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Vol. II. No. 42

MELBOURNE, FRIDAY, OCTOBER 16, 1936

Every Friday, 3d

This Devaluation Bunkum

A Gem from the "Herald"

A correspondent draws our attention to the following in the Melbourne *Herald* "Answers to Correspondents" column:—

"Social Credit has not worked successfully so far in Alberta. On his election in 1933, William Aberhart, Premier and Social Credit leader, promised to distribute 25 dollars in credit monthly to needy citizens. When this was known, most banks immediately transferred their credits to America and other States, and Aberhart was helpless. The principle of the system is that consumers' incomes are not now sufficient to buy at remunerative prices the goods which industry produces."

Now, isn't that a masterpiece?

The *Herald* editor does not appear to be too strong either on history or on geography, since he does not seem to be aware that Alberta is in America, and that the date of Mr. Aberhart's election was 1935, and not 1933. However, such things are trifles when compared with many of the *Herald's* editorials and cables.

More significant, though equally garbled, is the statement that "most banks immediately transferred their credits . . . and Aberhart was helpless." This amounts to a statement (which the *Herald* apparently accepts as being quite in order) that private bankers can and do defeat the expressed will of the people. And yet the *Herald*, in other columns, constantly waxes unctuous about the beauties of British democracy.

However, though its bald statement is substantially correct, the *Herald* betrays the same ignorance of financial operations as it does of most other things when it says, "Most banks immediately transferred their credits." Bank credits are the debts to banks (overdrafts, etc.), of individuals, companies, governments, and so on. They are generally secured by liens and/or personal guarantees. Does the *Herald* therefore suggest that the Albertan banks shifted the people and land from Alberta to "America and other States"? If not, what?

If it means that depositors' credits in the banks were transferred outside Alberta, then such transfers (book entries), if to some other place within Canada, could be made only upon the depositors' own requests; if transfers were to be made to the United States ("America"), such operations would depend upon United States' depositors wishing to surrender their deposits of U.S. currency for Canadian currency. In other words, the Canadian deposits would merely change ownership.

What the banks probably did do to some extent, as they have repeatedly done in similar crises elsewhere, was to refuse new overdrafts or to call up existing ones with the object of ruining trade and terrifying the people into subjection.

Another Bankers' "Recovery" Herring

Requests have reached the *New Times* for some notes on what has been taking place these last few weeks in connection with the shuffling of certain European currencies variously referred to as devaluation and as going off the gold standard. In particular it has been asked, (i) whether the results are likely to be stability and better international trade, and (ii) whether the going off the gold standard does not indicate a further step towards loosening the bankers' yoke.

Within the limits of one article, the matters at issue may perhaps be most simply treated by reflecting that the new "devaluers" are only doing in 1936 what Australia did some years ago, and by seeing what happened to Australia in the process.

WHEN AUSTRALIA DEVALUED.

With regard to the first query, perhaps this may be most easily answered by the short reminder that the general international fluctuation of currencies did not cause nor even precede the depression.

As far as Australia was concerned, it was not until January 1931, that our currency was first seriously devalued in terms of sterling. From the previous October our £1 had been quoted by the banks at a discount of 8½ per cent, as against the £1 sterling. In January, 1931, as will be remembered, the Bank of New South Wales was the nominal leader in sending the rate of discount up to 30 per cent, at which it remained until the following December, when the Commonwealth Bank took the nominal responsibility of fixing it at £125 Australian to £100 sterling. (We say "nominal" in the preceding cases because we believe that, though individual financial institutions may have had their own particular points to work,

the general basis of the ramp was dictated by the Bank of England.) In the case of Britain, it was in September 1931, that the big devaluation of sterling or going off gold took place. As the result of this Bank of England action Australia's interest payments to America immediately increased by about another 25 per cent, in addition to the increase, which had taken place earlier in the year when we went off sterling.

ECONOMIC LAWS.

When we were children at school, and in fact until the bankers' arbitrary manipulation of currencies grew too open to be hidden any longer, we were given to understand that the international quotation of currencies was in accordance with a whole set of delicate economic laws. As popularly construed, a stable and well behaved nation always had its currency quoted at a much higher figure internationally than one that was not so well behaved—with South American republics a drug on the market. The devaluation of our own currency was thus generally understood as some sort of a visitation upon us for living beyond our means, or for importing more than we exported. It may not be out of place, therefore, to tabulate our total exports and imports at about this time. In the figures below the years quoted are from July 1 to June 30, and the calculations throughout are in terms of Australian money. The items included are merchandise of all descriptions, specie, bullion and ships' stores:—

| Year | Exports £ millions | Imports £ millions |
|---------|-----------------------|-----------------------|
| 1928-29 | 143.9 | 143.6 |
| 1929-30 | 127.1 | 131.0 |
| 1930-31 | 106.0 | 68.8 |
| 1931-32 | 109.5 | 56.9 |

A glance at the ratio between exports and imports in these

figures will show that at the very time when our currency was being depreciated, first in terms of sterling-on-gold and later in those of sterling-off-gold, it should on the contrary (if there were any truth in the old "laws") have been doing the opposite. (That imports were also being kept down at this time by means of exceptionally heavy tariff taxes does not affect the issue.) The idea is that as people overseas were buying our goods at a faster rate than we were buying theirs, so that their demand for Australian money was greater than our demand for foreign money, the Australian £1 should have been at a premium. Actually at the last date shown above it was quoted in the area under sterling influence (sometimes called Sterlingaria) at the equivalent of about 16/-, and outside that at a figure in the vicinity of about 12/-.

A BANKER'S EDICT

In other words, the international "value" of currencies is precisely what the banking gang, who control all international settlements, choose to give them—for their own purposes.

Hence, without going more deeply into the matter, it should be a reasonable inference that no tinkering with the international quotations of currencies at this stage is likely to be a permanent offset to the world's financial distress; and likewise that the benefits, if any, will accrue to those who control the international quotations, namely, the bankers.

DEVALUATION ABROAD, DEFLATION AT HOME

Moreover, our own experience shows that this devaluation, as carried out under the modern bankers' technique, is a very one-sided business. At the time when the Australian £1 was heavily de-

(Continued on page 2, column 2.)

Topsy-turvydom

(By N. V. Fearnough, in "The Western Producer," U.S.A.)

This topsyturvydom is the limit, Either the world is mad or the people in it.

A bunch of ants on a heap of dirt Have brains that are surely more alert.

And if you think the above's not true,

Just think of the crazy things men do.

They labour and strive, they drudge and toil

To wrest forth wheat from the grudging soil.

Scientists and experts with learned lore

Make two plants grow where was one before.

Produce! Produce! is the world's instruction,

And then we're told there's over-production,

But when 'hoppers eat up the crop, my heck!

We hire more experts to keep them in check.

Coffee is burnt, and pigs destroyed,

For you can't feed ham to the unemployed;

Such luxurious food would not be fair

(Or so says Ar-Bee, the millionaire).

Acres of cotton go under the plow;

You see, nobody needs any cotton now!

We all have so many shirts or frocks,

Tablecloths, pillowslips, towels and socks,

Curtains, vests and—what! you disagree?

Well, if the cotton's plowed under don't blame me.

What can you expect when this system proceeds

On the assumption that profit outweighs human needs?

Fishermen risk their lives on the sea

That there may be fish for you and me.

But we can't buy; so the fish have to rot;

And it makes fine manure for the 'tato plot.

The spuds do so well on this diet

That the yield to the acre is simply a riot;

There are far more spuds than people need,

So they're dumped in the sea the fish to feed.

If the fish get sick, or fail to thrive,

We'll hire more experts to keep them alive.

Starvation midst plenty. Want in a land

That produces abundance on every hand.

If a stranger from Mars saw this world so perverse,

He'd say 'twas the bughouse of the whole universe.

The Rev. S. E. Dorman, President of the Council of Churches, Melbourne.

Rev. and Dear Sir,

The Melbourne "Herald" of Tuesday reported you as making "a scathing attack" in the Baptist Union against the "insidious evil" of all-night trams and as having said: "Think where your boys and girls will be if this thing happens. You will not know where they are at any hour of the night. . . . To run all-night trams would destroy the very fabric of our social and moral life." If you really, said that, Sir, then we should like, on behalf of the boys and girls slandered with your suggestive "think where," to tell you that you are a dirty-minded old Pharisee, and, in addition, as silly as a wet hen. You remind us of the pious idiots who regularly pray for wet weather on public holidays in order that young people may be kept out of temptation. According to your code of hole and corner morality it seems there is some new industrial rule in hell which makes Satan work to a regular shift beginning at something past midnight, and under union instructions to avoid the cars of the rich in order to concentrate on the trams of the poor.

You are also reported to have denounced Sunday trams and trains, and to have given as your views that "especially evil was the introduction of family tickets, which made it easy for the whole family to get from one place to another for purposes other than the observances of the Sabbath."

Has your peculiar conception of religion, Mr. Sawbath Dorman, ever heard anything about loving your neighbour or ministering to the poor? You and others like you—would-be religious Fascists—are always to the fore in denouncing anything, which gives a little liberty or relaxation to the poor, but you are generally suspiciously silent about matters that affect the rich. Your kind would stop Sunday trains and trams, but not motorcars; would prevent football and cricket, but not golf; would suppress starting price betting, lotteries or sixpenny raffles, but not the swindles of the stock markets; would take his pot of beer from the labourer while winking the other eye at the guzzling in clubs. Is this religion, or is it the Puritanical squireocracy, which declares that the poor must not ape their betters? If it is religion, we find it hard to reconcile your hatred of the all-night trams, which keep the boys and girls away from their parents with your opposition to the family tickets, designed to keep them with their parents in innocent pleasure.

We hear constant wails about empty churches. We suggest that this comes not so much from the irreligion of our people as from the spurious brand of religion handed out by a certain Thou-shalt-NOT brigade of pastors. In the days of the Christ Whom you make such a song—or rather such a dirge—about serving, did not the shepherd LEAD his sheep? Why not try this for a change instead of perpetually driving them?

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(Continued on page 3.)

(Continued from page 1.)

valued, or inflated, abroad, it was deflated at home. In the very month of January, 1931, when the banks were quoting the Australian £1 at a discount of 30 per cent, on sterling, the Commonwealth Arbitration Court was making a general cut of 10 per cent, in wages, in addition to a further reduction of about 10 per cent, that was automatically coming into operation through falling internal prices. So we had the spectacle of our £1 being appreciated at home at the same time as it was being depreciated abroad. And here again, as you will remember, this was caused by the bankers keeping Australian £1s in short supply internally.

