMES

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

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"A" GRADE MOTORENGINEERS. Station Garage, Whitehorse Road. WX 1490.

HAIRDRESSER and Tobacconist. Ladies' and Gents'. Wright, 122 South Parade.

MOTOR REPAIRS, Straton's. Better Service. Lower Cost. WX 2748.

MARS LAUNDRY CO. WX 2662. Pick up and Deliver. Quality Guaranteed.

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FURNITURE REMOVERS. Gill Bros., 254 Station St. WX 2073.

HAIRDRESSER and Tobacconist. L. Larsen, Station St., opp. Gilpin's. W.

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CAKES, PASTRY, etc. Home Made "Clovell". The Block, Elizabeth St. Cent. 255.

COLONIAL BUILDING CO., 465 Collins St., MU 1930. Call for free booklet on home building.

DAVIS, 568 Bourke St. Royal Medal Milkers, Separators, Engines.

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

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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.

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

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MASSEY'S GARAGE, W'twn Rd. The Home of Motor Reconditioning.

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UPHOLSTERER. Blinds & Bedding. Duke's, 111 Heidelberg Rd. Ivan. 626.

KEW.

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

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

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

GIBSONS High St. opp. Rialto Hoisery, Underwear and Aprons.

(Continued on page 3.)

They may therefore be taken to contain everything of his address which Sir James intended for public consumption. We have not read these reports just for the sake of picking holes in what Sir James had to say. We always live in hope that some of these bankers, as they near the grave (Sir James dates back to 1869) may perhaps display a vestige of humanity, may perhaps get an inkling that flesh and blood are more important than figures. But in Sir James's case, as often before, we have been disappointed. His theme is the usual banker's theme, that money is a scarce and valuable thing, that human conduct and happiness must be made to fit in with such supplies of bankers' interest-bearing money as those gentlemen decide to allot us, that our destiny in life is debt, that our taskmaster must be finance.

THE COURT JESTER

There was only one light touch in the whole proceedings. Just as the Court jester accompanies the King, so a Mr. L. Evans followed Sir James in seconding the adoption of the annual accounts. And at a time when all the powers that be, from the Prime Minister up, are trying to persuade us that the Banking Commission is quite open minded, and may bring in goodness knows what sort of a verdict, Mr. Evans had the temerity to let the cat out of the bag and to say that "he thought any finding of the Banking Commission would be in favour of the banks."

But Mr. Evans must be forgiven. Good, simple soul, these were his closing words: "We have helped the community for years, but we have carried the baby too long, and it is time we received something in return. It is often forgotten that many widows and orphans are dependent on the bank's dividends for their livelihood." Dear, oh dear!

BLINDNESS OR PUSILLANIMITY?

Disparagingly:—

Rev. Carruthers, the Speck's Douglas Credit Assemblyman, gave evidence of a sort before the Banking Commission when that wandering concern was in Hobart, but was pulled up for criticising one of the commissioners. The reverend politician spoke to a gathering of the elect in Sydney last week, and went to Canberra to tell Lyons that it was "not too late even now" to add a Douglas Creditor to the commission. "Mr. Lyons," he complains, "avoided an interview." Still, a P.M. can't see every crank who calls at his office with some ridiculous request or demand.

—"Bulletin," May 27.

Exultingly:—

The Loan Council tried to take the bit in its teeth during the sittings at Canberra, but the influence of the Commonwealth Bank Board, meeting a few hundred yards away, kept it in check.

* * *

In the face of strong pressure the Bank Board has forced the politicians to finance their deficits out of public borrowings instead of out of the proceeds of Treasury bills, thus putting the responsibility for deficits upon the right shoulders. Without any attempt at dictation, but by careful exercise of its legitimate powers and functions, the board has won all along the line. — Same paper; same issue.

Truthfully:—

AUSTRALIAN ROYAL COMMISSIONS GET NOWHERE, AND OFTEN THAT IS WHERE THEY ARE INTENDED TO GET.

—Same paper; same issue.

Facetiously:—

The things at issue, points to be debated,

The bawl and bleat and blither, bluff and blare,

Will never be abruptly terminated, I'll take my Bible oath, if I am there.

I'll drag it out, whatever they are set on;

I'll always haul my divvy from the dish

Whether it's banking or it's bets they're set on

Determining, if only I can get on A rou'l commish!

--An aspiring contributor in same paper; same issue.

--C.A.D.

ANTHROPOPHOBIA

By BRUCE H BROWN

Until a few weeks ago I had never seen the word anthropophobia, but Dr. Chas. A. Bentley, of Cairo, has called pointed attention to it. He reminds us of the "Manifesto on War," published in October 1935, and signed by 350 eminent mental specialists, containing these words:—

"There is in the world a mentality which entails grave dangers to mankind, leading, as it may, to an evident war psychosis. War means that all destructive forces are set loose by mankind against itself."

You will observe that the psychiatrists referred to it as a "mentality," but we suggest that it might more appropriately be termed a state of semi-hypnosis produced by the sinister influence of those who control finance. If finance were the servant of mankind, as Jesus advocated, instead of its master, there would be no war psychosis at all. Dr. Bentley went on to say:—

"Persons who deliberately encourage the setting loose of destructive forces by mankind against itself, whatever their motives, and all those who aim at the annihilation of mankind by technical science or otherwise, are obviously subject to that condition known as anthropophobia.

"Anthropophobia . . . has become very widespread in recent years. Moreover, it is increasing. The fantastic preparations for war that are going on all over the world

HONEST JOE.

"I am too grieved to find words to comment on Australia's action. It has ruined my mission, and IS CONTRARY TO THE ASSURANCE MR. LYONS GAVE ME."

—Mr. Debuchi, leader of last year's Japanese Goodwill Mission to Australia, May 30.

show this; and the tacit acceptance everywhere of the view that future wars will take the form of poison gas attacks on the crowded populations of large cities is a further proof of the same conclusion."

"EVERYTHING POSSIBLE TO AVOID WAR."

That is a very serious position. Sir Henry Gullett informed the ladies of the A.W.N.L. recently that the diplomats of the world were doing everything possible to avoid war, and that the people of the countries he had visited certainly did not want war. The obvious question arises: Then who does want it, and who is responsible for all the newspaper talk about it and the feverish preparations for it? He offered no comment on that important aspect, but instead has been the mouthpiece in Parliament for the very interests whose ideas inevitably lead to war. The new tariff policy, in which he is said to have been instrumental, has already been described in other countries as the first shot in a bitter trade war, and trade wars do lead to military wars. Trade wars arise out of the insanity of the existing financial system, which oppresses the world. This being so, it is incumbent on every one of us to understand the system and pull our full weight in securing a change.

INSURANCE AND MONEY

SHORTAGES

Dr. Bentley suggested an investigation by medical men, but it is doubtful whether this will come to fruition. Even on the comparatively simple question of "insurance" the doctors are as mesmerised as other sections of the people. They have meetings and solemnly support what is mistakenly referred to as "National Health Insurance." The scheme has no relation to health at all. It relates entirely to finance, and is part of the money insurance idea evolved thousands of years ago when

people were dependent on the annual harvest for their grain, and the thrift of keeping some of the grain against the possibility of the next year's drought was a natural and sensible safeguard. That, however, was quite different from saving up mere tokens of today for goods to be produced next year. Will there not be doctors, drugs and surgeons available next year, the year after and for years and years after that? Of course there will, and yet we are deluded into insuring today's doctoring against the necessity for doctoring later on? National insurance simply insures a shortage of tokens, i.e., forces us to "save" today's tokens against subsequent need for medical care and attention. It is this confusion of costless tokens with the real things of life that befuddles even the wise doctors.

Now all this comes about because for generations we have been discouraged from asking questions relating to finance, notwithstanding the fact that finance has a greater influence on our lives, from the cradle to the grave, than any other material thing. Our knowledge is least where it should be greatest.

JEWISH CONTROL OF MONEY.

It seems beyond doubt that control of money power in this world is centred in the leaders of Judaism. The position is that, although the Jewish race has no country it nevertheless pervades all countries; and as it has control of Money Power it automatically controls all countries. Especially is this so in America, England, France and Russia. Information in my possession suggests that it was a Jewish gentleman who personally interviewed Sir Philip Game and gave instructions for the dismissal of Mr. Lang and it is rather significant that the controllers of this Money Power are still afraid of the same Mr. Lang, who did have the courage to threaten an actual attack on the nefarious interests which were oppressing the people of his State. According to the Melbourne Herald of May 23, Mr. Stevens, the present Premier of New South Wales, said:—

"I find discouraging antagonism by London financiers to New South Wales because they fear a return of the regime of Mr. J. T. Lang. I have been able to clear the atmosphere greatly. It is an uphill fight, but there is a growing recognition of the country's recovery."

That is a great tribute to Mr. Lang, and provides further confirmation of what you have been told by this journal since its inception, viz., that finance, and that alone, is your oppressor. If to go further and further into debt without the slightest possibility of ever getting out of it is "recovery," then we have recovered, for we are more in pawn to the private money manufacturer than ever we have been before.

THE MESMERISM OF SYMBOLS

It may be true, as some people say, that the Jews are wizards of finance, but the facts rather suggest that they are wizards in maintaining and extending in all nations the mesmerism of symbols (money) over things (wealth). The wisdom of the Jewish Fathers seems to have become a real thing some four or five thousand years ago and if they did not actually start the symbol called money, they very early grasped the power that could be exercised by its control, as, more and more, money became a real symbolic fence between the people and their necessities. They quickly realised the power obtained by taxation on a community and its own goods, and also by usury. The latter, in particular, was unusually powerful, for in usury each person or community is called upon to pay back, in money, more than is borrowed. It therefore follows that as individ-

uals are not permitted to manufacture money for themselves, Money Power demands the impossible, i.e., a greater flow back than comes out. This mesmerism of Money Power became more evident and more powerful after the inception of credit-money, which became the vogue when mechanisation began to expand some two or three hundred years ago.

