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What Mr. Menzies Knows About Public Finance



The Prime Minister and Imperial Affairs

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(Continued on page 3.)

WHAT MR. MENZIES KNOWS ABOUT PUBLIC FINANCE

Addressing the Brisbane Chambers of Commerce and Manufactures on July 19, Attorney-General and Acting-Treasurer Menzies delivered this modest verdict on himself: "Please do not run away with the idea that public finance is exactly similar to ordinary commercial finance; it has many other aspects. I will go so far as to say that while I am not a businessman, as that term is commonly understood, I probably know more about the public finance of Australia than many of the people who become vocal on the subject in the newspapers. I have devoted a great deal of time to such matters, whereas my critics often have devoted none at all."

The modesty of Mr. Menzies was not exposed in the latter part of the above sentiments, but in the earlier section where he disclaimed being a businessman, "as that term is commonly understood." Who but a shrewd (as that term is commonly understood) businessman would have found time, while acting as the people's legal servant, to have so ingratiated himself with leading business corporations as to accumulate his present multiple directorships, and get away with it? Who but a shrewd (of the same sort) businessman would have entertained the idea, while travelling abroad as a people's pleader—in a case on which he had Yes-No views—of collecting a further two thousand guineas by way of an outside brief in the same case and for the same appearance? Is it not in perpetuation of his great feat in this direction that Mr. Menzies is now known, wherever barristers flog together, as, "P.C. 92"?

The Secrets of Finance

Turning to the subject on which he appraises himself more highly (and with less cause) — public finance — Mr. Menzies pointed out to his Brisbane audience what a very, very good Government he belonged to. Whereas it was said that all the Governments in the Commonwealth were extravagant and had recently added £100 millions to the public debt, this was not true of the Lyons Government. With the operation of sinking funds the Commonwealth debt was £8 millions less today than when the Lyons Ministry took over; it was the States' Governments, which were responsible for the increase in the public debt.

Similarly, taxation was a sore point, and it was said that his Government collected more taxation than it needed. Mr. Menzies assured his hearers that this was quite a mistaken idea. The whole problem of taxation had to be considered in relation to the responsibilities of Government. One example of this was to be seen in the commitment for old age pensions, which a few years ago was about £3 millions. This year, on the same rate of pensions, the bill, which the Government would have to meet, would be just under £15½ millions.

Another point overlooked by those who came along asking for reductions was the development of departmental services. Thus, merely because the revenue from the Post Office and the Broadcasting Commission was increasing, and because profits were shown, it must not be overlooked that those services were not working on a capital fund created when they were launched. They had to depend on their income for expansion from year to year.

"When you think of asking for tax reduction," concluded our financial wizard, "you can't have it both ways. Deputations

come along asking for reductions in taxation followed by others asking us to increase the expenditure for social services, and you often find the same sets of men on both deputations."

Blaming the States

At the same time as he blamed the States for the increase in the public debt, Mr. Menzies was telling Brisbane's businessmen that he could not understand why the Commonwealth was always being made the butt for attacks. "It seems to be the correct thing to have an attitude of hostility to the Commonwealth no matter what party is in power." It must be, he said, that we were very parochially minded, thinking that our first loyalty should be to our States, and that our loyalty to the nation was a very small thing. And so this representative of the entire body politic countered by attacking its members.

What Mr. Menzies quite omitted to say on the subject of debt was that the Commonwealth Government had succeeded in keeping down its public indebtedness only by its superior constitutional powers in beating the States in the race to pick the community's pockets. In the year ended June, 1931, out of a total Australian tax bill of £86.2 millions, the Commonwealth took £50.4 millions and the States, between them, £35.8 millions; by the year ended June, 1936, the total had increased to £104.5 millions, of which the share claimed by Mr. Menzies' Government had grown to £63.6 millions. There was thus an increase of £13.2 millions in Federal imposts, as against an increase shared between the six State Governments of £5.1 millions. But this was quite overlooked by All-for-Australia Menzies.

Where Revenue Goes

Again, in discussing where the proceeds of taxation go, Mr. Menzies glibly trotted out the old chestnut about the heavy charge on revenue of old age pensions, the inference being that you can't starve the destitute aged. As he put it: "Any party which stood up today and said it was going to stop paying pensions on this scale would not have a chance of refusing paying anything the day after. Social services on that scale are demanded by the people of Australia."

To hear Federal Ministers talk in this way one would think that they never by any chance spent a trifle of ten millions or so a year of taxpayers' money on such items as warships to police the Mediterranean when overseas oil monopolists' interests are at stake. One would forget that almost exactly half the total proceeds of all Federal and State taxation go to pay the usurious charges of those private bankers within the community who, merely in return for making certain entries in their ledgers (called loans to Governments) are now collecting a toll from the community of a million pounds a week. These are matters which must never by any chance be brought up by one who has devoted a great deal of time to such matters, and who claims to know more about the public finance of Australia than many of those who become vocal on the subject in the newspapers. Why is it if such men as Lyons, Menzies, Casey and Co. are such authorities on public finance, that they always sidestep either discussion or explanation of the very subject of the public debt, its origins and its reasons?

Capitalisation as an Instrument of Deflation

But it was when Mr. Menzies came to discuss the capitalisation of such services as the Post Office and the Broadcasting Commission that he displayed his greatest lack of honesty. To attempt to capitalise any industry out of charges previously collected from consumers is, under existing financial arrangements, a short cut to chaos and a deflationary instrument of the worst type. Simply put, it means a constant withdrawal from the community of more money than is received by the community. It is one example of the type of process on which our public debt (which has increased by over £700 millions in the post-war period) has been founded. And the process is made cumulative by the various capital charges, which ensue—depreciation, reserves and what not.

There are plenty of technical works on this subject for those who may be disposed to follow it up. But, without studying

technique at all, he who runs may read. The public debt of Australia has more than doubled since the conclusion of the war. And whether Mr. Menzies blames the States or the States blame the Commonwealth, none of these Ministers between them have given us any justification for it or any indication that anything will happen to the debt except perpetuation and increase. Mr. Menzies' boast that the Commonwealth's share of the debt has been decreased by £8 millions in five years—apart from the States' increase having offset it tenfold—is hardly encouraging to taxpayers from whom his Government, last year alone, took over £13 millions more than was extracted five years earlier. And the increase in the amount required for old age pensions is symbolic of the destitution that is spreading throughout almost the entire community.

If this is the type of public finance on which the Attorney General is an authority, then the sooner we get in some simple untutored folk the better.

"CRISIS IN THE PACIFIC"

A Review by Mars

It has been well said that the next world war will not be the greatest tragedy that can possibly befall mankind. The greatest tragedy will be the continued and unchecked operation of the causes, which render war inevitable.

Limited Objective

Some books attempt to deal with these fundamental causes. Others pursue a more limited objective. "Crisis in the Pacific" falls within the latter category. It attempts to stress military-political factors almost entirely to the exclusion of the question of the economic constitution of society. It accepts without question the struggle for markets and for employment, and proceeds to analyse which nations will fight which in the next world conflagration. The result of the analysis is startling enough — namely, that Japan will, within the next year or so, attempt to absorb China, that America will be driven to intervene on China's behalf, and that Britain will then find a pretext to attack America. This struggle will be a prelude to the dismemberment and partition of France and her colonies by and between Italy and Germany, and the annexation of the Ukraine by Germany. British Imperialists will then play Italy off against Germany, and revive Russia sufficiently to keep Germany and Japan within limits. It is pointed out with much force that Britain, by closing Empire markets to Japan, is forcing Japan into China. America cannot stand idly by and witness Japan's rise to outstanding power, and so stand to lose her hold in the Pacific and her markets throughout North and South America. Britain has, since the war (the last one), been snubbing France continually and allowing Germany to re-arm. Britain's greatest industrial and financial rival is America, and our American cousins are occupying the position our German cousins did before the war. To succeed in her design of crushing France, Britain will have to deal with America first, and a combined attack by British and Japanese fleets should, the authors argue, quickly succeed in this objective.

We don't know about all this, but at any rate can't advance any better

*Crisis in the Pacific: The Coming Anglo-Japanese Conflict. Issued by the International Peace Research Committee, Melbourne. The Ruskin Press Pty Ltd, Melbourne. 2/-.

guesses as to who will be our gallant allies in the next dog fight, and who will be our hated foes (for the time being or from time to time).

The authors strongly urge Australians to keep out of any such fight, and suggest that a firm hint from Australia and Canada would make the most rabid British Imperialist halt. They urge Australians to demand this course of their Government.

Within their self-imposed limits the authors of this book have done very well, and there may be something in their contention that, while it is true that ideally the only effective means of preventing one war is to prevent all wars and so to reconstitute society that all causes of conflict are permanently abolished, it is nevertheless true that the war threat is imminent, and radical social alteration must necessarily still be a considerable time off.

The Root Cause of War

On the other hand, it must be realised that if the cause of war continues in unchecked operation, the limited objective of putting off one particular contemplated war for a short while will have only a limited usefulness. The ultimate catastrophe must eventually happen. The matter of root causes cannot be shirked, especially by a peace committee, however exciting may be the unravelling of superficial trends or forecasting the identity of the participants in the next war and the sides they will take.

The seeds of war are in every village where two trades people are scrambling to get the lion's share of the inadequate supply of money in the pockets of the villagers.

There can be no fruitful discussion of war and its avoidance, which does not concern itself with

(a) The rate of flow of money in to the citizen's pocket;

(b) The rate of flow of money out of the citizen's pocket via prices and taxation; and

(c) A consideration of how far the product of industry is allowed in the process to get over to the citizen in his capacity as a consumer.

It is because there is not enough money in the villagers' pockets to buy the traders' goods at the prices they must charge to remain solvent, that there is such bitter warfare between the competing traders in the village.