BUTCHERED TO MAKE A ROMAN HOLIDAY.

What were the effects of this dual course upon Australia as a whole?

1. Our exporting farmers were supposed to benefit by the higher prices they received, but, as overseas prices were already made ruinously low by the bankers' deflation within customer countries, and as local prices—and, still more, local markets—were drastically affected by our own internal deflation, the farmers found themselves in a desperate plight, particularly with regard to their commitments to creditors (mostly the banks and bank-controlled institutions). So did nearly everyone else in Australia.

2. The pre-depression high water mark of Australia's overseas trade was in the financial year 1924-25, when total trade (excluding ships' stores) was £318 millions, and exports were 102 percent, of imports. From then on to 1928-29 there was not a very great difference, but by 1931-32 the hocus-pocus of devaluation-cum-deflation had successfully reduced our total overseas trade to £129 millions. Successfully? Yes, because exports were now 190 per cent, of imports, and we were accumulating no less than £40 millions sterling a year to pay the interest toll to the overseas banker and his friends. Besides which, this interest toll, through a similar process of internal deflation in Britain, had now a far greater buying power for its recipients than formerly.

Modern devaluation, therefore, is a process whereby a country's money units are deliberately debased abroad. With this money offered at a discount in terms of other currencies, foreign nations can secure the money, and hence the goods, of the devaluing nation on advantageous terms. Devaluation is making a partial present of your exports to people abroad. Put in the mad terms of finance, however, this is regarded as successful business, or the securing of markets. A couple of years ago, as you may remember, Sir Robert Knox, of Collins House, in a Chamber of Commerce address, boasted that, though we had not received as much money for our sales of produce in Britain, we had nevertheless disposed of a greater quantity of goods!

Generally and competitively indulged in, devaluation constitutes a wholesale international bargain sale. Shortly it proceeds to defeat itself, as we see in the case of Japan and Australia. One of the secrets of Japan's success (though not the whole secret) has been her constant keeping of the yen at a lower comparative valuation abroad than other countries, with the results indicated by Mr. Lyons in his last national broadcast, when he indicated that no objection would have been offered to Japanese imports had they been invoiced at higher prices.

Devaluation, in short, is only part of the bankers' process of rigging markets, and an endeavour to dodge the vital issue of bringing incomes up to the level of remunerative prices.

THE GOLD STANDARD AND THE BANKS

Turning to the other aspect, the so-called abandonment of the gold

standard is really no abandonment at all.

The villainy of the gold standard lies in this, that an artificial and arbitrary method, and one outside the control of the people, is used to dictate the supply of money that should be available to them for the distribution and consumption of the goods they produce. But gold has been no more than a red herring in the process for a long time past.

The structure of Australia's money "system" at June 30 last was as follows (for convenience we omit the £8 millions in silver and bronze token coinage, of which the public held three-quarters):—

Table with 2 columns: Item and Amount. Bank deposits 568,748,000; Commonwealth notes 47,004,936; Of which notes the banks held 18,253,277; Reserve against note issue: English sterling securities (such as British Treasury bills, i.e., I.O.U.'s of British people to banks) 15,682,142; Gold 317,098.

So there you have a total structure of £568 millions in bank deposits supported by £317,098 in gold.

The gold standard broke down long since, but does it matter? Are we any the freer? On the contrary, we are more enslaved than ever.

THE "CONFIDENCE" TRICK

As long as you had the right (in theory) to demand golden sovereigns for your bank deposit, any currency reformer could point out the absurdity of putting golden fetters on progress. But once it was

ENORMOUS INCREASE IN ARTIFICIAL CLOTH PRODUCTION

The Imperial Economic Committee reports that world production of industrial fibres has increased from 8,300,000 lbs. in 1929 to 133,800,000 lbs. in 1935.

This is chiefly the result of the development of the industry in Italy, Germany and Japan.

—Melbourne "Sun," Oct. 9.

generally established—and admitted, as it has been, by all bankers who are not openly liars and/or fools—that the expansion of the money supply is no longer limited to chance or the perspicacity of gentlemen like E. G. (Fijian) Theodore, then the bankers got more firmly into the saddle than ever. Then it was that "confidence" came into its very own. Have not our Australian bankers for years past been plaintively advertising for borrowers? Have they not diligently been hunting for "credit-worthy" persons with good productive propositions? Have they not blamed all our troubles to lack of "confidence" at home and abroad? Have they not turned the flank of the whole monetary argument from a simple and obvious physical matter (the supply of gold) to a highly technical, abstruse, and, to the general public, incomprehensible issue, namely, whether their method of financing production releases sufficient credit to enable the consumption of what is produced?

Of course they have.

In theory the entire abandonment of the gold standard, the wiping out of the very word gold from our speech would entrench the bankers' tyranny more strongly than ever before. In theory it would, but one thing is defeating them, and that is that their whole assumption is a lie. Debt is defeating the bankers. The fact that the money or financial credit they issue is not sufficient to enable both the goods to be consumed and the costs to be recovered is borne out by the terrifically increasing load of unrepayable public and private debt. It is here that the dice are loaded against the bankers: it is here that peace will defeat them everywhere in a very few years and that another world war would blow them sky-high almost overnight.

Off gold! Devaluation! Currency equilibrium! The equilibrium of what? Of 1929?

ON WITH THE CAMPAIGN!

The appeal to build up a State wide organising fund, the preliminary announcement of which appeared in the New Times last week, is already bringing in results. The new Victorian State organiser, Mr. L. H. Hollins, has begun his duties, and has set himself two immediate objectives These are:—

1. The doubling of the number of branches and of the membership of the Social Credit Movement in Victoria.

2. The building up of sufficient financial reserves to enable regular weekly Social Credit broadcasts to go over the air from Melbourne. In every other State of the Commonwealth except Victoria this is already being done, and there are very good grounds for believing that it is proving one of the most effective of all means in educating the people to demand results from their members of Parliament.

Many people who cannot, dare not, or will not attend a Social Credit meeting will, in the privacy of their homes, tune in. There is no better example of what regular broadcasts can do than the stupendous results, which have followed the campaign of the U.S.A. Radio priest, Fr. Chas. Coughlin, who is now estimated to have a following of something like ten million people in his demands for social justice—solely through his weekly broadcasts.

Perhaps more in Victoria than in any other State can immediate results in this direction be looked for. There is hardly a farmhouse without its wireless set, and the Victorian farmers, stirred at last by long conditions of injustice, by ever-increasing taxation and hopeless debt, are avid to find out the why and the wherefore of things. With many of these men the air is the only practical way of reaching them—for the time that yet remains before calamity overtakes us cannot be much longer delayed.

WHAT BRANCHES CAN DO.

If the campaign is to be fully successful it must proceed, not only with energy and enthusiasm, but along methodical lines.

It is suggested that each Social branch in Victoria will set itself two tasks, apart from increasing local membership. The first of these is to sponsor the establishment of an additional branch in a nearby centre, to make the preliminary arrangements for calling a meeting of those interested, and then to give ample notice to Mr. Hollins (through the State Organising Secretary) so that his attendance may take place with the minimum of overlapping in travel. As these meetings to form branches will mostly be small in numbers, they will almost invariably entail considerable out-of-pocket expenses to the State Organiser, and

funds as well as time must be conserved.

The second task is for each branch to arrange a regular contribution from its members, no matter how small, to swell the organising fund. If every Social Credit supporter in Victoria were to forward even three pence per week regularly, the financing of the present campaign would be child's play.

WHAT INDIVIDUALS CAN DO

Individual Social Crediters in districts where there is not yet a branch established, or who for various reasons are unable to take an active part in branch membership, can also set themselves two tasks.

They can forward to the Organising Secretary the names and addresses of friends anywhere in Victoria whom they know to be sympathetic. Part of the object of this campaign is to get the greatest possible hook-up of Social Crediters to enforce action by their united and persistent demands.

Individuals can also assist greatly by forwarding, as soon as possible,

SOME BLOKES ----- Senator Brown (Q.) in the Senate on October 8 (in a discussion on Australian slums and modern English piggeries): Are there not human pigs? They are living throughout Australia and even in this garden city of Canberra in conditions compared with which these English piggeries would be palaces, but some blokes in here have not the brains to realise it. The President: You must refer to members of this chamber as honourable Senators. Senator Brown: It makes me think that the word senator must be derived from the word senile. The President: Order!

sible, their financial assistance. And with them, as with branches, an assurance of a regular monthly contribution will make the financial task easy.

There are already so many Social Crediters in Victoria that there should be no financial difficulty whatever in this campaign.

It all depends, however, on personal action.

Will YOU do your part?

Send your subscriptions and correspondence to G. R. Trenoweth, State Organising Secretary, Douglas Credit Movement of Victoria, Room 8, The Block, Elizabeth St., Melbourne, C.1

DON'T SPEND A PENNY— without consulting the "New Times" Shopping Guide.

A REMINDER!

Social Credit Speakers from Overseas

In addition to the invitation extended to the Dean of Canterbury (Dr. Hewlett Johnson), it has been decided to invite the Earl of Tankerville, one of the most prominent Social Credit speakers in Britain, to give a series of public addresses in Australia. The Earl of Tankerville is expected to arrive in February next, and Victoria's quota towards the expenses will be £240. One-third of this will be required immediately, and one-third upon the Earl's arrival in Australia. Guarantors may expect to be reimbursed out of the net proceeds of the tour.

Guarantors are requested to fill in and post the form below. Cash need not be sent until requested.

GUARANTEE FORM.

The Earl of Tankerville's Lecturing Tour.

The State Secretary, Douglas Credit Movement of Victoria, Room 8, Block Arcade, Melbourne.

I, the undersigned, will, if called upon, subscribe £..... To the above fund.

Signed.....

Address.....

"TRUTH" COOKS THE BOOKS

Misrepresents Government Statistician to Bolster Weak Case Against Social Credit

By F.P.C.

A fortnight ago the present writer criticised in the *New Times* an attack made by Melbourne *Truth* on Social Credit. *Truth*, in that article, said, *inter alia*: "The only money is goods—useable goods—in the form of foodstuffs, wearing apparel, dwelling-houses, essential buildings, and so on. Everything that can be consumed or used by man is money."