In all the expositions of banking given by bankers it is invariably stated that the Australian banking system is based on Scottish banking practice. Just so. The Jewish money power seems always able to get someone in every nation to further its money interests and practices, using such means as the giving of titles, medals, striped pants, belltoppers and world trips. "Consequently, when the Dutch financiers descended on London and put William of Orange on the throne, it was the Scottish bankers and big merchants of London who became their pliant tools in the establishment and entrenchment of the privately-owned Bank of England, which is the sole manufactory of Great Britain's legal and credit money.

Nothing is further from our intentions than to indulge in an attack on the Jews as Jews. They are human beings as we are, and not one of them had any more choice in his birth than we had in ours.

We recognise the sterling worth of our ex-Governor-General (Sir Isaac Isaacs) and are happy to exclude him from our criticisms. It was he who told the A.N.A. recently that every Australian should face the problems of the day fearlessly, and on another occasion gave utterance to the following:—

"Today it is an extraordinary paradox—human want standing, like Tantalus, unsatisfied in the midst of teeming superabundance— which the experts, the statesmen, the economists, and the financiers or other leaders of thought, in spite of their earnestness and patriotism, are unable to elucidate."

They cannot elucidate it because they refuse to admit the facts about money.

During recent years we have also noticed with interest the expressions of the local Rabbis, and while observing their accurate appreciation of the problems and dangers of present world tendencies, have regretted that they, too, like the leading dignitaries of other religious organisations, avoided attack on the one and only cause—the financial swindle. Indeed, they all seem to join in the cry, "Hands off the banks." This attitude cannot be put down to ignorance, for all of them have been supplied with educational literature about the money fraud. Unless these "leaders" and the rank and file of Jewry come forward and take part in rehabilitating the world they may find other nations, older than Judaism itself and not too friendly disposed towards it, rising ascendant over the Western peoples, who seem intent on annihilating themselves.

Our attack is not on the Jews as Jews. We are attacking the monetary system they operate, under which no nation can monetise.

BOOKS ON MONETARY REFORM

Why Poverty In the Midst of Plenty? By the Dean of Canterbury 8d.
ABC of Social Credit. By C. Barclay Smith 7d.
Dividends for All By C. Barclay Smith 7d.
Tell Me the Story Simply. By Will T. Duggan 7d.
Modern Problems and Mental Attitudes. By Rev. J. T. Lawton 1/1
Economic Democracy. By C. H. Douglas 6/10
Credit Power and Democracy. By C. H. Douglas 0/10
Social Credit. By C. H. Douglas 8/4
The Breakdown of the Employment System. By C. H. Douglas 4d.
Monopoly of Credit By C. H. Douglas
The Douglas Manual

ALL POST FREE

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

or buy its own produce. That is to say, a system in which mesmeric money symbols do not measure up with the price-ticket symbols on the goods for sale.

This Jewish Money Power pervades all countries and is the most "international" thing known. It can always get suitable individuals to do the dirty work, e.g., S. M. Bruce in Australia, Anthony Eden in England, Schacht in Germany, Pirelli in Italy, and so on, and it uses its publicity control to make people believe they are men filled with patriotic fervour. It was the same Money Power that conceived the League of Nations—actually, from the point of view of the individual peoples' welfare and security, the most vicious organisation ever begotten. Like all international suggestions, the League was ostensibly for the general good, but in reality was intended as a mechanism to hogtie each nation immediately it started to squirm under the devilish results of the erroneous financial system imposed by the Money Power. It was to be a sort of national insurance, superficially to guard our welfare *by and by*, but really to act as a deflationary mechanism in the present, to keep us short of ready spending money.

THE NEW YORK HEADQUARTERS.

Jacob H. Schiff, the recognised leader of the Jews up to 1920, and head of the American banking firm of Kuhn, Loeb and Co., was born at Frankfort on Main. Paul Warburg, the creator of the Federal Reserve Board, went to New York from Germany and was admitted as a junior partner in the same firm. These two men worked in close association with Mr. James Stillman, president of the National City Bank of New York, and with Mr. McAdoo, Secretary of the United States Treasury, who was formerly one of Warburg's partners! Max Warburg, (Paul's brother) is head of Warburg's Bank of Hamburg, and Dr. Melchior, one of the partners of that bank, succeeded Sir Otto Niemeyer as chairman of the Finance Committee of the League of Nations, and, with the support of Sir Otto and other anglicised German-Jew financiers in London, he has been a chief promoter of the Bank for International Settlements at Basle, designed to control the world through gold. Max Warburg was constantly consulted by the German Government during the Armistice crisis and actually drafted the speech given by the Chancellor. When the late Lord Lansdowne urged peace in 1917, Max was sent to The Hague on Germany's behalf to see what could be done to dispose of England. Max was Germany's "greatest authority on American affairs," and has been described as Germany's financial dictator.

Some idea of how the interests are kept in the family may be gathered from the fact that Paul Warburg married a daughter of Solomon Loeb, thus becoming a brother-in-law of Jacob Schiff, who had also married a Miss Loeb.

Paul's brother Felix in turn married a daughter of Jacob Schiff, and also became a member of Kuhn, Loeb and Co. Another partner in the firm was Mr. Otto H. Kahn, born in Germany, who became a naturalised American, and later a naturalised British subject. He published a book in 1921 entitled, "Reflections of a Financier," and the foreword to it was written in highly eulogistic vein by no less a person than the Rt. Hon. J. H. Thomas, of whom we have heard so much lately regarding Budget leakages. The concluding words used by Mr. Thomas were: "Otto Kahn's face is towards the light." What light?

Soon after that, Otto addressed the Canadian Club in Ottawa and assured the businessmen and statesmen who compose that club that they could dismiss their fears, that they (the bankers) had the situation well in hand.

THE KUHN, LOEB INTERESTS.

What are the interests of this firm? It was one of the five financial institutions, which constituted the inner ring and directing force of the American Money Trust, whose anti-social activities were specially investigated at the direction of Congress and adversely criticised in the Pujos Report. It was connected with the Knickerbocker Trust, whose failure, deliberately engineered, precipitated the financial panic of 1907 and assisted Paul Warburg to get his worldwide Central Bank scheme going. It financed Japan's war against Russia in 1904-1905. It played an active part in effecting huge amalgamations of railway and other capital in the face of President Theodore Roosevelt's anti-trust campaigns. The financial crisis of 1893 was made to the orders of the American Banking Association and resulted in Kuhn, Loeb and Co. getting hold of the Union Pacific Railroad. The Russian revolution was led by Jews and financed by Kuhn, Loeb and Co. Otto Kahn's sister is the wife of Herr Deutsch, the head of a great German electrical combine, and he is a near relative of Sir George Lewis, a London society lawyer. Russia is the Jewry of the modern world, for four-fifths of the Jewish people are domiciled there. Otto Kahn, with the support of Sir Otto Niemeyer and Montagu Norman, advocated Britain's return to the fraudulent gold standard as a step towards securing *world control* for these Jewish financiers, who are of no country, through the creation of inextinguishable debts.

THE JEWS AND THE FEDERAL RESERVE SYSTEM.

When the Currency Bill establishing the Federal Reserve System was before the American Senate in November 1913, Warburg, Schiff and Mr. Dodge (president of the Y.M.C.A.) called on Colonel House as adviser-in-chief to the President. Mr. Dodge took pains to explain privately that he had only come at the urgent request of

the other two, "who had just handed him a munificent donation to the funds of the Y.M.C.A."

In the *National Review* for March 1925, Mr. Arthur Kitson wrote as follows:—

"Both President Wilson and Senator Owen . . . believed that the Federal Reserve Banking System prevented any possibility of a money or credit monopoly. But Mr. Paul Warburg appears to have outwitted them, and this system, which is modelled on the German Bank principle, is now the recognised source of the money supplies which the Warburg group are employing on behalf of Germany and Russia, the same group which financed Lenin and Trotsky."

RUSSIA.

Trotsky had taken a prominent part in the earlier Revolution of 1905! By the influence of Rasputin, M. Protopopoff, an agent of the Warburgs, was made head of the Czarist Government.

Three days after America declared war, in 1917, Lenin and 29 other revolutionaries were embarked on a sealed train in Switzerland and conveyed through Germany to Stockholm and thence to

SIR FRED STEWART PROGRESSES.

Speaking at the Church of England Congress in Sydney on May 28, Sir Frederick Stewart, M.H.R., said he was dissatisfied with the conditions, which imposed so much privation in a world so bountifully endowed by its Creator. There was plenty in the world to enable everyone to live in contentment, yet 20,000,000 had been crowded out of the modern industrial structure and compelled to suffer privations. He wondered how long these people who had felt the iron heel of industrial maladjustment were prepared to await a tardy evolutionary adjustment. A company in which he was interested had recently informed him that as a result of the installation of labour-saving machinery a dividend of 15 per cent, was proposed. **WHAT WAS THE DIVIDEND THAT ACCRUED TO THE DISCARDED MAN POWER?**

The answer to Sir Frederick is: **THE NATIONAL DIVIDEND, which will be paid AS SOON AS ENOUGH OF THE PEOPLE DEMAND IT.**

Russia. Mr. Hilaire Belloc says that President Wilson seems to have been wholly in the hands of the Jews, and at the Versailles Peace Conference in 1919 sought to have the Bolshevik Government recognised, but was refused. Mr. Wickham Steed, then editor of the *London Times*, who advised the President to let the matter drop, wrote: "I insisted that, unknown to him, the prime movers were Jacob Schiff, Warburg and other international financiers who wished above all to bolster the Jewish Bolsheviks to secure a field for German and Jewish exploitation of Russia." Does this, do you think, explain the suppression of the Christian religion in Russia?

THE WAR.

Six months after the establishment of the Federal Reserve Board in U.S.A., at the instigation of the German-Jew Warburg, the German Government instructed the controllers of industry to open their war mobilisation orders. This was before the assassination of Serajevo, which was said to have been the cause of the war, and of which the Serbian Government had received warning in advance. The fact stands out that the war followed closely upon the establishment of the Federal Reserve Board, which gave New York financiers with intimate German associations a dominating position.

