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THE NEW TIMES

SIR J. STAMP
AND TAXATION
ROBBERY

(See page 6)

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Every Friday

A NON-PARTY, NON-SECTARIAN, WEEKLY NEWSPAPER EXPOSING THE CAUSES, THE INSTITUTIONS, AND
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(Continued on page 3.)

VAN ZEELAND AND THE BANK OF INTERNATIONAL SETTLEMENTS

The Great War of 1914-1919, otherwise known as the First World War, proved to be an immediate safety valve as far as the rulers of various nations were concerned. It followed immediately upon a series of internal troubles, including strikes and revolts, and very probably arrived just in time to avert explosions in the social orders of more than one nation.

It solved temporarily the problem of markets, which really led up to and caused the outbreak of military warfare. For war is the great employer and the great consumer. Money flows freely. The war caused a cessation of internal strife.

But, whatever its immediate virtues from the point of view of bankers and politicians, it raised a crop of new problems, the solution of which has been the major task of international finance in post-war years.

Costs Outrun Incomes

For one thing, the war was financed according to orthodox banking rules, with the exception that credits were made available more freely than in peace time. Credits were issued through production and were recalled through prices and taxation as quickly as possible, or were sidetracked into further production by the investment of savings. The gap between prices and incomes, obvious to the keen observer during peace, became as plain as a haystack during the war years. The national debt of Great Britain increased in four years from £700 millions to £7000 millions. This increase represented costs not recovered from distributed income. It meant that the flow of income to the community was insufficient in those war years of accelerated production by thousands of millions of pounds to meet the costs of production.

The difference was made up by the issue of loan credits, which, in turn, were reflected in an increase in funded indebtedness. The future was mortgaged to offset the errors of the present.

Although the war was physically paid for as it was fought, orthodox finance painted an entirely different picture.

The war demonstrated conclusively the falsity of orthodox contentions that the present cost-accountancy system is self-liquidating -- i.e., that it distributes enough in incomes to buy the whole production of goods and services. It also made debt structures so top-heavy that the only way out in some instances was repudiation, and in others recourse had to be had to violent deflation.

How the Bankers Faced the Situation

The first thing, which the bankers did on the cessation of military hostilities, was to restrict drastically the flow of credits, which had characterised wartime production. The nations, which had been allowed to go full steam ahead, for purposes of destruction, were very firmly throttled down in the matter of satisfying the peacetime needs of their citizens.

The next thing which the bankers did was to set up in every country in the world a strong Central Bank, free of political control, and controlling absolutely the flow of credit and the supply of money.

And, finally, under the glare of publicity, which ensued on Phillip Snowden's demands on our former allies with respect to payment of war debts, the Bank of International Settlements was quietly established at Basle. It was designed to be a Banker's Central Bank, the copingstone of the international structure. This bank has existed for some years now without having done anything

really spectacular. Its worst devilries are yet to come.

The Goal of International Finance

The ultimate objective of the banking brotherhood is the achievement of supreme power throughout the world. The immediate objective is the establishment in the international sphere of something akin to Australia's Loan Council.

Australia's "sovereign" Governments no longer possess financial autonomy. They periodically prostrate themselves before the calf of gold, and beg that some £30 millions or so of debt-money be created and doled out to them. They require these sums for public works to provide employment for their citizens, to provide bounties for hard-pressed producers, and for other urgent purposes. The Commonwealth Bank Board strokes its beard and lets them have somewhat less than £20 millions, on condition that they will behave and do as they are told. A clever rule has been devised, which invariably leads to a fight about the division of the somewhat less than £20 millions, and so intent does New South Wales become on working points at Victoria's expense, and vice-versa, and so on, that the Governments never stop one moment to consider the possibility of joint action by them, as nominal repositories of sovereignty, against the usurpers of that sovereignty.

And so it is to be in the international sphere. The Bank of International Settlements is to be a great big Loan Council. The various nations will undergo a sort of a means test and be packed off with a parcel of debt-money considerably short of their requirements. If one nation kicks it will arouse the antagonism of another nation, which will feel that its own share of debt-money might thereby be jeopardised. Every loan will, of course, carry conditions as to disarmament, economic activities, etc., and the nations will, if they are not careful, sink to a debt-ridden condition of emasculation, sufficient to allow of the establishment at Geneva of the International Air Force, the only force in the world. Armed force is the only force at present feared by the bankers.

Where Does Van Zeeland Come In?

In the foregoing remarks we have given M. Van Zeeland, Belgian Central Banker and former Premier, not a single mention, yet we have outlined perfectly the essence of his scheme. He has been carefully feeling the way for the Learned Elders of Basle; to see if the time is yet ripe. In a task of this nature it is always wise to secure the services of a banker from a small and neutral State. He can either be lauded as disinterested if the people swallow the stuff he puts over, or laughed off as of no importance if derisive shouts of scorn greet his efforts.

Van Zeeland has not been doing the job of an international diplomat, as Sir Otto Niemeyer did when he went to various countries to tell them what they must do if they did not want the bailiffs put in on them. Van Zeeland has been acting the part of a bankers' sheep dog—snooping round to see if the time is appropriate to drive the sheep into the pen known as the World Rationing Centre.

The bait is an immediate issue of credits to the have-not nations. It is probable that adoption of the plan would show an immediate increase in international trade—the nations would for the time being get bread even is a loss of freedom were involved.

The strength of the shackles imposed on them would only

become visible later, as their overdrafts fell due for re-consideration.

Van Zeeland has gone so far as to remind the nations that their choice lies between making use of such chances as offer (participation in a common fund of credits under the aegis of the B.I.S.) or resigning themselves to sterile inaction. This sounds suspiciously like Sir Otto Niemeyer's threat to Australia that she must deflate or stew in her own juice.

The Answer to M. Van Zeeland

The answer to Van Zeeland and his international credits from Basle must be an emphatic, "We don't want your Christmas Pudding."

It is on the domestic plane, not the international plane that action is called for. Each country must set its own house in order, and no help is needed from the International Brethren of Basle. Each country owns its own credit. All that is necessary is that it should resume the control filched from it by the bankers, and wrongly administered by the bankers, and put the following principles into practice:

"The general principles required of any financial system sufficiently flexible to meet the conditions which now exist, and to continue to reflect the economic facts as these facts change under the influence of improved process and the increased use of power, are simple and may be summarised as follows:—

(a) That the cash credits of the population of any country shall at any moment be collectively equal to the collective cash prices for consumable goods for sale in that country (irrespective of the cost prices of such goods), and such cash credits shall be cancelled or depreciated only on the purchase or depreciation of goods for consumption.

(b) That the credits required to finance production shall be supplied, not from savings, but by new credits relating to new production, and shall be recalled only in the ratio of general depreciation to general appreciation.

(c) That the distribution of cash credits to individuals shall be progressively less dependent upon employment. That is to say, that the dividend shall progressively displace the wage and salary, as productive capacity increases per man-hour."

These principles may be given effect in any of a dozen different ways or methods. But they must be recognised as the principles of reform.

M. Van Zeeland and his much-publicised mission must be regarded with the utmost suspicion, as must any proposed extension of international control over essentially domestic matters. His mission is

either active mischief or an attempt to deceive people into thinking that the bankers are trying hard to find a way out.

In any case, what sort of dim servitude is it that the bankers offer? They can't even let money flow freely without crashing their crazy structure of numerals—the debt-money system.

Let us get rid of the bankers' brand of slavery, debt and death, and demand our birthright of plenty, leisure and life.

RED HERRINGS

"Many idealists are fond of asserting that if colonies are restored to Germany there will be world peace. The most casual examination of world affairs shows this to be an erroneous assumption." The above statement is attributed to our own evergreen Billy Hughes, as reported in the *Argus* of January 25.

An intelligent examination of Germany's reiterated demand for colonies should disclose to any observer not steeped in orthodoxy, that this same demand, so frequently vociferated by Hitler and his cronies, is just another red herring, designed to mislead the unwary. For if Germany's financial system were such, as it should be, that her total purchasing power equated always with the total prices of her own production, she would be able to exchange her own goods, on a pound for pound, or mark for mark, basis, for such goods as she required or desired from another country. And then she would have no need for colonies.

But, of course, Germany's total purchasing power does, in fact, fall far short of her aggregate of prices, with the consequence that she is forced to sell abroad what she cannot sell at home. In other words, Germany has to find foreign markets or bust. And as every other country, including Australia, is in precisely the same predicament there ensues a general scramble for these foreign markets or dumping grounds. This is economic warfare, which leads eventually and inevitably to military warfare.

Billy Hughes and our other so-called Australian statesmen never refer to this grave aspect of the matter, and until they do they might just as well refrain altogether from mentioning any aspect.



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"WILL YOU MAKE A FOURTH?"

By YAFFLE, in "Reynolds News."

Considerable heart-searching was caused the other day by a *Daily Mail* article, entitled "Does Bridge Break Up Marriages?"

It arose out of the report that two world-famous married bridge-partners are to be divorced. The male partner told the press—"Bridge and marriage don't mix." This report, I'm told, received approval in bridge circles, all agreeing that in such a case marriage, naturally, had to go. In one club, it is true, a young member did observe, "Then why not give up bridge?" But, noticing the shocked expression on the faces round him, he went down on all fours and crawled from the room.

* * *

There followed an article by the *Mail* bridge expert. He denied that bridge inevitably spoilt marriage. On the contrary—"It can become an asset in the home; it acts as a safety valve. While they're quarrelling over the cards they're not rowing over something else."

The male partner then published an article saying he had been misunderstood. What spoilt his marriage was that he was "a really unsociable type." Bridge arguments, he said, are "an ideal safety-valve and an escape from the petty annoyances . . . of married life."