It is because the total flow of

domestic income is outstripped by the flow of domestic prices that there is a struggle for external markets. It is because income is distributed only in return for work, and because unemployment means loss of pay, that failure of industry to find external markets causes such suffering at home, and consequently gives rise to the point of view that war, with its wholesale creation of credit and orgy of work and waste, is preferable to the slow starvation of sound financial peace. It is for this reason, and no other, that the struggle for external markets in an industrialised and mechanised world is so fierce.

Rectify the rate of flow of money into the citizen's pocket, and the rate at which it is taken out through prices and taxation, and there will be no further struggle for external markets. The market will be there, at home, and if, for the worthy sake of diversification of consumption, some goods are exported (as they will be), the exporting nation will be very careful to see that it gets at least an equivalent value of real wealth (not bonded indebtedness) in return.

Why Shirk the Issue?

It is amazing how people can skate round and round the wood-pile containing the nigger, without being able to see the actual nigger. The authors of the work under review talk unceasingly of struggles for markets, of the fact that there is a profusion of economic wealth awaiting distribution, of the fact that people are in peace-time dragged at the rear of the financial-industrial juggernaut, and in time of war are placed in front of it as a sort of bumper-bar, and still they shy away from the only possible logical conclusion.

We offer this criticism in no carping spirit, for many of our most ardent and energetic proponents of monetary reform have, on their first acquaintance with reform proposals, not only boggled for months on end at the analysis which discloses an automatic, inevitable, and increasing shortage of buying power, but after accepting the analysis have spent many more months casting doubts on the validity of what consideration will show to be the only possible solution for the problem—namely, the augmentation of buying power by way of an increase of income, a reduction of price or a combination of both.

The beliefs and mental conditioning of a lifetime are not easily overcome, as is evidenced by the finding of the Banking Commission that there is no leakage of buying power from the consumer's pocket, and that the flow of income suffices to meet the flow of costs.

The absurdity of this contention can be demonstrated by technical arguments by the dozen, and has been so demonstrated. There is, however, no need to resort to technical argument. The very existence of a struggle for export markets, and a mounting debt which far outstrips the community's total money resources, are two factors

within the knowledge of everyone. These two factors alone conclusively prove that the flow of income is not sufficient to meet the flow of costs. Although the members of the Banking Commission are, without exception, of mature and advanced years, and therefore a little nearer in point of time to the era of King Canute than the author of this review, they do not happen to have learned the lesson of that monarch's attempt by his fiat to stem the tides.

Is War at Hand?

We have stated that the causes of modern war are in full operation, and that they must eventually lead to conflict. In fact, there is no such thing as peace under the present system. Some sort of war is in progress all the time on the economic front, and military warfare only breaks out occasionally. The struggle for markets and employment is daily becoming more bitter.

It is true that war is, or has been, profitable to certain interests in the past, and that these interests have managed to keep pretty well behind the lines while they have been holding the coats of the combatants and going through the pockets. It is arguable that these interests are still ready to promote war (but perhaps not quite so ready in view of the fact that there will not be any safe place behind the lines in the next war. Civilians will be in the front line at home.)

War, with its huge consumption, is a source of profit to industrialists. The canons of sound finance are silenced before the bombing planes of the enemy, and credit flows as readily as water. War provides employment like the very devil.

There is the further factor that one cannot go on lighting matches in a field of dry grass without starting a fire some time. The very creation of large armed forces may lead to trouble through the ambitions of militarists, imperialists and other jingo merchants.

These are just some of the factors, which make an early outbreak of large-scale military warfare possible, and they are an imposing array.

The Other Side of the Ledger

The major factor on the other side of the ledger is finance—the custodians of that very cost-accountancy system which renders war inevitable are fighting relentlessly to postpone or avert war. The money power is in the position of the inebriate who will do everything to avoid D.T.s but give up drinking.

The true source of authority in the modern world is the international monetary monopoly. The monopoly works through the various Central Banks, which in turn impose their wills on Treasuries and governments. All governments, dictatorships and so-called democracies alike, are in the international queue so far as money is concerned—dependent on what the bankers will dole out to them.

Militarists and imperialists can

get no further than the money the bank, via the Treasury, will make available to them.

Basle, with its Bank for International Settlements, is the true centre of direction of world affairs. There is even now on foot a move to strengthen the hand of this super-Central Bank, and it is indicated that some financial diplomat, possibly our old friend, Sir Otto Niemeyer, might be put in charge. Central Bankers will then be able to pose as patriots of the first order. Montagu Norman, Schacht, etc., will be able to tell their nationals that they are flat out to get all the trade, markets and employment possible for their respective countries, but that that blank Niemeyer, of the World Central Rationing Centre, won't let them.

Banking Policy

The bankers have definitely decided to try "and put a lid on the volcano of international rivalries, and to sit on top of the lid. They know that under their system of the issue of money through industry and its recall through prices and taxation, there is a constantly growing wall of undischarged cost and debt. They know that acceleration of the issue of money makes the creeping error of their system creep faster. They know that, taking the year 1800 as a datum line, debt is now increasing as the fourth power of time. They know that Great Britain's National Debt, for instance, rose from £700 millions before the last war to over £7000 millions in the short space of five years—a tenfold increase due to the acceleration of industrial production for war-time needs, and representing costs which could not be recovered out of distributed income (through prices or taxation). A larger and ever larger proportion of the national income must be applied to service of the national debt, and the bankers know better than anyone that a large part of the money so applied never comes back to the community as money to spend—it goes into the reserves of financial institutions, and is either immobilised or used to create further costs.

Their whole technique, therefore (short of abolishing the disparity between costs and incomes), is to make the creeping error creep as slowly as possible. Any large-scale acceleration of production in peacetime, or the flat-out production of wartime, must increase debt to such an extent as to crash into smithereens the crazy system of numerals, which our bankers call sound finance.

At the other end of the scale the issue of money at too mean a rate, while preserving the debt structure for a little longer, has the defect that more and more people will be driven below subsistence level, and there will be hell to pay in the matter of civil commotion. The limit of slowing up the issue of credit was reached in the depression years, though it is possible that a gradual wearing down process might make

the population more supine than ever.

These considerations show the importance to be attached to Basle as a rationing or means test centre. The object is to issue credit as slowly as possible, and yet keep the number of people below the subsistence level in any one country just short of the danger point.

There is the further factor that expenditure of the whole of the credit issued on production of consumable goods for peace purposes will intensify the struggle for external markets, and so lead more quickly to international conflict. Expenditure on capital goods for the same purpose will ultimately have the same effect when the capital goods are used in production.

Rearmament or Rayon?

Battleships, howitzers, etc., don't come on to the market, and there is no international struggle for their export. They provide a device for employment and an avenue for distribution of money so that people can buy existing consumable goods.

In short, they are less likely to lead to war than production of rayon underpants.

The resultant threat to the power of money through the creation of armed force is met, firstly, by financial control of governments, and, secondly, by skillful rationing and handicapping so that a state of stalemate is produced.

It is not a case of one batch of politicians, imperialists or militarists arranging alliances and balance of power. This is all done by finance. Britain spends money on arms when the Bank of England permits, and Hitler can only do what Schacht lets him.

For these reasons it is a fair surmise that large-scale international warfare will not break out until either the mechanical error of the money system blows the bankers off the volcano lid, or the bankers start fighting amongst themselves (probably about whether the time has or has not arrived to alter their money system by cutting out the discrepancy between the flow of income and the flow of cost). Incident after incident, which would have provoked war in past years, has taken place recently—and there has been no war.

Position Must be Altered

However this may be, and whether war is imminent or can be postponed, the situation is entirely lunatic, and control of the direction of world affairs must be taken out of the hands of a few power-crazed money-mongers intent on maintaining in force a system which is wrong in arithmetic.

Control, effective control, must be placed in the hands of the ordinary citizen, who most emphatically does not want war. Control can be exercised by him only if money flows into his pocket at the proper rate, and is taken out only at the proper rate, i.e., on the delivery of industrial production for consumption. Consumers will then decide industrial policy by demanding from industry what they want.

Under the system, which we envisage there will be no struggle for external markets, raw materials, and employment.

The citizen at present has no effective control of policy. His government is nominally sovereign, but is tied hand and foot to the chariot of high finance.

If the citizen is able to demand effectively of the Australian Government that we shall not fight America, as the authors of "Crisis in the Pacific" suggest, there is no reason why the citizen should not go the whole hog and demand resumption of sovereignty in monetary matters by the Government and the institution of a system of issue and recall of money which will effectively and fairly distribute the product of industry without any aftermath of debt and external friction, and which will at the same time endow the citizen with economic independence—the only form of liberty worth anything.

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(Continued from page 2.)

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(Continued on page 7.)

To the People of Japan

Dear Friends,

Why is it that you must prove yourselves a constant source of vexation to our government and to those for whom government acts as a yes-man?

For the last generation—ever since the bush-rangers died out, in fact—it has been instilled into us that you are our one source of peril. Then why spoil the illusion?

First you knocked it by acting as protector rather than enemy during the last war, when by all the rules you should have planted a colony in Northern Australia while our 300,000 were away and Australia was an open door to you. Then you made matters worse by becoming our best post-war customer, both in the quantities you bought and the prices you paid. You made things so bad, indeed, that our woolgrowers and others were forgetting their "Yellow Peril" ideas and our Prime Minister and Cabinet had to make utter asses of themselves over the diversion of trade business in order to try and lead us back to a right way of thinking.

The one bright spot was the sampan business, but you must spoil even that by your wretched Oriental politeness in allowing the Larrakia to lean on your shoulder and limp home with its prisoners.

And now the captain of that war vessel has declared that it is not your habit consciously to trespass or poach at all.