At the outset of the war, a number of large German liners were interned in New York and an attempt was made to have their sailings resumed under the American flag. The late Sir Cecil Spring-Rice, British Ambassador, wrote of it on August 25, 1914, as follows:—

"Another matter is the question

of the transfer of the flag to the Hamburg-American ships. It is not a very pleasant business. The company is practically a German Government affair. The ships are used for Government purposes, the Emperor himself is a large shareholder, and so is the great banking house of Kuhn and Loeb. A member of that house has been appointed to a very responsible post in New York, although only just naturalised (Warburg). He is connected in business with the Secretary of the Treasury, who is the President's son-in-law. It is he who is negotiating on behalf of the Hamburg-American Company."

Sir Cecil wrote again, on November 13, 1914, thus:—

" . . . the German-Jewish bankers are toiling in a solid phalanx to compass our destruction. One by one they are getting hold of the principal New York papers and I was told today that the *New York Times*, which had a courageous Jew at its head who manfully stood up for the Allies, has been practically acquired by Kuhn, Loeb and Co. and Schiff, the arch Jew and special protégé of the Emperor. Warburg . . . is a member of the Federal Reserve Board, or rather the member. He practically controls the financial policy of the Administration, and Paish and Blackett had to negotiate with him. Of course, it was exactly like negotiating with Germany . . . The result was that such arrangements were made as were thought to be for the advantage of the German banks, and the Christian banks were jealous and irritated."

So the banks also fall into different religious categories! Paish and Blackett were Sir George Paish and Sir Basil Blackett (the latter a director of the Bank of England and of international communication companies!). In addition to gaining control of newspapers, the great international news agencies are controlled by Jews, and the Western Union Telegraph Co. is part of Kuhn, Loeb and Co. Jewish financiers also formulated the original scheme for the League of Nations, a body which has done no good for humanity, but has slavishly acted in the interests of High Finance.

FORD'S BUGBEAR

Captain V. H. Cazalet, M.P., in the *National Review* of December, 1926, after a visit to the Ford works at Detroit, made the following disclosure:—

"Like other remarkable men, Ford has one bugbear, i.e., the international Jewish financiers. We asked him who they were. He said: 'I have several books, which will tell you who they all are. They were responsible for the last war, and will in the future always be capable of creating a war when they feel their pockets need one.'"

General Ludendorff, chief of the German General Staff during the war, said: "The same diabolically clever wire-pullers that brought about the last cataclysm anxiously wait for additional conflicts to further their ends. They are busy once more enslaving nations and bringing them under the yoke of economic dependence." *The yoke of economic dependence!*

THE COUNTER-MOVE.

You can easily see from this how it is that Anthropophobia is spreading, and how the only possible effective counter is community control of credit. This power, so far as Australia is concerned, must be taken out of the hands of the international Jews and foreigners, and be vested in our own National Parliament. We have shown previously how our Australian banking system is directly connected with the Bank of England and how the Bank of England is directly connected with the Federal Reserve and worldwide Central Bank System of Jewish origin. It was this same Jewish group whose actions precipitated the depression.

The existing money system, which we are attacking, keeps 13½ million Englishmen below the breadline, with less than 6/- per

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(Continued from page 2.)

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DON B. FISKEN, Baker. 122 Douglas Parade.

week per head for food; necessitates winter *country* work (in short supply at that) for Australian city dwellers; and causes sickening appeals to poverty-stricken people on behalf of "needy children," even while food and clothes are destroyed for lack of buyers. And all this in the wealthiest Empire in the world's history, while its mesmerised people pray to the private financiers: "Lend us this day our daily debt," meaning a piece of paper with figures on it.

We are almost crushed by the unholy trinity of the Money God, i.e., *work, taxation and usury*, for all of which we have to thank the devilish schemers controlling finance. Usury is a mesmerism by which it is made to appear that money reproduces money, on the basis that if I lend you a bushel of wheat to plant, you repay me a bushel and a half. The bushel, of course, reproduces several bushels, and Nature performs what may be termed "inflation of wheat," but money does not reproduce itself and the press has already told you what they and their bankers think of "inflation of money" by the people. These financiers are really afraid that the people are at last realising how they have been swindled, and that they will insist on a fundamental change in the whole problem of economics and human life, giving individual and personal freedom, the very antithesis of the idea of the ancient Jewish Fathers, and thus permanently curing the disease of Anthropophobia.

And we have said nothing about the Rothschilds, one of whom said "Permit me" to issue and control the money of a nation and I care not who makes its laws."

Every student of world affairs should possess a copy of "The Truth About the Slump," by A. N. Field. It confirms much of the information in this article and leaves little room for doubt as to the cause and purpose of Anthropophobia.

"CAN GIFT MONEY BE CANCELLED?"

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

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

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

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Remember Belgium

Do you remember the days of 1914, when posters all over the country asked us to "Remember Belgium"? Well, history repeats itself, and the country, it seems, will now have good cause to remember Belgium once again. For Belgium's patience is exhausted, and its Government has given the two months' notice required to terminate its provisional trade agreement with this country.

In explaining the decision, the Acting Consul-General for Belgium in Australia stated on Sun—that action was being taken with the greatest regret, but that, failing satisfactory arrangements by the Commonwealth, regulations would come into force to control drastically Belgium's purchases of Australian goods, such as certain classes of wool, barley, wheat, frozen meat and other articles. "The Commonwealth," he added, "of which we have been consistent-good and faithful customer, makes it harder and harder to sell the products of our industries. Belgium's capacity to buy Australian goods depends on her export trade."

What is the reaction of Federal Cabinet to this first counter-blow against the new tariff? Sir Henry Gullett, Minister in Charge of Trade Treaties, said that he could only think that Belgium was labouring under a misunderstanding. Taking the recent tariff changes on the whole, Belgium would gain. Sir Henry then went on to deal with our two chief imports from Belgium, glass and textiles, which last year accounted about two-thirds of our total purchases from that country. As far as glass is concerned, he explained that a trade diversion of plate glass amounting to £68,000 projected, which would be shared between

Britain and Belgium. On the subject of textiles, the new duties would have little or no application to Belgium, from which we imported higher-priced artificial silk piece goods. The duties were aimed at lower-priced goods (meaning Japan).

To which we reply that Sir Henry's statement, if the daily press reports him correctly, is sheer, undiluted humbug. On his own figures of the average price of imports for this class of goods, the relative prices in February last were: Belgium, 14½d a square yard; United Kingdom, 14d; Japan, 4¾d. The old duties were: British, 20 per cent, *ad valorem*; foreign, 40 per cent, both being subject to primage of 10 per cent. The new duties are: British, 1½d per square yard, free of primage; foreign, 9d per square yard, plus 5 per cent, primage. How, under these duties, is Belgium to compete against the United Kingdom?

This, however, is only a matter of detail. Belgium's total sales to us are trivial in comparison with her purchases, and it is an insult to Belgium for Sir Henry to attempt to make out a case over glass or textiles, even if his arguments were sound. During the five-year period ended last June our sales to Belgium amounted to £25,387,000 (Australian currency), and our purchases to £1,831,000 (sterling), or just over £2¼ millions in Australian currency. Last year our sales to Belgium totalled £6,080,000 (Australian), and our purchases were £477,000 (sterling). And Sir Henry talks about Belgium getting her share of £68,000 worth of plate glass! Is it any wonder that the name of Australia now stinks abroad for hypocrisy?

The fact of the matter is that the Government is in a hole, which it can't get out of, and never will permanently get out of without monetary reform. If, as is demanded by Social Credit, money were issued to correspond with all production offered for sale, the community could buy *all* its own produce. If there were a genuine surplus for export, as in the case of wool, then, without interfering with local secondary production, it could buy a pound's worth of imports against every pound's worth of exports—whether those exports went to Britain, to Japan, to Belgium or elsewhere. The only matter to be arranged would be what we should decide to manufacture locally and what we should import. And this, with our capacity to buy assured, would provide no real problem.

STILL SOARING
Interest payments on debt absorbed 8.61 percent of the Canadian Dominion Government's revenue in 1913-14, 27.54 percent in 1929-30, and 36.19 percent in 1935-36. These figures were revealed by the Finance Minister in his Budget speech last month.

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A BARRAGE OF FAKED ARGUMENTS

Government Attempts to Side-Step Trade Issues

The primary producers of Australia, who slept instead of acting while the Federal Government was preparing to betray them with its new tariff, have at last begun to realise something of the extreme gravity of what is afoot, and protests are coming forward on all sides. The Government now presents a sorry spectacle of wriggling and squirming as it tries to evade the issue.

An inspired statement from Canberra a few days ago endeavoured to bolster up the Ministry's case by repeating three false arguments, which, since they have been used before and probably will be again, may be worth noting.

The arguments are:—

1. Whether we buy from Japan or not, she must have our wool, therefore there is no need for us to worry on that score.

2. Japan makes more profit out of Australian wool than the Australian grower does, and so we must not be expected to buy up to the value of what we sell.

3. Japan's population is more than ten times that of Australia, yet she buys only about twice as much from us as we do from her, therefore the average Australian buys five times as much of Japanese goods as the average Japanese does of Australian goods.

These arguments, with the necessary alterations to suit individual cases, have been heard in this country over and over again every time the issue is raised of retaliatory action against us where we sell more than we buy. And

there is no doubt that they deceive many people. Yet a casual glance will show their absurdity.

THE CUSTOMER "MUST HAVE" OUR GOODS.

Japan, we are told, *must have* our wool whether we buy her goods or not. Granting Japan's need of our wool, how is she to obtain it? She must either buy it or else take it by force. To buy it her normal method would be to pay for it with Australian money in Australia. To obtain sufficient Australian money she must sell goods to Australians on a pound for pound basis.