As this definition was entirely new to us, we suggested that *Truth* might clear the ground for future discussion by answering certain fundamental questions about money and its operations. We are hardly surprised to note that in its last issue this paper, which is so well and lavishly decorated by large advertisements from the Bank of N.S.W., the banker-directed A.M.P. Society, and other firms with similar affiliations, has sheered well clear of any discussion of these (for it) delicate matters.

Continuing its campaign to deflect the awakening public opinion from these fundamental facts, *Truth* is combining its attacks on Social Credit with the advocacy of the mere adoption of the 40-hour week with increased wages. Just this, we are told, and "prosperity will be permanent and abiding in this land of plenty."

A MISQUOTED TABLE

The nearest approach to a central theme in *Truth's* articles is that purchasing power to meet the increased price of consumable goods (which it finds itself forced to agree would rise) can be distributed by adding to wages at the expense of what it terms the "handful of people who are represented in the item designated 'interest, profit, etc.'" in the following table, compiled and published by *Truth*.

(As this table is compiled only to the year 1933, it does not include the 12 per cent, dividend declared by *Truth* and Sportsman Ltd. this week.)

SUMMARY OF OUTPUT AND ADDED VALUE OF FACTORIES.

| Year | Raw Materials, Power, and Depreciation £ | Salaries and Wages £ | Interest, Profit, &c. £ | Percentage of Added Value Wages | Interest |
|------------|--|----------------------|-------------------------|---------------------------------|----------|
| | | | | % | % |
| Victoria. | | | | | |
| 1924-25 | 68,169,868 | 29,057,052 | 20,950,478 | 58.1 | 41.9 |
| 1928-29 | 73,461,754 | 31,533,586 | 22,902,123 | 57.9 | 42.1 |
| 1930-31 | 52,969,591 | 23,279,689 | 17,176,521 | 57.5 | 42.5 |
| 1932-33 | 59,391,340 | 23,096,512 | 19,597,577 | 54.0 | 46.0 |
| 1933-34 | 62,542,241 | 24,819,143 | 21,434,926 | 53.8 | 46.2 |
| Australia. | | | | | |
| 1924-25 | 233,707,228 | 81,359,021 | 65,777,737 | 55.3 | 44.7 |
| 1928-29 | 252,821,976 | 90,986,908 | 76,636,408 | 54.3 | 45.7 |
| 1930-31 | 172,488,441 | 62,454,859 | 55,855,264 | 52.7 | 47.3 |
| 1932-33 | 185,625,621 | 59,416,436 | 59,655,811 | 49.9 | 50.1 |

(From Commonwealth "Year -Books" Nos. 23 and 27.)

Strangely enough, for a journal with such a title, this table was published in support of its contention. As it appears on the face of it to be a fairly convincing argument from an authoritative source, let us hasten to add that the table does not appear in the official Year Book in this form. For example,

advertising, were not taken into account. Hence, it must not be inferred that when wages and salaries are deducted from value of production, the whole of the 'surplus' is available for interest and profit."

Thus a mere £18,100,000 for depreciation, plus unknown sums for

advertising, insurance, etc., in a total of £59,655,811 means nothing in *Truth's* young life.

MONEY WAGES AND REAL WAGES.

If *Truth* really wishes to obtain information of the value or otherwise of a mere rise in his nominal or money wage to the worker we would advise it to again study the Official Year Books (this time a little more faithfully) when it will elicit the following facts:—

Taking 1000 as the index figure for the year 1911 nominal wages rose by successive stages until 1929, when the index figure was 1972. The real wage index, however, rose from 1000 to only a mere 1082, and even this figure assumes that all had full-time work.

One would have thought that even *Truth* would have by now discovered that a mere increase in money wages has not benefited the working section of the community.

If, instead of cooking the statistician's books in an ostrich-like endeavour to bolster up an outworn and exploded theory, *Truth* had investigated that matter of depreciation, it would have started on the road to the right solution.

DEPRECIATION AND SHORTAGE OF PURCHASING POWER

The increasing mechanisation of industry is inevitably increasing the proportion of total prices, which must first be obtained and then applied to depreciation. Can this cost be recovered by industry as a whole? This, in these days of more and more machinery, is the kernel of the nut, but, as the answer to this query would involve answering those questions we directed to *Truth* a fortnight ago, we are not surprised to notice a little jug-

NO CHRISTMAS BOX FOR THE UNEMPLOYED.

The Prime Minister stated in the House of Representatives last Friday that it was not intended to make a special Commonwealth grant to the unemployed at Christmas. Mr. Lyons pointed out that the unemployment position was improving in every quarter, and was substantially better than last Christmas.

To those tens of thousands who are still unemployed and destitute, this announcement of our improving position and of a substantial betterment since last Christmas will doubtless be cheering news. They might leave a note to that effect in their children's empty stockings.

gling with this item in the aforementioned table.

One of the rudiments of the monetary system is that money is issued only for production and is withdrawn by the repayment of overdrafts upon the sale of this production.

The capital goods whose wasting is represented by this depreciation charge are the re-enactment of past production. For instance, the manufacturer's plant is to him a capital asset for which he must allow depreciation, but it was the final product of the machinery manufacturer. When the machinery manufacturer was paid for this plant the monetary equivalent of its value was withdrawn from the community. How, then, can it be recovered a second time through a depreciation charge?

It is ethical for industry to include this charge in price, but unless it is distributed through a channel outside industry it is obvious that industry as a whole cannot remain solvent and the total amount available for division between capital and labour must inevitably decrease as mechanisation increases. The only method of accomplishing this is a direct distribution per medium of a national dividend, for higher wages would have to appear in price. If the money supply were thus made able to meet the price necessary to keep industry solvent, workers could immediately obtain a far shorter working week without suffering a loss of purchasing power thereby—but, of course, *Truth* confesses it does not understand this subject.

To carry out such a scheme would necessitate the community

resuming control over the issue and cancellation of money. This power at present resides with *Truth's* banker advertisers and their associates.

BOOSTING THE NO-CHANCER.

In its latest attempt appears the following paragraph:—

"*Truth* does not profess to know to what fortuitous circumstances the recent feverish activity of the 'Douglas Credit Movement' may be attributed. But it is interesting that it should coincide with important industrial and political decisions to make these practical reforms a real issue. Australian workmen, being punters, are familiar with the tactics, sometimes adopted by book-makers, of boosting a 'no-chancer' into the betting market for the purpose of diverting attention from the 'good thing.' It is quite possible that conservative finance has learned something from the book-makers."

We agree with *Truth* that it is interesting that this agitation for the 40-hour week by the method advocated by *Truth* should arise concurrently with the tremendous activity and unparalleled progress of the Douglas Credit Movement and we certainly agree, "It is quite possible that conservative finance has learned something from the bookmakers."

No Money—No Production

In a recent edition of *The Minnesota Leader*, H. L. Hollister revealed some startling figures on just how serious is the problem of under-production in America.

From a population standpoint, he tabulated the following list of commodities manufactured annually in the United States:

Only one pair of trousers for approximately every three males over 15 years of age.

One overcoat for every 11 men.

One felt hat for every four men.

One straw hat for every two men.

Three dresses a year for the women folks or a little more.

One coat or suit to every three of them.

Three pairs or less of stockings. Not even one pair of trousers to each schoolboy.

One reefer, jacket or mackinaw to every 30 children.

The survey showed approximately: 8,400,000 washing machines, 4,400,000 electric refrigerators 1,400,000 electric stoves.

Sixteen million were users of gas.

More than one-fourth of the cars in use are more than six years old.

Ninety-seven percent, of our homes need repairs.

Talk about overproduction. Ridiculous! Here is what is needed in the American homes today: 25 million towels, 20 million bed sheets, 30 million pillow cases.

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Sixty-five million gallons of paint, 5 million square yards of linoleum, 2 million floor rugs.

Three million new gas or electric stoves, 10 million bathtubs, 5 million refrigerators, 6 million radios.

In the way of clothing, Americans could use: 6 million shirts, 3 million union suits, 15 million pairs of shoes, 10 million dresses.

—*Social Justice*, Sept. 7.

"VERY SYMPATHETIC."

"I am very sympathetic towards the youth of all types who try to work out solutions to the problems that beset the world, problems caused by no fault of theirs, but partly due to my own generation." —Vice-Chancellor Priestley, of Melbourne University, Oct. 12.

* * *

But what are Dr. Priestly and the other University authorities doing themselves to give a lead?

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(Continued from page 2.)

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"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.

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Vol. 2. No. 42.
FRIDAY, OCTOBER 16, 1936.

A Shoddy Speech From Sir H. Gullett

That a foolish person in a responsible position can be a positive menace was emphasised by the remarks of Sir H. Gullett in the Federal House on Friday of last week, in a further vain endeavour on his part to justify the anti-Japanese tariff.

Beginning by sidestepping the criticism of the deputy leader of the Opposition, and giving him abuse instead of an answer, Sir H. Gullett went on to make the naive announcement that the tariff had been imposed, in the first instance, in the interest of Australian exporters of primary produce! He then said: "We did not necessarily take our action to benefit British interests, but because we are trading with Britain under the Ottawa agreement on a reciprocal basis." In the case of Japan, and other countries, are we to conclude that we are not expected to trade on a reciprocal basis, these countries' means of payment apparently being conjured up out of thin air? Is it any wonder that Sir H. Gullett has such a blank record as a Minister for Trade Treaties?

But worse was to follow. Warning to his work, Sir Henry is reported to have made the unpardonable remark that "we are upholding the local market against shoddy." Such a statement is a deliberate and gross insult to a friendly nation and to one of our best customers. It is, besides, untrue, and is not even consistent, for, as will be remembered, the attitude of the Lyons Ministry to date has been critical of Japan's prices rather than of the quality of her products.

It does not matter that some Japanese manufacturers may at times turn out goods cut down to price rather than built up to quality. Britain herself, if we remember aright, gave to our dic-

tionary the word "brummy." But neither has anything to do with the capacity of both nations to turn out high-class products, and the general application of "shoddy" to Japan's output is as provocative and as false as would be the term "brummy" applied, say, to the Rolls Royce.

The consequences of Sir Henry's irresponsible petulance cannot be other than to still further estrange two peoples whose every interest dictates mutual friendliness and co-operation.