Finally, you have just committed the unpardonable error of showing again—Manchukuo was bad enough—that your territorial interest lies in Asia and not in Australia. Worse still, you entrap such well-conducted papers as the Melbourne "Herald" to make this sort of statement (as it did on Saturday night): "Japan is not the only foreign country interested in China. British investments in China are three times as great as Japanese . . . In China, then, Japan must always weigh delicately the consequences of any action she contemplates taking."

Do you see the false position you are putting us into? You are spreading the pernicious idea that our purpose in rearmament (such as it is), in provoking trade disagreements with you, and so on, is only that we may be used as a pawn on behalf of "British" investments that are incommenced by your behaviour.

Don't you think it's high time you beat up an Australian visitor to Japan, or did something that would give us grounds for resuming our healthy and patriotic suspicions against you?

THE NEW TIMES

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FRIDAY, JULY 30, 1937.

The Church as a Bottle-oh!

We have received an urgent appeal from the Rev. George F. Dyson, Superintendent of the Carlton Methodist Mission that we should place before our generous readers the appalling conditions being suffered by many of those for whom the Mission is trying to provide some of the barest essentials of life. "Our store-rooms and faring depots," he writes, "are positively depleted, and I make this appeal to meet the requirements of many genuine and afflicted poor people who scarcely know the meaning of warmth and comfort that a good fire produces. Parcels of any description may be forwarded to the North Carlton railway station free of charge, or telephone F3938 and a car will call at your door. Donations may be addressed to Rev. G. F. Dyson, Methodist Mission Offices, Palmerston Street, Carlton, N.3, and an acknowledgment will be immediately forwarded." Then follows this shocking sentence: "Newspapers and bottles have a special value to us; the need is desperate and urgent."

Old newspapers and bottles! And the place is Australia, the land of plenty, the land whose major difficulty, according to its added Prime Minister, is the finding of overseas markets for its surplus products—the land whose taxpayers are asked to shell out £10 millions a year to buy weapons of defence against those who might be tempted to wrest from us our high standard of living.

Could you imagine a more shocking state of affairs than one in which those seeking to alleviate widespread distress should be driven in desperation to ask for gifts of old newspapers and bottles? The Church becomes a rag merchant and a bottle-oh!

We say this in no disparaging sense. We have nothing but admiration for the great-heartedness of those who, denied even the crumbs which fall from the rich man's table, refused even the dregs of his wine, will—on behalf of the poor and the suffering—actually call round to his back door for the emptied containers. But what a reflection on us all that we should permit such a thing to happen! If sufficient empty bottles, discarded newspapers, and other forms of refuse are forthcoming, then a destitute family "who scarcely know the meaning of warmth," may get a blanket or two—and Australia produces a quarter of the world's wool.

And all this disgusting humiliation, this debasing of clergy and charity workers to the status of

scavengers, proceeds solely from a dearth of money tickets—the one item of which there is a genuine shortage in Australia. Even in charity, this scramble for an insufficiency of money claims drives the best of us back to jungle rules—for don't forget that if you give your bottles to the Methodist Mission instead of to your regular bottle-oh you'll be sending *him* on the dole, and he in turn will go without blankets.

You have to help if you can. You can't leave half starved people to shiver through these long winter nights. If the bottle-oh and the old clothes dealer go broke next week, and if Prince Henry's Hospital and the Salvation Army and all the others who specialise in out-of-date newspapers have to miss a turn, we ask you to do something for Mr. Dyson's poor. Let the stretcher bearers look after the most urgent cases first; trust to luck that next week's cases will also be able to get some sort of field dressings. But for God's sake bestir yourself to stop, once and for all, this needless ambulance work. It is not even good-will that is needed—it is only the understanding by a majority of our people that our Federal Parliament *can*, and—if we demand it—*must* abolish this bottle-oh existence. The proof? *We've got the goods.*

The Prime Minister and Imperial Affairs

Readers of the daily papers will not have missed the Prime Minister's references, since his return to Australia, to the alleged outstanding success of the Imperial Conference. It is not surprising that Mr. Lyons should be anxious to make out as good a case for this assembly as possible, since it furnished the only tangible reason for the long absence from pressing local duties of himself and his expensive retinue, and the only excuse for shutting up the people's Parliament for the best part of a year.

In our last issue we referred to this conference as a dud, and, in case Mr. Lyons attempts further to put across his palaver on this matter for electioneering purposes, we now put on record, in support of our view, the editorial opinion of the London *Economist*. No one can accuse this highly loyal and orthodox financial journal of having any of the ulterior motives that Mr. Lyons might ascribe to the *New Times*.

In its issue of June 19 (which practically coincides with the departure from England of our Prime Minister) the *Economist* had this to say:

"The Imperial Conference held its final session on Wednesday. Immediately afterwards a summary report of its proceedings was issued. And that is all the public is ever likely to learn officially of what resulted from a month of private negotiations. The pious generalities that take up so much of the report are, no doubt, disappointing to those who hoped for a decisive lead from the assembled nations of the Commonwealth in the campaign for world peace and progress. Many British and foreign observers must be thinking that if the report is really all the Commonwealth can agree upon, then the British lion can only be stuffed with padding."

The *Economist* then goes on to outline, "The few points of real substance that emerge." In foreign policy it notes a "trend away from support for strict, general collective security, and towards a

compromise with those Powers—notably Germany—which have repudiated the League of Nations and the Covenant." With reference to defence, it remarks upon "the unconcealable differences of interest and outlook on defence co-operation," at the same time recording that such cooperation as "is likely to follow among groups or parties, and in regions of common concern," comprises "naval co-operation (mainly between Great Britain and Australia); joint interest in naval and air bases; technical co-operation with a view to the most rapid and effective co-ordination of forces in a war if the Dominion concerned should consent to take active part in it; and the economic organisation of world strategy."

Putting those last four phrases into plainer English, they may be translated somewhat in this wise: Australia will supply naval units as required by Imperialistic policy (e.g., in the Eastern Mediterranean, to keep Mussolini away from the monopolists' oil concessions in the Near East). Australia will conduct her air communications with due subservience to British Imperial Airways. Australia will arrange all her armaments, fighting methods, etc., in such a way as to make them spare parts of British units, so that Australia may be prepared immediately to fill a breach wherever one occurs in the physical trenches or financial outposts of Empire. And Australia will conduct her foreign economic policy in such a way as to suit the policy of the world monopolists domiciled in London (as in the case of the anti-Japanese tariff of last year).

Turning to the purely economic section of the Imperial Conference report, the *Economist* dismissed this shortly as being "brief and platitudinous. . . . The Conference hopes that every effort, which would tend towards the promotion of international trade will be maintained and encouraged; and it recognises that 'a healthy growth of international trade, accompanied by an improvement in the general standard of living, is an essential step to political appeasement.' But vested interests will now breathe more comfortably, and no political corns have been trodden on."

And, apart from bringing back a Dame of the British Empire (and some decent bills), this is about all your Prime Minister and his numerous offshoots have to show for the Grand Trip to London.

The Sound Finance League Again

A correspondent has sent us the July issue of the Sound Finance League of Australia's Monthly Bulletin, with the suggestion that we comment in these columns on its contents. The circular is devoted to "proving" that "the attempts to introduce the principles of 'social credit' in Alberta and of 'socialisation of credit' in Russia" have failed lamentably.

Frankly, we are not inclined to think that any good purpose would be served by devoting further attention just now to the outpourings of Mr. Stanley S. Addison, of the Sound Finance League, whether on the air or through his circulars. The one circular sent out by Mr. Addison, which is really material is that reproduced in our issue of July 16, wherein Mr. Addison admitted that this precious League is concerned "to see that Australian financial policy, as developed since the depression, suffers no setback through untimely political or other

A GOLD-FEARING NATION

By YAFFLE, in "Reynolds News."

The nation has, of late, been seriously concerned with gold.

The general impression is that gold is magical stuff, which does what it likes, and nothing can stop it. It appears to come in and out like the tide, or the cat, and, like them, takes no notice of what anybody says.

When it comes in it has to be buried, either in a vault, like the Squire, or in a hole in the ground, like a golf ball with luck.

* * *

The occult and mystical behaviour of this uncontrollable substance (if it is a substance, and not pure spirit) naturally causes many people to regard it with pious awe.

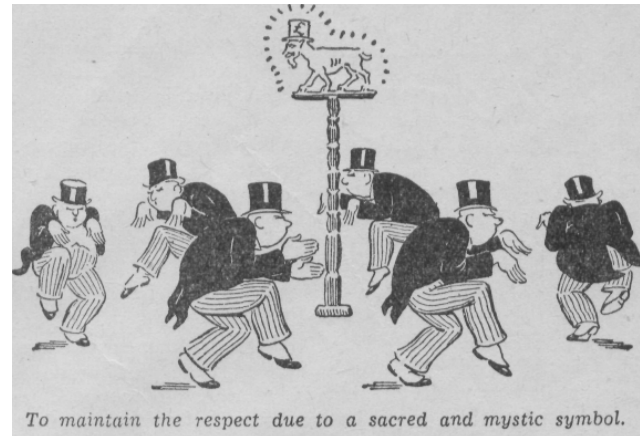
I am told that many businessmen pray to gold every night. They be-

lieve that the amount of money in existence must be related to the amount of gold in existence.

Now the price of gold was fixed at a time when the world's output of gold was more or less regular. Lately, however, the Russians have disclosed vast quantities of gold and begun to dig it up and send it about, the cads.

In the ordinary way, when the supply of anything increases, its price falls. But although, owing to the sinister machinations of Russia, gold threatens to become as common and plentiful as tapioca in a boarding school, we dare not lower its price.