Failing this, since Australia each year requires vast sums of English money (sterling) with which to pay our toll of interest to the overseas financiers who have exploited us for so long, arrangements may be made by which the Australian banks will offer Australian credits to the Japanese in exchange for sterling credits made available to them by the Japanese. Japan can get these sterling credits only by herself selling more to some other country than she buys from that country, and subsequently selling these foreign credits to such owners of sterling (if any) as are willing to exchange. But, since every country in the world suffers from the lack of internal purchasing power and is forced to try and sell more abroad than it buys from abroad, and since all debtor nations, if they are to pay their interest, *must* sell more abroad than they buy from abroad (that is, *must* export more than they import) it is becoming increasingly difficult for Japan to establish foreign credits.

Hence those who put forward this argument are living in a fool's paradise. If you are a baker, and if you dismiss a man from your employ, and if you make sure that no one else either employs him or buys anything from him, can you, seeing him destitute, say: "He *has* to have my bread or starve, so I have no cause to worry"? Hardly. If that man cannot get bread from anyone but you, he will finally, if he is not a fool, break into your place for bread. He may even shoot you or cut your throat in the process.

Yet we say that Japan *must have* our wool.

THE PROFIT ARGUMENT

The theory that, since there is a bigger profit in manufacturing than in raising primary products, the primary producer must not be expected to buy back as much from the manufacturer as he sells to the manufacturer, is an absurdity which is particularly dear to Henry Somer Gullett, and which has often been put forward by him.

If Sir Henry were to say that the amount of wool in a suit length is far more valuable as a suit length than as greasy wool, and that therefore the wool grower cannot be expected to buy back as many *lbs.* of woven cloth as he sells of raw wool, he would be stating the obvious. But to use the red herring of profit in discussing how many *pounds'* worth of imports one must take back in exchange for exports is either downright foolishness or dishonesty. As noted in the first argument above, the basis of trade must be to exchange a pound's worth for a pound's worth. If you do not think you are getting a fair pound's worth, then you start to argue about price in order to get more actual goods—which is quite another matter.

The dishonesty of the argument is further shown when we remember that the burden of the charge against Japan is that she is offering us her goods at too low a price. As the case was put by the president of the Melbourne Chamber of Commerce last week, the Japanese goods, "equal in quality to British in most cases, have been landed here at such extraordinarily low process as to make it quite impossible for

the United Kingdom to compete against them."

HOW MUCH PER HEAD?

In view of the preceding, the attempt to balance international trade on a per head basis on each side is equally ludicrous and an equally dishonest argument. The essence of trade is an exchange of goods against goods. How those goods may subsequently be distributed to individuals does not enter into the matter.

Imagine the population of Australia to be reduced to one man—say Sir Henry Gullett in all his glory. If he then bought each year £1's worth of Japanese goods, would he consider that, since the population of Australia bought £1 per head from Japan, each person living under the Japanese flag should in turn buy £1's worth from him, making a total of £110,000,000 or thereabouts? And, if so, how—since the 110,000,000 subjects of Japan would have only the one solitary Gullett pound with which to make their purchases?

The whole situation was well summed up in a recent letter to the Melbourne *Argus* by a correspondent who said that only one remark was required: Whom the gods wish to destroy they first make mad.

The Colonial Mutual And Deflation

By AQUARIUS

In sharp contrast with Sir James Elder of the National Bank, Sir Harry Lawson, when delivering his annual address to the shareholders of the Colonial Mutual Life Assurance Society, dealt mainly with the society's affairs. It is true that he sounded a warning that "recovery" was proceeding too fast, but he did not take the occasion to deliver a general sermon to governments and the community on the whole gamut of national economy. If Sir Harry would but tumble to it he would realise that recovery cannot proceed too fast in any real physical sense—if the community can't produce goods and services, it obviously can't have them. If it can, there is no reason why it should not have them. What is proceeding too fast is the growth of the community's public and private indebtedness to the banks. It is really the fear that the crazy debt structure might get completely out of hand which drives Sir Harry to protest about recovery. Sound finance distorts real prosperity into financial debt.

To turn to the financial position of the society, Sir Harry disclosed in his address that the funds of the society are now £14¼ millions, and that half of the funds consist of government stock. (The A.M.P. Society, a larger insurance company, holds £30 millions of Australian government stock, and the holdings of other companies are equivalently large.)

These facts are illuminating on the question of the ownership of the financial debt to which we have referred, and may serve to explain Sir Harry's concern about any expansion of the debt structure, which will threaten its collapse. During the past year the society has written down its assets by £115,000, and has increased contingency reserves by almost £40,000. Its "funds" show an increase of £1,355,838 during the same period.

These results are enormously gratifying to the company.

They nevertheless represent a large-scale withdrawal of money from the consumption market, its immobilisation in the form of reserves, or its use to create fresh costs through reinvestment.

Life assurance companies and taxation are not the least important of the bankers' devices for retiring money from the community.

Farmers, Please Note:

At the Melbourne wool sales this week there were no Japanese buyers. According to the daily press, withdrawals of wool were frequent, as sellers' reserves were not reached, and "the tendency of the market was easier."

The biggest flourmills in Japan have also recalled their Australian buying representative. His farewell was: "If we can't do business here I must go somewhere else"

Cables from Manchukuo indicate that an embargo against Australian flour will be declared on or about June 10, thus losing you the sale of one-third of your flour exports.

When the Japanese Consul-General was unexpectedly recalled some days ago and a less prominent successor appointed, it was stated that the Government of Japan did not propose to waste the services of a valuable man where there appeared little chance of valuable trade.

If you think these moves are bluff, you'll soon know better.

A NATION CAN'T KEEP ON BUYING WHERE IT CAN'T SELL.

The only thing stopping satisfactory trade treaties is shortage of money; IN AUSTRALIA. Even the Minister in Charge of Trade Treaties admits there is not enough money in this country for us to buy the goods we export. If not, how can there be enough for us to buy imports in exchange?

This is the crux of your difficulties, and they will be solved only by Social Credit, which demands that the issue of money—national money not banker's interest bearing money—shall at all times correspond with the production of saleable goods.

PASS ON THE WORD TO YOUR FEDERAL MEMBER

STANDS ENGLAND AS YOU WERE?

By YAFFLE, in "Reynolds News."

Friends, Britons, countrymen, lend me—

Editor: Every time you come in here you want to borrow something. What is it now?

Lend me your ears. I have an announcement of historic importance to make. Our island is moving.

Coast erosion is continually in the news. Last month two more houses disappeared into the sea at Selsey Bill. The sea is steadily encroaching all down the East Coast.

One newspaper says that England is tilting. That is incorrect. Some people are always imagining that the land is tilting up—particularly on Saturday nights. For while the sea is encroaching on the East, the coast is extending on the West.

England is, in fact, moving Westwards.

Do not be misled by the headline last week, which said, "Britain Tells Italy: Our Position Unchanged." That referred to the Cabinet. It was an unnecessary statement, for who expects a Tory Cabinet to move? Have you ever seen a dream walking?

Britain, I repeat, is moving westwards. Various reasons are given. Some say it is the answer to Lord Beaverbrook's prayer for Britain's isolation from Europe.

Others say it is the fulfilment of the *Daily Express* prophecy that Japan's withdrawal from the Naval Conference would draw Britain closer to the United States.

Neither is correct. The fact is—*Britain is floating.*

Few people have grasped the significance of the historic fact that Britain first (at heaven's command) arose from out the azure main. This means we were never fastened to the bottom, but passed a previous existence as a submarine until the time came to rise (at heaven's command) to the surface and rule the waves.

* * *

We are moving slowly at present. We have no means of propulsion. All we need is a few propellers fitted at intervals round the coast, and we shall be able to go where we like.

The advantages of this will be enormous. First, we shall end the expensive competition for the biggest liner. Already some ships are so big that you might as well be on land.

Some passengers think they are. After they've looked at the shops and gone up the street for a haircut and round the corner for a drink, they try to remember why they came to Brighton. I heard of a lady who, when her child fell overboard in mid-ocean, shouted, "Don't go out of your depth, darling!"

"Porter," said one passenger to a steward, during a bad storm. "I distinctly felt my chair move. Is anyone underneath it?"

"No, sir."

"Then, what's the matter with this hotel? Anyone would think it was a ship."

I could give many such instances, but I think I have established my point, which is that as the ships are so big that passengers think they are ashore, the whole country may as well go to sea.

Again, a floating Britain would go far to solve the problem of

home defence, for an invader would never be sure where we were. We should hear them on the wireless asking each other, "Have you seen Britain?" and laugh like anything.

It will finally solve the question of naval strength, for Britain will be one large cruiser of several billion tons, with its own munition works on board, and a crew of forty millions, all British born, sailing the ocean, laughing foes to scorn. And if anybody's navy got in the way we'd ram it with John o' Groats.

It will settle the weather, for we could go South in winter and North in a heat-wave.

Finally, it will solve the Government's greatest problem. At the moment they are preparing to reorganise the whole country as an arsenal. It isn't for war, as there isn't an enemy. It's to make work. They can't make any other kind of work, as armaments are the only things a Government is allowed to spend money on.

But if the whole island was a ship, any work done on it could be called "Reconditioning, the Navy." So they could spend as much as they liked on agriculture, industry, housing, education and hospitals, and charge it all up to Naval Estimates and no questions asked.

"APART FROM WOOL—"

"Apart from wool, Japan buys little from us."

—Melbourne Herald, May 30.

Last year (1934-35) Japan's purchases of our wool were valued at £8,680,000. Her other purchases amounted to £3,415,000.

Amongst the items other than wool were:—

	£
Heel.....	27,000
Milk and Cream	42,000
Barley	25,000
Wheat	2,273,000
Flour	7,000
Bones.....	7,000
Hides and Skins	115,000
Hoofs and Horns	8,000
Trochus Shell.....	46,000
Raw Cotton	22,000
Textiles.....	9,000
Tallow.....	174,000
Iron Ore	140,000
Pig Lead.....	36,000
Scrap Metal.....	141,000
Zinc.....	163,000
Pig Iron	49,000
Casein	31,000

In 1934-35 exports were recorded from Australia to 39 British countries and 74 foreign countries. Of the whole of these, our exports to Japan, leaving out her purchases of wool entirely, were exceeded in value by our total exports to four countries only—the United Kingdom, New Zealand, Belgium and France.