* * *

In view of the importance of games to the maintenance of the national morale, this raises a serious question: Does this apply to all games?

Are we to assume that the function of games in the social order is merely to serve as a means of postponing or alleviating the inevitable hostility to which all social relationships are doomed?

Not at all. I would have you note the significance of the remarks above quoted. Here are two men to each of whom marriage is inevitably a dogfight, and human beings naturally quarrelsome. One of them admits he is unsociable, and that no woman could live with him happily for long.

Further, both appear to regard quarrels as an essential part of the game, and to both of them bridge is a necessary, safety-valve

for the release of ill-feeling which is bound to come out anyhow.

Here we have the crux of the matter: People do not become unsociable by playing bridge. They play bridge because they are already unsociable. Bridge was, as a matter of fact, invented by unsociable people for the purpose of preventing friendly intercourse.

One of the phenomena of English social life is the large number of people who cannot bear to be alone, yet live in perpetual dread of interesting conversation. They fear that if the minds of the company are not concentrated upon some occupation requiring mental effort, at any moment an idea of some sort may appear and spoil the evening. So they play bridge.

To a man of normal, humane instincts, with an ordinary interest in his fellows, life holds few sadder experiences than that of entering a new circle of acquaintances and being asked, "Will you make a fourth?"

He approaches the house in happy anticipation of adding to the number of his friends, only to find



The game was designed to prevent friendly intercourse.

that he is to have no chance of knowing anything about them, except the degree of low cunning they happen to possess.

If he does not play, the company turns upon him glances of frigid disapproval, as who should say, "Who is this outstanding gumboil?" Thereafter, his existence is forgotten, and he slinks unnoticed from the house, hoping that the pubs are still open so he can seek comfort in the company of innocent and friendly men.

* * *

A game thus designed to suppress friendly intercourse naturally attracts the misanthropic and anti-social types of people. It affords

them an excuse for expressing their dislike of their fellow-creatures.

This can be verified by watching a game amongst addicts. A wrong lead becomes a personal affront, a miscall a deadly insult. Then comes the steady glare, the snort, the snarl, the sneer of contempt, according to technique.

After a few hours' expulsion of venom, the players leave the table with the particular gesture of disgust they have carefully practised and come back after tea to luxuriate in another bout of mutual loathing.

Even when played casually by normal people an atmosphere of gloom pervades the game. It is most unpleasant to watch, and I prefer an ordinary funeral.

No matter with what lightness of heart the players take their seats, they gradually become morose, unfriendly and distraught. They frown, bite their lips, mutter to themselves; even the most

friendly games. I recall particularly the case of my friend the Vicar of Much Mucking, who could never rid his mind of golf. During service one morning he began to speculate, characteristically, on the problem of whether it would be possible to lift a ball from the top of the chancel steps over the heads of the congregation into the font at the other end.

It was still on his mind when he rose to preach. Coming to the sentence in his notes, "How can such a task be achieved?" he paused and said in a loud voice, "I believe it could be done with a mashie shot!"

Many parishioners were shocked. But to my mind it served but to show the natural, sociable desire of the golfer to take other people into his confidence.

* * *

The beneficent social effect of ordinary games is better understood if you consider their origin.

NOTICE

U.E.A. COMPETITION

Owing to some question as to legality of the Competition, it has been deemed advisable to withdraw it for the time being. Inquiries will be made, and it is hoped the Competition will be carried on at a future date. If any members have collected entrance money, will they kindly return it to the entrant?

amiable of them seems to be suppressing hostility with difficulty, and the temperature of the room slowly falls.

It was of bridge parties that Wordsworth was thinking when he wrote about that "party in a parlour . . . as you by their faces see, all silent and all damned."

Other games draw men together. Football so unites men in heart and soul that every heart beats as one and every voice shouts "Foul!" in unison. Darts cannot be played properly, save on premises licensed to dispense good fellowship.

The golfer, after every game, must seek a sympathetic ear into which to pour his sorrows and triumphs. True, they both speak at once and neither listens, but the point to note is the need for sympathetic contact.

I am not unmindful of the social dangers of obsession with these

According to anthropologists, all ball games originated in the ancient ritual of the scapegoat, by which, in primitive societies, the sins of the people were ceremonially placed on the head of the goat, which was then expelled from the community, carrying, it was hoped, the sins with it.

As time went on the ceremony degenerated into a game, the animal being substituted by a ball. Football symbolises the attempt of each side to keep sin out of their own territory and get it into someone else's.

At the close of the game the losing side (that is, the one that has been landed with the sin) symbolically places the sin on the head of the referee, throws him into the canal, and goes home to tea with souls as white as snow.

Every time, therefore, you kick, throw or otherwise propel a ball, dart or other missile, what you are really doing is ridding yourself of sin.

I trust I have explained the essential difference between bridge and other more human pastimes, and convinced you that you need not worry about the behaviour of bridge players. They are not like other people.

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cannot possibly have true democracy while Parliaments are able to do only so much as a private monopoly will permit them to do. This private monopoly controls credit and is a dictatorship already.

Will a redistribution of the electoral seats give the people better incomes? You know it will not, because a re-arrangement of seats would not mean a re-arrangement of the money system, without which our incomes must become smaller and our debts greater.

Will the removal of slums and unemployment be a benefit to the people? Under existing conditions it will not, because the people now living in slums would have to pay more for rent, and would thus have less to spend on food and clothes, while the abolition of unemployment would mean that everyone would be working and there would be a vast increase in the quantity of production which is already far greater than the people are able to buy.

Will it be a benefit to pass on what we have received from our forbears? Under existing conditions it will not, because there is no benefit in going into debt for everything we have. We boast of our progress, but conveniently overlook the fact that we are in debt for it. If our forbears wanted a road made they went in debt for it. If they wanted a hospital, a railway, a bridge, a school, they went in debt for it, and the funny thing about it is that they never owed the debt to the men who supplied the material or did the work. They owed it to someone else who supplied nothing and did nothing. You, Mr. Marrows, are helping to perpetuate the same stupidity, and seem to believe that the only way in which we can make use of the resources of the earth and the wonders of the sea, the sky, and the air, is by going in debt to someone for it. Who is this someone? And where did he get the right to regard himself as the owner of everything?

Think it over, Mr. Marrows. Have not we, the Australian Natives, some say in the ownership and use of Australian resources? And if we have, why do we allow a private monopoly to monetise them for itself, instead of monetising them for us?

Yours, etc.,

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(Continued from page 2.)

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(Continued on page 7.)

Mr. J. W. Marrows,
Chief President,
Australian Natives' Association
Melbourne

Dear Mr. Marrows, —

You had a busy weekend. At Moreland last Saturday night you addressed members of the A.N.A. at their annual smoke social, and on Sunday afternoon you spoke from the sky (both literally and figuratively) when you climbed into the Wesley Church pulpit and had your address broadcast. For both of these appearances you received mention in Monday's "Argus", and the nature of your remarks, as reported, provides the explanation. What you said suited them. You advocated argument about methods instead of a united demand for results. This was a painful surprise to us for we had placed some confidence in you and harboured a hope that the Australian people might have received a lead during your term of office in the most important matter affecting their existence, but, like most of your predecessors, you have simply played right into the hands of the people's enemies. You may not have done this consciously, but nevertheless could hardly have done it more effectively.

If we could pay our bills with sentiment then your speeches were successful, but as we require MONEY for this persistently recurring pastime and nothing you advocated could put more money into our purses, your remarks can only be described as entirely innocuous.

Will the reverent observance of a particular holiday give the Australian people freer access to the necessities of life? Under existing conditions it will not, because access is available only through money, and a holiday usually means less pay for the great bulk of the employees.

Will national insurance give us more to spend on the goods we would like to buy? Under existing conditions it will not, because it means that those in work will get less in their pay envelopes and those not in work will get only a fraction of what they ought to get and what they need.

Will retention of the existing method of government give the people control of Parliament? Under the existing practices it will not, because the people have no control over Parliament now, and

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Australia's Achievement

Australia's 150th anniversary is now in course of celebration in Sydney, and there is the usual crop of fatuous remarks about our glorious achievements and the nation's bright destiny.

The *Times* refers to Australia as a virile nation of seven million people, one of the freest and most vigorous communities on God's earth, and one of the most advanced and prosperous democracies in the world. "What the Australian can do and bear when the occasion demands," it writes, "in sacrifice and self-restraint, was shown not only in the war, but perhaps even more convincingly in the fight against the great depression."

"Self-reliance," "political and social development," "Test match not won until last Australian wicket down," "fierce dislike of humbug and affectation," "breezy disregard of authority and conventional methods," etc., etc.

Earl De La Warr has expressed amazement at the physique of our life-savers (male and female), and cannot understand why they don't follow the example of Joseph Aloysius Lyons in the number of their offspring, and so people the country with a race of gods and goddesses.

But let us look at the other side of the picture—the side that the *Times*, Earl De La Warr, and so on prefer not to dwell upon.

During the century and a half of Australia's existence she has sent overseas more in real wealth than she has imported in return; yet, she has allowed herself to go publicly into debt to overseas financiers to the extent of almost £600 million. Her total public debt, internal and external, is over £1400 million in Australian currency. This debt is owed almost entirely to the private money monopoly called the banking system.

Her Governments have even surrendered their rights to borrow debt-money as, when, and where they can. They have agreed to shackle their activities in this direction by certain agreements known as the Financial Agreements. They have given the bankers the

whole of Australia as security for all loans to any Government of Australia, whether State or Federal. They have solemnly agreed to accept whatever funds the bankers care to dole out to them at Loan Council meetings. Their Central Bank they have carefully placed beyond "political control" —i.e., control by the elected representatives of the people. The Bank is effectively controlled through its Board by the private banking monopoly. It takes direct orders from Montagu Norman, of the Bank of England.