For it would undermine the national morale to lower the market price of a sacred and



To maintain the respect due to a sacred and mystic symbol.

lieve that if they live righteous and sober lives, and say their prayers and wash behind their ears, and do their best to keep wages down and prices up, gold will be pleased with them, and bring them more business.

Other people, however, less inclined to simply faith and innocent trustfulness than most businessmen, regard the whole procedure as savouring of bug-house, and there are not wanting those who believe that financiers should be led gently away from the City and put into Homes.

Therefore, as I should not like you to regard our ruling class as less rational than it really is, if that were conceivable, I will essay a simple explanation.

* * *

For reasons to be explained later (when the children and businessmen are in bed) the experts agree

action," and that "the funds necessary to give effect to all this and to further expand the work, must on the whole come from financial institutions, which because of their position in the community are vitally concerned in seeing that these policies are given effect to."

It will be noticed, however, that this bankers' League draws most of its horrible examples from the ends of the earth, carefully choosing cases where the facts are unknown to the vast majority of Australian readers, and thus making it easy to garble or distort events for its ends—in much the same way as our militarists have for the last generation dangled the Yellow Peril before us, and as certain disrupters within the Labor party are trying to get the movement all hot and bothered about Spain.

We suggest that any of our readers who are faced with statements emanating from Mr. Addison can make quite an effective reply by simply producing a reprint of the circular we have just quoted. Similarly, if they are met with the report of the Banking Commission, it should be fairly satisfactory to reasonable-minded persons to point out that the various State Chairmen of the Associated Banks have expressed almost unqualified pleasure with the document. This, we submit, will save quite a lot of unnecessary argument on technicalities.

mystic symbol. One might as well announce to the public that, if put up for sale at Smithfield, a bishop would only fetch 6d a lb. on the hoof.

Further, we cannot stop gold coming in, for it is part of the magical process that, if you keep gold out, it will damage your export trade.

This rule constitutes Article III of the Necromancer's Creed, and you cannot understand it unless you have taken a Double First in Yogi and Hoo-doo.

We are thus in the awkward position of having to continue indefinitely enriching the Russian people, many of whom never wash in winter and none of whom ever went to a decent school.

There is no way out of this dilemma save by adopting some other standard for our money. That cannot be done, for two reasons. First, the only alternative would be a Commodity Standard. That would mean basing the quantity of our money upon the quantity of our wealth—a disturbing thought.

It would mean that there might soon be enough to buy all we produced. Our standard of living would be limited only by our capacity to provide goods and services.

An awful and demoralising abundance would ensue, and the result would be anarchy and three meals a day.

The other reason for remaining on a gold standard is expressed clearly by the *Economist*:—"The less sophisticated section of world opinion still regards gold as the one standard of value immune from Government interference. It is because the public believe in gold that bankers are able to use it. . . ."

And it adds that if Governments interfere with it again, "they will seriously shake belief in the yellow metal."

The reason for maintaining the link with gold has thus been made plain. It is to enable financiers to take advantage of popular superstition in order to keep our purchasing power within decent limits.

They have already put the fear of gold into businessmen. It only remains to convince the people that no national crisis can be dealt with until the bankers have gone into their temple and consulted the Gold Oracle.

Only thus can they defend us from the dangers of a high standard of living, so that we remain a sober, righteous and gold-fearing nation.

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THE MODEL BANK CHAIRMAN

We are indebted to "The Australian Banker" for the burlesque on a typical bank chairman's address, which is reprinted below. Chairmen may bluff shareholders, but they can't bluff their staffs.

A Mr. E. W. Bates, of Norwich, England, has burlesqued in an amusing way the modern meetings of bank shareholders. In an abridged form he has the following to say:—

"In accordance with regulations the financial safety curtain must be lowered at least once during the performance. I therefore hasten to allay your natural anxiety respecting your dividend, which we propose to pay at the usual rates.

"I find it my less pleasing duty to refer to the great loss we have sustained. I allude to the death at a ripe—possibly over-ripe—old age of Sir Beecham-Kruschen. His assistance has been invaluable to us and he bears an honoured name as the originator of our present Clearing System.

"We also regret the loss of the Honourable Stumer Dudd, who has been on the board ever since we absorbed the old established business, Moss, Cobweb and Fungus, when he was acquired with the rest of the liabilities.

The death rate per annum amongst the Directors continues steady at 1½ per cent, below Bank rate, and we feel we cannot safely lower the ratio without departing from the policy of 'ad nauseam' which has been the rule of the Board for so many years.

Examination and Accounts

"Turning to the accounts, we can, so far as the credit side of the Profit and Loss Account is concerned, congratulate ourselves on a remarkable year, although our delight is naturally tempered by the necessity, in accordance with the sound principles to which we adhere, of giving a glance at the debit side as well. We have this year, as you will observe, made not only a gross profit, but also a net profit. We think that to be able to show two kinds of profit is in itself no small achievement. Next year we hope to offer you the choice of some 57 varieties.

"You will see that once more we have misappropriated £100,000 to contingencies £50,000 against eventualities, and a similar sum to reserves (in case of accidents to the first eleven), whilst £100,000 is provided for impossibilities. £10,000 is directed to providing widows and orphans for the staff, and £10,000 is carried forward.

"The Balance Sheet we regard as our 'magnum opus,' a veritable masterpiece of applied hieroglyphics. Premises stand, for example, at the mere cube root of their true value. Our investments could realise more than the sum quoted if they were re-pulped, reprinted as one mark notes and changed into our currency at today's rate of exchange. On the other hand, our liabilities have been written up until they have no relation to the actual figures. You will realise that the balance sheet conveys an unusually pessimistic view of the bank's position, which increases your confidence in us and gives us all great encouragement to carry on.

"Your Directors are satisfied that, should any unforeseen emergency arise, our cash on hand alone would realise in the open market a sum sufficient to enable the senior officials of the Bank to escape to the Continent.

"I have already spoken of your dividends, and I realise that all further discussion of the accounts pales into insignificance beside the joyous news I have had the pleasure to announce.

A General Survey

"You will, however, expect me to deal with questions of wider significance. The days when the chairman merely took

the chair once a year and made up odd passbooks in his spare time have long gone by, and every decent chairman studies carefully in order to prattle glibly and gaily on all that does not appertain to the theory and practice of banking

"During the past year eminent economists have continued to chew the fat as heretofore. The question of inflation and deflation, on which so much breath has been spent, is still unsettled. All that can be said at the moment is that the deflationists have gone a little flat, while the inflationists are correspondingly puffed up.

"We have also passed through a controversy on our fiscal system, which, if it has been inconclusive in some respects, has at least afforded an interesting commentary on the old theory that our invisible exports, balanced as they are by our inaudible imports, tend to support our contention that a system of camouflaged and intermittent free trade tempered and interspersed by barely perceptible and by no means comprehensive protective duties, has the effect of increasing or decreasing, as the case may be, the volume of trade on the one hand and the rapidity of turnover on the other, or vice versa. Politicians may endeavour to confuse this simple issue, but, lucidly and baldly stated, that is the situation in a nutshell.

"Trade conditions continue perverse. Unfortunately the trade boom I forecasted in my last address has not materialised, and I can only assume that traders generally do not read the press report of my speeches as carefully as they should. Unemployment has continued, and a large proportion of our most efficient workmen are still doing the drawl, I mean drawing the dole. In the Mining Industry the outlook has been fairly bright, but the inlook is as dull as ever. Agriculture is in a bad way. Land is now absolutely useless except to separate one town from another. Profits from tilling the soil no longer soil the till. Weather continues to play havoc and crops have practically ceased to rotate. Many farmers severely criticise landlords, but point out that, owing to the outbreak of foot and mouth disease, they cannot move the swine. At Hatton Gardens diamonds have been bright. Ladies' underclothing has shown remarkable figures.

"My relations with Foreign powers continue to be friendly.

"Things in general, however, at the moment are far from merry and bright. The position of Europe, though geographically little altered since I last addressed you, has in other respects suffered a series of crises, which are as difficult to foresee as they are to follow.

"In particular, the movements of the French are of extreme delicacy—in happy contrast with the vivacious nation's reputation for indelicacy. Nevertheless, it would be unwise for them to put so large a portion of their army to purely rural pursuits. Germany seethes with blockheads and France seethes with blockades.

"The problem only represents a fraction, a vulgar fraction of Europe's troubles. Civilisation is in fact tottering in Moscow and tittering in Trouville. Nation is divided against nation. Even the Poles are far apart. England's efforts in the world's oilfields, designed solely to procure sufficient of that valuable commodity to pour on the troubled waters, are viewed with suspicion. The suave and polished diplomatists of Lombard Street are finding it very difficult to persuade the respective Governments that the (Continued on page 7, column 4.)

ADVERTISEMENT.

Proposed formation of The Douglas Social Credit Educational League of Australia Victorian Division

To Social Crediters and Supporters Throughout Victoria—

In order to commence an intensive, concerted and sustained drive throughout Victoria upon educational lines, the League will be formed as soon as both numerical and financial strength is assured.

The reason why the name "Australia" is included in the title is that if the League is successful in Victoria, the ground will be prepared for co-ordination on an Australian-wide basis.

Preliminary meetings have been held in Melbourne, and the general opinion of those who have been approached is that this is the very thing that has been required in Victoria for a long time.

The following is a brief outline of how it is suggested that the League should function:

That the control of the League be vested in a central body, to be called "The Permanent Cabinet."

That the League be formed as soon as the initial objective of an income of £20 per week is guaranteed.

That the administration of the League be in the hands of a full-time adequately paid secretary.

That qualification for the privilege of becoming a member of Cabinet is acceptance of financial responsibility of either (1) 10/- weekly by 40 Social Crediters; or (2) 5/- weekly by 80 Social Crediters. The amount can be paid either by personal contribution, or by collecting the amount from others.