All In For "Defence"

It was hardly surprising that as a result of Mr. Curtin's speech on defence (commented on in these columns last week) he should be in the running for a seat on the Defence Council, and that the Prime Minister should consider a suggestion to this effect (from a U.A.P. member) a "worthy" one. Mr. Curtin's recent attitudes and utterances display such "moderation" and "sanity" that one could without much difficulty envisage him following on the long, long trail blazed for him by such other great Laborites as W. M. Hughes and J. A. Lyons. Now that Mr. Lyons is palpably near the end of his tether, weight is added to this speculation by the increasing unpopularity of R. G. Menzies and the dimming of his legal lights over the Privy Council affair. Possibly, if we have a war shortly—and Sir H. Gullett's "shoddy" speeches do nothing to keep it more distant—there may be a new political line-up. The bankers' party has held to its last alias for quite a while now. In Victoria the U.A.P. title already stinks, and in Federal circles it is sufficiently discredited to make a new name for the rose expedient pretty soon. Is Mr. Curtin putting out preliminary feelers for a combination between the right wing of Labor and U.A.P.-ism? There would be nothing basically incongruous in such a combination, as previous Labor notorieties have shown. For the so-called leaders of both these parties adhere strongly to loans, taxation, doles, preparedness, and WORK as the be-all and end-all of existence. Added to which the new Country party policy on monetary reform now being energetically pushed on in Victoria, if persevered with, is certain to make it the coming force in politics and therefore the common enemy of both U.A.P. and Labor office-seekers.

Labor voters might give this matter some consideration. They have had bitter enough lessons in the past.

In this connection it is not without significance that Mr. Curtin's expressed desire for armaments has been immediately followed by a similar utterance from Archbishop Head. "It must give you great joy and pride to

know that you are able, and willing to take up arms in defence of your country," said the Archbishop at a battalion service on Tuesday. "We must have force if we are to live in a civilised country. Force is the driving power behind governments. We must have force to keep order." His Grace went on to say that the way to prevent war was to use force—not (of course) for the sake of war, but for the defence of the weak and for righteousness.

It was ever thus. Remember Belgium? They're getting lined up—Lyons, Curtin, Archbishop Head, a goodly trio, all ready to *send other men* to defend Australia.

Where? When? Why?

What matter? It is *our* job to be prepared. In due course others will find us the day and the hour.

Fascism, Communism and the Anglican Synod

At the Anglican synod held in Melbourne last week a motion was carried declaring that the time was opportune for an intensive study of the relation of Christianity to Communism and Fascism. It is perhaps significant that Archbishop Head, who has certainly not shown himself inclined to a study of monetary reform, should have disclosed a benevolent attitude to the motion.

If the daily newspaper report of the proceedings is reliable, it would seem that the bulk of the Assembly's expressed opinions inclined towards Communism and against Fascism, and that the motion included the latter in the curriculum merely to save its face.

There was a good deal said to indicate that believers in Fascism and Communism may be quite sincere people—again with emphasis on those who turn to Communism ("I don't believe God has washed His Hands . . .") This is obviously true—unless one believes in the all-British God of 1914-1918—and it hardly requires an Anglican synod to discover it. The same might probably be said of Shintoism, the decimal money system, the banking monopoly, and all sorts of other things of which the Anglican synod does not purpose making an intensive study.

In proposing the motion, the Rev. Mr. Maynard is reported to have said: "If it be that Fascism is the last stage of the capitalistic order and Communism has to come afterwards, what a tragedy if the Church throws in its lot with it, as it has done in Spain and Italy, and crashed. Christian democracy is the best of the systems, but if it is struck away—it would not come out of another war—we should study the other systems to see how far they can be modified to be made compatible with the Christian religion." One wonders does Mr. Maynard remember the incident of Pilate washing his hands? Christian democracy is the best, but if we can't have it, by all means let us make the best of the next best, and as Communism is the ante-post favourite, we'd better have our trifle on it. *Has the Christian Church no duty to fight for Christian democracy?*

Democracy, as the now trite saying has it, has never been tried, so would it not have been more opportune for the Anglican synod to have examined this before turning to alternatives? In any case, viewed broadly, neither

Fascism nor Communism is any alternative to the undemocratic conditions under which we live. At the best both imply little more than administrative changes. Democracy is today frustrated by the dictatorship of finance, administered by subservient Parliaments. Fascism preserves the same dictatorship while tending to substitute a semi-military administration and to belittle the Labor party element—hence the movement against war and *Fascism*. Communism pretends to kow-tow to the worker ("dictatorship of the proletariat," etc.) but still keeps the real dictatorship with finance. Communism, apart from its religious and other intolerances, is, even in the purely economic sense, by far the most highly centralised and dictatorial of all forms of government. It is the final deification of the bankers' motto (for all except themselves): Work or Starve. If it came to a show down—not that two wrongs make a right—it is possible to imagine a benevolent absolute ruler (history has plenty of instances) but hardly a benevolent junta. As witness Stalin the other day, the headman, *pro tem*, of the junta is kept too busy applying the firing squad to possible rivals.

One would wish that Mr. Maynard—whose sincerity we do not question ("God has not washed His Hands . . .")—had done a little more thinking on the subject of Christian democracy before taking up such an attitude of defeatism. Had he done so, he might have urged an intensive study of the one obstacle to democracy, namely, un-Christian finance. But in this event we venture to assert he would not have received the support of Archbishop Head.

The Case of Mrs. McWilliams

The House of Representatives last week passed through all stages in one sitting a bill authorising the payment of an annuity of £3 a week to the widow of the late Mr. W. J. McWilliams, for 20 years a member of the House. We offer no criticism against this payment but the action of the members of Parliament suggests some rather pointed reflections.

Presumably the appeal to members' sympathy and the spur to their action lay in the occupation of the lady's late husband. For certainly members have not displayed a similar sympathy or a like activity towards the widows, children or other dependents of many citizens who have also rendered service to the people, but who have not had anything like the opportunity of making financial provision which goes with twenty years of Federal parliamentary pay. In other words, we suggest that Parliament was guilty of a gross act of class legislation—not in positively making provision for Mrs. McWilliams, but in negatively failing to make provision for other destitute widows in face of the existing superabundance of the necessities and of the reasonable comforts of life in Australia.

The claim of Mrs. McWilliams apparently rested on the services of her late husband rather than on her own rights or merits. Judged by the same standard, what of the dependents of those who fought in the 1914-18 war? What of the children on those who, having for

many years done laborious work in developing our Commonwealth—at about one-fifth of the salary enjoyed for so long by Mr. McWilliams, and without any of the pleasant breaks which parliamentary life affords—now find themselves thrown into destitution solely at the dictates of that finance over which Parliament has constitutional control? Why £3 a week for the M.P.'s widow and only 3/6 a week for the children of the unemployed?

But there is a deeper right, based not on any vicarious claims but on those of the individuals themselves. There are the natural rights of all to what the Americans term life, liberty and the pursuit of happiness—rights which, in the case of our children, sixpence a day, all in, does not give them much chance of exercising, and which are certainly far from fulfilled by the 19/- a week allowed to those old people who have given their lives to developing this community. Besides which, whether at life's beginning or at its end, everyone in Australia is an heir to all the ages. We acknowledge the right of all to inherit the alphabet, *which is an invention*; we acknowledge equally, in theory, the right of all to have access to other inventions, through the limitations of our patent laws and the early expiry of individual claims therein. But in practice we restrict these latter rights to those who first have access to finance, and we leave the control of finance in the hands of a private monopoly, even while we permit inventions to bring greater destitution upon those they displace industrially than would ever have been their lot had there been no machines at all. The opportunities of the aboriginal child in Australia two hundred years ago were in many ways greater than those of thousands of our children today.

We congratulate Mrs. McWilliams, not on receiving a dole or pension on account of Mr. McWilliams, but on the payment of what she has a right to claim on her own account. We wish her long years to enjoy it. And we suggest to her sisters in a similar position that demands on their M.P.'s for results would soon place them where they also could, as it were, learn the alphabet of the machine.

For most of the goods on which they would spend their incomes are already in existence, *seeking markets*. And production would quickly and easily respond to further demands on it. Finance—monetary bookkeeping—is the only bar. But Federal Parliament, though it does not exercise it, has control over finance. And there is no shortage of accountants who could advise Parliament how to shift goods across to the consumers who need them without doing any injustice to producers.

MORE OF IT

"In a few hours Italy can mobilise 8,000,000 men. That is the result of 14 years of the Fascist regime."

—Mussolini.

* * *
Yes. That is the result of 14 years of the Fascist regime.

—Reynolds.

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COUNTRY PARTY AND MONETARY REFORM

Victorian Committee's Findings Mark Another Milestone

At the last annual conference of the United Country Party of Victoria several resolutions were passed favouring monetary reform. These were commented on in our issue of April 10 last.

That the party does not intend merely to have these resolutions on record, but that it proposes to take active steps to implement them, is indicated by the following report in last Friday's issue of the party's official organ, *The Countryman*, which deemed the matter of sufficient importance to give it a full page heading:—

"Important recommendations relating to monetary reform were agreed to by a special committee of the United Country Party, which met at the head office of the party during Show Week to discuss methods of implementing motions passed at the annual conference on this question.

"The committee agreed that its present recommendations should be limited, and that the plan to be submitted to the Central Council should be regarded merely as the first steps to be taken in this reform, and not as a final solution.

"Mr. W. E. Kelly (Briarolong), on whose suggestion Central Council authorised the formation of the committee, occupied the chair.

"In addition to Mr. Kelly, the committee consisted of Messrs. Hamilton Lamb, M.L.A. (Horsham), J. R. B. Vise (Bamawm), J. R. McMurtrie (Stawell), G. Southgate (Warragul) and F. P. Cantwell (Metropolitan). Also present were Messrs. S. Macaulay and J. S. Mackrell, of Central Council.

MUST HAVE PRACTICAL PLAN.

"In opening the meeting Mr. Kelly said that, as a member of Central Council, he thought that because of the interest displayed in currency reform at the Bendigo Conference, branches responsible for the motions on the agenda should be given an opportunity to formulate a concrete scheme for presentation to Central Council and the next conference.

"In response to his suggestion, Central Council had convened this meeting, and had asked him to represent it. In that capacity he suggested that the meeting should not advocate anything so revolutionary as to cause dissension in the organisation.

"Mr. Kelly was congratulated on his progressive action in enabling the committee to be brought together. The committee recognised that as their findings were for approval for immediate inclusion in the platform of a political party, the plan would have to be practical, and one that could be widely understood and appreciated by the electors.

"It was generally agreed that no genuine national prosperity can be achieved until the primary producer is permitted to continue his bountiful production under circumstances which will permit his monetary return to reflect the value of his great contribution to the national physical wealth.