Tax on Tea and Coffee.

"Tea, on an average, bears charges, through exchange, duty and sales tax, of approximately 7d a lb. The burden on coffee is even worse—through charges beyond the company's control we are forced to pay more than 100 per cent, of the original c.i.f. value."

—Mr. W. M. Fowler, chairman of Robur Tea Co., May 29.

JOHN HOGAN'S REMARKABLE MEETINGS

On Wednesday, May 27, John attended a combined meeting of executives to discuss the electoral campaign and its operation. His affirmation that, irrespective of specific methods, the principles of a dynamic democracy outlined at Buxton must be, and indeed are, the basis of all Social Credit propaganda work now, was welcomed with interest.

At the M.E.S. works, Richmond, on Thursday a record gathering of men from all sections of the plant accorded him a great hearing during the lunch-hour, and the appreciative cheers from over 250 throats who had been given a definite challenge to take up brought delight to the hearts of the many stalwarts who have done great work here in the past. It was a real inspiration to action, as proved by the voluntary contribution made to John's campaign fund by a number of men later in the afternoon, and handed to him in the evening at the reception in Elizabeth House.

On Saturday night, accompanied by a few city supporters, John went out to Narre Warren, and although unavoidably delayed till after 8.30 in his arrival, was greeted warmly by a large crowd for the night, nearly 100, necessitating a larger hall than arranged for. After a long and informative address, interspersed liberally with dry humour, which was greatly enjoyed, John was kept until well after midnight with questions, and then a supper, provided by the Douglas ladies, of the local organisation.

300 AT IVANHOE.

Sunday afternoon witnessed the finest meeting yet addressed in the Melbourne area by the young crusader. Nearly 300 packed out the Ivanhoe Hall, a carload even coming 100 miles from Yallourn to hear him, and the thoroughly representative crowd was on tiptoes from beginning to end. Dr. Hollow, State President of the Social Credit Movement, presided, with the Hon. E. L. Kiernan, M.L.C., also on the platform, and an intent listener as the demand for results was forcibly put forward. In the course of his address, every point of which aroused applause or laughter, John commented on the fact that it was altogether appropriate that on Sunday practical Christians should meet to protest against the great blasphemy—a man-made system standing between man and his right to live, forcing us to hurl back into the Creator's face the abundant wealth which He had seen fit to bestow on us and surely intended us to enjoy. That was why leaders of every denomination throughout the world were playing an active part in the fight for economic freedom. You could not talk spiritual welfare to people on the verge of starvation, either mental, physical or both, and people who could not afford decent clothing could not be expected to attend church. This was being increasingly realised by the churches, and that was why there were probably more people at the meeting than at any church in the district on that day. Any churchman who refused to realise the intimate relationship between physical and spiritual welfare could not claim to be following Him Who had fed the multitude before preaching to them. Sound finance, as we humorously called it, was a direct challenge to religious leaders—a challenge that should be made clear to them individually by the audience.

The great work of the Heidelberg, Ivanhoe and Fairfield branches in organising the meeting was well justified by the results.

Other urgent work and correspondence demanding attention, the departure for Geelong was unexpectedly delayed, and only Monday afternoon could be spent in organising. It was finally decided by John and his companion for the day Eric Brown that it would be unwise to arrange for a meeting in this

heretofore difficult and almost untouched centre without more intensive organisation, in view of its importance. Arrangements were made for future effort. At night a small, but very successful initial meeting took place at Werribee, great interest being aroused to help Mr. W. Ruth, State School headmaster, in his work to establish a group here. This meeting had had little notice, being almost entirely the result of a rushed visit by Leo Graham, super-active member of the Propaganda Committee, with a few colleagues, on the Saturday. It was made even more interesting for both speaker and audience by the amusing attempts at opposition of a sturdy defender of sound finance who apparently also regarded himself as a Communist, but was rather flattened when, attempting to find authorities to back up his refutation of the Douglas analysis, he used the name of McKenna (chairman, Midland Bank; ex-Chancellor of the Exchequer), being met politely with a few statements from "Post War Banking Policy," quoting page and chapter, and Mr. McKenna's addresses to shareholders.

650 AT BOX HILL

Already the crowds have started to roll up; the campaign to intensify. John has apparently stimulated old and new supporters to radioactivity—what's more he makes the public pay for big propaganda, which seems to explain things. With a zeal reminiscent of other campaigning, the members of Box Hill spared no effort in organising for his visit there, and there was some exultation in the camp when the ambitiously engaged new Town Hall gradually filled on Tuesday night until almost all seating capacity was taken up by a splendid crowd approaching 700 in number, and enthusiastic in proportion—a most representative gathering again, too, including a particularly large number of returned soldiers, to whom a special appeal was made. The Mayor of Box Hill, Cr. Mahony, presided and made valuable comments, a special orchestra rendered items, and short addresses were delivered by Dr. Hollow and Mr. L. H. Hollins. Question time was brief but interesting, and the groups outside

afterwards again did not entirely disperse till after midnight. Such meetings are beginning to make orthodoxy in Melbourne sit up and blink, but there is every reason to believe that they are only preliminaries to the success ahead.

John Hogan's Programme

Owing to the pressure of other work, and unexpected circumstances, John Hogan's itinerary for this week has been seriously amended, and the following will now be fairly definite. Insufficient co-operation has been received so far from country branches, groups and readers whose active help is urgently required to enable the maximum use to be made of our young crusader without waste of time. Write in to the Propaganda Secretary, G. R. Trenoweth, 123 Rennie Street, Coburg, N.13, without further delay, and get to work raising the sinews of war to enable the greatest possible amount of propaganda work in advance to be undertaken, and a certain amount of unnecessary worry lifted off the shoulders of those responsible for this intensely important campaign. Run dances, make a collection on pay evening, grasp every opportunity of making inactive sympathisers and the general public assist, so that we will not be over-burdened with a shortage of purchasing power in fighting a shortage of purchasing power. Keep the crusader in the front line—it's your fight! Acknowledgements will be made in these columns, if desired. Saturday, June 6.—Organising Ballarat and intervening district. Night meeting at Castlemaine.

- Sunday, 7.—Night meeting at Coburg or North Melbourne.
- Monday, 8.—Hawthorn Town Hall 8 p.m. (doors open, 7 p.m.)
- Tuesday, 9.—Waragul, Rechabite Hall, 8 p.m.
- Wednesday, 10.—Yallourn, St. Theresa's Hall, 8 p.m.
- Thursday, 11.—Garfield or Dandenong.
- Friday, 12.—Ballarat. Lunch hour and 8 p.m.
- Saturday, 13.—Daylesford.
- Sunday, 14.—2.30 p.m., Kyneton; 8 p.m., Woodend.
- Monday, 15, onwards.—Meetings at Melbourne Central Hall, Geelong, and main suburbs before leaving for tour of Gippsland.

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Our Trade.	1930-31		1934-35	
	(Depression)	£	(Prosperity)	£
Australia's Exports to—				
India	3,151,000	..	785,000	
South Africa.....	496,000		316,000	
China.....	3,351,000		2,472,000	
Egypt.....	1,474,000		639,000	
France	6,747,000		4,731,000	
Germany	5,311,000		1,738,000	
Italy.....	3,495,000		995,000	
Netherlands East Indies	1,436,000		1,186,000	
Norway	48,000		7,000	

SOCIAL CREDIT OR SOCIAL DEBT?

An Address Delivered to the State Savings Bank Officers' Association of Victoria by Leslie H. Hollins, M.I.A.E., Aust.

(With acknowledgments to *Savings Weekly*, the Association's official newspaper.)

(Concluded From Our Last Issue.)

WAGE SAVERS.

If Major Douglas's statement be correct, and the facts prove it, "that the wages, salaries and dividends distributed during any period do not, and cannot, buy the production of that period," then it is vital for us to know why industry is not self-liquidating. In passing, reference has been made to the use of automatic machines to save wages, and to the private monopoly of money manufacture as being responsible. Although there are other reasons, these two should suffice to demonstrate the correctness of Major Douglas's analysis.

Of these causes the use of automatic machines as wage savers is, perhaps, the one most easily understood. Engineers and scientists have for hundreds of years been striving to eliminate human labour in production. The industrialist, on the other hand, is not so much concerned with labour as with wages. He, in fact, uses the new machines to avoid distributing pay envelopes, but by some extraordinary process of reasoning expects the saved labourers to buy the products of the wage-saving machines.

Prior to the introduction of modern power machinery, there was, according to Lord Leverhulme, in his book, "The Six Hour Day," "no involuntary unemployment and no known want," and this despite the fact that the only aids to production were crude water wheels and windmills.

It seems impossible for the average man of today to grasp the fact that such conditions did actually exist. To further support this contention: "Sombart, studying agricultural conditions in Central Europe in the fourteenth century, found hundreds of communities which averaged from 160 to 180 holidays a year."

According to Professor Thorold Rogers, "Wages in England were higher 500 years ago than they are today. At that time a labourer could produce all the necessities for his family for a year by working 14 weeks. Today producers should be a hundred times better off, instead of which society has a few millionaires, hordes of paupers and a mass of misery unknown to the veriest savage."

In the days of the water wheel and the windmill the only cost was a labour cost, and the workers could buy the products of their industry. Today, although our capacity to produce has increased a hundredfold, we are

poverty stricken because of a flaw in our financial accounting methods.

MECHANICAL SLAVES.

Our modern power production is a comparatively recent innovation, for it was in the year 1774 that James Watt took the crude steam engine of Newcomen and made it a going concern. Newcomen's engine was an improvement on an engine built by Thomas Savery in 1698. This engine, when it worked, developed about 4 h.p. As a h.p. will do the work of ten strong men, Thomas Savery's engine had a work capacity equal to 40 men. Compare this with a modern steam turbine, with a rated capacity of 300,000 h.p. On a 24 hour

A MOTTO.