As soon as guarantees amounting to £20 weekly are received, the first meeting of Cabinet will be called, and the League will automatically be formed.

To those desiring to assist, and not being able to qualify for Cabinet, it is suggested that they may become members of the League upon payment of 1/- per week.

Although at present only the preliminary stages have been reached, many guarantees have been received, and it is expected that this drive will be the biggest effort yet made in Victoria; but the co-operation of all Social Crediters is desired.

POLICY.

The activities of the League will be confined to educational work only, with the exception that financial assistance may be, if possible, extended to other bodies whose objective is the attainment of Social Credit as expounded by Major C. H. Douglas.

The fundamental principles, "Freedom of Association" and "Individual Liberty," will be adhered to. Members of the League, in their individual capacity, therefore, will be at liberty to join and work for other bodies, such as those conducting electoral campaigns (or to support any candidate who may stand for Parliament). In fact, members will be recommended to do so, as it is realised that such groups are taking up the burden where it will be left off by the League.

EXPLANATION OF PROPOSED ACTIVITIES, ETC.

The advantage of placing the League in the safe keeping of a large and permanent, body of well tried and trusted Social Crediters, as foundation members, with power to add; to their numbers, is obvious.

The Group System of Education will be instituted. Members will be asked to invite half a dozen or so of friends, relatives or neighbours to their homes once every fortnight. If an accredited speaker is not available, a series of printed lectures, compiled by the League's accredited lecturers, can be read. The vital thing is to conduct the meetings universally, and although there may be at present no incentive for individuals to commence the Group System, the knowledge that similar meetings are being held throughout Victoria will spur everybody on. The secretary, of course, will endeavour to contact a representative in every country town. There appears to be no reason why a representative cannot be obtained in every town, and through the representative the Group System instituted. In metropolitan areas, instead of having, say, one branch in Sandringham, we may have at first perhaps ten groups; and, as people who attend these meetings will also be, invited to hold meetings in their own homes, eventually we may have 100 groups in Sandringham.

Every Cabinet member will be a unit of the controlling centre. As such, they will automatically be a source of information to all members and intending members with whom they come in contact. They will also be requested to institute the Group System in their particular localities.

It is suggested that Cabinet will meet fortnightly.

After selecting or electing a President, Vice-Presidents, Treasurer and Auditors, they will appoint the Secretary. The suggested constitution is very brief, and contains only three clauses. This is to avoid wasting valuable time in constitutional discussions. Committees, too, are avoided—except perhaps some occasional temporary ones, if an investigation is required into some specific activity.

The business at Cabinet meetings will be mainly an interchange of experiences regarding the progress of the Group System, and suggestions for further progress of the League. The secretary will report all important activities at each Cabinet meeting.

Although finance is vital, it is not necessarily the most important thing, and in certain cases there may be exceptions regarding weekly payments. For instance, a representative is required in every country town, and if any are available it would be foolish to exclude them on account of any inability to raise the necessary finance.

It is proposed to form a team of permanent technical advisers from those people who have the necessary qualifications.

A monthly Social Credit newspaper will be published, possibly as the first activity of the League—a paper on similar lines to the "New Economics." It is essential that reports on the progress of the League be circulated.

Dues may be paid fortnightly at Cabinet meetings or forwarded to the Secretary.

This is a very brief outline of how it is suggested the League should function. If you consider the scheme is unattractive, then you cannot be expected to support it financially; but, if you think it is good, then it is not sufficient to just let it go at that—you must do something about it.

The time has arrived for Social Crediters to take stock of themselves. Do we really believe that Social Credit is as desirable, as necessary and as urgent as we indicate to other people? If so, then we must not be apathetic. It is not a matter of whether we can afford to support this thing—but whether we are prepared to make a sacrifice for Social Credit. The sacrifice need not necessarily be a financial one. To those who wish to help and cannot contribute, then a physical sacrifice is necessary—they can get out and collect the money.

Supposing 2000 Social Crediters collected 10/- weekly—an income of £1000 weekly should be quite possible with proper organisation.

In order to put the proposals to the test, a form is attached, and you are invited to indicate upon the form the measure of support you can guarantee. To those who cannot qualify financially for Cabinet, might I suggest 2/- weekly—1/- to become a member yourself of the League and the other shilling towards financing another member of Cabinet.

All those interested are invited to select from the following five alternatives the one, which appeals to them, and to place in the space provided upon the attached form below the corresponding number. The alternatives are as follows:— If willing to become a member of Cabinet—

- (1) Willing to accept financial responsibility at 10/- weekly.
- (2) Willing to accept financial responsibility at 5/- weekly.
- (3) Cannot accept definite responsibility, although willing to endeavour to collect as much as possible.
- (4) Financial responsibility not possible, but willing to become a Cabinet member if nominated.

If not desirous of becoming a Cabinet member—

- (5) But willing to become a member of "the League" at 1/- per week. (If willing to become a member at more than 1/- weekly, kindly state your willingness and the amount.)

Kindly fill in the attached form and return as soon as you can conveniently manage. Should you have friends who desire to assist, there is no necessity to wait for a 'form'; the information on ordinary paper will suffice.

As soon as the original objective of an assurance of at least £20 weekly is reached the first meeting at Cabinet will be called, and all concerned will be notified.

F. C. BARNES, 171 Abbott Street, Sandringham, S.8, Victoria.

FORM FOR RETURN

NAME (Block Letters).....

ADDRESS.....

CLASSIFICATION.....

(Please place on above line the NUMBER from above which you decide upon.)

THE REPORT OF THE MONETARY AND BANKING COMMISSION

A Monument of Incapacity I.

A Letter to the Editor from BRUCE H BROWN

Sir,
You and your readers are entitled to an apology. On May 28 I wrote that the Report of the Commission Would be out shortly, and expressed the view that "every thinking person should make it his business to obtain a copy as soon as he can and study it thoroughly with a critical mind." I am now sorry I offered that advice, for in reading the Report I found that I had to wade through a veritable cataract of verbiage. With two or three exceptions there is little in the Report calling for study, and its interest for me was more from the viewpoint of what had been left out than what had been put in. It fails completely to touch upon the *cause* of our troubles, and apart from recording the fact that there was a depression and that people were forced to suffer because of it, offers no challenge at all to the practices, which create the financial stringencies called depressions. As was expected, the Commissioners would still have us accept these stringencies as more or less inevitable.

Points About the Commissioners

Before we proceed to criticise the Report in detail it is necessary, in these introductory comments, to restate some of the circumstances surrounding the appointment of the Commission.

The first is that the appointment was made by the Federal Ministry, and *not* by the people's Parliament.

The second is that the members of that Ministry had frequently made it their business to glorify the existing monetary arrangements and to praise what they are pleased to call "Sane and Sound Finance," and therefore took steps to see that the personnel of the Commission was likewise "Sane and Sound."

The third is that most of the men selected had had a hand in operating or were personally interested in the very system they were called upon to "examine," and would have the greatest natural reluctance to tell the world they had been wrong.

The fourth is that in November 1935 Mr. Lyons informed the House of Representatives that "great care had been taken to select appropriate persons to conduct the inquiry," but did not explain *who* had done the selecting or what he meant by "appropriate." (As Mr. Lyons had previously referred to the banks as our sheet anchor, perhaps he used the word "appropriate" to mean persons who would not know the difference between a sheet anchor and a broken propeller shaft.)

And the fifth is that every one of the men "selected" had the fixed idea that conditions in Australia must necessarily depend on the conditions obtaining in other countries, a fiction deliberately fostered by the controllers of the banking system. Proof of this last-mentioned circumstance was given in the *New Times* of October 11, 1935, and the Report now issued shows that the men "selected" still profess to cherish the same absurdity.

The Master of Ceremonies

From start to finish the Report bears the imprint of one of our local economists, and the phraseology suggests the hand of Judge Napier but the voice of Professor Mills. Readers of the *New Times* will recall the farcical nature of the public sittings and how frequently the chairman waited for his cue from the Professor. We may therefore conclude that Professor Mills has been the master of ceremonies throughout, and the terms of the Report show that he has faithfully carried out he wished of those who "selected" him for the job. Perhaps it was too much for us to expect him to go back on what he said in an official

report to the Commonwealth Government in 1932.

At that time, you will recall, he was one of a Committee appointed to investigate the "economic" problem in preparation for a subsequent conference on unemployment. All the members of this committee had taken a leading part in forcing a lower standard of living on the Australian people, and all gave their unqualified support to the credit-restriction policy of the banks, which had brought about a financial stringency and knocked the bottom out of prices. Professor Mills must have known the cause of the fall in prices, but nevertheless signed his name to the following:—

"The restoration of employment...is to be found in bringing into harmony the costs and prices of export industry. This adjustment must involve, for a time, a general lowering of standards in agreement with our loss of real income."

That was simply the repetition of what Sir Otto Niemeyer had said for the Bank of England, and is typical of the discredited ideas to be found perpetuated in the Commission's Report, which admits that Australia's "credit base" is governed by the funds available in London. This is exactly how the banks wish to have it, and it suits their purposes admirably to have a well-known University professor spreading the infantile and stupid idea that if the things we produce are not wanted in other countries, then we must not be allowed to use them ourselves. Hence we see one of the reasons for his "selection" as a member of the Commission. There was another strong reason, but that will crop up later.

Just here I want particularly to emphasise that this man, the apparent "expert" on the Commission, had officially declared that our conditions of living had necessarily to depend on overseas prices, but shied completely away from any discussion of the actual *cause* of a general fall in prices. Before appearing on the Commission he had signed his name to the inferential lie that we must depend for our incomes on the sale of goods in other countries, whereas the truth is that the Australian people use only Australian money made in Australia, and there is no sensible reason why food grown or produced in Australia should not be eaten in Australia. If we must depend on overseas prices, as Professor Mills asserts, and if our credit base must be governed by funds in London as the Commission asserts, then it is obvious that we are definitely tied to the tail of the dog in London, despite the ridiculous declaration of the Commission that the dog in London does not dictate to us. This is what the Commission said on the point:

"The Bank of England never offers the Commonwealth advice, and there are no grounds for the suggestion made in evidence that the policy of the Commonwealth Bank is dictated by the Bank of England."