Australia's industries are controlled by large monopolies directed by members of the banking fraternity. Essentials such as metals, sugar and so on are exploited by these monopolies. Monopolies also control the dope trades of beer, tobacco, and drugs.

So far from the country being able, financially, to support a numerous race of gods and goddesses, we are able to read in the Melbourne *Herald* of a place called Dudley Flats, of men and women living in shelters which a farmer would not use for his cows; of human beings, children even, swarming over garbage carts and rubbish tips in search of food and scraps.

People are driven to this extremity simply because the rules of our social organisation make no provision for payment of money to them, and without money one may lay claim to nothing.

It is a sad reflection that if all Australians set to and emulated Joe Lyons in the number of their offspring, there would be a widespread increase of slums such as Dudley Flats. For children cost money, and few citizens can turn somersaults so completely to the bankers' satisfaction that they and their eleven children may thereafter live in more than comfort.

The last census disclosed that only some three to four hundred thousand Australians were in receipt of incomes of £5 per week or over. Of the remaining six and one half millions, one half received no incomes, and the incomes of the others ranged between nothing and under £5 per week, with a preponderance of wage-earners in the lower grades. Each citizen is saddled with a public debt of over £180. The debt increases every year.

In Australia it is still true that if a man can find no employment he must starve. The more fortunate of the unemployed get a miserable dole. The others have to go to Dudley Flats or any one of the dozen similar establishments throughout the country.

Gods and goddesses! Free democracy! Self-reliant, etc.!

About the one epithet, which can truthfully be applied to Australians at the present juncture, is "bone-headed."

By their own efforts, coupled with the Almighty's bounty and the accumulated knowledge of the centuries, Australian citizens have at their command a situation of plenty. The principles necessary to distribute that plenty have been expounded to them for fully a dozen years.

Yet they continue to allow themselves to be deprived of that plenty.

Scarcity and servitude have been meted out to them through

the agency of a fraudulent money system, in face of the most obvious evidence that their lot should have been, and should now be, plenty and freedom.

Wake up, Australians, and demonstrate that you really are growing up. Resist the bankers' demands that you be kept in slavery and penury. Demand results from the bankers, and, above all, insist that enough money shall flow into your pockets to buy the whole of your own production, and that that money shall be taken out of your pockets only as products pass over the counter to you for consumption. Then, and then alone, will you become free, self-reliant, solvent, and really democratic.

If the strain, worry and faulty nutrition of the existing order of things have left you a little ungodlike in appearance, there is at least a chance that your children and children's children might be allowed to grow like gods and goddesses.

At present the future holds for them the prospect of being debt-ridden, regimented C3 cannon fodder.

State Control of Rents

The Victorian Ministry announces its intention next session to bring down a Fair Rents Bill, on the lines of existing legislation in Queensland. The avowed object of such legislation is to prevent the exploitation of poor tenants by greedy landlords, and as such carries with it so strong an emotional appeal that citizens are likely to abandon any attempt at reasoned analysis.

The true facts of the position are that rents are undoubtedly too high in relation to the amount of money in tenants' pockets. In the vast majority of cases they are too low from the point of view of the landlord, who must pay rates, taxes, repairs, suffer depreciation and fluctuations in real estate value, and often go without rent altogether.

The present economic system is characterised by an absolute shortage of money. It cannot make fair provision both for landlords and tenants. It cannot make fair provision both for employer and employee. Payment of a living wage to workers leaves shareholders without dividends. Dividends generally can be achieved only at the expense of grinding down the worker, or, in the case of a monopoly, by squeezing the consumer.

The pity of this situation is that class is set against class, and in the ensuing fight the community becomes oblivious of the true cause underlying the whole tragic situation.

The warring factions in the community must be brought to see that it is not the landlord who is responsible for the tenant's woes, or the tenant who is responsible for the landlord's difficulties. Responsibility rests with the bankers, who so control money that it is always in short supply.

In the last analysis the bankers are in numbers really an insignificant bunch of parasites. They will have to react to the demands of a united people, and

can retain their power only so long as they can keep the people fighting amongst themselves. Divide et impera.

Our appeal to the landlord and the tenant, to the employer and the employed, to the shareholder and the wage-earner, is to join in getting the banker by the scruff of the neck and demanding results from him.

In a situation of plenty there is no real reason why any section of society should go short or suffer exploitation. It is no longer true that the rich can only be rich while the poor are poor.

Legislation such as the Fair Rents Bill is merely palliative in nature, and, in any event, gives official sanction to the scramble for money as between section and section. The true function of sovereign Governments in the present mess is on a much higher plane. It is to end the whole scramble by ensuring an adequate supply of money.

The "Page" on Progress

A press item of January 24 reads thus:—

"The rate of our progress was staggering as compared with that of the United States in her first 150 years, said the Minister of Commerce, Sir Earle Page, tonight. One hundred and fifty years after the Pilgrim Fathers had landed in America, and she had become an independent nation, the white population was less than 3,500,000. We had 27,000 miles of railway and many thousand miles of road. There were air services encircling the continent, and flying 8,000,000 passenger miles a year. Our agricultural production was valued at £75,000,000; pastoral and dairying production, £140,000,000, and minerals brought in £28,000,000. Factory output was valued at more than £400,000,000, and overseas trade was set down at £220,000,000."

Sir Earle, so coy at receiving the knighthood, now provides the perfect illustration of the politician's method of making comparisons. Such minor figures as James Watt, the Wright Brothers, Bleriot, Bessemer, Hertz and Marconi are evidently beneath his notice when he sets out to talk about our progress.

He missed a great opportunity in omitting to condemn Christopher Columbus for using sailing ships instead of Diesel-driven liners, and Marco Polo for traveling per horse and boot instead of in beautiful aeroplanes, as employed by Imperial Airways. He could have rounded up his speech by denouncing Julius Caesar for not going to work in a tank, spraying the ancient Britons with bullets from a Bren machine gun.

Sir Earle also forgot to say that Australia sports a bigger and better debt per head of population than America does.

Overseas Markets and the Australian Manufacturers

Some months ago a gathering of Australian manufacturers listened to an address by an expert on the

subject of developing trade with the East. It was urged upon the manufacturers that they should intensify their pressure towards obtaining orders from China in particular, because of the undeveloped state of that country, which meant a more fertile field to exploit than many others which possessed facilities for providing a higher percentage of their own needs.

Following this address, the manufacturers were being drilled in the wisdom of returning to their factories to investigate the extent to which each one could produce for the Eastern export trade, when a nasty engineer arose and asked the speaker to explain just what benefit he, and all others present, would derive from this export business?

From the discussion, which followed, it was made reasonably clear to the manufacturers that by assisting to build up funds in London—such as their exporting would do—they would facilitate the export of goods from other countries to Australia to the detriment of Australian manufacturers.

There has been no further meeting of that particular group of manufacturers, several of whom, in their fervour to produce within Australia everything we require, have come to the conclusion that Australia should export only sufficient to service the overseas debts. That is certainly more logical than the policy advocated by practically all politicians and the daily press. The produce of Australia, under existing financial control, is more favourably regarded as a medium to establish funds in London than in Australia. It is important that Australian manufacturers should be fully aware of that. Orders obtained by them for delivery within Australia are better business, from their viewpoint, than export orders, and this state of affairs will continue until the nation takes control of the financial policy which has been filched from us by a coterie of astute internationally-minded gentlemen, mostly of near-Eastern origin.

There can be no solution of the present mess until the home market is put in order. Sufficient money in consumers' pockets is all that is required to put it in order.

LIBERTY

"Declaring that today there was less liberty in the world than there had ever been during the past 2000 years, Mr. R. C. Teece, K.C., in his presidential address at the Law Convention today, said that in many countries, which professed to be civilised, judges were being made the instruments of the arbitrary policies of executives.

"It was only in countries which had democratic governments that the people enjoyed political and civil liberty." — "Herald," Jan. 28.

Liberty in Australia is a steadily decreasing factor, and must necessarily be so under our debt system of finance.

Perhaps the learned Mr. Teece meant to say that the people could only enjoy liberty in TRULY democratic countries, where the electors DEMANDED (and got) results from their politicians.

Why not demand results here in Australia, and see that we get them?

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ANOTHER "REPORT"! WHAT ABOUT ACTION?

By DYNAMICS

The Second Interim Report of the Inter-Church Social Research Council of South Australia on the Causes of Poverty has recently been issued, and whatever criticism may occur to any reader, let him appreciate fully the value of the document, because of its directness in nailing responsibility upon financial institutions, and in insisting that "The inherent defects . . . find their focal point in a lack or shortage of purchasing power."

It is said that "all members fully concur" in the findings of the report, and as they represent thirteen organisations not generally noted for their aptitude in teamwork, the agreement reached is noteworthy. One can guess that this unanimity was not attained without much patient consideration of how to express the varying conceptions, which tend to be suggested in such assemblies as this council.

It may be that the matter set forth as tending to lead up to the conclusions reached will not be widely convincing. The present writer is inclined to think that if he had not been convinced that the findings are substantially correct, he would not have been much impressed with style of arguments, as set forth in the report. In some senses this is not to be wondered at. Indeed, the more varying are the tracks to be found which lead to the same conclusion, the more confident can we be that the truth is being arrived at.

No person should stand aloof from the call to *action*, which is implicit in the report, unless he is prepared to fight his own way to similar conclusions, or else to find carefully-reasoned and sustained arguments to refute the findings.