"The unity of Labour is the hope of the world.' How often has that boastful motto, emblazoned on banners, been carried in Labour processions!"

—"Argus" leader, June 3.

And for ninety years and a day the "Argus" has had emblazoned on its banner that modest motto: "I am in the place where I am demanded of conscience to speak the truth, and therefore the truth I speak impugn it whoso list."

basis such a turbine can do the work of nine million men.

Throughout the world today man has in use not less than 1500 million h.p., doing the equivalent work of 15,000 million men. As there are only 2000 million persons in the world, this means that each of us has, or should have, seven and a half mechanical slaves ready and willing to work for us day in and day out, never firing.

In the few short years, 162 to be exact, since James Watt made the steam engine an effective means of harnessing solar energy—i.e., energy stored in coal, oil, wood, etc.—man has invented, and to a large extent developed, every other heat engine now in existence. Man's heat engines, therefore, have harnessed the inexhaustible power of the sun, "thus making," to quote the technocrats of America, "all findings based on human labour irrelevant because the rate of energy conversion of the modern machine is many thousand times that of man."

POWER FARMING.

The application of power plus scientific methods has completely revolutionised the agricultural industries, not only in Australia, but in every country of the world. Be-

tween 1900 and 1933 our production of butter increased by 324 per cent., our cheese by 213 per cent., our wheat by 269 per cent., our sugar by 374 per cent., our honey by 345 per cent., and our eggs and poultry by 240 per cent., to quote just a few. During those years an average of all industries would show an increase of production over population of approximately 200 per cent. Despite this enormous increase in production, 50,000 fewer men were employed in agricultural industries in 1928 than in 1911.

Sir Daniel Hall, scientific adviser to the Board of Agriculture in Great Britain, tells us that the possible productivity of the soil has been doubled in the last ten years.

Thirty-eight years ago Sir William Crooks told the British Association that Canada could never produce more than 228 million bushels of wheat. Today, due to the application of science, she produces 500 million bushels with fewer men employed.

But this is as nothing compared to what is to come. According to Dr. O. W. Wilcox, the noted agrobiologist, the huge populations of New York and London, by using the new science of crop production, could be fed from an area no bigger than those cities, and by employing only 6500 men.

In his new book, "Nations Can Live at Home," Dr. Wilcox has shown what the new science of agrobiology means to mankind. He says: "Wheat has been produced yielding, in the field, 122½ bushels per acre, and Italian scientists have induced rice to yield 8000lbs. per acre."

"The known yielding power of maize is 225 bushels an acre, of oats 245.7 bushels, of beet sugar 7.77 tons, of barley 122.5 bushels, but of these the agrobiologists say only maize has reached the theoretical maximum."

FACTORY PRODUCTION.

While the progress made in the primary industries has been phenomenal, especially since the beginning of the century, the advances made in the secondary industries have been nothing less than astounding. For instance, in the Chevrolet foundry, Saginaw, United States of America, output advanced 290 per cent. in ten years, but they eliminated 13,872 men, and increased the output five and a half times per square foot of floor area.

In 1904 it took 1291 man-hours to build a motorcar. In 1928 the same car could be built in 92 man-hours. Today, due to improvements in process and more automatic machinery, only 19 men are required for every 250 employed in 1928.

Dr. Hewlett Johnston, Dean of Canterbury, writes: "Power, developed with a minimum of labour, in its turn displaces other labour. Two weeks ago we read of England's new electric shovel, employed to lay bare a bed of ore some 175 feet below the surface. Such shovels can shift 30,000 cubic yards of earth in twenty-four hours. A gang of 15,000 coolies would take ten hours to do it."

"Fine work as well as coarse is claimed for power processes. A modern electric lamp machine casts off its shower of bulbs at the rate of 422 a minute, multiplying man's labour in this instance by 10,000 times. And the extraordinary plant which works the miracle was made by thirty-seven men working a mere six weeks."

Recently a mechanical ledger-keeper was introduced, resembling a giant typewriter. Operated by one girl, it deals with 60,000 separate ledger entries in an hour, recording clients' cheques, balances and interest. It does the work of 60 clerks. The Bank of England has installed a number of these machines, with the result that a large number of clerks have been dismissed. The bank, however, recognised that there was little chance of them finding suitable employment outside; it therefore offered each a lump sum of £2000, or £2 per week for life. The bank, by this act, accepted the principle of the National Dividend.

Notwithstanding the evidence to the contrary, there are many who still persist in claiming that machines do not save labour; that, in fact, they make work. Maurice Colbourne, in his book, "Employment or War?" gives an illustration, which seems to prove beyond argument the futility of such a claim. He writes: "In a clothing establishment, seeing a girl at work on a machine, I asked the employer how many men's labour that machine saved him. He said, 'Twelve men's.' On being questioned as to where the men were employed now, he finally said, 'Making the machine.' Shortly after, visiting the Glasgow branch of the Singer Sewing Machine Company, I saw precisely similar machines. On enquiry, I was informed the equivalent man labour in the production of a machine of this type was one man, 4½ days." From this illustration we see clearly that one man in four and a half days could produce; a machine which would save the labour of 12 men for 10 years.

If this process of displacing men with machines continues to its ultimate conclusion, we will have machines turning out mountains of goods while the multitude of displaced labourers, being without money, stand by poverty-stricken, unable to buy them. As the owners of the automatic machines are dependent for their income on selling the goods, they, too, are without money, for there is no one to buy.

As our position today would not need to be worsened appreciably to approximate the above conditions, it is a matter of real urgency for us to take immediately one of the only two ways out. Either we must distribute the goods or distribute the money. Money being a scientific medium of exchange, it is but reasonable to suggest that money be distributed so that all the goods can be claimed. Because of the money monopoly we cannot take this, the only sane course, but rather must we continue to borrow money from the banks to buy the goods, which we as producers already own.

THE MONEY MONOPOLY

The growth of the money monopoly makes an interesting

£30,000,000 ADDED TO OUR INTEREST BILL BY EXCHANGE.

In answer to a question in the House of Representatives on May 21, the Federal Treasurer gave the following figures of the cost to Australian taxpayers of exchange on Government interest payments:

1930-31	3,600,000
1931-32	7,820,000
1932-33	7,300,000
1933-34	6,050,000
1934-35	5,570,000
	£30,340,000

story, quite as interesting, in fact, as the evolution of the wage-saving machine. Trade in the 17th century was such as to encourage the introduction of banking, but it was not until the 18th century, with its new methods of production, that the banker really came into his own. It is safe to say, therefore, that power machines have done more than anything else to make possible the banking system of today.

The year 1609 saw the first modern bank established in Amsterdam. As much of the business transacted by the bank consisted, as it does today, of transferring financial credit from one customer's account to another, the bankers soon learned that they could lend more money than they actually held in cash. These bankers, however, were quickly found out, and imprisoned for fraudulent practice. The fraudulent practice of the Amsterdam banker has become the mainstay of the modern banking system.

INTEREST OR USURY

Early in the 17th century goldsmiths in England were beginning to be known as bankers, and there is much evidence to indicate that power wielded by these men, despite the fact that interest taking or usury was classed with murder and punished

equally severely. Even as late as James I's reign, an Attorney General classed usurers with murderers.

Mayer Anselm Rothschild—a name now well known in banking circles—said in 1690: "Permit me to issue and control the money of a nation, and I care not who makes its laws." It would be well for us to keep this statement clearly in mind as we study the banking system in its relation to industry and the community's welfare through the intervening years.

In 1692 William and Mary, on the throne of England, and at the head of the Protestant Church, were forced to borrow £1,200,000 from the merchants of London to wage a war in Flanders. In their necessity their Majesties were forced to pledge the kingdom to pay 8 per cent. interest forever. When the King and Queen agreed to pay interest, "the clergy," according to John Hodgson, "began to shift their ground and apologise for and excuse a practice which previously they had unswervingly condemned. The courts also began to modify their decisions so as to bring them more into harmony with the action of the Crown." In this way, interest taking became an established practice in England.

DEBT FINANCE.

As a direct result of this loan the Bank of England was founded by the London merchants two years later, in 1694. The Bank of England is a "private money making concern," to quote the Melbourne *Herald* of May 1, 1936, over which the Government has no control whatever. "Money making concern" is the correct definition, for it does, literally, manufacture money by the hundreds of millions and claim every penny as its own.

From now on the link between the banking system and the modern power production system is very real. In 1738 Kay invented the flying shuttle, thus breaking the spell of antiquity. For thousands of years no real improvement had been made in methods of production. The workers, operating primitive tools and equipment in their own homes, had but one cost to consider, and that a labour cost. They could use the products of their labour, or exchange them in the market place for the goods produced by others. The monetary aspect, therefore, was of little consequence.

Now, Kay, with his new shuttle, had completely revolutionised all this. At first the new machines, driven by hand, had little effect, but later, as the machines were improved and enlarged, factories were set up where they could be driven by water-wheels, windmills, and later by steam engines. The new machines soon drove the workers from their homes into the factories, where, instead of one, there were two costs going into price—a distributed wage cost and, in addition, an allocated overhead cost. With the wages they received the workers could buy the goods representing the wage cost in prices, but that part of the goods representing the allocated money charges in price could only be bought through bank loans for public works at home or abroad.

WORLD DEBTS.

The system of distributing machine production per medium of bank loans, on which we must pay interest, has had disastrous results. In the 17th century, when banking was first introduced, the world's debts increased by 47 per cent, while in the 18th century, due to the tremendous expansion of industry, especially towards the latter end, the world's debts increased by 466 per cent. In the 19th century, due to the industrial

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revolution throughout the world, the world's debts increased by 12,000 per cent, and in the 20th century, due to the war and the enormous increase in automatic machinery, we have so far broken all previous records. We have, in fact, pyramided debts on debts until they have reached astronomical proportions. The whole debt structure now threatens to collapse and wipe out civilisation.

According to the London *Economist* England's debt over the last twenty years grew to a total ten times greater than the figure at which it had arrived after the previous 225 years. The interest on this national debt amounts to approximately £1,000,000 per day.