SERVANT OF DEMOCRACY

"It was felt that while varied opinions might be held as to just what are the deeper economic influences that produce this tragic result, no suggestion for combating

these influences could be implemented until the internal money system was made the servant of democracy.

"The following report from the financial columns of that day's *Argus* was read by Mr. Kelly:—

"The New Zealand Government was making available £3,500,000 for the National assets by issuing securities direct to the bank. These will be interest bearing, but as all the profits of the bank go to the Government, it was merely an arrangement between the two Government departments. The financing is merely 'Costless Credit.'"

"It was pointed out that this was made possible only by the reforms made in New Zealand's monetary system by the Reserve Bank Amendment Act of last year.

"By this Act it was incumbent upon those in charge of the monetary system to use their technical knowledge and administrative ability to procure the results desired by Parliament.

"It was emphasised by members of the committee that there was no such onus upon the Commonwealth Bank Board, and in any event its scope was somewhat limited.

WARNING TO U.C.P.

"It was felt, however, that the policy of Socialism being pursued by the New Zealand Government was a definite warning to the U.C.P. of the danger of leaving

THOSE WOOL SALES
In the first two months of the current financial year exports of greasy wool dropped to £1,666,000, compared with £1,931,000 for the same two months of last year; scoured wool to £914,000 (against £1,011,000), and wool tops to £76,000 (against £98,000).

the institution of monetary reform in Australia to any other party.

"It was agreed that the present recommendations of the committee should be limited. They were not put forward as a final solution, but as the first steps to be taken.

"It was also felt that in view of the regimentation of various peoples throughout the world under Socialistic and Fascistic dictatorships the party should re-affirm its belief in the freedom of the individual.

COMMITTEE'S FINDINGS

"The Committee's findings were as follows:—

That in view of the inadequacy of the monetary system to distribute the nation's goods and services this Committee recommends—

(a) *That the Commonwealth Bank shall carry out its administrative functions in such a way as to implement the policy of the people as communicated to it from time to time by the elected Government of the people.*

(b) *That the Commonwealth Bank be given any necessary powers to implement such policy, including power to combat policies pursued by private banks if such policies are antagonistic to the policy of the people.*

(c) *That with a view to facilitating the establishment of credits in Australia by overseas purchasers of Australian products the money supply of Australia should be sufficient to enable all Australian production or its equivalent in imports to be sold, and that it shall be the policy of the party to ensure that the issue of money shall be so regulated as to guard against inflation and deflation.*

(d) *That this party re-affirms its opposition to Socialistic and Fascistic methods of control of the people or of their production, and suggests that the adoption of such a democratic monetary and economic policy is the most effective guard against these attacks on personal freedom.*

RUSSIA FOR THE RUSSIANS?

WEST AUSTRALIAN SPEAKER CLAIMS BOLSHEVIK LEADERS ARE NEARLY ALL JEWS

In connection with the motion (referred to elsewhere in this issue) which was passed at the Melbourne Anglican Synod last week recommending an intensive study of the relation of Christianity to Communism and Fascism, a statement published in the Perth *Daily News* of September 22 may give an interesting lead to the novice students.

This statement, which was made by the leader of the National Socialist party in Perth (Mr. W. G. Tracey), is of course *ex parte*, and comes from a source openly hostile both to Communism and Judaism; but as it makes specific charges in connection with Russia, these should be capable of proof or disproof without much difficulty. Strictly speaking, Bolshevism is of course not Communism, but as the general objective of those who term themselves Communists seems to be to follow Russia, it is presumably the Russian system, which those Anglican clergymen who referred to Communism had in mind.

The *Daily News* report says:—

"Referring to the statement by Rabbi Freedman that only 9 per cent, of the Russian Soviet officials are Jews, Mr. Tracey declared that this was absurd. The Communist movement in Russia had never been controlled by the Russians, but had always been in the hands of the Jews.

"The very theory of the Soviets is a Jewish conception, based on the teachings of a Jew, Karl Marx. Of the 224 revolutionaries who in 1917 were despatched to Russia with Lenin to foment the Bolshevik Revolution 170 were Jews.

"The success of the revolution was made possible by the backing of Jacob Scruff, a Jewish member of the powerful banking group of Kuhn, Loeb and Co. Warburg, another international Jewish financier, is also mentioned in the Session Report of 1919.

"Of 545 members of the Bolshevik administration, 447 are Jews. In the Soviet Cabinet there are 17 Jews among the 22 members, 34 of the 43 members of the Commissariat of War, 14 out of 14 in the Commissariat of the Interior, 23 out of 36 in the Cheka, and 41 out of 42 in the editorial chairs of official newspapers. About 80 per cent, of the chief officials therefore are Jews.

"The population of Soviet Russia is officially given as 158,400,000; the Jewish section is 7,800,000; yet, according to the *Jewish Chronicle* of January 6, 1933, over one-third of the Jews in Russia have become officials. 'Anti-Semitism' in Russia is now classed as counter-revolutionary activity, and is punishable by death.

"It is also significant that the Red, five-pointer star, which in former times was the symbol of Zionism and Jewry, is now the symbol of the so-called Russian proletariat. Bolshevism was enforced in Russia by means of terrorism and murder on a scale of unprecedented magnitude.

"According to official figures, 20,000,000 lost their lives through violence, starvation and disease, and of these, 1,766,118 were executed before February, 1922.

"The fundamentals of Bolshevism are at many points compatible with the ideals of Judaism, one of which is that the whole world shall be imbued with Jewish teachings, and in a universal brotherhood of nations all separate races and religions shall disappear, leaving a great Judaism."

SO YOU WON'T TALK!

By YAFFLE, in "Reynolds News."

There comes a time to all of us, brothers and sisters, when it behoves us to reconsider the value of things which we have long regarded as necessary and unchangeable.

Many a man, alone with his thoughts in the silence of the night, has said to himself: "Things cannot go on in the same way for ever," and decided that, perhaps, the time really has come to change his socks.

In the same way, the British people—and I use the term in its broadest sense, including those who are neither Scots nor Yorkshiremen—have always prided themselves on their freedom of speech.

Let us, therefore, in a spirit of love, pause a moment to inquire of our souls whether, after all, Freedom of speech may not prove to be an impediment to progress.

I was reminded of this by a recent letter to a daily paper:—

"GOSSIP IS DYING OUT."

"Gossiping . . . is not so common as it was. Nowadays, cheap and interesting newspapers, the cinema, the wireless . . . supply most of the topics of small talk, and there is no need to pry into other people's affairs."

We have here, intelligently forecast, the next important stage in the history of democratic government—the abolition of private opinions.

It is undeniable that the greatest impediment to law and order is the free and uncontrolled expression of personal opinions. No advance can be made towards national unity while people are permitted to choose their own topics of conversation.

The State can never be established on a firm basis so long as the mass of the people persist in the habit of talking to one another in their spare time.

Sooner or later, therefore, private conversation will have to be replaced by the State Regulation and Control of Opinions. Topics of conversation will be provided by a central body, under the direct supervision of a Minister of State.

Fortunately, the machinery for the mass production of standardised opinions is already established. The B.B.C. has made great strides towards the final abolition of con-

versation. Gossip is already nearly impossible, if only for the reason that nobody can hear what anybody says.

It is a common thing for a man to beckon to his friend, lead him without a word to a remote part of the country, and, pausing at last upon the summit of a lonely hill, say to him, "Now, what was that you said?"

SHEEP WITHOUT A BUTCHER

Already the people feel lost when the wireless is turned off. In the awful silence that follows, they wander, without aim or guidance, like sheep having no butcher. They are getting to rely upon mechanical aids to social intercourse. I am told that the original function of crooning with dance music was to provide the couples with tender sentiments and save them the trouble of inventing their own. And now many lovers prefer to sit, hand in hand, before a radio, rather than undergo the strain of telling their love. "Why make your own love," they ask, "when it's on tap?"

And I heard of one ardent swain who, keeping tryst with his beloved in a place where no radio was available, turned up wearing a gramophone on his hat, and declared his passion with the aid of sixpenny records.

Very soon everyone will be compelled by law to wear headphones during their leisure hours, and the final stage of national unity will be achieved.

During the transitional period it may be advisable to continue the outward semblance of personal expression. For instance, public meetings and debates will still be held, but the speeches will be provided by the B.B.C., while the speakers, with gags on, will provide the gestures.

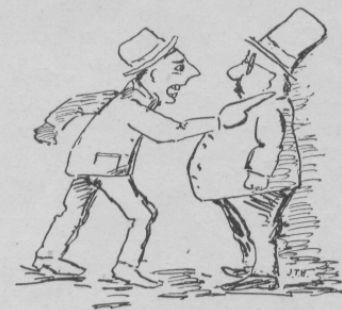
There will, of course, always be exceptions. When ordinary people have ceased "to pry into other people's affairs," the Income Tax and Means Test Inspectors will carry on the job.

* * *

We are now taking you over to a boiler factory, where you will hear the first rivets being hammered into the boilers of the sister ship to the Queen Mary.

Goodnight, ev'rybuddeh!
Go-o-odnight!

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FURTHER THOUGHTS ABOUT FORTY HOURS

A Letter to the Editor from BRUCE H BROWN

Sir,—

Intelligent people do not need argument to convince them that we are living in an age of power and machinery. They can see the evidence of it all around them. They know it is quite possible to produce an *increasing* quantity of the things we need for our material existence and comfort with a *decreasing* quantity of human effort. In addition to this, they know that

Just in passing it may be remembered that, if a national carry over of wheat had been established in 1930-31, and replaced from year to year, the recent increase in prices would have made the nation a handsome return.

—"Truth," Oct. 10.

And just in passing it may also be remembered that the recent increase in world prices would not have taken place had there been carryovers.

the decreasing demand for labour is emphasising the insanity of the position wherein elderly men and mere girls are required to toil under slave conditions while strong, able-bodied young men roam the streets or loiter in the parks and gardens. What intelligent people can't understand is why we tolerate such arrangements instead of giving the whole community the benefit of power and the machine through the allocation of all necessary industrial work to the able-bodied men for reasonable hours, the immediate release of the older men and women from the burden of further exhausting labour, and the complete liberation of young women and children from work in factories. We *could* do these things immediately. Why don't we? The answer may not be very flattering, but it is quite time we knew. The reason is because we have been so amazingly ignorant as to the nature, origin and purpose of money. Many of us could kick ourselves for not looking into it earlier, but as we didn't the best we can do now is to try to make amends by calling attention to it from the housetops. If the community at large were better informed on this vital subject, no government would dare deny the benefits of science and mechanics to us, for Parliament

would quickly insist on our money system being so organised that it would automatically reflect the physical facts of the country. Instead of this, however, the people, in their ignorance, have failed to exercise sovereign control, with the result that Parliament continues to allow the nation's money system to be controlled by a few individuals in such a way that it actually prevents our progress, denies us the blessings and benefits of the utilisation of solar energy, and keeps us in a state of continuous serfdom to a coterie of knighted and "honoured" counterfeiterers operating under licence.