In view of the fact that it is so easy to show that the ever-increasing burden of unpayable debts is, roughly speaking, a measure of the shortage of purchasing power (which it will be found must be made up by what are today considered as unorthodox methods), it seems unfortunate that this important aspect of the case has not been mentioned in the report.

If it is still necessary, because of long-ingrained prejudice, to try and "rope in" some ignorant persons in a reform (or, rather, a necessary revolutionary movement) by temporarily speaking of "unemployment" as a symptom to be cured, we should not lose sight of the real truth, as stated by Frewen Moor, M.D. in "The Fig Tree." (December, 1937): "If you *must* solve unemployment, instead of accepting it as a blessing and paying for it, *war* is the best method."

Need for More Careful and Precise Wording

One hopes that the next publication will be a call to action along definite lines, but it would be a useful educational document also if a carefully compiled glossary of words could be issued as an introduction or an appendix. People, and especially public speakers, must be induced to be careful to use such words as money, thrift, conservative, radical, inflation, democracy, with a proper regard for their true meaning and with an appropriate connotation.

One can illustrate the need of this by certain critical comments upon the present report. The inclusion of the words "thriftlessness and extravagance" in the sentence describing contributory causes of poverty are unfortunate in their context. The usual connotation of these words is not satisfactory. People generally think of the process of accumulating money as an act of thrift, whereas such action may, and sometimes does, have an effect, which is the opposite of beneficial to the community as a whole. Again, if conformity with the official outlook is to be used as a criterion, Jesus was an "extravagant" person, if the root idea of the word is retained.

People who read carefully the

literature which is associated with monetary reform movements have become used to being critical of any ideas which are loosely expressed because of the use of ambiguous words or careless phrasing. No good purpose would be gained in pulling holes in the report on these lines, but if those who draft the next effort will consider such phrases as "a moral society," "capital tends to flow," "profits attract labour and capital," "a system helps to create wealth," they will find that they are open to criticism if exactitude and realism are taken as criteria.

* * *

[As a matter of interest to readers who may not see the above report, we append the following extract from the section headed, "The Financial System."—Ed.]

"Behind all economic activities lies the system of finance, which we must now examine.

"It has been well said that: 'Until recently it was assumed that the monetary system, which has been evolved by a process of trial and error over a period of centuries, was one that was practically self-acting, that it was framed on lines which were natural and inevitable, and that it was inadvisable to allow any consideration other than its own equilibrium to interfere with its working.'

"It is our conviction that such equilibrium is all-important, but it must be such that the causes of poverty are lessened by it.

"Our analysis will tend to show that the existing financial system has deepened and extended the causes of poverty in modern society.

"The following extract from the written judgment of the Commonwealth Full Court of Conciliation and Arbitration, delivered on January 22, 1931, by Judges Dethridge, Beeby and Drake-Brockman, is not without significance: 'There, is a considerable body of opinion in support of the contention that the handling of currency and credit, and the banking systems of the world, are largely responsible for the present world crisis.' Only one justification would suffice in the long run for the continued existence of any financial system—viz., can it show that it serves, as no other system can, the general good? It must satisfy the test of social utility, first of all, by proof that it helps to create the greatest possible total of wealth for society. And it must be able to justify its distribution of this wealth. Lastly, it must answer for the influence of its arrangements upon the freedom, self-respect, and the mental development of the people. These criteria are not impossible demands; they are the normal ones, which, consciously or unconsciously, guide our everyday thinking in assessing the value of social institutions. That they are often lost sight of may be true, yet, when kept in mind, they are guides to accurate diagnosis of this problem of poverty. It is self-evident that, given the resources, which are acknowledged on all hands, their distribution is not dependent on inevitable laws from which we cannot escape, but upon ordinary, sensible, human arrangements. In other words, a financial system should be merely a distributive device for the satisfaction of human needs. As Professor D. H. Robertson says: 'The existence of a monetary economy helps society to discover what people want and how much they want it, and so to decide what shall be produced, and in what quantities, and so to make the best use of its limited productive power.'

"The direction and scope of that 'productive power,' however, depends on the wise ordering of that vast financial power which controls the credit system of a nation. It is this power which gives or withholds credit for the production of goods and causes economic security or insecurity.

It is this power, which arbitrarily decides what goods shall be produced, irrespective of real human needs. Finally, this same financial power manipulates markets at home by the instrument of credit, and abroad, by the artificial manipulation of exchange.

"The repository of this power is the financial institutions, and, because of their influence upon the price level, and, consequently, upon purchasing power, this control is used in the interests of those who derive their income from investments, rather than of those engaged in production.

"The crowning result of this is, in Robertson's words, that 'The world deliberately adopts a standard of living and comfort lower than that which its natural resources and its capital equipment place within its reach, cutting off its nose, as it were, to spite its face.'

"Christians cannot acquiesce in the continuance of such a policy, because its cost in material and spiritual poverty is a denial of the elementary rights of human personality. If it be true, and few will deny it, that the central problem facing us is one of purchasing power and markets, it is no less true that, under simple analysis, that vague and much-abused word 'market' means the power of *ordinary* people to buy. No markets are available for the goods when produced, because the 'real demand' of people cannot transform itself into an 'effective demand.'

"The feverish search for markets abroad is partly due to the existence of poverty within the nation. And for this poverty, the organisers of our financial system must take their share of responsibility. The amazing and oft-quoted paradox of great masses of men and women crying out for commodities of everyday necessity, while men, machines, and raw materials, ready to produce these commodities, are kept in compulsory idleness, is intensified with every industrial advance, and by the unreadiness of those controlling the financial system to readjust it to growing human needs. The system itself, evolved in the first place to subserve private profit, incidentally did great service to the community. But now the stage has been reached where private ends have to become adjusted to social ends, or be swept away. The familiar paradox has to vanish, and monetary policy must be used as a chief instrument to this end. Unfortunately, its innate conservatism gives little assistance.

"It is important to realise that the present (1937) period of economic prosperity is not based on the fact that the power of 'effective demand' has been permanently handed over to the vast masses, of the people. It is based on one primary fact overshadowing all others—viz., that of the surplus, which in the order of things cannot escape being shared in good times. Even so, the permanent margin of unemployed and unemployables, without 'effective demand,' is a growing margin. And it may be said in advance that at the first sign of lessening prosperity a policy of wage and salary reductions will be urged. The folly of wage reductions stands out as a central error in financial policy. The simple fact is forgotten, that in reducing wages the purchasing power is taken away from the great mass of the people who constitute the market for goods. And it is not restored by a lowering of prices, as is often argued. In fact, of course, the policy of wage reductions cannot reduce prices to the same extent as wages, because of three good reasons:—

"1. It is axiomatic that prices are generally above wages, and this compels real hardship and poverty, especially when wages are reduced.

"2. A reduction of prices to the same extent as wages would mean that the original position would be reverted to, but on a *lower level* thus destroying any justification for the wage reductions in the first place.

"3. In addition, every fall transfers a proportion of real

purchasing power from wage earners to those living on fixed incomes or charges on the community. These charges are a burden on production, and are only met by prices being always above wages.

"This disastrous outcome of wage reductions in any one country proves especially fatal in international competition, because it is countered by wage reductions elsewhere.

"The lower that wages fall in this competition, the smaller the market becomes for which the nations strive, and the wider the poverty in each nation. A falling price level induces every manufacturer to curtail production and wait for prices to touch bottom, and before long a trade depression eventuates. How far can we ascribe responsibility for this to the financial institutions, beyond what has been said already?

"It is plain that somewhere in the financial system key decisions have to be made. These are inevitable under any system of financial control. And here is to be found our chief cause of complaint—namely, that decisions of supreme importance, such as the raising of bank rates to an extent that a depression is accentuated or, perhaps, initiated, are taken by a few bankers, responsible only to their shareholders.

"The raising of the bank rate has more than once influenced the birth rate, and the death rate, and altered the very pulse of life in modern communities, so sensitive is society to financial control. Yet

in Australia, and wherever this type of financial control exists, none of the millions concerned have the power to question these key decisions. The Commonwealth Bank has no responsibility to Parliament on such matters, any more than has the Bank of England.

"Because of this secure position of authority in a modern community, the only criticism of banking policy, that is, generally speaking, heeded at all, is the criticism of other financiers, and even this is often ignored. Mr. Chifley, member of the Royal Commission on Banking in Australia, said: 'since 1930 the Commonwealth Bank considers that it has functioned as a central bank. It should now, therefore, have a clear conception of its duties and responsibilities. The impression created on me by the evidence before the Commission, however, is that the Bank still has not assumed that leadership which its position requires. The instance in March, 1936, when it allowed two trading banks to increase interest rates against its wishes, seems to me a sign of considerable weakness so far as leadership is concerned. The Bank itself and the trading banks subsequently took the same action.'

"If, as is generally admitted, the financial system in its central control is to be regarded as sacrosanct, being impervious to radical criticism of its functions, it must, *ipso facto*, take the largest share of the responsibility for the social effect of its decisions."

FINE WORDS

Will Action Follow?

It is seldom that we can find reason to commend the utterances of public men. Approbation, if justified, is preferable to condemnation, so it is refreshing to be able to comment favourably, on the remarks of the Acting Premier (Mr. Lind) in reference to "Dudley Flats," reported in the *Herald*, February 1, as follows:—

"An undertaking that the Government would investigate the 'Dudley Flats' shanty town, and that it would seriously consider the conditions exposed by the *Herald*, was given today by the Acting Premier (Mr. Lind).

"This Government set out to abolish slums, and if every member of Cabinet is serious about that—as I know he is—we are not going to let human beings continue to live in such conditions," Mr. Lind said. "The case of 'Dudley Flats' seems to be well worthy of Government consideration, and the Government will not fail to consider it.