If I control a thing does the question of "giving advice" to my satellites arise? Would they not simply respond automatically to my control?

Engineers of Deflation

To get some idea of the truth of the business in this respect, it is necessary to set out a few facts that are not to be found in the Commission's Report. There was a conference of international bankers at Brussels in 1920, at which it was decided that the world would return to the gold standard. Note carefully that it was *not* the decision of an elected Government, but the decision of private bankers. The first step to bring that about was to cause a reduction of the quantity of money in circulation, and steps to this end were immediately

instituted. It is not without significance that Montagu Norman's appointment as Governor of the Bank of England (a private institution) synchronised with the decision of the private bankers in conference at Brussels. Prices immediately began to fall, the deliberate design being to bring the quantity of money available to the people *back* to the amount of gold in the hands of the banks. The private banks in Australia took the tip from the Bank of England and started restricting credit here, but Sir Denison Miller came to our rescue and refused to allow them to impose a depression on us. The fact that production was expanding and should therefore tend to *increase* the amount of money was totally disregarded by these ruthless bankers. From this it can be seen that prices do not fall by accident or from any act on the part of God. The fall is deliberately engineered, the private banks being both principals and agents in the manipulations. But the carefully "selected" members of the Banking Commission have completely ignored this important part of the swindle, and have had nothing to say about this murderous process of deflation.

Hear an economist of high standing (Mr. J. M. Keynes) on the subject. "Deflation," he says, "involves a transference of wealth from the rest of the community to the 'rentier' class and to all holders of titles to money. In particular it involves a transference from all borrowers to lenders." And the banks are the principal lenders!

Right from the time of his appointment in 1920 Montagu Norman has imposed this policy of deflation throughout the British Empire, and by restricting credit has restricted prices, by restricting prices has restricted London funds, and by restricting London funds has restricted the Australian "credit base." But of course he wouldn't be so rude as to offer advice! And the same Montagu is still keen to force us back to the fraudulent gold standard again.

Have we all grasped the significance of what Mr. Keynes said? It means that when the policy of deflation is being practised the people who produce *no* wealth are placed in even greater control of the people who produce *all* the wealth. Even Lord Milner, himself a banker, has admitted this as follows:

"Just as productive industry welcomes rising prices, the moneyed interests must always be in favour of falling prices, because they render its own wares (money) more valuable."

This will be referred to again in subsequent letters, but at this point it is important to bear in mind that an open discussion of the part the banks play in *causing* depressions would be most unwelcome, and that from their point of view the personnel of the Commission was most important. The making sure that there would be no such discussion was kept well in mind when the "selections" were made, and also explains the non-selection of anyone capable of properly "examining" the witnesses.

Vital Omissions

In October, 1935, it was pointed out by the *New Times* that to ensure genuine consideration of the vital questions involved (such as who manufactures money and out of what is it made? What should be the true function of money? Who should own money at the time of its manufacture?) there should be a thoroughly competent representative of the monetary reformers on the Commission as official interrogator, and that in the absence of some such precaution the work of the Commission would be confined to an investigation of the *movements* of money *after* it has been manufactured and put into circulation as debt to its private manufacturers.

That is precisely what has happened. Not a word is included in the Report about money itself, yet in the introductory portion we are solemnly informed as follows:

1. "We held 105 public sessions and examined 200 witnesses."

2. "All who intimated their desire to appear before the Commission were given an opportunity to present their views."

3. "We record the fact that all the information for which we have asked has been supplied."

As to 1, none of the witnesses was properly "examined", firstly, because the members of the Commission were not competent to do so, and, secondly, because all their questions were dictated by their own erroneous ideas of finance, and were in consequence incomplete and often inapplicable.

As to 2, those who desired to appear had first to submit written particulars of what they proposed to put before the Commission, and then to observe conditions which in some

PASTE THIS IN YOUR HAT

"Argus" financial leader, July 27:
"Under modern industrial conditions practically no branch of industry can be carried on without adequate supplies of bank credit. In practice this is controlled by the trading banks."

* * *
From which is it not reasonable to conclude that the trading banks dominate the whole of industry and its conditions—that, therefore, the trading banks exercise effective sovereignty over the community?
An interesting admission from the "Argus."

respects were restrictive and objectionable. Not only so, but some of those who did appear to advocate reform were received with undisguised hostility and frequently encountered an atmosphere of ridicule.

As to 3, the recording of the fact means nothing, for the Report itself asserts that certain witnesses did not produce evidence when requested to do so, and the public reports of the proceedings revealed the instance of a bank witness who did not wish to answer a certain question. He simply requested that the question be not pressed, and it was not pressed!

I hope to continue the comment next week, but in the meantime, would mention the important admission in the Report that the Commonwealth Parliament is responsible for our monetary policy, and that it is for that body to see that whatever is physically possible is made financially possible. Parliament will do that when we are united enough to demand it.

Yours faithfully,
BRUCE H BROWN

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BANDAGES OF EMPIRE

By "SNAFFLE."

Truly our Empire's troubles never come singly, or, as they say up in the Mallee, "It never rains but it pours"; which is just one way of referring to the remarkable coincidence of two events prominently recorded recently in the public prints—viz., Princess Elizabeth has skinned her knee and Barry Lyons has cut his finger. Thus Australia and the Motherland are joined once more in the bandages of Empire.

Now the incidents, though small in themselves, carry with them lessons that all right-thinking people should ponder and take to heart.

Firstly, they serve to show the thoroughness with which the Empire press carries out its tremendous task of informing Britons at home and in the Dominions of everything that is taking place within the immense areas of our far-flung possessions. British people the world over may well be thankful for that great symbol of freedom—the press. True, some disgruntled persons refer to it as the "sup-press," but that is to be expected from cranks and visionaries and revolutionists whose only desire is to upset established institutions.

Secondly, the absence of complications following the serious accidents referred to is proof positive that the health of both of the young Empire figures concerned must be of the very best. As our Minister for Health, dear Mr. Hughes, has so often said: "Feed your youngsters on the best in the land if you would have them in a fit state to stand up against all that's coming to them in this rough-and-tumble world," or something like that.

It is sincerely to be hoped that, in the light of the happy issue of the recent accidents at Buckingham Palace and The Lodge, those mothers who are still feeding their children on bread and dripping will now realise that there are such things as milk and chicken broth and fresh fruit and wholesome fish. What with this long spell of bitterly cold weather and so many schools and homes without fires, it seems incredible that so many mothers, by their neglect of the proper nourishment of their children, are deliberately running the risk of establishing a generation totally unfit to defend our shores. Sir Archdale Parkhill's tanks, we believe, will arrive any day during the next few years. Are they to be manned by weaklings or by an up-and-coming body of vigorous Daniels like those who are being so splendidly nurtured in the Lyons Den? That is a question, which the mothers of Australia might well ask themselves.

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LETTERS TO THE EDITOR

SOME QUESTIONS FOR FR. KEANE

(A correspondent puts some questions arising out of the broadcasts by Fr. W. Keane, S.J., of which a criticism appeared in our last issue.—Ed.)

I suggest that the many listeners in to Fr. Keane's broadcasts on Social Justice, and the many readers of his published lectures on this subject, would like to know his answers to the following questions. These questions are the result of a careful study of his opinions, and it is therefore a compliment to him when he is asked to reply.

Question 1.

Are you not hopelessly inconsistent? How can you in the same breath tell us that a depression is due to shortage of money, and also that it isn't?

You do seem to contradict yourself in this fashion; for you tell us that a depression is due to "overproduction"—and by this term you can mean only the producing of more goods than there is money to buy; or, to put it the other way round, you mean by "overproduction" a lack of money for buying the goods which are needed. Yet this being so, you blandly agree with the statement that "financial dealings are not the cause of depression"!

Question 2.

Do you agree that it is quite moral to improve machinery and to keep on installing more perfect machinery, and thereby reduce labour and increase output while giving out less money in wages? If you answer Yes, then what's the point in your figures (which everyone is familiar with) showing how American output has vastly increased, while employment of labour has hardly increased at all? Your figures only show that we have come to an age when a man must have a bee in his bonnet if he thinks out schemes whereby all will get work in spite of machinery cutting out work.

Question 3.

You quote the present Pope's famous denunciation of the stranglehold of a few grasping financiers upon the nation's supply of credit. Why is it that in your suggested remedy for the consequent injustice you don't even hint at the need of loosening this stranglehold? Are you not like a man who, seeing a poor fellow with a tight rope constricting his jugular vein, should solemnly tell us that if the various parts of his body would only do their jobs properly, his whole body would be quite all right? Most sane people would suggest taking off the rope.

Question 4.

You tell us that the Pope doesn't suggest, or even imply—in fact, that he is opposed to—this stranglehold being broken: that his Holiness doesn't approve of the supply of this "life stream of the body politic" being controlled by that body. You are most definite about this. Will you, can you prove your very strange assertion?

On the face of it, it does sound queer that his Holiness would condemn in scathing language the unjust controlling of a country's credit by a few grasping individuals who thirst for domination, and at the same time should be opposed to the country's remedying this evil by controlling its own credit. I shrewdly suspect that the Pope is more logical than you and that he hints very broadly at the desirability of a nation itself settling how much money it should circulate for the consuming of its own goods. However, do, please, prove to us that the Pope disapproves of any such thing. Would you be game to give an answer and let some of your many admirers send it to the Roman authorities for a verdict upon its correctness?