WHERE THE RESPONSIBILITY LIES.

The responsibility for this seemingly incredible state of affairs must be laid upon our educational authorities, the professional economists, and the press in general.

Only a few days ago the newly appointed Director of Education in Victoria admitted that the school-leaving age should be raised, but said it could not be done because of financial difficulties. Financial difficulties! This is the clearest admission that even he, with all his academic qualifications, is totally uninformed on the most important subject in the world—*money*.

It has already been shown in these columns how terribly confused the professional economists have been on the same subject; in fact, that their general attitude gives rise to doubts regarding their honesty of purpose, as they raise not the slightest protest against the practice of Governments borrowing privately-manufactured money for public purposes and then writing up heavy charges against taxpayers to provide a perpetual toll on this fictitious money.

As to the press, we have only to read the great dailies to see how their experts will discuss anything but the origin, purpose and control of money.

As an example of the hopeless mental muddle in which so many professional journalists are approaching the problems of the day, readers might consider the attitude of Melbourne *Truth*. Its article of September 26, entitled "The Douglas Credit Mirage", was commented

upon in the *New Times* of October 2, but I wish to call special attention to its general claims and its special references to the 40-hour week and money.

"PRACTICAL AND EFFECTIVE SERVICE."

Probably *Truth* does regard itself as a genuine champion of the claims of the people in general, and is quite sincere in putting forward its own programme as "the sure route to improvement and relief. It claims, "A long history of practical and effective service to the rights and liberties of the poorer classes of the community" and "condemns these upstart reform movements as damaging to the interests of the people whom they profess to serve." That not one of the five points of its programme could be put into operation without a fundamental change in our money arrangements is entirely overlooked. And if the distressing conditions in which the poorer classes find themselves today are the result of a long history of practical and effective service to their interests, then I should like to ask what sort of conditions we might have expected had its long history been less practical and less effective?

Truth has declared, quite correctly, that "the 40-hour week could be put into operation on Monday if the people are determined enough to enforce their will upon the Government." That is a true statement of the position, and we join with *Truth* in its efforts to get the people to formulate

MORE OF BRITAIN'S PROSPERITY

From the London "Star," Aug. 20: A story of hard luck and privation is behind the collapse in a London street today of an unemployed man and his young wife.

Medical examination showed that they were suffering from starvation, and they were taken by ambulance to hospital.

The couple is Sidney Rice, aged 20, and his wife, who is 18. They live in Beresford-road, East Finchley.

An eyewitness said to a "Star" reporter: "I saw the man lying on the pavement. He was unconscious."

"A policeman came along and attended to him. Then the woman collapsed, and had to receive attention."

"They were both respectably dressed."

"The man recovered sufficiently to say that he and his wife were searching for work, and had had nothing to eat for more than two days."

their will and enforce its observance. But notwithstanding this sensible declaration there is a regrettable absence of logic in its arguments and of accuracy in its statements.

It goes on to say: "A 40-hour week means the sharing of the work—more leisure for those who are in work, and work for those who are condemned to the wretchedly-paid leisure of unemployment." The leisure of unemployment is a nightmare to the "condemned" in this case only because it is wretchedly paid. Here again *Truth* is right, but the only way to alter this state of affairs is to improve the pay, and "pay" means distribution of money. *Truth*, however, did not accept that on September 26; in fact it ridiculed the idea, and actually contended that the money in our pockets is not money at all. Here are its very words:—"Money is goods. The paper tokens that we call notes, and the silver and copper that we call small change, is not money. It is only a symbol for value. The only money is goods—useable goods in the form of foodstuffs, wearing apparel, dwelling houses, essential buildings and so on. Everything that can be consumed or used by man is money."

WHAT ABOUT THE FINANCIAL EMERGENCY?

If this be true, then there was no financial emergency at all, and the reasons given by the Government, the Arbitration Court, and the professional economists for cutting our wages and reducing our

pensions were false. We were providing more "useable goods" in 1929 than ever, and if foodstuffs, wearing apparel, dwelling houses, essential buildings, and so on are money, as *Truth* claims, then we had money to burn and it was for the Governments and other authorities to say that workers could not be paid fairly and that the country would be ruined if the all-too-meagre payments to pensioners were not substantially reduced. If *Truth* really believed that, why did it not say so then, and why has it not relentlessly denounced the scoundrels who so shamelessly betrayed and crucified the poorer classes of the community who had for so long been its special care? If what *Truth* says is correct, then the men associated with the Premiers' Plan and other wage-slashing instruments were scoundrels, for not only the poorer classes but many members of other classes as well were deliberately robbed of mere symbols at a time when money in the form of useable goods was so plentiful. Somehow though *Truth's* ideas do not line up with the solid facts.

"CERTAINLY NOT DOUGLAS CREDIT."

In the early part of the article under notice we came across this: "He (John Hogan) talked of the one thing for over two hours without the slightest hesitation, but that thing was certainly not the Douglas Credit System, whatever the Douglas Credit System might be." The question that naturally arises from this is: If *Truth* does not know what Douglas Credit is (and it clearly admits that it does not) how would it know that the speaker was not talking about it? I am not concerned here to explain anything John Hogan said or did at the Town Hall meeting. He is more than capable of doing that himself. I am merely pointing out the absurdity of what *Truth* had to say.

A little further on we came to this: "An audience of 2000 found it vastly entertaining. How they still come to find this kind of thing entertaining is puzzling. Industrial leaders and Labor Party orators of a very much older vintage than Master Hogan have been doing the same kind of thing for years." It is puzzling to *Truth* only because of its comic ideas about money, and interesting to a rapidly increasing number of Australia's best citizens because they are beginning to realise the swindle of the financial system, which keeps them in a condition of perpetual servitude. Industrial leaders and Labor orators have *not* been doing the same kind of thing at all, and there is not one such who could have taken John Hogan's place at the Town Hall and shown even half his efficiency in dealing with the realities of the situation. I would challenge *Truth* to name one such leader or orator who has made even a single public attempt to tell the community what money is, where it comes from, and how it is brought into and goes out of existence.

A LETTER ON FUNDAMENTALS

With apparent self-satisfaction, *Truth* told us that it had recently addressed an open letter to Mr. Menzies upon the subject of fundamentals, deploring the inability of politicians generally to get down to the ordinary solid things, which are capable of immediate practical replication for the relief of our economic disorders. It could with greater justification address a letter in similar terms to itself. Despite its "long history," etc., the living standards today are lower than in 1907, and poverty, misery and distress are spreading in all directions—simply because the representatives and champions of the poorer classes have failed to get down to fundamentals, the greatest of which is money.

Speaking of the paradox of poverty in the midst of plenty, the paper wailed that "if young Hogan had been interested in the matter, even as recently as five or six

years ago, he would have found scores of articles upon this paradox in the columns of *Truth*." But, despite these scores of articles, the paper has not realised the significance of the fact that the paradox not only continues but actually becomes more intense. *Truth* itself has not yet got down to the solid things, and until it does it can write articles on the paradox till the cows come home and the paradox will still remain.

The five-point programme referred to earlier in this letter is *Truth's* practical and direct proposals "for the improvement of the

PALESTINE.

Britain will not agree to abandon the mandate, which might easily lead to massacres.

British capital has widespread ramifications in Palestine. According to Barclay's Bank, British financial houses have more than £20 millions invested in the country, where three of the four leading banks are British.

—Melbourne "Herald," Oct. 12.

lot of the people, for the relief of unemployment, for the increased population of the country, and for the full development of our national strength." The first two points deal with wages and hours as follows:

1. An increase in the basic wage of at least 10/- a week all round.

2. The adoption throughout Australia of a 40-hour week.

Where would the money come from to pay the extra 10/- a week to all workers and where would employers get the money from to pay the extra wage costs involved in the adoption of the 40-hour week? It does not grow on trees and workers cannot secure their needs without it. The truth of the matter is that every one of the five points is governed by money and all money comes from the private banks. There is no shortage at all of the "useable goods," but the workers are not getting sufficient symbols to give them access to these goods. Even a 30-hour week could be adopted tomorrow if it were not for the fact that employers are definitely scared of the financial effects, and under existing conditions there is serious cause for this fear. But give the people regular money incomes to buy the goods and the employer the chance to recover his costs, and all opposition to the 40-hour week and other improvements will fall away. —Yours faithfully,

BRUCE H. BROWN

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MACHINE TO DISPLACE SEVEN MILLION

The Rust Cotton Picker in Operation

Last Saturday's press contained a cabled announcement that the Australian Trade Commissioner in New York had just witnessed the first public demonstration of the new mechanical cotton picker which, if successful, is estimated to displace 7,000,000 human pickers and greatly to lower the price of cotton.

The following account of the incident appears in *Time* (N.Y.) of September 14:—

"A blazing sun beat down one day last week on the Mississippi delta cotton fields as hundreds of white-shirted, straw-hatted plantation owners, managers, ginners, dealers, bankers, scientists and Government men thronged to a private farm designated by the Delta Experiment Station at Stoneville. For many a month they had heard and talked a great deal about the cotton-picking machine invented by John Daniel Rust and his brother Mack.

"Last week, guzzling Coca-Cola by the barrel in a quivering, dust-laden haze, they witnessed the first public demonstration of the Rust picker.

"Pulled by a snorting Deere tractor, the machine moved back and forth at 3 m.p.h. along the 300-yd., rows of plants. Smooth, wet spindles combed into the plants, caught the white tufts from open bolls. From, the spindles the cotton was mechanically stripped and blown into a collecting bag. Hour after hot hour the spindle-belts droned on like a swarm of bees. Bag after bellying bag poured out its load in a white cascade. Spectators crowded around to finger and scrutinise mechanically picked cotton.

"Proud and sweating at the machine's controls was Mack Rust, who handled most of the technical problems in developing the picker. Brother John, who first conceived the principle, had gone to Russia. The U.S.S.R., had bought two of the ten machines which the brothers have so far manufactured, and John Rust went along with the shipment to show Communist agriculturists how to run them.