'The Government will not tolerate, but will abolish, conditions in which human beings cannot live healthily, and in which children cannot be brought up decently.'

"This Government is composed of men who at least have lived in the open and under tolerable conditions, and to us it is unpleasant to think that our country of open spaces, fresh air, and good food-stuffs is not available to these unfortunate people.

'It appears that the people at "Dudley Flats" secure some of their food after it has been dumped in a putrid condition, and that their living conditions generally are terrible.'

Mr. Lind does not hesitate to assume that the Government has power to abolish slums, and that it *can* abolish them. He recognises that the abolition of slums is a common wish, and that a common wish is a command to Parliament to act. Mr. Lind must also know that the people do not wish to be burdened with further taxation; and he should respect this further common wish and act accordingly, so that some will not be impoverished to relieve poverty. It is common knowledge that we possess all the physical requirements to build houses, and that we have no lack of technical skill or shortage of manual labour necessary for the

erection of houses. It is quite within the mental abilities of man to arrange to use these existing components of the building industry, without penalising the community. There are governmental departments and economic experts who, on receiving instructions from Parliament, could arrange the financing of the slum abolition programme without asking the public for sacrifice.

We sincerely trust that Mr. Lind will substantiate his utterances with action, and that such action will conform to the facts of the modern productive system, which makes possible the simultaneous abolition of poverty and of sacrifice to achieve that end.

Letter to the Editor

WILL DYSON AND SOCIAL CREDIT

To the *Sydney Morning Herald* of 29/1/38, Mr. C. Hartley Grattan, an American writer at present with us, contributes an article on the late Bill Dyson. But he spoils the whole business by the following utterly unfounded assertion, dragged in as a dollop of soothing balm to the Fairfax crowd, who own, not only the *Herald*, but also Australian bank shares too numerous to mention. But they pay Grattan for his memorial tribute, so to please them he caterpillars thus:—

"I have a suspicion that Dyson had less belief in the validity of Social Credit than he liked to pretend. I strongly suspect that he took it up because it gave him a vantage point from which to launch his shafts of wit at the 'respectables', particularly the bankers."

A dirty insinuation? I'll say it is. If ever there was a whole-hearted believer in the principles of Social Credit it was Dyson. The insinuation, will, of course, be avidly swallowed by the fatuous numbskulls who suck in all the drivel the *Herald* feeds them, but those of us who knew Dyson's work will immediately recognise Grattan's suggestion as deliberate, or at least, ignorant, misrepresentation.

"WALAMULU."

Sydney.

BEWARE OF THE WOLF IN SHEEP'S CLOTHING

Robbing Us Through Taxation

A Letter to the Editor from BRUCE H BROWN

Sir,—

Last week I wrote that where the welfare of the people is concerned Sir Josiah Stamp is a dangerous man, and that instead of seeking to improve our living conditions he is out to make them worse. An examination of the speeches he has delivered in England in recent years reveal two things to his eternal discredit. The first is that he has endeavoured to cast doubts on the facts of plenty and the serious effects under the present financial system of the displacement of workers by machinery. The second is the brazen way in which he has attempted to justify not only the existing burdensome taxation, but also the inevitable increase that must take place, unless we have the sense to demand better monetary arrangements.

Why We Are Taxed

Taking the second first, no one will dispute the statement that all sections of the community are becoming restive under the increasing burdens imposed by governments, and that the more we have to pay in taxation the less we have with which to meet our everyday needs. This applies to every person no matter how modest his income, for even those who escape income tax are obliged to pay taxation on almost everything they eat, drink, smell, see, wear or use. In view of this, it is important that every citizen should be made aware that this taxation is necessary only because our Governments have allowed the production of money, which is really the prerogative of the Crown, to become a private monopoly in the hands of the banks. This private monopoly creates money only as debt to itself, and it is part of its policy to keep the supply short, so that the Governments and the people will never be able to get out of its debt. This is why, when a man is displaced by machinery, the responsibility for keeping him alive has been placed on the shoulders of those who have retained their jobs, instead of on the machine which displaced him. The community is, therefore, saddled with an additional burden for which it obtains no benefit at all and without even being placed in the position to meet the extra load, which is always demanded in the form of *money*, and of which the great bulk of the people are always chronically short. When men are placed on the dole it means that those still at work are that much poorer. The remedy for this is to distribute the wages of the machine, but the controllers of the money monopoly will not hear of it until there is a greater stirring among the citizens.

No Question More Vital

This question is so vital to us that we should be prepared to give it more serious thought than has so far been our practice. Governments never borrow land, houses, meat, clothes and the like, but only *money*; and their debts cannot be paid with land, houses, meat, clothes and the like, but only with *money*. Now it follows that as they "borrow" money, money must be something they do not produce themselves, and this leads us to the discovery that the money they borrow is produced privately, and that privately produced money is counterfeit or fictitious. We see from this that our national debt of fifteen hundred millions consists of counterfeit money treasonably borrowed in our name and at high interest, our politicians having pledged the country as security for this fictitious money. The banks are the producers, and they produce it by writing figures in their books and calling it debt.

Interest has to be paid on these figures until they have been cancelled by repayment of the "loan," and to repay the loan the Governments have to "collect" money from the people. If they cannot collect it they must go further into debt, and the very banks, which write the debt against us deliberately, keep us short of money so that we shall not be able to repay.

Perpetual Slavery Inevitable

The intention of this is to keep us in perpetual slavery to them. Even Mr. R. G. Hawtrey, of the British Treasury, could not withhold the truth, and has told us "when a bank lends, it *creates* credit. Against the advance, *which it enters amongst its assets*, there is a deposit entered in its liabilities. But other lenders have not this mystical power of creating the means of payment out of nothing. What *they* lend, must be money that they have acquired through their economic activities." You see from this that the banks can create assets out of nothing, and, although it is perfectly true, it seems so fantastic that we have hesitated to believe it. No wonder this debt industry is such a great business for the banks, and no wonder that they are fighting so strenuously to keep the people in ignorance of the facts.

Must Not Question the Money Controllers

The barefacedness of the swindling robbery is so glaring that it has hitherto escaped the notice of the large majority, but Sir Josiah Stamp is well aware of it and every day and in every way is seeking to conceal the facts so that the swindlers may continue to swindle. His object is to maintain the position in which the private money power is supreme and unquestioned in all spheres of human endeavour. In 1852 Gladstone described the same position very vividly, as follows:—

"From the time I took office as Chancellor of the Exchequer I began to learn that the State held, in the face of the Bank and the City, an essentially false position as to finance . . . The hinge of the whole situation was this: The Government itself was not to be a substantive power in matters of finance, but was to leave the Money Power supreme and unquestioned. In the conditions of that situation I was reluctant to acquiesce, and I began to fight against it by financial self-assertion from the first. . . . I was tenaciously opposed by the Governor and Deputy Governor of the Bank . . . and I had the City for an antagonist on almost every occasion."

Exactly the same conditions obtain today, and the so-called statesmen of the Empire are nothing but marionettes, dancing to the tune of the financial string-pullers. Sir Josiah Stamp is the representative of both the Bank and the City, and as such is one of the string-pullers.

And Mr. Lyons is Proud of It!

In these circumstances, and in view of the calibre of the men comprising the Federal Government, it is not at all surprising to know that Mr. Lyons expressed himself officially in these words: "Speaking for Australia, I can say we are proud to admit that in our commercial and financial affairs we have followed closely the principles which throughout the centuries have placed the City of London where it is today." That is why the harder we work the more we owe, why we have malnutrition and slums, and why every effort to improve our country is written up

as an interest bearing debt to the banking system. Instead of being proud to admit it, every Minister of the Crown who has acquiesced in the procedure should stand his trial for treason. Instead of being in debt, the nation as a going concern should be paying dividends, and C. H. Douglas was positively right when he said: "If the stock and bonds which the banks have appropriated in the last fifty years had been placed to the credit of the community, not only should we be free of taxation, but we should be drawing a substantial dividend." The only sort of dividend we have had is the hand of the robber in our pockets and a millstone of debt to pass on to our children.

Who Gets the Taxes?

The fact is that the Bank of England, of which Sir Josiah is a director, stands for the moral idea that taxes are good for the people, and to suggest anything different is regarded by the controllers of the Bank as a form of blasphemy that must be stamped out at all costs, because it tends to weaken the worship demanded by the Bank for its own sacred principles. Taxation in the British Empire is imposed at the dictation of the Bank, and, therefore, it is essential that we should all know more about the destination of the money so collected. Taxation is collected by force, and it is collected for the banking system. This clearly means that the banks are exercising dictatorship over us, and Sir Josiah Stamp is working for the perpetuation of the dictatorship. All taxation men are debt collectors for the banks. This debt situation, carrying with it as it does the necessity for personal sacrifice under threat of force and dire punishment, has absolutely no moral justification of common honesty to back it and no technical necessity to support it.

As the whole of the money received by Governments from direct taxation is required for the payment of interest on spurious money which has been "borrowed," and, as practically the whole of this money consists of entries in bank ledgers, it is obvious that our supposedly sovereign Governments are merely collecting agents for the banks, and that if our national Government produced the nation's own money, as it undoubtedly ought to do, it would be possible immediately to cancel all income tax, estate tax, unemployment tax, entertainments tax, land tax, motor tax, sales tax, and every other form of direct taxation, thus giving the people millions more each year to spend on the things they need, but which they are now forced to do without. Sir Josiah Stamp not only wants all this taxation continued, but actually says it will become greater and greater, which means that if he has his way, we, the people, will have less and less.