It has been estimated that America's interest-bearing capital investments now amount to the enormous sum of £60,000,000,000. At 5 per cent, the annual interest charge would amount to £3,000,000,000. As the community must borrow the money from the banker to pay the interest on the money already borrowed, the claim made that America is about to turn the corner is quite as foolish as claiming that a man can lift himself by his boot-straps. The Americans, like ourselves, have been told so often that prosperity is around the corner, they have become cross-eyed looking for it.

In 1860 our Australian national debt amounted to £12,000,000. Since federation—a matter of 36 years — we have paid over £900,000,000 in interest on the national debt without paying one penny off the principal. At the same time we have increased the national debt by over £1,000,000,000. Approximately £150,000,000 of this has been added during the operation of the Premiers' Plan. To-day interest payments alone amount to approximately £1,000,000 per week.

TAXATION.

The ever-increasing burden of interest on borrowed money has caused a phenomenal increase in taxation, especially during the last twenty-five years. In 1910 the total taxes collected in Australia amounted to £16,731,000; in 1935 they totalled £95,177,439. This is an increase of nearly 600 per cent, in the 25 years. Incidentally, taxation for 1935 amounted to £14/4/- per head of the population.

Evidence given at the Tasmanian Monetary Enquiry revealed that if the debt system continues it will, within 25 years, require the whole of Australia's income, to meet the interest charges on borrowed money alone.

After having investigated the facts of the modern banking system, we can only conclude, with the late Lord Brice, that: "Democracy has no more insidious or persistent foe than the money power, to which it may say, as Dante said when he reached, on his journey through hell; the dwelling of the God of Riches, 'Here we find Wealth, the great enemy.' That enemy is formidable because he works secretly by persuasion or deceit rather than by force, and so takes men unawares. He is a danger to good government everywhere."

If we bear in mind the words of Mayer Anselm Rothschild spoken in 1690, the statement made by the Hon. Reginald McKenna has great significance. He said, "They who control the credit of a nation direct the policy of governments, and hold in the hollow of their hands the destinies of the people."

THE EXPERTS.

Despite the overwhelming evidence in favour of Social Credit, the "experts" are doing everything in their power to maintain the system of Social Debt. The continual barrage of ridicule and criticism levelled at the Douglas proposals by the "experts" is the greatest encouragement we can have. Is it not true that the "experts" of the past have nearly always been wrong? The "experts" said that heavier than air machines would never fly; that railways would never take the place of stage-coaches; that iron ships would never float; in fact, they said that the war, that is, the

THE PEOPLE'S MOVEMENT TO ABOLISH POVERTY

THE PARTING OF THE WAYS

The New Work of the Social Credit Movement

What is the task of supreme importance, which confronts the Social Credit Movement today? It is action.

If the population of this country is to be spared the horrors of war—if insecurity, want and subsistence wages are to give place to comfort, plenty and higher personal incomes for all—we must be active. It is futile for the Social Credit Movement of this country to continue its present methods, and this is not because our efforts to propagate Social Credit have been unsuccessful. On the contrary, they have achieved a remarkable result.

Five years ago, how many people in Australia were aware of the real flaw in the present system? How many people rea-

scendant . . . but it is difficult to believe that the whole world is so bereft of sanity that a pause for reflection is too much to hope for, pending a final resignation to utter catastrophe. . . . The position will be tremendous in its importance. A comparatively short period will probably serve to decide whether we are to master the mighty economic and social machine that we have created, or whether it is to master us; and during that period a small impetus from a body of men who know what to do and how to do it may make the difference between yet one more retreat into the Dark Ages, or the emergence into the full light of a day of such splendour as we can at present only envisage dimly.

"It is this necessity for the recognition of the psychological moment, and the fitting to that moment of appropriate action, which should be present in the minds of that small minority which is seized of the gravity of the present times."

The import of these passages is the concern of every Social Creditor. Let us review Douglas's pregnant words.

In the incomparable judgment of the man who penned the above words, "that pause for reflection has arrived." That "comparatively short period" during which effective action is possible is upon us; and we—that is, everyone familiar with the new economics—are that "body of men from whom a small impetus may make the difference between a retreat into the Dark Ages, or the emergence into the full light of a day of such splendour as we can at present only envisage dimly."

THE INDIVIDUAL'S RESPONSIBILITY

Are there any amongst us who, pondering these words, can fail to realise their significance? Are there any forced to such realisation who will fail to perceive their responsibility? We, a small minority, have it in our power to avert the destruction that is imminent. Will we live up to our responsibilities? There is no excuse that can be offered for evading them. It cannot be urged that we do not know the nature of the small impetus required of us; it is useless to con-

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

Elector's 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)

A "MAJOR" REFORM!
"A major and desirable reform will be credited to the Premier (Mr. Dunstan) if he carries out his intention of reconstituting the administration of the Zoological Gardens."
"Argus" editorial, May 24

tend at this stage that Major Douglas has failed to make clear, firstly, that the time for that small impetus to be given has arrived, and, secondly, the form such impetus shall take.

GET AT THE VOTERS.

Two years ago (a tremendously long time considering the nearness of destruction) Douglas, in his memorable speech at Buxton, told us how to act.

"From now on," he said, "I believe that the most immediately important aspect of the matter is the formulation of definite methods for bringing Parliament itself, and, consequently, the forces of the Crown, which Parliament controls, under popular control in regard to objectives and not in regard to mechanics. I think that in every part of the country where a Social Credit Group exists, or can be formed, an organisation should be set up at once for the systematic presentation of the situation to every voter in the district.

"One by one the voters should be asked whether they are in favour of a larger personal income with absolute security, via the National Dividend . . . The electors should then definitely be asked for a pledge to vote for no candidate who is not prepared to ask for that dividend."

These words are unequivocal. The purification of democracy will save civilisation. The clear, united demand of the people to enjoy security and freedom will force Parliament to take effective action. It lies within our power to obtain such a demand. We know the nature of the mechanism, which Douglas has forged to get a clear expression of the people's will. It is the house-to-house canvass of the electoral campaign. The time has come to take action along the lines advised by Douglas. Let us recall those words of his in "Social Credit" (p. 199): "It is this necessity for the recognition of the psychological moment, and the fitting to that moment of appropriate action, which should be present in the minds of that small minority which is seized of the gravity of the present time."

The moment has arrived. Let us recognise it and fit to it the appropriate action Douglas has devised.

Letters to the Editor

DOING THE DIRTY WORK.

Now that our hanging governments have destroyed another human being, one unfortunately endowed by the Creator with an imperfect brain, the question arises why they get an unknown person to do their dirty work.

Would it not have been more manly for Duffy, Dunstan and Huntingfield to have done their job themselves? It's peculiar how the hanging governments can always get a plebeian to hang another. If these three gentlemen needed any help they, might call in the aid of Mr. Michaelis, the Jewish gentleman who represents the Anglo-Saxons of St. Kilda, for he recently avowed his approval of public murder by capital punishment. We suppose he is in perfect accord with the Arabs in Palestine.

HELEN McLEOD.

THE BANKS FOR THE PEOPLE OR THE PEOPLE FOR THE BANKS?

A large amount of the trade of shopkeepers is done after banking hours, particularly on Fridays, when banks close six hours before shops do. Traders, particularly suburban traders, are becoming alarmed at the large numbers of armed hold-ups, which have occurred recently. In most cases the robbers have got away with money which, but for the restricted hours of banking, would have been safely deposited in the bank.

Could not the banks arrange to remain open—at least for the receipt of deposits—until 6 p.m. daily and 9 p.m. on Fridays? Light-houses, railways and sewerage systems operate for such periods as public opinion—through the voice of its legislators—deems necessary. As the banks, to use their own words, are the custodians of the people's money, will they listen to the voice of their customers who asked for longer banking hours so that money may be placed in their custody more promptly?

The State Savings Bank of Victoria remains open on Fridays until 8.30 p.m. for receipt of deposits. Certain customers of this bank have been granted the facility of paying accounts by cheque (without presentation of their pass book). Would the Government consider the extension of this facility to traders? If so, I am sure many small traders would transfer their accounts to the State bank.

"TWICE ROBBED."

(It is most unlikely that the Associated Banks would allow the Government of Victoria to make any alteration in the constitution of the State Savings Bank, as suggested above.—Ed. N.T.)

OUR BIRTHDAY PRESENT

Congratulations on your birthday. Your suggestion of a new subscriber as a birthday present is a good one, but why stop at one? I would suggest to Social Crediters that they approach their local newsagent and ascertain if he will deliver the *New Times* in his district if they canvass for him. That sales can be rapidly increased I have proved. A few weeks ago I approached my newsagent and found that he was selling only four copies per week and was getting his supply through another newsagent. He informed me that he would be glad to deliver to any part of the city. Two days after he wired you for 30 copies. I then enlisted the help of a friend, Mr. P----- . The next week the agent sold 51 copies and last week ordered 60. This was done without any special effort. What one can do another can.

The majority of these new subscribers had never heard of the *New Times*.

F. W.

Tasmania.
(We have received very welcome documentary proof in the form of orders, of "F.W.s" statements above. Need we say that his suggestion is warmly endorsed?—Ed. N.T.)

FALSE IDEAS ABOUT SOCIAL CREDIT

By J. C. FOLEY, B.Sc., Commonwealth Meteorologist, Hobart.

Most people, from lack of training, are unable to understand the intricacies of finance. This is a very great handicap. In the first place it leads to a serious misunderstanding, on the part of many who ought to know better, of what monetary reform means, and how we expect to reach that objective. Some people, for example, think that the introduction of Social Credit would lead to inflation. Others think that we want to confiscate everybody's savings and use them to pay National Dividends. This is, of course, utter nonsense, and nothing of the kind is even remotely possible. Social Credit, if put into operation, would protect your savings. Your investments would pay bigger dividends, because the restrictions put upon industry by the present methods of finance and the present shortage of purchasing power would be removed. It is the present system that robs people of their savings. In England, in the three years 1928 to 1931, the value of the shares in 284 companies fell from £117 millions to £66 millions. This represents a loss of investments of over £50 millions. Neither your dividends nor your savings can be guaranteed under the present system.