Question 5

You work out a very excellent scheme for the co-operation of pro-

ducers and employees—something, I presume, on the lines of the Italian co-operative system. You show how such co-operation would ensure that goods were not produced which were not needed—and in this sense "overproduction" could be avoided. (I note, however, that there never has been any overproduction in this sense of the word.) But do you seriously ask us to believe that such a scheme could work for five minutes, if there was a shortage of money for buying the goods? If you don't; if you believe that for any such scheme to prosper an adequate supply of legal tender must be available, then why do you say nothing of the stranglehold upon this supply of money?

Or let me put this question in another way:—You admit that the mediaeval guilds collapsed when their funds were confiscated. Do you fondly hope that your suggested modern counterparts of these guilds would remain efficient preventives of depression when the nation's credit remained in the hands of a few grasping individuals intent on domination by themselves?

CATHOLIC LISTENER-IN.

DR. HORNABROOK ON POLITICIANS' PASSES

Can you please inform the public upon what grounds a Minister of the Commonwealth Government is granted a *free pass for life* over our interstate railways after that Minister has been in the Cabinet for three years? I have been told that it is because the Minister has served his country during that period; if this is correct, then how many tens of thousands of free passes for life ought there to be handed out to the men and women of this country who served their country during the Great War and at other periods?

This scandal of granting free passes for life over our railways is an outstanding disgrace to the Commonwealth. We see periodically that our railways do not pay—then why should not some effort be made to lessen our losses by controlling and curtailing this pernicious system of granting free life passes? However, it is not only upon our railways that the evil of free passes exists. A few days ago I jumped on a tram at Spring Street, going to Spencer Street, at the same time as a member of our State House also joined the tram, and having several city tickets in my pocket I offered to pay for him and received the reply: "There is no necessity to pay for me, I am a member of Parliament." My answer was: "Yes, I know that; but what right does that give you to travel free over our tramways? These are municipal trams, not State-owned, and you should pay your fare in the same way as any other member of the public. You are not blind and you are not a member of the Metropolitan Police Force."

There has been far too much laxity in this granting of free passes over our railway and tramway systems. If it is done for services rendered or presumed to have been rendered to our country or State, then a very heavy percentage of our population is equally entitled to free railway and tram transport. During the period in which a Parliamentarian is a member of the Commonwealth Government, it is understandable that every facility should be extended to that member for visiting the various parts of his constituency, but it is about time that a stop was put to this scandal of free life passes.

The next step to be attempted will be free passes for Parliamentarians over our airways. This however, may in the long run prove of benefit to the community, should the concession bring about the

early decease of the present-day politician who represents not his country, but speaks with the voice of a small clique in the U.A.P., or Women's National League.

In the forthcoming Federal elections the people have the right to vote as each individual thinks is in the best interests, not of any one party or any one member of that party, but of the whole community.

The recent referendum was a very clear indication that the people intended in the future to use their own judgment as to the fitness or otherwise of a Parliamentary candidate and not to follow blindly the vapourings of any clique, no matter if that clique represents the Women's National League, the U.A.P., the Country Party or Labor.

R. W. HORNABROOK.

DOCTORS' CHARGES

I have just read with very great interest your article on the appalling charges for medical services (*New Times*, 23rd inst.), but I wish you would call attention to the ridiculous position in our present age. So far as I can see, they charge mainly for experimenting on the public, when they ought to be actually paying for these services. A sane and logical view of the position should be: No cure, no pay, and a contract made for the successful carrying out of the work.

It seems to me to be a most inhuman condition of affairs that one section of the public should fatten on the sufferings of humanity.

Of course, a howl of indignation would shriek in everybody's ears if anyone suggested that an immediate cure would mean a loss of income. But would not that be a more charitable view of the position than to state bluntly that the medical fraternity was incapable or ignorant?

I see all round me supposed incurable cases of arthritis, fibrositis, neuritis and many others, when the medical men are visiting the patients day after day, piling up charges—for what? How would a doctor's client, a butcher, get on if he presented him with an account for meat he did not deliver, although he called at the house every day?

In my opinion a scathing article could be written around the whole case.

AN ACHRONISM.

McCONNELL AND IRVING FISHER

Re Mr. Bruce H. Brown's article (*New Times*, July 23) on Mr. W. K. McConnell, M.A., Tutorial Class Lecturer in Economics at the Sydney University, and also secretary of the Sound Finance League of Australia, I was interested to see quotations from Mr. McConnell's book, "What Labor Would do with the Australian Banking System."

Amongst these quotations was the following: "Recently, Irving Fisher, a world-renowned economist, said there were only 18 persons in the world who knew anything about money. That was his forceful way of stating a plain fact—that to most persons monetary science is a closed book."

Considering that Irving Fisher is the Professor of Economics at the Yale University, U.S.A., he is now quite a good monetary reformer. In 1935, twelve months after the publication of McConnell's book, Fisher published a book called, "One Hundred Per Cent. Money." The following quotations from this book may surprise Mr. McConnell (Professor Fisher uses the words "check-book money" to describe

DON'T SPEND A PENNY—

Without consulting the "New Times" Shopping Guide.

money created by the banks under the cheque system and which has no backing of legal tender. A billion in the U.S.A. is, I think, 1000 million and not 1,000,000 million as in Britain and Australia.) :—

Page 4: "Many people imagine that check-book money is really money and really in the bank. Of course, this is far from true."

Page 6: "An essential part of this depression has been the shrinkage from the 23 (in 1929) to the 15 billions (in 1933) in check-book money, that is, the wiping out of 8 billions of dollars of the nation's chief circulating medium which we all need as a common highway for business."

Also on Page 6: "This loss or destruction of 8 billions of check-book money has been realised by few and seldom mentioned. There would have been big newspaper headlines if 8 thousand miles out of 23 thousand miles of railway had been destroyed. Yet such a disaster would have been a small one compared with the destruction of 8 billions out of 23 billions of our main monetary highway. That destruction of 8 billion dollars of what the public counted on as their money was the chief sinister fact in the depression from which followed the two chief tragedies, unemployment and bankruptcies."

Page 7: "This destruction of check-book money was not something natural and inevitable; it was due to a faulty system."

Also on Page 7: "What makes the trouble is the fact that the bank lends not money, but merely a promise to furnish money on demand—money it does not possess. The banks can build upon their meagre cash reserves an inverted pyramid of such 'credit,' that is, check-book money, the volume of which can be inflated and deflated."

Professor Fisher's plan is almost the same as that outlined in the article in *Dynamic America*, which was reprinted in the *New Times* of July 16.

READER.

THE MODEL BANK CHAIRMAN

(Continued from page 5.)

salvation of Europe lies in picking each other's pockets rather than cutting each other's throats.

"The French are now hard at work with a view to the amalgamation of the two Banks of the Rhine. Meanwhile they are inclined to resent our occupation of Cologne as likely to interfere with the collection of reparations in kind. It has been suggested that the Germans might pay, for example, in Eau de Cologne, in which case the Allies would, of course, get so much per cent.

"Our relations with America have happily received a fresh warming, notwithstanding American views on Naval Supremacy under President Coolidge. The recent oil scandals are of interest. We must remember that America, being a dry country, has great difficulty in getting nicely oiled.

"Myself and my fellow directors have worked magnificently. We do indeed deserve the highest praise. The senior officials have worked splendidly. The Branch Managers have worked well. The staff has worked. I have so far anticipated your views as to wish the staff a happy New Year, which will, however, be returned to us intact if you do not approve of our action.

"You will be pleased to learn that it is proposed to introduce a scheme of profit sharing among the staff. The full details are yet to be worked out. Suffice it to say that every member of the staff, no matter how junior, will be given the opportunity to earn profits for the Bank.

"In drawing my remarks to a close, I feel that I cannot do better than to reiterate that fact that your dividends are as usual."

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(Continued from page 3.)

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ATTENTION, MR. ADDISON!

Following the article to which we recently referred in "Savings Weekly" (organ of the Victorian State Savings Bank Officers' Association), and in which it was candidly stated that private banks normally create financial credit to an extent nine times as great as their holdings of national (legal-tender) money, the same journal, in its issue of July 20, began publication of a lengthy article showing the detailed working of the process, answering objectors and explaining such points as why bankers pay interest on fixed deposits.

Even Mr. Addison cannot stem the tide. Bank officers themselves are coming into the front line in revealing the truth—which is the first essential for reform.



ELECTORAL CAMPAIGN NOTES

VICTORIA

It has been pointed out in this paper, time and again, substantiated by statistical facts, that party government is not only futile but that it is actually the barrier debarring all sections of the community (parties) from attaining that for which parties are set up. It is a vicious fact that they are contending to attain, to the disadvantage of one or the other, the same objective, which is economic security and the freedom of individual expression. This is a *common* objective—something everyone wants, the nation wants—and, being such, will become a fact immediately the unit of the nation expresses his or her individuality free from the dictates of party politics. To enable the individual to do so is the purpose of the Electors' Campaign to Abolish Poverty. This is true democracy in contrast with the travesty of party politics.

Malvern is preparing for a monster Town Hall meeting, to take place on Monday, August 9, at 8 p.m. This meeting promises to be exceptionally good. Several churches in the district are announcing the meeting from their pulpits.

Balaclava proposes holding a series of meetings, which will cover every section of the electorate. Twenty-four halls have been spied out for the purpose. Personal contact and invitation by letter will be the method used to obtain attendance.

Gift Potatoes.—The gift bags of potatoes were quickly allotted, and the proceeds are a welcome addition to the funds of the movement. If the idea were carried through to its limit, it would mean trucks of spuds, and of wheat, and of sheep, and of other commodities arriving in Melbourne for disposal, and there would be no further worry in regard to funds. If only all people were as earnest and sincere as the donor of the potatoes!