"Merely Amusing"

Hear what he had to say on the point: "Direct taxation thirty years ago seemed to reach a breaking point, and was regarded as psychologically unbearable at levels which today are merely amusing. But there can be little doubt that, with the right application of experimental psychology and adjusted education, the mind of man would be still more adaptable." There you are, then. There you are! The Taxpayers' Association and all the other bodies, which have been protesting against the high taxation, have been kidding to us. They really like it and will be wanting to pay more. They haven't understood their own psychology, and have only been waiting for an educational adjustment. In other words, what is regarded as intolerable today will be merely laughable tomorrow. What a great time we will have if we take notice of Sir Josiah!

A Supporter of Tyranny

And yet he is the sort of man upon whom "honours" are heaped and whose views are given worldwide publicity. While he has been going round England making speeches designed to

WHAT EXALTETH A NATION?

By LEONORA POLKINGHORNE.

The Scriptures have it that "righteousness exalteth a nation," but the nations' leaders of today differ, and loudly proclaim that armies, navies and enormous stocks of lethal weapons are what every self-respecting nation needs. Particularly is this the case with the dictators. There is a psychological reason for this. These peoples and nations are suffering from an inferiority complex.

What Happened in Germany

Germany was a defeated nation—she, who was in all Europe the best-trained, the best-disciplined, the best-armed, suffered a humiliating conquest by her enemies who, not content with starving her women and children by a food blockade, inflicted, with an impossible indemnity, all sorts of humiliating conditions. How honeyed, then, sounded the voice of him who told them what fine fellows they really were, how unbearable to a proud people a state of peace and disarmament, how unworthy of a man any occupation or ambition but that of a soldier! So here we find a people who had begun to be enamoured of the ideals of justice and freedom, submitting, quite docilely in the majority of cases, to a ruthless tyranny which overlooked every act of their lives; which gave them, in place of the peace and freedom of which they had dreamed, the drill-shed and the labour-camp for the obedient, the concentration camp and the rubber truncheon for the recalcitrant. And this was a nation that had ranked high; yes, even led the world in science, philosophy, education, and well-organised industrialism. Now we find it turning its back on all that meant advance in the realms of thought—thought itself subject to the powers that be, religion persecuted lest it proved a conflicting loyalty, thus bringing soul, mind and body under the dictatorship of a narrow, materialistic and militaristic authority, suffered but not elected by the people.

And in Italy

But in Italy, land of music and art, surely there should be no sign of an inferiority complex? Yet, that is what all those sabre-rattlings amount to. It has been flung at the Italians that they are "no soldiers." In the Great War, they were told that their battalions were negligible.

Less civilised nations held them to be effeminate, because

divert the mind of the people from the tyranny of finance and the men who operate the tyranny, thirteen and a half million men, women and children of Britain are living in a state of semi-starvation; crushing taxation is driving other people to distraction; restrictive legislation is exasperating everyone; producers are not allowed to produce and traders are unable to distribute the goods that everybody wants. Poverty, insecurity, and the worry arising from them are driving people mad, causing them to commit crimes and often to take their own lives as the only means of escape. These conditions are the clearest proof that government in the heart of the Empire is neither by the people nor for the people, and they are also the clearest proof that the ideas put forward by Sir Josiah Stamp constitute the gravest menace to our future peace, comfort and security.

His attitude towards the abounding plenty of the world is equally alarming, but this must be deferred for reference next week. -

Yours faithfully,

BRUCE H BROWN

of those very things that were their glory, their high place in the arts. This land of sunshine and song, laughing vineyards and healthy peasants, the Mecca of all who loved culture, art and beauty—why, in heaven's name, should it aspire to be a vast arsenal? Why should the light foot desert the dance for the goose-step, desert the love-songs, the cradlesongs, and the poet's lyrics for the military band? Why, but to prove to the world that they are a nation of men. To be a man, it seems, one must be a potential murderer, a destroyer of happy homes, a curse and a blight.

Professor Portus, in a broadcast talk some months ago, quoted Signor Mussolini as having stated that warfare should be the ideal of a truly manly nation. The Professor confessed that he held this to be a "devilish" doctrine. We prefer

LATEST IN BLANKETS

An electric blanket has been developed by the General Electric Research Laboratories (according to the science correspondent of the "Christian Science Monitor"). Plugged into a household circuit, it obviates the necessity for any other form of bed covering, yet automatically keeps the sleeper warm regardless of temperature changes. It is not designed to give concentrated heat at any given point, and many safety features have been incorporated to make it a safe low-voltage device. Notable is the exceedingly pliable wire used as the heating element. It cannot get too hot, nor can a person receive an electrical shock from it. It will also be washable, and cost approximately two pence a night to operate.

to call it lunatic. That people should be born into this world for the sole purpose of ushering each other out of it is too silly for words. When such men as these dictators assume that to be a real man one must destroy and lay waste, and that security, culture, learning, peace and liberty are "feminine"—all I can say is that they pay a very high compliment to the other half of the world.

The Alternatives

What exalteth a nation? Prosperity, peace, security, first—naturally followed by justice, truth, mercy and loving kindness, the land blossoming like the rose, that fair messenger of God sent by Him to show us how we should behave ourselves, with the beauty of love, and the fragrance of good deeds—the laugh of happy children, the song of the contented worker, sure of the rewards of his toil—these things exalt a nation. But no, say the fanatic leaders of the deluded people; it is the scream of shrapnel, the crackle of the machine-gun—the harvest of blood, the fair land laid waste, the works of art destroyed; and while we await that, the military band and "Boots, boots, boots!"

Well, if it be so, we women have some consolation in not being men.

ELECTORAL CAMPAIGN NOTES

VICTORIA

National physical fitness is receiving a good deal of publicity in the press. British authorities are alarmed at the superior manpower the dictator countries of Europe have developed. The state of the British peoples' physical fitness to stand up to the ordeals of war is disturbing them. Fifty per cent of volunteers for military service have to be rejected on account of physical unfitness. It is this aspect that is forcing the authorities to take action in the matter. The aesthetic idea of cultivating health and strength to bring joy in living would never move the slave-owners to action. But when health and strength are necessary for the protection of the slave owners' "investments," they become a matter of importance. Another factor that brings national physical fitness within the sphere of immediate attention is the urgent need, as the powers-that-be see it, of controlling the vast army of unemployed youth, which is increasing in number each year. The mechanisation of industry has developed to such an extent that the bonds of employment can no longer be used to subjugate youth. A new method must be evolved, and, considering the likelihood of youth being required for gun-fodder, national physical fitness happily fills the bill.

By all means, let us encourage the national physical fitness idea. It is a phase of education allied to the leisure state. But youth must watch. Their future is being ordered—and not by themselves.

Considering the need of supplementing money-incomes derived from industry and the state of unrest in the world, it is not surprising to see armament building. But, here again, youth must watch: If cannon fodder is called for, youth will be it, not the grey heads and baldheads who are doing the planning. Every artifice is used to distract the average citizen, and especially youth, and from understanding the true reasons responsible for world unrest. The sport-fever (inane gambling, and spectator sportsmen) is blazoned by press and by radio; the nation's music has been perverted from thought-provoking melody to the morbid inertia of human caterwaulings and to the jungle discordants of mad "don't care a damn" given out by so-called musical instruments. Serious thought is discouraged, with the effect that the average citizen, including youth, is content to allow things to drift, and to leave affairs unchallenged in the hands of the powers-that-be. But the powers-that-be, with their "system," are being challenged—and defied. For many years, a coterie of financiers, by their "system," held the peoples of the civilised, and semi-civilised, world in bondage. Today the slaves are gradually awakening and rebelling—writhing and kicking-out (often unintelligently) within the crushing confines of the system. That is the meaning of the dictator States of Europe, of the Spanish debacle, of the struggle in Alberta, of Japan in China, of Brazil's behaviour, and of the nearness to revolution in the U.S.A. and France. It is the meaning of the armaments race. It is also the meaning of that undefined feeling stirring the individual of our own Australian community. It is the job of the Electoral Campaign to define that feeling for the individual, and help it to become articulate.

There is no need for a gun to be fired, for a single life to be endangered. The peoples of the world do not want to kill each other. Individually, you do not want to kill a fellow creature whom you have never seen, or have him kill, mutilate or gas

your son, relative or friend, as the case may be. Then, devote your every energy to the speeding up of the work of the Electoral Campaign. It will destroy the cause of world unrest, and thus prevent war. It is the key to freedom, the key that will cause the age-old chains of serfdom to fall and allow humanity to enter into an age of peace and plenty. The power to bring about this desirable state is latent in the people—and the People is You and I. The power we possess we invest Parliament with. Parliament exists to do our bidding. Tell it, through our parliamentary representatives, what we want, and it will have it brought about providing it is physically possible to do so. There is no room to doubt that we, as a people, want the wealth that we have produced distributed. Parliament will arrange that it be distributed if a majority of electors demand that. That is the work of the Electoral Campaign; to assist electors to instruct their parliamentary representative to carry to Parliament their orders that it distribute the abundance and end the criminal farce of poverty amidst plenty.

At present the distribution of the wealth we produce is restricted and manipulated by a coterie of private financiers. It is they, with their "system," who have held the world in bondage. It is their fight to retain control—that is the cause of world turmoil. The Electoral Campaign will order a complete and equitable distribution of production—a distribution that will not take from those who already have, but will give to those who have not. When Australia accomplishes this, her example will be followed by the world - - and PEACE will be in the world.

Free Publicity. —Good work is being accomplished by letters appearing in the press. Keep at it. Some disappointments at not having letters published are received. But they are creeping in, and enough of them reaching an editor certainly has an effect on the policy of a paper. Reform matter is not shunned so readily as it was at one time.