"From the welter of enthusiasm and disparagement that resulted from last week's show, a few facts stood out clearly. Under favourable conditions, the Rust picker does pick cotton fast and cheaply. It costs 1 dollar per hour to run. In one hour last week it picked 400lb.—as much as one average hand-picker could gather in four days.

It does not injure the plants. But it does need a high-yield stand to do its best; the yield on the Stoneville farm was estimated close to a bale to the acre, whereas the national average is about one-third of a bale to the acre. The machine knocks some cotton to the ground, leaves some open bolls unpicked. It takes up more leaves and trash than Negro pickers do.

"There was no scientific measurement at last week's demonstration. Estimates of how much of the cotton the machine picked the first time over a row varied from 50 per cent, to 75 per cent, the second time 80 per cent, to 95 per cent. Estimates of how much the reduction in grade, caused by trash, leaves and possible stain, would lop off the grower's return ranged from 3 dollars to 7 dollars per bale. Frequently heard was the opinion that, even if the machine were practical on huge, flat, high-yield tracts, it would do poorly on small plots, on hilly ground, on low-yield acreage. Sample comment:

"Pat Barcroft, Mississippi grower: 'I don't want one—it wastes too much cotton and gets too much trash.'

"W. H. Hutchins, Mississippi grower: 'It is a greater success than I had expected. Now we won't have to beg for labour to help pick cotton.'

"Edison Collins Westbrook, Georgia University of Agriculture professor: 'I am reserving my opinion...'

"William E. Ayres, manager of the Delta Experiment Station: 'It isn't a finished machine, but the Rusts are on the right track.'

"Archibald Franklin Toler, Mississippi manager: 'I hope it doesn't work.'

"Co-inventor Mack Rust: 'We don't claim that this is the best possible cotton picker. But this machine today is a better cotton picker than the old Model T Ford was an, automobile when it was first offered.'

"Oscar Johnston is the bulky, crinkle-eyed manager of the British-owned Delta and Pine Land Co., whose 10,000-acre cotton plantation is the largest in the world. This year Mr. Johnston is getting 575 lb. to the acre of 'strict middling' cotton which he sells at a premium over the market price. He gets along well with his 3000 Negroes; wants to keep them. Newshawks, therefore, crowded around him last week to hear what he thought of the mechanical menace. Grower

Johnston was sceptical, but not scornful.

"The machine seems to be basically practical,' he said, 'but it needs improvements. To be successful, I believe it would require close co-operation among the machine's sponsors, the cotton growers and ginners. If it is successful, it will be the death knell for family-size farms and for tenants.'

"One thing of which there was no doubt last week was that the cotton-growing South is excited about the Rust cotton-picker. The *Memphis Press-Scimitar* and a few other newspapers were enthusiastic. Most Southern papers, however, declared in effect that even if the

picker were good they would not like it. The *Memphis Commercial Appeal* printed a cartoon of a pop-eyed old darky trailing an empty cotton-sack and exclaiming: 'Ef'n it (loose mah wuk—whose wuk I gwine do?'" The Jackson, Miss., *Daily News*, unimpressed by the fact that the Rust brothers are conscientious Socialists and have promised to cushion the impact of the machine on Negro labour, advocated sinking the picker in the Mississippi River, together with its plans and specifications. In Tennessee, which still has anti-evolution laws on its books, Democratic National Committeeman Edward Hull Crump, boss of Memphis, predicted that an anti-picker statute could be passed in his State."

LETTERS TO THE EDITOR

MENTAL HOSPITALS AND PARK LANDS

Sir, — In the *Herald* of 10th inst. the Premier of Victoria is reported to have said, "It was essential that park lands at Kew should be sold, so that the Kew Mental Hospital could be removed. The building of the new mental hospital could be financed in no other way. The money has to be raised somehow." It looks as if there was something after all in the Prime Minister's quip that the story of Australia's recovery sounded like a fairy tale, when even the wealthiest daughter is forced to sell up her sewing machine to help provide for her sick child.

"SOLD UP."

NEW TIMES CIRCULATION DRIVE.

I am pleased to be able to relate that, as I expected, several *New Times* troopers have communicated with me desiring to set up a "drive" organisation, regular in its incidence, and permanent in its determination to increase the paper's circulation.

I shall let readers know from time to time how the idea is catching on, and when country and other State helpers have bent to the task. To those who have not yet taken up the work, may I say we do not really care how much you *know* about the difficulty of successfully launching even so sterling a paper as the *New Times*. It is what you will *do* to increase its circulation that matters. Do you *really* take care to sell your eleven copies weekly, or do you only *know* that you *ought* to?

E. J. TRENOWETH.

I strongly favour the plan of Mr. E. J. Trenoweth to substantially increase the circulation of the *New Times*.

As one who is greatly interested in the Electoral Campaign, I am gratefully aware that the *New Times* has been most generous in allotting us space. Without this help our publicity would have been much poorer.

Might I suggest that we canvass the public for, say, only 1/-, and have four copies posted to them as most people find a quarter's subscription rather much in advance. Much could be done in this direction to further Mr. Trenoweth's plan.

R. COSTIN.

5 Testar-grove, Caulfield, S.E.7.

USURY.

The question of usury or interest is occasionally brought to the fore in these days. In the discussion the point that usury was officially illegal in the Middle Ages is generally emphasised, but the reasons for this objection to usury are generally omitted. Knowing the favour of Aristotle with the schoolmen, I re-read his "Treatise on Government" to see what he had to say on the subject, and found that his objection of interest lay in the fact that it perverted the purpose of money — the exchange of goods — and led to the confusion of money and wealth. The following extract is taken from

Pages 16 to 19 of Ellis's translation in the "Everyman Library":—

"... Wealth is very often supposed to consist in the quantity of money which anyone possesses, as this is the medium by which all trade is conducted and a fortune made; others again regard it as of no value, as being of none by nature, but arbitrarily made so by compact; so that if those who use it should alter their sentiments, it would be worth nothing, as being of no service for any necessary purpose. Besides, he who abounds in money often wants necessary food; and it is impossible to say that any person is in good circumstances when with all his possessions he may perish with hunger.

... For which reason others endeavour to procure other riches and other property, and rightly, for there are other riches and property in nature, and these are the proper objects of economy. . . . Now money making, as we say, being twofold, it may be applied to two purposes, the service of the house, or retail trade; of which the first is necessary and commendable, the other justly censurable. For it has not its origin in nature, but by it men gain from each other; for usury is most reasonably detested, as it is increasing our fortune by money itself, and not employing it for the purpose it was originally intended—namely, exchange.

"And this is the explanation of the name (Tokos), which means the breeding of money. For as offspring resemble their parents, so usury is money bred of money. Whence of all forms of money making it is most against nature."

"READER."

WHY "ORTHODOX"?

I have noted the terms "orthodox economics" and "orthodox economists" in your paper from time to time. In this you do your opponents an injury and concede them an unnecessary point, though this may seem self-contradictory. There is no such thing as "orthodox" economics. Every school varies in its exposition of things. The only thing on which they meet on common grounds is their common acceptance of the financial superstitions supplied by the financial system. The term "orthodox" should be abolished from the language. It is used in only two branches of human thought: theology and economics, and no one can determine what is and what is not "orthodox" in these subjects. To use "orthodox" beside mathematics, or to speak of "orthodox" physics, would sound ludicrous. Why keep it up in economics, where it is equally out of place? There are enough stupidities in the subject already, without Social Crediters helping to keep them alive.

Even the prophet Copland has stressed that the main point of the "Premiers' Plan" (to give it its wrong name), was its unorthodox aspect. In what way it was unorthodox I do not pretend to say; I can only guess that the prophet was unwittingly making the confession that it was inspired by the controllers of the financial system and that as such it was a scheme which was antagonistic to the one and only law of money: money should be used

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(Continued from page 3.)

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once in production and once in consumption.

In banking which person is "orthodox": Sir Walter Leaf, late Chairman of the Westminster Bank, who said that banks don't create credit, or Mr. Reginald McKenna, Chairman of the Midland Bank, who says that they do?

And in economics who is "orthodox": Mr. Keynes, who does not believe in a National Dividend, or Mr. G. D. H. Cole, who does?

The question is not whether statements are orthodox or otherwise, but whether they are sensible and true. While not prepared to state that some of the statements of our opponents are lies, I certainly will agree that they are as often as not most stupid.

B.

The Douglas Credit Movement of Victoria

QUARTERLY CONFERENCE
Branches of the Movement are reminded that the quarterly conference will be held on Saturday, 24th inst. Branch secretaries are requested to forward the names of their delegates and items for inclusion in the conference agenda without delay.

The sessions of the conference will be as follows:—Morning and evening sessions, at the Club Rooms, Block Arcade, City, at 11.30 a.m. and 7 p.m. respectively, and the afternoon session for all members of the Movement at the Wallflower Tea Rooms, 1st Floor, Nicholas Buildings, Swanston-street, at 2.30 sharp.

At the afternoon session the president of the Movement, Dr. J. T. Hollow, will be the principal speaker, and will place before conference matters that are vital at this juncture, and that are of paramount importance to the well being and success of the movement.

All members of the Movement are urged to reserve Saturday, 24th inst., for this vitally important conference.

G. R. Trenoweth, Organising Secretary.

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WHOSE BABY ARE YOU?

By LUIGI VAMPA.

If any reader in Melbourne wishes to be thoroughly sick without going to the expense of a sea voyage, let him go to Newspaper House, Collins Street, and cast his eyes over Sir Keith Murdoch's revolting display of begging-posters for the October Hospital Appeal.

"You can afford to give!" says one.

You, gentlemen, the three million citizens of this country who earn no income, and the three million more who in varying proportions earn less than one, two, three, four and five pounds per week?

Or is it you hundred or so gentlemen, controllers of finance, who create and destroy money with a stroke of the pen, and your hangers-on and publicity mouth-pieces who so nobly sustain your regime with daily dope and sensation, and to whom you throw pennies in sufficient quantities for services rendered?