If, however, ignorance regarding Social Credit and finance in general were confined to the man in the street, the matter would be serious enough; but when we consider that the entirely new conditions of recent years have completely upset all previous ideas of money, and that not one businessman or banker or politician in a hundred understands even the first principles of the problems they are faced with, then I think you will agree that we are face to face with a public menace of a most dangerous character.

It seems to me, therefore, that we have to try and put before the thinking public some of the simpler aspects of Social Credit, and help people to get a general idea of the nature of the problems we are faced with, and what action we consider should be taken to deal with these problems.

POLITICAL ATTITUDE TO LOAN EXPENDITURE

One case illustrating the need for teaching the public the facts regarding finance and the present system of private and public borrowing is seen in the attitude of the Nationalist party towards the expenditure of loan money. Most thinking people are agreed that the recent revival in local trade has been due in a great degree to the purchasing power put into circulation by the Government in spending borrowed money. Recent Nationalist speakers in Tasmania have been criticising this practice. They do not appear to realise that if the

expenditure of loan money were stopped, the business people whose interests they are supposed to represent would be faced with another slump in trade.

Under the present system of finance, if industry and trade are to be kept in a healthy condition, it is absolutely necessary for the Government to spend borrowed money, and so increase the purchasing power of the people. Australian economic history since the war has proved this conclusively.

I want to make it quite clear, however, that while some of the Nationalist speakers do not impress us as having any constructive financial policy at all; we are not in *entire* accord with the financial policy of their opponents. The reform policy of the Labor Party is limited to community or national control of credit. We agree that, if the control of a policy of national defence is too vital to be entrusted to a group of independent and irresponsible persons, then financial policy, upon which rests the *economic* security of the people, is also much too important a matter to be left in irresponsible hands. But there are other aspects of the problem of finance to be considered. So far we have not been able to see any clear recognition by the Labor Party, either in Tasmania or elsewhere, of what to the *Social Credit Movement* is the most vital and essential point of the whole situation—namely, the necessity for regulating the amount of money in the pockets of consumers, so that they will always have enough to buy the goods which industry is capable of producing for their needs, and so keep the wheels of industry moving freely.

I do not know what ideas the Labor leaders have on this point. But, until they recognise the significance of the gap between prices and purchasing power, we are afraid—and we offer this criticism in a friendly spirit—that they will fall an easy prey to the Philistines, and that their best efforts, like those of President Roosevelt, must inevitably result in failure.

RESPONSIBILITY FOR WAR

Both parties of the State Parliament should regard the problem of finance, with which is involved the problem of poverty and the menace of war, as by far the most urgent issue before them, and I suggest that they should give the Federal Government no peace until that Government takes *effective* steps to deal with it.

It is not only politicians and those who advocate Social Credit who are concerned in this. All members of the community have equal responsibility for the need-less poverty and degradation of hundreds and thousands of their fellow-citizens and for the outbreak of war if it comes. If the young

men of Australia are thrown once more into a hell of mechanised and chemical warfare, each individual elector will be morally responsible insofar as he or she lifts no voice against governments which sit twiddling their thumbs instead of taking action to discover and remove causes of war which ought by now to be fairly obvious to everybody.

INDUSTRIAL FACTS.

What are the facts? First of all we should make up our minds that the financial and industrial systems should operate for the benefit of the whole of the population, and not for a privileged few. Why is it that the industrial system is not supplying the needs of the masses of the people as it should? We can commence to answer this question by considering that no person can obtain the necessities and comforts of life in these days unless he has a money income.

Under modern methods of production, goods and services are turned out into an immense pool, and if you and I have a properly certified order or ticket, such as a pound note, we can go to the pool and obtain what we require up to the limit of the order. Without an

THANK GOD THE DEPRESSION IS OVER

A North Melbourne firm advertised for a motor driver this week, application to be made personally at 8.30 a.m.

Applicants began to assemble at 4.30 a.m., and before the appointed time there were over 500 men seeking the job—not including those who had turned away in despair. Prosperity? They don't want work?

order or ticket we must stay outside and starve. There are two other aspects of the problem. The first is that we can only obtain the orders or tickets if our labours of muscle and brain are required by others who can pay for them. The tendency of modern industry is to employ machines and mechanical power instead of human labour, because they are more efficient and less costly. The wage system is breaking down. How is the displaced worker to obtain his tickets in future? That is one aspect of the problem.

Another aspect is that the goods themselves have price labels attached to them, and while prices are determined by what the goods will fetch, there are costs of production to be considered which can be met only by selling the goods. This is a question, which has not been widely studied. It is a very involved and difficult question. But those who have studied it carefully can point to customs and practices in the use and misuse of money, which result in costs and prices being quite beyond the power of ticket holders to meet. The simplest way of seeing this fact is to notice that Australia has lived prosperously when governments have been spending borrowed money and increasing the national debt on such things as public works and subsidies to home industries. More recently we owe some of our relief from depression to armament manufacture in Europe and to the demand for wool for war purposes. The ordinary consumer does not buy harbour bridges or armaments, but the money, which is paid out in building and manufacturing such things increases the purchasing power of the community, and industry is able to recover costs, which otherwise it would not be able to recover. When such expenditure of borrowed money ceases, depression sets in. This is because the purchasing power which industry pays out in producing ordinary consumable goods, and collects again in the sale of such goods, is not sufficient to meet its costs. This is a fact beyond dispute, and it is the discovery, which Major Douglas made 20 years ago. On this discovery he foretold the breakdown of the present system, and put forward his proposals for

overcoming the difficulty.

THE CAUSE OF CONFLICT

The Social Credit proposals state that, if consumers have not sufficient money to pay the prices of all the goods which industry is able to produce for their requirements, then more money must be made available to consumers, not through wages and industrial dividends, but as a direct gift from a National Credit Office set up for the purpose, and this money must not be borrowed. It will be quite evident to you that if industry cannot meet its costs through the sale of its goods, then it must discharge its employees and ultimately close down unless it receives outside help.

The threat of war arises because industry tries to export its unsaleable goods and governments set up tariff barriers to prevent this practice. Moreover, industrial nations compete for what they call foreign markets. This competition also results in friction, which may lead to war. Another example of outside assistance to home industry is the case of Italy's conquest of Abyssinia. This will mean that Italian factories will be kept busy working hard for some years to come in manufacturing materials for developing Abyssinia—railway materials, electrical materials, road building machines, housing materials, and so forth. Wages and dividends will be paid to Italians, but the Italian people will not buy these goods. Abyssinia will buy them out of borrowed money, just as we have been doing for the last 100 years. Italy's deficiency of purchasing power will be solved for the time being. This is fortunate for Italy. Most other nations will have to resort to more direct methods of assisting their home markets, and something in the nature of an issue of money as a gift to consumers seems inevitable.

THE DOUGLAS CREDIT MOVEMENT OF VICTORIA

News of the Week

There is no doubt about the enthusiasm of the Movement for John Hogan. His doings form the bulk of the news for this week, and a complete report of his activities appears elsewhere in this issue. On Thursday, May 28, he attended a social evening arranged by the Women's Movement in the E.S.U. Rooms. A large gathering of members greeted John most warmly. The president of the Women's Movement, Mrs. Lavis, presided and John was introduced by Dr. Hollow, the State President. John spoke of the work he thought would be necessary in the next few months and fired the audience with some of his own spirit. Short speeches by Dr. Dale, Rev. E. Hankinson and Mr. L. H. Hollins, together with some excellent musical items, completed the programme. The ladies concluded the evening with supper and deserve the thanks of all for the splendid night's entertainment.

On the same evening, Mr. G. Kurrle concluded a series of addresses to the Heidelberg branch. This branch has only been in existence for a short time, and is doing excellent work in the district. In addition to public meetings, a study class has been formed. The secretary is Mr. T. Cunliffe, Mount Street, Heidelberg, who will be pleased to hear from anyone in the district interested in Social Credit.

On Sunday last, May 31, Mr. L. Hollins was the speaker at the Melbourne Forum. This is a pleasant Sunday afternoon conducted by the Rev. Bottomley at the Unitarian Church, East Melbourne; from which speakers who are dissatisfied with existing conditions are not excluded. Mr. Hollins address, "Money and the Masses," was broadcast over national station 3AR. He spoke of the

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of the advance of science and machinery, of the ease with which the needs of man can now be produced. He pointed to the unemployment produced by the same machines and to the poverty and misery, which is frustrating the work of the engineers and scientists. He showed how the social control of credit would rectify these anomalies. His talk was warmly received by a large audience, who marked their appreciation with frequent applause. It is perhaps significant of the interest being taken in this subject that 3AR elected to broadcast the address.

QUEENSLAND DOUGLAS CREDIT PARTY NOTES

The event of the week has been the arrival in Brisbane of the Rev. Mr. G. S. Carruthers, member of the Tasmanian House of Assembly, who was the first Douglas Credit advocate elected to any Parliament. A big attendance is expected when Mr. Carruthers addresses a public meeting in the Albert Hall.

The Bowen by-election campaign is being carried on strenuously by the Douglas Credit Party candidate, Mr. H. I. Madden, and the campaign director reports that remarkable progress is being made.

Satisfactory work is being done by the Howard branch, the membership of which is rapidly increasing. Progress in these industrial centres is usually slower than in rural towns.

The State President spent an evening with a number of prominent businessmen one evening last week at Ascot. Another meeting is being arranged for in this district and it is hoped then many influential businessmen will join the Movement as a result. It is expected that a similar meeting will be held shortly in South Brisbane, and everyone desirous of attending is requested to communicate with the secretary at headquarters, Albert House.

On Tuesday, May 26, in the absence of the State Secretary, the class, which meets at headquarters, was taken by Mr. Boorman. After delivering a short address upon certain aspects of the Douglas analysis and proposals, he answered many questions in a manner that was greatly appreciated.

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