Eric Butler is reserving his report till next week, when he expects to have more definite arrangements to announce. He says Benalla has really wakened up. The Rev. L. Wilkinson's address has created a stir. And since, the Rev. Kennedy preached a forceful sermon on the objective of the Campaign. It is proposed to form an official group of the U.E.A. at Benalla. Eric will tell us, with what success, next week.

On With the Fight. —There has been a natural reaction among members since the elections, and the Christmas vacation has not helped to counteract the feeling. But this must not be allowed to continue. "Up an' at 'em," as Bill Adams said. Attack everyone you meet. Spread the idea of the Campaign. Take heart, it is getting into quarters little dreamed of. Head Office has definite evidence that that is so. You may not reap the reward of your sowing, but some other member will. While on the job, don't forget the matter of finance. A number of your friends are willing to contribute small amounts. Arrange a group from whom you can collect regularly. Don't forget the Home Meeting idea; or the Bridge Evenings. Group leaders should make a point of keeping in touch with their workers, and keeping them together, ready for any emergency.

Rev. L. Wilkinson's Address
The increasing demand for social reform and the spread of the Electoral Campaign idea is exemplified by the following extracts from the report (given great prominence) in the "Benalla Standard" of the Rev. L. Wilkinson

address to a substantial gathering in Benalla:—"In the course of his address Mr. Wilkinson said: 'No small part of the job of the Church is to make quite sure that the new social order that is emerging is going to be Christian. I think we will all be prepared to admit that practically the whole of the States of the world, with the exception of four, which have reached a new social order, are in a state of unstable equilibrium. We see tottering around us systems that have held sway for thousands of years. No man is adequately able to predict what the social system is going to be in ten years' time. We have been living under social machinery made for the age of scarcity, and it worked comparatively well when men had to fight against hunger and want; but now we are finding ourselves in a worse plight, and that in an age of plenty. I think we can see quite clearly that our social system is a pyramid of which the only sure stones are at the top. I stress the fact that practically all here tonight represent the upper ten of that pyramid. We represent the wealthy five per cent, of the community. It is hard to realise that fact. Nevertheless, it is literally true. More than half of the population of this State is in Melbourne, and the number of those living on wages in country towns is comparatively small. Over 70 per cent, of those who paid taxes last year earned less than £3 a week. Only 9 per cent, earned £5; or over three-quarters of the whole of the taxable income in Victoria was earned by less than one-eighth of the people. Thousands of people in Victoria are trying to maintain wives and families on less than £3 a week, and by the time rent is paid from the basic wage there is much less than £3. It simply cannot be done without moral and physical detriment to those concerned. A very large amount of the wealth of Victoria is unearned income. I have nothing to say against those who are living on the interest of careful savings. But there are twenty-two people in Victoria who have incomes of £150 a week, and almost all of them never do a tap of work. Don't you consider that it is enough to make men's blood boil when they know this and see children suffering from malnutrition or starving! We have got to realise that under the present social system it is possible for a man to have £150 a week only, while others starve. It surely means that the pyramid on which the social structure is built is collapsing. The happiness of the great majority of the people of Victoria is controlled by a ring of less than fifty men. You have twenty or thirty great concerns that can make or break this country, and they are governed by an interlocking directorate. Whether it be the Argus or the Broken Hill Proprietary or Electrolytic Zinc, you find the same few names running through business after business. The first principle that lies behind them is definitely and solely the security of shareholders. Some shares of one of these companies have already returned nearly 5000 per cent. There is never any suggestion that any of the huge reserves that have been built up will go to make for the security of employees. We had a case in this town of a man who had served the Government for fourteen years who had been left to the generosity of his fellow-employees to extend relief to his widow, and many of those employees were on the basic wage. The Government that man served for fourteen years did nothing whatever. That is bad enough, but in the majority of industries there is no permanency of employment except for the few key positions."

Mr. Wilkinson quoted from the official report of the Housing Commission. He cited among other things that of 7000 homes marked by the Commission only 1000 were fit for human habitation. Also the fact that the average income of each of the families was £3/1/9 a week. The smallness of the family income of father, mother and children, said Mr. Wilkinson, compelled people to live in the slums. No one would live there for choice. "Can you not see," he continued, "what I am driving at? How long is this sort of thing to go on? Can you picture anything more fit for a happy hunting ground for Communism? It is spreading through Melbourne street after street. The women are the brake on it at present; but the men are saying that there is nothing for them but a revolution. Quite frankly, if I didn't know a better road, and had to keep a wife and children on a couple of pounds a week, I'd go 'Red.' Make no mistake about it—there is a rising tide of Communism. There are things happening under this so-called wave of prosperity, and do you think they can be kept under when prosperity goes? I believe that this country will not stand another depression. I believe that unless some better way is found there will be a Communist uprising. I do not think it will be successful. It will be

where in a marked off space men were kept literally caged. It might be asked what they were doing there. They represent the "casual staff," and were kept there perhaps to do an hour's work, and they got about 20/- to 30/- a week in wages. That sort of thing was happening in all industries, and probably that was the fate of 10,000 men. They were casual workers, the result of a system that said, "We must make dividends. We must make business pay."

Turning for a moment to Benalla, Mr. Wilkinson said: "What about our own Central riding of the council? We are piling up a nice little balance. It is quite right that they should safeguard the ratepayers' money, but what about the fact that all the employees of the shire, except a few salaried officers, are casuals. If a wet day comes, or they are sick, their work and wages stop; yet these men are trying to maintain wives and bring up families. It might be right when councillors said that they could not finance things otherwise; but the fact is that this utter iniquity is going on in our midst. The result of this social system is a widespread lack of security, with conditions bordering close on to starvation, with children suffering from malnutrition or appalling housing conditions."

(Continued on next page.)

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(Continued from page 7.)

put down by armed force, and probably some form of Fascism will be established; but there is one thing certain, and it is that the present social order will go under, and when it does, I'd sooner live under Communism than Fascism. But frankly, I don't think Communism goes far enough; but I do think that the Christian social system does. I don't think Communism is sufficiently radical in its treatment of the problem. It is not nearly so radical as the Sermon on the Mount, if put into practice."

After interpolating several personal experiences, Mr. Wilkinson added: "We have got to decide what is the right way; what is the Christian way. *It is to make democracy real. If we could get men sent to Parliament who were pledged to abolish poverty, there would be no need for a Communist revolution. . . . We have to make members of Parliament realise that they must call in economic experts to solve the problem.*"

Mr. Wilkinson spoke at some length of the horrible conditions in the clothing trade, especially in factories controlled by certain Jews, where girls were being driven into prostitution because they could not earn enough by piecemeal to make a living.

After his address, Mr. Wilkinson answered many questions, which were invited by the chairman.

Mr. Lee asked for Mr. Wilkinson's view with regard to drink and gambling and the slums, and if there was any satisfactory way of dealing with them. Mr. Wilkinson, in his reply, mentioned that the names of some of those controlling the brewery combines were the same as those controlling certain mining companies, but he was confident that the intemperance of slum dwellers was more an effect than a cause. Some people were driven to drink and to gambling. "But," asked Mr. Wilkinson, "what would you do if you were down like they are? Personally, I'd even take to cocaine if I were forced into the same kind of existence."

In the course of a reply to a question as to whether the Church should interfere in matters of State, Mr. Wilkinson replied, "Whenever and wherever you get a small coterie of people in power, where the laws of a country are made by a few people, how in God's name can you call it a democracy? I firmly believe that there is no possible reconstruction of the social order other than by Christianity or Communism. It is for you to say which road to take. If you men would get together and get down to 'tin-tacks' you could bring about a social revolution in Benalla in six weeks."

Mr. Alan Russell declared that poverty was at the root of practically all crime. The first thing to do was to remove the root cause of evil. The "United Electors of Australia" believed that they could make democracy effective. The immediate problem that organisation was tackling was the abolition of poverty. It was no use wasting time year after year arguing about it. It could be begun at once. What they were asking was that every Member of Parliament should pledge himself to the campaign to abolish poverty. A change of life was needed, Mr. Russell added, but the people could not be happy when the majority of them were ground down by poverty. He urged those present to throw their weight in with the United Electors of Australia to abolish poverty.

One questioner asked Mr. Wilkinson if he did not think that decentralisation would kill the slums. Mr. Wilkinson replied: "How can you drag people out of the city to settle on the land? The whole tendency on modern life is against it. There is enough wealth in goods in Australia to provide every family

with the equivalent of £20 a week, yet, if you force people on to the land you are asking them to live on £2 or £3 a week. The opposite to decentralisation is the case in every part of the world."

SOUTH AUSTRALIA

The movement in South Australia is at the present time having a breather, and this has been necessary because of the large doses of prosperity dealt out by "Honest Joe," and until the gorged and prosperous members have had time to digest the feasts the peaceful conditions of Sleepy Hollow will obtain.

But, even in Sleepy Hollow, life is evident, for, to the keen watcher, the ants may be seen busily working with feverish energy, storing up food against the rain that soon is to come. And, similarly, the ants of this movement are ranging far from their nest into other walks of life, spying out prospects so that the worker ants may know where to go when the time comes. To those members, resting on their oars and drifting with the tide, a solemn warning is issued in these words:—

"Do not tarry longer. The responsibility resting on your shoulders is terrible, and, like our banker friends, inexorable when you neglect to play your part and reduce the overdraft of inactivity that you are piling up. Do not allow the financial press to be right in their prophecy of some years ago, when they said that the return of a succession of 'sound finance' Governments would abolish these crazy reformers and others who, in the depression, were suffering from their thriftlessness and over-indulgence in the good things of life beyond their means. Delay in once more shouldering your guns will make that prophecy seem true, and you may suffer all that is the alternative, if we are not successful."