Sir Keith Murdoch looks upon a mechanised world in which employment is the sole title to income, and rightly sums up the situation when he remarks that at the expiration of two years there will either be a colossal displacement of labour from armaments manufacture (unemployment) or war. He deplures the probable damage to art and the aesthetic delights of civilisation. And yet his rags, the Melbourne *Herald* and associate publications, continue to proclaim the supernatural authority of the banking system, which insists that these are the only alternatives facing mankind. Sir Keith and his papers bray of the necessity for the provision of employment, which in a mechanised world means that there is to be no solution of the problem of "surplus" mankind and "surplus" production but to send both to Abyssinia, or Spain, or China, or anywhere else and to blow them to hell. Man may not eat an existing cabbage without first building a hawtizer.

The same Sir Keith looks upon a community's medical services, stricken for want of monetary tickets, and fills his window with vulgar begging appeals.

As if the man in the street has the money, anyway.

There is only one way to allow the medical and nursing professions to get on with their proper work of service to mankind, and there is similarly only one way to end the most potent cause in the community of susceptibility to illness and disease. That cause is undoubtedly to be found in economic insecurity, worry and wretched living conditions.

THE WAY OUT

The way to achieve these ends is most emphatically not to be found in the continuation of a miserly flow of debt money, based on wrong principles of issue and recall, which condition of affairs, masquerading under the title of sound finance, is perhaps the one thing Sir Keith has consistently

stood up for during the past several years. Neither is it to be found in annually recurring orgies of public mendicancy.

It is to be found in the socialisation of credit, the writing up of the national credit account, the regulation of prices through the just price discount, and the issue to all citizens of the national dividend. Under this system citizens will have their self-respect restored to them, and will have the financial means to pay for services rendered. Doctors and nurses will be able to render services without having to worry about the vulgarities of finance. In short, what is physically and scientifically possible in the alleviation of disease and suffering will be financially possible.

Every penny now subscribed to charity merely bolsters up a rotten and crazy system for a little longer, and, in any case, probably goes to cancellation in the repayment of a bank overdraft. (Does any reader remember the "wipe the slate clean"—i.e., "square the bank ledger"—campaign of October, 1934?)

Every penny, on the other hand, subscribed to further the cause of Social Credit goes to attack the evil at its roots.

SOME SLOGANS FOR OCTOBER

Here are some slogans for October:—

Down with the bankers' combine and restore the people's self-respect and incomes.

Banish begging appeals from our streets.

Out with the rats who bring misery upon mankind and attempt to salve their consciences by placing begging boxes on their bank counters, "for the hopeless sick," and by encouraging their wives and daughters to hold charity bridge afternoons and to shake collection boxes under the noses of hard-up, but respectable citizens.

In short, dump the founding "charity" on the bank doorstep, where it belongs, and let it bawl its head off till the bankers do something about it. They simply haven't the guts to refuse taking up the burden, for they fear any large scale focusing of the public gaze on the more harrowing results of their misfeasance.

It is necessary above all to avoid dissipation of energy or funds, and to work through Social Credit to end the need of so-called charity. It will be no little consolation to those who adopt this view to know that they will also have found another alternative to the "unemployment or war at the end of two years" envisaged by Sir Keith Murdoch. This alternative is simply to distribute the "surplus" goods to "surplus" men whether they work or not. This is a very much less messy process than blowing both to hell, which place we believe is, in any case, getting a bit overcrowded since the institution of sound finance in this world.

THE FUTURE OF SANCTIONS AND THE LEAGUE

By W. BROWNLEY.

Editor's Note. —This is the first of a series of articles by Mr. Brownley, who will next discuss the history of the peace movement, then proceeding to an analysis of the alleged causes of war and suggested cures, concluding with the real causes and the real cure.

On November 11, 1918, the representatives of the warring nations signed an armistice and later a treaty which put an end to military operations, but would anyone be so bold as to say it created peace?

One of the creations of the treaty was the League of Nations. Unfortunately, some of the nations were initially excluded and other afterwards left, but there have always been sufficient member-States for the League to be a League, and to permit fair judgment of its effectiveness. Most of the troubles with which it has had to deal have been disputes between League members. So while the initial failure to secure unanimous membership has created its own unforeseen difficulties, this trouble has had little to do with the League's failure to solve the problems created by its member States.

The League was created primarily to prevent war, though many other invaluable functions were included in its work. This it has failed to do. Why? Why could it not do anything to stop, prevent, or hinder Japanese aggression on China, and why did its efforts to prevent the Italian conquest of Abyssinia fail? As it has proved incapable of preventing wars in the past, is there any chance that it will be successful in the future? And if it cannot prevent war, what justification is there for its continuance? Should it be abolished or can it be reformed? These are questions, which will become increasingly urgent in the near future.

A study of the causes of the failure of the League will materially help towards an adequate answer.

NATIONS JUDGES IN THEIR OWN DISPUTES

The instincts of mankind were right when they declared that nations can no longer be laws unto themselves or judges in their own disputes. The time had come for the law of nations to take the place of the anarchy of nations. Just as persons submit to civil law, so nations must submit to international law. But more than that was needed. To make such international laws effective, there must be an international Court of Justice and an international executive force to carry out the court's award. All these things were more or less effected. Why the failure? Was it because the form of organisation was wrong or inadequate? Should the League have been a World State? And should an international force—air, military, and naval—have taken the place of joint co-operative action? Or did the cause of failure lie still deeper? It is the object of these articles to demonstrate that the chief causes of disaster were threefold:

1. The nature of war has been misunderstood. We have identified war exclusively with military action, whereas warfare is now waged more on the economic and financial planes than on the military one.

2. We have attempted to impose punitive measures under financial conditions, which cause such actions to harm the punitive nations more severely than they do the aggressor. While sanctions are physically possible and theoretically effective, under the prevailing financial system they must always be abortive. If sanctions are to be the instrument of international policy in the future, financial policy must be modified so as to allow them to be effective in the desired manner.

3. We have been more intent on pouring oil on troubled waters than in creating calm weather. To treat symptoms is not to cure causes.

WHAT IS WAR?

When asked what would cure the world's ills, Confucius replied, "Calling things by

their right names." But correct naming and definition are most difficult, and the dictionary is not always the best place for exact knowledge. Instead of pursuing the hopeless quest of an adequate definition let us study the following facts and see if we can therefrom deduce an understanding of what is peace and what is war.

When the war ended, the Allies imposed upon the enemy countries indemnities, camouflaged under the name of reparations. Can it be contended that the countries were at peace while these conditions prevailed? Theoretically, non-payment involved military invasion of the defaulter and on one memorable occasion the French invaded the Ruhr. Was this peace or war?

Then again, the Saar valley was handed to France for fifteen years, as compensation for damage to French mines. Could peace be said to exist while Germany lacked political control over part of her population and territory?

Or take another case. The American Government, or more correctly, American finance imposed upon England a Debt Settlement by which England promised to pay enormous sums of money over a long period of time. The debt had to be met by payment of

"TRUTH," THE FRIEND OF THE UNDER DOG!

"Perhaps the Douglas Creditites seek to reserve a substantial portion of the world's production for an army of loafers who will neither toil nor will they spin. Our economic shortcomings have already created such a class throughout the world today—a class of professional dole-drawer which we know even in this country." —"Truth," Oct. 10.

gold or dollars in America. Therefore, the greater the number of dollars which could be bought with an English pound, the lighter the burden on England. Whatever the personal and industrial desires of its members, the British Government had to frame its financial and economic policies so that the pound would purchase the greatest number of dollars. So long as England met her engagements, so long was a deflationary policy forced upon her, and though deflation might mean, in the strange jargon of the financier, "financial stability," to the worker and the capitalist—i.e., to all Englishmen—it meant unemployment and bad trade.

Eventually the agreement was scrapped and from that moment England resumed a degree of financial self-determination. The exchange rate was unfavourable, but business immediately improved. Both nations were technically at peace, had been so for decades, but could such a condition be described as one of peace? Of course the same was true of the relations between England and Europe. If we are not justified in describing the subjugation of a nation's whole life—whether by the threat of military action or by controlling its credit policy—as warfare, we certainly are not justified in describing it as peace. The late E. D. Morel was probably right when he described it as peace-war.

JAPAN

One of the outstanding facts of the last ten years has been the capturing of first one market and then another by the Japanese. Take the case of Lancashire. As far as the operators, the mills and the owners are concerned, would the results have been much different had Japan bombed the area with explosives, instead of underselling the output in every market of the

world? Surely the fact that one weapon is described as military and the other as financial does not make any difference in the resulting disaster. Is this peace?

And take our own case. It cannot be doubted that Australia has broken with Japan because of pressure from England. We are always at peace with England, but will it be peace if the Government persists in a policy to which the bulk of the population is opposed?

So much for positive actions. What about negative ones? When a nation imposes a prohibitive tariff against the goods of another country, it as often as not imposes hardship on the citizens of the country whose goods are forbidden entry. Is such action an act of war? It is often referred to as a trade war. The action of the Australian Government has been referred to as the first shot in the Japanese Trade War. Is it but the first shot in a military war? For are not both acts warfare, but warfare waged on different planes?

There seems to be no other conclusion than that the cases cited are all merely different aspects of war, and that it is advisable to group them all under the term war, instead of reserving the word purely for military and naval hostilities. Just as martial War is waged on the three planes of land, sea and air, so warfare generally is waged on the various planes called military, economic, political, fiscal and financial. Because military warfare is in abeyance it does not mean that warfare has stopped. It has only been transferred on to another plane.

The world is much like a motion picture. There is a semblance of peace for a fraction of a second as the scene changes. A new action takes place on a new plane, and a new setting is required. But the change cannot be made before some semblance of completion be attained. Therefore one act closes in seeming universal accord to open a second, after with the same characters in different clothing and different scenery, but with the same old interests and the same old antagonisms.

Under present social and financial organisation warfare in one form or another is continual. It is the normal state of affairs. It becomes the fifth act of the tragedy—military warfare—only when the other acts have all run their course. To single out military action as that only kind of combat worthy of the name of war is to identify the tragedy exclusively with the fifth act.

WHAT WAR IS.

Warfare may therefore be said to exist when one group of persons deliberately takes such action as is calculated to affect another group or groups of persons in a disadvantageous or harmful manner. It does not matter whether the instruments of aggression and defence are pistols, swords, tariff barriers, trade rebates, subsidies, poison gas, depreciated currencies or credit control through a Central Bank and exchange rates.

Peace advocates have been unnecessarily unsuccessful and the League has failed because war has been inadequately defined. Instead of combating the enemy on the whole front, they have been guarding but one small and unimportant sector of the line.

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Printed by H. E. Kuntzen, 309-319 Lonsdale Place, Melbourne, for New Times Proprietary Limited, Elizabeth House, Melbourne.

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