Brighter Times Club is reconstructing and will add new members to the committee. One of the first matters the new committee will attend to is the securing of larger premises to cater for the growing membership. Last Wednesday evening's social and dance showed this to be a matter of urgency.

Coburg is arranging addresses to be delivered to Toc H, and to the Young Men's Club, Church of England.

Croydon has a young lady who is determined that the Campaign will be more than a name in her district.

Central Council is in the process of formation and further steps will be taken at a meeting to be held in the U.E.A. Rooms on next Monday evening at 8 o'clock. It is very important that branches have their representatives present.

Coburg and Moonee Ponds. Following the preliminary meetings recently held in these centres, organisation of major meetings is now being undertaken.

Mordialloc.—Owing to the infantile paralysis epidemic it has been thought advisable to postpone the preliminary meeting which was to have taken place in the Mentone Town Hall on Thursday, July 29.

SOUTH AUSTRALIA

Local Objectives. - The demand for results appears to be very definitely in the air. People everywhere are beginning to realise that if they unite in a common demand, and follow it up, there is every possibility that the results they desire will be granted. Thus, there has been formed in Adelaide the Australian Motorists' Protection League, a body that sets out to reduce registration costs of motor vehicles and the tax on petrol. The organisation has been formed with its headquarters at 17 Waymouth-street. We realise that the larger objective of the abolition of poverty is most likely to come about through the achievement of smaller objectives first. Several of our members are actively interested in this new organisation. The organiser, Mr. J. L. Minnis, while not being a member, is supported by the following persons who are: Messrs. C. L. Tucker, M. E. Dodd, C. D. Brock and A. L. Dalwood. This organisation, representing motorists, and organised by someone outside the Electoral Campaign proper, is thus supported and assisted by those who realise the value of pressure-politics.

The Electoral Campaign on River Settlements. - Several weeks spent among the settlers on the Murray by Mr. Gerke gave the impression that those people are more alive to the political chaos than residents of any other part of South Australia. This is proved by the number of the proposed candidates for the forthcoming elections in which all political creeds will be represented. In these districts any movement that has in view the betterment of conditions in general commands strong support. At a recent meeting held by the Barmera Social Study Circle, a discussion was introduced on the

abolition of poverty. Keen interest was shown in the matter and members were satisfied that the E.C. was not only sound, but was the only way to bring about results. Only those who have personal contact with these settlements can have any idea under what conditions many of the people live. Many of the so-called houses are made of bags and scraps of kerosene tins. There is probably more room for political reform in these districts than anywhere in Australia, for there is no doubt that, owing to faulty and overlapping legislation, conditions are getting worse instead of better. The one ray of hope for the settlers on the River Settlements is the Electoral Campaign, and the organised demand for results, which that implies.

Barker Division (Murray Bridge).—Those working on the

BRITISH PROSPERITY

Since Mr. Lyons's return he has been noticeably reticent—unlike R. G. Menzies, Archbishop Head and others who have been abroad in recent years—as to the "wonderful, almost unbelievable prosperity" of the people of Britain.

Is this any reason? We quote from the Investment Notes of the "Economist" of June 19:—"The lot of the investment counsellor in present market conditions is hard. The volume of business has been negligible again this week . . . There is no display of investment confidence, despite the fall of equities to ostensibly attractive levels—a lack of resilience which proceeds directly from the fear that a trade recession is within the range of investment calculation. Investors, in fact, are cocking their weather-eye and reaching for their oilskins; for there is no present indication of a rapid rise of the glass . . . The sharp downward trend in dealings which set in from November and has gathered momentum during the last three months, appears representative of the decline in business on the Stock Exchange. It has been accompanied by an almost uninterrupted fall in ordinary share prices throughout the first six months of this year."

Australian businessmen are invited to remember that, owing to our unnecessary and absurd financial dependence on London, what happens in Britain today extends to Australia tomorrow. So cock your weather eye and reach for your oilskins—unless you are prepared to terminate your financial bondage.

Campaign in Murray Bridge has been faced with grave difficulties for some time past. It appears that these difficulties are brought about very largely by the failure of some members of the organisation to retain their vision and their enthusiasm for the work. That has made it doubly hard for those who can see the tremendous possibilities. It is most gratifying to report, however, that Mrs. Allengame is still a strong believer in the ideal, which inspires us all. While her task sometimes seems altogether too big for her, she grits her teeth again and plods on. That is an example, which may serve to spur on any other workers who seem inclined to flag. We can only hope that Mrs. Allengame's untiring efforts will eventually win due recognition, and that those who can appreciate what she is doing will fall into step behind her. Recently she made four calls on a minister of religion to try and obtain his assistance in the work: the fourth visit did not achieve the results, and she

was prepared to make a fifth. We know that there are a number of public-spirited men in Murray Bridge who must eventually realise the tremendous work Mrs. Allengame is doing. Indeed, Murray Bridge is fortunate in having such a man as the Mayor, and we feel sure that his influence will ultimately set going the desire for reform in that important centre.

Women's Auxiliary—For some time past we have stressed the importance of the work of the Women's Auxiliary. -The result has been that the proceeds from the luncheons has more than provided the rent. This work, therefore, must be kept going, but is a strain for those women who continually keep at it. At present at least one of their members has been compelled through ill health to drop out for the time being. We must appeal therefore for additional helpers. If you can spare a day a week, or even a day a fortnight to assist in the kitchen, you will be doing quite a big job, even though a domestic one

A Dance will be held at the Hanson-street hall, near Wakefield-street, on Saturday, August 7. Admission, 1/2. It is up to you to make this dance a happy occasion for yourself and for the Movement.

TASMANIA

Good news is to hand from Northern Tasmania, where the Committee of the Electoral Campaign has decided to adopt the Secretariat form of organisation, which has proved the most successful basis for getting results, and has re-organised along lines, which indicate vigorous and powerful activity in the immediate future.

Our report from the new secretary, Mrs. W. W. Drake, says:—John Hogan has been back in Tasmania for some time in connection with the proposal to establish a free weekly newspaper sponsored by the Campaign, and the results are now evident. During the past few weeks he has addressed successful public meetings at many country centres in the North, including Kimberley, Elizabeth Town, Riana, Lilydale, and other towns which he was unable to visit when launching the Electoral Campaign here at the beginning of the year, in addition to broadcasting, and business activities in Launceston.

At a meeting of the Launceston Committee on Wednesday, July 21, the opinion was expressed that insufficient advantage had been taken of the work done and the enthusiasm and public interest aroused during his first visit, and that, as he intends remaining in the State for a while, also in view of the approaching elections, now was the time to establish the Campaign as a virile public movement and to make a special drive for members and new branches throughout the North and Midlands.

The decision to terminate the committee form of organisation and form a Secretariat in which public men who are supporters of the Campaign, and a great deal of able new blood, can participate, has been greeted with a keenness that bids well for our ambitious plans.

A new headquarters office has been established in Launceston at the National Theatre Buildings, which are conveniently beside a small hall which may be made available to us for meetings and social gatherings of members, and which will probably be used for a House Warming Within the next fortnight, for which the ladies are already working hard.

This new office, and the keen Executive which has taken over, will enable us to maintain contact with country branches, and build up on a very sound basis an organization that has been

badly needed in Northern Tasmania. Attention will be paid to the question of literature supplies, and the Secretariat will probably adopt a badge, but many of our bolder ideas may have to wait for accomplishment until the paper is firmly established, as we hope it will very soon be, and when that is done we shall have at our disposal the most powerful fighting weapon available to any section of the Campaign in Australia, contacting every home regularly, and influencing public opinion on a respectable scale.

The Secretariat.—The new Secretariat, whose appointment has been confirmed, takes over the Campaign at its first general meeting at Headquarters on Tuesday, July 27, and is as follows: Patron, Rev. H. Watts Grimmett (President, Launceston Council of Churches); president, Mr. W. Robinson (Master Warden, Launceston Marine Board); hon. secretary, Mrs. W. W. Drake; hon. treasurer, Mr. R. K. Watts; campaign director, Mr. John Hogan; director of revenue, Mr. E. Butler; director of local organisation, Mr. F. Widdowson; assistant director of local organisation, Mr. N. Knight; director of information, Mr. A. H. Patman; director of social activities, Mrs. R. K. Watts; director of broadcasting, Mr. W. W. Drake; hon. auditor, Mr. Cecil Honey, A.F.I.A.

Other offices will be filled in the course of expansion and as the need arises. Many of the above names will be recognised as old stalwarts in the fight for economic freedom, others as members of the public and business life of Launceston, whose appearance in our ranks will give us added strength and power. Together they make a fine working team, co-operating on the principle of individual responsibility, and without doubt the right ones are in the right jobs.

Campaigners throughout the North and Midlands may look forward with new confidence and determination to the work ahead.

BERNARD SHAW ON THE CORONATION

"All rituals are symbolic; but their value and impressiveness depend on whether the symbols symbolise present realities. If they symbolise the realities of a thousand years ago they are nothing but superstitions, which we have neither brains nor energy enough to bring up-to-date. In the Coronation the symbols are not merely obsolete; they symbolise conditions, which have been reversed. They represent the King's investment with powers that he no longer wields and of which it has cost us two revolutions and several regicides to deprive him . . .

"The Communion service has no business in a Coronation ritual at all; and if the sword and the orb and the sceptre are to symbolise actual or historical truth they should be violently snatched by the Prime Minister from the hands of the monarch, who should thereupon swear never to make any attempt to take them back from that living symbol of an entirely imaginary democracy and liberty who lives at 10 Downing Street."

And Mr. Shaw might have completed his picture of truth by adding that the symbols of power should then be pinched from the Prime Minister by Montagu Norman, Governor of the Bank of England.

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