Club Lunches. — The club has been in existence nearly four years, and during all that time "the women's auxiliary has been as regular and unbroken in its services to the lunchers as the income tax man is with his final notices, and only during the fortnight following the holidays has there been an opportunity to miss the excellent services of these ladies. The loss of their attendance was somewhat offset by the amusing sight of Mr. Allen, as the breadwinner or go-getter of lunches. To those who know C.H.A., the sight of him leaping up the stairs four at a time, with his hungry look hungrier, if possible; loaves of bread, packets of cheese, bags of tomatoes, bottles of milk, etc., peering out of their wrappings, and seeming to say, "I am like the Christmas goose—I am now for it." In the dining-room, Mr. Hergstrom, Mr. Curnow, Mr. Goode, Mr. Munyard, Mr. Langsford, Mr. Ryan, Mr. Dalwood, and another waited in expectancy, occupying themselves in the various ways suited to their personalities, but dominant through all was the savage look of the hungry man. Charlie Allen hailed as a saviour! His foodstuffs pounced upon! Not cut up, mind you, but torn and broken. Yes, they missed the ladies, but C.H.A. saw that they did not miss their lunch, and all that worried the Director of Finance was the profit on the lunch that was lost. However, this is expected to be filched from the members in the very near future. All this has happened because Mrs. Brock, who, with others, has so capably arranged things all this time, happened to report too sick for duty. It is hoped that she will soon be on deck again.

The Councillors Meet. — On Thursday, January 20, the Council met and discussed various aspects of the movement's policy. Considerable discussion took place, and the Council received a full report of the activities of the Organising Secretary, particularly in regard to the interest being taken in the Abolition of Poverty by the reverend gentlemen. The council agreed that the outcome of this latter phase of

WHAT OF SOUTH AMERICA?

(Condensed from "Fortune.")

Among the generality of citizens of the U.S. the opinion still holds that South America is only a secondhand America played by a foreign road company with hand-me-down props on a provincial stage. But to certain observers, including the editors of *Fortune*, it is apparent that South America now forms an integral part of the economic and political pattern of the Northern Hemisphere; that it is now closer to us than any other sizeable slab of land on the surface of the habitable globe; and that South American developments are of increasing importance to the United States.

This belief rests on three facts: First, the development of air travel; second, the rise of industrialism in South America, which is changing the South American Republics from economic dominions of Northern Powers to possible economic competitors; third, the raw material and market aspirations of Germany and Italy in South America.

The second significant fact is that the whole South American continent is definitely moving toward industrial self-sufficiency. This is something the Northern nations, and particularly the U.S., cannot ignore.

Down to the World War the South American Republics fitted into the economy of the Northern Hemisphere as a cow fits into the dairy. Their natural resources were exploited and their national aspirations were ignored. Each Republic had its European uses, and those uses were in every case summed up in the names of raw materials: Bolivia was tin; Brazil, sugar, coffee, rubber; Chile was nitrates and copper; Ecuador, cacao; Venezuela and Colombia, coffee and petroleum. As the milk cows of the nineteenth century capitalism, the South American Republics bought their manufactured goods—their shoes, their clothing, their steam engines—from the nations, which relieved them of their copper and wheat.

The Change Since the War

Since the war this situation has changed. Beginning early in the '30's, economic nationalism became orthodox south of Panama. Tariffs went up, subsidies went in. And the principal South American Republics began to change with disconcerting rapidity. Brazil became self-sufficient in all textiles save linens. It produced not only shoes and rubber goods, electric appliances, radios, glass and paint, but 60 per cent, of its wrappings and writing paper, and much of its cement and structural steel. Argentina, the agricultural nation which had exported cattle and wheat to buy shirts and shoes, quintupled its spindles between 1930 and 1936, manufactured all its requirements of shoes and woollen piece goods, and most of its cement and tyres. Chilean glassware drove U.S. glass out of Peru.

Thus the advanced South American Republics have become potential competitors of the U.S.-European system. In addition, there has been in South America a marked diffusion of income in the past 20 years, with a corresponding encouragement of industrialisation.

The third fact supporting the belief that South America is now an important element in the political and economic problems of the Northern Hemisphere is that in South America lies the road by which the Fascist dictatorships of Europe will most probably attempt to advance.

organizational work would be tremendous if the gentlemen referred to were prepared to accept personal responsibility. It is believed that they will, and hoped that by their doing so truth and righteousness will blossom once more in this decayed old world sooner than would otherwise be the case.

Answer to a Dictator's Prayer

South America is the answer to a dictator's prayer. It takes time and capital to build colonies, and the Fascist dictators have neither. What Hitler and Mussolini need desperately is the combination of developed and easily accessible raw materials and existing markets which will enable their countries to go on playing the old game of buying the other man's oil and selling him back the gas. They need that combination moreover where it can be reached by political manoeuvres. Only in South America is such a combination accessible on such terms.

The *coup d'etat* in Brazil on November 10 gives confirmation to this thesis. South America, and particularly Brazil, now lies between the United States and the Fascist powers of Europe, and may well be the stage upon which the United States and the Fascist powers will meet. Further confirmation was given by Mussolini's journalistic mouthpiece, *Virgilio Gayda*, when he named Brazil as a country ripe for membership in the new Holy Alliance of Japan, Germany and Italy "against Communism."

There is every reason to believe that, should those South Americans who hate Fascism attempt to defend themselves against it, Italy and Germany, and conceivably even Japan, would do in South America what Italy and Germany have done in Spain. If munitions or troops from Italy, Germany or Japan were introduced into South America to support Fascist dictatorships, the United States could not fail to be involved.

External Repercussions

These facts are viewed with concern in high places in our own Government. Only one South American Republic (Colombia) can properly be described today as a constitutional democracy. In others dictatorial government runs all the way from mild deviations in Chile, through interference with elections in Argentina and Peru, the suppression of the Opposition party in Uruguay, the setting aside of civil rights in Brazil, to the open military dictatorship of Ecuador. At the last, Buenos Aires Inter-American Conference, President Roosevelt delivered to the representatives of these dictatorial countries a passionate defence of "the democratic form of constitutional representative Government." This was not a bit of naiveté on the President's part. Mr. Roosevelt was merely saying, as explicitly as possible, that the European attack upon democratic institutions *threatened South America*, and that the U.S. knew it.

Mr. Hull has been even more explicit. In a communication to the Senate Naval Affairs Committee, the Secretary of State gave "weighty reasons" why the Senate should authorise the President to lease six over-age destroyers to Brazil. The first was the desire that such aid should come from this Government, rather than from some foreign Government. To this argument Mr. Hull added a significant corollary: "The desire on the part of some nations for access to raw materials, and the forceful action taken by those nations to consummate these desires has made Brazil, a country of vast territory and relatively small population, particularly apprehensive."

The factual evidence for the proposition that the Fascist Dictators of Europe have their eyes on South America is weighty enough to show that Mr. Hull and Mr. Roosevelt were not seeing things under the bed. The trade drive of the Nazi regime in South America far excels anything previously attempted by Germany, and its results have been impressive. With the aid of barter arrangements and secret export subsidies, the Nazi last year

pushed the United States out of first place as an exporter to Brazil and Chile and in 1935 supplanted Great Britain in second place (after the U.S.) in Colombia, Ecuador, Peru, Venezuela.

A Trade and "Cultural" Offensive—and the "Goose Step" in Chile

The Nazi trade offensive in South America is more than trade rivalry. It is a "cultural offensive." It consists in part of the control of German nationals in South American Republics. General Goering recently warned foreign nations that they must get used to the idea that their German immigrants were first, last and always-German subjects, who would engage in "organised activity" as such. This language reads oddly in the U.S., where millions of Germans have long been considered loyal citizens.

But where North Americans are merely astonished at this, South Americans are reminded of more disturbing facts. They are reminded that the Brazilian Government has had to intervene in certain German colonies in Brazil to compel the teaching of the Brazilian mother tongue in the schools. They are reminded that Chilean citizens of German blood are already goose-stepped by Nazi missionaries; that Brazilian Germans are supervised by Nazi agents; that German and Italian professors are supplied, free of charge, to schools and universities. In addition, German and Italian propaganda offices continually dangle before their South American nationals those theories of "racial affinity" which pass for economics in the Fascist universe. And throughout South America the National Socialist Party keeps its own agents, over and above the regular Embassies.

Fascist and Nazi Propaganda Methods

Furthermore, Rome and Berlin are spraying daily propaganda broadcasts over the Amazon and Andes, the German stations employing not only German, but Spanish and Portuguese as well.

The result is what might be expected of countries in which the notion of dictatorship is not altogether strange. In this atmosphere it is not strange that Fascist parties have multiplied. The green-shirted Integralists in Brazil now number over 500,000, and the Nacistas (Nazis) in Chile are numerous.

These and similar parties adopt the now familiar tactics of their European prototypes. They begin by discovering the inevitable "Communist menace" which is so curiously visible to Fascist chiefs in any corner of the world (though actually negligible in South America), and upon that discovery they build their propaganda.

Future Attitude of United States Public

Thus the recent course of events in South America shows that the United States cannot avoid participation in the defence of democratic institutions against Fascism by pretending that Fascism is a European affair. Sooner or later the American public will recognise that the disturbed state of Europe, war in Asia, and the industrial and political changes in the South American Republics all combine to make South America the natural objective of U.S. concern. When the American public makes that discovery, the intensity of U.S. interest in South America will more than make up for the apathy of the past century.

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[In the U.S.A., as in Australia and other so-called democracies, a dictatorship exists which, though unobtrusive, is more effective and ruthless than political dictatorship—the Master-Dictatorship of Finance. "When the American public makes that discovery, the intensity of U.S. interest in North America will more than make up for the apathy of the past century."]

Ed., N.T.]